



# Ardentec

## Sustainability Report

2021





Ardentec, Change in Action





# About the Report

## Report Period and Publishing

Following 9 published corporate social responsibility reports, this Sustainability Report is the 10th report published by Ardentec Corporation which discloses the performance of sustainability (ESG) from January 1, 2021 to December 31, 2021. Electronic version of this report can be downloaded from [the company's website](#). Ardentec publishes the performance of sustainability (ESG) related report every year. The previous year's report was published in June 2021, and we expect to publish the next report in June 2023.

## Scope of Report

This report discloses the environmental, social, and governance of Ardentec's performance, including its headquarters, its Singapore, Korea, Nanjing (China) subsidiaries, and also GIGA Solution subsidiary.

## Drafting Principles and Guidelines

This report was prepared in accordance with Global Reporting Initiative's GRI Universal Standards 2021 issued in October 2021, AA1000 AP (2018) standard, the Task Force on Climate-

related Financial Disclosures (TCFD) framework, and Sustainability Accounting Standards Board (SASB). It discloses the steps taken by Ardentec to ensure business sustainability in a number of aspects, such as stakeholder response, corporate governance, economics, environmental, employees, and social engagement.

Financial figures in this report are expressed in NTD and are CPA-certified. Performances in terms of environment, safety and health are illustrated based on internationally accepted benchmarks and data filed with the competent authorities.

## Verification

The verification of this report is entrusted to a third party verification unit, BSI Taiwan, in line with GRI Standards core disclosure level, TCFD, SASB standards, and type 1 moderate assurance level of AA1000 AS v3 assurance standard. The BSI independent statement is attached to the annex of this report.

## Publication

The chairperson of the ESG Sustainability Operation Committee approved the publication of this report for containing all material topics.

## