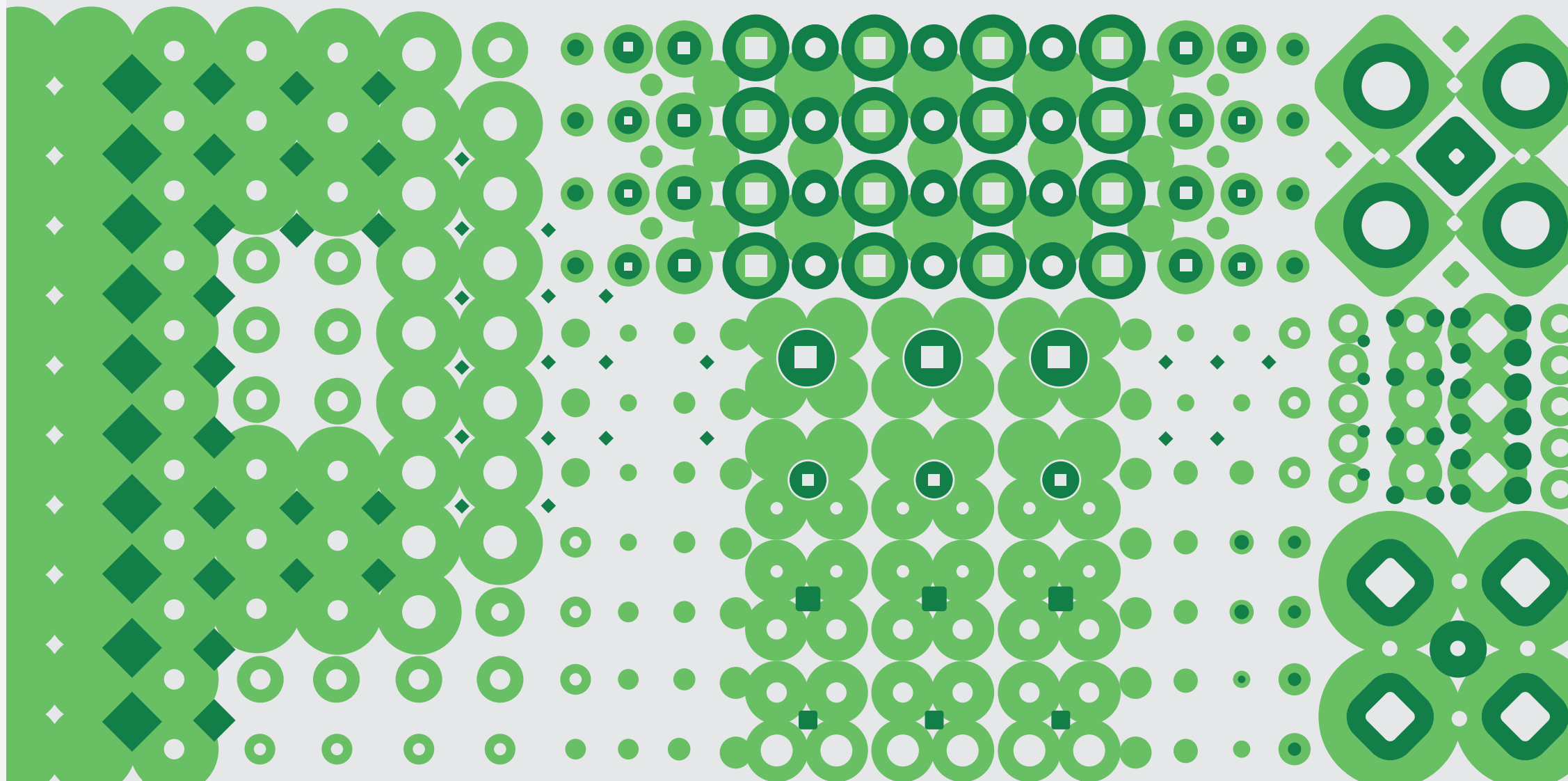


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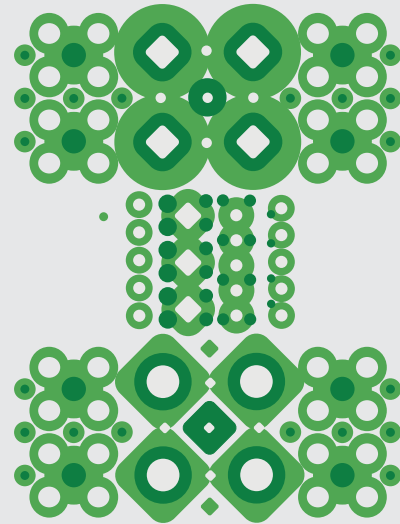


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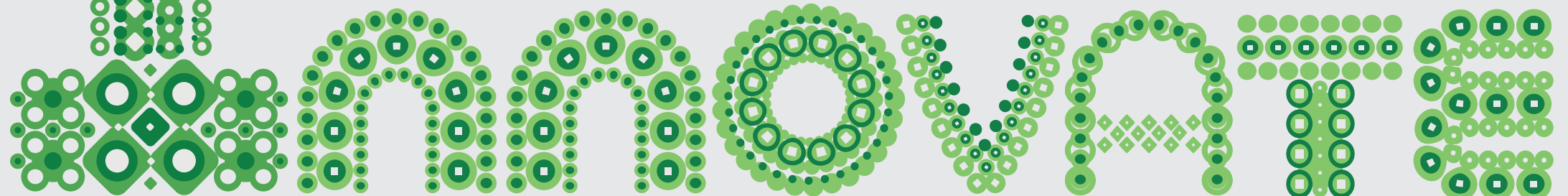
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ESG REPORT **2022**



**Powertech Technology Inc.**

### INNOVATION

The touchstone for facing uncertainties and overcoming obstacles,  
The insight for daring assumptions and careful verification,  
And the results of taking real actions to make ideas come true.

PTI transforms innovation into wings to take flight.  
We bravely pursue our dreams and empower a diverse range of technologies.  
We connect with each other to create a better future.  
Let us create new paths to sustainability one step at a time.





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0.1 About the Report

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"2022 Powertech Technology Inc. ESG Report" (hereinafter referred to as "the Report") is compiled and edited by the "Sustainability Management Office" of Powertech Technology Inc. (hereinafter referred to as "PTI" or "PTI Taiwan"). Its contents fully disclose the policy, system, and implementation outcome of PTI Sustainability Management guidelines of "One Core: Corporate Governance" and "Six Dimensions: Shareholder's Equity, Customer Service, Supply Chain Partnership, Employee Welfare, Social Engagement, and Environmental Protection." It also encompasses the stakeholder's concerns over material topics and information concerning economic, environmental, and people (including human rights) dimensions.

### Reporting Period and Publication

The Report discloses PTI's various ESG implementation results and performance in 2022 (January 1 to December 31, 2022). PTI regularly publishes the ESG Report each year.  
 Current Version: Published in June 2023  
 Previous Version: Published in June 2022  
 Next Version: Scheduled to be published in June 2024

### Reporting Scope

The report mainly discloses PTI and the subsidiaries listed in the consolidated financial report. The PTI group subsidiaries include Powertech Technology (Suzhou) Ltd., Powertech Semiconductor (Xi'an) Co., Ltd., Greatek Electronics Inc., TeraPower Technology Inc., Powertech Technology Japan Ltd. and Tera Probe, Inc.  
 The management directions and data disclosed herein are mainly about Powertech Technology Inc. (PTI). The employee structure analysis encompasses Powertech Technology (Suzhou) Ltd. (PTI Suzhou), and Powertech Semiconductor (Xi'an) Co., Ltd. (PTI Xi'an). Data from Greatek Electronics Inc. (GTK), TeraPower Technology Inc. (TPW), Powertech Technology Japan Ltd. (PTI Japan), and Tera Probe, Inc. (TPJ) are limited to the employee statistics of PTI Group.







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## Reporting Management

### • Report Writing Guidelines and Principles

#### Non-financial information

Standards

- GRI Standards of the Global Reporting Initiative.
- Task Force on Climate-Related Financial Disclosures (TCFD) framework.
- Semiconductors Sustainability Accounting Standard 2018 of the Sustainability Accounting Standards Board (SASB).

The disclosure of information in the Report is also consistent with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" and the United Nations Sustainable Development Goals (SDGs).

#### Financial Data

Certificated by Deloitte, in NTD.

The Report (Traditional Chinese version) for salary information of full-time employees in non-executive positions has been certified by Deloitte. The "Salary Information of Full-Time Employees in Non-Executive Positions Form" can be found in the appendix of the report (Traditional Chinese version).

#### Management System

- ISO 14001, ISO 45001, ISO 50001, SA 8000, IECQ QC 080000, ISO / IEC 27001 certified by SGS Taiwan Ltd.
- ISO 37001 was certified by BSI.
- ISO 9001, IATF 16949, ISO 13485 were all certified by DQS Taiwan Inc.
- Taiwan Intellectual Property Management System (TIPS) certified by the Industrial Development Bureau of the Ministry of Economic Affairs.

### • Report Writing and Quality Management Process

Compilation	Members of the Sustainable Development Implementation Team	Provide sustainability data and materials.
	Supervisor of the members of the Sustainable Development Implementation Team	<ul style="list-style-type: none"><li>▪ Confirm the annual practices and review performance of each unit's sustainable operations.</li><li>▪ Review completion and accuracy of all the data and materials</li></ul>
Editing	Sustainability Management Office	<ul style="list-style-type: none"><li>▪ Overall planning.</li><li>▪ Define the main theme and contents of the report.</li><li>▪ Edit and revise.</li><li>▪ The arrangement of thirdparty certification and assurance.</li></ul>
Review	External: Thirdparty Certification Organizations	<p>The Report adopted a double certification approach, and it was guaranteed/certified by a third party.</p> <ul style="list-style-type: none"><li>▪ The Report has been through a Type II High-Level Certification conducted by the British Standards Institution (BSI) in accordance with AA1000AS v3 Type 2 assurance standard. The Assurance statements can be found in the appendix of this report.</li><li>▪ The Report has been through Limited Assurance by PwC Taiwan in accordance with the Assurance Standard No. 1 "Assurance Engagement of Examinations or Audits of Non-historical Financial Information," issued by the Accounting Research and Development Foundation. The assurance report can be found in the appendix of this report.</li></ul>
Finalization	Sustainable Development Management Representative	Approve the report and submit it to the Board of Directors.

### • Feedback

The Report is published both in Chinese and English and it is open to stakeholders for review on the Powertech Technology Inc. website. If you have any feedback, advice, or suggestion regarding this Report, please feel free to contact us.

**Sustainability  
Management Office,  
Powertech Technology Inc.**

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Telephone: +886-3-598-0300 ext. 338926  
Email: [csr@pti.com.tw](mailto:csr@pti.com.tw)  
Website: [www.pti.com.tw](http://www.pti.com.tw)

(The photographs presented in the report are taken from the PTI events or photography competitions.)



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## 0.2 Management's Statement

GRI 2-22

The global economy continues to be affected by inflation, the Russo-Ukrainian War, disputes between United States and China, and cross-strait tensions. As a result, the overall market demand for semiconductor products fell quickly in the second half of 2022. As companies lower their inventories, the semiconductor industry now faces the most severe challenges in the past two decades. However, PTI has delivered the best performance in the company's history thanks to the support and hard work of our suppliers, customer, and employees.

In response to the global changes, PTI has implemented cost control and adjusted capital expenditures. We also reviewed the production process to improve the product portfolio, continue innovation, and accelerate the R&D and manufacturing of advanced packaging and higher-order logic products. As we pursue the operating performance, we also focus on investments and implementation for sustainable development and continue to enhance our actions and disclosure of ESG (environmental, social and governance) information. We review the short, medium and long-term plans for ESG and related key indicators to pursue stable and sustainable development.

- In terms of the environment, PTI pays close attention to climate change issues and uses the Task Force on Climate-Related Financial Disclosures (TCFD) framework to identify the risks and opportunities brought forth by climate change. We also implemented renewable energy installation projects and reduced carbon emissions by setting up solar energy storage facilities in the plant and purchasing renewable energy certificates to attain the goal of net zero emissions by 2050.
- In terms of the society, PTI uses the Responsible Business Alliance (RBA) Code of Conduct to create a friendly work environment of diversity, equity and inclusion, and actively supports industry-academia collaboration to develop outstanding talents for the semiconductor industry. The PTI Education Foundation also strengthens social care by sponsoring education resources for remote rural areas and disadvantaged students to support social inclusion and prosperity with real actions.
- In terms of governance, we continue to strengthen governance capabilities and we cooperate with customers by adjusting the production capacity to respond to changes and help customers and partners reduce their inventories as quickly as possible. We also continue to invest in innovative R&D to enhance the Company's influence for sustainable development and develop more environmentally friendly advanced packaging processes with lower power consumption.

"Sustainable development" is PTI's mission and the Company's core competitiveness. In the future, we shall continue to integrate the resources of the Group to expand our influence with partners in different sectors. We shall enhance our own performance and work with partners to build up the capacity for sustainable development.







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#### PTI's Short, Medium and Long Term ESG Plans

PTI takes into account the importance of ESG and has developed short, medium, and long-term plans to contribute for the better future.

##### Short-Term Plan for 2023

- Complete the installation of solar PV equipment on the rooftops of plants and purchase Renewable Energy Certificates from renewable energy suppliers.
- Reduce electricity consumption by 1%.
- Reduce carbon emissions by 1%.
- Attain 85% water recycling system effectiveness from the dicing/grinding process.
- Attain 40% in waste recycling.
- Obtain cleaner production certification.

##### Mid and Long-Term Plan (2024-2026)

- Continue to pay attention to climate change as well as global warming, and actively support environmental protection initiatives.
- Increase the use of renewable energy to 3% by 2025.
- Reduce carbon emissions to 3% by 2025.
- Increase the proportion of water recycling and expand the effectiveness of resources.

- Employ the required full number of persons with physical and mental disabilities and increase the hiring rate of disadvantaged groups.
- Participate in the Commonwealth Sustainability events to promote ESG and sustainable development.
- Implement the ISO 28000 supply chain safety management system and pass certification.
- Materialize youth empowerment through Gap of Learning and Field (GOLF) to enhance the connection between the industry and schools.
- Implement RBA VAP audits and attain at least 180 points (low risk) in the audit results.

- Complete risk identification of climate change, business continuity, information safety, environmental hazards, operational safety, and labor rights; and report to the Risk Management Committee.
- Implement ISO 37001 anti-bribery management system and completed anti-bribery risk assessment, internal audit and annual external audit.
- Mass production of FOPLP and start to provide FO on wafer certification.
- Implement 100% annual ethics training for all employees.
- Selected as the constituent stocks of the Social Responsibility Index (Taiwan Employment Creation 99 Index, Taiwan Corporate Governance 100 Index, Taiwan Sustainability Index (TWNSI), FTSE4Good TIP Taiwan ESG Index)



Environmental



Social



Governance

## SHORT, MEDIUM AND LONG TERM PLANS



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## 0.3 2022 Accomplishments



### Taiwan Top 100 Best-Performing Business Leaders

PTI Chairman D.K. Tsai was selected by Harvard Business Review (HBR) as one of the Taiwan Top 100 Best-Performing Business Leaders in 2022.

### Awarded 6 awards in the "TCSA Taiwan Corporate Sustainability Awards"

- Taiwan Top 100 Sustainability Award
- Platinum Sustainability Report
- Best Performance of Specific Categories - Information Security Leadership Award
- Best Performance of Specific Categories - Innovation and Growth Leadership Award
- Best Performance of Specific Categories - Transparency and Integrity Leadership Award
- Best Performance of Specific Categories - Talent Development Leadership Award



### Received the "Excellence in Corporate Social Responsibility Top 100"

## Awards and Recognition





# The Pride of PTI

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#### Selected as the constituent stocks of the Social Responsibility Index

- Taiwan Employment Creation 99 Index
- Taiwan Corporate Governance 100 Index
- Taiwan Sustainability Index (TWNSI)
- FTSE4Good TIP Taiwan ESG Index



#### Factory of Choice Award (FOC) of the Responsible Business Alliance (RBA)

- Hukou Plant (P2), Datong Plant (3A, 3C, and 3D)



#### Honored with the “2022 Health Management Award for Outstanding Workplace Health”

From the Health Promotion Administration of the Ministry of Health and Welfare



#### Received “Occupational Safety and Health (OSH) Excel- lence Award”

From the Occupational Safety and Health Administration, Ministry of Labor





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TECHNOLOGY INC.**

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### Sustainability DNA

**From CSR to ESG,  
Companies must be more accountable and take on  
more missions.  
PTI continues to invest in environmental protection,  
social inclusion, and corporate governance.  
We leverage the powers of the people and jointly  
create a better future.**





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#### Sustainability DNA



#### Fine Partners from the Philippines

Migrants are an indispensable source of labor in major industries including here at PTI. As of 2022, PTI Taiwan had 2,838 migrant workers who account for approximately one quarter of the workforce of the headquarters in Taiwan. They play key roles in Taiwan's economic development but their labor rights are often overlooked. Therefore, PTI is committed to creating a workplace of diversity, equity, and inclusion and leads the industry in implementing a zero-payment and direct hiring policy to eliminate bad practices in the migrant worker job market as well as exploitation and unfair treatment. PTI also conducted a comprehensive review of the workplace and living environment of migrant workers to create smooth communication channels and friendly measures for taking care of pregnant employees and those giving birth. After years of implementation, PTI has effectively eliminated forced labor and restrictions on freedom of movement support migrant workers in Taiwan. To implement the United Nations Guiding Principles on Business and Human Rights (UNGPs) and National Action Plan on Business & Human Rights, PTI expanded two measures in 2022 including career development of mid-level foreign technical talents and freedom to choose their residences to make real progress for the rights of migrant workers.



#### PTI's Support for the Rights of Migrant Workers

##### 2015

No charge for migrant workers with recruitment/placement fees borne by the employer.

##### 2016

Implemented overseas direct hiring to recruit talents with local governments in the Philippines.

##### 2017

Created a "Worker Journey Map" with risk identification to prevent forced/bonded labor.

##### 2018

Implemented domestic direct hiring to open up diverse recruitment channels.

##### 2019

Implemented pregnancy care mechanisms to protect the rights and interests of migrant workers.

##### 2020

Hired the first Filipino dedicated management specialist for employee care to meet migrant workers' needs with communication in their mother languages.

##### 2021

Suspended foreign worker recruitment due to the pandemic with 100% direct hiring rate for migrant workers.

##### 2022

- Implemented the "career development for foreign intermediate skilled talents".
- Provided migrant workers with the freedom to choose their residences.





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### Implemented No Charge for Migrant Workers and Direct Hiring

PTI has implemented the "No Charge for Migrant Workers" policy since 2015 to eliminate risks of bonded labor and remove all fees for migrant workers in the recruitment process. In 2016, we added sponsorship for migrant workers' medical examination and application fees in Taiwan in accordance with RBA Code of Conduct. PTI became the first to implement the direct hiring policy to reduce the risks of human rights violations in the recruitment process. The policy includes "renewal of employment upon the expiry of the contract" and "direct hiring in Taiwan and overseas". These measures significantly reduce the potential risks of bonded labor and exploitation in the hiring process and reduces the time and expenses for recruitment. As a result of the pandemic in the last two years, PTI adopted direct hiring in Taiwan. We used the official Facebook page "PTI Taiwan" to announce recruitment information and help migrant workers transfer employers in Taiwan. In 2022, we organized 40 direct hiring activities in Taiwan and hired 202 employees.

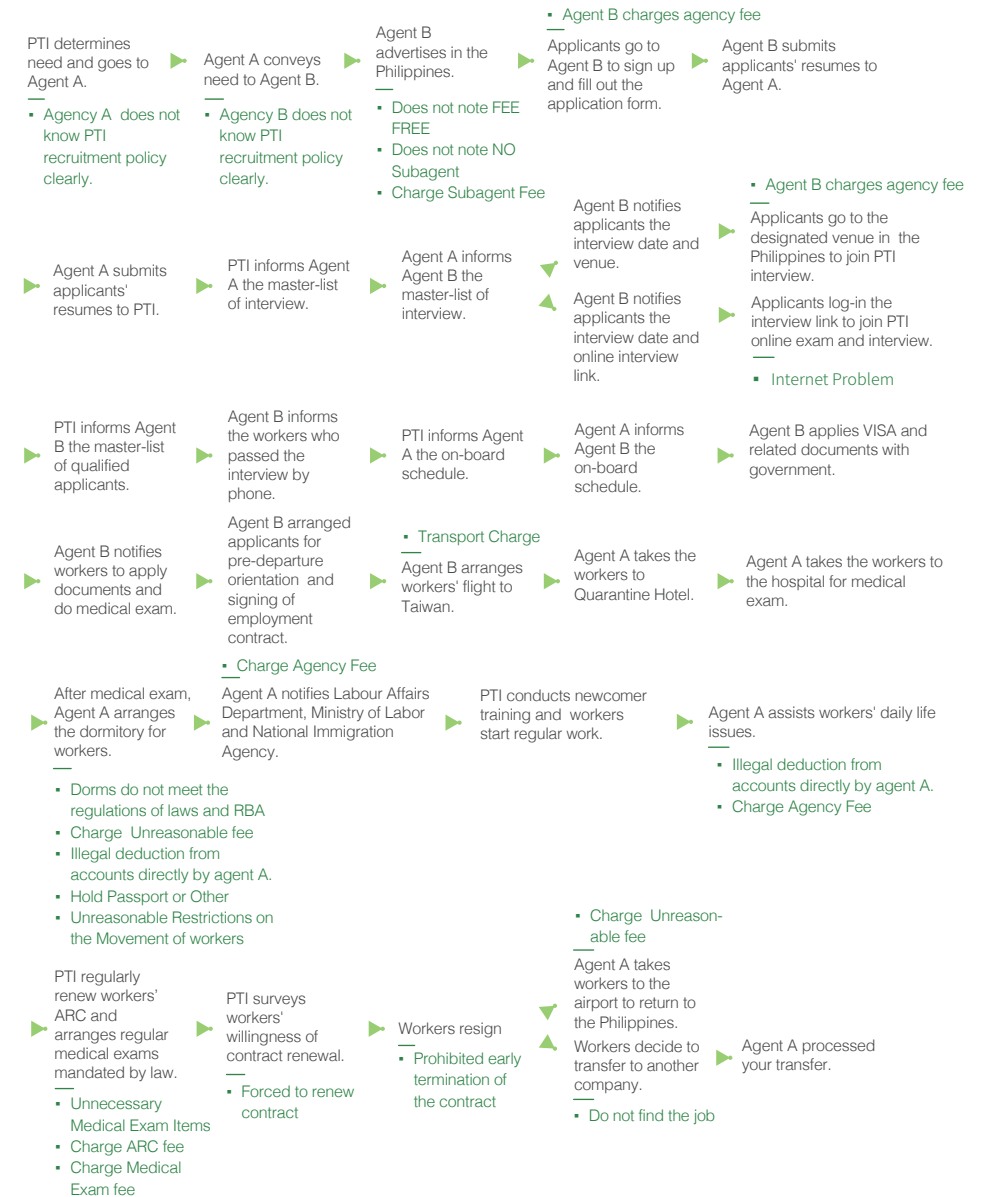


### Systematic Identification of Recruitment Risks - Worker Journey Map

To protect migrant workers from any illegal forced or bonded labor from their job application process to working in Taiwan and leaving the job or Taiwan, PTI has voluntarily implemented the "Worker Journey Map" identification procedures and reviewed results each year since 2017. By reviewing the hiring process and conducting one-on-one interviews with migrant workers, we identified every part of the process that may affect human rights and established comprehensive early-warning mechanisms and management measures to ensure that migrant workers are not required to pay unnecessary expenses and that they are hired based on their own free will. Our aim is to ensure that all migrant workers can work and live under conditions that meet human rights standards.

(Worker journey map of worker hiring through overseas agency as an example)

### 2022 Migrant Worker Journey Map - Overseas Agency







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#### Expansion of Migrant Worker Career Development - Retention of Foreign Intermediate Skilled Talents

To resolve the shortage of talents and retain skilled migrant workers with a certain level of experience in Taiwan, the government launched the "Long-term Retention of Skilled Foreign Workers Program" in April 2022 to resolve the problem posed by the maximum number of years of service in Taiwan. It also provides migrant workers with opportunities to achieve breakthroughs in the workplace and earn a higher income. PTI began implementing the project in 2022 and promoted senior migrant workers to mid-level technical personnel.

##### My Journey as Intermediate Skilled Talent

Catherine has worked at PTI for 8 years. She recently became PTI's first intermediate skilled talent through the government's "Long-term Retention of Skilled Foreign Workers Program" and shared her work experience:

"My name is Catherine. I started working at PTI in 2015 and I had worked as a quality control specialist in the Packing Quality Management Department until 2022 when PTI offered me a unique work opportunity. It changed my career and helped me understand the Company's dedication to talent management. As Taiwan enters a new era of immigration, employers can apply for mid-level technical talent status for experienced workers. PTI thoughtfully provided me with an opportunity for changing my role and make the most of my prior knowledge and work experience. In addition, as I am from the Philippines, I can communicate in my mother language with other migrant workers to ensure smooth communication in the workplace. In addition, I have more opportunities to participate in new work projects and training courses which enhanced the skills I need for my new role. I have worked happily and adapted to my work in PTI. I am very grateful to my supervisor and colleagues. I could not have achieved what I have today without the opportunity and help they provided. I am truly grateful to PTI for helping me expand my career development."



#### Respect Migrant Workers' Freedom to Choose Their Residences

As more foreigners move to Taiwan, migrant workers have brought more diverse values instead of creating problems. PTI supports the rights and interests of migrant workers. In addition to providing them with a stable income, we also prepared a secure living environment for migrant workers who left their home countries to work in Taiwan. We provide dormitories that are safe, sanitary, comfortable, and do not have access restrictions to allow workers to enter and leave freely around the clock. We also assigned professional dormitory management personnel to help them with their needs. To provide additional protection of the rights of migrant workers and protect people's right to freedom of movement enshrined in the Constitution, PTI ended old regulations, and implemented a policy to allow migrant workers to choose whether they wish to live in the Company's dormitory or find lodgings outside. We fully respect employees' decisions. By the end of 2022, 43% of foreign migrant workers rented out, which demonstrated the results for ensuring their freedom of movement.

PTI has always been committed to creating a workplace of diversity, equity, and inclusion. We aim to become a leader in human rights protection and we will continue to monitor migrant worker issues to help more migrant workers work and live in Taiwan and increase the diversity of Taiwanese society.







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#### Sustainability DNA

#### Campus Activities PTI Talent Development Plan

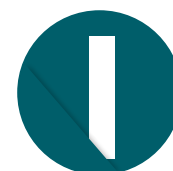
According to the article "Extreme Labor Shortage! 52,000 Companies Fight for Talents with Record High 988,000 Job Openings" published by 104 Job Bank, the number of job seekers for every job opportunity in the employment market fell from 0.79 persons in 2020 to 0.48 persons in 2022, which shows that companies will only find talent recruitment to be more difficult in the future. PTI implements in-depth campus activities to resolve this issue and starts talent development ahead of schedule by activating the "PTI three steps" for youth empowerment.



**Promotion**  
Promotion of Science  
Education on semiconductor  
packaging and testing with  
online and offline courses.



**Talent**  
Establishment of  
semiconductor packaging  
talent cultivation base for  
advance talent cultivation.



**Internship**  
Offer diverse internship  
opportunities and retain  
talents ahead of time.

#### Three Steps for Youth Empowerment

#### Step 1: Promotion of Science Education on Semiconductor Packaging and Testing with Online and Offline Courses.

In 2022, PTI established the "Semiconductor Digital Academy" in the Gap of Learning and Field (GOLF) Platform and provided 8 online learning courses. They were open for registration by college students and 285 people have registered for the courses as of the end of the year. PTI also supported 104 Career Academy's "Talent Optimization Program" (TOP) to reduce the gap between students' studies in school and the needs of the industry and provided semiconductor courses in National Cheng Kung University and National Chung Cheng University.

To help students learn more about the semiconductor industry and PTI, we used the courses in the GOLF Semiconductor Digital Academy and invited students to complete online studies to gain a basic understanding of the semiconductor industry supply chain. The instructors then helped the students learn about the importance of semiconductors to the international community, their applications, and the important roles played by PTI in the supply chain. The instructors also provided information on the career development in the semiconductor packaging industry and provided case studies and exercises for students to experience the actual work. We invited PTI employees who had been promoted from interns to share the internship program with students, encourage students to step outside their comfort zone into the industry and explore their career development opportunities.

“The instructors helped me learn about the semiconductor packaging industry, PTI, and sales work with explanations that were easy to understand.”

“The information they provided on the internship program made me want to start an internship at PTI this summer!”

According to the feedback provided by the students after the courses, they have learned more about the semiconductor industry and became interested in exploring possibilities in the semiconductor packaging industry.

**52**

Number of  
Trainees

National  
Cheng Kung University

School

National  
Chung Cheng University

College of Social Sciences

**32**

Number of  
Trainees

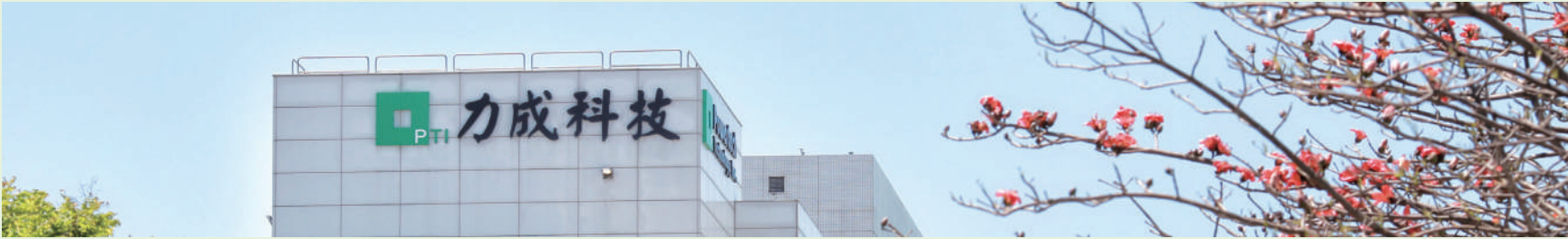


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#### Step 2: Establishment of Semiconductor Packaging Talent Cultivation Base for Advance Talent Cultivation

To cultivate talents for the Company, PTI provided semiconductor packaging courses on campus and worked with Minghsin University of Science and Technology on setting up a semiconductor packaging production line. We donated 9 packaging machines for students to learn about semiconductor packaging during their time in school and familiarize themselves with machines used for work and help the school train semiconductor packaging talents. PTI and Minghsin University of Science and Technology also worked together on many industry-academia talent development programs including the “Graduates Employment and License Training” “Semiconductor Industry Talent Empowerment Program” and “Industry-Academia Partnership Courses” to recruit outstanding talents on campus ahead of schedule.

Plan/Target	Content	Number of People
 <b>Graduates Employment and License Training</b> Science and Engineering Graduates	<p>We adopted the talent cultivation model of “Interview and Training Before Onboarding” and appointed the Semiconductor School in Minghsin University of Science and Technology to train students to increase the graduates' skills for operating packaging machines.</p> <p>PTI appointed the Semiconductor School in Minghsin University of Science and Technology to provide explanation and actual operations regarding the defects that often occur in the packaging process. The experts from the Industry, government, and academia help interns improve their skills for problem analysis and solving.</p>	10
 <b>Semiconductor Industry Talent Empowerment Program</b> Senior Students	<p>PTI cooperated with the Department of Electronics from the Semiconductor School in Minghsin University of Science and Technology for class of 2+2N Industry-Academic Partnership Courses, long-term joint efforts to cultivate packaging and testing talents. We also arrange internship and employment for students in the second year.</p>	10
 <b>Industry-Academia Partnership Courses</b> High School Graduates		19



#### Step 3: Offer Diverse Internship Opportunities to Retain Talents Ahead of Time

“Industry-Academia Internship Programs” have always been an important source of talents for PTI. We continuously encourage units to promote interns and complete talent recruitment ahead of schedule. Also, we use the mentorship system to help interns quickly adapt to the workplace environment. In 2022, we worked with universities and colleges including Yunlin University of Science and Technology, Minghsin University of Science and Technology, and Chien Hsin University of Science and Technology and recruited 63 interns for openings in production, equipments and plant operations. We also provide students with retention bonuses and invite interns who were promoted to full-time employees to share what they learned in PTI to create a positive reputation for the internship program. PTI will continue to establish long-term and stable industry-academic cooperation models to increase the talent pool and reduce the future impact of the reduced birth rate and labor shortages.





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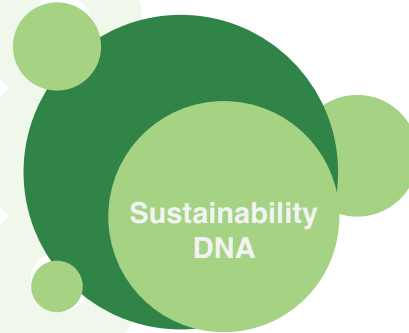
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## Blueprint for the Net Zero Future

### Taiwan's Pathway to Net-Zero Emissions in 2050

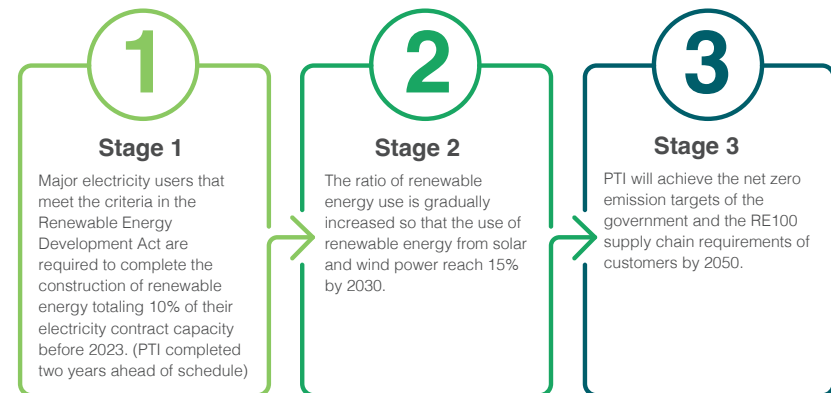
There is a pressing need for addressing climate change in the international community. In March 2022, the Taiwanese government published "Taiwan's Pathway to Net-Zero Emissions in 2050", which provides the path and actions necessary to achieve net zero emissions. To accelerate the transition to net zero emissions by 2050, Taiwan also passed the "Climate Change Response Act."

### Customer Requirements for the Use of Renewable Energy in the Supply Chain

In response to the declarations and actions taken by the international community for achieving net zero by 2050, more and more companies have joined the RE100 initiative (commitment to use 100% renewable energy) and required their supply chains to set targets for using renewable energy. PTI set up renewable energy equipments and purchased renewable energy in accordance with government requirements in 2022. We also actively drafted plans for the use of renewable energy to satisfy customer demand in the RE100 supply chain.

### PTI Renewable Energy Roadmap and Current Implementation Status

The plans for using renewable energy are mainly implemented in the three following stages based on the development of the renewable energy industry:







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### Set up Renewable Energy Equipments

PTI set up solar panels in the plants to produce zero-carbon renewable energy. It is expected to generate 3 million kWh of electricity in 2023. In terms of renewable energy purchased from external sources, we have signed renewable energy supply contracts with suppliers and will continue to purchase to renewable energy in 2023.

The Company plans to use approximately 7.5 million kWh of renewable energy each year starting from 2023 (self-generated for self-use), which will reduce the carbon emissions from the use of electricity and meet the 1% carbon reduction target. We will also commence stage 2 renewable energy usage in 2023.

#### Actions in 2022

##### Solar Power Equipments Installation

- Complete solar power construction design and planning, contracting, construction, and metered power delivery.
- Obtained the approval from the Bureau of Energy for renewable energy equipments.

##### Purchase of Renewable Energy Certificates

- Completed and obtained the purchase of renewable energy certificates.
- Added the amount of renewable energy transferred by renewable energy suppliers.

#### Solar Power Equipment in Each Plant



Datong Plant (3A/B/C)



Datong Plant (3D)



Wenhua Plant 1 (P9)



Xinxing Plant (P10)

### Progress for Achieving Net-Zero Emissions

#### Scope 1



##### Direct GHG Emissions

- Reduce emissions in the production process.
- Gradually replace company vehicles with electric vehicles.

#### Scope 2



##### Indirect GHG Emissions (Energy Input)

###### Electricity Consumption

Use renewable energy.

Increase the efficiency of energy use.

- Implemented 84 energy conservation measures including improvement of the energy efficiency of equipment with high energy consumption and replacement of old equipments.
- All the factories obtained ISO 50001 Energy Management System certification.
- Green Building
- Hsinchu Science Park Plant 3 (Plant 11 B) was recognized as the certified level of Green Building.

#### Scope 3



##### Indirect GHG emissions(Value Chain)

###### Energy used in raw material production, related upstream activities, and transportation.

- Communicated the importance of energy conservation and carbon reduction to suppliers in 2022 PTI Supplier Forum.
- Require suppliers to implement ISO 14064-1 external certification of greenhouse gas emissions and set carbon reduction targets.

To ensure environmental sustainability, PTI will continue to monitor climate change topics and increase the ratio of renewable energy and do our best to achieve the goal of zero emissions by 2050.



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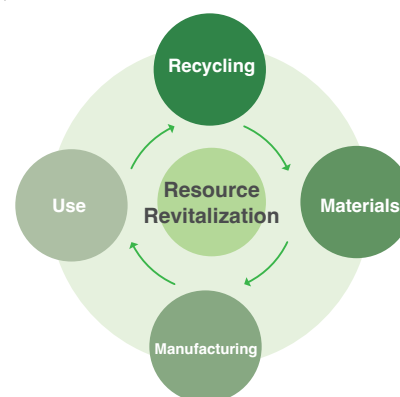
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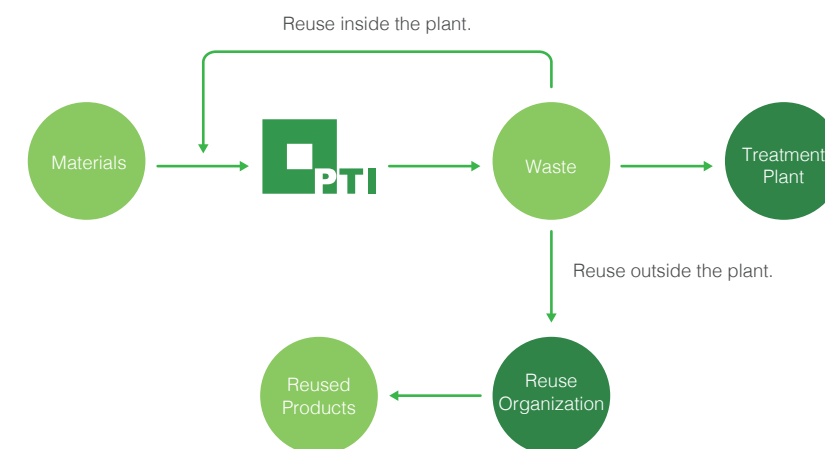
## Promote Resource Revitalization and Reuse

In response to global sustainable development trends, resource revitalization has become an important waste management strategy for companies. PTI is committed to reducing waste at the source and incorporating the principles for reducing the waste of resources and increasing recycling and reuse into operations so that the "misplaced resources" in the form of waste can be effectively reused as materials to increase resource efficiency, enhance environmental protection, and reduce the cost of production. PTI actively promote waste management and "resource revitalization" and planned the reuse inside and outside plants to work with the suppliers of materials and waste disposal companies on the potential methods and items for resource revitalization.



## Resource Revitalization Both Inside and Outside Plants

In response to the limited nature of resources, PTI strives to increase the resource utilization efficiency inside and outside plants. We actively use recycling in lieu of the existing disposal process to turn waste to be discarded into useful resources and protect the environment.



\*Materials for other industries.



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## Re-use Inside Plants

### Re-use of Trays:

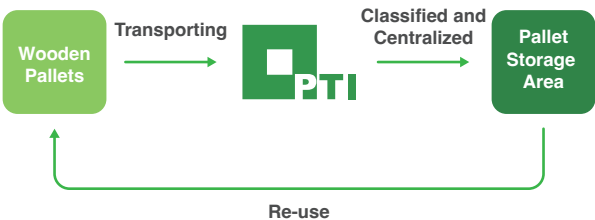
Using recycled trays can reduce the use of new products and create a recycling system so that disposable packaging materials that were intended to be used once can be reused and effectively reduce the use of plastic products.

PTI Taiwan's Use of Plastic Trays

Item	2021	2022
Recycled plastic trays	3,165,330	3,030,416
Brand-new plastic trays	8,020,154	7,271,459
Ratio of recycled plastic trays used	28.3%	29.4%

### Wooden Pallets:

We examine the appearance of the wooden pallets used for the transportation of goods. If there is no damage and the structure is intact, we will deliver the wooden pallets to the warehousing units and raw material suppliers for transportation based on the specifications. It increases the re-use of wooden pallets and reduces the purchase of wooden pallets.



## Re-use Outside Plants

### Waste Molding Glue:

The waste molding glue in the scrap materials from the manufacturing process consists mainly of silicon dioxide. It is characterized by its high hardness, low water absorption and heat resistance, and it can replace natural granules. PTI works with suppliers to crush and mix compressed plastic with cement to make reusable products (e.g., pavement blocks, hollow blocks, grass bricks, and pervious concrete tiles). In 2022, we re-used 189.16 metric tons of waste molding glue.

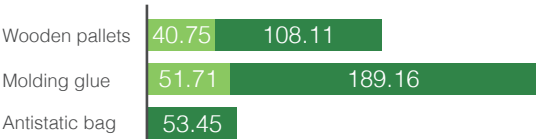
### Waste Packaging Materials:

The packaging materials for electronic components inside the plant are mostly plastic with high calorific value. PTI appoints companies to crush the packaging materials to produce solid recovered fuel (SRF) for use as auxiliary fuel in the rotary kilns of the cement industry, furnaces of the steel industry, or regular boilers. SRF is also a biomass fuel that can reduce greenhouse gas emissions. The number of antistatic bags used in 2022 totaled 53.45 metric tons.

### Waste Sludge:

We have actively developed new projects for reusing resources. PTI specializes in the semiconductor packaging process and its wastewater treatment produces sludge with high silica content. We dry, chemically synthesize, acidify and filter the sludge to produce recycled materials such as silica, silicon carbide and sodium metasilicate. They are widely used in paints, building materials (epoxy/waterproof paint/calcium silicate board), and rubber products. In 2022, we started a pilot program with manufacturers to reuse sludge.

### Statistics on Outsourced Waste Recycling and Re-use



● 2021   ● 2022   \*Unit: Ton

\*Statistics on outsourced waste recycling and reuse were compiled starting from 2021.

### Waste Recycling in the Most Recent Years

Category	Unit	Treatment Method	2020	2021	2022
General Waste	Ton	Incineration	1,288.03	1,265.45	1,032.91
Recycling of Resources		Recycling for Re-utilization	1,011.20	1,034.64	1,064.11
Recycling Rate			44.0%	45.0%	50.7%





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**POWERTECH  
TECHNOLOGY INC.**

**2022 ESG REPORT**

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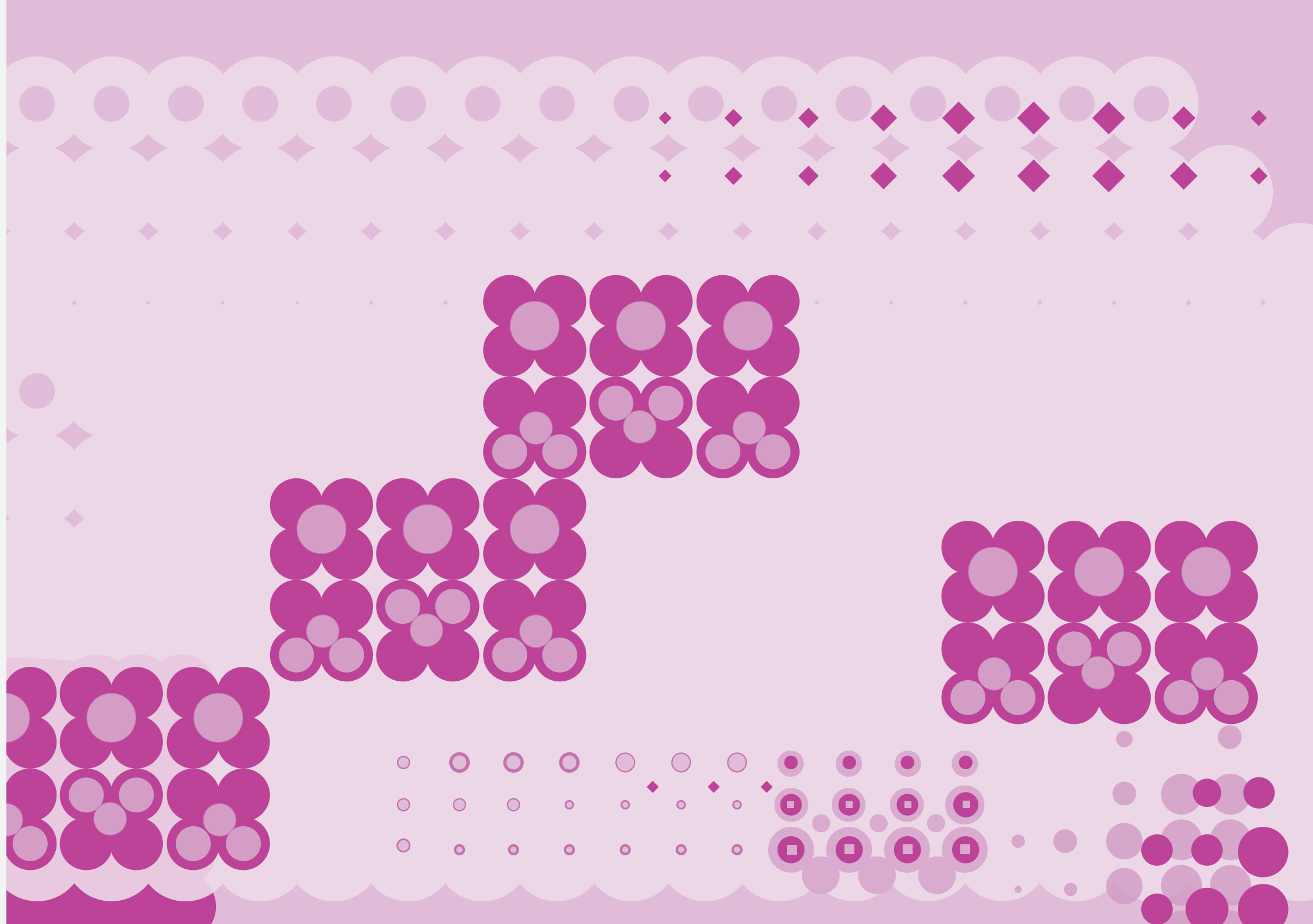
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## Sustainable Management

### 1.1 About PTI

GRI 2-1 GRI 2-6

Since PTI was founded in 1997, we have continuously pursued technological breakthrough in semiconductor packaging and testing and we have worked with stakeholders including employees, shareholders, customers, suppliers and communities to fulfill our responsibilities as a corporate citizen. Since our humble beginnings with just over 200 employees, we have grown from a little-known tin-roofed rental plant to 21 modern plants globally with operations in Taiwan, China and Japan after more than 2 decades of hard work. We provide the most reliable quality and service through advanced technologies and world-class plants to gain the trust of our clients worldwide. PTI has 19,466 employees to date (as of December 2022). With the concerted efforts of all employees, PTI is now the world's No. 1 in memory OSAT (Outsourced Semiconductor Assembly and Testing) and a full-service company in the semiconductor packaging and testing industry.

2022 marked PTI's 25th anniversary and it filled with challenges and opportunities. The theme of the report this year is "Power to Innovate" and it details PTI's path to sustainability. Due to the expansion of semiconductor applications, we are filled with excitement and high expectations for the future development of the industry. PTI will continue to work hard and make improvements in the economic, environmental, and social aspects and create a sustainable and prosperous future with stakeholders. (Please refer to [www.pti.com.tw](http://www.pti.com.tw) for more information about PTI.)

#### Vision

To be the world's No.1 OSATs in technology, quality, and service

#### 2025 and post 2025

▶ PTI will become a world-leading company in packaging and testing technology and will continue to enhance its services and technologies.

#### 2016-2024

▶ To embrace future global developments in advanced technologies such as artificial intelligence, 5G communication, metaverse, IoT and high performance computing, we have focused on the R&D of advanced packaging and testing technologies to continue to expand our R&D structure and focus on the basic needs of the Company such as expanding the sources of talents and enhancing information protection and information security.

#### 2005-2015

▶ Taking advantage of the existing quality and service, PTI has transformed into a technology-driven company with R&D capability. We have invested considerable resources in building our R&D engineering team and equipment.

#### 1997-2005

▶ PTI was just a simple manufacturing plant, focusing on product quality, on-time delivery, cost control, and customer service satisfaction. We believe that quality is the foundation of everything because good, reliable quality is the key to customer retention.

#### Production and Marketing Policy

- Provide turn-key and drop-shipment services to customers to reduce cycle time and save on transportation costs.
- Increase revenue from Commodity DRAM, Mobile DRAM, NAND Flash and Logic products.
- Continue developing Logic business and expediting the technology development of Flip-Chip, SSD, wafer-level packaging, CP and panel-level fan-out advanced IC packaging technology.
- Develop new customers, new markets and new products; in the meantime, maintain the existing customers.
- Continue to conduct activities for cost control and fully utilize and integrate resources to improve our competitive advantages.

#### PTI Milestones

1997

PowerTech Technology Inc. was founded.

1999

Mr. DK Tsai assumed the position of chairperson.

2000

Established Hsinpu Plant (P1).

2003

Established Hukou Plant (P2).

2004

Became listed on the Taiwan Stock Exchange (TWSE), with stock code 6239

2006

Established Datong Plant (3A).

2008

Established "TeraPower Technology Inc." in joint venture with Tera Probe Inc.

2009

Established Powertech Technology (Suzhou) Ltd.

2010

Established Hsinchu Science Park Plant 1 (P8)

2012

Acquired Greatek Electronics Inc.





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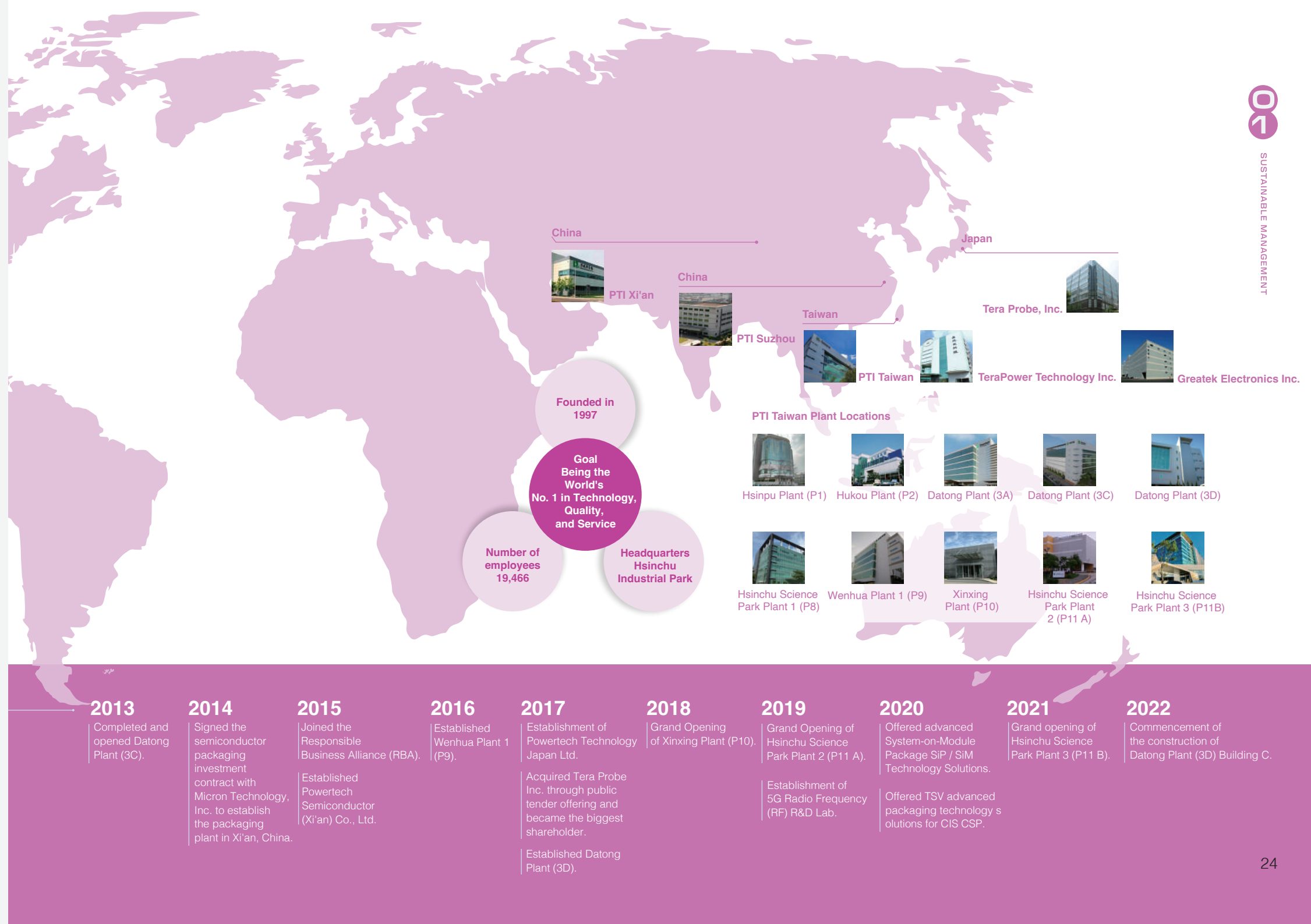
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#### Sustainable Management

## 1.2 Core Values and Corporate Sustainable Development Policies

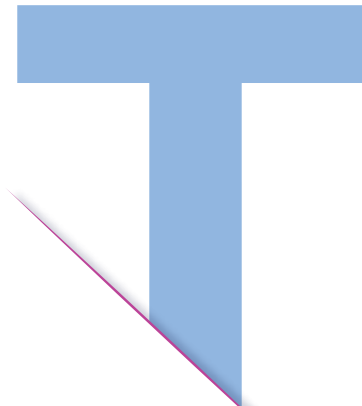
GRI 2-22

PTI's core values of sustainability are "Promise, Technology, and Integration", and we have developed our Sustainability Policy in this way. We are committed to integrating corporate sustainability with our core business. With the Board of Directors as the highest level of sustainability governance, PTI adopts a top-down approach to sustainability governance and materializes sustainable management, as well as the goal of economic, social, and environmental development.



#### Promise

We promise to conduct business in a socially responsible and environmentally sustainable manner.



#### Technology

We develop advanced technology to create a sustainable future for business, society and environment.



#### Integration

We integrate the interests of all stakeholders to ensure sustained and mutually rewarding relationships





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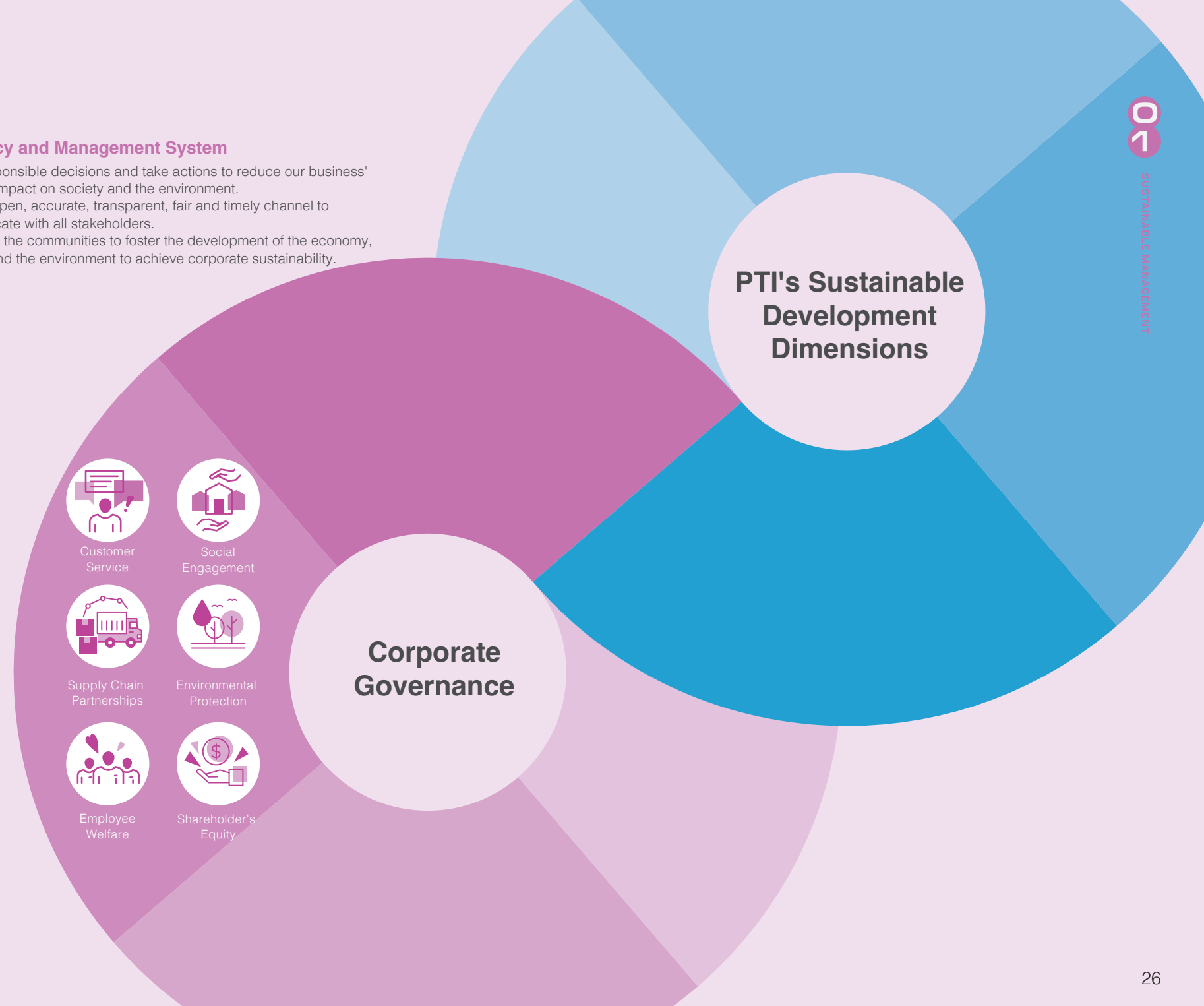
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#### 1.2.1 Policy and Management System

- Make responsible decisions and take actions to reduce our business' negative impact on society and the environment.
- Build an open, accurate, transparent, fair and timely channel to communicate with all stakeholders.
- Engage in the communities to foster the development of the economy, society, and the environment to achieve corporate sustainability.





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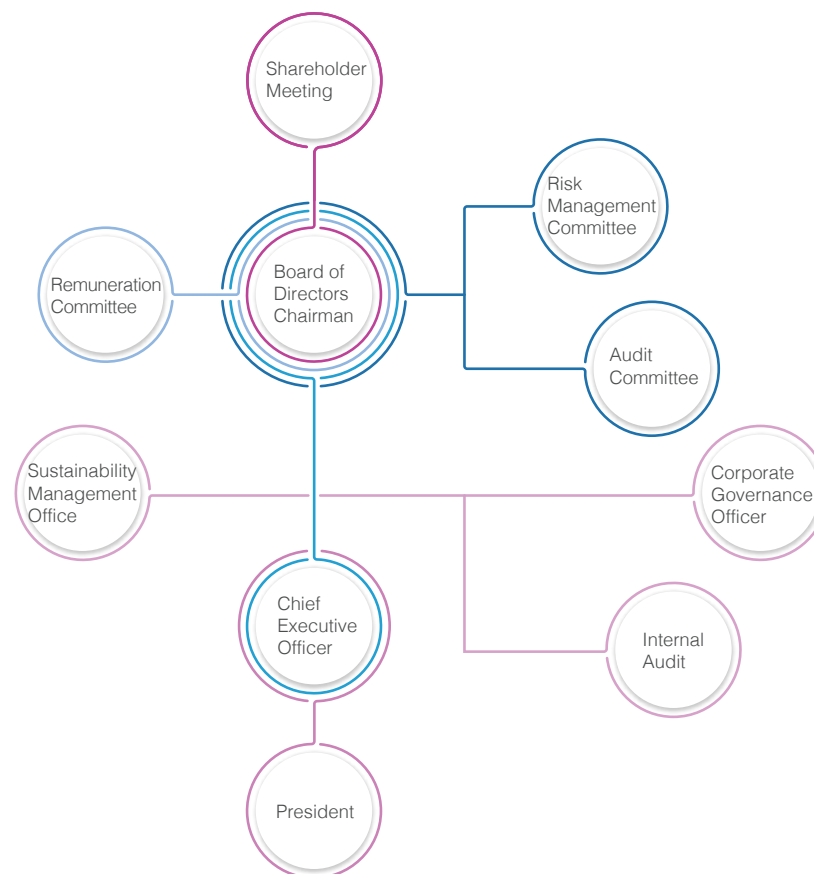
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#### 1.2.2 Promote Corporate Sustainability Development

##### ▪ Established “Sustainability Management Office”

In order to advance economic, social, and environmental sustainability, and strengthen the competitive advantages of the company, PTI set up the “Corporate Social Responsibility Office” on August 1, 2014 (it was renamed Sustainability Management Office in 2022). The Sustainability Management Office takes charge of stipulating policies and systems, introducing and implementing related management policies, which directly reports to the Board of Directors yearly on the ESG strategy and implementation efficacy.

##### ▪ Organizational Structure of the Sustainability Management Office

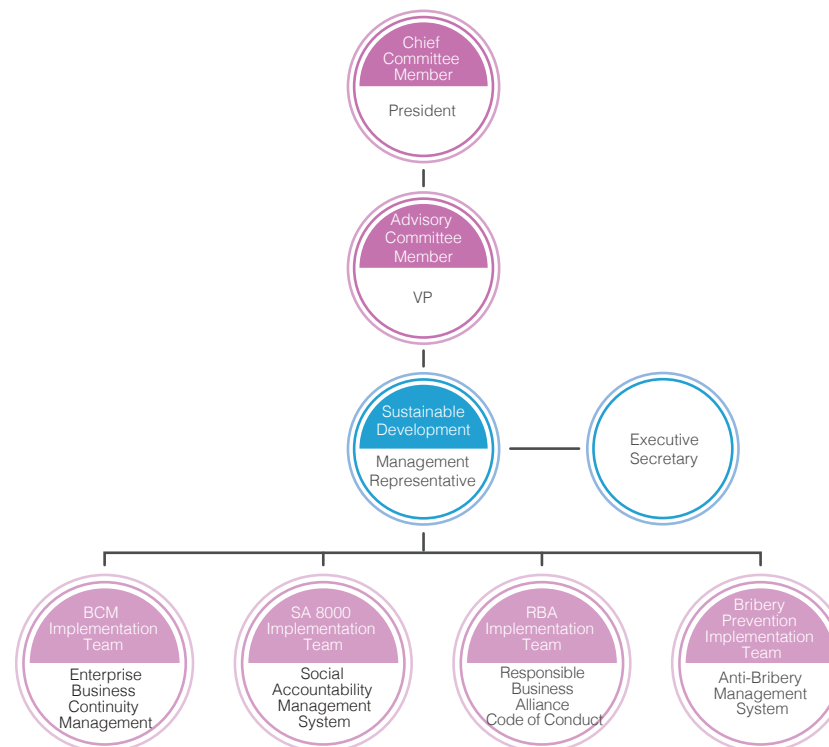


##### ▪ Established the “ESG Committee”

PTI established the Corporate Social Responsibility Committee in January 2016 (renamed ESG Committee in 2022) with 4 subcommittees: the RBA (Responsible Business Alliance) Implementation Team, the SA 8000 (Social Accountability Management System) Implementation Team, the BCM (Business Continuity Management) Implementation Team and the Bribery Prevention Implementation Team. The relevant management representative is the convener, and the Regulatory Compliance Department serves as the executive secretary to help promote sustainable development policies and objectives and to communicate and discuss issues of concern with various stakeholders including shareholders, customers, suppliers, employees, government, NPOs, communities, and the media.

To ensure the implementation of sustainable development related projects, 4 ESG Committee meetings (2022/01/28, 2022/04/29, 2022/07/22, and 2022/10/21) were held in 2022. The main topics of the meetings include sustainable development management system, project execution progress, management review, as well as external verification and audit.

##### ▪ Organizational Structure of the “ESG Committee”







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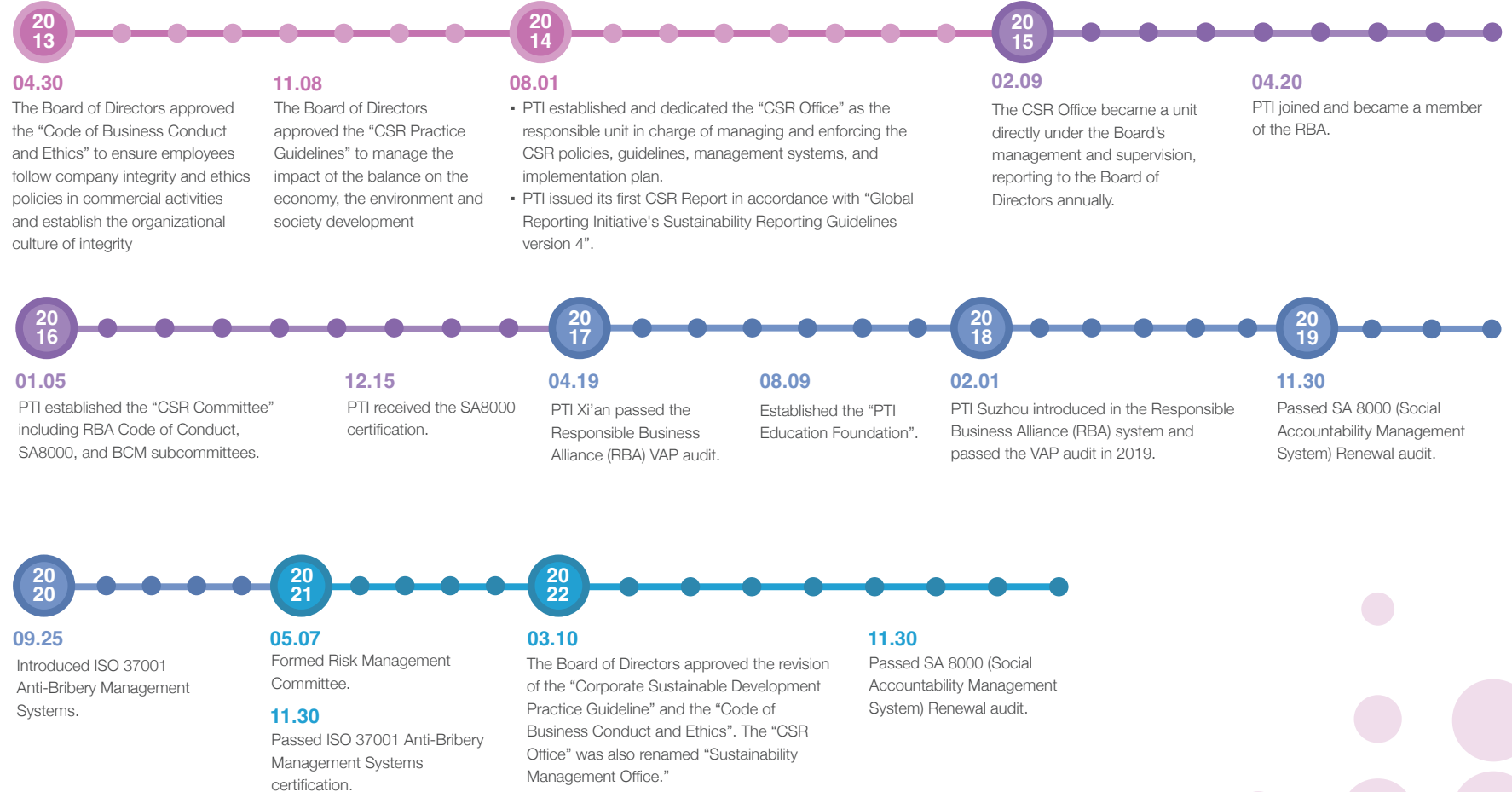
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#### 1.2.3 Corporate Sustainable Development and Implementation

PTI's active implementation of sustainable development:







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## Sustainable Management

# 1.3 Stakeholder Communication and Engagement

GRI 2-16 GRI 2-29

During the process of realizing sustainability, PTI values the stakeholders' expectations and needs by listening to and collecting the feedback of everyone. We actively maintain positive and smooth communication with stakeholders through diverse communication channels to provide transparent, timely, and comprehensive information on issues of concern to stakeholders. For details, please refer to "8.7 Social Media Communication Platform."

### 1.3.1 Stakeholder Identification

PTI "Sustainability Management Office" has formed the "Sustainable Development Task Force" with personnel from relevant departments, including finance, procurement, occupational safety, plant management, human resources, quality, intellectual property, sales, and research and development to identify stakeholders based on the 5 major principles of the AA1000 SES Stakeholder Engagement Standard. After a review was conducted based on the groups or individuals that may be affected by PTI's operations or concerned with the company's sustainable development performance, 6 categories of stakeholder groups remained: shareholders/investors, employees, customers, suppliers, government agencies, and communities.







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#### 1.3.2 Stakeholder Communication

##### Shareholders/ Investors

###### Issues of Concern

- Business Performance
- Risk Management
- Ethical Management
- Regulatory Compliance
- Technology and Service
- Corporate Governance

###### Means and Frequency of Communication

- Shareholder Meetings (annually)
- Public Financial Reports (quarterly)
- Investor Conferences (quarterly)
- Spokesperson and Investor Relations Department (as needed)
- Company Website (as needed)

##### Importance to PTI

The support of our shareholders and investors is a steady source of capital for PTI and the driving force behind the Company's continuous improvement of sustainable governance.

##### Communities

###### Issues of Concern

- Pollution Prevention
- Water Management
- Industry-Academia
- Community Participation

###### Means and Frequency of Communication

- Company Website (as needed)
- Contact Person from the Plant Engineering Department (as needed)
- Courses and Visits (as needed)

##### Importance to PTI

PTI interacts with various communities to understand their needs and actively integrate resources to continuously give back to society to the best of our ability, thereby enhancing our positive influence on society.

##### Government Agencies

###### Issues of Concern

- Regulatory Compliance
- Corporate Governance
- Ethical Management
- Labor Rights
- Occupational Health and Safety
- Pollution Prevention
- Water Management
- Climate Change
- Energy Management
- GHG Emissions

###### Means and Frequency of Communication

- Official Letters and Emails (as needed)
- Advocacy Meetings and Hearings by the Authorities (as needed)
- Issuing Official Letters (as needed)

##### Importance to PTI

PTI complies with government regulations and vigorously cooperates with policy implementation, where collaboration and interaction with the government are achieved through transparent communication.

##### Employees

###### Issues of Concern

- Employee Communication
- Occupational Health and Safety
- Career Development
- Labor Rights
- Talent Recruitment and Retention
- Personal Information Protection

###### Means and Frequency of Communication

- Employee Welfare Committee (quarterly)
- E-Platforms and Company Announcements (as needed)
- Policy Improvement Proposals (as needed)
- Labor-Management Meetings (quarterly)
- Employee Mailbox (permanent)
- Occupational Safety And Health Committee (quarterly)
- Employee Psychological Counseling (as needed)
- PTI Journal (quarterly)

##### Importance to PTI

Employees are the most important asset of PTI. We create a friendly work environment and care about our employees, enabling them to unleash their full potential and grow together with the Company.

##### Customers

###### Issues of Concern

- Technology and Service
- Intellectual Property Management
- Risk Management
- Ethical Management
- Supply Chain Partnerships
- Green Products
- Climate Change
- Customer Service

###### Means and Frequency of Communication

- Business Meetings (as needed)
- Customer Satisfaction Survey (annually)
- Customer Complaint System (as needed)
- Customer Audit (annually)

##### Importance to PTI

PTI pays close attention to customers' needs and continues to provide high-quality services to help clients meet targets, and achieve mutual growth.

##### Suppliers

###### Issues of Concern

- Supply Chain Partnerships
- Risk Management
- Ethical Management
- Conflict Minerals
- Procurement Policy

###### Means and Frequency of Communication

- Supplier Meetings (as needed)
- Supplier Audit (quarterly)
- Supplier Assessment (annually)
- Supplier Social Responsibility Forum (annually)

##### Importance to PTI

Suppliers are PTI's most important partners for production and services. We continue to enhance and intensify partnerships to attain sustainable management models.





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## Sustainable Management

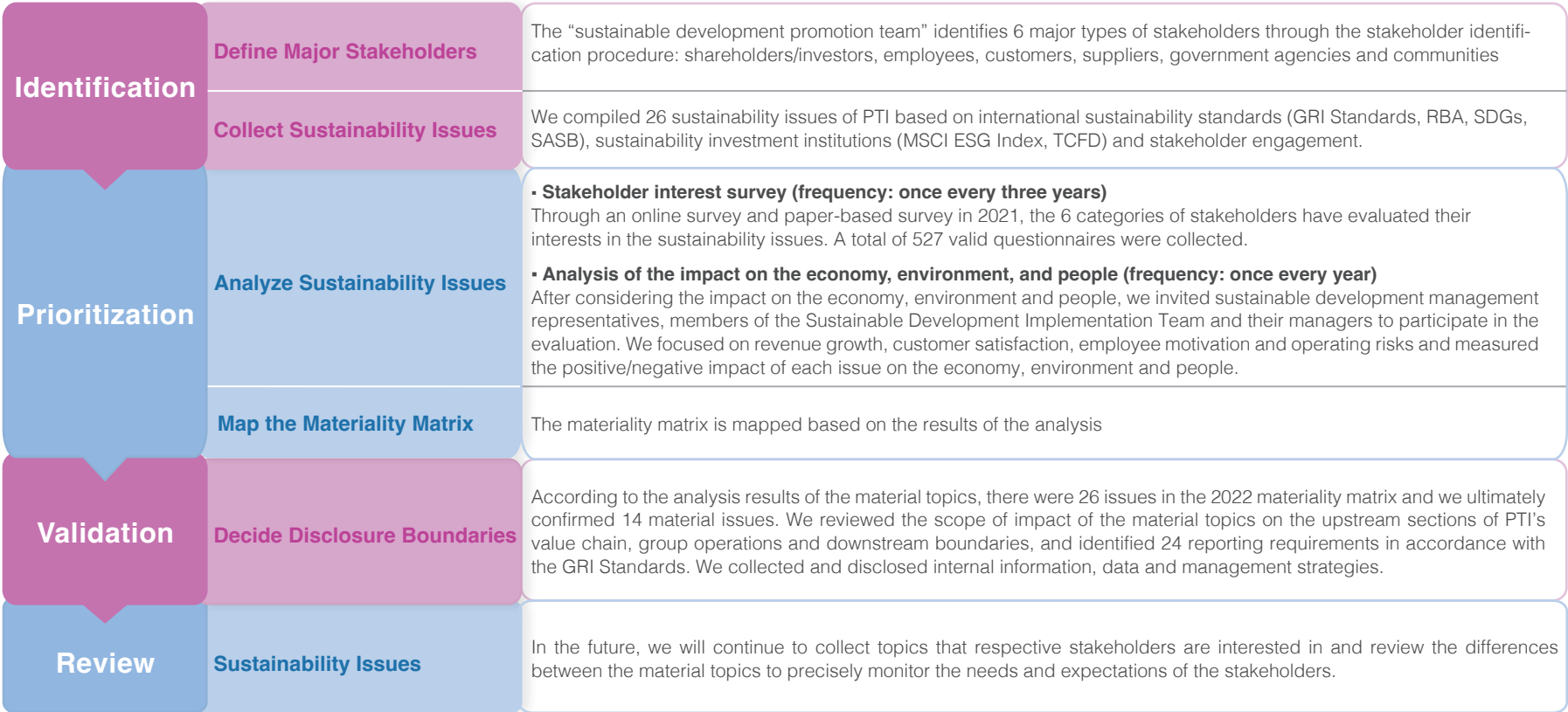
# 1.4 Materiality Analysis

GRI 2-24 GRI 2-25 GRI 2-29 GRI 3-1 GRI 3-2 GRI 3-3

PTI follows the eight reporting principles in the GRI Standards including accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability. We analyze material topics with three steps including identification, prioritization, and verification and use the results to review the Company's sustainability status to empower continuous improvement across all organizations.

Starting from 2021, PTI has adjusted the frequency of information collection on the level of concern of sustainability issue to stakeholders to once every three years to enable more effective tracking of the progress of sustainability targets. During this period, we continue to collect information and respond to the feedback and recommendations of stakeholders through diverse communication channels.

### 1.4.1 Material Topics Identification Process







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#### 1.4.2 Materiality Matrix





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There were 14 major topics in 2022 in total with one fewer item compared to the previous year. Descriptions of the differences in materiality matrix are given below:


Material Topics			Materiality Matrix Assessment		
 Economic Aspect	 Environmental Aspect	 People Aspect	2022 Sustainability Topics	Annual Differences	Description
<ul style="list-style-type: none"><li>Corporate Governance</li><li>Business Performance</li><li>Ethical Management</li><li>Regulatory Compliance</li><li>Risk Management</li><li>Technology and Service</li></ul>	<ul style="list-style-type: none"><li>Climate Change</li><li>Pollution Prevention</li><li>Water Management</li></ul>	<ul style="list-style-type: none"><li>Labor Rights</li><li>Industry-academe Collaboration</li><li>Career Development</li><li>Occupational Health and Safety</li><li>Employee Communication</li></ul>	<ul style="list-style-type: none"><li>Compensation and Benefits</li></ul>	<ul style="list-style-type: none"><li>Moved to secondary topics in 2022</li></ul>	<ul style="list-style-type: none"><li>The significance of the material topic decreased but we will continue to disclose related information at regular intervals in the Annual Report, Sustainability Report, and official website of the Company</li></ul>

1.4.3 Material Topics Extent of Involvement and Impact Boundary, their Importance on PTI and Response Chapter

● Direct Impact

○ Contributing Impact

▲ Business Impact

Aspect	Material Topics	Importance Toward PTI	Response to Chapter	Corresponding GRI Topic	Corresponding SASB Standards	Involvement and Impact boundary			
						Upstream	PTI Group		Downstream
						Suppliers	Powertech Technology Inc.	Subsidiary	Customer
 Economic Aspect	Corporate Governance	Healthy corporate governance facilitates the orderly development of the organization and protect the interests of PTI's shareholders and stakeholders.	2.1 3.1	Customize Material Topics			●	●	▲
	Business Performance	The stable financial performance is the driving force for sustainable business operations. PTI strives for high economical value to repay shareholders for their long-term support and trust.	2.2	Economic Performance			●	●	▲
	Risk Management	Risk management is crucial for an enterprise to maintain stable production. Effective risk management allows enterprises to appreciate the risks they are facing, their nature and severity, so that appropriate response measures can be implemented in time to minimize losses.	2.3	Customize Material Topics			●	●	
	Ethical Management	PTI has established a corporate culture of ethical management and implemented the policy of ethical management, where the principles of fairness, honesty and trustworthiness are applied to business operations.	2.4	Anti-corruption		▲	●	●	●
	Regulatory Compliance	Implementation of regulatory compliance is the cornerstone of an enterprise's steady growth and sustainable business, enabling it to prevent the breach of any laws, regulations, and contracts and fulfill its obligations.	2.5	Environmental Compliance Socioeconomic Compliance		○	●	●	●
	Technology and Service	In response to industry development trends, PTI continues to develop innovative technologies in packaging and testing to satisfy our customers' demands and gain their recognition.	0.4 3.3	Customize Material Topics			●	●	▲





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● Direct Impact ○ Contributing Impact ▲ Business Impact

Aspect	Material Topics	Importance Toward PTI	Response to Chapter	Corresponding GRI Topic	Corresponding SASB Standards	Involvement and Impact boundary			
						Upstream	PTI Group		Downstream
						Suppliers	Powertech Technology Inc.	Subsidiary	Customer
 Environmental Aspect	Climate Change	We need to pay more attention to the issue of climate change and take action by vigorously devising climate change contingency plans to decrease its impact on business operations.	0.4 7.1	Energy Emissions	TC-SC-110a.1 TC-SC-110a.2 TC-SC-130a.1	○	●	●	▲
	Water Management	Established a water recycling system to recycle and reuse the process wastewater in the plants to re-utilize and manage water resources adequately.	7.2	Water and Effluents	TC-SC-140a.1	○	●	●	▲
	Pollution Prevention	PTI pro-actively promotes the prevention of hazardous waste, wastewater, noise and air pollution to prevent the risks associated with pollution.	7.2 7.3	Emissions Wastes	TC-SC-150a.1	○	●	●	▲

● Direct Impact ○ Contributing Impact ▲ Business Impact

Aspect	Material Topics	Importance Toward PTI	Response to Chapter	Corresponding GRI Topic	Corresponding SASB Standards	Involvement and Impact boundary			
						Upstream	PTI Group		Downstream
						Suppliers	Powertech Technology Inc.	Subsidiary	Customer
 People Aspect	Labor Rights	PTI values every employee, so we have stipulated relevant labor human rights policies to let our employees work with dignity and happiness, thereby enhancing workplace cohesion.	4.4 5.5	Non-discrimination Forced or Compulsory Labor Human Rights Assessment		▲	●	●	▲
	Industry-academe Collaboration	Promote diverse industry-academia collaborations to offer students more internship opportunities and cultivate new talents for the semiconductor industry.	0.4 6.2	Customize Material Topics			●	●	
	Career Development	A good talent cultivation and development plan is instrumental in attracting and retaining talents, as well as enhancing the company's productivity and bolstering innovation	5.3	Training and Education			●	●	
	Occupational Health and Safety	Talent is the most important asset of PTI while maintaining the employees' safety and health is the key to sustainable business since allowing employees to work safely and happily generates the optimal performance	5.4 5.6	Occupational Health and Safety	TC-SC-320a.1 TC-SC-320a.2	▲	●	●	▲
	Employee Communication	Good employee communication helps to let our employees offer their recommendations and thoughts, so as to prevent losses caused by future labor disputes.	5.5	Non-discrimination			●	●	

Note: Involvement and Impact boundary is based on the logic of the PTI value chain.



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### 1.4.4 Management Approaches of Material Topics

Policies, promises and assessment and mitigation of impacts

	Material Topics	Policies	Promise	Assessment of Impacts			Mitigation of Impacts			
				Impact Type		Impact Description	Responsible Department	Management Measures	Evaluation Mechanisms	Performance (Corresponding Chapters)
				Negative Impact	Positive Impact					
Economic Aspect	Corporate Governance	Corporate Sustainable Development Practice Guideline, Code of Business Conduct and Ethics	Protect the interests of the company's major shareholders and stakeholders.	Potential	Actual	Without stable corporate governance, there may be risks of fraud within the company, which affects the effectiveness of internal operations and shareholders' rights and interests.	Corporate Governance Officer, Internal Audit Office, HR Division	Formulate a corporate governance structure and implementation practices according to the laws and regulations to ensure the stable development of the company's operations.	Internal Audit	2.1
	Business Performance	Corporate Sustainable Development Practice Guideline	Create better economic value for our shareholders, investors and stakeholders	Potential	Actual	Without good operating performance, the Company may be unable to invest in the development of innovative technologies, which is not conducive to maintaining a long-term competitive position and maximizing benefits for shareholders.	Corporate Governance Officer, Accounting Office, Internal Audit Office	We have a comprehensive corporate governance structure with a Board of Directors, Audit Committee, Remuneration Committee and Internal Audit Office to effectively control the company's overall operations and development.	Internal Audit	2.2
	Risk Management	Corporate Sustainable Development Practice Guideline	Implement comprehensive risk management to improve the Company's overall operations	Potential	Potential	If the Company fails to establish comprehensive risk assessment, identification procedures and formulate feasible strategies to prevent crises, such crises may impact the Company's operations.	Sustainable Development Management Office, Risk Management Committee	Actively implement the Business Continuity Management system to enhance the risk adaptability of the staff through training.	Annual Risk Assessment	2.3
	Ethical Management	Code of Business Conduct and Ethics, Ethics Policy	Fulfill the integrity management policy. Perform business events with justice, integrity and trustworthiness.	Potential	Actual	If the Company is unable to prevent unethical conduct, it may create a negative culture in the Company, unexplained loss of funds and inefficiency in operations.	Sustainable Development Management Office	Establish an ethical corporate culture and implement ethical business policies. PTI demands our staff abide by the principle of ethics while engaging in business practices and this is integrated with the annual performance evaluation.	Internal Audit Management System (ISO 37001)	2.4
	Regulatory Compliance	Corporate Sustainable Development Practice Guideline	Comply with the law to prevent any violations	Potential	Potential	If the Company fails to monitor changes in domestic and foreign policies and laws, it may impact the Company's business and violate relevant laws and regulations, which may affect the Company's reputation.	Sustainable Development Management Office, Legal Affairs Department, Plant Engineering Division, Occupational Safety Management Division	Comply with local regulations and routinely execute regulation audits to understand and comply with the latest legal requirements.	Regulation Audit, Internal Audit	2.5
	Technology and Service	Quality policy, corporate sustainable development policy	Satisfy the clients' needs to garner their support and recognition	Actual	Actual	1. If the Company fails to understand technology development trends and implement development in a timely manner, the Company's competitive advantage and market share will be affected. 2. If the Company lacks sound mechanisms for protecting intellectual property, it will affect the Company's technological competitive advantages.	Test R&D/Package R&D/Quality Assurance	Continue to monitor changes in the industry environment to engage in innovative R&D, actively invest in industrial R&D and obtain the latest information trends.	Management System (ISO 9001, IATF 16949)	3.3





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	Material Topics	Policies	Promise	Assessment of Impacts			Mitigation of Impacts			
				Impact Type		Impact Description	Responsible Department	Management Measures	Evaluation Mechanisms	Performance (Corresponding Chapters)
				Negative Impact	Positive Impact					
Environmental Aspect	Climate Change	Corporate Sustainable Development Practice Guidelines, Environmental Safety and Energy Policy	Decrease the influence of climate change on company operations.	Actual	Potential	1. If stakeholders request increased renewable energy use and carbon reduction, it will result in increased costs for the Company; failure to meet requests may affect customers' willingness to place orders 2. Extreme weather events caused by climate change may cause interruptions or shortages in the supply of public utilities such as water and electricity, which in turn may disrupt operations	Occupational Safety Management Div./Plant Engineering Div.	Establish the Environmental Safety and Health Committee and Energy Conservation Team to formulate environmental and energy-saving performance indicators, conduct GHG audits and take relevant actions based on the results, as well as carry out regular follow-up monitoring and ongoing improvement.	Management System (ISO 14001, ISO 50001, RBA VAP)	7.1
	Water Management	Corporate Sustainable Development Practice Guidelines, Environmental Safety and Energy Policy	Increase the utilization of water resources and decrease business risks.	Potential	Potential	Abnormal wastewater discharge causes environmental pollution, violation of environmental regulations and damage to reputation If the waste disposal company fails to comply with the regulatory approval and requirements, the Company may be required by the competent authorities to bear joint responsibilities for cleanup and environmental improvement, which affects the reputation of the Company	Occupational Safety Management Div./Plant Engineering Div.	Established a water recycling system to steadily recycle and reuse the process wastewater in the plants. Furthermore, water resource management performance is reviewed regularly.	Management System (ISO 14001, RBA VAP)	7.2
	Pollution Prevention	Corporate Sustainable Development Practice Guidelines, Environmental Safety and Energy Policy	Improve pollution prevention and decrease the impact on the environment.	Actual	Potential	Inappropriate operations or failure of pollution prevention facilities may result in the discharge of pollutants in excess of regulatory standards, cause the Company to be penalized and affect the Company's reputation	Occupational Safety Management Div./Plant Engineering Div.	Passed ISO 14001 environmental management system certification and RBA VAP audits and the management system is used to monitor and formulate management targets.	Management System (ISO 14001, RBA VAP)	7.3
People Aspect	Labor Rights	Corporate Sustainable Development Practice Guidelines, Labor Policy	Protect employee rights.	Actual	Actual	If the Company fails to adequately protect the rights of employees, it will affect the reputation of the Company and compromise the team cohesion.	Human Resource Div.	PTI passed the SA 8000 certification and RBA VAP audits and we have formulated labor policies to create a friendly workplace and uphold human rights protection.	Management System (SA 8000, RBA VAP)	4.4 5.5
	Industry-academe Collaboration	Corporate Sustainable Development Practice Guidelines, PTI Education Foundation Mission	Promote technology education, cultural education, and materialize talent cultivation, to materialize the concept of applying theory to practice.	Actual	Actual	If the Company is unable to establish solid relationships with education institutions and connect with talents, it may be able to recruit high-quality candidates in a timely manner, which could affect the Company's business	Human Resource Div.	Participate in the GOLF Association to share the online learning platform; vigorously collaborate with major colleges and universities to forge partnerships between the industry, schools and students in a bid to facilitate industry-academe collaboration.	GOLF education platform utilization rate, talent recruitment	6.2
	Career Development	Corporate Sustainable Development Practice Guideline	Create a decent environment to facilitate our employees' career development and formulate an effective career development and training program	Potential	Actual	1. Competitive salaries and benefits help the Company recruit and retain talent and prevents talent poaching which could severely affect the Company's operations 2. Failure to maintain the growth of talents may affect the Company's competitive advantages and capacity for growth	Human Resource Div.	Consolidate departmental training needs to formulate the annual education and training plan for different targets to realize talent development.	Training response evaluation, employee performance	5.3
	Occupational Health and Safety	Environmental Safety and Energy Policy	Ensure employee health and safety.	Potential	Actual	1. Failure of employees to adhere to operational safety regulations results in occupational injuries 2. Highly infectious diseases cause cluster infections among personnel and disrupt company operations	Occupational Safety Management Div./Plant Engineering Div.	PTI has passed the ISO 45001 Occupational Health and Safety Management System certification and RBA VAP audit and established an "Occupational Safety and Health Committee," which convenes regular meetings to coordinate and recommend health and safety issues.	Management System (ISO 45001, RBA VAP)	5.4
	Employee Communication	Corporate Sustainable Development Practice Guidelines, Labor Policy	Avoid the possible losses due to labor and capital conflicts.	Potential	Actual	Maintain positive communication with employees to create harmonious labor relations and prevent labor conflicts from affecting the corporate image	Human Resource Div.	Construct a comprehensive communication channel to listen to our employees' opinions and create a friendly environment where they can communicate without repercussions. PTI also regularly holds labor-management meetings to reach a consensus through agenda discussions.	Management System (SA 8000, RBA VAP), labor-management meetings	5.6



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## Sustainable Management

# 1.5 Actions Taken Corresponding to the United Nations Sustainable Development Goals (SDGs)

PTI actively implements the United Nations Sustainable Development Goals (SDGs) and hopes that our contributions to society bring forth positive changes and impact. In 2022, we continued to design our plans and blueprints for implementing SDGs. We selected 12 SDGs as our main targets. We worked side by side with stakeholders to create a prosperous future through participation, cooperation, and communication.

SDGs	Achievements of 2022	Action Plan	Corresponding Chapter
 <b>Goal 1:</b> No Poverty	<ul style="list-style-type: none"> <li>The minimum salary for PTI (Taiwan) in 2022 was NT\$28,500/month, which was 13% higher than the regulatory requirement in Taiwan.</li> <li>The social welfare expenditure of PTI in 2022 totaled was NT\$2,319,101 (48.4% increase compared to 2021).</li> </ul>	<ul style="list-style-type: none"> <li>Annual salary increases and bonuses.</li> <li>Financial support for charities and education funding for rural elementary schools.</li> </ul>	5.2 6.1
 <b>Goal 3:</b> Good Health and Well-being	<ul style="list-style-type: none"> <li>Counseling Services with 440 participants; physicians visited PTI Taiwan to provide medical services 292 times.</li> <li>Provided abnormal workload evaluation for 8,151 employees.</li> </ul>	<ul style="list-style-type: none"> <li>Health promotion events include employee health checkups, blood drives, flu vaccinations, vision care, etc.</li> <li>Establishment of Psychological Counseling System.</li> </ul>	5.7
 <b>Goal 4:</b> Quality Education	<ul style="list-style-type: none"> <li>Educational training totaled 1,785,714 hours.</li> <li>84 interns were hired by industry-academia collaboration and summer internship programs.</li> <li>Talent Empowerment: Actively supported Gap of Learning &amp; Field (GOLF)'s activities to provide students with learning resources.</li> <li>Care and aid were provided to NPOs and rural elementary schools in the form of educational resources. Additionally, we encouraged the volunteers to participate in volunteer activities.</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of Comprehensive Training System.</li> <li>Actively develop the technical communication platform with academic institutions and the industry.</li> </ul>	0.4 5.3 6.1 6.2
 <b>Goal 5:</b> Gender Equality	<ul style="list-style-type: none"> <li>The retention rate of female and male employees who have worked for at least a year after unpaid parental leave was 91% and 77%, respectively.</li> <li>Continued promoting diverse communication channels and relating disciplinary regulations to provide a working environment where employees are free from illegal infringement.</li> </ul>	<ul style="list-style-type: none"> <li>Create a friendly workplace and put an end to sexual harassment.</li> <li>Implement affirmative action to protect labor rights.</li> </ul>	4.4 5.5 5.7
 <b>Goal 7:</b> Affordable and Sustainable Energy	<ul style="list-style-type: none"> <li>The progress of renewable energy procurement projects has been stable, and we expect to use approximately 7.5 million kWh of renewable energy each year starting from 2023 (meeting the requirement for using renewable energy totaling 10% of the contract capacity two years ahead of schedule).</li> </ul>	<ul style="list-style-type: none"> <li>Use clean technologies to increase energy efficiency and reduce pollution in the environment.</li> </ul>	0.4 7.1
 <b>Goal 8:</b> Decent Work and Economic Growth	<ul style="list-style-type: none"> <li>Prohibited child labor and forced labor.</li> <li>Created job opportunities, a total of 2,589 employees were newly hired.</li> <li>132 people from disadvantaged groups were hired.</li> </ul>	<ul style="list-style-type: none"> <li>Provide job opportunities to the disadvantaged.</li> <li>In compliance with legal requirements and protect labor rights.</li> <li>Use innovative technologies to increase economic output.</li> </ul>	4.4 5.1 5.5



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SDGs	Achievements of 2022	Action Plan	Corresponding Chapter
 <b>Goal 9:</b> Industry, Innovation and Infrastructuren	<ul style="list-style-type: none"><li>Completed the structure and reliability tests for the Chip First FO on Substrate for processors of smart appliances so that the FO on Substrate can be used to provide alternative packaging structure solutions with comparable performance and cost competitiveness when there is a shortage of ABF base substrates.</li><li>Completed the production of high-stacking (21 chips in one package) memory package product development and verification and successful mass production.</li></ul>	<ul style="list-style-type: none"><li>Continue to focus on the R&amp;D and manufacturing of new technology to provide customers with advanced packaging technology, thereby achieving a win-win outcome.</li></ul>	3.3
 <b>Goal 10:</b> Reduced Inequalities	<ul style="list-style-type: none"><li>Compliance with the RBA Code of Conduct and SA 8000 Social Accountability Management System.</li><li>Achieved gender equality in the workplace and equal pay for equal work.</li><li>The basic salary ratio of female to male employees with the same duties and ranks is 1:1.</li><li>Direct hiring of foreign workers with zero fees and respect their freedom to choose their residences.</li><li>Launched the Intermediate Skilled Talent Program to expand the career development of foreign migrant workers.</li></ul>	<ul style="list-style-type: none"><li>Establish comprehensive salary benefits with gender equality.</li><li>Develop sexual harassment prevention measures, complaints, and disciplinary measures control.</li><li>The scope of implementation includes the human rights due diligence in all plants to effectively reduce the impact of human rights risks.</li></ul>	0.4 4.4 5.2 5.5 5.7
 <b>Goal 12:</b> Responsible Consumption and Production	<ul style="list-style-type: none"><li>Reduced electricity consumption by 11,435,224 kWh (based on self-estimation).</li><li>The average recycling rate reached 50.79%/year.</li><li>Products met safety requirements.</li></ul>	<ul style="list-style-type: none"><li>Continue to develop low-carbon and energy-saving processes to ensure the provision of environmentally friendly and high-quality services.</li><li>Continue to promote reducing waste at the source and waste recycling.</li><li>Products met safety requirements.</li><li>Hold sustainable development events and training.</li></ul>	0.4 7.1 7.3 7.4
 <b>Goal 13:</b> Climate Action	<ul style="list-style-type: none"><li>Identified risks and opportunities in accordance with the TCFD framework and released the first TCFD Report.</li><li>Completed the risk assessment of extreme weather and the development of corresponding plans.</li><li>All the factories obtained ISO 50001 Energy Management System certification.</li></ul>	<ul style="list-style-type: none"><li>Promote energy conservation and climate change action plans, strengthen contingency plans for disasters and reduce the climate risks.</li></ul>	0.4 2.3 7.1
 <b>Goal 16:</b> Peace, Justice, and Strong Institutions	<ul style="list-style-type: none"><li>Compliance training courses with a total of 85,762 participants.</li><li>In compliance with international standards.</li><li>(RBA Code of Conduct, SA 8000, and ISO 37001)</li></ul>	<ul style="list-style-type: none"><li>Establish the Code of Business Conduct and Ethics and other related policies, and strictly require all employees to comply with them.</li><li>Plan annual Compliance Training courses.</li></ul>	2.4 5.3
 <b>Goal 17:</b> Partnerships for the Goals	<ul style="list-style-type: none"><li>Established diverse Social Media Platforms with active operations.</li><li>Held "Supplier Social Responsibility Forum" with 149 suppliers.</li></ul>	<ul style="list-style-type: none"><li>Promote "Supplier CSR Management" and hold conferences as well as training.</li><li>Establish a Supplier Management Platform.</li><li>Develop and manage PTI Social Media Platform to communicate with stakeholders.</li></ul>	1.3 4.2 8.7

Note: All the above information revealed is based on PTI Taiwan.





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### Number of plants worldwide: 21

- Taiwan: 16
- China: 2
- Japan: 3

- **6%~20%** in the 9th corporate governance evaluation by TWSE

- Earnings Per Share (EPS) of **NT\$11.60**
- The consolidated revenue was **NT\$83.927 billion**.
- The net income attributable to the parent company was **NT\$8.687 billion**.
- Join HSBC's Green Deposit Programme.

### Top 2000 survey conducted by CommonWealth Magazine (according to 2022 annual revenue)

- Ranked **63** in the industry (Manufacturing).
- Profit after tax ranking of **49**.
- Ranked **7**th in semiconductor industry.





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★ Accomplished ☆ In Progress

#### Material Topics

#### Evaluation Guidelines

#### 2022 Targets

#### 2022 Achievements

#### 2023 Targets

##### Corporate Governance

- To continue to take part in the evaluation related to corporate governance for reinforcing the corporate governance system and conforming to international standards in a progressive manner.

- Participation in corporate governance-related evaluations or awards.

- Top 5% in the annual corporate governance evaluation by TWSE
- Constituent stock for TWSE RA Taiwan Employment Creation 99 Index
- Constituent stock for TWSE Corporate Governance 100 Index
- Chosen to be a component of the Taiwan Sustainability Index (TWNSI)

- 6%~20% in the 9th corporate governance evaluation by TWSE
- Continue to enhance the structure and operations of the Board of Directors and information transparency
- Constituent stock for TWSE RA Taiwan Employment Creation 99 Index
- Constituent stock for TWSE Corporate Governance 100 Index
- Chosen to be a component of the Taiwan Sustainability Index (TWNSI)

- Top 5% in the annual corporate governance evaluation by TWSE.
- Constituent stock for TWSE RA Taiwan Employment Creation 99 Index.
- Constituent stock for TWSE Corporate Governance 100 Index.
- Chosen to be a component of the Taiwan Sustainability Index (TWNSI).

##### Business Performance

- Invest in advanced technologies in pursuit of long-term profitability and growth, and strengthen our financial structure.
- Continue to strengthen company management and maintain positive relationships with investors.

- Operating performance situation.

- The annual average return on shareholders' equity is at least 10%.

- Shareholder's ROE in 2022 reached 16.59%.

- Have at least 10% of the stockholder's return on average for the year.

##### Risk Management

- Fulfill the function of the risk management committee to bolster our operational strength and resilience.
- Implement the ISO 22301 Business Continuity Management System, identify risks associated with operations and mitigate or eliminate potential risks every year.

- Set up and operate the Risk Management Committee to identify and reduce the potential risks of the Company.

- Convene regular meetings of the Risk Management Committee to identify and respond to the impact of risks.
- Complete the identification of risks involving climate change, business continuity, information security, environmental and operational safety, and labor rights in 2022.
- Obtain the ISO 22301 Business Continuity Management System certification and organize risk awareness training for personnel.

- Convened meetings of the Risk Management Committee to identify potential risks and report results to the Board of Directors.
- Operated the Crisis Management Committee and Pandemic Prevention Team to monitor the impact of the pandemic; all plant operations remained normal in 2022 and there were no disruptions of operations; completed the annual business impact analysis and risk identification.
- Due to the pandemic, the ISO 22301 Business Continuity Management certification audit was not implemented.
- Completed the evacuation, epidemic prevention, and hazardous incident emergency response exercises for all plants in lieu of risk awareness training for employees.

- Convene regular meetings of the Risk Management Committee to identify and respond to the impact of risks and implement risk governance.
- Complete the identification of risks involving climate change, business continuity, information security, environmental and operational safety, and labor rights in 2023.
- Implementation and operation of the ISO 22301 Business Continuity Management System.
- 100% staff participation of training for risk awareness.

##### Ethical Management

- Optimize the ISO 37001 Corporate Anti-Bribery Management System.
- Continue to implement ethics training and promotion among our employees.

- Implement the ISO 37001 Anti-bribery Management System and implement ethical corporate management and avoidance of conflicts of interest.

- Implement professional ethics and regularly report the results to the Board of Directors.
- Implement the ISO 37001 Anti-Bribery Management System and complete the anti-bribery risk assessment, internal audits, and annual follow-up audits.
- Conduct annual ethical training for all employees.
- Declare conflicts of interest on a yearly basis.

- Reported the implementation results of the professional ethics for 2022 in the board meeting in November 2022.
- Operated the ISO 37001 Anti-Bribery Management System and passed the annual follow-up audit.
- Completed training on professional ethics for 11,714 participants with a completion rate of 98% (employees on unpaid leave were unable to complete the training).
- Completed the annual declaration of conflicts of interest of 3,937 indirect labor with 100% achievement rate.

- Implement professional ethics and regularly report the results to the Board of Directors.
- Implement the ISO 37001 Anti-Bribery Management System and complete the anti-bribery risk assessment, internal audits, and annual follow-up audits.
- Conduct annual ethical training for all employees.
- Declare conflicts of interest on a yearly basis.

##### Regulatory Compliance

- Use the internal regulation audits, training, and smooth reporting channels to ensure that the Company's operations meet regulatory requirements.

- Compliance with laws and regulations, preventing violations.

- 100% compliance and regular implementation of regulatory audits to actively detect changes in regulations.
- Continue regulatory compliance training for employees to enhance their awareness of the rule of law.

- Periodically implemented regulations reviews to ensure and maintained 100% compliance.
- 85,762 participants completed regulatory policies training.

- 100% compliance and regular implementation of audits to promptly detect changes in regulations and implement immediate adjustments.
- Continue regulatory compliance training for employees to enhance their awareness of the rule of law.



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Corporate Governance

2.1 Governance Organization

GRI 2-9

GRI 2-11

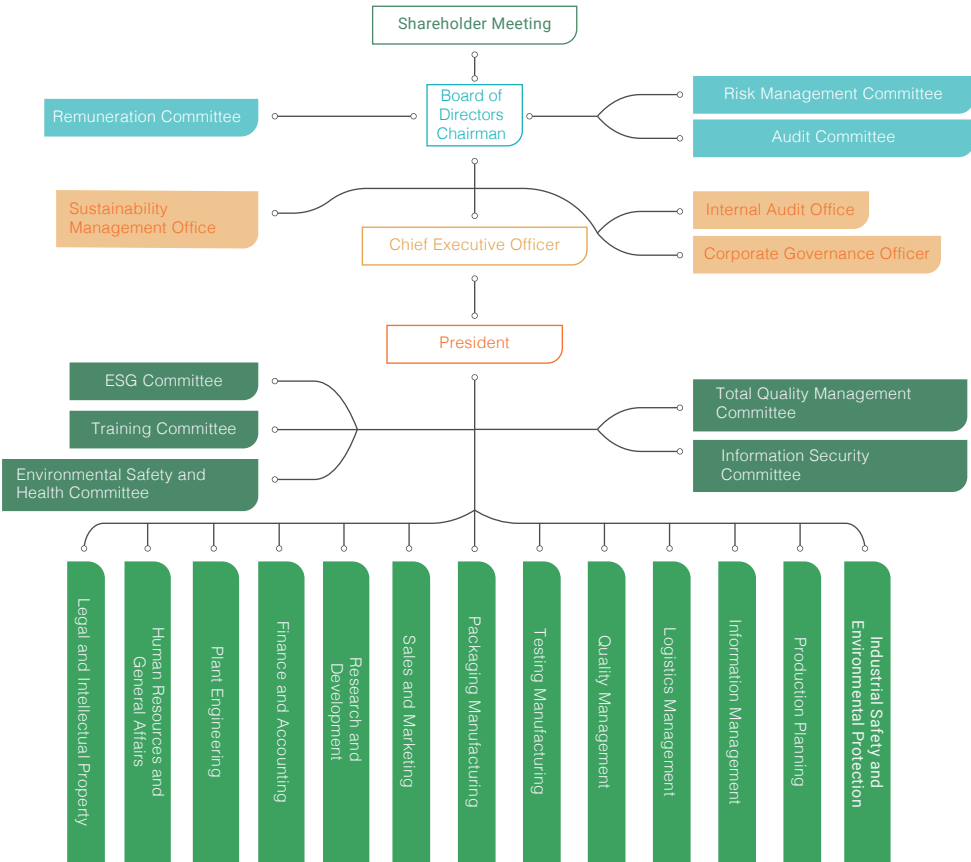
GRI 2-12

GRI 2-20

GRI 405-1

Based on the Company Act, the Securities Exchange Act, and other applicable laws, PTI has formulated its corporate governance structure and practiced guidelines to ensure sound business development that guarantees the benefits of investors and other stakeholders. We also focus on "Enhancing Information Transparency and Implementing Corporate Sustainability" as our corporate governance objective.

2.1.1 Corporate Governance Structure



2.1.2 Responsibilities of Major Sections

Major Section	Responsibilities	Major Section	Responsibilities
Chairman	Comprehensively manage the company's overall business planning and execution and continue to supervise and improve internal control operations.	Research and Development	Development of new products.
Chief Executive Officer	Lead corporate strategies and objectives. Execute and monitor for ongoing improvement.	Logistics Management	Management in procurement, storage, and logistics of materials.
President	Manage corporate strategies, objectives and execute overall business and operations.	Production Planning	Production capacity planning and scheduling.
Corporate Governance Officer	Handle matters related to the Board and shareholders' meetings in compliance with the law.	Information Management	Set up and maintenance of information system.
Internal Audit	Review and assess the effectiveness of the implementation of the company's internal control system.	Industrial Safety and Environmental Protection	Responsible for safety and health management.
Sustainability Management Office	Responsible for corporate sustainable development, ethical management and business conduct, as well as the formulation, planning and execution of business continuity management policies.	Finance and Accounting	Finance, accounting, and shareholder services.
Packaging Manufacturing	Product packaging production and related process analysis, equipment maintenance.	Plant Engineering	Responsible for the maintenance of plant facilities.
Testing Manufacturing	The production and related product testing process analysis and equipment maintenance.	Human Resources and General Affairs	Responsible for the implementation of, employee policies, employee welfare, labor relations and administrative affairs management.
Sales and Marketing	Market survey, development and customer contact and coordination.	Legal and Intellectual Property	Contract review, legal matters, and intellectual property management.
Quality Management	Quality management policies, the design and implementation of quality indicators, customer complaints, reliability testing and equipment calibration.		



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## 2.1.3 Board of Directors

In order to strengthen its Board of Directors structure, PTI set up 11 directors, including 4 independent directors, with a tenure of 3 years; they are to be elected among competent people in the shareholders' meeting and may be re-elected to serve multiple terms. The Board of Directors is mainly responsible for approving the corporate operational plan and financial statements, formulating important regulatory systems, approving major investments, assigning and dismissing managers and CPAs, donations, and major donations to related parties and non-related parties, among other relevant proposals. Current Board members all have the relevant background required for commerce, finance, accounting or business. Remunerations for directors are evaluated according to their involvement in corporate operations, the value of contribution and also with the consideration of counterpart levels by the Remuneration Committee based on the remuneration policy and suggestions.

## 2.1.4 Board of Directors Members

Title	Name	Current Position	Major Academic Experiences
Chairman	DK Tsai	PTI Chairman	Chairman of Kingston Technology Far East Corp. Bachelor of Industrial Engineering, Taipei Institute of Technology.
Director	J.Y. Hung	Board Director of Powertech Technology Inc.	President & CEO of Powertech Technology Inc. Master's Degree in Industrial and Information Management, National Cheng Kung University.
Director	J.S. Leu	President of Powertech Technology Inc.	Deputy Director, Packaging Manufacturing, Powerchip Technology Corp. Bachelor's Degree in Mechanical Engineering, Feng Chia University.
Director	Kingston Technology Corp. Rep : Shigeo Koguchi	Legal Representative Director of Powertech Technology Inc.	Sr. Executive VP. of Toshiba Corp. Master's Degree in Engineering, University of Florida.
Director	Kingston Technology Corp. Rep : Daphne Wu	CFO of Asia Pac Finance of Kingston Technology Far East Corp.	CFO of Asia Pac Finance of Kingston Technology Far East Corp. Bachelor's Degree in Accounting, National Chengchi University.
Director	Greatek Electronic Inc. Rep : Boris Hsieh	CEO of Powertech Technology Inc.	VP of Hon Hai Precision Industry Co. Ltd. Executive Master's Degree in Business Administration, National Chiao Tung University.
Director	Kioxia Memory Semiconductor Taiwan Corp. Rep : Kenjiro Hara	Chairman of Kioxia Memory Semiconductor Taiwan Corp.	Director of Procurement, Toshiba Memory Corporation. Master's Degree in Mechanical Engineering, Tokyo University of Science.
Independent Director	Wan-Lai Cheng	Chairman of Browave Corp.	Chairman, Taiwan Calsonic Co., Ltd. Bachelor's of Business Administration, Fu Jen Catholic University.
Independent Director	Pei-Ing Lee	President and Director of Nanya Technology Corporation.	Chairman of Inotera Memories Inc. Ph.D. in Chemical Engineering, Syracuse University.
Independent Director	Morgan Chang	President of Kuang Chien Computer Co. Ltd..	Chairman of Kuang Chien Computer Co. Ltd. Bachelor's Degree in Computer and Control Engineering, National Chiao Tung University.
Independent Director	Jui-Tsung Chen	Vice Chairman & CSO of Campal Electronics, Inc..	President of Campal Electronics, Inc. Bachelor's Degree in Electrical Engineering, National Cheng Kung University.

Note: 1. Age group: Abovementioned directors are all above 50 years old    2. Gender: 10 men and 1 woman    3. Nationality: 2 Japanese and 9 Taiwanese

Those are provided to the Board of Directors to make a decision. Independent directors of the company receive remuneration on a monthly basis and do not take part in the distribution of annual remunerations for directors. In principle, the Board of Directors meet once every quarter. In case of emergency or upon request by a majority of the directors, the Chairperson may call for a meeting at any time. Each director truthfully performs corporate duties and fulfills his/her diligence duties. In 2022, the Board of Directors convened 5 meetings and approved several important proposals.





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#### 2.1.5 Audit Committee

PTI has set up an Audit Committee consisting of all independent directors per Article 14 of the Articles of Incorporation. The main purpose of the committee is to supervise the company in the fair presentation of financial statements, the appointment and dismissal of and independence and performance of certified public accountants, effective implementation of internal control, compliance with laws and regulations and control of existing and potential risks.

The company's Audit Committee convened 4 meetings in 2022. The resolutions passed by the committee were submitted to and approved by the Board of Directors.

Name	Current Position	Major Academic Experiences	Note
Wan-Lai Cheng	Chairman of Browave Corp.	Chairman, Taiwan Calsonic Co., Ltd. Bachelor of Business Administration, Fu Jen Catholic University.	Independent director
Pei-Ing Lee	President and Director of Nanya Technology Corporation.	Chairman of Inotera Memories Inc. Ph.D. in Chemical Engineering, Syracuse University.	Independent director
Morgan Chang	President of Kuang Chien Computer Co. Ltd.	Chairman of Kuang Chien Computer Co. Ltd. Bachelor's Degree in Computer and Control Engineering, National Chiao Tung University.	Independent director
Jui-Tsung Chen	Vice Chairman & CSO of Campal Electronics, Inc..	President of Campal Electronics, Inc. Bachelor Degree in Electrical Engineering, National Cheng Kung University, Inc.	Independent director

#### 2.1.6 Remuneration Committee

To improve the remunerations system for all directors and managers throughout the company and assist the Board of Directors in evaluating the operating performance of the management, the Remuneration Committee has been established under the Board of Directors. The committee consists of 3 members, their responsibilities include formulating and regularly reviewing policies, systems, standards, and structures for the performance evaluation and remuneration of directors, supervisors, and managers, ensuring the effectiveness of remuneration on personal and corporate performances, compliance with relevant laws and regulations, and are linked to future operating performance and risks.

PTI convened 2 Remuneration Committee meetings in 2022. The resolutions passed by the committee were submitted to and approved by the Board of Directors.

Name	Current Position	Major Academic Experiences	Note
Wan-Lai Cheng	Chairman of Browave Corp.	Chairman, Taiwan Calsonic Co., Ltd. Bachelor of Business Administration, Fu Jen Catholic University.	Independent director
Pei-Ing Lee	President and Director of Nanya Technology Corporation.	Chairman of Inotera Memories Inc. Ph.D. in Chemical Engineering, Syracuse University.	Independent director
Morgan Chang	President of Kuang Chien Computer Co. Ltd.	Chairman of Kuang Chien Computer Co. Ltd. Bachelor's Degree in Computer and Control Engineering, National Chiao Tung University.	Independent director

#### 2.1.7 Risk Management Committee

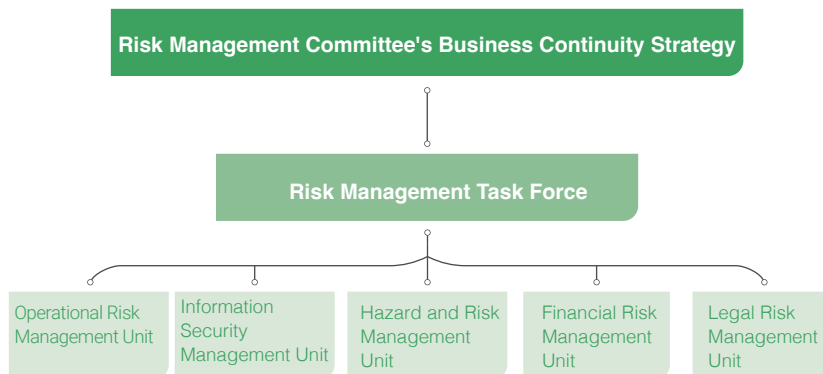
To effectively conduct risk identification, response, monitoring and reporting, as well as to implement the risk management of uncertain factors that may threaten business operations, PTI's Board of Directors approved the establishment of the "Risk Management Committee" in May 2021 under the Board, which consists of 2 independent directors and one director, and at least one meeting is convened annually. The committee's responsibilities include assisting in the review of the risk management policy and risk tolerance and supervising the implementation of various risk management protocol in a bid to realize corporate sustainable development.

To advance relevant services, the "Risk Management Task Force" was created under the Risk Management Committee, where a task group was formed with the President acting as the group leader supported by an assistant group leader; other members of the group include a secretary (Corporate Governance Officer) and several executive officers. Quarterly meetings are convened to discuss risk topics, and the relevant contents are presented to the Risk Management Committee annually to materialize executive risk management.

PTI convened 1 Risk Management Committee meeting in 2022. The proposals passed by the committee were submitted to and approved by the Board of Directors.

Name	Current Position	Major Academic Experiences	Note
Wan-Lai Cheng	Chairman of Browave Corp.	Chairman, Taiwan Calsonic Co., Ltd. Bachelor of Business Administration, Fu Jen Catholic University.	Independent director
Morgan Chang	President of Kuang Chien Computer Co. Ltd..	Chairman of Kuang Chien Computer Co. Ltd. Bachelor's Degree in Computer and Control Engineering, National ChiaoTung University.	Independent director
J.S. Leu	President of Powertech Technology Inc.	Deputy Director, Packaging Manufacturing, Powerchip Technology Corp. Bachelor's Degree in Mechanical Engineering, Feng Chia University.	Director

#### The Operating Organization of Risk Management Committee





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### 2.1.8 Internal Audit and Management

As prescribed by the law, PTI has established an internal control system, with an "Internal Audit Office" directly under the Board. The execution of audits is conducted according to the annual audit plan. The audit plan is drawn up based on the identified risks. In addition, project audits are performed as necessary to discover possible findings in the internal control system and propose improvements, as well as to make sure that various departments improve findings within the stipulated time. Upon completion of the audit, the internal audit office will issue an audit report and submit it to the Audit Committee. The audit supervisor will report the implementation status and results to the Audit Committee and the Board regularly to implement the spirit of corporate governance.

In addition, the Internal Audit Office also supervises all units to perform annual self-inspections, implement the self-monitoring mechanism, and review the results of self-inspections, and the audit report is used as the basis for the Board of Directors and Audit Committee to issue an internal control system statement.



### The Internal Audit Workflow :







## Corporate Governance 2.2 Business Performance

GRI 2-6 GRI 201-1

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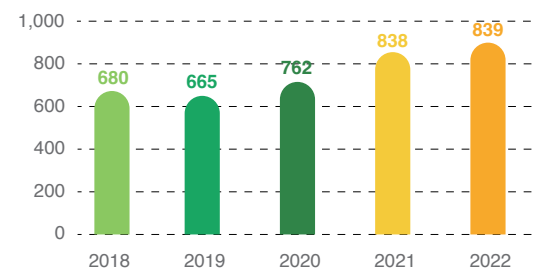
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### 2.2.1 Financial Performance

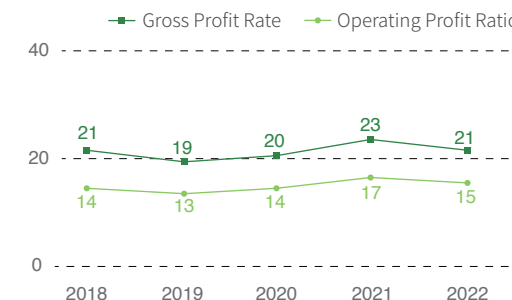
2022 Business performance is as follows:

- The EPS was **NT\$11.60**.
- The consolidated revenue was **NT\$83.927 billion**. Due to the decline in market demand in the second half of the year and customers' inventory adjustments, the overall production capacity utilization rate fell and the operating profit margin and net margin decreased as a result.
- The consolidated after-tax profit and loss attributed to the parent company shareholders was a net profit of **NT\$8.687 billion**.

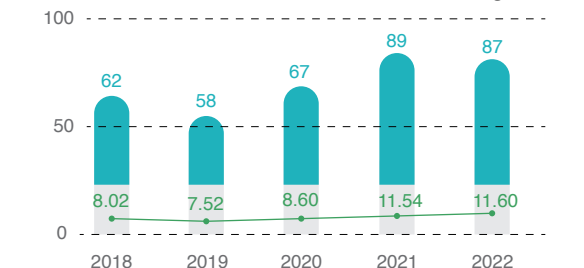
**Business Revenue(NT\$100 millions)**



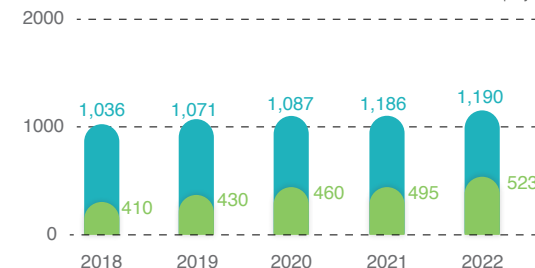
**Gross Profit Rate and Operating Profit Ratio(%)**



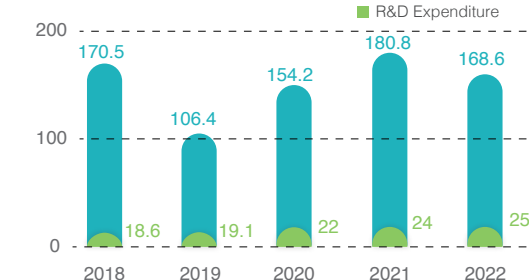
**Net Profit and Earning Per Share (NT\$100 million/EPS: NT\$)**



**Total Assets and Shareholder's Equity (NT\$100 millions)**



**Capital Expenditure and R&D Expenditure (In NT\$ hundred millions)**



Note:

1. Source: Annual financial statements approved by accountants
2. Only the net earnings per share and shareholder equity of the parent company are disclosed.





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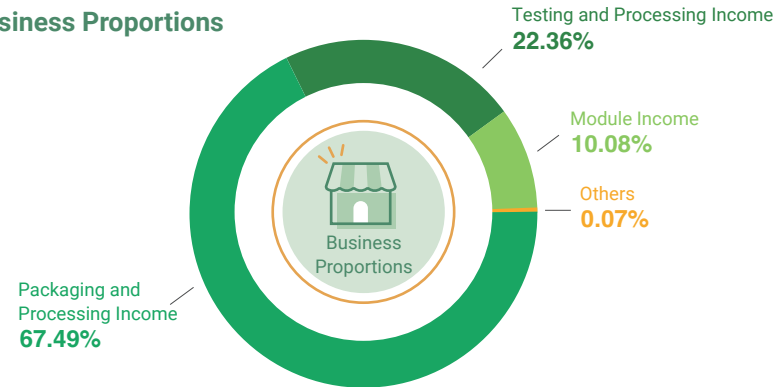
### Dividends and Taxes

In 2022, PTI paid NT\$5,162,197,111 in dividends from 2021 and NT\$50,536,301 in taxes.

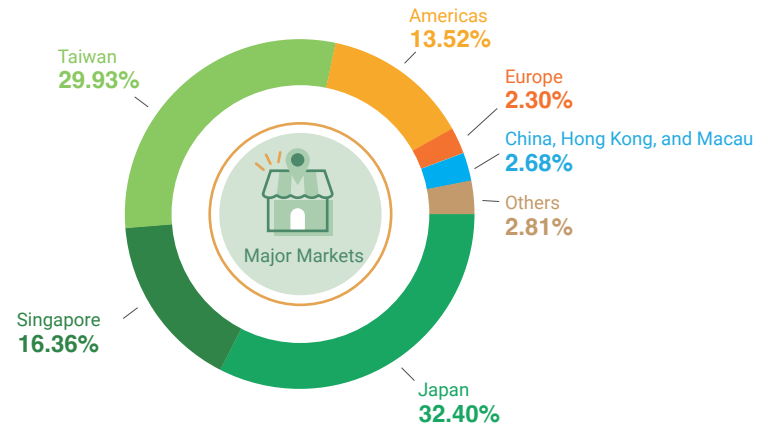
### Business Proportions and Major Markets

Business revenue in 2022: Domestic sales accounted for 29.93% and exports accounted for 70.07%, mainly to Japan, Singapore and the U.S.

#### Business Proportions



#### Major Markets



### Top 2000 survey conducted by CommonWealth Magazine (according to 2022 annual revenue)

Year	2022	2021	2020
Verticals Rank (Manufacturing)	63	62	56
Net Income Rank	49	53	42

#### 2.2.2 Tax Governance

PTI has implemented tax governance and complied with the tax laws of each country in which it operates. We communicate with local taxation authorities on all tax matters with integrity and professional manner, participate in meetings with taxation authorities to promote tax regulations and maintain a good relationship with them. We do not conduct transactions that are only for tax avoidance purposes, but consider tax risks in all major decisions, and disclose tax information in our financial reports to enhance transparency.

Finance and accounting are the competent authority for all types of taxation at PTI. PTI and its subsidiaries are responsible for obtaining the necessary approvals to ensure compliance with tax regulations while handling various tax declarations. All stakeholder transactions comply with the transfer pricing regulations and regular transaction principles of the relevant countries' tax laws, taking into account sustainable development and risk control in each country.

To ensure the effective operations of the tax management mechanism, PTI continues to train and improve our tax professionals and appoint external professional consultants to handle related tax matters, ensuring that tax regulations and reporting obligations are complied with.





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## Corporate Governance

# 2.3 Risk Management

GRI 2-13

In response to changes in the business environment, PTI continues to strengthen risk management mechanisms with the aim of limiting risks to a tolerable scope, ensuring the sustainability of business operations, and protecting the rights and interests of stakeholders. We thus established the "Risk Management Committee" and "Risk Management Task Force." Please refer to "2.1.7 Risk Management Committee" of the report for more information on the Risk Management Committee.

### 2.3.1 Business Continuity Management (BCM) and Policy

PTI has introduced ISO 22301 Business Continuity Management (BCM), with the President as the chairman of the committee to keep an eye on potential risks that may affect the company's operations internally and externally, and to invest resources in risk control and early warning to improve crisis management capabilities, including risk identification, operational impact analysis, and the formulation of business continuity strategies and plans.

Business Continuity Management Policy

- Establish comprehensive business continuity management mechanisms to protect the rights and interests of stakeholders.
- Implement the business continuity management organization. Perform operational impact analyses and risk assessments for changes in the operating environment and develop business continuity strategies and objectives based on the results. Provide necessary resources and implement continuous review and improvements.
- In the event of a disaster, invest resources to maintain and restore maximum operation capacity in accordance with the business continuity strategy. Reduce the losses and impact of interruptions and maintain positive communication with customers and stakeholders.







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#### 2.3.2 Risk Monitoring and Identification

By examining potential internal and external risks across dimensions such as company operation, technology, information security, facility, supply chain, finance, and law, PTI has identified 6 risks in 2022 and formulated impact response and management accountability for different risks. We established procedures such as early warning, response, crisis management and recovery actions to ensure uninterrupted operations.

	Risk Category	Risk Item	Impact and Influence	Measures	Benefits
Environmental (E)	Interrupted Utilities	Interruption of electricity and water supply.	The disruption of water resources, electricity, and other public utilities has affected operations.	<ul style="list-style-type: none"><li>▪ Set emergency response plans to reduce the impact of interrupted utilities.</li><li>▪ Install generators, uninterruptible power supply systems and energy storage facilities.</li><li>▪ Set up in-plant water storage and external water source support mechanisms.</li><li>▪ Implement water and electricity conservation measures and increase the efficiency of the use of resources.</li></ul>	Accelerate the increase in the efficiency of energy and resource consumption, use renewable energy and establish emergency response mechanisms with diverse sources of energy and resources.
	Environment and Climate Change	Impact of natural disasters/extreme weather.	Natural disasters (such as earthquakes and typhoons) cause damage to buildings and injuries, affecting normal operations.	<ul style="list-style-type: none"><li>▪ Identify climate risks and opportunities in based on the TCFD framework.</li><li>▪ Enhance business continuity management mechanisms to strengthen response and recovery abilities through disaster prevention and control, detection, emergency response and restoration.</li></ul>	Improve the capacity for responding to disasters and continue to strengthen the health and resilience of company operations.
Social (S)	Personnel Health	The threat of major infectious diseases.	Major infectious diseases (such as COVID-19) prevented personnel from going to work and cause production and operation interruptions; the global economy is also devastated.	<ul style="list-style-type: none"><li>▪ Set up epidemic prevention and business continuity management mechanisms.</li><li>▪ Plan working off-site measures including diversion/isolation measures, remote desktop connection, or work from home (WFH)</li><li>▪ Provide employees with training for multiple functions to improve mutual support and flexibility.</li></ul>	Create good pandemic prevention measures and develop versatile human resources to help the company improve its operational resilience.
Governance (G)	Regional Conflict	Trade barriers and regional conflicts.	Regional conflicts (such as wars, border lockdowns, or trade barriers) caused by geopolitics affect the delivery of raw materials as well as the customers' willingness to place orders.	<ul style="list-style-type: none"><li>▪ Set up 2nd and 3rd operation areas and transfer personnel to low-risk areas.</li><li>▪ Adjust inventories and set up 2nd and 3rd sources of raw materials.</li><li>▪ Relocate the shipping location of finished products to low-risk areas.</li><li>▪ Set up alternative routes for cargo shipments and reduce the impact of regional conflicts.</li></ul>	Avoid high-risk regions to bolster the flexibility of operations and the production model, as well as fortify the cooperative relationship with the suppliers.
	Regulatory Change	New laws or regulatory requirements.	Changes in laws/regulations impact the existing operating model.	<ul style="list-style-type: none"><li>▪ Establish management mechanisms for regulatory review and amendments and monitor changes in legislation.</li><li>▪ Formulate response strategies with the management team and the Risk Management Committee to ensure quick adjustments and response.</li></ul>	Improve the response capabilities of the organization; compliance in operations also help the Company win orders and establish long-term partnerships with the customer.
	Supply Chain Management	Supply chain disruptions.	The suppliers cannot deliver raw materials on schedule, affecting normal operations and shipping of products	<ul style="list-style-type: none"><li>▪ Review inventory management mechanisms.</li><li>▪ Set up 2nd and 3rd sources of materials to ensure comprehensive backup plans for raw materials.</li><li>▪ Change the transportation method or request suppliers to use hand-carry.</li><li>▪ Regularly audit the BCP of suppliers and help suppliers set up risk management mechanisms.</li></ul>	Strengthen the cooperative relationship between PTI and the suppliers to create a sustainable supply chain.





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### COVID-19 Pandemic Prevention and Management

In response to the pandemic, PTI has always remained cautious and vigilant. Our primary concern has always been to protect the health of employees and maintain business continuity. Our production sites have operated normally without interruptions in 2022.

<b>Pandemic Prevention Command</b>	<ul style="list-style-type: none"> <li>The President holds a crisis management meeting every two weeks and convenes weekly meetings with the pandemic response team to monitor developments.</li> <li>All plants have set up pandemic prevention audit teams to implement daily audits and ensure that all personnel comply with pandemic prevention measures.</li> </ul> <div data-bbox="989 459 1629 624"> </div>
<b>Health Management</b>	<ul style="list-style-type: none"> <li>Adjust the epidemic prevention and response plan on a rolling basis and establish a response process and conduct drills at all plants.</li> <li>Take body temperature and wear masks when entering the factory, and conduct travel history and contact history surveys every two weeks. The health management team tracks and cares for the health status of employees on a daily basis.</li> <li>Implement isolation policies, diversion of office work, remote work, and video conference to reduce the risks in the workplace.</li> <li>Establish standard practice after a confirmed case, and assist colleagues to return to work in good health after confirmation of treatment.</li> <li>Implement migrant worker dormitory pandemic prevention to ensure airtight pandemic prevention.</li> </ul>
<b>Business Travel Restrictions</b>	<ul style="list-style-type: none"> <li>Implement personal health management and suspend unnecessary business travel arrangements to reduce the risk of infection.</li> <li>Follow instructions of the Taiwan Centers for Disease Control and provide all pandemic prevention resources for employees on necessary business travel or returning to Taiwan from overseas.</li> </ul>
<b>Visitors/ Contractor Onsite Personnel Restrictions</b>	<ul style="list-style-type: none"> <li>Visitors and foreign guests must have their body temperature checked, fill out a health declaration form and wear masks before entering the plant. If anyone is at risk of infection, he or she is not allowed to enter the plant.</li> <li>Onsite personnel of contractors must do COVID-19 Rapid Antigen Test each week to protect the health of employees. Taiwan from overseas.</li> </ul>
<b>Environmental Cleaning</b>	<ul style="list-style-type: none"> <li>Strengthen the way and frequency of environmental cleaning and disinfection in each plant.</li> <li>Areas that pose risks must be immediately disinfected with solutions by professionals to reduce the sources of infection.</li> </ul>

### Major Incident Drills at Each Plant

Accidents can happen in many ways, and it is important for employees to understand the potential hazards and risks of accidents. PTI adopts a positive attitude toward the potential risks of disasters. Through rigorous risk control, operational and situational exercises for different accidents, we enhance the safety awareness of all employees and ensure their safety. Occupational safety management units provide trainings including E-learning and in-person courses and implements accident risk identification based on the potential accident categories and operational hazards of each plant. They set emergency response plans and organize drills for different conditions such as fires, leaks of chemicals, earthquakes and infectious diseases to keep enhancing the disaster response capabilities and risk awareness, strengthening the safety of plants.

#### Infectious Disease Prevention, Fire Protection Grouping, and Fire Safety Drills





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Information Security Governance

In 2022, ransomware, phishing, and supply chain attacks posed the gravest concern to companies. PTI continues to invest in information security facilities to ensure the stability of the IT system and the attainment of the Company's overall business objectives. Our information security management system adhered to the ISO/IEC 27001 security management standards and we continued to enhance our information security defense and reduce the risks of hacker attacks.

Implement the Three Lines of Defense and Four Measures for Information Security Governance

PTI established a set of standards for compliance and implemented tiered management of information and information security. We also used the three lines of defense to minimize the impact of hackers on company operations.

Three Lines of Defense	Organization	Members	Missions
First Line of Defense	Departments and IT units	All units, Information Management Division.	Responsible for the routine operations of systems and information, information management, and equipment maintenance and report anomalies to the Information Security Committee.
Second Line of Defense	Information Security Committee	Information Security Officer, IT security specialists, legal, audit, and information security personnel from other units.	Formulate the information security strategy, implement information security governance, information security control, risk assessments, information security audits and system maintenance, as well as crisis management and regularly report to the Risk Management Committee.
Third Line of Defense	Risk Management Committee	Two independent directors and one director.	Response to critical information security incidents, risks, and supervision to ensure business continuity.



Four Measures for Information Security Governance	
1	Establish the business continuity plan and regularly conduct information security drills to ensure that the company can apply its disaster response capabilities at the critical moment to quickly restore a normal or acceptable level of operations in the event of a disaster, and that the operations of important information systems are not interrupted.
2	Evaluate the information security resilience in the company's overall security conditions from an external perspective with third-party information security risk experts to determine weaknesses in the existing information security protection mechanisms for upgrades and improvements.
3	Continue to rely on endpoint and network detection and response to block intrusions from the Internet, enhance defense in depth for endpoints and prevent threats from hackers and malware.
4	Expand information security to the supply chain. Use questionnaires, supplier audits, and communication to work with suppliers in implementing information protection measures so that the information security awareness is instilled in the supply chain to comprehensively protect information security.

Information Security Protection Network			
	2022	2023	2024
Information Security Professional Cultivation.	●	●	●
Education and Training on Information Security for All Personnel.	●	●	●
ISO 27001 Third-Party Follow-Up Audit.	●	●	●
Internal Audit for Information Security Management System.	●	●	●
Simulation Exercise of Information Security Event.	●	●	●



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### Corporate Governance

## 2.4 Business Conduct and Ethics GRI 2-15 GRI 2-26

To create a corporate culture of ethical management, as well as to implement an ethical management policy in a bid to conduct business activities based on the principle of fairness, honesty, trust, and transparency, PTI has established the "Sustainability Management Office" subsidiary to the Board. The office oversees revising and supervising the business integrity policy and prevention plan, reporting to the Board directly on an annual basis. PTI passed the "ISO 37001 ABMS" certification in 2021 and to reinforce corporate governance through systematic execution and implementation.



### 2.4.1 Avoidance of Conflicts of Interest



In 2022, **100%** of the employees who should declare recusal when having conflicts of interest have done so.

To become an incorruptible enterprise and deter the improper transfer of benefits, the company's directors, committee members, managers and other stakeholders who attend the Board of Directors meeting shall uphold high discipline and refrain from discussing and voting for issues. Those who have a stake and if the stake is harmful to the interests of the company, shall not participate in the discussion and voting, during which they should recuse themselves, and they may not vote on the other directors' behalf. The directors shall exercise discipline among themselves, and may not inappropriately support each other. In carrying out the company's business, employees shall not use their position or influence in the company to obtain illegitimate benefits for themselves, their spouses, parents, children, the legal entity they represent or any other person.

### 2.4.2 Implement Compliance Policy and Regulations

PTI upholds the highest level of ethical standards in all business transactions, and we adopted a zero-tolerance attitude for bribery. In addition to the Company's highest guiding principles for integrity - "Code of Business Conduct and Ethics," we also established the "Anti-Bribery Policy" and "Ethics Policy" and published them on the company website to demonstrate the company's anti-bribery commitment and resolve. We also provide them in external activities such as supplier conferences and investor conferences as guidelines for stakeholders to create an ethical supply chain. (Refer to PTI's official website for the Anti-Bribery Policy and Ethics Policy)

### 2.4.3 Education and Training

PTI has disclosed its ethical management policies on its internal website or bulletin board for viewing. Employees are required to take online courses to learn legal compliance and contractors and their onsite personnel must also receive ethical training. The annual performance appraisal items are linked to the course to ensure the employees' compliance. Each new hire must attend the employee code of conduct course and sign the integrity declaration. The signature rate reached 100% in 2022. All employees engage in self-review and self-motivation based on the core idea of "integrity" and we organize training to communicate ethical corporate management and anti-bribery information each year. We completed training for 11,714 participants in 2022.

2022 Business Ethics (Anti-Corruption) Training			
Job Type	Number of Employees Expected	Number of Employees Trained	Training Rate
Engineering	1,389	1,373	99%
Administration	450	425	94%
Technical	9,440	9,305	99%
Management	626	611	98%
Total	11,905	11,714	98%

In addition, PTI has disclosed its business integrity policies in its internal regulations, annual reports, website and other platforms. The company has also declared its business integrity policies in product announcements, supplier meetings, and investor conferences in order for the suppliers, clients and stakeholders to understand and respect the business integrity policies.

### Complaint and Consultation Channels

PTI has established an independent reporting and consultation mailbox for internal and external staff's reporting/consulting. Dedicated units process reports and launch related investigations. They also actively verify facts and process the reported matters. We maintain the confidentiality of whistleblowers and contents of complaints for uncovering violations of professional ethics or acts of fraud. We also protect whistleblowers from any form of retribution or treatment for the whistleblowing.

Sustainability Management Office: [csr@pti.com.tw](mailto:csr@pti.com.tw),  
Legal Affairs Department: [legal@pti.com.tw](mailto:legal@pti.com.tw),  
Internal Audit: [audit@pti.com.tw](mailto:audit@pti.com.tw)



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## Corporate Governance 2.5 Legal Compliance

GRI 2-27

To strengthen the employees' legal compliance awareness, PTI has established the Legal Department and the Regulatory Compliance Department and Intellectual Property Management Department, responsible for legal compliance, trade secrets, personal information, and intellectual property management-related affairs. They are required to regularly perform audits and personal information/trade secrets inventory, while the Newsletter is issued to let employees receive the latest knowledge of laws and regulations to prevent legal violations.

For overseas subsidiaries to align with local legal systems and comply with the regulations, local legal professionals are hired to perform a professional assessment of the laws and regulations relevant to our operations. We have established related regulations, procedures and systems to periodically enforce regulatory inspections, pay close attention to the formulation and development of regulations that might affect the company, as well as plan related training courses to strengthen the employees' awareness and compliance with business-related regulations.

### 2.5.1 Personal Information Management

PTI complies with laws and regulations and implements personal data protection management. We have established a comprehensive privacy and personal information protection policy and require employees and third parties to collect and process personal information only to the extent necessary based minimum requirements. They must also properly store or delete the collected personal information in accordance with laws. To protect the rights of personal information owners, we have set up forms and systems to protect the rights and interests of individuals whose personal information we collected. These rights include inquiries or requests for access, requests for providing additional information or corrections, requests for the suspension of collection, processing or use and request deletion. Every year, employees receive personal data protection awareness education and training to enhance their awareness training. They must understand that when they come across other people's personal information while carrying out their duties, such information may only be used for work-related purposes and cannot be used for private reasons. A total of 11, 616 employees attended the personal information protection and management courses in 2022.





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#### 2.5.2 Administrative Fines

In 2022, PTI was fine a total of NT\$530,000 by the competent authority for 5 counts of violations (based on the occurrence date). After communicating with the competent authority, improvements have been made to all of the shortcomings. The fines incurred in 2022 as a result of violation were as follows:

Violation	Fine Amount (NT\$)	Description	Improvement Measures
Waste Disposal Act	120,000	The Department of Environmental Protection audited the Company's wastewater treatment facilities and found that the replacement of wastewater tanks and sludge disposal was not outsourced to qualified contractors.	1.On-site recovery was conducted immediately as requested by the Department of Environmental Protection. 2.Reinforce legal education and training for the internal employees of PTI and PTI's contractors. 3.When the contractor is disposing of waste, it must provide proof of disposal and a waste tracking record. 4.The Company completed the removal of the waste in accordance with the disposal plan on December 18, 2022 and submitted the case closure report to the Department of Environmental Protection for registration on January 19, 2023.
Dedicated air pollution prevention department or dedicated personnel establishment and management regulations	200,000	The firefighting management personnel was also appointed as the air pollution prevention personnel from October 24, 2018, to October 23, 2020.	1.Set up a list of licenses for the Environmental Protection Section to verify whether the licensed personnel remain employed and whether or not the on-the-job training and orientation training were implemented in accordance with regulatory requirements. 2.Actively notify the personnel of the Environmental Protection Section when there is a change in the personnel whose licenses are registered for use by the Company. 3.HR shall assist in providing the list of personnel whose jobs are changed to employees of the Environmental Protection Section.
Air Pollution Control Act	130,000	Department of Environmental Protection confirmed abnormal pH value of the scrubbing tower.	1.Plant affairs units purchased additional pH meters specifically for the use of scrubbing liquid in the scrubbing tower. 2.Plant affairs personnel conduct at least 4 sampling inspections of the scrubbing liquid each month. 3.Personnel of the Environmental Protection Section use test strips or portable pH meters for sampling inspections from time to time. 4.Environmental protection awareness campaigns for the units responsible for pollution prevention equipment.
Occupational Safety and Health Act	60,000	Issuance of a penalty decision for the occupational injury involving a board loading machine on June 28, 2022. <ul style="list-style-type: none"><li>Failure to prevent other individuals from operating the activation device of the machine or commit errors in the delivery of materials.</li><li>Failure to use locks or set up signs.</li></ul>	1. Improvement of safety devices for machines. 2. Enhanced worker training for resolving anomalies of machines and corrected the PLU800 / PPLU800E troubleshooting procedures. 3. Conducted risk assessments for IR equipment maintenance.
Labor Standards Act	20,000	The Department of Labor Affairs found that when workers apply for leave without advance notice, they can only request sick leave or personal leave instead of using their special leave, which violates the regulations for workers to freely use their special leave.	Communicated to employees that special leave shall be scheduled by employees so that the Company will not be receive another fine for the violation.

Note:

- Principle for the disclosure of administrative penalties: The incident shall be announced on the Pollutant Release and Transfer Register, Inquiry System for Business Units (Employers) in Violation of Labor Regulations, or the Market Observation Post System.
- In 2021, PTI received fines totaling NT\$180,000 and completed improvements for all deficiencies.





**POWERTECH  
TECHNOLOGY INC.**

**2022 ESG REPORT**

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## Innovation and Service

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- **Taiwan Intellectual Property Management System (TIPS)** Certification.
- Accumulated **911** approved patents as of 2022
- Received the **Intel EPIC Distinguished Supplier Award**





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### Material Topics

#### Technology and Service

- Consider the product life cycle, recycling of resources and social innovation in design and development to increase product efficiency, reduce power consumption during use, and empower sustainable manufacturing that supports the environment.

### Evaluation Guidelines

- Development of advanced packaging process and heterogeneous integration technologies

### 2022 Targets

- Develop the fan-out packaging and traditional BT base substrate packaging to provide an alternative in case of the shortage of FCBGA used for the packaging of ABF base substrates
- Design and develop high-stacking memory packaging for handheld device applications by integrating 8 low-power dynamic random-access memory (LPDRAM), 8 NAND flash memory chips, 1 logic controller chip, and 4 Si spacers in the IC packaging

### 2022 Achievements

- Completed the structure and reliability tests for the Chip First FO on Substrate for processors of smart appliances so that the FO on Substrate can be used to provide alternative packaging structure solutions with comparable performance and cost competitiveness when there is a shortage of ABF base substrates.
- Completed the production of high-stacking (21 chips in one package) memory package product development and verification and successful mass production.

### 2023 Targets

- Continue to develop the Chip MiddleFO-PoPoP structure with higher levels of integration with active chips and spherical passive components to provide better electrical specifications for wearable devices.
- Development of the Chip Middle 3D FOPoP structure and reliability tests to provide high-integration and multi-rewiring layers with better packaging solutions, while maintaining the small form factor packaging size to meet the needs of wearable devices.
- Continue to increase the maturity and stability of high-stacking packaging product design to enhance the design rule and the corresponding packaging process capabilities to meet the high memory density and small form factor requirements for handheld and high-end consumer devices.
- Continue to develop high-bandwidth memory packaging process capabilities to enhance the packaging design competitiveness and provide superior design specifications for customers to attain high performance and reasonable price competitiveness for their end products..



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### Innovation and Service

## 3.1 Business Goals and Strategies GRI 2-6

Globalization has connected international economies and professional division of labor. The integrated and interconnected industry chain has thus become critical for the sustainable development of companies. The COVID-19 pandemic and uncertainties in the semiconductor industry cycle are expected to persist in the near future, but they will also accelerate PTI's pursuit of sustainable development. As a corporate citizen, PTI remains committed to its responsibilities. As we pursue sustainability and common growth, we work together with stakeholders to inject positive energy into the society.

PTI upholds the mission and vision of "Being the World's No. 1 in Technology, Quality, and Service" and consolidates the knowledge and strengths of all employees to create a sustainable future.

#### 2023 Technology Development Blueprint

- Continue to maintain our position as a world leader in the quality, technology, and production capacity of memory products.
- Improve the sales personnel and product engineers' understanding of product design and process technologies to promote solutions that PTI can provide customers.
- Increase production capacity, particularly in terms of the turnaround time (TAT), yield and efficiency improvements.
- Focus on the bumping and flip-chip chip scale package (FC CSP) and flip-chip ball grid array (FC BGA) business development.
- Devote resources to develop high-performance products connected with through-silicon via (TSV) such as complementary metal-oxide-semiconductor chip scale package (CIS CSP) and high-bandwidth memory (HBM) for automotive and security applications.
- Mass production of the fan-out panel level packaging (FOPLP) and commence the supply of fan-out wafer certification.
- Use wire bonding and the technologies and production capacity of Hsinchu Science Park Plant 1 (P8), Wenhua Plant 1 (P9), Hsinchu Science Park Plant 2 (11A), and Hsinchu Science Park Plant 3 (11B) to provide System in a Package (SIP)/System in a Module (SIM) service.

#### People First Policy with Rigorous Protection

The pandemic devastated the world and drastically changed how people work and live. Employees are the most important assets of a company. PTI will continue to review workplace health and safety and prioritize the protection of workers. We respond to the epidemic and implement all preventive measures regardless of whether or not the outbreak deteriorates or subsides. We maintain a high level of preparedness for employees to work with peace of mind and reduce the impact on the Company.

#### Systematic Approach with Flexible Management

The epidemic has compelled companies to implement changes and PTI actively reviews workflows, evaluates current operations, implements more efficient management, and builds systems to optimize existing operations. We also provide a comprehensive training program to help employees improve and enhance their skills. We provide comprehensive physical and mental health support to nurture potential talents.

#### Focus on Details for Comprehensive Rollout

Companies must ensure resilience and flexibility in supply chain management to respond to rapid changes in the global economy. PTI starts by consolidating the group's resources from. In addition to developing the existing memory field, we also strive to expand our logic products and services and attract more customers by adjusting our product structure to become an all-round packaging and testing company.



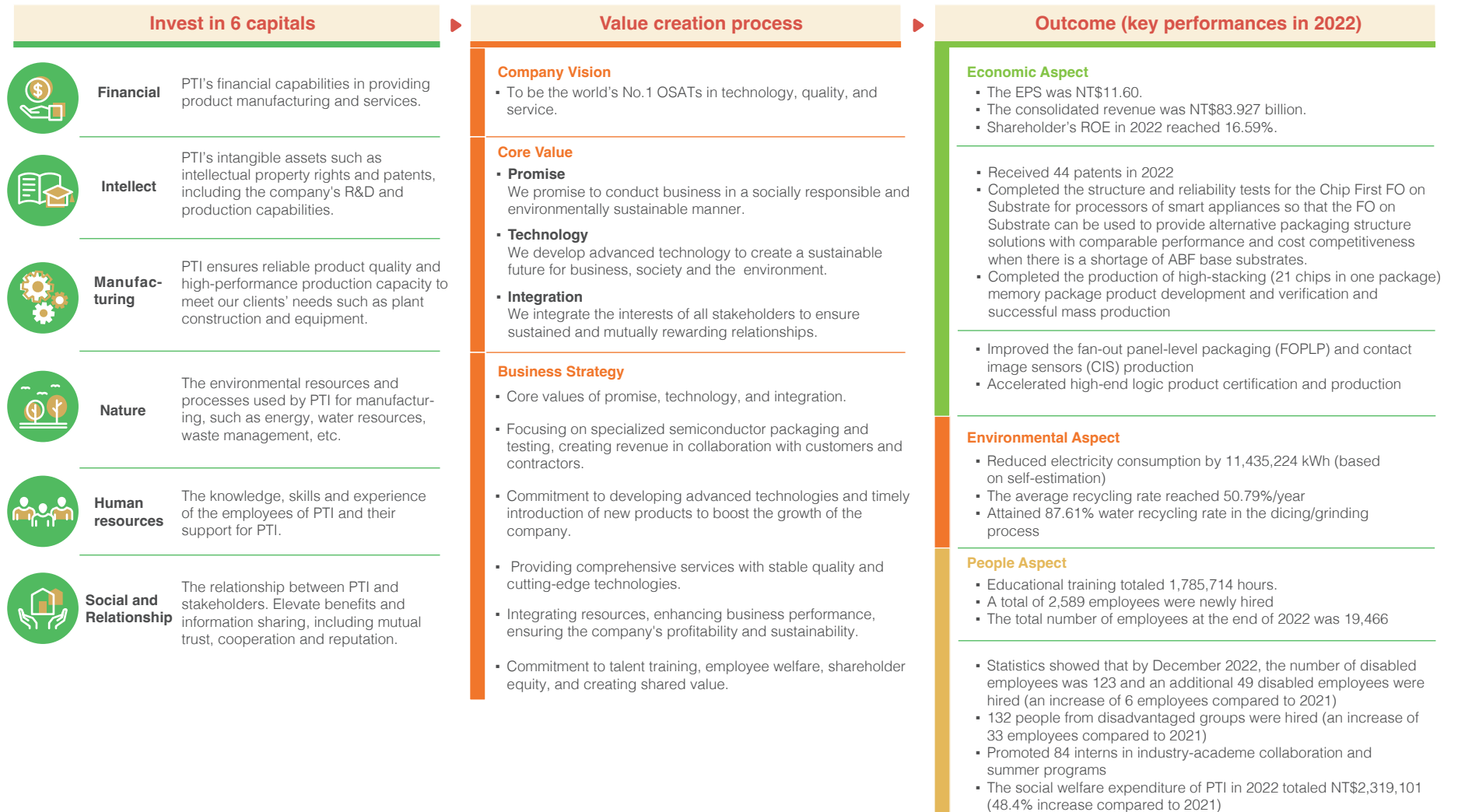


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### Six Capitals and Value Creation

As the economy recovered in the second half of 2022, the applications of semiconductors remained omnipresent and future advanced technologies require the support of semiconductors. Without advanced packaging technologies, the most advanced manufacturing could not be implemented. After years of investment and hard work, PTI has become one of the few packaging companies with comprehensive technical capabilities. We use our core values and business strategies to strengthen our contributions to the economy, environment and people to create positive results for stakeholders. The correlation map of the 6 capitals and the value of PTI is as follows:



Note: Other than financial performance which includes consolidated financial statements, all above information disclosures are mainly based on PTI Taiwan.



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### Innovation and Service

## 3.2 Customer Service

GRI 2-25 GRI 2-26 GRI 418-1

PTI strives to provide the best services and maintain good communication with our customers, therefore, we listen to their opinions closely and we continue to improve technologies with the aim of becoming the best technical support for our customers by forging a win-win partnership.

### 3.2.1 Customer Relationship and Quality Management

PTI is committed to providing customers with high-quality services. We regard customer opinions and feedback as important sources of information for continuous improvements and mutual trust. We collect information from a wide variety of sources to ensure precision and rapid response. Customer complaints, quality abnormalities, product return problems and shortcomings discovered through audits are used as the basis for continuous improvements in the future. PTI's Customer Service Team engages customers in comprehensive communication during product design, manufacturing, and post-delivery services. We also comply with the standards in the ISO 9001 International Quality Management System to provide products and services that meet market trends and customer demand.

To ensure the effective communication and processing of our customers' suggestions, PTI has adopted a "customer orientation" approach by paying attention to the issues that they are concerned with. We learn about customers' ideas through regular project meetings, ad hoc meetings and other channels and we have also established a comprehensive, transparent customer complaint handling process to communicate customer information to relevant departments and the management on time, to respond to problems quickly through joint review and the formulation of improvement measures, ultimately cementing the partnership.

### 3.2.2 Protection of Confidential Information of Customers

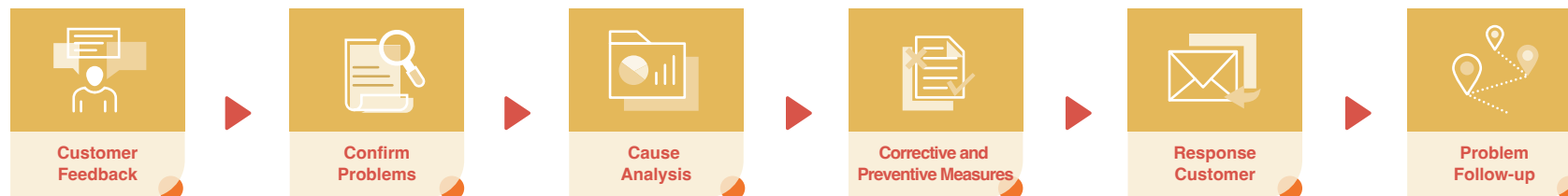
PTI is committed to protecting the confidential information of customers. Customers' proprietary technologies, trade secrets, personal information and confidential information are provided with the same level of protection as PTI's confidential information. All employees are required to fulfill their responsibilities of confidentiality.

#### Measures for Protecting the Confidential Information of Customers

**In 2022, there were 0 cases involving infringement of customer privacy or loss of customer data.**

- We established the "Trade Secret Security Protection Management Regulations" and require compliance by all personnel.
- Establish protection standards for customers' intellectual property rights and sign confidentiality agreements.
- Set up a dedicated document management unit and system and set confidential document management and access privileges.
- Implemented information security protection measures and organized employee training for "building a confidential protection network" to continuously strengthen employees' awareness for protecting customers' confidential information.
- The electronic fence is implemented to manage the camera of personal phones to prevent data leaks.

### Customer Complaint Management







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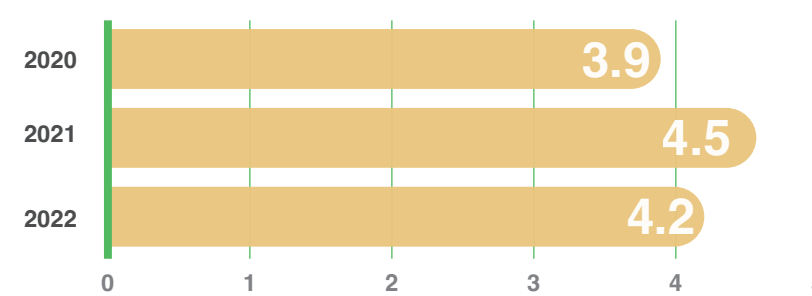
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### 3.2.3 Customer Satisfaction

To understand and meet the needs of customers and provide the fastest customer services, PTI conducts annual customer satisfaction surveys and uses satisfaction questionnaires for bilateral communication with customers to meet their needs. We also conduct internal reviews and propose appropriate improvement plans based on customer feedback and opinions. The results of the implementation of improvements are also reviewed in senior management review meetings and used as a basis for customer management strategies. We thus use thorough reviews to build partnerships with customers.

The average customer satisfaction survey score for 2022 was 4.2.

#### PTI Taiwan Customer Satisfaction in the Last 3 Years



Note:

1. The full score of customer satisfaction rating is 5.

2. As the pandemic affected the delivery schedule of products, the customer satisfaction score declined slightly in 2022.

Method	Related Regulations	Purposes	Goal
<ul style="list-style-type: none"><li>Research and Planning</li><li>Questionnaires Distributed and Recovered</li><li>Compile, Analyze Data, and Response</li><li>Improvement Plan</li></ul>	<ul style="list-style-type: none"><li>Customer Satisfaction Management Methods</li><li>Customer Complaints Handling Methods</li></ul>	To understand the customer's satisfaction and related feedback on the 5 aspects of quality, delivery date, engineering capability, price, and service and to listen to the possible future needs of our customers.	The satisfaction survey facilitates two-way communication and interaction with our clients, to maintain ongoing improvement and become their most trusted partner.

PTI is committed to providing a full range of packaging and testing services and maintaining a good cooperative relationship with our customers by offering customer-oriented services. Our services have received wide acclaim from major customers over the years. In the future, PTI will continue to maintain partnerships with customers. Through diverse communication channels including email ([info@pti.com.tw](mailto:info@pti.com.tw) and [legal@pti.com.tw](mailto:legal@pti.com.tw)), we will cater to the needs of our customers and help them achieve exceptional performance.





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### Innovation and Service

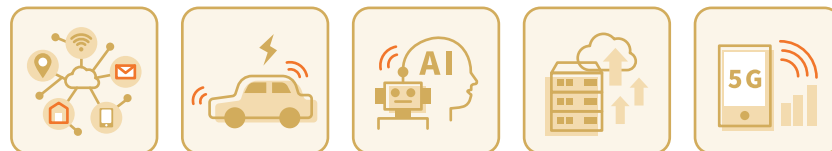
## 3.3 Technology and Service GRI 2-6

### 3.3.1 Technology

Changes happen fast in the semiconductor industry. To continue our growth and breakthrough, PTI focuses on advanced packaging process technologies for semiconductors. We work with main customers to jointly develop new products and new process technologies to meet the requirements of their products. We continue to enhance product efficiency and reduce product development time to reduce R&D expenditures.

In addition to our expertise in memory and logic packaging and testing technology, PTI continues to develop state-of-the-art packaging products and process technologies such as Flip Chip (FC), System in Package/System Integration Module, (SiP/SiM), Wafer Level Package (WLP), Antenna in Package (AiP), CMOS Image Sensor Chip Scale Package (CIS CSP), and 2.5D/3D TSV to satisfy higher requirements for products with high performance, high value and high-tech integration. We have successfully developed the Fan Out Panel Level Package (FOPLP) technology and used it for mass production.

With high market demand for emerging applications including Internet of Things (IoT), Advanced Driver Assistance Systems (ADAS), Artificial Intelligence (AI), High-Performance Computing (HPC), 5th Generation Mobile Networks (5G) and Metaverse, products must become more efficient, multi-functional and highly integrated. It also highlights the importance of heterogeneous integration. PTI will continue to enhance technology development and enhance core technical know-how to increase its competitiveness.



### 3.3.2 Service

PTI upholds its business philosophy of ethical corporate management and sustainability and pay close attention to customer needs. We effectively integrate resources of the Group to increase yield, accelerate product launch time and reduce initial development cost to help customers win the market. We also actively develop diverse business portfolios to provide customers with more comprehensive professional services.

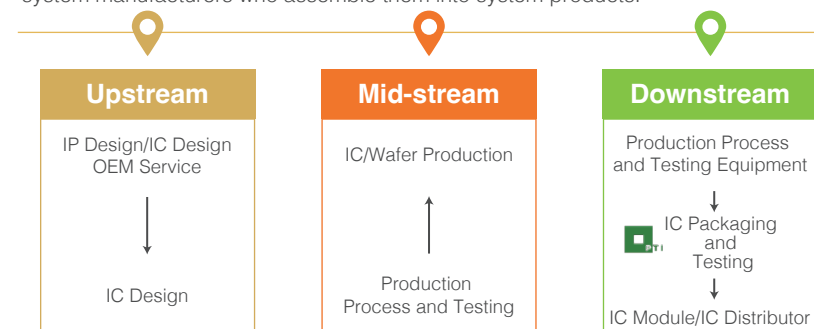
We foster close, trust and friendly relationships with domestic and foreign customers. We hope to enhance technology innovation and offer better quality and trustworthy services to create high-performance products and create more advanced and smarter lifestyles for humans.

#### Industry Encyclopedia - Semiconductor Supply Chain

**Upstream:** IC design is based on company regulations, logic, circuitry, simulations, masking, and other protocols to complete product design.

**Mid-stream:** IC manufacturing is outsourced to specialized wafer manufacturers or integrated device manufacturers (IDMs) who produce semi-finished wafers and perform front-end testing through the coating, masking, contrast, etching, and unmasking.

**Downstream:** Outsourced Semiconductor Assembly and Testing (OSAT) vendors, such as PTI performs the packaging process of wafer dicing, chip bonding, wire bonding, and molding, and finally perform testing. The tested finished products are sold to system manufacturers who assemble them into system products.





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### 3.3.3 Intellectual Property Management

PTI introduced the Taiwan Intellectual Property Management System (TIPS) in March 2020, receiving the TIPS (A level) certificate in the first year. In addition, the company was recertified again in 2021 and passed sampling inspections in 2022. TIPS encompasses patents, trademarks, and trade secrets. We conducted sampling inspections to review related regulations for intellectual property rights and review whether units have fully implemented the regulations and made improvements. We optimized the operating procedures to create a systematic management system with intellectual property management linked to business objectives.

### 3.3.4 Trade Secrets

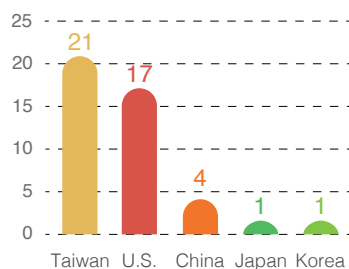
The protection of trade secrets is vital for tech companies to maintain their competitiveness. PTI has established comprehensive policies and regulations for the protection of trade secrets and the corresponding information security equipment and environment. We also set access management and control of access privileges for different levels based on the scope of duties. In addition, we arrange new employee orientation and trainings on trade secrets and information security protection immediately after their employment, in order to build up their awareness of protecting confidentiality of company information in the first place.

If there are special businesses or projects, we require employees to sign exclusive confidentiality contracts designed for the project and communicate the importance of confidentiality to the employees again. Furthermore, we conduct annual trade secrets inventory and online training courses by incorporating practical cases, while the teaching material is designed according to the nature of the work involved to remind employees of the importance of trade secrets protection.

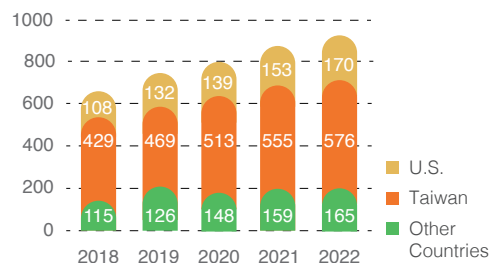
### 3.3.5 Patents

PTI protects the results of research and development with patent applications: By using the reward mechanisms and internal review system, we encourage R&D personnel to actively apply for patents and review the technical contents of the applications. The Intellectual Property Management Department evaluates the patents after the proposal, and provides the applicant with query results and related recommendation to help the applicant strengthen the contents of the application and identify valuable technical attributes.

**Number of Patents Received in 2022  
(Including Utility Model Patents)**



**Number of Approved Patents in Previous Years**



### 3.3.6 Intellectual Property Training

To ensure the confidentiality of the internal technologies, we provide all employees with intellectual property courses. We also provide courses on “patent application and frequently asked questions” for R&D units to help employees understand the basic procedures for patent applications and review with actual case studies. We also explain how to turn technical inventions or concepts into patent applications. In addition, PTI set up the patent reward to thank R&D personnel for their dedication to forward-looking technology development and patent applications. We present the “Patent Group Award” and “Patent Quantity Award” and select benchmark technical patents for the “Patent Value Award” in recognition of the contributions of each employee to the industry.



**2022 Intellectual Property Training**

No.	Course Name	Targets	Total Hours	Number of People
1	Protection and Management of Trade Secrets	All employees	11,616	11,616
2	Taiwan Intellectual Property Management System (TIPS) Training	Indirect Labor	3,959	3,959
3	Patent Application Case Studies and Frequently Asked Questions	RD Department	78	39





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## Collaboration with Partners

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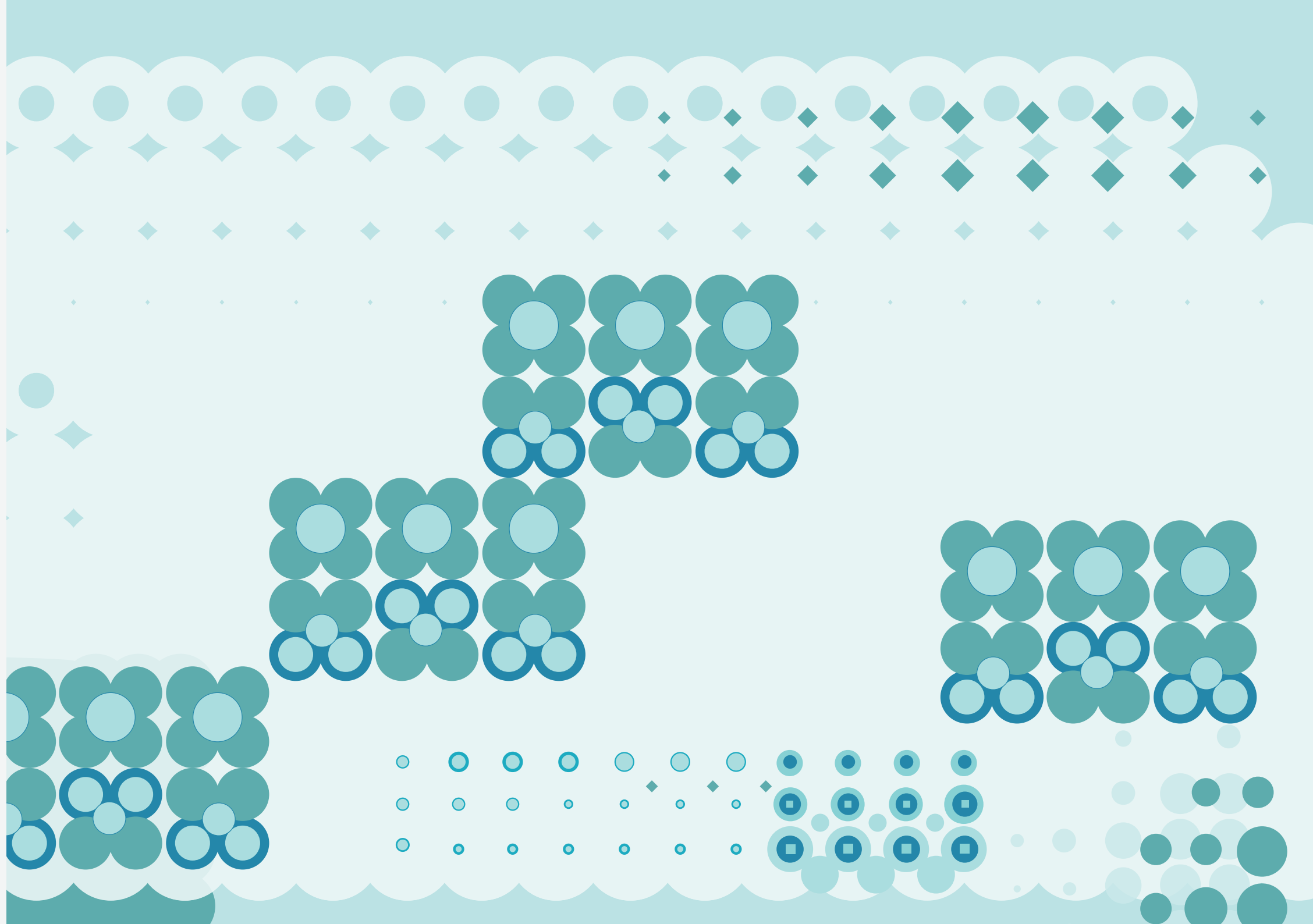
- 100% of PTI's suppliers are **conflict-free mineral suppliers**.
- Passed **ISO 37001 Anti-Bribery Management System certification**.
- **Responsible Business Alliance (RBA) Membership**  
Hukou Plant (P2), Datong Plant (3A), Datong Plant (3C), and Datong Plant (3D) received the **Factory of Choice Award (FOC) of the RBA**
- PTI Taiwan Plants passed **SA 8000 certification**.





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## Collaboration with Partners

### 4.1 Shareholder's Equity

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#### 4.1.1 Shareholder Communication Channels

In addition to publishing monthly revenue reports, quarterly financial reports and investor conferences, and annual shareholder meetings, all information can be found on the company's website. In addition, we have a spokesperson and investor relations department in charge of communicating company information to the investors to ensure that our investors fully understand the company's business strategies. Moreover, shareholders/investors can also use the investor email (invest@pti.com.tw) to voice their concerns and suggestions.

#### 4.1.2 General Shareholders' Meeting

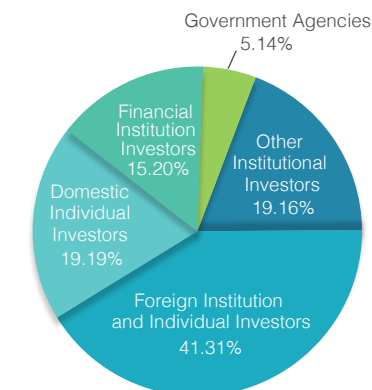
PTI holds annual shareholders' meetings to help all shareholders understand the company's state of business and conduct major resolutions. Completed and passed 5 major issues in the 2022 shareholder meeting.

Date	Major Resolution
May 27, 2022	1.Approved the 2021 business report and financial statements. 2.Approved the 2021 profit distribution plan. 3.Approved the release of directors from the non-competition clause. 4.Approved the revisions of certain articles in the Rules of Procedure for Shareholders' Meetings. 5.Passed the revision of certain articles in the "Procedures for Acquisition or Disposal of Assets".



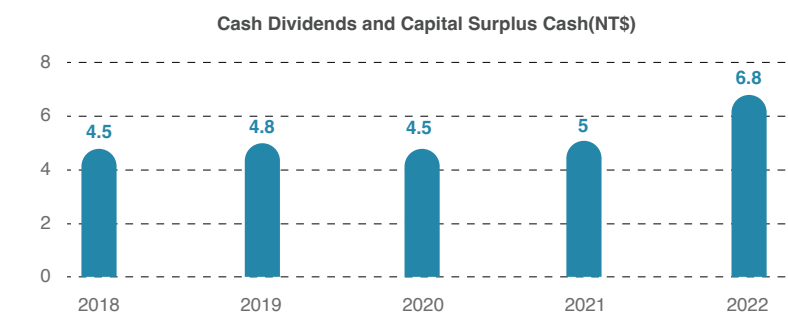
#### Shareholder Composition

Shareholder Composition	Number of Employees	Shareholding Ratio
Government Agencies	5	5.14%
Financial Institution Investors	24	15.20%
Other Institutional Investors	455	19.16%
Domestic Individual Investors	57,398	19.19%
Foreign Institution and Individual Investors	499	41.31%
<b>Total</b>	<b>58,381</b>	<b>100%</b>



Note: Reference date is April 2, 2023

#### Dividends Information





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## Collaboration with Partners

# 4.2 Supply Chain Partnerships

GRI 2-23 GRI 2-26 GRI 409-1 GRI 414-2

Suppliers, as important partners of PTI, fulfill their corporate social responsibilities through a close collaborative model. Besides taking into consideration of sustainability, quality, and delivery time, efforts have been devoted to urging suppliers to value and fulfill the requirements of human rights of workers, safety and environmental protection to create a win-win sustainable supply chain.

### 4.2.1 Code of Integrity

"Stable growth, sustainable management" is PTI's management philosophy. We are committed to the development of technology and new products and make ethical management an important responsibility of every member of the company. In 2020, in line with the company's organization and the "ISO 37001 Anti-bribery management system" voluntarily adopted by the Company, we have formulated the "Code of Integrity" and produced a portable card as a reminder.

In 2021, PTI passed the ISO 37001 ABMS certification to become the first electronics manufacturer to receive such certification. Besides reinforcing the belief of integrity among employees, we also specify our requirements in the annual PTI supplier social responsibility campaign and require compliance by all suppliers. We established the "gift acceptance and reporting" system for employees to remind employees to comply with ethical requirements.

Code of Integrity:	
<ul style="list-style-type: none"> <li>Uphold a corporate culture of ethical management. Conduct business activities with fairness, integrity, trustworthiness and transparency.</li> </ul>	<ul style="list-style-type: none"> <li>Do not solicit or accept, either explicitly or implicitly, any money, loan, gift, hospitality, favor or service from an existing or potential supplier that would be generally perceived by others as influencing or likely to influence, a purchasing decision.</li> </ul>
<ul style="list-style-type: none"> <li>We prohibit all forms of bribery, corruption, extortion, and embezzlement.</li> </ul>	<ul style="list-style-type: none"> <li>We should avoid accepting gifts from suppliers as much as possible and if we are considering the continuation of work, we should report it immediately to avoid unnecessary criticism.</li> </ul>
<ul style="list-style-type: none"> <li>Employees or their close family members are prohibited from accepting or giving, directly or indirectly, any gift, gratuity, hospitality or other benefits from suppliers, contractors, customers, or competing companies in an improper quid pro quo relationship.</li> </ul>	<ul style="list-style-type: none"> <li>No monetary transaction with suppliers (including loans and mutual aid societies).</li> </ul>
<ul style="list-style-type: none"> <li>Unfair competitive practices are prohibited.</li> </ul>	<ul style="list-style-type: none"> <li>Gifts of cash or vouchers from suppliers should be rejected on the spot, regardless of the amount.</li> </ul>
<ul style="list-style-type: none"> <li>Act lawfully and do not violate the law to protect the long-term interests of the employer and the individual.</li> </ul>	<ul style="list-style-type: none"> <li>If any cash, gift certificates, or valuables are found to be concealed, they should be left untouched immediately and reported to the supervisor of the company.</li> </ul>
<ul style="list-style-type: none"> <li>Abide by the company's rules and regulations, and report any abnormalities in behavior to the supervisor and personnel-related departments immediately to avoid affecting the reputation of the department and the company.</li> </ul>	<ul style="list-style-type: none"> <li>All information of confidentiality and importance to employers and suppliers should be handled with care and caution.</li> </ul>
<ul style="list-style-type: none"> <li>If there are ambiguities in the rules and regulations, or if there are disputes in the work, the "strictest" preceding regulations or high standards should be used for the work.</li> </ul>	<ul style="list-style-type: none"> <li>The independent complaint mailbox and hotline can be named or anonymous and protects the whistleblower from improper treatment due to the reported matter.</li> </ul>
<ul style="list-style-type: none"> <li>To avoid the perception of unethical intent in the process of interaction, transaction and communication with suppliers because of the inability to justify and explain the situation reasonably.</li> </ul>	<p>(legal@pti.com.tw/ Ext.337512; audit@pti.com.tw / Ext.338912; csr@pti.com.tw / Ext.338926)</p>





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### 4.2.2 Local Procurement for Suppliers

PTI's supply chain mainly consists of machinery equipment, parts, raw materials, and other materials, waste processing service providers, construction undertakers, and labor suppliers, among others. Raw materials and other materials suppliers, in particular, have a relatively significant influence on our daily operations. The suppliers are located mainly in Taiwan, Japan, China, Korea and the U.S. We continue to promote supplier localization to lower transportation costs, decrease carbon emissions, diversify risks, as well as support local industries and create more job opportunities to support residents.

In 2022, local suppliers accounted for 49.8% of the total procurement amount, while waste disposal contractors, engineering contractors and labor service providers were all 100% localized.

Item/Year	2020	2021	2022
Local Vendor Procurement Ratio	38.9%	52.8%	49.8%
Overseas Vendor Procurement Ratio	61.1%	47.2%	50.2%
Total	100%	100%	100%

### Supply Chain Diversity and Tolerance

The purpose of companies must expand beyond mere profitability and companies must bear more social responsibilities and accountability. PTI supports the "Supply Chain Sustainable Development Plan" and provides disadvantaged suppliers with equal business opportunities (e.g., women, people with disabilities, indigenous peoples or minorities, and individuals of the LGBTQ community). We added 5 diverse suppliers in 2022 to create a supply chain partnership model of equity, diversity and inclusion.

### 4.2.3 Responsible Mining Management

As a member of the Responsible Business Alliance (RBA), PTI promises to fulfill our corporate social responsibilities, support/uphold human rights and use conflict-free minerals. We comply with the RBA Code of Conduct and require suppliers to pay close attention to the issue of conflict minerals. We support the Responsible Minerals Initiative (formerly the Conflict-Free Sourcing Initiative (CFSI)) and comply with the Organisation for Economic Co-operation and Development (OECD)'s investigation guidelines. Utilizing the Conflict Minerals Reporting Template (CMRT) provided by the Responsible Minerals Initiative, helps our suppliers purchase raw materials from areas other than conflict-affected and high-risk areas.

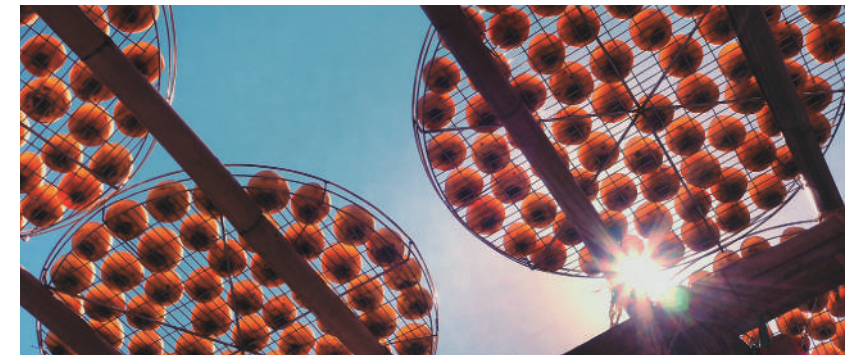
### 2022

- We completed the update of the Conflict-Free Minerals Policy in November to ensure that PTI's procurement procedures and product supply chain do not involve conflict minerals
- 100% of the tantalum, tin, tungsten, and gold is sourced from qualified smelters
- 100% of PTI's suppliers are conflict-free mineral suppliers

PTI has conducted a comprehensive conflict mineral survey since 2012 to trace the source of gold (Au), tantalum (Ta), tin (Sn) and tungsten (W) contained in its products to ensure that they do not come from "conflict mines" and requires all suppliers to comply with PTI's "Conflict-Free Minerals Policy," disclose the list of smelters and mines they work with, and purchase from smelters and mines that have been verified as conflict-free. When the CMRT is updated, PTI also requires suppliers of direct materials and packaging materials to conduct a comprehensive review of conflict minerals in the supply chain. We will also help suppliers with the investigations and correct non-compliant items.

### Mica Supply Chain Management

PTI engaged stakeholders in 2022 and learned about the use of child labor at low wages and other illegal operations in certain countries where mica is mined. As mica is a main ingredient of coating, it is widely used in the external coating of electronic products and the management of the mica supply chain has thus become important. In response to these issues, PTI continues to pay close attention to the requirements of international organizations for the management of mica. We investigate the source of the suppliers' minerals and implement ethical procurement. We also enhance communication with suppliers to increase the intensity of investigations and implement the Extended Minerals Reporting Template (EMRT).







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### Conflict-Free Minerals Policy

PTI fulfills social responsibility, respect for human rights, and sustained attention to the conflict minerals issue, we avoid conflict mineral(s) that directly or indirectly finance or benefit armed groups from conflict-affected regions. PTI related business transactions in accordance with RBA. To ensure that metals of gold, tantalum, tin and tungsten are not excavated from conflict affected and high risk areas (CAHRAs) such as Democratic Republic of Congo, "Conflict-Free Minerals Policy"



practices are follows:

- Exercise due diligence with relevant suppliers consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and encourage our suppliers to do likewise with their suppliers.
- RMI "Conflict Minerals Reporting Template (CMRT)", "Extended Minerals Reporting Template (EMRT)" are used for investigation on suppliers conflict minerals. PTI also requests suppliers to commit to the prevention over the use of minerals from CAHRAs.
- Require suppliers to trace the source of minerals, confirm the RMAP Conformant Smelters & Refiners in our supply-chain to meet conflict-free.
- Immediately discontinue engagement with suppliers who pose a reasonable risk to be supporting conflict.

### 4.2.4 Comprehensive Supplier Management

PTI has created comprehensive supplier management guidelines to materialize supply chain development and foster a win-win sustainable performance.

#### Supplier Assessment

##### New Supplier Evaluation

- Assess new suppliers, including paper, plant and sample evaluations.
- Supplier candidates must sign the "Business Integrity Commitment".
- Those who meet PTI's requirements are eligible suppliers.

##### Supplier Assessment

- Assess supplier of raw materials every season/6 months.
- Assessment criteria include quality, delivery date, cost, and technology.
- Suppliers that fail the assessment are required to improve within a time limit and provide evidence of improvement or arrange for an on-site inspection.

##### Supplier Audit

- Major raw material suppliers are audited annually.
- Auditing categories include quality management system, green product system, environment, safety, health system and RBA system (Labor Rights).
- When shortcomings are identified, suppliers are required to submit appropriate improvement plans with specific goals and time limits. Those who fail to achieve the goals within the time limit are disqualified as suppliers.

##### Supplier Consultation and Training

- Encourage suppliers to use electronic receipts to reduce the consumption of natural resources.
- "Supplier Social Responsibility Forum" was held to promote green policies, quality policies, integrity, ethics and CSR management concepts.
- Direct materials suppliers must have international certifications such as the ISO 9001 Quality Management System. Those without certification must provide plans to obtain such international certification.
- Encourage suppliers to use electronic receipts to reduce the consumption of natural resources.





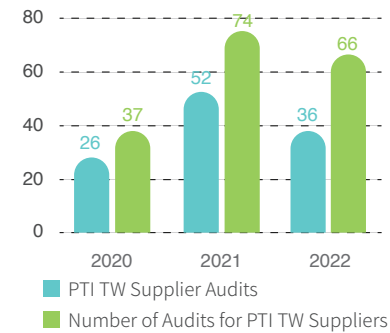
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Key raw materials suppliers must pass the supplier assessment and undergo routine audits to ensure that they are in line with the sustainable management requirements and partnership quality of PTI. The key raw materials suppliers of PTI are assessed every quarter based on the goals of quality, delivery date, cost and technology. During the assessment, if the quality and the delivery date of a supplier are problematic, we will ask the supplier to immediately make improvements and provide relevant supporting evidence, or perform an on-site audit. In 2022, all the raw materials suppliers passed the assessment, achieving an average score of above 80 points.

### Supplier Audit

PTI would screen primary raw materials and other materials suppliers first and include them in the evaluation according to the quality status or process requirements and the results of the evaluation are used to schedule audits. In 2022, a total of 36 suppliers were audited including raw materials suppliers (2 new suppliers, 33 existing suppliers) and labor suppliers (one existing supplier). In addition, for those with scheduled annual audits or who were at high risk, an audit based on the RBA Code of Conduct was conducted to avoid or reduce negative social impacts through audit control. Due to the impact of the pandemic in 2022, PTI Taiwan conducted 66 quality system audits or the RBA code of conduct audits on our primary direct suppliers of raw materials, contractors, and labor suppliers and no high-risk suppliers were found.



Irregularities found during supplier audits were mainly related to process control, occupational health and safety management, fire safety, operational regulation implementation and 6S in the production lines. We demanded the suppliers to improve within a time limit, and follow-ups showed that all irregularities were closed. No supplier has been classified as a sub-standard supplier. According to the supplier audit, PTI does not have suppliers with major risks such as forced or compulsory labor and child labor.

Item/Year	2020	2021	2022
PTI TW Supplier Audits	26	52	36
Number of Audits for PTI TW Suppliers	37	74	66

### 4.2.5 Host Supplier Social Responsibility Forum

To create a sustainable supply chain and to effectively communicate ESG sustainability awareness, PTI holds the annual supplier social responsibility forum and maintains optimal interactive relationships with our suppliers. Sustainable development trends are shared and mutual accomplishments in ESG are exchanged. Through devoted collaboration from the supply chain, suppliers and partners create a win-win shared value. In 2022, 177 representatives from 149 suppliers in the field of chemicals, direct materials, and human resources agencies attended the "Supplier Social Responsibility Forum."



### 4.2.6 Cooperating with Our Partners

Suppliers are extensions of PTI' s production capacity and strong supplier partnerships are the foundations for sustainable development. In 2022, we organized an award ceremony for outstanding suppliers. We selected 11 outstanding suppliers, produced trophies, and invited the winners to participate in face-to-face exchange of ideas. In addition to communicating recent development, future prospects, and sharing industry information, the President personally presented the award to the supplier representatives to intensify our partnership. Due to restrictions as a result of the COVID-19 pandemic, certain senior executives of foreign suppliers were unable to attend in person, but they attended via video conferencing to express their gratitude. Customers, suppliers and PTI form close partnerships and good supply chain relationships are the bedrock for the Company' s continuous development. We also use the exchange of ideas and interactions to draw us closer to suppliers and create a solid foundation for future collaboration.





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Collaboration with Partners

4.3 External Organization Participation

GRI 2-28

PTI aspires to be an advocate of important issues in the semiconductor industry, so we vigorously engage with external organizations, support initiatives, and monitor international trends. We also seek opportunities for sustainable cooperation with other organizations, making tangible contributions to economic, environmental, and social issues, and exerting sustainable influence. As the topic of information security becomes increasingly important, PTI has proactively joined information security intelligence organizations such as TW-ISAC (TWCERT/CC), SP-ISAC, and Hinet SOC, etc. to keep abreast of the latest developments in international information security. By joining international information sharing, analysis, and exchange platforms, PTI can lower the risk of information security.

4.3.1 Main External Organization Participation (As a Member)

Social Responsibility / Supply Chain	Industry-Academia Collaboration
<ul style="list-style-type: none"><li>Responsible Business Alliance (RBA)</li><li>Responsible Minerals Initiative (RMI)</li><li>Center for Corporate Sustainability (CCS)</li><li>Transported Asset Protection Association (TAPA) ASIA PACIFIC</li><li>TW-ISAC (TWCERT/CC) Taiwan Computer Emergency Response Team/Coordination Center</li><li>SP-ISAC Science Park Information Sharing and Analysis Center</li><li>Hinet SOC Global Warning</li><li>Suzhou Industrial Park Corporate Social Responsibility Alliance</li><li>Suzhou Industrial Park Resources Conservation and Energy Management Association</li><li>Suzhou Precursor Chemicals Industry Association</li></ul>	<ul style="list-style-type: none"><li>GOLF (Gap of Learning &amp; Field)</li></ul> <div>Industry / Business</div> <ul style="list-style-type: none"><li>Taiwan Semiconductor Industry Association (TSIA)</li><li>Chinese Society for Quality</li><li>Taiwan ElectroStatic Discharge Association (T-ESDA)</li><li>Hsinchu County Industrial Society</li><li>Hsinchu County Chamber of Commerce</li><li>Hsinchu County Industrial Park Company Association</li><li>The Allied Association for Science Park Industries</li><li>Jiangsu Province Semiconductor Industry Association</li><li>Suzhou Industrial Park Semiconductor Industry Association (SICIA)</li></ul>

Industry / Business	
<ul style="list-style-type: none"><li>Jiangsu Customs Brokers Association Suzhou Industrial Park Office</li><li>Taiwan Compatriot Investment Enterprises Association of Suzhou Industrial Park</li><li>Suzhou Industrial Park Association of Enterprises with Foreign Investment (SIP-AEFI)</li><li>Shaanxi Semiconductor Industry Association</li></ul>	<ul style="list-style-type: none"><li>Taiwan Compatriot Investment Enterprises Association of Xian</li><li>Xi'an High-Tech Enterprise Association Foreign Investment Enterprise Branch</li></ul>

4.3.2 External Initiatives

- As a member of the Responsible Business Alliance (RBA), PTI strictly adheres to the guidelines set by the RBA. We also conduct regular self-evaluation and extend it to our major suppliers and contractors to guide and urge them to use relevant tools and standards to continuously monitor their performance and extend management benefits.



- As a member of the Responsible Minerals Initiative (RMI), PTI promises not to use and purchase conflict minerals from conflict regions, and we demand our upstream raw material and parts and components suppliers to fulfill their social and environmental responsibilities by not using conflict minerals and complying with the RBA Code of Conduct in related transactions. At the same time, we also ask our suppliers adhere to GeSI' s updated legal smelting plants to ensure that raw materials are from conflict-free regions.
- Maintaining a close eye on the latest sustainability developments, PTI actively participates in the training and exchange activities organized by the Center for Corporate Sustainability Studies (CCS) in Taiwan to foster sustainable competitiveness and promote sustainability information sharing.
- PTI has responded to the UN' s SDG 13: Climate Action and participated in the Climate Change Project initiated by CDP, disclosing the Climate Change and Water Security questionnaires; at the same time, PTI has applied the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD) to identify risks and opportunities, as well as formulated metrics and target management based on the results.



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## Collaboration with Partners

# 4.4 Social Responsibility Management System

GRI 2-23 GRI 406-1 GRI 409-1

We are committed to protecting our employees' rights and interests, materializing environmental sustainability, creating a healthy and safe workplace, and promoting the spirit of integrity to the entire supply chain. We continue to maintain and operate a social responsibility management system that meets legal and customer requirements. We also follow the RBA Code of Conduct and the SA 8000 International Standard for social responsibility and regularly review the implementation of each system and control potential risks to fulfill our commitment to sustainability.

### 4.4.1 Policy Formulation

PTI is constantly striving to create a quality workplace and fulfill our social responsibilities. We have consolidated the sustainable development of the enterprise with our core businesses and formulated the RBA Code of Conduct policy, labor policy, ethics policy, environmental safety, health, and energy policy, as well as the conflict-free minerals policy. All policies are reviewed and approved by senior management and announced on the official website of PTI (For more information, refer to [www.pti.com.tw](http://www.pti.com.tw)).

### 4.4.2 RBA Membership

As a corporate citizen, PTI became a member of the Responsible Business Alliance (RBA) in April 2015, and we are still a member today. PTI continues to commit to supporting the vision and the mission of the RBA to ensure a safe work environment, respectful and dignified workers, as well as environmentally responsible and ethical business operations by exercising our influence as an industry leader, to create a more friendly and inclusive workplace.

### Factory of Choice Award (FOC)

Hukou Plant (P2), Datong Plant (3A, 3C, 3D) received RBA's Factory of Choice Award (FOC).

Note : To be recognized as a Factory of Choice, the following requirements must be met:

1. A VAP with a minimum score of 160 and all Priority findings must be closed
2. At least one RBA-Certified Factory Lead
3. A functioning worker forum to provide feedback to management that results in workplace changes



### Compliance with the Responsible Business Alliance Code of Conduct

The RBA Code of Conduct system is the unified standard for auditing social responsibility around the world, which covers major scopes of Labor, Health and Safety, Environment, Ethics and Supply Chain Management. We have complied with the RBA Code of Conduct and extended it to the supply chain to continue materializing the social and environmental management of our suppliers. By combining the RBA Code of Conduct and tools, PTI aims to demonstrate our determination and actions in fulfilling our corporate social responsibility. (Please refer to the official website of the RBA for more information)

### Performing Self-Assessment and Validated Assessment Program

PTI completes the Self-Assessment Questionnaire (SAQ) through the RBA-ONLINE platform every year to identify the risks in labor, health and safety, environment, and ethics at major operation sites in Taiwan. In 2022, the SAQ results revealed all PTI' s sites were at low risk.

Meanwhile, internal audits are performed annually according to the RBA Code of Conduct to verify the level of implementation and compliance in each factory. Once non-compliance is found, related departments are asked to enforce corrective measures immediately.

### The Assessment of PTI Taiwan's Main Operating Sites in 2022

Plant	SAQ	VAP	Plant	SAQ	VAP
	Risk Category	Score (Full Marks=200)		Risk Category	Score (Full Marks=200)
Hsinpu Plant (P1)	Low Risk	200	Hsinchu Science Park Plant 1 (P8)	Low Risk	200
Hukou Plant (P2)	Low Risk	200	Wenhua Plant 1 (P9)	Low Risk	200
Datong Plant (3A)	Low Risk	200	Xinxing Plant (P10)	Low Risk	200
Datong Plant (3C)	Low Risk	200	Hsinchu Science Park Plant 2 (11A)	Low Risk	196.5
Datong Plant (3D)	Low Risk	200			

Note:

1. VAP audit period: January 2021 to January 2023.
2. SAQ: Low risk ( $\geq 85$ ); medium risk ( $\geq 65$  and  $< 85$ ); high risk ( $< 65$ ).





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In addition, the plants of PTI regularly receive Validated Assessment Program (VAP) performed by a third-party institution. VAP is an effective and sharable social responsibility audit standard certified by the Responsible Business Alliance. The audit report may be openly shared with the customers through the RBA-ONLINE platform, and it is valid for 2 years. According to the RBA VAP audit, PTI does not have operational locations with major risks such as forced or compulsory labor and child labor.

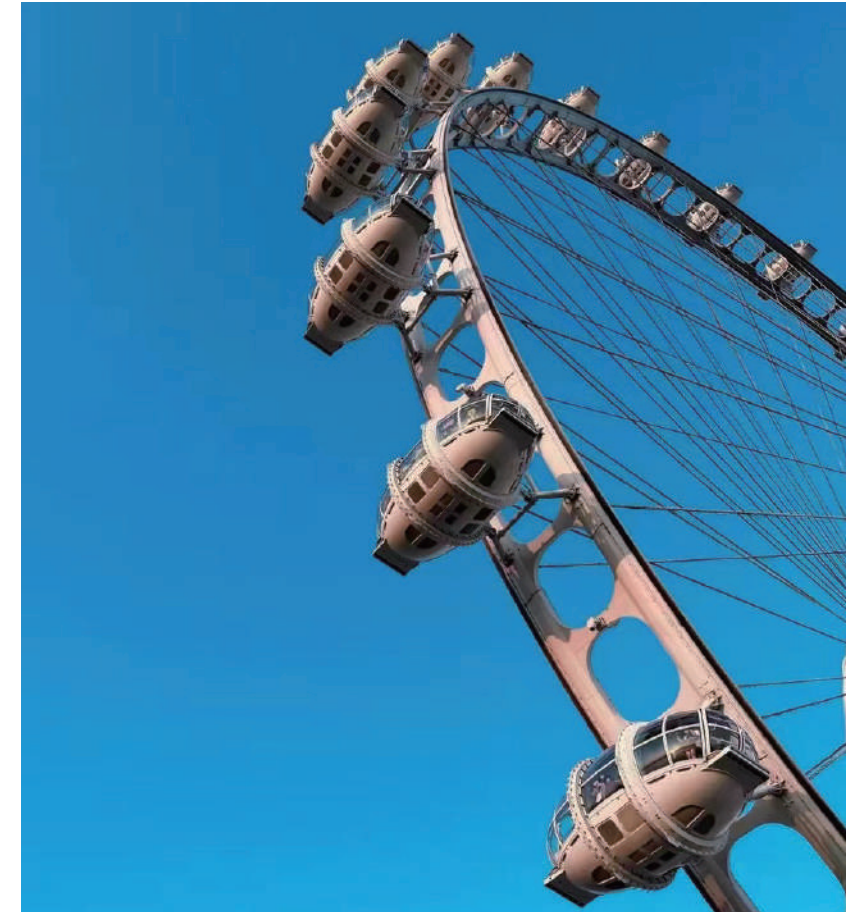
### 4.4.3 Implementation of SA 8000 International Standard

The Social Accountability 8000 (SA 8000) International Standard was launched by the Social Accountability International (SAI) in 1997 as a global corporate social responsibility (CSR) management tool and certification standard. It is designed according to the International Labour Organization (ILO) pact, the United Nations Convention on the Rights of the Child, and the Universal Declaration of Human Rights and consists of 9 key elements, namely Child Labor, Forced or Compulsory Labor, Health and Safety, Freedom of Association and Right to Collective Bargaining, Discrimination, Disciplinary Practices, Working Hours, Remuneration, and Management System. This international standard not only specifies the requirements of social responsibility and management system but also echoes the core values of the Company. PTI has been performing tracking audits on a semi-annual basis since 2016 when it obtained the SA 8000 certificate issued by the organization. We completed the recertification audit again in March 2022 and all shortcomings discovered during the audits have been rectified.



### 4.4.4 Legal Employment

PTI, as a leader in global semiconductor packaging and testing service, promises that it will provide a safe workplace, worker rights and integral and sustainable management is ensured. We comply with the International Labour Organization (ILO) regulations, which strictly prohibit to employ children under the legal minimum age for employment. We also comply with the competent authorities and regulations for legal recruitment, and our company rules and regulations are revised simultaneously under the relevant labor laws and regulations to respect and protect the legal rights of our employees.







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### Total number of PTI employees: 19,466

- Taiwan: 17,102
- (The number of employees in Taiwan is for PTI Taiwan and affiliated companies.)
- China: 1,920
- Japan: 444
- Implemented a zero-payment and direct hiring policy for our foreign workers.
- The ratio of men to women is close to **1:1**.
- Employed people with disabilities totaled **123** persons.
- A total of **1,071** PTI babies were born over the last 3 years.
- Received “**Occupational Safety and Health (OSH) Excellence Award**” from the Occupational Safety and Health Administration, Ministry of Labor.
- Honored with the “**2022 Health Management Award for Outstanding Workplace Health**” from the Health Promotion Administration of the Ministry of Health and Welfare.





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#### Material Topics

#### Evaluation Guidelines

#### 2022 Targets

#### 2022 Achievements

#### 2023 Targets

##### Labor Rights

- Continue to hire people with disabilities in accordance with the law and exceed the minimum hiring quota.
- Actively hire the disadvantaged and provide equal job opportunities.

- Sufficient employment opportunities for the disabled.
- Employ the disadvantaged.

- Employ one physically or mentally disabled person per 100 employees.
- Employ an average of 25 members of the disadvantaged every quarter.

- The number of legal employment quotas for December 2022 was 119 and the number of employees with physical and mental disabilities employed until December 2022 was 123, with 4 extra employments.
- 132 recruits from the disadvantaged with an average of 33 recruits per quarter.

- Employ one physically or mentally disabled person per 100 employees.
- Employ an average of 25 members of the disadvantaged every quarter.

##### Career Development

- Provide diverse education and training channels and allow employees to choose the most suitable learning methods depending on their needs at the workplace to make improvements.
- Create an atmosphere for the internal sharing of knowledge and learning, thereby passing on know-how and skills.

- Skill evaluation passage rate of new indirect labor.
- Number of online reading courses for independent learning by managers.
- Number of users of independent learning resources.
- Number of internal instructors trained.

- Continue to promote the skill evaluation of new indirect labor to help new employees adapt to their work within three months.
- Continue to provide a diverse and independent learning platform for managers with an average number of reading courses  $\geq 180$ .
- Promote knowledge sharing seminars for internal high-performance executives.

- 100% Skill evaluation passage rate of new indirect labor.
- Average of 151 reading courses on the independent learning platform for executives in 2022.
- As we adopted the "complete independent learning" model in 2022 to encourage learning instead of using KPI (completion of 180 courses), the managers did not reach the preset targets in their independent learning.
- Complete knowledge sharing seminars for internal high-performance executives in Q1.

- 100% Skill evaluation passage rate of new indirect labor.
- Number of users of independent learning resources (including English training, book loans, online course sessions)  $\geq 2000$ .
- Trained 80 internal instructors.

##### Occupational Health and Safety

- Continue to provide a healthy and safe workplace.

- FSI

- $FSI \leq 0.15$

- $FSI = 0.08$

- $FSI \leq 0.15$

##### Employee Communication

- Continue to improve and promote the performance of the communication channels, and listen to our employees' opinions, so that their feedback can be handled and responded to effectively.
- Create a harmonious, friendly workplace to support company operations through teamwork and mutual respect.

- Employee reaction solving rate (100%).

- 100% of employee reaction solving rate.

- Employee complaints in 2022: 60, employee complaints resolved: 60, employee complaint resolution rate of 100%.

- 100% of employee reaction solving rate.
- Optimize and improve employees' reaction solving performance.

★ Accomplished ☆ In Progress



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### Friendly Workplace

## 5.1 Employee Composition and Distribution

GRI 2-7  
GRI 401-1 GRI 405-1

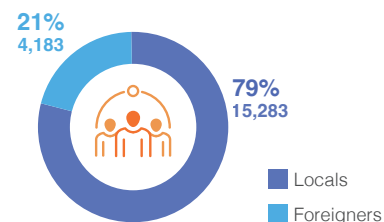
### 5.1.1 Employee Distribution

The stalemate of the Russo-Ukrainian War, global inflation, and pandemic continued to affect the global economy in 2022, which increased the uncertainties in industrial development. However, PTI has attained net operating profit due to the hard work of all employees. As of December 31, 2022, PTI Group has a total of 19,466 employees, consisting of 15,283 locals, accounting for 79% of the Group's employees, and 4,183 foreigners, accounting for 21% of the Group's employee.

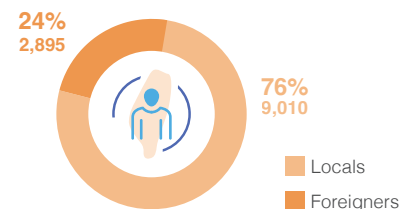
Region	PTI Taiwan	PTI Suzhou	PTI Xi'an	Greatek	TeraPower	Tera Probe PTI Japan	Total
Number of Employees	11,905	563	1,357	4,188	1,009	444	19,466

PTI understands that talent attraction and retention are essential for maintaining competitive advantages for the future. In light of this, PTI has made preparations. In addition to product portfolio adjustment, resource integration and cost control, we have also rigorously trained middle and senior executives through succession planning. At present, there are 626 managers. Meanwhile, PTI also emphasizes local hiring, generating the local economy, and providing job opportunities. As of December 31, 2022, PTI Taiwan has hired 9,010 local employees and 2,895 foreign employees, accounting for approximately 76% and 24% of total employees, respectively.

#### PTI Group's Local Employment Conditions in 2022



#### PTI Taiwan's Local Employment Conditions in 2022



Note:  
1. Statistics based on employees as of December 31, 2022.  
2. Locals refer to people with local nationality while foreign people do not have a local nationality.  
3. The management refers to supervisors who are associate managers or higher in ranking.

The scope of data for the type of employment, manpower structure, hiring, turnover, employee welfare and occupational is mainly focused on PTI Taiwan. PTI Suzhou and PTI Xi'an will be denoted separately if they are included.

### Types of Employment

Region	Category	Contract Type		Hiring Type	
		Permanent	Temporary	Full-time	Part-time
PTI Taiwan	Male	6,208	42	6,250	0
	Female	5,636	19	5,655	0
	Total	11,844	61	11,905	0
PTI Suzhou	Male	310	0	310	0
	Female	253	0	253	0
	Total	563	0	563	0
PTI Xi'an	Male	794	0	794	0
	Female	563	0	563	0
	Total	1,357	0	1,357	0

Note:  
1. Statistics based on employees as of December 31, 2022.  
2. The difference between permanent and temporary employees lies in the labor contracts signed.  
Permanent employee: continuous work, non-scheduled contractor.  
Temporary employee: temporary, short-term, seasonal or special work, scheduled contractor.



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### 5.1.2 Manpower Structure

Employees aged 18 to 24 account for 4.59% of the Group's workforce. They are freshmen with immense potential in the workplace. Employees aged 25 to 44 are the backbone of the PTI Group, accounting for approximately 83.30% of all employees. They are young but experienced and their contributions help PTI continue to innovate and grow. Employees aged 45 to 54 account for approximately 11.26% of all employees. They possess a wealth of practical experience and expertise to keep PTI moving forward steadily. Employees aged 55 to 64 account for 0.83% of the work force and they are mostly key leaders or senior executives of the Company with sufficient skills and performance to help the team move toward our common vision. Employees aged 65 and above account for 0.02% of the workforce. They are the most important leaders of the Company and they set the Company' s business targets and future development.

In response to the advent of new technology and to meet the strict product standards of international customers, the Group employs mostly technical labor at 79.52%, followed by engineering staff at 11.41%, management at 5.14% and administrative staff at 3.93%.

Under the principle of "gender equality" , PTI guarantees men and women the same right to work. As of December 31, 2022, PTI' s female employees account for 47.50% of the total workforce. This indicates that female workers still have fair and objective job security and room for growth in PTI Taiwan. Men account for 52.50% of PTI' s total workforce.

Region		PTI Taiwan				PTI Suzhou				PTI Xi' an			
Gender		Male		Female		Male		Female		Male		Female	
Category		Number of Employees	Ratio	Number of Employees	Ratio	Number of Employees	Ratio	Number of Employees	Ratio	Number of Employees	Ratio	Number of Employees	Ratio
Age	18-24	336	2.82%	211	1.77%	22	3.91%	9	1.60%	51	3.76%	30	2.21%
	25-44	5,131	43.10%	4,786	40.20%	255	45.29%	218	38.72%	742	54.68%	532	39.21%
	45-54	730	6.13%	610	5.12%	25	4.44%	26	4.62%	1	0.07%	1	0.07%
	55-64	51	0.43%	48	0.41%	8	1.42%	0	0.00%	0	0.00%	0	0.00%
	>= 65	2	0.02%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
	Total	6,250	52.50%	5,655	47.50%	310	55.06%	253	44.94%	794	58.51%	563	41.49%

Region		PTI Taiwan				PTI Suzhou				PTI Xi' an			
Gender		Male		Female		Male		Female		Male		Female	
Category		Number of Employees	Ratio	Number of Employees	Ratio	Number of Employees	Ratio	Number of Employees	Ratio	Number of Employees	Ratio	Number of Employees	Ratio
Job	Technical	4,402	36.98%	5,038	42.32%	203	36.06%	176	31.26%	692	50.99%	483	35.59%
	Engineering	1,093	9.18%	296	2.49%	64	11.37%	44	7.82%	45	3.32%	36	2.65%
	Administration	191	1.60%	259	2.18%	11	1.95%	18	3.20%	29	2.14%	35	2.58%
	Management	564	4.74%	62	0.52%	32	5.68%	15	2.66%	28	2.06%	9	0.66%
	Total	6,250	52.50%	5,655	47.50%	310	55.06%	253	44.94%	794	58.51%	563	41.49%
	Regional Total	11,905				563				1,357			

Note: The data is the workforce in service as of December 31, 2022.



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### 5.1.3 Employment

In 2022, PTI Group hired a total of 2,589 new employees, providing them with comprehensive training and growth-oriented challenges. Moreover, we also continued to implement the new employee care mechanism to enhance their sense of identity with PTI's corporate culture through teambuilding activities. By upholding the concept of "co-prosperity, sharing, and common good," we spare no effort in recruiting and caring for the disadvantaged groups. In addition to actively participating in regional recruitment activities such as the 2022 Employment Expo for People with Disabilities and the General Public, which helps underprivileged people to find suitable jobs. As of December 31, 2022, PTI Taiwan has employed 132 disadvantaged employees, helping them to earn income based on their conditions, thereby realizing the spirit of giving back to society and creating a friendly and inclusive workplace.

Note: Disadvantaged groups refer to those having been unemployed for three consecutive months or longer or specific people that have been between jobs for more than 30 days, such as unemployed people, aboriginals, or physically or mentally disabled people aged 45 to 65.

### Number and Ratio of New Employees in 2022 (By Age, Gender and Region)

Region		PTI Taiwan		PTI Suzhou		PTI Xi' an	
Gender		Male	Female	Male	Female	Male	Female
18-24 years old	Number of Employees	285	200	19	7	28	15
	Ratio	2.39%	1.68%	3.37%	1.24%	2.06%	1.11%
25-44 years old	Number of Employees	1,020	743	40	8	94	54
	Ratio	8.57%	6.24%	7.10%	1.42%	6.93%	3.98%
45-54 years old	Number of Employees	30	34	2	0	0	0
	Ratio	0.25%	0.29%	0.36%	0.00%	0.00%	0.00%
55-64 years old	Number of Employees	3	6	0	0	0	0
	Ratio	0.03%	0.05%	0.00%	0.00%	0.00%	0.00%
Over 65 years old	Number of Employees	0	1	0	0	0	0
	Ratio	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%
Total	Number of Employees	1,338	984	61	15	122	69
	Ratio	11.24%	8.27%	10.83%	2.66%	8.99%	5.08%

Note: New employees' ratio = Number of new employees in each region/total number of employees in each region.

### 5.1.4 Employment with Disabled People

PTI Taiwan actively participates in the expos held by the local governments and employment service stations for people with disabilities. Through on-site interviews, we aim to understand their conditions and match them to appropriate job openings. As of December 2022, PTI Taiwan has hired 49 new employees with disabilities, bringing the total number of employees with disabilities to 123. We believe that through a comprehensive work arrangement, people with disabilities can be of tremendous value in the workplace while pursuing an exciting career.

Year	2020	2021	2022
Disability Employment	116	116	123

### 5.1.5 Employee Turnover

The key to sustainable management of the company lies in talents. In order to actively retain outstanding talents, PTI has created a sound communication platform to engender a sense of belonging. In addition, we also provide job rotation opportunities and work improvement. The company's organization is designed with career development in mind, allowing employees to apply their talents in the right places. When employees wish to resign, we will explore different possibilities to retain or transfer them while ascertaining their willingness to return to PTI in the future. Regardless of the outcome, we will respect our employees' decisions.

### Number and Ratio of Employee Turnover in 2022 (By Gender, Age and Region)

Region		PTI Taiwan		PTI Suzhou		PTI Xi' an	
Gender		Male	Female	Male	Female	Male	Female
18-24 years old	Number of Employees	64	65	12	4	73	26
	Ratio	0.54%	0.55%	2.13%	0.71%	5.38%	1.92%
25-44 years old	Number of Employees	884	725	70	26	234	130
	Ratio	7.43%	6.09%	12.43%	4.62%	17.24%	9.58%
45-54 years old	Number of Employees	44	39	1	1	0	0
	Ratio	0.37%	0.33%	0.18%	0.18%	0.00%	0.00%
55-64 years old	Number of Employees	1	7	0	0	0	0
	Ratio	0.01%	0.06%	0.00%	0.00%	0.00%	0.00%
Over 65 years old	Number of Employees	1	0	0	0	0	0
	Ratio	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	Number of Employees	994	836	83	31	307	156
	Ratio	8.35%	7.02%	14.74%	5.51%	22.62%	11.50%

Note: Employee Turnover Rate = Number of resigned employees in each region/total number of employees in each region.



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## Friendly Workplace

### 5.2 Employee Welfare

GRI 2-19 GRI 2-21 GRI 201-1 GRI 201-3 GRI 401-2 GRI 405-2

Human resources are important partners for the success of companies. Therefore, we are committed to taking care of our employees, providing a quality salary system, comprehensive benefits and equal pay for women and men, creating a promising, thriving, inspiring, and friendly workplace of diversity and inclusion in order to attract more talented and like-minded people to join and stay in the company, bringing a constant stream of motivation and laying the foundation for sustainable management.

#### 5.2.1 Competitive Remuneration System

To accomplish long-term developments of the Company while at the same time maintaining the living standards of our employees, the overall remuneration of PTI employees is based on professional knowledge and skills, work duties, performance, and long-term contributions as well as the Company' s business targets to ensure the competitiveness of the Company' s overall compensation. Adequate adjustments are made to their salaries on a yearly basis through the salary survey and by taking the market salary standards as well as the overall economic index and commodity price index into consideration. By continuing to optimize the competitiveness of our remuneration, PTI can attract more outstanding talents and attain a win-win outcome. Also, PTI complies with the relevant labor laws and regulations to hire employees at a salary level higher than the local minimum wage, whether in Taiwan or overseas. The minimum certified salary for PTI (Taiwan) is NT\$28,500/month.

Note: Excluding foreign workers; the salary level approved for foreign employees meets local regulatory requirements.

2022 PTI Taiwan Statistics of the Average and Median Compensation of Full-time Employees in Non-executive Position					
Category	Number of Full-time Employees in Non-executive Positions	Average		Median	
		2022 (Unit: NT\$ Thousands)	Compared to 2021(%)	2022 (Unit: NT\$ Thousands)	Compared to 2021(%)
Indirect Labor	3,745	1,336	-1.5%	1,235	-3.3%
Direct Labor	7,342	622	-4.8%	588	-5.8%
Overall Employee	11,087	863	-3.2%	688	-6.2%

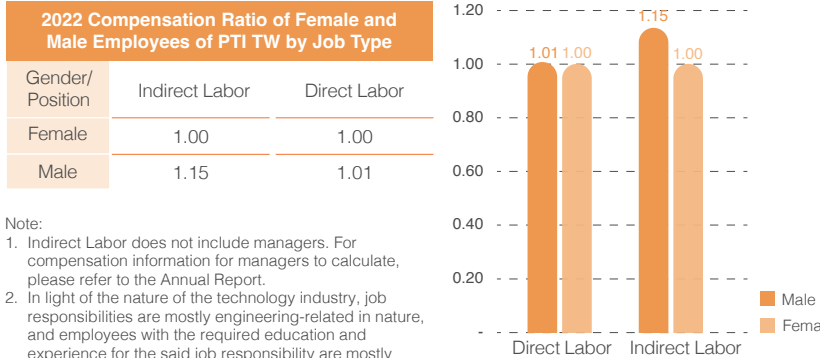
- Note:
1. Full-time employees, except those in executive positions. Please refer to the Annual Report for information regarding executive compensation.
  2. In addition to "regular payments", the compensation statistics of full-time employees, except for employees in executive positions also include "non-regular payments".
  3. Compensation is determined by taking into account the employee's salary income for the immediate year; the concept of basic rights and responsibilities shall apply.
  4. he "Salary Information of Full-time Employees in Non-executive Positions Form" can be found in the appendix of the 2022 Powertech Technology Inc. ESG Report (Traditional Chinese version).
  5. Indirect Labor: Administration and management staff, R&D engineering staff.Direct Labor: Operators

#### 5.2.2 Gender Equality in Pay and Opportunity

**A Company Powered by Women**

PTI actively creates a workplace of diversity and supports the growth and career development of female employees. Among the 2022/4/1 annual promotion, female employees accounted for **42.2%**.

"Creating equal working conditions" has always been PTI' s management goal. The design and approval of compensation are based on our employees' education, experience, expertise, seniority and position within the company, as well as personal performance. PTI has adopted a fair and just process involving the same pay for the same work based on their job category and not based on gender. Once hired, their salaries are adjusted higher annually in conjunction with corresponding promotions. The employees' remuneration is not determined by gender, race, religion, political affiliation, marital status and trade union or group membership. The Company' s remuneration system complies with labor regulations.



- Note:
1. Indirect Labor does not include managers. For compensation information for managers to calculate, please refer to the Annual Report.
  2. In light of the nature of the technology industry, job responsibilities are mostly engineering-related in nature, and employees with the required education and experience for the said job responsibility are mostly male; as a result, the compensation ratio for male indirect manpower is slightly higher than that for the female one.
  3. Compensation is calculated on the basis of the employee salary income for the immediate year; the idea of basic rights and responsibilities shall apply.





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#### 5.2.3 Comprehensive Benefits

In addition to the above-mentioned quality compensation system, PTI also offers comprehensive benefits: from work to life, from everyday life to festivals, we offer a comprehensive benefits system that is better than the legal requirement to encourage and inspire every employee. Rewards and benefits of PTI Taiwan are as follows: Benefit subsidies in 2022 totaled NT\$331,903,574. In 2022, we adopted different approaches for two benefits compared to past approaches:

##### 1.Group Insurance:

PTI is committed to provide the strongest support for employees. The group insurance premiums are all paid by the Company. We also expanded the scope of coverage beyond employees to include their spouse and children. To provide additional care for employees, we worked with an insurance company in November 2022 to play online consulting services and established PTI's official account on social media. The services included "consultant appointment reservation," "claim application download," "group insurance information" and "overseas emergency relief assistance" to provide employees with comprehensive services.



- With Q&A facilitated by chatbot, employees can gain preliminary information of the group insurance or be directed to other services.
- Questions asked by employees in the official account will be answered by dedicated personnel. Employees are no longer required to use the onsite services of the group insurance provider at specified time and locations, and can obtain answers quickly to increase the efficiency of group insurance applications.

##### 2.Online Benefits Platform:

PTI values sustainability. Caring for the Earth and conserving resources have always been important parts of our plans. The Employee Welfare Committee also continuously provides support in terms of benefits, activities and implementation. After internal reviews and discussions, we decided in 2022 to shift certain parts of the employee welfare measures from printed materials to distribution via the online welfare platform and launch the measures in 2023. As everyone has a mobile phone, digital consumption has gradually become our everyday habits. We hope that the launch of the online welfare platform can make the distribution of benefits more convenient in employees' daily life. Employees can freely choose benefits on the welfare platform and reduce paper consumption so that we can protect the Earth's resources with employees.

Category	Content
Bonus	<ul style="list-style-type: none"><li>Annual bonus: paid at the middle and end of the year.</li><li>Quarterly bonus: based on profitability and whether or not the company achieves the quarterly target.</li><li>Employee remunerations/incentives: based on company profitability, performance evaluation and special contributions.</li><li>Salary adjustment system: the salary adjustment data are updated each year.</li></ul>
Benefits	<ul style="list-style-type: none"><li>Three major festivals gifts (Chinese New Year, Dragon Boat Festival, Moon Festival)</li><li>Free group insurance (including life insurance, accident insurance, medical insurance and cancer insurance, among others, for dependents)</li><li>Periodical free health examinations</li><li>Benefit subsidies (wedding, childbirth, hospitalization, funeral)</li><li>Travel subsidies</li><li>Meal Subsidy</li><li>Birthday gift</li><li>Movie Tickets</li><li>Employee Club Activities</li><li>Company activities (major in-person events such as year-end celebration parties and family day events were canceled due to COVID-19)</li><li>Affiliated stores (discounts offered in more than 700 affiliated stores)</li><li>Childcare measures (We have signed contracts with outstanding kindergartens and childcare facilities near our employees' residences to provide them with a diverse selection of pre-school education courses or afterschool clubs.)</li></ul>

- In 2022, PTI Taiwan provided all employees with welfare items such as holiday gifts, wedding, funeral, maternity, hospitalization subsidies, insurance, birthday, tenure awards, travel, movie, meals, health checkups, club activities and various major events in accordance with the welfare management regulations (Note).

NO	Benefits	Total (NT\$)
01	<ul style="list-style-type: none"><li>Annual festival payments/gifts</li><li>Examples include Dragon Boat Festival, Mid-Autumn Festival, Labor Day, Chinese New Year, lucky draw and souvenirs for the year, which are adjusted flexibly each year</li></ul>	77,188,000
02	<ul style="list-style-type: none"><li>Birthday Coupons</li></ul>	5,950,500
03	<ul style="list-style-type: none"><li>Wedding/funeral Subsidies</li></ul>	3,078,800
04	<ul style="list-style-type: none"><li>Maternity Subsidies</li></ul>	570,000
05	<ul style="list-style-type: none"><li>Emergency Relief</li></ul>	179,000
06	<ul style="list-style-type: none"><li>Tenure Awards</li></ul>	3,899,575
07	<ul style="list-style-type: none"><li>Annual Trips</li></ul>	33,723,000
08	<ul style="list-style-type: none"><li>Movie Tickets</li></ul>	11,461,500
09	<ul style="list-style-type: none"><li>Family Day/Large-scale Events/Club Activities</li></ul>	15,075,378
10	<ul style="list-style-type: none"><li>Meal Subsidy</li></ul>	114,013,649
11	<ul style="list-style-type: none"><li>Group Insurance</li></ul>	23,586,562
12	<ul style="list-style-type: none"><li>Health Examinations for Employees</li></ul>	40,468,610
13	<ul style="list-style-type: none"><li>Health Examinations for Executives</li></ul>	2,709,000
Total		331,903,574

Note:

1.For information on contractor benefits, please refer to the Contracted Employee Management Method.

2.Different benefits are available depending on the local customs of overseas subsidiaries. However, employees of those subsidiaries also receive a variety of benefits.





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### 5.2.4 Pension System

PTI Taiwan follows the Labor Standards Act and the Labor Pension Act in implementing employee retirement regulations, and established a labor pension supervision committee to appropriate the full amount of pension contribution for employee to apply for pension after retirement. By the end of 2022, the amount of the old labor retirement reserve fund is about \$310 million, which is ready for the workers who meet the retirement requirements to claim their pensions. In 2022, the listed total amount contributed to pension was NT\$426,933,714, providing every employee with peace of mind after retirement.

The following are PTI Group's percentages of pension contribution in salary by region:

Region	Pension Plan	Percentage of Appropriated Pension over Salary	
PTI Taiwan	Old pension system: Company pension account	Employer	2%
	New pension system: Personal pension account	Employer	6%
PTI Suzhou	Endowment insurance	Employee	0~6%
		Employer	13%
PTI Xi'an	Endowment insurance	Employee	8%
		Employer	16%

### 5.2.5 Rewarding Outstanding Employees

To encourage employees to constantly pursue innovation and challenge themselves, PTI has set up several incentive measures such as proposal incentives, patent incentives, outstanding feat performance, inter-functional committee incentives and the annual model employee selection program to commend employees with outstanding performance. We seek to motivate and inspire all employees, build a solid corporate culture, and create a work environment with positive cycles.

PTI distributed rewards to 2,560 employees in 2022. In addition to a series of routine rewards, we organize creative and diverse activities for the annual model employee selection.



Number of Award-Winning Employees in PTI Taiwan from 2020 to 2022

2020  
2,675

2021  
2,578

2022  
2,560



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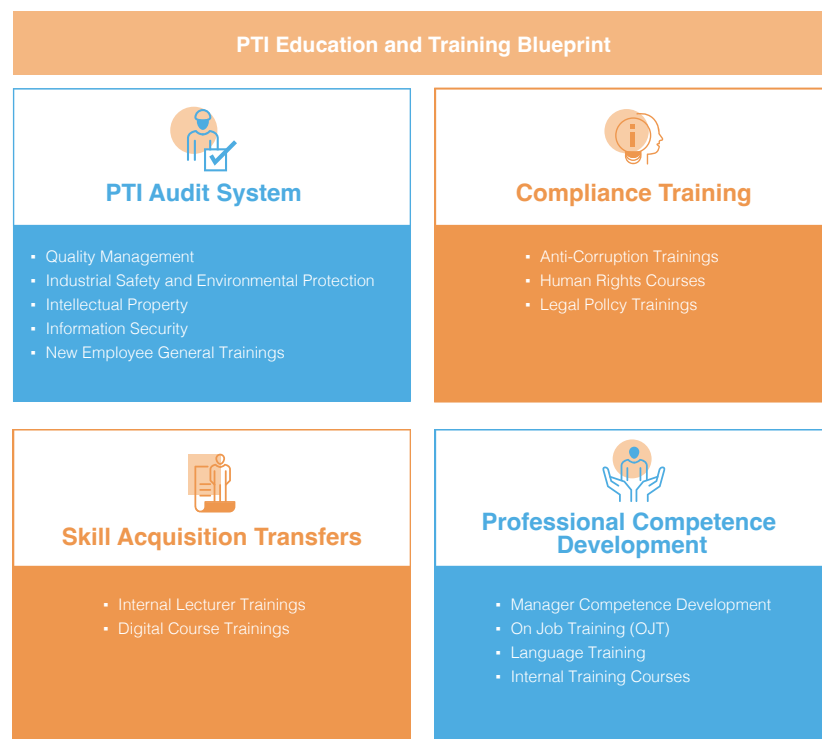
## Friendly Workplace

# 5.3 Talent Development

GRI 404-1 GRI 404-3 GRI 412-2

### 5.3.1 Talent Cultivation and Development Blueprint

Talent innovation is the power that drives the sustainable development of companies. PTI uses the four major training blueprint systems including the PTI Audit System, Talent Competence Training, Compliance Training, and Skill Acquisition Transfers as well as the annual training requirement survey to implement diverse training programs expanding from the Company's development targets to skill training for each unit. We also use a sophisticated e-learning model to maximize the number of trainees, enhance the professional competencies of each employee, and integrate personal development and company targets to enhance the Company's competitive advantages.



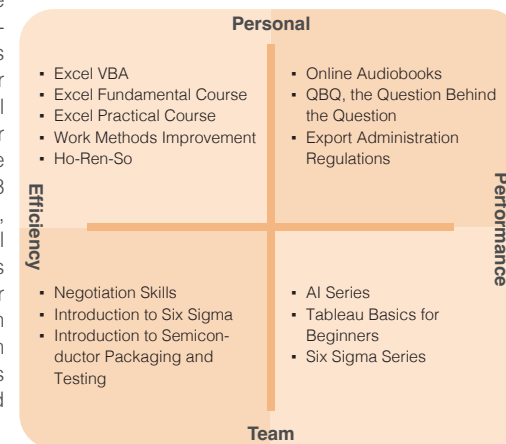
### 5.3.2 Professional Competence Development - Talent Cultivation and Empowerment for Comprehensive Development

#### A. Department Professional Skill Evaluation

PTI initiates different training programs based on the characteristics of the duties of new employees. Indirect employees are required to complete the "Department Professional Skill Evaluation" within three months. This evaluation mechanism helps employees to familiarize themselves with job content and skills and the training unit can monitor them to verify their skill levels. In 2022, the skill evaluation passage rate of new indirect employees was 100%. Direct employees are trained by the training centers of each operation unit and the training consists mainly of machinery certification training on the production line. We also arrange interactive training, upgrades, and recertification training based on the work station and product type to enhance employees' skills for operating the machines. In 2022, direct employees received 83,545.5 hours of courses. We implement rigorous training procedures to ensure top quality.

#### B. Internal and External Competency Training

In terms of the sustainable development of talents, PTI uses efficiency-performance as well as personal-teamwork as the basis to create the four quadrants of learning for talent development. We train employees for the four major core competencies including work skills, soft power, personal cognitive abilities and future insights to increase the efficiency and performance of the individual and the team. We also added workplace communication studies, introductory courses to the semiconductor industry, packaging, AI and data analysis courses to help employees enhance their abilities. We organized 29 internal skill training courses in 2022 for 15,079 participants and the average satisfaction rate was 93 points. To enhance specific skills, we assigned employees to external training and professional seminars to satisfy employees' demand for skill and knowledge training. In 2022, 86 employees participated in external training courses on issues including ESG, current decree and quality certification.





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## Highlighted Courses

### (1) Workplace Communication Studies Ho-Ren-So Management Process

To develop a positive communication culture and rapidly resolve issues, the Company organized online courses for the Ho-Ren-So workplace communication studies this year. It focuses on “Reporting, Informing, and Consulting” to facilitate workplace communication and report skills. It helps employees deal with anomalies in routine work and important matters in day-to-day work, effectively communicate with managers and colleagues in related departments to ensure information transparency regarding issues, rapid solutions, and prevent issues from expanding. “The course helped us understand the importance of reporting, informing and consulting with the manager and enhancing communication.” The feedback showed the benefits of the course to employees and 11,561 employees completed the courses with an average satisfaction of 88 points.

### (2) Artificial Intelligence (AI) and Data Analysis Courses

In response to industry trends and the digital transformation, personnel from the unit responsible for big data served as internal lecturers and offered a series of AI and data analysis courses to teach employees about the basic concepts and industrial applications. They also used the Tableau software to create online courses for data visualization software. Employees learned how to analyze data visualization, propose questions, gain insights on trends, and make data-based decisions with a data-based mindset. A total of 431 employees received training and the average satisfaction rate was 90 points.

NO	Course	Training Method	Number of People
1	Introduction to Artificial Intelligence	Online + in-person	118
2	Explore AI industrial applications & machine learning	Online + in-person	124
3	AI applications and case studies - Machine visualization and signal processing	Online + in-person	119
4	Tableau software education and introduction	Online	70
Total			431

\*Hybrid courses include both in-person courses and online courses.



### (3) Introduction to the Semiconductor Industry and Packaging

As an all-round leader in the semiconductor packaging industry, PTI expects all employees to have general knowledge of the semiconductor and packaging industry. We therefore invited internal lectures to teach employees about the basic concepts in the semiconductor industry as well as the packaging and testing processes so that employees gain a comprehensive understanding of the semiconductor industry. The program trained 302 employees and the average satisfaction rate was 93 points.



### (4) Language Training Courses

**General English training**  
PTI collaborated with online English learning platforms FUNDAY and BizTalk to provide all employees with preferential learning solutions and scholarship mechanisms and encourage employees to continue to enhance their language skills. We also use newsletters with select contemporary articles in English to integrate internal and external resources and encourage employees to keep learning. At the end of training, we provided TOEIC tests for English learning results and 30 employees signed up for the tests. 18 employees made improvements and 12 employees met targets for a higher level. We trained 125 employees in 2022 for a period of 6 months. Each individual spent 6 hours each month on learning English and the overall satisfaction rate was 80 points.





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#### Enhanced English training

PTI collaborated with Voxy and BizTalk platforms on English tutoring solutions for units that frequently use English for communication. The Company also provided full subsidies for language training. Trainees and managers jointly set learning targets for the training period and review results each quarter. We also produce the "Workplace Elite Training Monthly Report" each month to integrate learning resources and help employees learn. In 2022, 46 employees were trained and the project will continue till mid-2023.

#### C. Business Management Training

To help improve the management concepts and skills for front-line managers, we organized regular online training courses such as "Care and Support for Filipino Employees," "Personnel Management Regulations" and "Manager Interview Guidelines." For mid-level to senior executives, PTI organizes the quarterly "VP Seminar" for senior executives of each business unit to share their management skills and continue to build a positive organization culture. We also respond to industry trends such as how ESG issues affect business management. We cooperate with external platforms to select suitable articles for all managers to quickly acquire new knowledge.

#### D. Unit On-the-Job Training (OJT)

We organized knowledge and experience transfer as well as professional training inside the units. Each unit assigned internal experts as instructors to provide courses based on the professional competency requirement program. This year, PTI continued to provide assistance for placing courses with high numbers of attendees and frequently required courses online. We organized 90 OJT courses in 2022 and 53% of them were online courses, with 11,357 cumulative trainees and an average satisfaction score of 96 points.



#### 5.3.3 Audit System and Compliance Training

In addition to providing work-related training and maintaining the growth of talents, PTI also focuses on the creation of high-quality technical services, strict compliance with regulations and human rights, and creation of a healthy and safe workplace as its core talent cultivation strategy. PTI therefore uses the audit system and compliance training to achieve such ends.

#### A. Quality Awareness and Tool Training

The Total Quality Management (TQM) Committee aims to achieve zero abnormality. It organizes quality awareness and quality tool operations and exercises in accordance with the management system, customer product requirements. The courses can be divided into four major categories based on the training requirements:

1. Automotive quality training: establish training courses for the quality awareness of automotive products and applications of the five major core tools to meet requirements of the management system and customers.
2. ESD prevention: understand how ESD is generated and how it affects the instruments to prevent ESD from causing problems in products.
3. System certification: execute internal audits to ensure the continuous compliance of the quality management system.
4. Quality tools: resolve issues in a structured and logical manner in the event of anomalies in work.

In 2022, we invited external professional lecturers to complete the "Six Sigma Digital Courses" including 5 DMAIC courses. We integrated the TQM contests PTI organized in the past and the entrepreneur lecture experience to create customized courses. In addition to requiring all employees of engineering units to complete the courses, we also help employees conduct online reviews based on their work issues to strengthen their quality awareness and problem analysis. In 2022, one TQM contest and 57 classes were conducted for 23,147 trainees. The average course satisfaction rate was nearly 90 points.







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#### B. Occupational Safety and Environmental Protection Training

To provide a safer, healthy, and high-quality workplace environment, PTI's occupational safety management units organized environmental protection and occupational safety and health training as well as internal and external training for licenses to increase employees' workplace safety and health awareness. In terms of internal training courses, we organized 57 courses in 2022 for 53,028 trainees. In terms of external training courses, 396 individuals obtained certificates for professional occupational safety and environmental protection training.

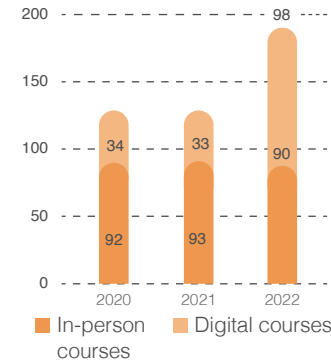
#### C. Compliance Training




Stable business development requires strict compliance with laws and policies. We organize regular training on the basic concepts of laws and regulations to increase the awareness of laws and policies for all employees and contractors. The topics include information security education, anti-corruption training, and human rights. We use these courses to continuously strengthen employees' knowledge of laws and human rights policies and reduce non-compliance risks of the Company.

Internal Compliance Courses in 2022 (Course Determined based on Actual Adjustments)				
NO	Course Name	Total Hours	Number of people	Total Hours
01	Taiwan Intellectual Property Management System Training	1	3,959	3,959
02	Protection and Management of Personal Information	1	11,616	11,616
03	Energy Management and Energy-saving Awareness Training	1	11,616	11,616
04	New Employee Training (Company Secret Regulations)	0.45	1,726	777
05	Business Conduct and Ethics	1	11,616	11,616
06	Information Security Training - Phishing Email Reinforced Training	1	167	167
07	Education and Training on Information Security	1	21,830	21,830
08	Protection of Trade Secrets Management	1	11,616	11,616
09	Workplace Sexual Harassment Prevention	0.5	11,616	5,808
Total			<b>85,762</b>	<b>79,005</b>

#### 5.3.4 Skill Acquisition Transfers - Sustainable Transfer of Knowledge and Experience

To help PTI's internal units attain sustainable transfer of their knowledge and skills, PTI launched the online courses for internal lecturers to train lecturers for in-person and digital courses. PTI taught employees how to convert their experience into training materials and share them with other employees. HR also works with professional lecturers in different units to create digital materials for basic and frequently offered courses to achieve the sustainable transfer of knowledge and experience. We trained 188 lecturers for in-person and digital courses in 2022.



Course	Content	Key Points
Basic Concepts of Internal Lecturers 	We set the course concepts and positioning of lecturers to help them express their knowledge clearly in the design and lecture of the course.	<ul style="list-style-type: none"> <li>Educational material design</li> <li>Verbal expression</li> <li>Materials and resources</li> </ul>
Basic Digital Course Production 	This course offers information for the production of digital education materials, online course development tools, and the course development process to provide instructors with an additional course format based on course requirements.	<ul style="list-style-type: none"> <li>Digital materials production</li> <li>Software and hardware resources</li> <li>Course procedures</li> </ul>
Accessible Video Editing Course for Everyone 	The instructor teaches trainees the basic ideas, methods, and matters of note for making videos and helps trainees make their materials more fun to encourage viewers to learn.	<ul style="list-style-type: none"> <li>Script drafting</li> <li>Filming skills</li> <li>Presentation production</li> </ul>

#### Teachers' Day Thanksgiving Activity

To thank internal instructors for their contributions and encourage more employees to join the ranks of the internal instructors, we send internal electronic letters to commend instructors for their hard work on Teachers' Day and provide them with customized gifts. We also invite internal lecturers to share their career stories and thoughts about serving as instructors at PTI for employees to learn more about the internal instructors. We use these activities to encourage more employees to serve as instructors and selflessly continue to share and pass on knowledge.



Instructor feedback

"Short-term training can help train employees and long-term training can develop the Company's culture. Growth with everyone in the Company has helped me learn the value of being an instructor."



Instructor feedback

"I enjoyed helping colleagues in the Company learn about AI and learn how to use it in work. We can use the technology for our operations and solve problems."







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### 5.3.5 Promote Independent Learning and Create a Learning Environment

In addition to regular training programs, PTI also provides independent learning options to encourage managers and employees to use flexible learning based on their work requirements.

#### A. Manager Independent Learning Program

PTI launched the online independent learning platform in 2020 for managers to lead learning development teams and strengthen independent learning in the organization. In 2022, we created the Business Weekly joint learning environment to encourage “independent learning” by managers. Managers can gain insights on the latest industry developments and management techniques from anywhere at any time. We provide select courses in the monthly newsletter for managers to quickly learn about the latest trends. We also use the learning questionnaire to help managers think of ways to apply them in management and work. As of 2022, a total of 591 executives (from unit directors to division directors) participated in the training and read an average of 151 articles/year, averaging 18 hours of reading time a year.



#### B. PTI Library

In addition to promoting independent online learning, we also set up the PTI Library in all plants. We organize activities to encourage employees to continuously borrow books and we encourage them to recommend books of interest to them to increase their use of borrowed books and create diverse learning results. As of 2022, 361 employees participated in the book borrowing activity.

#### Three Main Features of the PTI Library

<b>P</b> <b>Power</b> Broaden horizons and accumulate knowledge.	Eight major categories   Selected 85 categories of books with nearly 400 books to build up knowledge. ① CEO Concept ② Talent Strategy ③ Future Trends ④ Management Strategies ⑤ Team Management ⑥ Financial Management ⑦ Personal Growth ⑧ Workplace Skills
<b>T</b> <b>Together</b> Omnipresent library resources create an independent learning environment.	PTI Library is everywhere   Let's read and learn together. • 8 Plants • Diverse borrowing methods: PTI Main Library, online book list, borrowing books with delivery bags.
<b>I</b> <b>Interest</b> Make learning fun.	Organize book borrowing and book donation activities. • World Reading Day “Are You Ready?” Blind Book Box • Halloween “Workplace Antidote Book List” recommended books and donations. • Launch new books in the “PTI Reading Bonus Program”. • Christmas “Thank you card” for teammates to show their appreciation with books.

### C. PTI Learning Center

PTI has promoted digital courses and accumulated many online learning resources. We have opened 22 courses to help employees to learn anytime and anywhere. The courses cover topics such as manager management, internal skill training, quality tools and online audiobooks. We also worked with the Industrial Technology Research Institute (ITRI) and invited ITRI lecturers to jointly produce 8 courses on industrial trends and advanced packaging. Employees can take courses of interest to them on the internal learning platform without being constrained by time or space. It maximizes the benefits of the internal learning resources. As of 2022, we have accumulated more than 1,274 participants who voluntarily signed up and completed the training.







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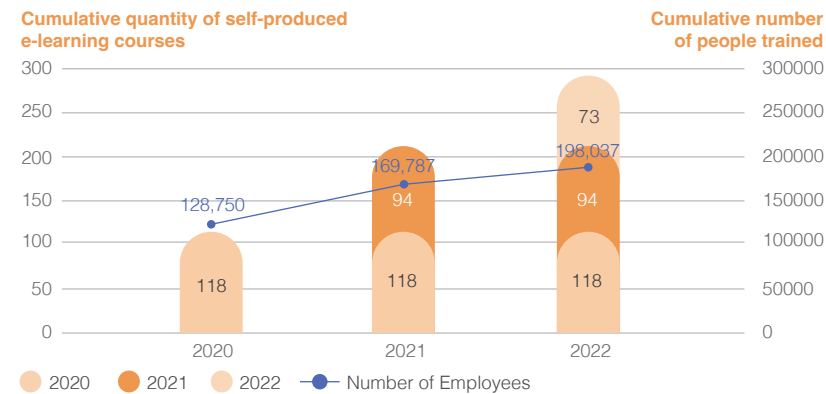
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#### 5.3.6 Digital Learning and Training Results

##### A. Promote Digital Learning - Expand Training and Spread Knowledge

Due to epidemic prevention requirements, PTI focused on setting up digital courses with the aim of helping employees complete their training effectively in the safest learning environment. We use the digital courses to produce the training course for instructors to produce high-quality digital materials quickly and easily and enrich the Company's e-learning system. According to the results of the course digitalization in 2022, we produced 73 self-produced digital courses and provided training for approximately 198,000 participants.

##### Quantity of self-produced e-learning courses and participants



Note: We have accumulated large numbers of self-produced online course materials over the years. Therefore, the percentage of newly produced e-learning materials will decrease slightly each year.

##### B. Number of Trainees in Training for Different Roles

All in all, we have developed 295 internal training courses in 2022, achieving an overall satisfaction level of 94% and course qualification rate of 100%, training 233,991 participants. Besides regular course completion reports, the Education and Training Committee conducts quarterly course achievement reports and engages in ongoing improvement. In 2022, PTI Taiwan accumulated 1,785,714 training hours comprising mainly certification training, skill training and knowledge training.

##### Table of Training Hours and Number of Employees in 2022

Job Type	Total Hours		Number of Employees		Average Hours	
	Male	Female	Male	Female	Male	Female
Engineering	174,128	39,776	1,093	296	134	134
Administration	6,940	7,056	191	259	36	27
Technical	818,275	669,775	4,402	5,038	185	132
Management	62,281	7,478	564	62	110	120

Note: 2022 PTI Taiwan training hours include class training, skills training and certification training.

#### 5.3.7 Performance Management and Talent Development

In addition to active recruitment of outstanding internal and external talents, motivating current employees is also critical for talent development. The purpose of performance management is to evaluate employees' productivity, execution and potential and connect the results to the employees' promotion, salary adjustment, bonus distribution and other remuneration systems. We seek to motivate employees and align their development goals with the Company's business strategy to achieve the ultimate goal of growth for both employees and the Company. PTI therefore implements multiple performance management measures to facilitate corporate talent development and enhance core competitiveness.

#### 5.3.8 Performance Management Promotion: A Continuous Cycle

PTI implements three evaluation systems, including the annual performance evaluation, monthly performance evaluation, and probation evaluation based on the purpose of evaluation, evaluation items, and evaluation model. Managers can use these evaluation systems to regularly review the work and results of employees and provide necessary assistance. The annual performance evaluation is a core part of the PTI performance evaluation management system.

When conducting the annual performance evaluation, we announced information on the evaluation system at the beginning, middle, and end of the period and provided performance management training information in continuous cycles. We provide managers with reference tools for performance management and we help employees meet the Company's management targets and future outlook in the annual target setting and routine business implementation and output results and actions.

<b>Start of Period</b> Job Review, Target Setting	The manager discusses the performance of the employee and reviews work contents based on the performance in the past year and jointly set the work targets for the following year.
<b>Mid-term</b> Provide Resources and Regular Follow-up	Managers use the targets set by the personnel to track the progress and provide corresponding feedback and guidance. They also kept records of interviews and communication to facilitate reviews at the end of the period. Learning resources are provided to employees who have demonstrated excellent performance to let them unleash their full potential. The Performance Improvement Program (PIP) will be launched for employees with substandard performance.
<b>Final</b> Review and Evaluation of Results	Review the performance and actions of employees in the year based on the targets set at the beginning of the period. In addition, the HR units also provide performance management articles and reference information to help managers learn about the procedures for performance evaluations and ideas for implementing performance management to minimize biases and errors during the evaluation.



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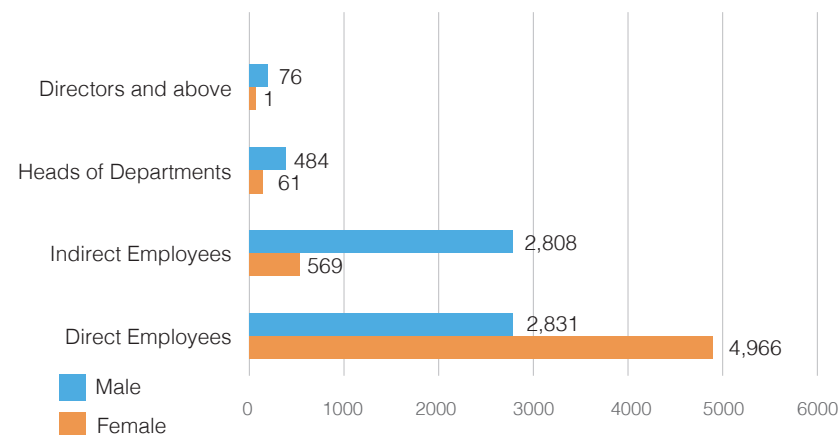
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### 5.3.9 Number of Employees Who Received Performance Evaluation and Career Development Examination in 2022

PTI values the work performance and career development of all employees. We uphold a fair, justice, and open implementation principle, where employees of all nationalities and genders are treated equally. All employees are subject to regular performance evaluation by the Company. In 2022, 11,796 employees in PTI Taiwan were required to participate in the regular performance evaluation and 11,796 employees completed the evaluation, achieving a completion rate of 100%.

#### 2022 Annual Performance Evaluation Participant Statistics



### 5.3.10 Talent Development Plan - Support Corporate Talent Development Through Performance Management

PTI provides training and development programs for employees with good annual performance to support talent development. PTI includes the top 3% of the personnel of the departmental annual performance evaluation in the priority training list for next year's annual training program. We also use methods such as job rotations and project participation based on the conditions of each department to provide them with an opportunity for self-challenge and advance their expertise in preparation for their future career development and promotion to managerial duties. Additionally, we also encourage the executives to recommend outstanding talents with promising potential and take into reference the department's training program to provide them with relevant learning resources. In doing so, potential talents can be promoted to become key talents.

### 5.3.11 Performance Improvement Plan – Pro-active Assistance and Caring Practices for Employees to Apply Their Talents in the Right Places

PTI's Performance Improvement Program (PIP) is currently provided for 3 categories of employees including those lagging in annual performance (rated C or in the bottom 5% or with a score below 70), failed to pass the probation test (with a score below 70), lagging in daily performance (the executive proves that staff's performance is lagging behind and after it is evaluated by the human resources department) to provide suitable assistance. In 2022, the number of participants in PTI Taiwan's employee performance improvement program was 207. After deducting those who left during the improvement program, the total number of participants in the program was 194, of which 192 passed the assessment, with an improvement ratio of 93%. Most employees remained in their posts with the assistance and guidance of the department supervisors and the HR department.





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5.4 Workplace Safety

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GRI 403-2

GRI 403-3

GRI 403-4

GRI 403-5

GRI 403-6

GRI 403-7

GRI 403-8

GRI 403-9

It is PTI's commitment to creating a safe, friendly and happy workplace. We have formulated the “Environmental Safety and Health Energy Policy” and the “Environment, Safe, Health and Energy Management Manual” to prevent occupational injuries and provide a healthy and safe work environment on an ongoing basis.

5.4.1 Policy and Management Systems

PTI has established an adequate occupational safety and health management system to enhanced occupational safety and health management. In 2007, we passed the OHSAS 18001 certification. To meet the requirements in the updated ISO 45001 Occupational Safety and Health Management System, all units implemented hazard identification and risk assessments as well as improvements based on the risk rating.

The 9 plants of PTI passed the SGS “ISO 45001 Occupational Safety and Health Management System” certification in 2022. All workers in related processes, activities and services or work-related activities comply with the environmental protection, safety, health and energy policies established by PTI and all workers are included in the Occupational Safety and Health Management System.

Composition of the Occupational Safety and Health Committee and the Members’ Responsibilities

PTI complies with the Occupational Safety and Health Act by implementing the occupational safety and health management system for local business units and the head office. We have also established the occupational safety and health organization and the Occupational Safety and Health Committee for the head office and various plant areas. We convene a meeting of the Occupational Safety and Health Committee every 3 months. More than 1/3 of the committee members are labor representatives elected from entry-level employees in the labor-management meeting to meet the legally required quota. The composition and responsibilities of the members are as follows:

Members	Composition	Duty
Chief Committee Member	In accordance with the law, the person in charge of the operations of the business or the workplace in charge of the plant shall be the owner or the person in charge of the business or the workplace in charge of the plant.	Consolidate the plant safety committee's affairs, as well as supervise and decide on the operation of the Occupational Safety and Health Committee of the plant.
Executive Secretary	The post is assumed by the occupational health and safety personnel from the head office's Occupational Safety Management Department.	Regularly convene meetings and assist the chairman of the safety committee of the plant to manage the affairs of the meeting.
Advisory Committee Member	The supervisors, supervisors, commanders of each department, engineering and technical personnel related to occupational health and safety, occupational health and safety personnel and medical personnel engaged in labor health services.	Review, coordinate and recommend the company's occupational health and safety affairs and direct their respective departments to implement on-site health and safety requirements.
Elected Members	Occupational safety and health labor representatives who are elected by labor representatives at labor-management meetings, who are non-management staff and who make up at least 1/3 of the members of the Occupational Safety and Health Committee.	1. Represent employees in the development and review of policies, health and safety practices and related procedures to manage risks. 2. Participate in hazard identification, risk assessment, accident investigation, and work environment monitoring in accordance with the law. 3. Participate in the discussion and review of regulatory non-compliance, accident investigation and improvement of corrective and preventive measures. 4. Assist in consulting and participating in any changes that may affect workplace health and safety issues. 5. To inform, collect and reflect on health and safety-related matters to the management and participate in decision making to ensure that the health and safety requirements of employees are taken seriously. 6. Participate in the Occupational Safety and Health Committee and other occupational health and safety operation discussion and implementation and respond to colleagues' suggestions on the improvement of health and safety management to determine the planning, implementation and monitoring of the work of occupational health and safety measurements in their respective factories.

Environmental Safety and Energy Policy

- Notify employees, customers and related parties of the environment, health and safety policy.
- Comply with the legislations of environmental protection, safety, health, energy and customer requests.
- Consult and participate in the prevention of injury, illness, accident and lost control by the workers and workers' representatives.
- Accommodate international environmental protection trends and context to drive energy-saving and waste-minimizing activities actively.
- Constantly review and improve the safety, health, environmental and energy management goals, as well as the overall performance.
- Support the procurement of products and services that affect energy performance.







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#### 5.4.2 Plant Occupational Health and Safety Management System

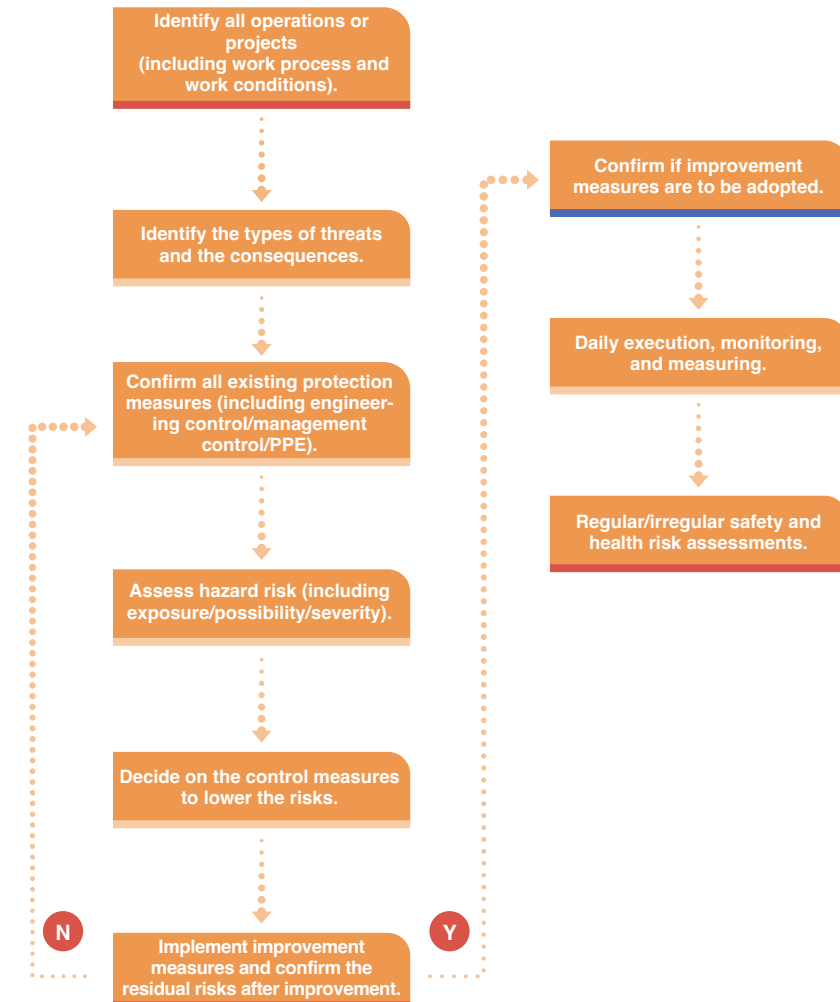
In order to practice workplace safety and comply with regulations, PTI has integrated various safety and health management systems into the workplace. Through the Plan-Do-Check-Action (PDCA) management cycle, we can ensure that the occupational safety and health management goal is fulfilled every time to comply with occupational safety and health laws and the requirements of the occupational safety and health management system.

#### 5.4.3 Hazard Identification and Risk Assessment Management

PTI has developed a process to identify and assess occupational safety and health risks in accordance with the Occupational Safety and Health Act as well as the Occupational Safety and Health Management System. The scope includes the identification, assessment and management of occupational safety and health risks arising from routine and non-routine work activities of workers in the Company. The risks are managed based on the risk rating in the assessment. The Company implements a routine safety and health risk identification and information update procedure each year for all plant operations. Safety and health risks will be assessed and revised if there are changes to operations, occupational incidents, false alarms, or updates of laws and regulations. Annual training courses will be provided to the inspectors in each department regarding risk assessment methods and tests to help them understand the relevant risk assessment and hazard control evaluation methods.

For major occupational safety and health risks identified by the inspectors of each department, analyze the potential impact, plan the actions and propose corresponding control methods and improvement measures, as well as consider incorporating safety and health targets/management solutions. Every year, PTI regularly reviews the applicability and effectiveness of risk control measures and presents the review results to senior management for approval in public meetings to establish/revise the safety and health policies, objectives, and safety and health management solutions. Furthermore, the unacceptable risk determination benchmark values can be adjusted based on actual risk conditions and available resources by improving the risk level of medium-risk operations. The aforementioned risk management measures are used to constantly improve and reduce the risk values in the plant and minimize risks.

As required by the Occupational Safety and Health Act, PTI has included the following clause in the Safety and Health Code of Conduct: "If employees are in immediate danger, they may exercise their right to refuse or stop work and retreat to a safe location without endangering the safety of other workers; they may also report the matter to their superior directly; employees have the right to refuse to work in an unsafe environment." The employees may refuse to work without being fired, transferred, not being paid for the work hours they have put in or being punished with other adverse actions.







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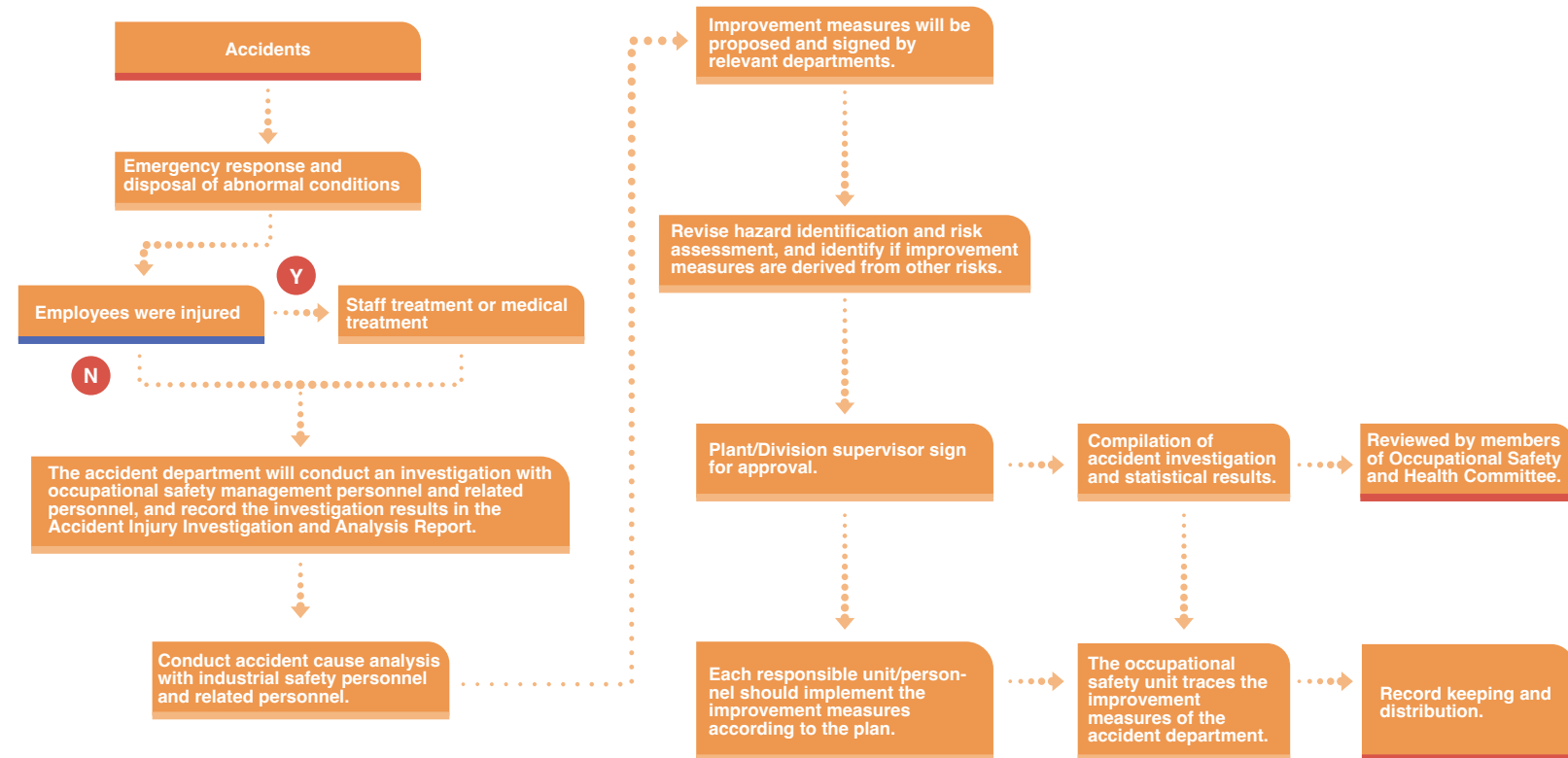
#### 5.4.4 Occupational Injury Investigation Management

For the purpose of reporting, handling, and investigating accidents within the plant, PTI has established a procedure that allows relevant departments and personnel to be contacted immediately to assist with handling the accident, identify the cause of the accident, and propose measures to prevent a recurrence. Safety and health regulations apply to all workers and other stakeholders at the Company's work sites, including fires, chemical accidents, injuries, false alarms and other incidents.

After the occurrence of an accident and the completion of emergency response measures, a follow-up investigation must be conducted to identify the direct, indirect and fundamental causes of the accident through personnel interviews, equipment inspection, and analysis, material testing, relevant documentation and record checking or accident

site reconstruction to review effective improvement measures. This serves to eliminate or reduce the chance of accidents and the immediate and fundamental causes occurring or to reduce the severity of the accident after its occurrence.

The Occupational Safety Management Department will help to make sure that no other risks will be created by confirming the improvement measures as well as risk identification and assessment of the improvement measures to ensure that they do not cause additional risks. Moreover, the improvement measures will be forwarded to relevant departments, where various departments will carry out various improvement measures according to the plan. After the improvements are completed, the case is closed and preserved for future reference. The relevant procedures are as illustrated:





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5.4.5 Occupational Health and Safety Training

PTI has established the Occupational Safety and Environmental Protection Training Implementation Regulations and used them to establish the occupational safety and health training program. They also implement the following safety and health training based on the nature of the workers. The occupational safety management units organized environmental protection and occupational safety and health training as well as internal and external training for licenses to increase employees' workplace safety and health awareness.

PTI also implements hazard notification for the workers of contractors and regularly communicates the requirements in the "Occupational Safety and Health Act" to the suppliers in the supplier communication meetings.

Category	Contents	Targets
Statutory Environmental Health and Safety Training	General health and safety education training	New Employees
		Transferred employees
		On the job employees
	Chemical hazard general awareness training	New Employees
		Transferred employees
		On the job employees
	Professional license (e.g., occupational safety personnel, organic solvents, specific chemical substances, radiation operators and forklift operators, etc.)	Special operations personnel
	On-the-job licensee retraining (e.g., occupational safety personnel, organic solvents, specific chemical substances, forklift operators, etc.)	Special operations personnel
Other Professional Training	Other training requirements (e.g., automatic inspection training, on-site personal protective equipment management training, etc.)	Operational safety and security risk personnel
Contractor Safety Training	Contractor's safety training, meeting with the organization, and environmental hazards	Contractors
Suppliers Promotion	PTI's environmental safety and health management, regulatory compliance and promotion of environmental safety and health policies	Suppliers



5.4.6 Health and Safety Stakeholders Communication and Consultation Management

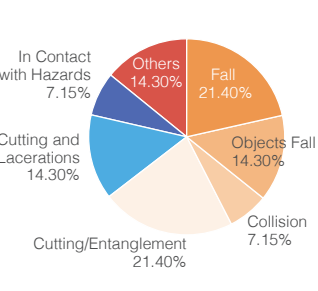
PTI has established the management method for communication and consultation with environmental and safety and health stakeholders. Employees of the company can express relevant occupational safety and health opinions as well as to conduct communication and consultation via telephone or e-mail at any time. Or submit opinions to the occupational safety and health labor representative to present and participate in discussions at the occupational safety and health committee meetings. All employees can use the Company's electronic bulletin board, internal publications, regular occupational safety and health training and e-mail to obtain safety and health information.

For external communication and promotion, the stakeholders of our company can respond to occupational safety and health opinions by telephone, e-mail or to the Company security guard, and the occupational safety and health management unit will record and report the progress to the external units; we can also make use of various opportunities (including meetings, seminars, mail, telephone, orders, etc.) to promote the company's safety and health and environmental policies to customers, contractors, suppliers and stakeholders to ensure they receive the information and comply with implementation for preventing and reducing negative impacts on occupational safety and health.

5.4.7 Occupational Injury Management

To materialize a healthy and safe workplace, PTI has continued to conduct training promotions and activities. We also established incident reporting and investigation procedures, where the cause of incidents is analyzed and appropriate preventive measures are taken. For continuous improvement in our performance in health and safety, we have adopted the Frequency-Severity Indicator (FSI) defined by Taiwanese authorities to assess the effectiveness of health and safety management. The indicator also represents frequency rate (FR) and severity rate (SR). PTI Taiwan's workplace safety performance results in 2022 (Note: average for male and female) were as follows; The FSI was 0.08 and the occupational injury rate per 100 people was 0.12%.

In 2022, 14 occupational injuries occurred in PTI Taiwan. The occupational injury rate per 100 people of all plants is provided in the table. There were no occupational injuries in Hukou Plant (P2) and Wenhua Plant 1 (P9) in 2022. Hsinxin Plant (P10) had the highest occupational injury rate per 100 people with 0.53% as it had fewer people.



The occupational injuries in 2022 were sorted and the statistics were compiled in accordance with the categories of injuries defined by the Ministry of Labor. Injuries such as cutting/entanglement, falling objects, collisions, cutting and lacerations occurred more frequently. To reduce such injuries and prevent recurrence of similar occupational injuries, we regularly organize online e-learning courses for employees to regularly receive necessary safety and health training, reducing accidents caused by unsafe actions.





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PTI Group's Occupational Accident Statistics in 2022 (Unit: Case)									
2022 Accident Category /Number of Cases	Fall	Collision	Objects Fall	Cutting/Entanglement	Cutting and Lacerations	In Contact with Hazards	Others	Cannot be Categorized	Total
PTI Taiwan	3	1	2	3	2	1	2	0	14
PTI Suzhou	0	0	0	0	0	0	0	0	0
PTI Xi'an	0	0	0	1	0	0	1	0	2
Total	3	1	2	4	2	1	3	0	16

The following are PTI Group's total working hours, absenteeism, disabling injury frequency rate, disabling injury severity rate, and frequency-severity indicator in 2022:

Item/Region	PTI Taiwan		PTI Suzhou		PTI Xi'an	
	Male	Female	Male	Female	Male	Female
Total working hours	12,393,688	11,362,768	694,253	568,025	1,654,224	1,174,302
Times of Disability Injuries	5	9	0	0	2	0
Days of Disability Injuries	193	114	0	0	58	0
Absenteeism (%)	1.19%	1.34%	0.98%	1.08%	1.49%	3.65%
FR	0.40	0.79	0.00	0.00	1.21	0.00
SR	15.00	10.00	0.00	0.00	35.06	0.00
FSI	0.07	0.08	0.00	0.00	0.21	0.00
Occupational Injury Rate per 100 People (%)	0.08	0.16	0.00	0.00	0.18	0.00

Note:

1. Absenteeism = Absent hours (sick leave + occupational sickness leave hours) ÷ total working hours
2. FR (Disabling Injury Frequency Rate) = Incidence of disabling injuries x 1,000,000 ÷ total working hours (round off to 2 decimal places in accordance with the law)
3. SR (Disabling Injury Severity Rate) = Days of disabling injury x 1,000,000 ÷ total working hours (round off to the nearest whole number in accordance with the law)
4. FSI (Frequency-Severity Indicator) = [(FRxSR)÷1000]^0.5 (round off to 2 decimal places in accordance with the law)
5. Occupational injury rate per 100 people = (number of disabling injuries/total number of people) \* 100
6. Occupational injury statistics have excluded commuting accidents.

#### PTI Group's Occupational Accident Statistics 2020-2022 (Unit: Case)

Year	2020	2021	2022
Total	32	13	16

Notes: The data does not cover Greatek Electronics, TeraPower Technology, and Tera Probe.

#### 5.4.8 Employee Safety and Protection

PTI has established environmental sampling strategy plans and monitoring management plans to monitor employees' exposure to hazardous environments and use the results as the basis for implementing hazard controls in the workers' operation environment. We appoint qualified work environment monitoring and testing institutions to monitor and test the work environment in each plant every six months. The samples collected are delivered to qualified test analysis laboratories for data analysis. Once the work environment monitoring and tests data are announced, the Company shall devise corresponding hazard control and improvement solutions in response to the workplace monitoring and exposure values that have exceeded the legal requirements. We shall also regularly report the monitoring and exposure evaluation results and related improvement conditions of all plants in meetings of the Occupational Safety and Health Committee for review by senior executives, while regular monitoring and measurements are conducted by the Occupational Safety Management Department.

"Protecting the safety and health of all colleagues" is PTI's commitment to our employees. To minimize their exposure to risk factors at the workplace, all personnel engaging in dangerous work must wear relevant protective equipment. Apart from the contractors, who are required to bring their protective equipment, PTI offers our employees and visitors free protective equipment. The Occupational Safety Management Department identifies the type of protective equipment and stipulates the choosing guidelines for relevant departments. Furthermore, PPE maintenance and wearing awareness education and training is conducted annually for the protective equipment manager of various departments. All departments assign personnel to implement the statutory automatic inspections of personal protective equipment to prevent risks of contact in the operations of personnel.







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# 5.5 Human Rights Protection GRI 2-23 GRI 412-1 GRI 412-2

PTI believes that respect for human rights is essential to the sustainable development of the Company and we spare no effort to create a workplace environment where employees can work with dignity. The Company stipulates the protection of employees' human rights and establishes a comprehensive salary and benefits system, a complete training system, and diverse and open communication channels. We build an equal and secure workplace for employees and include corporate sustainability into our business strategy to create an environment that supports human rights and inclusion.

### 5.5.1 Human Rights Policy

The Company implements and complies with international labor rights regulations, international standards for social responsibility, and local regulations. We also established the human rights policy in accordance with the "Responsible Business Alliance Code of Conduct" and the "SA 8000 Social Accountability Standards" to ensure equitable treatment and respect for each employee. We established related regulations in internal documents such as the "Employee Handbook", "Work Rules", and "Sexual Harassment Prevention Regulations". (Please refer to PTI's official website for information on the human rights policy.)

### 5.5.2 Performances of PTI's Human Rights Indicators

Item	Content	Goal	Performance in 2022
Non-discrimination	Number of discriminatory disputes.	No instance of discrimination.	Missed Target <sup>Note</sup>
Freedom of Association	Operations identified with material risks of violating the freedom of association and collective bargaining.	No prohibition on the freedom of association.	Achieved
Child Labor	Operations identified with material risks of child labor disputes and measures that help prevent child labor.	No employment of child labor.	Achieved
Forced Labor	Operations identified with material risks of forced or compulsory labor disputes and measures that help prevent forced or compulsory labor.	No forced or compulsory labor.	Achieved

Note: There were 2 cases of sexual harassment in 2022. Please see "5.6.1 Comprehensive Communication Channels" for the related handling process.

### 5.5.3 Human Rights Training

Stable and healthy business development requires strict compliance with laws and policies. We organize regular human rights training on the basic concepts of laws and regulations to strengthen employees' knowledge and awareness of laws and policies, reducing non-compliance risks of the Company.

### Human Rights Courses in 2022 (Course Determined Based on Actual Adjustments)

NO	Course Name	Total Hours	Number of people
1	Introduction to the differences in RBA Code of Conduct and SA 8000	10,118	19,958
2	Employee Management Regulations (Online Course)	402	402
3	Supervisor Interviews Online Courses	133	133
4	Supervisor Management and Care Skills Enhancement	51	17
5	Newcomer Caring Program - Mentor Training Online Course	236	471
6	General Educational Training for New Employees (RBA Code of Conduct, Employee Ethics, and SA 8000)	1,156	1,726
7	Introduction and Risk Assessment of Workplace Abuse	54	54
8	Guidelines for Foreign Workers in Taiwan	1,408.5	28 17
Total		13,558.5	25,578

### 5.5.4 Human Rights Due Diligence

PTI supports and abides by international labor human rights regulations, hence the human rights due diligence process has been established. Through human rights risk identification and evaluation, management mechanisms and risk mitigation measures are designed to implement improvement and follow-up to effectively reduce the effects and impacts of human rights risks, and implement the human rights policy.

### Human Rights Due Diligence Process

When conducting human rights due diligence every year, PTI implements human rights issue identification, and risk assessment, as well as designs mitigation measures and continuous improvement processes to bolster our commitment and responsibility to uphold human rights.

Step 01 Identify Topics	Collect, identify human rights-related issues such as basic human rights, safe and healthy work environment, etc.
Step 02 Risk Assessment	Focus on various human rights topics, identify the risk level through the risk assessment tool every year.
Step 03 Mitigation Measures	Formulate mitigation and remedial measures and follow up on the results.
Step 04 Continuous Improvement	Evaluate the effectiveness of the corrective measures to ensure effective management of human rights.

### Management Mechanism

Through the formulation of management regulations and the execution of internal audits in conjunction with the Responsible Business Alliance Code of Conduct and SA 8000 Social Responsibility International Standards as the management framework, PTI has implemented internal audits and external third-party verification of various factories. Moreover, the relevant performance indicators and improvement progress are reported at the annual management review meeting to ensure the protection of human rights.

(For more information on the RBA VAP plant audits, please refer to "4.4 Social Accountability Management System" of this report)



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Note 1: VAP- Validated Assessment Program

Implemented

Not implemented

Human Rights Topics Risk Assessment and Methods

Corresponding Risk Value Chain	Human Rights Risk Topics	Topic Description	Risk Assessment	Mitigation Measures	Remedial Measures
PTI, customer, suppliers	Child Labor	The hiring of child labor resulted from failure to check the age of the new employees.		All hiring is conducted under the law and hiring of child labor is prohibited.	Execute risk prevention through regular risk assessments; child labor remedial measures.
	Working hours	Failure to comply with working hour-related regulations. For example, employees who work for 6 consecutive days without taking one day off will exceed the overtime working hour regulation.	<div><div></div><div>RBA self-assessment questionnaire</div></div> <div><div></div><div>RBA/SA 8000 internal and external audit</div></div> <div><div></div><div>Annual workplace abuse risk assessment</div></div>	<div><div></div><div>The system is equipped with an advanced overtime application function.</div></div> <div><div></div><div>Regularly review working hours.</div></div> <div><div></div><div>Hire sufficient workers to lower overtime.</div></div>	Overtime must be voluntary, and overtime pay or leave must be provided.
	Discrimination / harassment	Employees are faced with actions such as threats, abuse, exploitation, discrimination or sexual harassment.	<div><div></div><div>Annual labor and ethical risk assessment</div></div> <div><div></div><div>Customer and supplier RBA audit</div></div>	<div><div></div><div>Formulate regulation documents to serve as guidelines.</div></div> <div><div></div><div>Implement employee grievance and communication channels.</div></div>	Execute risk prevention through regular risk assessments.
	Forced Labor	<div><div></div><div>Forced labor includes being forced to work, restricting employee leaves, and forced overtime.</div></div> <div><div></div><div>Violence, threat, or false imprisonment methods such as paying deposits during employment and withholding identity documents.</div></div> <div><div></div><div>Conflict minerals.</div></div>			Immediate improvement measures must be implemented if forced labor is discovered.
	Occupational Health and Safety	A health hazard occurs to employees in workplace, resulting in the need for treatment to recover health fully or partially. For instance: Work injuries, occupational disease, use of hazardous substances, working in a dangerous environment, etc.	<div><div></div><div>ISO 45001 audit</div></div> <div><div></div><div>Annual risk assessment on the work environment and hazardous substances</div></div> <div><div></div><div>RBA self-assessment questionnaire</div></div> <div><div></div><div>RBA/SA 8000 internal and external audit</div></div> <div><div></div><div>Annual workplace abuse risk assessment</div></div> <div><div></div><div>Customer and supplier RBA audit</div></div> <div><div></div><div>Legal review and compliance</div></div> <div><div></div><div>Employee health examination</div></div>	<div><div></div><div>EHS personnel and resident nurses are allocated to various factories to provide healthcare, health promotion, employee assistance and management solutions.</div></div> <div><div></div><div>EHS personnel regularly conducts EHS audit of various factories.</div></div> <div><div></div><div>Conduct various drills according to the law.</div></div> <div><div></div><div>Maternity care: Regularly checks on pregnant employees, and breast-feeding rooms are established.</div></div>	<div><div></div><div>Provide sufficient medical care assistance and care.</div></div> <div><div></div><div>Employee leave is given according to the law.</div></div> <div><div></div><div>Regularly organizes employee health examination (combined with physical examinations to let the employees fill in the health assessment questionnaire), pay attention to at-risk groups, as well as provide health education and counseling.</div></div> <div><div></div><div>Provide comprehensive occupational health and safety training.</div></div>

Due Diligence Report and Continuous Improvement

The human rights risk assessment results of PTI in 2022 were low-risk. We regularly review our human rights management mechanism to evaluate the effectiveness of various improvement measures. We also provide the due diligence report to the management team to ensure effective management of human rights.

In conclusion, we use company resources and the expectations of stakeholders to formulate policies and use the policies to attain the goals of the organization. Conduct training to help employees understand and facilitate bilateral communication to effectively reduce the impact on human rights.



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# 5.6 Employee Communication GRI 406-1

### 5.6.1 Comprehensive Communication Channels

To enhance labor relations and protect the rights and interests of workers, PTI convenes quarterly labor-management meetings and district welfare committee meetings to discuss labor rights-related issues. Employee representatives propose recommendations during the meeting on behalf of employees, allowing labor and management to reach a consensus after engaging in communication and negotiation. The aim is to enhance team cohesion. The Company has created diverse, open communication channels for labor-management communication. In addition to responding to employees' suggestions, we also review regulations and systems to meet the needs of employees and ensure employee welfare.

To build positive labor-relations and a friendly workplace environment, we provide diverse, bilateral, and open feedback mechanisms to promptly resolve employees' questions. We employ fair, rapid and confidential procedures to protect the privacy, rights and interests of respondents to effectively process and respond to employees' grievanc-es.

#### PTI Taiwan Comprehensive Communication Channels



#### Grievance Processing Status of PTI Taiwan in 2022

Nature of Case	Type of Case	Total Number of Cases	Number of Resolved Cases	Resolution Rate
Management	Leadership Management	21	21	100.00%
	Personal Discipline	4	4	
Communication	Communication Awareness	22	22	
	Regulations	0	0	
Demand	Consultation and Reflection	0	0	
	Sexual Harassment	2	2	
	Unit Referral	0	0	
Others	Colleagues Quarrels	10	10	
	Others	1	1	
Total		60	60	

With regard to the non-discrimination item stated in 5.5.2 Performances of PTI's Human Rights Indicators, there were two cases of sexual harassment and the goal of no discrimination was therefore not achieved. The response to the incidents is detailed below and the Company continued to communicate correct practices.

Type of Case	Complaint Content	Processing Mechanism	Results
Sexual Harassment	Inappropriate comments and physical contact initiated by the defendant.	The conversations and interactions between the two parties did not involve gender, sexual harassment, sexuality or gender discrimination, hence a review conducted by PTI has determined that the conduct did not constitute sexual harassment. The investigation results were communicated to both parties for acknowledgment and approval. Strengthen follow-up communication: <ul style="list-style-type: none"> <li>The correct concept of sexual harassment and the correct steps to file a complaint.</li> <li>Conduct the "Workplace Sexual Harassment Prevention Courses" to communicate correct practices.</li> </ul>	Case closed
	Inappropriate physical contact initiated by the defendant.	The case was reviewed and resolved by the Company, which confirmed the sexual harassment complaint and imposed corresponding penalties on the defendant. The investigation results were communicated to both parties for acknowledgement and approval. Strengthen follow-up communication: <ul style="list-style-type: none"> <li>The correct concept of sexual harassment and the correct steps to file a complaint.</li> <li>Conduct the "Workplace Sexual Harassment Prevention Courses" to communicate correct practices.</li> </ul>	Case closed



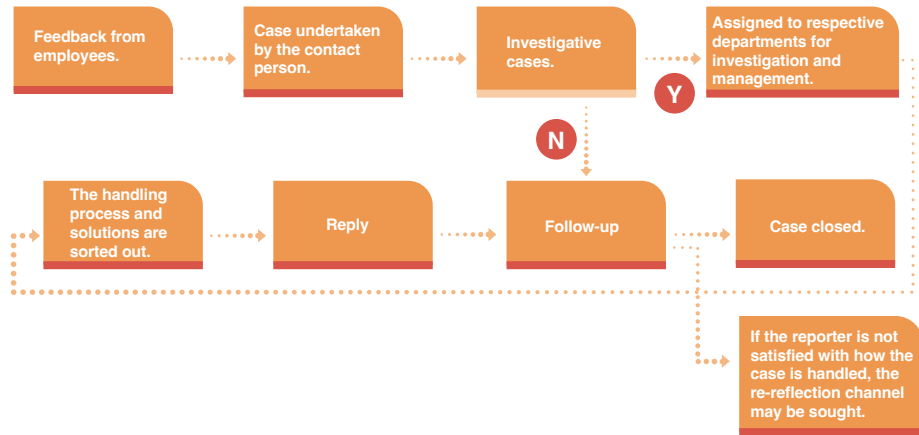
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### 5.6.2 Protocols for Handling Employee Grievances



### PTI Taiwan Complaint Handling Process



### 5.6.3 PTI Quarterly Journal

PTI Quarterly Journal is the brainchild and labor of love of all PTI employees! It was established in 2004 and is published 4 times a year. 73 issues have been issued so far. The publication serves to convey PTI's corporate culture by sharing the latest measures as well as the work and life details of PTI employees. Our employees are invited to unleash their creativity and broaden their horizons through reading.

Besides hard copies, we also share featured articles on PTI's official website and social media platforms (LinkedIn, Instagram, and Facebook) with PTI employees and external stakeholders, so that they can obtain a deeper understanding of PTI.

### Publication Content

Meaning	Module	Theme	Content
PTI's Values and Vision	Business Management	Letters of encouragement from senior executives	Convey the company's management philosophy through the articles to let our employees gain further insight into PTI's corporate culture and developments.
		Executive conversation	Invite division managers or above to share their experiences in career development and work.
		Corporate culture	Share latest company policies, awards, or PTI's external information.
New Professional Knowledge and Growth	New Window of Knowledge	Industry intelligence	Invite professional employees from various departments to share the latest industry and technology trends.
		Patent articles	Invite professional employees from various departments to introduce internal/external intellectual property rights and patents-related topics, trends, or systems.
		Legal knowledge	Invite professional employees from various departments to introduce the latest trending topics and legal articles.
		Environmental safety and health column	Invite professional employees from various departments to introduce new internal/external environmental safety and health knowledge and policies.
Teamwork and Interesting Life at PTI	Event Information Clips	Employee development	Sharing the exciting events held recently by the group (including overseas subsidiaries and various departments).
		Team development reports	
		Event photographs	
Work-life Balance The Joy of Sharing at PTI	Life Supplement	Employee sharing	Sharing of Fantastic Pen Award-winning articles, inviting employees to submit articles.
		New knowledge in life	Share the latest fun and popular trends, insurance tips.
		Physical, mental, and spiritual wellbeing	The art gallery and healthcare column conducting to employees' physical, mental and spiritual wellbeing..
Total Quality Management	Quality Special Edition	Quarterly target	Share the accomplishments of various departments in terms of ongoing refinement in quality management.
		Achievement demonstration	
		Quality team activities	





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## Friendly Workplace

# 5.7 Employee Care

GRI 401-3

PTI continues to review and improve the management system to effectively create a friendly workplace and help employees adapt to work and life. We provide stable job opportunities, salary, benefits and actively create a friendly work environment. We strengthen the workplace support network including top-down and peer communication as well as care and empathy for employees with severe illnesses to provide reasonable measures and respect for employees at work. The explanation for the development of correct concepts and implementation of caring mechanisms is provided below.

### 5.7.1 Development of Correct Concepts

The creation of a friendly workplace relies on employees in many different roles. To help all employees acquire the knowledge and skills necessary for caring for employees, we designed courses on personal interactions, information about new regulations, and education leadership techniques so that all employees understand the importance of a workplace environment with human rights protection and the correct concepts. Due to the pandemic and the epidemic prevention policies in recent years, we retained the in-person courses and used PTI's internal online learning system to develop a series of courses. The in-person courses included "Manager Self-motivation and Employee Management and Caring Techniques"; the online courses included "Introduction to Employee Management Regulations," "Mentor Training Course" and "Effective Training and Care." The online courses allow employees to independently take different kinds of courses without time or spatial constraints and effectively enhance managers and employees' techniques for providing care.

#### In-person Courses

##### Manager Self-motivation and Employee Management and Caring Techniques

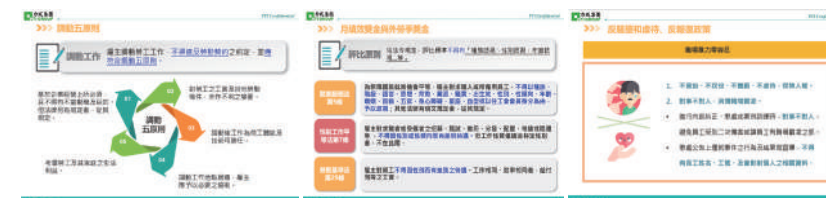
Is it true that some people are born to play the role of a manager? Do people become skilled in management and leadership of teams as soon as they become managers? The Manager Self-motivation and Employee Management and Caring Techniques course is provided to help managers pay attention to interactions in the workplace, learn how to motivate themselves, and use positive communication to identify employees who need high care, handle and prevent problematic employees in a timely manner and reduce the incidence of management conflicts. Through the practice of empathy and verbal skills, we also help managers understand appropriate caring skills and reduce misunderstandings caused by communication styles or inadvertent actions. Due to the impact of the pandemic, only one session was organized in 2022 and 24 participants completed the training.



#### Online Courses

##### Introduction to Employee Management Regulations

As regulations and human rights continue to progress, we have provided the "Introduction to Employee Management Regulations" course for entry-level unit managers to provide comprehensive information on the regulations, institutions and management tools such as the introduction to the Labor Standards Act and PTI's internal management system (personnel rotation guidelines and regulations for overtime work, leave, performance management, evaluation management, reward and punishment management, and resignation management), labor and human rights awareness campaigns (anti-harassment and abuse, anti-reprisal policies, freedom of association, and diverse communication channels). We help unit managers gain expertise and awareness of employee-friendly and appropriate management practices to reduce future risks and disputes in the workplace. The course has been placed online and managers can choose find time for independent learning with high flexibility. In 2022, 434 people completed the online courses.





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### Mentor Training Course

To help new employees (indirect employees) adapt to the workplace with comprehensive support, the department executive will assign outstanding employees of the unit who exhibit a passion for sharing and possess adequate seniority as the mentors for new employees, so that they can quickly blend into the organization. We planned online audio courses and in-person courses to provide mentors with the basic knowledge before they help new employees. We provide courses on the mentor system and explain what a mentor, the role of the mentor, tips for providing guidance, and effective communication and training techniques so that mentors can use appropriate feedback models to create positive interactions with new employees. In 2022, 508 people completed the online courses.



### Effective Training and Care

We divide the sources of anxiety for new direct employees into “skill improvement” and “adaptation to the environment.” Therefore, new employees will receive the license training and production line training arranged by their units to quickly familiarize themselves with the Company’s systems, production line regulations, work procedures and other solid skills. With regard to the soft power necessary for interpersonal relations, we planned the “Effective Training and Care” course to provide mentors (skilled employees) with effective teaching methods, care procedures and communication methods and case studies. We provide the recipients (new employees) with learning skills and positive interactions and effective communication so that both parties have clear and easy-to-follow guidelines for effective training, care and communication. It helps new employees quickly adapt to the work environment. In 2022, 8,011 people completed the online courses.



### 5.7.2 Implementation of Caring

PTI communicates the concept of friendliness and remains committed to creating real opportunities for providing care. To clarify the care results, we divide the target employees into new employees and regular employees and adjust the targets for care based on the unique characteristics of the employees:

#### Employee Category

New employees  
(Indirect employees with less than six months of service)

#### Care Design Overview

Design care measures for different points in time before and after new employees start work.

#### Contents of Care Activities

##### New Employee Package

It provides information on life and knowledge in PTI to help employees gain a preliminary understanding of their future life in the organization.



##### Mentor System and New Employee Guidance Program

The unit assigns a suitable mentor to provide guidance on life, company, and work to new employees in their first six months. It helps units provide systematic guidance to new employees and helps employees learn effectively. The mentor provides comprehensive support and assistance for work assignments or difficulties in adapting.

##### Application system: “Mentor Management System”

We designed the mentor online management system in 2022 for effective and rapid management of new recruits and mentors. We digitalized the traditional paper-based mentor management process and set the system to regularly track the matching status of new employees. For example, when a new employee or mentor changes their unit, the system will automatically activate a mentor adjustment approval form to immediately adjust the mentor and ensure no interruption in the guidance provided by mentors. The system can also record the data on guidance provided by mentors over the years to manage the performance of each mentor more effectively compared to the traditional paper-based system.

Maintain the mentor talent pool before newcomers arrive.

Assign suitable mentors after the newcomers on-boarding, adjust or encourage depending on the leadership status.

##### Mentor Nomination

Units recommend suitable person as mentors.

##### Mentor Matching

Units assign the suitable mentor according to the characteristics of newcomers.

##### Mentor Evaluation

Give encouragements to mentors for their efforts for newcomers leading.

##### Mentor Adjustment

Replacement of the mentor is acceptable if being incapable of continuing to lead newcomers.

##### Mentor Change

May change the mentor according to the status of guiding newcomers.





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#### Contents of Care Activities

##### Let's café

The café provides free coffee for the supervisor have a relaxed one-on-one conversation with the newcomer over a cup of coffee to understand the various aspects of adaptation of the new employee. The five major aspects including "life adaptation," "environment adaptation," "member interaction," "work learning," and "partnership" so that the newcomer can feel the respect and care of the supervisor and can also understand the learning status and feelings of colleagues in a timely manner and provide immediate support and assistance.



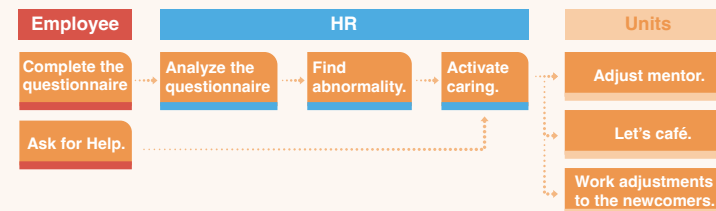
##### Application system: "Let's Café Notification Management"

To effectively reduce the omissions of event information in manual operations that may affect the rights and interests of new employees and their units, we designed automatic scheduling notifications in 2022 for the system to match data and send notifications with the corresponding contents such as information for new employees, café time slots, explanation of the Let's café system and key points and tips for providing support.



##### New Employee Adaptation Evaluation Questionnaire

The adaptation evaluation questionnaires issued two weeks, one month and one quarter after the employee starts work help us measure the new employees' self-evaluated adaptation status and the level of their agreement with different aspects of work. They also help employees quickly adapt to the organizational culture and the human resource units also provide the employees' feedback to the business units to provide suitable support.



#### Employee Category

Regular employees  
(All PTI employees)

#### Care Design Overview

Reporting mechanisms for adaptation to work and care for illnesses.

#### Contents of Care Activities

##### "Workplace Support and Care Network" Organized by HR, Plant Nurse, and Units.

The network activates employee care procedures in the event an employee contracts a major illness. When HR or the department receives a notification from the employee or a family member or when HR receives an application for labor or group insurance claims and discovers that an employee has contracted an illness, HR shall provide care and register the employee's conditions. HR shall also assist the plant nurse and the unit manager in providing follow-up assistance to provide reasonable measures and respect for employees at work.







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#### 5.7.3 Health Promotion and Management

PTI promotes and manages our employees' health through professional healthcare personnel and health management. Healthcare professionals are stationed in various plants to follow up on the health condition of our employees. PTI has collaborated with professional medical institutions to arrange general and specific health examinations for employees regularly. Health management is implemented based on the outcome of the employee health examination and we provide employees with a counseling channel and medical consultation service. In 2022, PTI's resident physicians have served 292 people.

PTI strives to promote comprehensive health management and diverse and all-encompassing health promotion activities. Based on health examination data, we have established a comprehensive health risk management system. This year, we participated in the "National Healthy Workplace" program and won the Health Management Award. We have gradually created a happy and friendly workplace environment to enhance employees' health and create a sustainable workplace.



#### 5.7.4 Assessment of Maternity Health Risk

PTI values the health of working mothers. Other than stipulating work that working mothers must avoid according to the Occupational Safety and Health Act, pregnant employees and employees who have given birth within the last year are also forbidden to work in dangerous or hazardous work categories. We eliminate risks by adjusting their working conditions or changing their jobs. After they are given a clean bill of health from the doctor, relevant information will be disclosed to the female colleagues and PTI will respect their decision at work to ensure the safety and health of working mothers.

Employees classified as working mothers in need of protection should complete the Maternity Risk Assessment with the supervisors, resident nurses, and the Industrial Safety Department. Professional resident doctors will evaluate the mothers' physiological state and risk factors to classify health risks as level 1, level 2 or level 3 management. Those falling under level 1 and level 2 management are subjected to risk control and administrative managers before being interviewed and continuously monitored by resident nurses and doctors. In 2022, 269 PTI employees completed the maternity protection evaluation.

#### 5.7.5 Abnormal Workload Evaluation

PTI actively implements management on illnesses derived from abnormal workload. In 2022, PTI Taiwan completed an abnormal workload evaluation for 8,151 people and interviewed 47 high-risk employees (evaluation outcome: cases were closed for 41 people and 6 people were listed as medium-risk and monitored).

##### Targets of the Prevention Program

- Employees who feel that they have abnormal workloads and take the initiative to report.
- Employees on separate shifts, nighttime shifts and extended working hours who have abnormal workload.
- Employees with irregular work schedules, frequent business trips or work in special environments and work that cause anxiety.

##### Measures

- Use of the abnormal workload evaluation questionnaire in the annual health examination.
- Workload evaluation.
- Health risk assessments including risks of the onset of cardiovascular diseases within 10 years.
- Resident doctor reviews the overall evaluation results.

Provide consulting services for high-risk individuals and maintain records to protect the health of employees.

#### 5.7.6 Resident Psychological Counseling Services

PTI utilizes the "Psychological Counseling System" to alleviate the employees' burdens and listened to their thoughts in this ever-changing world of different roles and responsibilities. Casual conversations during the counseling process serve to mitigate their fatigue and resolve internal conflicts, allowing them to rediscover their strength and create a cozy, healthy and positive work environment.



In June 2016, PTI Taiwan established the Psychological Counseling Room, hiring professional therapists to routinely provide counseling to alleviate pressures from work in a private and one-to-one setting.

Year	2020	2021	2022
Number of People Served	488	532	440





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#### 5.7.7 Healthy Workplace Promotion

PTI is the second home for all employees. Due to the impact of the COVID-19 pandemic in the last three years, the Company has encouraged employees to receive complete COVID-19 vaccination as quickly as possible to enhance their own immunity and herd immunity. The plants have also provided free flu vaccination programs and 4,117 received vaccination in 2020-2022. We also organize regular health promotion activities each year including abdominal ultrasound examinations, lung CT scans and physical fitness tests for middle-aged and elderly employees.

We actively create a friendly workplace environment for employees and we received the Health Promotion Certification and the CPR+AED Safe Workplaces Certification. We implement a policy to create a no-smoking environment and a healthy work environment for all employees to lead healthy lives.

#### Health Promotion Activities - Physical Fitness



(Certified Period:2021/1/1 ~ 2023/12/31)



(Certified period 2022/1/1 ~ 2024/12/31)



#### 5.7.8 Satisfactory Diet: Cafeteria Dietary Management

We have an exclusive employee cafeteria offering a clean, comfortable, and relaxing dining environment for employees, as well as nutritionally balanced and diversified food choices. PTI enforces food safety management by establishing a comprehensive management system. Besides adopting strict food safety standards to safeguard the quality of our employees' food, we also inspect the catering service providers to ensure that employees are eating healthy food.

#### 5.7.9 Assistant and Care for Migrant Employees

##### Self-Requirements Reflect International Trends on Human Rights

The protection of human rights is a universal value, and in this regard, we are paying more attention to the rights and interests of foreign employees working at PTI. Whether or not in areas such as recruitment, remuneration, life management and employee relations, we have revised our policies per the requirements of international regulations such as the RBA Code of Conduct and SA 8000 to ensure that migrant employees work and live in an environment that always complies with international human rights.

##### Smooth Communication Channel and Complaints System

We have established smooth communication channels to allow migrant employees to communicate their thoughts. We inform employees of communication channels during the training for new employees for every new migrant worker to understand that the Company cares about their need for help in work and life. In addition, we conduct monthly one-on-one life care visits to proactively understand the problems they may be facing at work or in life. We have appointed two Filipino administrators specifically to provide care for migrant workers. They can communicate with migrant workers in their Filipino mother tongue and meet the needs of the migrant workers more effectively to create truly smooth and unobstructed communication channels.

##### Comprehensive Life Care

PTI understands the hardships of migrant workers who must make great sacrifices to work in a foreign country. As the pandemic has made it difficult to return home, we want them to feel at home at PTI so that they can feel safe and comfortable under the care of the company.



We appointed administrators skilled in English and Filipino to provide care in life so that migrant workers do not need to worry about communication issues. They help the workers receive medical assistance and life-related counseling. Workers can thus fully express their thoughts.



We constantly improve and maintain the dormitory for our migrant workers, and monthly dormitory inspections are carried out to ensure a clean, safe and good living environment for the employees. In addition, facilities such as a prayer room and a fitness area are provided to foster the physical and mental health of our employees.



We provide regular health checkups and special medical examinations for the migrant workers, as well as manage and track abnormal health conditions. In addition, PTI adjusts their work environment based on the results of the employee return to work assessment. For pregnant migrant workers, we have thoughtfully included maternity care management, conducting regular follow-ups and individual care interviews to ensure the safety of mothers and children.





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### Pandemic Response and Assistance

PTI actively established a pandemic prevention response team to protect the health of employees. We monitor the government's latest policies, formulate the Company's internal response strategies, and implement several management operations for strict implementation. We also set up incentives to enhance the employees' independent pandemic prevention management awareness. The pandemic prevention management measures and care services for foreign employees are compiled into the implementation guidelines as follows:

#### 1.Management and Incentive Measures

- The Company maintained social distancing in commuting shuttles and implements daily check-ins to track foreign employees and support contact tracing for pandemic prevention.
- We encouraged employees to pay attention to their safety and provided pandemic prevention incentives which benefited 2,005 employees with a total of NT\$5,596,500 in bonuses.

#### 2.Life Assistance and Dormitory Management

- We thoughtfully made transportation arrangements for employees when they enter hot areas to process government documents.
- The dormitory assisted employees in purchasing food and daily necessities so that migrant workers do not have to go out. We also provided information on vaccination, domestic pandemic conditions and other forms of care to take care of employees.
- We implemented several management measures in the dormitory including the separation of employees, pandemic prevention audits, cleaning and disinfection and body temperature measurements to reduce the risks of infections in the dormitory.
- We increased the frequency of cleaning and disinfection of the dormitory environment, including bleach disinfection, disinfection with Timsen's medicine, and regional cleaning to ensure the safety of the dormitory.

#### 3.Reporting Procedures for Confirmed Cases and Assistance for Obtaining Medical Support

- The Company set up independent dormitories for the quarantine of employees with confirmed infections and distributes pandemic prevention supplies and medical supplies.
- We established response procedures for positive results in COVID-19 rapid antigen tests. When an employee is tested positive, we immediately start an investigation of the employee's living conditions and arrange quarantine and medical assistance.

##### Report Positive Results in COVID-19 Rapid Antigen Tests

- Dorm Administrators for case understanding.
- Accommodation/out-of-dorm accommodation.
- Whether there is a co-resident.
- Any symptoms.

##### Quarantine/Medical Assistance/Room Disinfection

- Quarantine dormitory/quarantine for individuals in offsite residences.
- Arrange telemedicine.
- Immediate disinfection in the dormitory area.

##### Report Confirmed Infections in the Plant

- Report confirmed infections in the plant and response progress (unit/occupational safety/plant nurse).
- Confirm whether units completed system registration.

##### Case Included for Management Until Case Closed

- Symptom management.
- Case closed after quarantine period.

### Family Guarded by Heart

PTI and the agents are partners that rely on each other, so we hope to build a better workplace environment and living space by complying with RBA regulations, allowing every foreign employee at PTI to work and live with peace of mind under the protection of international human rights. In order to achieve this goal, we have been assisting agencies to continuously optimize their recruitment process, living care and dormitory management policies and quality through monthly meetings, regular and unscheduled inspections and evaluations as well as annual training to announce the latest RBA Code of Conduct and company policies and practices so that they can become the best assistant to PTI in taking care of foreign workers.

#### Key Points of Caring for Foreign Employees

##### Protection of Human Rights

- Preparation of the "foreign employees recruitment policy" under the RBA Code of Conduct.
- Implementation of the "no charge for migrant workers" policy, with PTI paying for all fees (including placement, processing fees, pre-departure transportation/accommodations, airplane tickets and costs of physical checkups), benefiting 3,853 employees.
- Awareness of the "foreign employees recruitment policy" and the "no charge for migrant workers policy" before reporting to work.

##### Direct Employment

- In 2022, 80.7% of migrant workers at PTI Taiwan were recruited directly (Note).  
Note: Migrant workers recruited directly included Filipino employees whose contract were directly extended by PTI Taiwan upon expiration or who were recruited directly by PTI Taiwan without going through domestic or overseas agencies.
- Renewed employees are fully rehired.
- 40 domestic recruiting sessions assisted 202 people to change employers and continue their employment in Taiwan.

##### Employee Retention and Talent Development

- During the interviews, we provide the company overview and the foreign employees' work experience videos.
- 39 pre-departure orientations.
- 16 new employee training sessions.
- New employee basic skills training.
- Specialized workstation training.
- Multi-function workstation training.
- Established a contract renewal system and incentives; increased salaries based on conditions and benefited 851 employees.
- Renew contracts with outstanding employees in 970 cases.





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#### Communication Channels

- Dormitory suggestion box.
- HR communication hotline
- Monthly individual interviews regarding employee care. delete and replace with; 210 employees were interviewed.
- Social Media—Facebook.
- Care talks with dismissed employees; 397 employees were interviewed.

#### Health Management

- Medical examinations for 3,019 migrant workers as stipulated by law.
- Maternity health care and management.
- Work resumption assessment and management.
- Resident doctor consultation.

#### Safe, Clean and Thoughtful Dormitory Environment

- Assigning administrators who are fluent in the Filipino language to offer 24-hour assistance in living and medical arrangements.
- 24-hour assistance.
- Monthly fire protection equipment and environmental inspection.
- Prepared food heating area in the dormitory.
- Dormitory and firefighting educational training for newly hired migrant workers.
- Semi-annual fire safety drills.
- Regular maintenance and water quality inspection for each drinking water dispensers.
- Annual comprehensive dormitory disinfection.
- Prayer room set up to respect employee's religious beliefs.
- Filipino TV channels.
- Free shuttle buses to and from work.
- Free fitness equipments.

#### Physical and Mental Well-Being Activities

Due to COVID-19, major annual events have been suspended, but we still held some special events and competitions for employees to participate in, to help foreign workers strike a balance between work and leisure:

- Spring couplets writing activity.
- Christmas dormitory decorations.
- Christmas activities.

#### Labor Agents Management

- Monthly meetings.
- Quarterly evaluations.
- Annual evaluations.
- Annual training.

#### Christmas Activities



#### 5.7.10 Parental Program

PTI understands the challenges for pregnant employees. Therefore, we have prepared a series of care measures for mothers-to-be and babies, so that from pregnancy, childbirth, to kindergarten, pregnant PTI employees can work while knowing that they and their babies are well taken care of.

##### • Reserved Parking Spots for Pregnant Women

To allow pregnant women and post-natal mothers to enjoy a convenient and better workplace, we have reserved priority parking spots for them.

##### • Breast-feeding Room

To take care of female employees who are also new moms, respective plants are equipped with safe, comfortable, and private breast-feeding environments for the mothers' peace of mind.

##### • Childcare Incentives

The Employee Welfare Committee signed contracts with 22 hospitals, postpartum care center, high-quality kindergartens, and childcare institutions in areas where employees live to provide employees with diverse options for their pregnancy, post-partum care, selection of early childhood education or childcare services for their children.





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5.7.11 Parental Leave Policy

Following government regulations, every PTI worker that joined 6 months ago (Taiwan) allows applications for positions retained without pay from any gender. In 2022, 192 employees applied for unpaid parental leave in PTI Taiwan; among them, 37 were men and 155 were women. A total of 333 employees applied for maternity and paternity leave. Among female and male employees who applied for unpaid parental leave, 75% and 66% returned to work, respectively. The retention rate of female and male employees who continue to work for PTI one year after reinstatement was 91% and 77%, respectively.

Item	Number of Employees/Maternity and Paternity Leave		Employees for Parental Leave	
Category	Paternity Leave-Male	Maternity Leave - Female	Male	Female
Sub-total	172	161	37	155
Total	333		192	

Parental Leave Status

Item/Gender	Male	Female	Total
Number of Employees Who Qualified for Unpaid Parental Leave in 2022	595	476	1071
Number of Employees Who Applied for Unpaid Parental Leave in 2022	37	155	192
A. Number of Employees Who Were Expected to be Re-instated After Unpaid Parental Leave in 2022	41	160	201
B. Number of Employees Who Were Re-instated After Unpaid Parental Leave in 2022	27	120	147
C. Number of Employees Who Were Re-instated After Unpaid Parental Leave in 2021	13	88	101
D. Number of Employees Who Took Unpaid Parental Leave and Remained in the Company One Year After Reinstatement in 2021	10	80	90
Return Rate (B/A)	66%	75%	73%
Retention Rate (D/C)	77%	91%	89%

Note:

- Number of Employees Who Qualified for Unpaid Parental Leave in 2022: number of employees who applied for paternity leave and maternity leave between January 1, 2020, and December 31, 2022.
- Number of Employees Who Were Reinstated After Unpaid Parental Leave in 2021: number of employees who were reinstated between January 1 and December 31, 2021.

In 2022, 333 PTI Taiwan employees applied for maternity leave and paternity leave. The number of births by PTI employees or their spouses has also remained stable. The total number of PTI babies born in the past few years is as follows:

Year	2020	2021	2022
Number of Births	376	362	333

Note: The numbers are based on actual maternity and paternity leaves that occurred in the year. Multiple births and parents both working in PTI are not included.

5.7.12 Protection for Pregnant Migrant Workers

Work Rights Regardless of Nationality

According to statistics provided by the Ministry of Labor, 728,081 migrant workers were working in Taiwan as of December 2022 (Note). Taiwan's government has continuously improved and protected the rights of migrant workers who are minorities. At least a quarter of PTI's workforce consists of Filipino workers. Pregnant employees require special attention and care. Pregnant employees must bear the discomfort of pregnancy and difficulties for work. They have also become physically and mentally exhausted by the changes brought forth by the pandemic in the last few years. PTI has therefore established many policies to help them reduce their burden. We have communicated pregnancy-related policies since 2018 to ensure that foreign employees are aware of their rights. The pregnancy care mechanism was enforced in 2019 to protect the right to work of pregnant foreign employees so that they can stay in Taiwan for childbirth with peace of mind.

Note: Source of data:Foreign Workers in Productive Industries and Social Welfare by Nationality (mol.gov.tw)

We Take Care of Everything Inside and Outside the Plants!

Once the Company receives notification that an employee on the production line is pregnant, it is immediately recorded, and the conditions will be tracked. In terms of work, we help employees adjust the shift and work area to ensure the safety of the mother and child. We keep pregnant employees away from hazardous chemicals, X-ray, and radiation and we do not allow them to move heavy objects. If a pregnant employee is on the night shift, she will be immediately transferred to the day shift. In addition, HR will interview the pregnant employee one-on-one after the 20th week of pregnancy to obtain information on the current conditions of the mother and child and help her with all issues. In terms of living arrangements, if the pregnant employee needs to go to the hospital for regular checkups during pregnancy, we have a 24-hour administrator available to help and to assist with communication and translation during the checkup. If the employee lives in the dormitory with bunk beds and the employee sleeps on the top bunk, we will immediately transfer the employee to the lower bunk to ensure safety and ease of access.

In terms of the welfare policy, pregnant employees can opt to take leave before the due date and prepare for her big day. After reinstatement, new mothers can apply for welfare measures from the Company.

Pregnancy in a Foreign Land is Nothing to Worry About

As the pandemic stabilizes, migrant workers have the option of returning to their home countries. However, many people still choose to stay in Taiwan to work and raise their children, and PTI offers a policy that corresponds to this. Our foreign employees can apply for the unpaid parental leave after their maternity leave, so that they can spend more time with their children after giving birth. PTI will also assist them in applying for health insurance for their children, so that they do not have to worry about the tedious paperwork. Migrant workers already made a lot of sacrifice when they leave home to work in a foreign country for better job opportunities. Therefore, when they decide to start a family, PTI will support them like family.



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Status	2020 in Total		2021 in Total		2022 in Total	
	Number of Employees	Ratio	Number of Employees	Ratio	Number of Employees	Ratio
Number of Babies Born in Taiwan	19	32.8%	35	50.7%	40	65.6%
Number of Babies Born in Their Native Countries	39	67.2%	34	49.3%	21	34.4%
Total Number	58	100%	69	100%	61	100%



Ivy Joy Adoracion has worked as a technical operator at PTI for nearly 5 years and she became a mother in 2022.

“After the Company learned I was pregnant, they adjusted my work to make sure that the work environment is friendly and safe for pregnant women. I was cared for in my dormitory and I switched from the top bunk to the lower bunk. My roommates were also very considerate about my pregnancy.

I was also touched by how HR inquired about my work during pregnancy and how everything is going in life and asked everything in Filipino. It was heartwarming and I feel lucky to be working at PTI. Thank you, PTI.”



Friendly Workplace

5.8 LOHAS PTI

We are committed to creating a friendly workplace. In addition to providing competitive remuneration and abundant benefits, we also offer diverse activities to communicate PTI's culture, care for PTI employees and their family members and consolidate PTI's workplace cohesion.

Communicate PTI Culture

We communicate the corporate culture in many activities to encourage cooperation and mutual support for employees. The sharing of experience and knowledge and the interpersonal connections have become a source for PTI's continuous growth.

Take Care of PTI Employees

Through diversified activity planning, employees can find an activity they like, participate, interact with other partners, and gain continuous motivation in their work and life; at the same time, we also take care of their families so that they can work hard at work.

Contribute to PTI Coherence

These events provide more opportunities for employees to link with the Company and their coworkers and contribute to team coherence. It helps expand the interpersonal network. When employees build their own interpersonal network, it will help them stay and gain more resources within the organization for enhanced efficiency and better performance at work.

Exciting Life at PTI

As we continued to be affected by the COVID-19 pandemic in 2022, we were rolling to adjust the direction of the activities. In 2022, we focused on the 3 elements of "Care, Health, and Technology" to create a workplace where employees can feel "Prospering, Thriving and Inspiring" and inspire them to gain sustainable momentum in work and life.





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#### Fantastic Pen Award - Caring - Promising - Writing Competition

Each year, the editorial board of "PTI Journal" sets the theme according to current events and the current situation within the company and invites all employees and their family members to put their boundless inspiration into words with no restrictions on the format of the works (modern poems, essays, journals, novels, etc.).

#### In 2022, the Fantastic Pen Award included two main themes. Participants for the 20 exciting works published in the first and second editions.

1. My Story at PTI: 2022 marked the 25th anniversary of PTI and we invited employees to share their stories of working at PTI and their life.
2. Post-Pandemic New Life: The pandemic continued to pose severe challenges in 2022 and we adopted rigorous measures as well as optimism to respond to the pandemic. For the post-pandemic new life, we invite employees and family members to make the most of their observations and creativity to share the changes in life brought forth by pandemic prevention.



#### Employee Club Activities - Health, Technology - Thriving - Employee Club Activities

We continue to support various club activities organized and participated by our colleagues. The welfare committee subsidizes NT\$5,000 every quarter to host routine employee club activities. In addition to the existing 9 clubs at PTI, we established the camping club and mountain climbing club in 2022. Camping and mountain climbing were already popular activities before the pandemic. When people could not travel overseas during the pandemic, they sought new options for reducing clustering in groups and going outdoors, which made mountain climbing and camping all the more popular. We believe that the establishment and operations of the clubs can help employees with similar interests form bonds through common interest.

A total of 11 clubs were founded by employees at PTI Taiwan including sports (softball club, badminton club, bowling club, basketball club, jogging club, cycling club, camping club, and mountain climbing club), arts & culture (handicraft club and meditation club) and volunteer (volunteer club), with a total of 457 members.

#### Club Carnival

The long-awaited Club Carnival finally took place again in 2022. Due to the pandemic, the event consisted of small-scale in-person events or online courses. We implemented rigorous pandemic prevention regulations for employees to participate safely in the activities. This year, badminton club, softball club and meditation club organized exciting activities:

- Badminton Club - 20 doubles teams and 5 group teams joined in the competition.
- Softball Club - On a clear day in the Zhubei softball field, 5 teams from PTI and the Taoyuan Elementary School Baseball Team played matches with passion and vigor.
- Meditation Club - Employees learned abdominal breathing, exercising their limbs, and mediation from professional instructors.







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### Health iLOHAS - Online Family Day

Although many large in-person events could not be held due to the COVID-19 pandemic, the passion and vitality of PTI employees remained alive. We converted in-person family day events to online events and used technology to reduce the risks of infections. We designed four events for employees to choose the events they want to attend based on suitability and preference. PTI encourages employees to exercise and enrich their lives with the colors of art. PTI invited employees and their families to join the online family day to experience happiness in life.

### Reduce Carbon Emissions and Protect the Earth with PTI - Health-Thriving - Power Walk Activity

ESG has become a hot topic in recent years and PTI Employee Welfare Committee designed activities and invited employees to participate in them. We encourage employees to walk instead of using scooters and climb stairs instead of taking the elevator. They can join in reducing carbon emissions and protecting the earth with just their legs and a mobile phone.

The desolate desert was brought back into life with every step taken by PTI employees in their exercise as the calories spent on attaining the target were transformed into drops of rain that fell on the land day after day. With the 2,061 PTI employees for exercising and the passionate participation of 258 teams, if the steps can be converted, such as switching from driving to walking for short-distance commuting, for every 6,000 steps taken every day, we can reduce approximately 0.852kg of carbon emissions<sup>(Note)</sup>.

PTI employees continued to adhere to their daily targets and adjust their routines to reduce carbon emissions and we have reduced carbon emissions by approximately 40,506.6kg. Let us keep up the good exercise habits, choose commuting methods that reduce carbon emissions, and reduce carbon emissions to protect the Earth together.

Note:

1. 2,061 people with 6,000 steps taken equals 47,543 days \* 0.852kg ≈ 40,506.6kg.
2. The calculation is based on a press release of the Ministry of Health and Welfare on April 22, 2011, titled "Eat Smart and Move More, Eat More Rice and Walk One More Kilometer to Lose Weight, Reduce Carbon Emissions, and Save the Earth".



### PTI Mascots - Caring - Inspiring - Coloring/Drawing Contest

The 507 submissions in the kindergarten group, elementary school group, high school group and adult group brightened our lives with colors and created a visual feast. Congratulations to the 50 winning works selected by external judges. They have shown us the boundless possibilities of the PTI mascots brought to life on paper.



### PTI Golden Brain Pop Quiz - Technology - Inspiring - Pop Quiz Activity

Let's think together with our golden brains. There is no need to get in line or leave your house, all you need is a golden brain to have a chance to be eligible for a lottery! Thanks to 5,472 entries! The simple tests have endowed PTI employees with further insights into the company's remuneration system and health management measures!

### Where is the Action? PTI Mascots Out to Play - Technology - Inspiring - Pop Quiz Activity

PTI mascots go out to play! Find out where they are and what they are doing. The answer is in the details. Thanks to the participants for 2,140 responses, and we will see the PTI detectives next time!







**POWERTECH  
TECHNOLOGY INC.**

**2022 ESG REPORT**

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- Served as the **GOLF Association's** angel member to promote youth empowerment.
- Organized **16** industry-academia collaboration activities to actively cultivate new talents for the semiconductor packaging and testing industry.
- The social welfare expenditure of PTI in 2022 totaled **NT\$2,319,101** (48.4% increase compared to 2021)
- Donated NT\$ 1 million for Lanyu orchid restoration and the species reconstruction in Jimagaod (Xiao Lanyu) to promote ecological sustainability and biodiversity.





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### Material Topics

#### Industry-Academia Collaboration

- Promoted the cultivation of young semiconductor packaging and testing talents.
- Forged a long-term partnership with schools in Hsinchu to establish a steady source of talent.

### Evaluation Guidelines

- Number of trainees in campus-enterprise courses.
- Number of interns in industry-academia collaboration.
- Increased the retention rate of interns in industry-academia collaboration.

### 2022 Targets

- Increased the number of trainees in campus-enterprise courses to 60.
- Promoted 30 interns in industry-academia collaboration.
- Increased the intern retention rate to 25% in 2022.

### 2022 Achievements

- 84 trainees in campus-enterprise courses.
- Promoted 63 interns in industry-academia collaboration in 2022.
- The retention rate of interns in industry-academia collaboration in 2022 was 35%. (26 completed the internship and 9 were hired as full-time employees; 37 interns are still in their internship.)

### 2023 Targets

- Increased the number of trainees in campus-enterprise seminars and courses to 80.
- 40 interns in industry-academia collaboration.
- Increase the intern retention rate to 35%.

★ Accomplished ☆ In Progress



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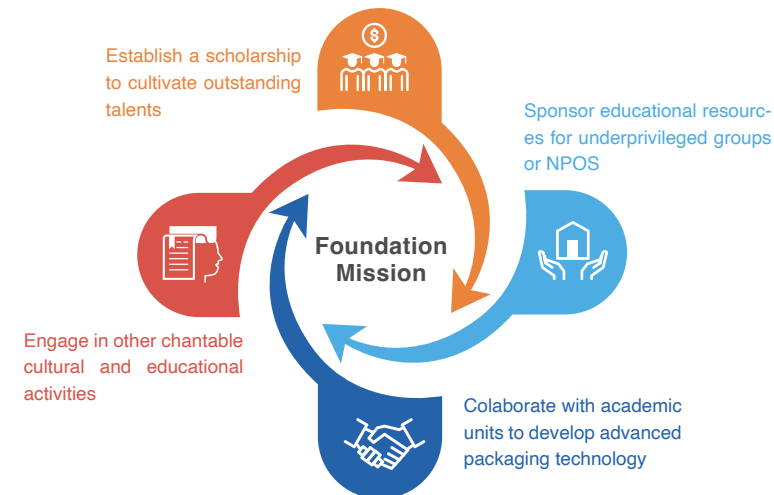
### Social Engagement

## 6.1 Social Engagement Programs

### 6.1.1 PTI Education Foundation

The “PTI Education Foundation” was founded in 2017. We take actions to support social welfare activities. Despite the impact of COVID-19 on the global economy and society, we have upheld our social care and engagement efforts. Looking ahead, we will continue to contribute to society and introduce positive energy.

The social welfare expenditure of PTI in 2022 totaled NT\$2,319,101.



Category	Ratio
Industry-Academia Collaboration	5.9%
Community Engagement	51.0%
Environmental Education	43.1%

### Results of Social Welfare Projects in 2022

#### Bridging the Education Gap



#### Targets

Da-Nan Elementary School in Miaoli County, Ching Shuei Elementary School in Hsinchu County, Taoyuan Elementary School in Taipei City.

#### Achievement

The total number of volunteer hours was **48** and the number of children benefited was **94**.

#### Impact

Employees volunteered to accompany, assist, and care for the children.

PTI’s multifaceted investments in education resources aim to improve the quality of education for children and eliminate resource inequality, endowing them with equal opportunities for education and self-development. PTI Education Foundation sponsored the Wednesday afternoon club activities of Miaoli Da-Nan Elementary School and Hsinchu Ching Shuei Elementary School. In addition, PTI sponsored the Taoyuan Elementary School Little League team to help children to realize their baseball dreams.

#### Promotion of Technology and Humanity Education



#### Targets

New graduates.

#### Achievement

A total of **120** volunteer hours for **35** participating students.

#### Impact

The guidance course helped students to progressively plan for their future.

Despite the pandemic, talent cultivation must go on. In 2022, PTI’s Future Stars summer internship program kicked off as scheduled. For the event, various enriching online courses have been designed, where a comprehensive training mechanism is applied to lead the students to explore the semiconductor packaging industry in an effort to inspire their creative thinking, as well as to apply their knowledge to work.



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### Make Dreams Come True with Love in Theme Park



#### Targets

Da-Nan Elementary School in Miaoli County, Ching Shuei Elementary School in Hsinchu, St. Francis Xavier Home for Children and Juvenile, Muhsiang Sweet Home, Green Light Seed Homework Assistance Classroom.

#### Achievement

The total number of volunteer hours was **47** and the number of children benefited was **196**.

#### Impact

Conveyed the heartwarming power of love and made the children's dreams come true by taking them to a theme park.

### Green Light Brave Little Feet - Hualien and Taitung 7-Day Hiking Event



#### Targets

Green Light Seed Homework Assistance Classroom.

#### Achievement

The total number of volunteer hours was **192** and the number of beneficiaries was **15**.

#### Impact

Helped young children experience the beauty of Taiwan and challenge themselves by walking.

7 Green Seed children, accompanied by 3 Green Seed teachers, guide, and PTI Volunteer Club, challenged themselves to walking from Shoufeng in Hualien to Yanping in Taitung over 7 days. The long trek on foot allowed them to experience the beauty of Taiwan and challenge themselves by walking. It also left a lasting mark on their life journeys.

### Technology Education Promotion



#### Targets

College students.

#### Achievement

**20** hours of volunteer work benefitted approximately **100** people.

#### Impact

The diverse course resources empowered youths as well as provided the students and PTI colleagues with the latest industry information.

In 2022, PTI was invited by Gap of Learning & Field (GOLF) Association to lecture at NTUT. We discussed the semiconductor industry, the company, jobs, and the internship project to invite talents from the new generation to join PTI.

### Scholarship



#### Targets

Industrial-academia collaboration students.

#### Achievement

Commended **7** students.

#### Impact

Students were encouraged by the scholarship, and it contributed to the upward learning atmosphere.

PTI Education Foundation has set up a scholarship program for outstanding students for more than five years to help young students focus on their studies. In 2022, we continued to provide scholarship programs and distributed scholarships to 7 students to encourage them to work hard on their studies and pursue their dreams.

### 6.1.2 Social Care

To fulfill our missions for social care, PTI has built strong connections with local social welfare institutions, schools, and hospitals. We donate machinery, equipment, supplies, or funds to support the society with the aim of exerting positive influence on the society.

### 2022 Social Welfare Results



#### Donation of Machinery and Equipment to Schools to Train Professional Talents.

PTI donated production machinery and equipment to Minghsin University of Science and Technology to help training professional engineering talents.

#### Donation of Epidemic Prevention Supplies.

The demand for epidemic prevention supplies soared during the pandemic and PTI actively set up epidemic prevention networks with local communities. PTI donated epidemic prevention supplies including hazmat suits, rapid test kits, N95 masks and general medical masks to help elderly homes in Zhubei deal with the crisis.



#### Partnership with National Taiwan University Hospital Hsinchu Branch.

PTI made donations to support the structural heart disease treatment program. We also provided sponsorship so that the disadvantaged have the opportunity to receive treatment. Our aim is to support the professional medical team and benefit patients in need.





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**Park Construction Plan: Develop the Natural Environment for the Local Community.**  
To promote sustainability of the environment, PTI has taken over the management of the land next to Hsinchu Science Park Plant 3 (Plant 11 B) and completed the construction of the park. We created a good environment for employees and nearby residents to take walks. The project exemplifies PTI's commitment to promoting environmental sustainability and caring for employees.





Before Construction



Photo of the View from  
Top After Construction.

### 6.1.3 Social Engagement

Category	Impact	Description
 Stone Lake Walk	The health walk activity is designed to help employees to relax their bodies and mind, as well as to materialize a low-carbon, eco-friendly lifestyle and convey PTI's LOHAS philosophy.	Employees of PTI Suzhou went on a health walk together to promote health under the warm sun in November. It provided an opportunity for them to exercise.
 Recruitment of Hope Ambassadors in PTI Xi'an.	PTI helped people with disabilities to overcome employment difficulties and increase their income, demonstrating a significant positive impact on enhancing their self-identity and social development.	To help and support the employment of people with disabilities, in 2022, PTI Xi'an has recruited 19 people with disabilities and adjusted their workload. The company paid social insurance for them and pay them a certain salary according to the required standard.





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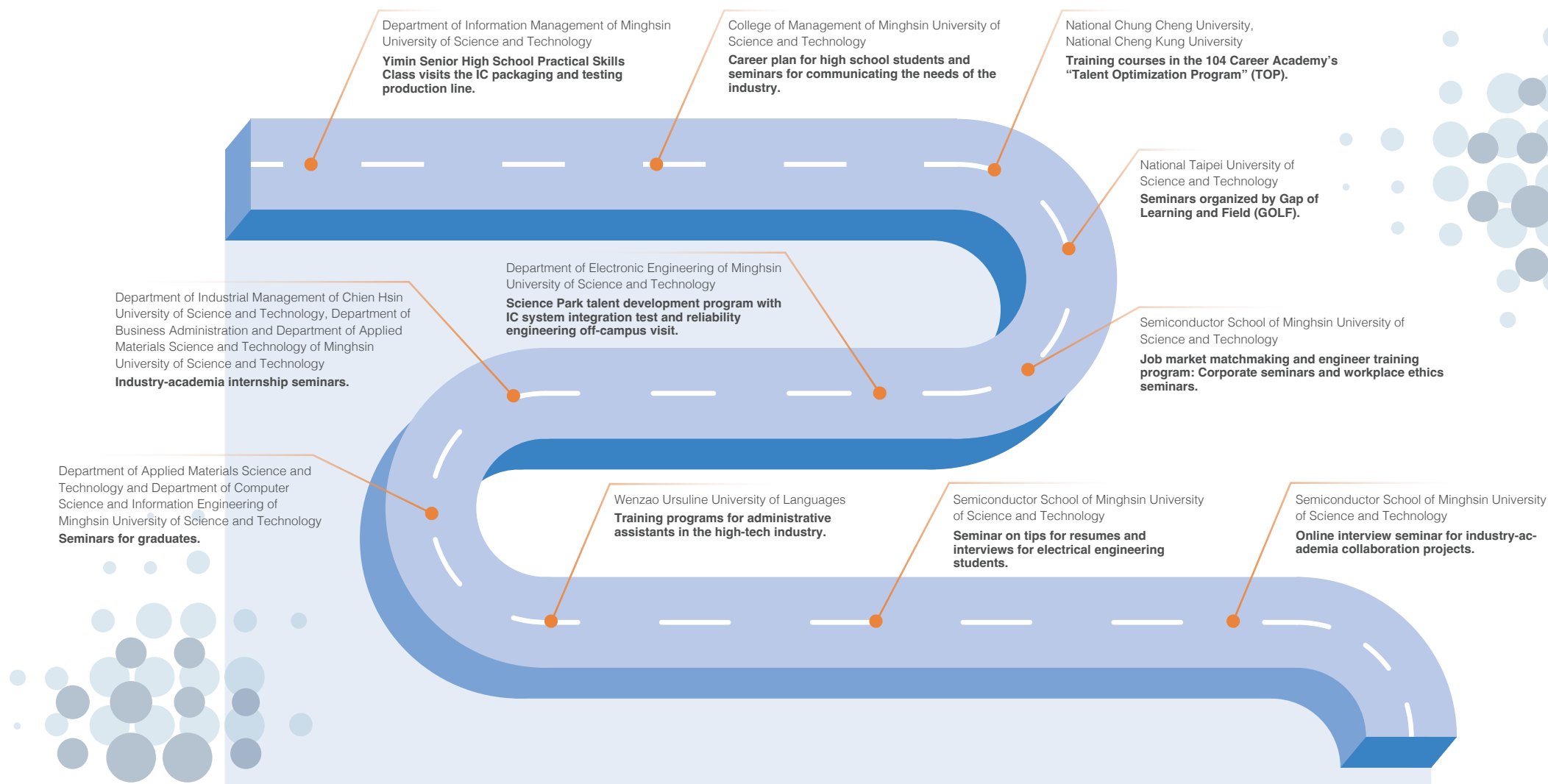
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### Social Engagement

## 6.2 Industry-Academia Collaboration

To establish bilateral connection between industries and universities is the core target for PTI. We understand that in an economy with intensive competition for talents, companies should not confine themselves and wait for the talents to show up. Instead, they must actively reach out to schools and develop their own talents ahead of schedule. We therefore aim to help more students learn about PTI and the semiconductor packaging and testing industry.





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## 6.2.1 Campus Activities - Exploring the Semiconductor Packaging Industry

PTI is committed to promoting science education. To help students learn more about the IC packaging and testing industry, we actively participated in activities and courses of colleges and universities including Wenzao, Taipei Tech, Minghsin University of Science and Technology, Chien Hsin University of Science and Technology, National Chung Cheng University, and National Cheng Kung University. We invited managers to discuss the advanced technical developments in packaging and helped students understand the career development prospects in the IC packaging and testing industry. We aimed to enable students to gain a basic understanding of the industry. The program benefited approximately 290 students.



## 6.2.2 Future Star Summer Internship Program

PTI's summer internship program is now in its fifth year. As of 2022, 8 students have joined PTI as full-time employees after the summer internship program. In 2022, a total of 21 interns participated in the program. We planned 11 training activities based on the four core parts including workplace experience, industry trends, career development, and networking. The activities included good attitude in the workplace, resume and interview strategies, book clubs, lectures by masters and visiting the IC packaging and testing production line. We aim to use the 2-months of activities in the workplace experience to transform graduates into experienced masters in the workplace.



To help interns learn about ESG, PTI also organized contests in which they are asked to read the specific measures for implementing ESG and use cross-examinations in small groups to brainstorm how their units can support the sustainable development of the company. The interns' feedback and satisfaction rating were 4.6 points (out of 5 points). We believe that the interns had an exciting internship and it also enhanced the company's reputation among students.

Four Major Parts of the Internship	Activities
Workplace Experience	<ul style="list-style-type: none"> <li>Workplace Freshman Area.</li> <li>Online Book Club.</li> </ul>
Industry Trends	<ul style="list-style-type: none"> <li>P + Summit (1).</li> <li>Unveiling the IC Packaging Production Line.</li> </ul>
Career Development	<ul style="list-style-type: none"> <li>P+ Summit (2).</li> <li>Second Interview.</li> <li>Resume and Interview Strategies.</li> </ul>
Networking	<ul style="list-style-type: none"> <li>Case Competition</li> <li>Things I Learned from Seniors.</li> </ul>





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### 6.2.3 Corporate Visit - Learn About the Packaging and Testing Production Process

To help students learn more about the semiconductor industry, PTI partnershiped with the Department of Information Management of Minghsin University of Science and Technology in 2022 to teach students in the nearby Yimin Senior High School about PTI and the semiconductor packaging and testing industry to strengthen basic education for high school students and help them choose their future studies. In addition, PTI also provided support to the “practical test and production process” course of the Electronic Engineering Department of Minghsin University of Science and Technology by arranging guided visits for the testing process. We invited managers of test units to discuss the basic procedures and the functions of tests in the testing process to help students gain more from their studies. Approximately 90 students have benefited from the program.



Category	School	Content	Achievement
Industry-Academia Internships and Summer Internships	Minghsin University of Science and Technology	The students can understand the packaging and testing process, as well as the practical work involved in various positions, in turn improving their understanding and knowledge of various job positions.	59 Students
	Chien Hsin University of Science and Technology		5 Students
	National Yang Ming Chiao Tung University		2 Students
	National Pingtung University of Science and Technology		2 Students
	National Sun Yat-sen University		2 Students
	National Taiwan Ocean University		1 Students
	National University of Tainan		1 Students
	Yuan Ze University		1 Students
	National Kaohsiung Normal University		1 Students
	National Taiwan University of Science and Technology		1 Students
	Soochow University		1 Students
	Tunghai University		1 Students
	National Changhua University of Education		1 Students
	Chung Yuan Christian University		1 Students
	National Yunlin University of Science and Technology		1 Students
	National Central University		1 Students
Speeches and Visit Activities	I-Shou University		1 Students
	National Chung Hsing University		1 Students
	National Taipei University of Science and Technology		1 Students
	Minghsin University of Science and Technology	Visit campuses to share the semiconductor industry chain and future trends with the students, as well as the IC packaging and testing process, future career planning, university departments and corresponding job positions.	4 sessions
Courses	National Taipei University of Science and Technology		1 session
	Chien Hsin University of Science and Technology		1 session
	National Chung Cheng University	Engage in course collaboration with schools to help teachers conduct courses through the online semiconductor packaging and testing course to train talents for the semiconductor industry.	1 time
	National Cheng Kung University		1 time
	Wenzao Ursuline University of Languages		1 time





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### CDP (Carbon Disclosure Project, CDP)

- Climate Change listed in **Management** Level
- Water Disclosure **Awareness** Level

### Energy / Resource Efficiency

- The energy intensity in 2022 was **0.052 GJ/ NT Thousand Dollars.**  
It was a decrease of 1.9% compared to 2021, which demonstrated the effectiveness of PTI's energy management.
- We actively implemented **84** energy conservation and carbon reduction measures across plant management and production process.

### Green Blueprint

- In 2022, PTI's solar energy equipment generated approximately **140,000 kWh** of renewable energy and we will meet the requirement for the installed capacity of renewable energy to 10% of the contract capacity ahead of schedule in 2023.

### Environment Management System

- Completed the greenhouse gas emission inventory (Category 1-5) ISO 14064-1 certification.
- Obtained ISO 50001 Energy Management System certification.

### Green Compliance

- **100%** use of recyclable packaging materials.
- REACH compatibility announcement response rate of **100%.**





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### Material Topics

### Evaluation Guidelines

### 2022 Targets

### 2022 Achievements

### 2023 Targets

#### Climate Change

- Increased the usage ratio of renewable energy and implement measures to increase energy usage efficiency.

- Lowered energy consumption (kWh).
- Obtained ISO 50001 Energy Management System certification for all plants.
- Used renewable energy.

- Annual energy saving rate of 1%. (Based on the actual amount of electricity used in 2021.  $750,978,720 \text{ kWh} \times 1\% = 7,509,787.20 \text{ kWh}$ )
- Obtained ISO 50001 Energy Management System certification for all plants.
- Installed rooftop solar power generation equipment in our plants in 2022.
- Purchased renewable energy from renewable energy suppliers.

- Total energy conserved: PTI Taiwan implemented energy conservation measures in 2022 and saved 11,435,224 kWh in electricity consumption.
- Reduced emissions by 5,821 tons CO<sub>2</sub>e.
- Obtained ISO 50001 Energy Management System certification in all plants.
- Installed rooftop solar power generation equipment in plants.
- Completed the power purchase agreement with renewable energy suppliers.

- Annual energy saving rate of 1%.
- Obtained ISO 50001 Energy Management System certification for all plants.
- Set up rooftop solar energy power generation equipment in plants and purchase renewable energy totaling 7.5 million kWh in 2023.

#### Water Management

- Continued to expand water recycling capacity.

- The Ratio of Process Recycling Water System Efficiency.

- Attained 85% water recycling rate in the dicing/grinding process.

- Attained 87.61% water recycling rate in the dicing/grinding process.

- Attained 85% water recycling rate in the dicing/grinding process.

#### Pollution Prevention

- Strengthen waste reduction at the source and waste recycling and reuse.

- Waste Recycling Rate.

- The average recycling rate reached 40% /year.

- The average recycling rate reached 50.79% /year. (6.07% increase compared to 2021)

- The average recycling rate reached 40%/year.

★ Accomplished ☆ In Progress





# 7.1 Climate Change and Energy Management

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### 7.1.1 Enhanced Climate Resilience - Task Force on Climate-Related Financial Disclosures (TCFD)

Extreme weather events exacerbated in 2022 as climate disasters occurred across the world. Considering the potential impacts of climate change on operations, PTI implemented a climate-related risk and opportunity identification process with the support of senior executives in accordance with the Task Force on Climate-related Financial Disclosures Recommendations (TCFD Recommendations).

PTI organized the annual "Climate Change Risk and Opportunity Workshop" to identify risks and opportunities for policies, regulations, market, technologies, reputation, and physical risks and established response measures based on the assessment results to reduce the impact of climate risks and strengthen climate resilience.

#### PTI TCFD Disclosure Framework

##### Governance

- The Board of Directors regularly reviews the risks and opportunities associated with climate change. The Risk Management Committee regularly reports to the Board of Directors concerning the assessment and management of relevant risks and opportunities.

##### Strategy

- Conducted short, medium, and long-term climate risks and opportunities through cross-departmental discussions.
- Evaluated the impact of major risks and opportunities on company operations and finances.
- Identified risks and opportunities for impacts under different climate change scenarios.

##### Risk Management

- Established management mechanisms and countermeasures for major risks and opportunities, and report regularly to the Board of Directors and management team on the effectiveness of implementation.
- Evaluated future management measures and monetize the resources required to calculate financial costs.
- Organized workshops to strengthen the employees' climate change awareness.

##### Metrics and Targets

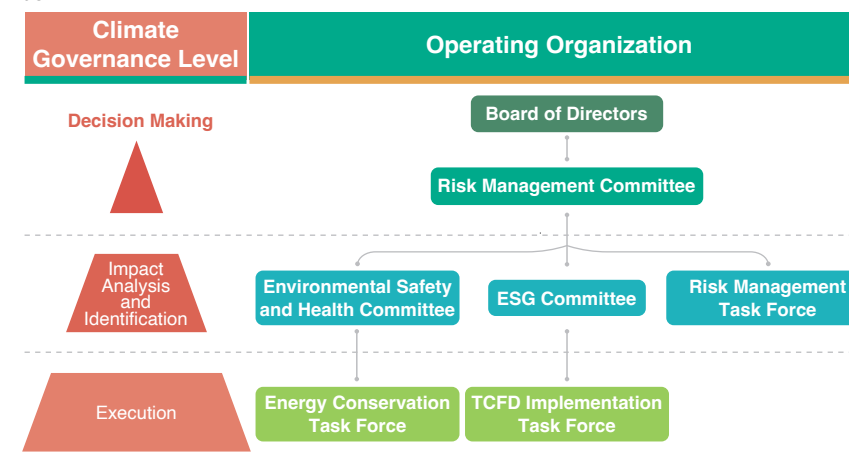
- Developed management objectives for climate change risks and opportunities and regularly review progress and performance.
- Followed the ISO 50001 standard for energy management to reduce energy consumption.
- Determined the scope of the inventory after regular reviews of potential sources of carbon emissions with the materiality principle based on ISO 14064-1 standards.

#### Climate Governance

PTI pays close attention to the governance functions of management team for corporate sustainability. We have established a climate risk identification and response process, which is "directed and supervised from the top down, and responded and reported from the bottom up". The results of implementation by the TCFD implementation team and energy saving team are reported to the ESG Committee, Environmental Safety and Health Committee, and Risk Management Task Force. We also conducted the impact analysis and risk identification of climate change and report results to the Risk Management Committee. We integrated climate risk identification, assessment, and management processes into the Company's overall risk management system to complete the operating mechanisms for climate governance. The Company also regularly used annual reports, discussions and implementation presentations on sustainability and climate issues in meetings of the Board of Directors and cross-organization committees to continuously strengthen the organization's resilience in the face of climate change.

#### Organizational Operating Model

In the face of the impact of climate change, PTI mitigates the impact of climate change on business operations through the risk identification and cross-functional communication.







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### Board of Directors Oversight Mechanism

PTI pays close attention to shareholders' rights and interests and the Board of Directors plays a core decision-making role in business operations. The Board of Directors is also responsible for supervision and leadership in the implementation of climate change and sustainability management strategies. The Risk Management Committee, Remuneration Committee and Audit Committee under its management help supervise related management actions for sustainability and climate change. The Committees regularly report to the Board of Directors.

### Board of Directors : Supervises sustainability management strategies and actions.

Responsibilities		
Risk Management Committee	Remuneration Committee	Audit Committee
<ul style="list-style-type: none"><li>Assist in the review of risk management policies, identification and adaptation to climate change and supervision of the implementation of risk management systems.</li></ul>	<ul style="list-style-type: none"><li>Evaluate and ensure the alignment of individual payroll with the company's operational performance and ESG performance.</li></ul>	<ul style="list-style-type: none"><li>Supervise the overall business risks of the Company.</li></ul>

### Management Responsibilities and Roles

To promote carbon reduction and environmental sustainability, we need the support of management team as well as the participation and cooperation of all units. PTI uses the sustainability targets and the cross-functional organizations as the basis to set out the items of concern in all aspects of environmental sustainability and provides management team with a comprehensive overview as well as effective support and assistance.

Risk Management Task Force
Responsibilities
<p>To ensure the successful implementation of corporate governance, the "Risk Management Task Force" was created under the Risk Management Committee, where a task group was formed with the President acting as the group leader supported by an assistant group leader. The Corporate Governance Officer serves as the executive secretary and quarterly meetings are convened to discuss risks including the impact and hazards of extreme weather on the operations of the Company. The results are presented to the Risk Management Committee annually to ensure the effectiveness of risk management.</p>

ESG Committee
Responsibilities
<p>It discusses management affairs for corporate sustainable development. The President serves as the convener and the Sustainability Management Office serves as the executive secretary to support related operations for attaining the targets in the Sustainable Development Policy and communicate the issues of concern to stakeholders.</p> <ul style="list-style-type: none"><li>TCFD Implementation Task Force: The Sustainability Management Office serves as the convener to identify TCFD climate-related risks and opportunities each year. It also compiles the results of annual identification of climate-related risks and opportunities and reports to ESG Committee for the management team's reference in decision making.</li></ul>

Environmental Safety and Health Committee
Responsibilities
<p>The President serves as the convener, responsible for the discussion of occupational safety and environmental protection matters to prevent the occurrence of occupational accidents and pollution incidents, improve the safety and health of the working environment, and strengthen environmental safety and health management. The meeting is held quarterly to discuss issues including climate change and environmental protection, such as : setting environmental and energy saving performance indicators, tracking and improving greenhouse gas inventory results.</p> <ul style="list-style-type: none"><li>Energy Conservation Task Force : The Plant Management Department serves as the convener to discuss and study energy conservation issues and energy management each year. They compile the annual energy conservation statistics to be reported in the Environmental Safety and Health Committee.</li></ul>

### Comprehensive Risk Management

To ensure the sustainability of corporate operations and protect the rights of stakeholders, PTI set up the Risk Management Committee in accordance with the "Risk Management Regulations." It oversees the Risk Management Task Force, which integrates and manages all kinds of potential risks that may affect operations. The Risk Management Committee convenes at least one meeting each year and reports the risk management conditions or material risks to the Board of Directors to take corresponding risk management and business continuity management measures.

The Risk Management Task Force includes five functional teams for operations, hazards (including climate hazards), information security, finance and insurance and legal affairs. They identify, collect, and monitor internal and external risk information and continue to track the ratings of risk factors and implement improvement measures. They also regularly report the results to the Risk Management Committee. The Risk Management Task Force convenes meetings every quarter to review the performance of each functional team and the business continuity plan for ensuring the fitness, appropriateness and effectiveness of continuous operations. (Please refer to 2.3 of this report for more information)

Overall Corporate Risk Management	
Business Impact Analysis and Risk Identification	<ul style="list-style-type: none"><li>The Risk Management Task Force uses risk attributes (severity and frequency) to evaluate the risk incident level and impact on operations.</li><li>The risk identification results are reported to the Risk Management Committee.</li></ul>
Risk Control	<ul style="list-style-type: none"><li>Communicate with all units/businesses for risk management and mitigation measures.</li><li>The Risk Management Committee implements risk management measures and continues improvements.</li></ul>
Business Continuity Management	<ul style="list-style-type: none"><li>Establish contingency action plans and crisis management and business continuity plans.</li><li>BCP Task Force implements response and recovery exercises for major incidents.</li><li>Implement hazard awareness training for all employees.</li></ul>
Monitoring and Reporting	<ul style="list-style-type: none"><li>Compile information on risk identification, assessment and control measures within the organization and report to the Risk Management Committee and the Board of Directors.</li></ul>





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## Assessment of the Impact of Climate Change Risks and Opportunities on Business, Strategy and Financial Plans

### Identification of Climate Change Risks and Opportunities

The identification of climate change risks and opportunities at PTI is processed by the Sustainability Management Office which serves as the convener. After integrating external information and the Company's operation conditions to create climate risk and opportunity assessment items, it assembles personnel from plant management, ESH, R&D, sales, supply chain management, legal affairs and finance to convene the TCFD Workshop to review and discuss evaluation items for risks and opportunities. 9 climate change risks and 6 climate change opportunities identified in 2022: Two were high-risk factors and 2 were major opportunities while the others were low-risk factors and opportunities. PTI will continue to focus on the changes in related trends and issues.

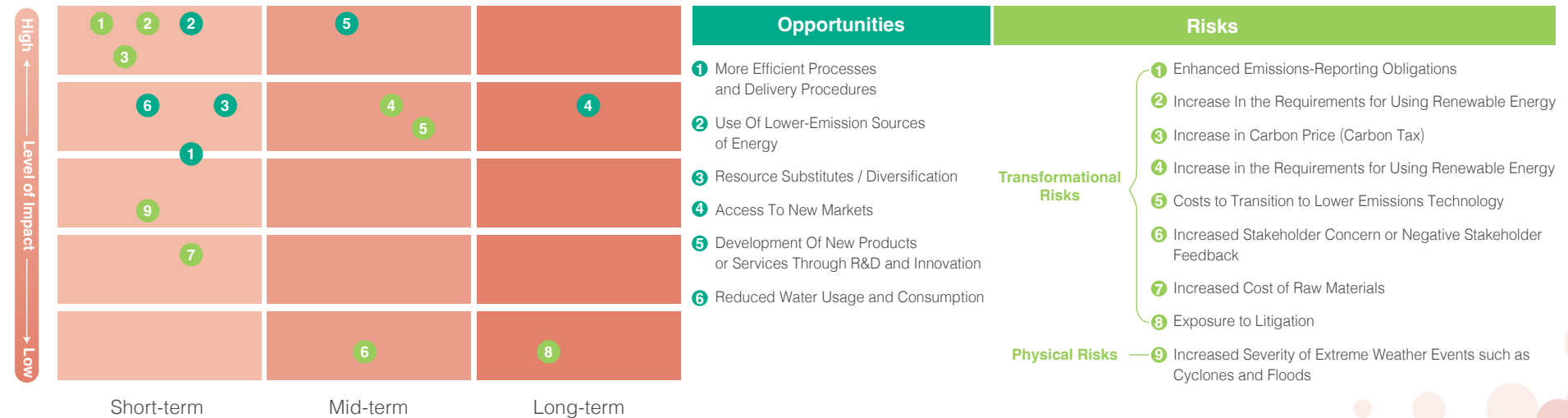


### Climate Change Risk and Opportunity Matrix

PTI evaluates the impact of climate-related risks and opportunities on the Company and ranks the order of risks based on their materiality. We then propose strategies to address our climate-related risks and opportunities.

In terms of risks, we implement management measures for the top two risk factors and inventory resources for the response measures. The results of the risk matrix show that the top risks are policies and laws, which are followed by risks in the Enhanced emissions-reporting obligations and increase in the requirements for using renewable energy. In response to such risks, PTI has established management measures and evaluated the actions that can be improved in the future.

The results of the opportunity matrix show that the top to major opportunities are sources of energy and products and services. They include the use of low-carbon energy and the development of new products or services based on R&D and innovation. For this type of opportunity, PTI will also actively evaluate possible future solutions to maximize the benefits of climate opportunities.





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## Climate Change Financial Impact Analysis

	<div> <div>■ Risk</div> <div>● Opportunity</div> </div>	Potential Financial Impact – / +	Key Response Strategies
<b>Transformational Risks / Climate Opportunities</b>	<div>■</div> Enhanced emissions-reporting obligations.	<div>–</div> Increased operating costs due to customer and regulatory disclosure requirements.	1. Formulate energy conservation and carbon-reduction policies and measures to attain low-carbon emissions and environmental protection. 2. Conduct regular annual ISO 14064 greenhouse gas certification for each factory in advance of regulatory requirements. 3. Voluntarily implement ISO 14067 carbon footprint certification for specific products each year.
	<div>■</div> Increase in the requirements for using renewable energy. <div>●</div> Use of lower-emission sources of energy.	<div>–</div> It directly increases the cost of operations and requires additional expenditures for renewable energy. <div>+</div> Early planning for renewable energy installation projects, which helps expand production capacity and increase revenue.	1. Establishment of the Renewable Energy Procurement Project Team in 2021: Bought renewable energy usage devices, energy storage facilities and renewable energy certificates, and signed contracts with renewable energy suppliers to ensure the supply of renewable energy. 2. Set renewable energy purchase targets and regularly track the attainment status. 3. Continue to focus on renewable energy regulations, development trends, and customer requirements and plan follow-up management measures. 4. Increase energy efficiency and optimize existing equipment. 5. Communicate renewable energy development trends and PTI's actions to management team in the ESG Committee.
	<div>■</div> Increase in carbon price (carbon tax). <div>●</div> Resource substitutes / diversification.	<div>–</div> Increased operating costs (e.g., purchase/repairs of energy conservation and carbon reduction facilities and operating costs). <div>+</div> Using renewable energy to reduce greenhouse gas emissions and carbon fee expenditures. <div>+</div> Disperse electricity consumption risks to maintain stable operations of the Company.	1. Actively implement carbon reduction, promote energy saving projects, use renewable energy and innovate processes and technologies in plants to achieve the carbon reduction target and attain net zero emissions. 2. Set target for reducing carbon emissions by 1% in 2022; set the medium to long-term target of reducing carbon emissions to 3% by 2025 and 15% by 2030; and attain net zero emissions by 2050.
	<div>■</div> Rising demand for low carbon alternatives and services. <div>■</div> Costs to transition to lower emissions technology. <div>●</div> Access to new markets. <div>●</div> Development of new products or services through R&D and innovation. <div>●</div> More efficient processes and delivery procedures.	<div>–</div> Increased R&D and operating costs. <div>–</div> Capacity planning constraints (reduction in the demand for existing specific services and technologies). <div>+</div> Expand existing scope of cooperation and increase opportunities for cooperation with new customers. <div>+</div> Satisfy customer demand for low-carbon energy conservation services to improve the Company's reputation, increase demand for its services, and increase revenue.	1. Continue to invest R&D resources to develop energy conservation services and technologies.
	<div>■</div> Increased stakeholder concern or negative stakeholder feedback.	<div>–</div> Unable to satisfy the stakeholders' expectations, resulting in damage to the company's reputation.	1. Maintain smooth communication with stakeholders with diverse channels such as the regular release of the Sustainability Report and the TCFD Report. 2. Disclose the Company's sustainability actions with transparency and openness for responding to climate change to improve the Company's sustainability image.
	<div>■</div> Increased cost of raw materials.	<div>–</div> The increase in the cost of energy and other raw materials leads to increase in expenditures and decrease in profits.	1. Continue to communicate with suppliers to control the increase in the cost of materials and report business conditions to evaluate whether services fees require adjustment.
	<div>■</div> Exposure to litigation.	<div>–</div> Litigation or violation of laws and regulations incur penalties and increase the cost of operations.	1. Continue to monitor climate-related trends and changes in issues and plan response measures in advance.
<b>Physical Risks / Climate Opportunities</b>	<div>■</div> Increased severity of extreme weather events such as cyclones and floods. <div>●</div> Reduced water usage and consumption.	<div>–</div> Conditions affect production and causes financial losses and decreased revenue. <div>–</div> Unstable prices of material supply increases operating costs. <div>+</div> Successfully satisfy the needs for product manufacturing and establishment of new production lines.	1. Develop contingency measures for the occurrence of extreme natural disasters based on risk assessment and develop risk mitigation measures. 2. Response and development of alternative materials, regularly consult suppliers on the sourcing status and seek suppliers in other regions. 3. Improve water recycling systems in plants to steadily recycle and reuse the process wastewater in the plants and regularly review water resource management performance.





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#### 7.1.2 Energy Management

Electricity, natural gas, and diesel are used in PTI's plants, and no fuel, heat or other energies are used. The sources are public power plants operated by the government, public natural gas companies, and gas stations. Electricity account for the highest share of energy consumption. PTI has implemented energy management measures to examine the energy consumption status and efficiency; all our plants have obtained the ISO 50001 energy management system certification to materialize energy conservation. When constructing a new plant, PTI introduces green building design to lower energy and resource consumption. Furthermore, we have selected environmentally friendly refrigerants with low greenhouse effect potential and used high-efficiency motors (IE3 or higher) for rotating equipment. At the same time, we continue to replace old equipments to achieve energy conservation.

In addition, PTI has applied energy-saving measures to our facilities, processes and buildings (such as replacing air compressor coolant with chilled water system, replace outdated dryers with high-efficiency models, recycle process water, optimize equipment configuration, replace computers, improve lighting, and switch off computer after work) to minimize energy consumption.

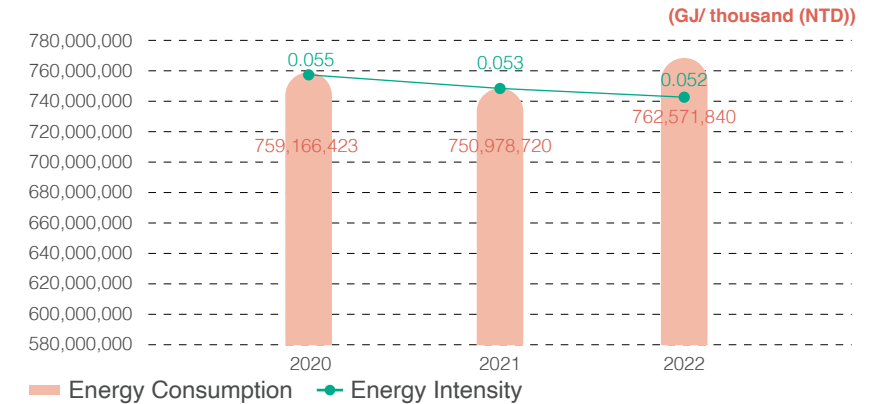
In 2022, PTI Taiwan saved a total of 11,435,224 kWh (based on self-estimation) of electricity or approximately 41,166.81 GJ, meeting the target of 1% electricity saving.

#### Energy Consumption in 2022

- Electricity used by PTI Taiwan was 762,571,840kWh (2,745,259 GJ) and electricity intensity was 14.47kWh / thousand (NTD). The electricity consumption in 2022 increased by 11,593,120 kWh (41,735 GJ) compared to 2021.
- Natural gas consumption totaled 309.21m3 (11,965.02 GJ), which was an increase of 195,726m3 (7,578.34 GJ) compared to 2021.
- Diesel consumption totaled 12,521.90L(472.78 GJ), which was an increase of 426.47 L(16.10 GJ) compared to 2021.

PTI also evaluates the efficiency of its energy consumption. On the basis of a recent comparison of revenue and power consumption, the energy intensity in 2022 was 0.052 GJ/ thousand (NTD), which was a 1.9% decrease compared to 2021. It shows that PTI has achieved significant results in energy management. In the future, PTI will continue to pay close attention to energy efficiency, use renewable and alternative energy sources to protect the Earth.

#### PTI Taiwan's Energy Consumption and Energy Intensity



Note: 1. 1 kWh = 0.0036 GJ

2. 1 m3 = 9250 kcal/ m3 x 4185.8518 GJ

3. 1L = 0.82 density x 11000 kcal/kg x 4185.8518 GJ

4. Electricity intensity (kWh/ thousand dollars) = electricity consumption (kWh)/ net sales of PTI Taiwan (in thousands of dollars).

5. Energy intensity (GJ/NT\$1,000) = (electricity consumed + natural gas + diesel (GJ) / unit revenue (in thousands of dollars).

6. The energy saving calculation method is calculated by measurements against a checklist, inference based on existing meters, or inference with the rated capacity of equipment. Suitable inference criteria are selected to reflect the actual circumstances.

7. Energy saving goal: annual electricity conservation rate of 1%, based on the actual amount of electricity used in 2021. 750,978,720 kWh\*1% = 7,509,787.20 kWh.

In terms of renewable energy use, PTI set up solar power generation equipment on the rooftops of the plants in 2022 and installed meters to supply renewable energy in end of the year. It generated approximately 140,000 kWh of renewable energy in 2022 and is expected to generate 3 million kWh of renewable energy in 2023. In terms of renewable energy purchased from external sources, we have signed renewable energy supply contracts with suppliers and will continue to purchase to renewable energy in 2023. Starting from 2023, they are expected to supply 7.5 million kWh of renewable energy annually to reduce carbon emissions from electricity consumption. Furthermore, PTI is expected to meet the requirement of using renewable energy totaling at least 10% of the contract capacity in 2023.







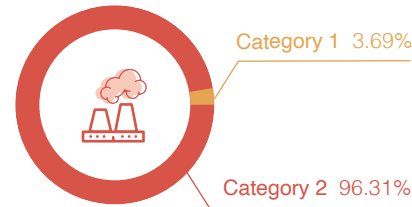
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### 7.1.3 Carbon Management GHG Inventory

PTI referenced inventory guidelines of domestic and international institutions such as ISO 14064-1:2018 and the GHG Protocol to establish greenhouse gas inventory and management procedures. The 2022 PTI Taiwan GHG emissions data consists of actual inventory checks performed at respective plants. The data encompasses operation-related direct GHG emission sources (Category 1), energy indirect GHG emission sources (Category 2) and other indirect GHG emission sources (Category 3 to 6). Direct GHG emissions (category 1) were 14,452.871 tonnes of CO<sub>2</sub>e, indirect GHG emissions (category 2) were 377,208.717 tonnes of CO<sub>2</sub>e, and the total annual emissions of category 1 and 2 were 391,661.588 tonnes of CO<sub>2</sub>e. The Category 1 direct GHG emission accounted for around 3.69% of total emissions, while the Category 2 indirect GHG emissions accounted for approximately 96.31% of total emissions. This is predominantly generated by the use of external purchased electricity. Consequently, PTI's GHG reduction strategy focuses on energy consumption management and energy savings, setting an energy-saving goal of 1% per year to effectively achieve the objective of lowering GHG emissions.

#### 2022 PTI Taiwan GHG Emissions Ratio



#### PTI Taiwan's GHG Emissions

Year	Unit	
2022	onne CO <sub>2</sub> e/year	
	Category 1	14,452.871
	Category 2	377,208.717
Total	391,661.588	

- Note : 1. For the GWP value of the fluoride bearing gas, the 6th IPCC evaluation report (2021) is adopted.
2. "Emission coefficient of purchased electricity" is calculated based on the electricity emission coefficient released by the Taiwan Bureau of Energy in 2022 (0.495 kg CO<sub>2</sub>e/kWh).
3. Emission coefficients of CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O from fixed and mobile sources (fuels) are calculated based on the GHG emission coefficient management chart version 6.0.4 announced by the EPA, Executive Yuan.
4. The operation control rights approach was adopted to compile total GHG emissions.

#### Other Indirect GHG Emissions Inventory

Besides GHG inventories and reductions that are performed internally every year, PTI also proactively identifies the emission source of GHGs falling within Category 3-6. By estimating the emissions and validating the data through ISO 14064-1, the optimum carbon reduction hot spots are located to achieve a reduction in GHG emissions.

### Overview of Other Indirect GHG (Category 3-6) Implementation Status

Source of Emissions		Emissions (tonnes CO <sub>2</sub> e / year)
Category 3 Total Emissions		23,655.7150
Indirect GHG Emissions from Transportation	3.1 Emissions from Upstream Transport and Distribution for Goods	277.8052
	3.2 Emissions from Downstream Transport and Distribution for Goods	14,112.2821
	3.3 Emissions from Employee Commuting	9,192.7092
	3.5 Emissions from Business Travels	72.9185
Category 4 Total Emissions		301,732.4444
Indirect GHG Emissions from Products Used by Organization	4.1 Emissions from Purchased Goods (Upstream Emissions of Fuel and Purchased Electricity)	67,413.7388
	4.2 Emissions from Capital Goods	231,525.5481
	4.3 Emissions from the Disposal of Solid and Liquid Waste	985.1296
	4.4 Emissions from Upstream Leased Assets	1,808.0279
Category 5 Total Emissions		315.0771
Indirect GHG Emissions Associated with the Use of Products from the Organization	5.2 Emissions from Downstream Leased Assets	315.0771
Category 6 Total Emissions		Note
Indirect GHG Emissions from Other Sources	Others	Note
Total		325,703.2365

Note : Some emission sources are not displayed since they are identified as insignificant or inapplicable.





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Greenhouse Gas Reduction

Each year, PTI sets energy conservation goals and improves the energy efficiency. While related incentives are provided to reward supervisors and employees that are engaging in energy conservation. We implement carbon reduction projects that are measurable, reportable and verifiable and these are linked to SDG 13: take urgent action to combat climate change and its impacts. In 2022, PTI Taiwan reduced the use of electricity by about 11,435,224 kWh, equivalent to a decrease of approximately 5,821 tonnes of CO2e note emissions. We also implemented 84 energy conservation and carbon reduction measures in the plants and processes to reduce energy consumption and GHG emissions.

Note:CO2e is calculated based on the emission factor published by Taiwan's Bureau of Energy in 2021(0.509 kg CO2e / kWh).

PTI Taiwan's Energy Conservation and Carbon Reduction Measures

Category	Description of Measures	Number of Measures	Power Consumption Reduction (Unit : Kwh)	Carbon Emission Reduction (Unit : Tons)
Plant	<ul style="list-style-type: none"><li>▪ Annual chiller maintenance to increase equipment efficiency.</li><li>▪ Switch of the cooling water pump of the air compressor to a chilled water pump.</li><li>▪ CR lamps are replaced with LED lamps.</li></ul>	76	10,002,115	5,021.06
Processing	<ul style="list-style-type: none"><li>▪ Adjustment of over temperature protection settings for the BI Oven quarterly maintenance.</li><li>▪ Replacement of OS machine lighting source with LED lights.</li><li>▪ Shut down the loader ion gun.</li></ul>	8	1,433,069	719.40







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## Environmental Sustainability

# 7.2 Water Management

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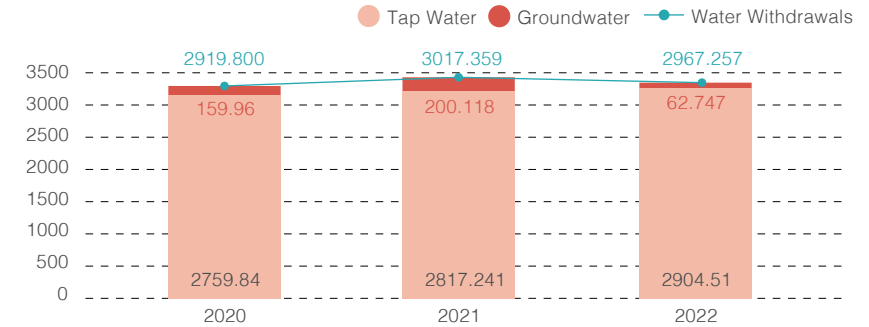
GRI 303-2

GRI 303-3

PTI's Hukou Plant (P2, 3A, 3C, 3D, P9, and P10) is mainly supplied by the Shihmen Reservoir and Touqian River, while the Hsinpu Plant (P1) and Hsinchu Science Park Plant (P8, 11A, 11B) are mainly supplied by Baoshan First and Second Reservoir. Considering climate change and the drastic changes in the water environment, as well as to respond to the complex water resource problems, PTI has implemented water resource management according to 3 major strategies: "Reduction," "Re-utilization" and "Recycling" to increase performance and continues to promote water conservation measures in various plants.

The water withdrawal volume in 2022 was 2,967.257 million liters and the water consumption decreased by 50.102 million liters compared to 2021 mainly because during 2022, there were no water shortages, resulting in a decrease in groundwater consumption.

### PTI Taiwan's Water Withdrawal Volume



Note: Water withdrawals include tap water and groundwater.

### 7.2.1 Water Risks and Opportunities

Transition	Policy and Regulatory Requirement	
	Possible Risks ▪ Wastewater quality/emission control.	Countermeasure ▪ Pay close attention to government policy and regulatory requirements. ▪ Continue with systematic optimization. ▪ Increase the amount of water recycled and enhance the recycling efficacy.
	Technology / Market	
	Possible Risks ▪ Customer and consumer habits. ▪ Investment in, research and development of advanced technologies.	Countermeasure ▪ Effective water management. ▪ Expansion of new business opportunities.
Physical	Reputation	
	Possible Risks ▪ Corporate reputation.	Countermeasure ▪ Re-inforce corporate composition and competitive advantages.

Physical	Acute	
	Possible Risks ▪ The intensity and frequency of natural disasters brought about by typhoons and storms are increasing, resulting in the impossibility for employees to work, facilities damaged, and the supply of energy and resources interrupted. ▪ Water source is impacted; water quality is changed.	Countermeasure ▪ Risk assessment based on the ISO 22301 Business Continuity Management System. ▪ Develop measures to improve management effectiveness in line with operational needs. ▪ Contract with water trucking company to provide emergency water supply; develop alternative water source contingency plan.
	Chronic	
Physical	Possible Risks ▪ Rising temperatures and sea levels result in a shortage in water resources.	Countermeasure ▪ Increase the amount of water recycled and enhance the recycling efficacy of the equipment. ▪ Effective utilization of water resources.







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#### 7.2.2 Process Water Conservation

PTI has actively implemented process wastewater recycling in all plants by applying a UF (ultra-filtration) system to filter out insoluble solids through the hollow fiber membrane, to steadily recycle and re-use the wastewater from the dicing and grinding process.

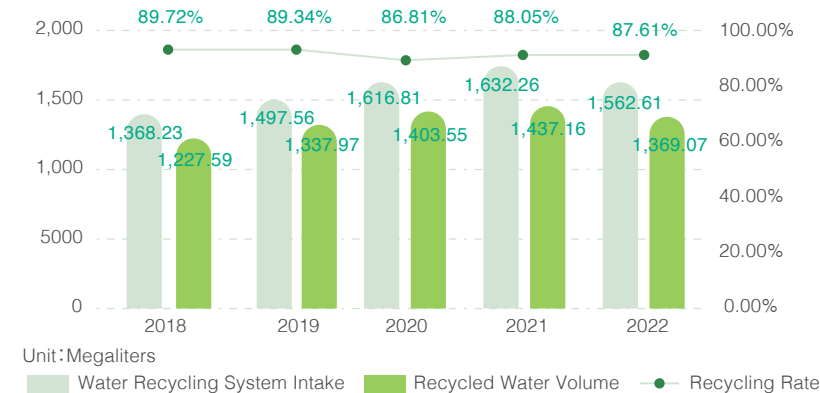
The PTI Taiwan plants have dicing /grinding water recycling system are Hukou Plant (P2), Datong Plant (3A, 3C) and Hsinchu Science Park Plant 1 (P8). These Plants are equipped with dicing/grinding water recycling systems and the manageable hourly volume is designed based on the estimation of production needs. We continue to expand the recycling system to accommodate the Company's production capacity plans. We use reliable and easy-to-maintain key components to increase the water recycling amount and increase the amount of water recycled and enhance the recycling efficacy of equipment. The water recycling system effectiveness in the dicing/grinding process remained above the target value of 85% from 2018 to 2022.

The recycling rate of the dicing and grinding process recycling water system in PTI Taiwan was 87.61% in 2022. The water recycled in the packaging process in 2022

totaled 1,369.07 million liters, which was a decrease of 68.09 million liters (a decrease of approximately 4.74%) compared to 2021 mainly due to the process adjustments and the efficiency in the timing for the use of UF films in the system. PTI will continue to improve their systems and adopt reliable and easy-to-maintain key components to increase the amount of water recycled and enhance the recycling efficacy.



#### Process Recycling Water System Efficiency



Note: 1. Plants have dicing /grinding water recycling system are Hukou Plant (P2), Datong Plant (3A, 3C) and Hsinchu Science Park Plant 1 (P8).

2. Ratio (%) = [amount of recycled water (m3)/ [water recycling system intake (m3)] \*100%

3. The target of water recycling system effectiveness from the dicing /grinding process in 2022 was 85%.

#### 7.2.3 Water Pollution Prevention

In accordance with the regulations of the competent authorities, the wastewater generated from PTI's plant operations is treated by the wastewater treatment system to meet discharge or pipeline standards before being discharged. Moreover, the wastewater is managed through real-time monitoring equipment, which keeps track of several water quality items such as pH and conductivity. The flow meters and detectors are calibrated regularly. PTI's Hukou Plant (P2, 3A, 3C, 3D, P9, and P10) is located inside the Hsinchu Industrial Park, which discharges wastewater to the park's wastewater treatment facilities and is treated before being discharged into the Jiadong River. Hsinpu Plant (P1)'s wastewater is treated by the plant's wastewater treatment system, where the wastewater pH and SS (suspended solids) readings are monitored before it is discharged into the Touqian River. If abnormal readings are detected, the wastewater is rerouted to an emergency storage barrel for retreatment to prevent environmental pollution after discharging. Hsinchu Science Park Plant 1 (P8), Hsinchu Science Park Plant 2 (11A), and Hsinchu Science Park Plant 3 (11B) are located inside the Hsinchu Science Park, the industrial wastewater and general wastewater generated in the park are collected by the sewage system and fed to the park's wastewater treatment plant for treatment before being discharged to the Keya River via a dedicated pipeline. In addition, the quality of our wastewater is tested by the authorities from time to time and all tests meet the standards; regular monitoring of stormwater drains is also carried out to prevent environmental impact due to overflow of wastewater during heavy rainfall.

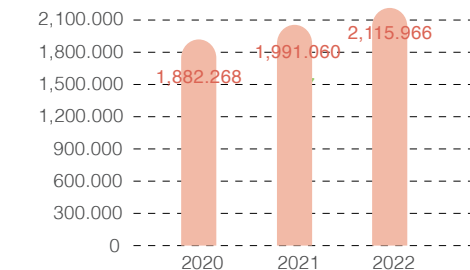
#### Effluent Standards

Item	Effluent standards	Intake limit of Hsinchu Industrial Park	Intake limit of Hsinchu Science Park
pH	6-9	5-9	5-9
BOD	30mg/L	400 mg/L	300 mg/L
COD	100 mg/L	480 mg/L	500 mg/L
SS	30 mg/L	400 mg/L	300 mg/L
Heavy metal - Copper	1.5 mg/L	1.5 mg/L	3 mg/L

The total amount of wastewater discharged by PTI Taiwan in 2022 was 2,115.966 megaliters, an increase of 120.91 megaliters compared to 2021 due to the inclusion of the Hsinchu Science Park Plant 3 and the absence of the recycling system. The recycling system of Hsinchu Science Park Plant 3 is now being contracted and construction is expected to be completed in 2023.

#### Trends in Wastewater Discharge by PTI Taiwan

Unit: Megaliters





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## Environmental Sustainability

# 7.3 Pollution Prevention

GRI 305-7   GRI 306-1   GRI 306-2   GRI 306-3   GRI 413-2

PTI complies with regulatory requirements and is devoted to the corporate mission of “greenness and sustainability” by enforcing preventive measures against wastewater, wastes, air pollution, and noise. PTI Taiwan passed the ISO 14001 Environmental Management System certification in 2003 and has been following the standard to monitor pollution prevention and the recycling of waste resources to prevent environmental pollution and facilitate the conservation of resources. Meanwhile, recycling and reutilization continue to be carried out to reduce emissions and the amount of waste produced.

Most of PTI Taiwan’s operation sites are located in industrial zones or science parks. These areas have passed the environmental impact evaluation conducted by the government and are all located in non-environmentally sensitive regions. Consequently, our sites do not pose a significant and serious impact on the biodiversity of the surrounding environments.

### 7.3.1 Waste Management

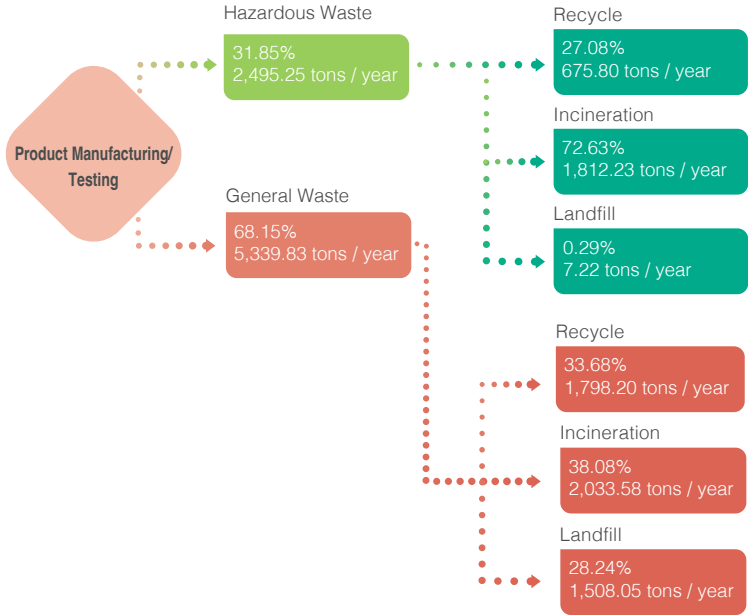
Besides ensuring that all our wastes are disposed of by qualified waste disposal contractors according to the law, we also take into consideration wastes generated by the upstream/downstream activities along the value chain, where we strive to minimize the environmental impact of wastes. For the upstream activities, PTI has enforced green procurement and worked hard to increase the utilization of renewable raw materials; for the downstream activities, the Hazardous Substances Free Management System has been implemented to prevent hazardous substances from harming the environment.

Besides reduction at the source and searching for alternative materials to reduce the amount of waste generated, PTI has followed the circular economy model. Recycling and regeneration are adopted so that waste is effectively re-utilized. Collection, classification, reduction, and recycling are applied to replace “landfills,” turning wastes into resources. For example, buffer materials used during shipment and the packaging process are recycled and re-utilized, and pallets are recycled and re-utilized, among others. At the same time, we have applied the concept of reduction at the source to the industry value chain. For example, collaborate with our upstream suppliers to reinforce the recycling and reuse of empty barrels used for storing raw materials and chemicals, thereby turning trash into useful resources and realizing waste reduction.

In 2022, PTI Taiwan generated 2,495.25 tons of hazardous waste, which consist of mainly waste fluids generated during the wafer cleaning process, as well as 5,339.83 tons of general waste, which consists mainly of sludge generated in the wastewater treatment process. All such waste was disposed of by qualified waste disposal contractors. Due to the continuous

expansion of production capacity of PTI, the amount of waste generated by the business has increased. Nevertheless, we will adhere to the waste reduction and recycling plan and proactively find a legal treatment service provider to minimize environmental impact.

### PTI Taiwan Waste Treatment Status



**Note:** The final disposal methods of waste include landfill treatment, incineration, and recycle and re-use and all required disposal documents are obtained.

The amount of recycled waste was 1,051.53 tons at PTI Taiwan in 2022, equivalent to 87.63 tons of resources recycled on average every month. By implementing thorough waste classification measures in the plants, we have effectively sorted wastepaper, waste iron, waste aluminum and waste plastic resources and the waste recycling volume has continued to increase each year.



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## Waste Composition of PTI Taiwan

		Yield (unit: tons)		
Category	Category	2020	2021	2022
General	General Sludge	1,912.39	2,508.17	1,882.30
	Plastic / Paper / Wood / Resin	1,143.60	963.53	1,373.09
	Filter Bag / Waste Oil / Waste Fluid			
	General Waste	1,288.03	1,265.45	1,032.91
Hazardous	Recycling of Resources	1,011.20	1,034.64	1,051.53
	Waste Fluid / Empty Barrel	1,682.55	2,016.94	2,145.87
	Cloth / Gloves	69.44	115.67	120.47
	Mixed Metal Scraps	271.24	250.54	221.60
	Mercury Lamps / Waste Glass	1.41	1.32	7.31

## 7.3.2 Waste Treatment Contractor Management



In 2022, we conducted regular audits on 46 waste treatment contractors.

- 19 waste removal companies.
- 27 waste disposal companies.

PTI fulfills its obligations and responsibilities for waste removal and disposal tracking and performs onsite/document audits or escorts audits for our waste disposal/processing/re-utilization service contractors each year. The audit covers access control, waste storage area management, waste processing equipment, the operation of pollution prevention and control facilities and onsite operational safety. The audit ratio has reached 100% and all operations passed the Waste Disposal Contractor Environmental, Safety and Health Audit and Evaluation Standards of the plants to ensure that waste is adequately processed by the contractors and does not jeopardize the environment and personnel safety. At the same time, we communicated with the manufacturers to discuss and provide assistance to the problems encountered in the process, and work together to implement environmental protection.



Waste Storage Area

Emergency Response Equipment

Emergency Shower Equipment

## 7.3.3 Air Pollution Prevention

PTI implements strict controls on the chemicals used in the manufacturing process. Air pollutants generated in the manufacturing process are collected in a closed loop at the front end of the process and directed to the pollution prevention equipment. We implement effective treatment to reduce emission concentrations and prevent the adverse effects of air pollution on surrounding air quality, biological habitats and human and animal health. In addition to setting up comprehensive air pollution prevention equipment (e.g., equipment such as disk type rotors, regenerative thermal oxidizers, active carbon and scrubbing towers), we actively implement monitoring and management of air pollution emissions. We regularly inspect air pollution emission data each year to ensure that the concentration of emissions is lower than the regulatory limit.

In 2022, the emissions of volatile organic compounds (VOCs) totaled 93.6 tons. They were mainly derived from the use of organic solvents in the surface cleaning process of the machinery and equipment. We have effectively reduced the emissions of VOCs by implementing management at the source and using material management and alternative measures to reduce the use of organic solvents. Annual emissions of sulfur oxides (SOx) totaled less than 1 ton (134.32 kg); annual emissions of nitrogen oxides (NOx) totaled 2.06 tons; and annual emissions of particulate matter (PM) totaled less than 1 ton (141.99 kg). PM, SOx and NOx are mainly generated from the combustion of diesel used in the regular maintenance tests of diesel generators and from the combustion of natural gas used in the disk type rotors of the incineration equipment.

Total Emissions in all Plants (Kg)	2020	2021	2022
Volatile Organic Compounds (VOCs)	138,407.59	100,418.69	93,590.56
Sulfur Oxides (SOx)	125.90	147.66	134.32
Nitrogen Sulfur Oxides (NOx)	1,901.35	1,756.29	2,064.58
Particulate Matter (PM)	131.86	123.30	141.99



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7.3.4 Perimeter Noise Prevention

PTI Taiwan commissions a qualified testing institution to measure, evaluate and manage perimeter noise on an annual basis. To monitor perimeter noise variations of various plants, we continue monitoring noise caused by site activities and equipment, to ensure that the perimeter noise levels comply with the regulations. PTI's Hsinpu Plant (P1) is located in a residential area. To improve the living quality of the neighborhood, we installed noise sensors with readouts in the area and demanded contractors working in the plant to cooperate with 24hr real-time monitoring and noise reduction measures to ensure the peace of the nearby community. Our other sites are located in industrial areas/science parks, and all their inspection results comply with the regulations.

Sum of PTI Taiwan EHS Expenditures (Unit : NT\$1,000)

EHS Expenditure Category	Total Expenditure in 2020	Total Expenditure in 2021	Total Expenditure in 2022	Explanation of Differences Compared to the Previous Year
Expenditures on Occupational Safety and Environmental Protection	117,181	124,388	141,881	Mainly derived from the increase in the waste disposal expenses.
Expenditures on Pollution Prevention Equipments	20,034	13,366	285	Due to no new plant expansion projects in 2022, expenditures decreased significantly.
Total	146,442	137,215	142,166	



7.3.5 Occupational Safety and Environmental Protection Expenditures

PTI demonstrates practical methods to prevent pollution, care for the environment and protect Earth. In 2022, PTI Taiwan's EHS expenditures (including the purchase of occupational safety equipment, repairs of fire safety equipment, waste removal, sewage or sludge treatment, water quality tests or air pollution prevention fees) totaled NT\$141,881 thousand. The pollution prevention equipment expenditures totaled NT\$285 thousand (including air pollution prevention equipment, wastewater treatment facilities, waste storage facilities and other maintenance and installation projects) and environmental protection expenditures totaled NT\$142,166 thousand.



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7.4 Green Products

GRI 417-1

PTI proactively supports the government's environmental policies to pursue a green, sustainable future with our suppliers and customers. In addition, through internal employee training and participation in external forums, PTI strives to convey the philosophy of "Love the Earth and Cherish the Environment", hoping to join forces with our employees and suppliers to materialize our commitments as a corporate citizen.

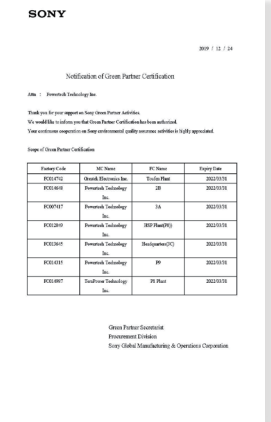
### 7.4.1 Hazardous Substances Free Management System

PTI is committed to controlling harmful substances in products according to the EU RoHS Directive, international environmental regulations and customers' requirements for hazardous substances, where green designs are introduced during the product development stage and the hazardous substance evaluation is carried out. Furthermore, our suppliers must sign the HSF, and provide third-party test reports, and SDS, while XRF (X-ray fluorescence) is applied to conduct spot checks on the incoming materials. We also regularly deliver finished products to third-party laboratories for tests on harmful substances in accordance with IEC 62321 to effectively implement green management.

We have introduced the Hazardous Substance Free Management System to reduce the impact of our products on the environment and to enhance our competitiveness. With third-party certification to ensure the effectiveness and continuous improvement of our hazardous material management system, we can confirm that all materials comply with PTI's internal and relevant environmental regulations and that the products we produce meet international regulations and customer requirements. Moreover, the products have obtained IECQ- QC 080000 and SONY GP (Green Partner) certification.



QC080000



SONY GP

### PTI Hazardous Substances-Free (HSF) Policy



We also expanded the management of chemicals with high health hazards and risks of increasing the burden to the environment, including those that accumulate and persist in the environment or pollute the environment, carcinogens, mutagens and reproductive toxins. In addition to restrictions on the chemicals used in products, production processes that include chemicals banned in customer production processes and substances restricted under EU REACH will be comprehensively banned and existing usage will be replaced with alternatives. We prioritize employees' health and safety and provide environmentally friendly production services. The Candidate List of substances of very high concern published by the European Chemicals Agency (ECHA) on June 10, 2022 included 224 SVHCs. We continue to communicate with our suppliers, asking them for the compliance to green material related regulations. With the full cooperation of suppliers, the supplier questionnaire response compliance rate reached 100% in 2022. In the future, we will continue collecting the latest information of REACH to timely update regulations and our demands to the clients. We will also conduct compliance investigation on our suppliers to make sure they all comply with regulations on green materials.



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7.4.2 Green Materials

PTI has implemented green procurement by stipulating the “Hazardous Substances Free Management Regulations” to contribute to a green home. Besides persisting in the procurement and management of HSF, PTI also works to improve the ratio of renewable materials used in our plants. Principles of reuse, classification and recycling will reduce the waste of natural resources, revitalize these resources and minimize the impact on the environment. To minimize the impact on the environment, we choose paper, plastics, fillers and packaging materials that are 100% recyclable and comply with EU packaging material regulations. In 2022, 29.4% of the plastic trays purchased by PTI Taiwan were recycled, which was an increase of 1.1% compared to 2021.

2022 PTI Taiwan Plastic Tray Procurement Status


Item	Amount Collected (piece)	
	2021	2022
Brand-new Plastic Trays Collected (piece)	8,020,154	7,271,459
Recycled Plastic Trays Collected (piece)	3,165,330	3,030,416
Ratio of Recycled Plastic Trays (piece) Used	28.3%	29.4%

Note: Ratio (%) = [Amount of recycled plastic trays collected (piece)/amount of brand-new plastic trays collected (piece)+amount of recycled plastic trays collected (piece)]\*100%


Product Safety Information

In 2014, PTI ventured into the design and manufacture of Solid-State Drives (SSD). Since these products are sold directly to users, we need to follow safety regulations in different countries and internationally, as well as comply with quality requirements. PTI has completed 100% safety regulation evaluation and marked the products with relevant safety marks, such as UL Mark, Australian C-Tick, WEEE, Taiwan Commodity Inspection, etc., to ensure the products provided to our customers are of the highest safety standard and quality. Also, we aim to prevent damage to health, safety, or the environment.


SSD Product Safety Symbols




VCCI




UL Mark




China RoHS




WEEE




EU



KCC



BSMI certification



Australia C-Tick







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**POWERTECH  
TECHNOLOGY INC.**

**2022 ESG REPORT**

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General Disclosures

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8.1 GRI Content Index

Statement of Use	PTI has reported in accordance with the GRI Standards for the period 1 January 2022 to 31 December 2022.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

Disclosure Number	Disclosure Title	Chapter	Page	Omission／Explanation								
GRI 2: General Disclosures 2021	1. The organization and its reporting practices											
	2-1 Organizational details	1.1	p.23									
	2-2 Entities included in the organization's sustainability reporting	0.1	p.3									
	2-3 Reporting period, frequency and contact point	0.1	p.3									
	2-4 Restatements of information	●		No restatements of information in 2022.								
	2-5 External assurance	0.1	p.3									
	2. Activities and workers											
	2-6 Activities, value chain and other business relationships	1.1	p.23									
		2.1	p.41									
		3.1	p.57									
		3.3	p.61									
	2-7 Employees	5.1	p.75									
	2-8 Workers who are not employees	●	—	Survey Time : 2022/01/01~2022/12/31 Scope of survey : PTI Taiwan's entire plant area Contract Relationship : Contractor								
				Item	Institutional Food Service		Cleaning Services		Security		Total	
				Gender	Male	Female	Male	Female	Male	Female	Male	Female
				Category	Full-time	24	10	38	149	91	47	153
Part-time					6	28	0	0	0	0	6	28
3. Governance												
2-9 Governance structure and composition	2.1	p.41										
2-10 Nomination and selection of the highest governance body	●	—	Public disclosure of Major Internal Policy on the company's official website- Rules for Election of Directors.									
2-11 Chair of the highest governance body	2.1	p.41										
2-12 Role of the highest governance body in overseeing the management of impacts	0.1 2.1	p.3 p.41										
2-13 Delegation of responsibility for managing impacts	2.3	p.47										
2-14 Role of the highest governance body in sustainability reporting	0.1	p.3										
2-15 Conflicts of interest	2.4	p.51										
2-16 Communication of critical concerns	1.3 2.4	p.29 p.51										





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Disclosure Number	Disclosure Title	Chapter	Page	Omission / Explanation
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	•	—	Annual Report: Directors' and Managers' Education.
	2-18 Evaluation of the performance of the highest governance body	•	—	Annual Report: Periodic review of policies, systems, standards and structures for the evaluation of directors' and managers' performance and compensation.
	2-19 Remuneration policies	•	—	Annual Report: Periodic review of policies, systems, standards and structures for the evaluation of directors' and managers' performance and compensation.
	2-20 Process to determine remuneration	2-1	p.41	Annual Report: Composition, Responsibilities and Operation of the Remuneration Committee.
	2-21 Annual total compensation ratio	•	—	Confidentiality constraints.
	4. Strategy, policies and practices			
	2-22 Statement on sustainable development strategy	0.1	p.3	
		0.2	p.5	
		1.2	p.25	
	2-23 Policy commitments	4.2	p.66	
		4.4	p.71	
		5.5	p.93	
	2-24 Embedding policy commitments	1.4	p.31	
	2-25 Processes to remediate negative impacts	1.4	p.31	
		3.2	p.59	
	2-26 Mechanisms for seeking advice and raising concerns	2.4	p.51	
		3.2	p.59	
		4.2	p.66	
	2-27 Compliance with laws and regulations	2.5	p.52	
	2-28 Membership associations	4.3	p.70	
	5. Stakeholder engagement			
GRI 3: Material Topics 2021	2-29 Approach to stakeholder engagement	1.3	p.29	
		1.4	p.31	
	2-30 Collective bargaining agreements	•	—	By end of 2022, no employee has issued a request to form a union or pursued a collective bargaining agreement.
	3-1 Process to determine material topics	1.4	p.31	
	3-2 List of material topics	1.4	p.31	
	3-3 Management of material topics	1.4	p.31	



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Topic Standards ★:Material topics

Disclosure Number	Disclosure Title	Chapter	Page	Omission／Explanation
Economic Performance★				
GRI 201 : Economic Performance 2016	201—1 Direct economic value generated and distributed	2.2 5.2	p.45 p.78	
	201—3 Defined benefit plan obligations and other retirement plans	5.2	p.78	
Anti-corruption★				
GRI 205 : Anti-corruption2016	205—3 Confirmed incidents of corruption and actions taken	●	—	No employees have been dismissed or disciplined as a result of corruption incidents.
Energy★				
GRI 302 : Energy 2016	302—1 Energy consumption within the organization	7.1	p.119	
	302—3 Energy intensity	7.1	p.119	
	302—4 Reduction of energy consumption	7.1	p.119	
Water★				
GRI 303 : Water 2018	303—1 Interactions with water as a shared resource	7.2	p.126	Management Approach Disclosure
	303—2 Management of water discharge-related impacts	7.2	p.126	Management Approach Disclosure
	303—3 Water withdrawal	7.2	p.126	
Emissions★				
GRI 305 : Emissions 2016	305—1 Direct (Scope 1) GHG emissions	7.1	p.119	
	305—2 Energy indirect (Scope 2) GHG emissions	7.1	p.119	
	305—5 Reduction of GHG emissions	7.1	p.119	
	305—7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	7.3	p.128	
Effluents and Waste★				
GRI 306 : Effluents and Waste 2020	306—1 Waste generation and significant waste-related impacts	7.3	p.128	Management Approach Disclosure
	306—2 Management of significant waste-related impacts	7.3	p.128	Management Approach Disclosure
	306—3 Waste generated	7.3	p.128	
Employment★				
GRI 401 : Employment 2016	401—1 New employee hires and employee turnover	5.1	p.75	
	401—2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2	p.78	
	401—3 Parental leave	5.7	p.97	
Occupational Health and Safety★				
GRI 403 : Occupational Health and Safety 2018	403—1 Occupational health and safety management system	5.4	p.88	Management Approach Disclosure
	403—2 Hazard identification, risk assessment, and incident investigation	5.4	p.88	Management Approach Disclosure



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Topic Standards ★:Material topics

Disclosure Number	Disclosure Title	Chapter	Page	Omission／Explanation
GRI 403 : Occupational Health and Safety 2018	403—3 Occupational health services	5.4	p.88	Management Approach Disclosure
	403—4 Worker participation, consultation, and communication on occupational health and safety	5.4	p.88	Management Approach Disclosure
	403—5 Worker training on occupational health and safety.	5.4	p.88	Management Approach Disclosure
	403—6 Promotion of worker health.	5.4	p.88	Management Approach Disclosure
	403—7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	5.4	p.88	Management Approach Disclosure
	403—8 Workers covered by an occupational health and safety management system.	5.4	p.88	
	403—9 Work-related injuries.	5.4	p.88	
Training and Education★				
GRI 404 : Training and Education 2016	404—1 Average hours of training per year per employee.	5.3	p.81	
	404—3 Percentage of employees receiving regular performance and career development reviews.	5.3	p.81	
Diversity and Equal Opportunity				
GRI 405 : Diversity and Equal Opportunity 2016	405—1 Diversity of governance bodies and employees.	2.1 5.1	p.41 p.75	
	405—2 Ratio of basic salary and remuneration of women to men.	5.2	p.78	
Non-discrimination★				
GRI 406 : Non-discrimination 2016	406—1 Incidents of discrimination and corrective actions taken.	4.4 5.6	p.71 p.95	
Forced or Compulsory Labor★				
GRI 409 : Forced or Compulsory Labor 2016	409—1 Operations and suppliers at significant risk for incidents of forced or compulsory labor.	4.2 4.4	p.62 p.71	
Human Rights Assessment★				
GRI 412 : Human Rights Assessment 2016	412—2 Employee training on human rights policies or procedures.	5.5	p.93	
Local Communities				
GRI 413 : Local Communities 2016	413—2 Operations with significant actual and potential negative impacts on local communities.	7.3	p.128	
Supplier Social Assessment				
GRI 414 : Supplier Social Assessment 2016	414—2 Negative social impacts in the supply chain and actions taken	4.2	p.66	
Marketing and Labeling				
GRI 417 : Marketing and Labeling 2016	417—1 Requirements for product and service information and labeling	7.4	p.131	
	417—2 Incidents of non-compliance concerning product and service information and labeling	●	—	There were no incidents of non-compliance concerning product and service information and labeling in 2022.
Customer Privacy				
GRI 418 : Customer Privacy 2016	418—1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.2	p.59	No substantiated complaints of invasion of customer privacy or loss of customer information in 2022.



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Customize Material Topics

★:Material topics

Disclosure Number	Disclosure Title	Chapter	Page	Omission／Explanation
Corporate Governance★	3－1～3－3	1.4	p.31	
Risk Management★	3－1～3－3	1.4	p.31	
Technology and Service★	3－1～3－3	1.4	p.31	
Industry-academia Collaboration★	3－1～3－3	1.4	p.31	



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### Appendix

## 8.2 Sustainability Accounting Standards Board / TWSE Sustainability Disclosure Indicators for Semiconductor Industry

Topic	Code	Accounting Metric	Category	Report Contents or Explanation		Reference Chapters	Page																													
GHG Emissions	TC-SC-110a.1	(1) Gross global Scope 1 emissions and (2) Amount of total emissions from per fluorinated compounds.	Quantitative	(1) Direct emission (category 1) in PTI Taiwan:14,452.871 tonnes of CO <sub>2</sub> e (2) PFC emissions: 196.3440 tonnes		7.1 Climate Change and Energy Management	p.119																													
	TC-SC-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets.	Discussion and Analysis	For more details, please refer to "7.1.3 Carbon Management".			p.119																													
	Energy Consumption During the Manufacturing Process	TC-SC-130a.1	(1) Total energy consumption (2) Percentage grid electricity (3) Percentage renewable	Quantitative	(1)Total energy consumption 2,745,259 GJ (2)Ratio of grid power:99.98% (3)Ratio of renewable energy:0.02%		p.119																													
Water Management	TC-SC-140a.1	(1) Total water withdrawn (2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress.	Quantitative	(1) Total water withdrawal by PTI was 2,967.257 million liters. (2) None of PTI's plants are located in high water risk regions.		7.2 Water Management	p.126																													
Waste Management	TC-SC-150a.1	Amount of hazardous waste from manufacturing, percentage recycled.	Quantitative	Hazardous waste of 2,495.25 tons; 27.08% recycled.		7.3 Pollution Prevention	p.128																													
Employee Health and Safety	TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards.	Discussion and Analysis	Please refer to "5.4 Workplace Safety".		5.4 Workplace Safety	p.88																													
	TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations.	Quantitative	Issuance of a penalty decision for the occupational injury involving a board loading machine on June 28, 2022. <ul style="list-style-type: none"><li>Failure to prevent other individuals from operating the activation device of the machine or commit errors in the delivery of materials.</li><li>Failure to use locks or set up signs.</li></ul>	\$60,000	2.5 Legal Compliance	p.52																													
	TWSE Sustainability Disclosure Indicators for Semiconductor Industry	Type, number and rate of occupational accidents.	Quantitative	<div>2022 Type of Occupational Accidents</div> <table><tr><th colspan="3">Number of Cases Ratio</th><th colspan="3">Number of Cases Ratio</th></tr><tr><td>Fall</td><td>3</td><td>21.40%</td><td>Cutting and Lacerations</td><td>2</td><td>14.30%</td></tr><tr><td>Objects Fall</td><td>2</td><td>14.30%</td><td>In Contact with Hazards</td><td>1</td><td>7.15%</td></tr><tr><td>Collision</td><td>1</td><td>7.15%</td><td>Others</td><td>2</td><td>14.30%</td></tr><tr><td>Cutting/Entanglement</td><td>3</td><td>21.40%</td><td></td><td></td><td></td></tr></table> <ul style="list-style-type: none"><li>Please refer to "5.4 Workplace Safety".</li></ul>		Number of Cases Ratio			Number of Cases Ratio			Fall	3	21.40%	Cutting and Lacerations	2	14.30%	Objects Fall	2	14.30%	In Contact with Hazards	1	7.15%	Collision	1	7.15%	Others	2	14.30%	Cutting/Entanglement	3	21.40%				5.4 Workplace Safety
Number of Cases Ratio			Number of Cases Ratio																																	
Fall	3	21.40%	Cutting and Lacerations	2	14.30%																															
Objects Fall	2	14.30%	In Contact with Hazards	1	7.15%																															
Collision	1	7.15%	Others	2	14.30%																															
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Topic	Code	Accounting Metric	Category	Report Contents or Explanation	Reference Chapters	Page
Recruitment and Management of Global Professional Talents	TC-SC-330a.1	Percentage of employees that are (1) foreign nationals and (2) located offshore	Quantitative	PTI Group employee structure: (1) Foreign employees: 21% (2) Employees located offshore: 0.07%	5.1 Employee Composition and Allocation	p.75
Product Life Cycle Management	TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances.	Quantitative	PTI fully complies with the legal requirements of the IEC 62474 database on the material declaration, where less than 0.1% of our products contain IEC 62474 materials.	—	—
	TC-SC-410a.2	Processor energy efficiency at a system-level for: (1) servers, (2) desktops, and (3) laptops.	Quantitative	PTI is not a terminal product manufacturer and hence it is not applicable.	—	—
	TWSE Sustainability Disclosure Indicators for Semiconductor Industry	Disclosure of product lifecycle management: including the weight of end-of-life products and electronic waste and the percentage of recycling (Note 1) Note 1: Provide relevant instructions including the sale of scraps or other recycling treatment.	Quantitative	The weight of waste containing end-of-life products and electronic waste was 221.6 metric tons (t), and the percentage of recycling was 88.9%.	—	—
Raw Material Procurement	TC-SC-440a.1	Description of the management of risks associated with the use of critical materials.	Discussion and Analysis	Please refer to "4.2 Supply Chain Partnerships".	4.2 Supply Chain Partnerships	p.66
Protection of Intellectual Property and Competitive Behavior	TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations.	Quantitative	There were no violations in 2022, resulting in no monetary losses.	—	—
Activity Indicator	TC0201-A	Total production volume.	Quantitative	In 2022, PTI's overall packaging and testing production volume was: 1. IC packaging: 13,070,734(1,000 units) 2. IC testing: 7,490,729(1,000 units) 3. Module processing: 140,444(1,000 units) 4. Wafer Level Packaging: 1,008(1,000 units) 5. Wafer Level Testing: 1,335(1,000 units)	—	—
	TC0201-B	Percentage of production from owned facilities.	Quantitative	All PTI's products produced in 2022 came from PTI Group's plants.	—	—





## Appendix

# 8.3 AA1000 Type II High Assurance Statement

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### INDEPENDENT ASSURANCE OPINION STATEMENT

#### 2022 Powertech Technology Inc. ESG Report

The British Standards Institution is independent to Powertech Technology Inc. (hereafter referred to as Powertech Technology in this statement) and has no financial interest in the operation of Powertech Technology other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of Powertech Technology only for the purposes of assuring its statements relating to its ESG report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by Powertech Technology. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Powertech Technology only.

#### Scope

The scope of engagement agreed upon with Powertech Technology includes the following:

1. The assurance scope is consistent with the description of 2022 Powertech Technology Inc. ESG Report.
2. The evaluation of the nature and extent of the Powertech Technology's adherence to AA1000 AccountAbility Principles (2016) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement.

This statement was prepared in English and translated into Chinese for reference only.

#### Opinion Statement

We conclude that the 2022 Powertech Technology Inc. ESG Report provides a fair view of the Powertech Technology sustainability programmes and performances during 2022. The ESG report subject to assurance is materially correct without voluntary omissions based upon testing within the limitations of the scope of the assurance, the information and data provided by the Powertech Technology and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are correctly represented. The sustainability performance information disclosed in the report demonstrate Powertech Technology's efforts recognized by its stakeholders.

Our work was carried out by a team of ESG report assessors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that Powertech Technology's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

#### Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to Powertech Technology's policies to provide a check on the appropriateness of statements made in the report
- discussion with managers on Powertech Technology's approach to stakeholder engagement. Moreover, we had sampled 2 external stakeholders to conduct interview
- interview with 40 staffs involved in sustainability management, report preparation and provision of report information were carried out
- review of materiality assessment process
- review of key organizational developments
- review of the extent and maturity of the relevant accounting systems for financial and non-financial reports
- review of the findings of internal audits
- the verification of performance data and claims made in the report through meeting with managers responsible for gathering data
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated sources and checked sample data to greater depth during site visits
- the consolidated financial data are based on audited financial data, we checked that this data was consistently reproduced
- review of supporting evidence for claims made in the reports
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2016)

#### Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2016) and sustainability performance information as well as GRI Standards is set out below:

#### Inclusivity

In this report, it reflects that Powertech Technology has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the Powertech Technology's inclusivity issues and has demonstrated sustainable conduct supported by top management and implemented in all levels among organization.

#### Materiality

The Powertech Technology publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of Powertech Technology and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the Powertech Technology's management and performance. In our professional opinion the report covers the Powertech Technology's materiality assessment process and material issues. However, the future report should be further enhanced by the following areas:

— Strengthening the relevance between impacts and Material Topics.

#### Responsiveness

Powertech Technology has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for the Powertech Technology is developed and continually provides the opportunity to further enhance Powertech Technology's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the Powertech Technology's responsiveness issues.

#### Impact

Powertech Technology has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. Powertech Technology has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within an organization. In our professional opinion the report covers the Powertech Technology's impact issues.

#### Performance information

Based on our work described in this statement, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, Powertech Technology and BSI have agreed upon to include in the scope. In our view, the data and information contained within 2022 Powertech Technology Inc. ESG Report are reliable.

#### GRI ESG reporting Standards (GRI Standards)

Powertech Technology provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, including the disclosures of applicable economic, environmental, and social information, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the Powertech Technology's sustainability topics. However, the future report will be improved by the following areas:

— It is encouraged not to use "confidentiality constraints" as a reason for omitting the disclosure of GRI 2-21 annual total compensation ratio. The organization should consider referring to international peer practices to respond to the requirements of the standards and increase the credibility and transparency of the ESG report.

#### Assurance level

The high level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

#### Responsibility

This ESG report is the responsibility of the Powertech Technology's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

#### Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:



Statement No: SRA-TW-2022043  
2023-05-19

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.  
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Peter Pu, Managing Director BSI Taiwan

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# 8.4 Summary of Subject Matters Assured and Limited Assurance Report

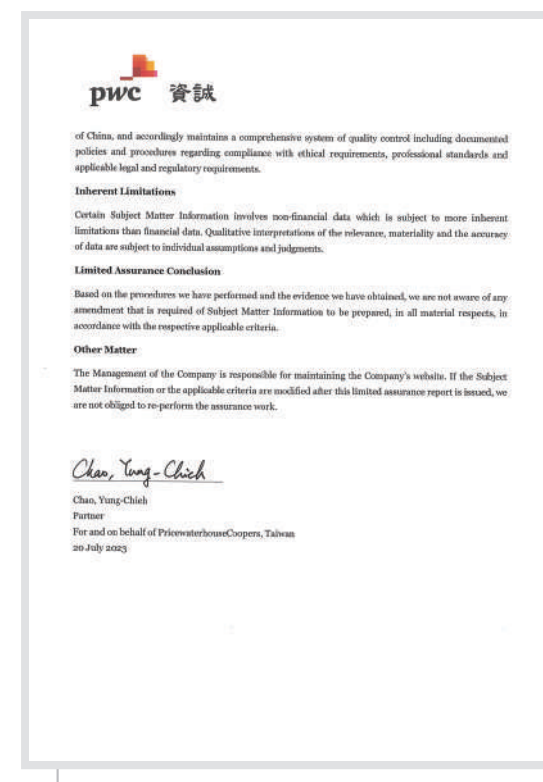
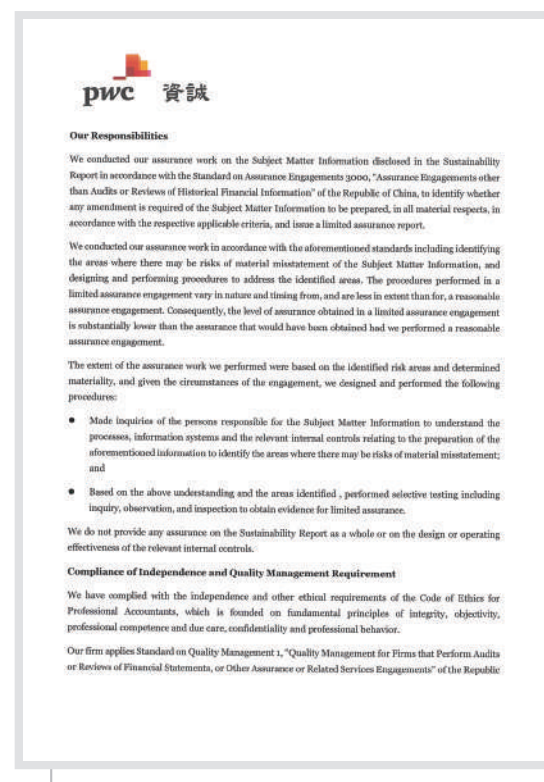
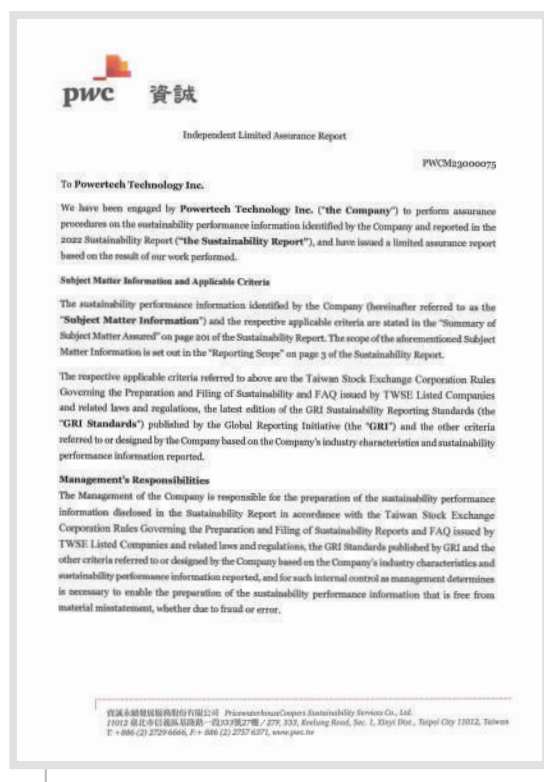
No.	Item	Information	Page	Applicable Criteria
1	Ratio of Foreign Migrant Workers Renting Out	By the end of 2022, 43% of foreign migrant workers rented out.	p.13	The ratio of foreign migrant workers renting out and living in dormitories at PTI Taiwan in 2022.
2	The Ratio of Process Recycling Water System Efficiency	The recycling rate of the dicing and grinding process recycling water system in PTI Taiwan was 87.61% in 2022.	p.127	The amount of dicing/grinding wastewater recycled in 2022 (cubic meter) divided by total amount of water recycling system intake (cubic meter). The above statistics for dicing/grinding wastewater recycled and water recycling system intake are based on the transcribed records of meter reading records.
3	Electricity Intensity	In 2022, electricity used by PTI Taiwan was 762,571,840kWh (2,745,259 GJ) and electricity intensity was 14.47kWh / thousand (NTD).	p.123	Total electricity consumptions of all plants of PTI Taiwan in 2022 according to Taiwan Power Company electricity bills (if sharing electricity meter with other affiliated companies, the electricity consumption is allocated based on each respective transcribed meter readings) divided by the net sales of PTI parent company only financial statements (In thousands of NTD).
4	The Amount of Wastewater Discharged	The total amount of wastewater discharged by PTI Taiwan in 2022 was 2,115.966 megaliters.	p.127	The wastewater flows amount at the effluent outlets regulated by government authority in 2022, or 80% of the tap water usage in 2022 (this is calculated according to the payment method in the Industrial Park Sewer Use Rules).
5	The Amount of Waste Recycled	The amount of recycled waste was 1,051.53 tons at PTI Taiwan in 2022.	p.128	Based on the recycling statement from the contract waste clearance service providers and the compulsory recycling monthly reports of Hsinchu City in 2022.
6	The Promotion Rate of Female Employees	Among the 2022/4/1 annual promotion, female employees accounted for 42.2%.	p.78	According to the annual promotion list of PTI Taiwan in 2022, the ratio of female employees promoted compared to the total number of employees promoted.



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## Limited Assurance Report





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## People Oriented

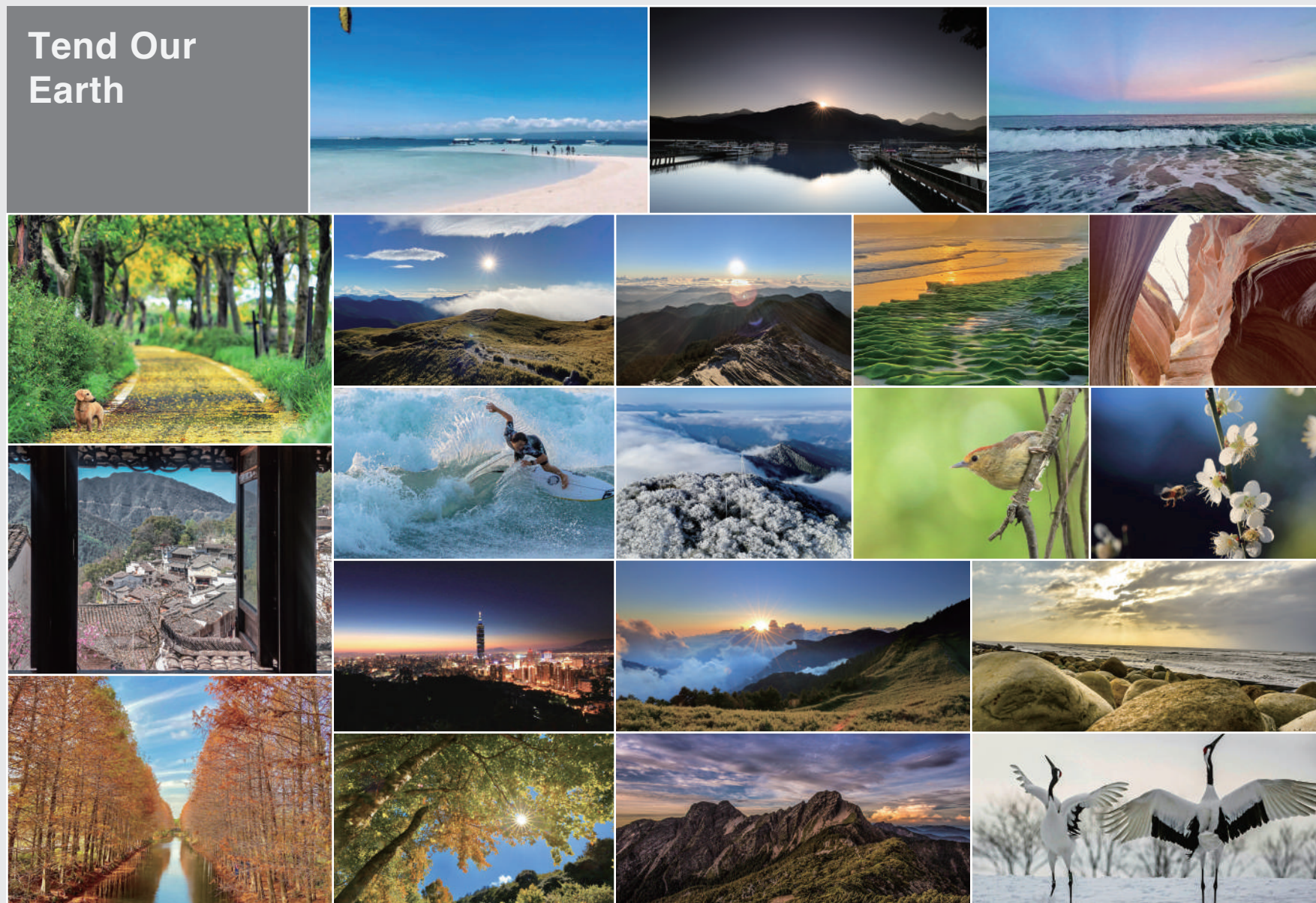




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# Tend Our Earth





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Note: The photographs presented in the calendar are taken from the PTI photography competitions.





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- 5 Friendly Workplace
- 6 Social Engagement
- 7 Environmental Sustainability
- 8 Appendix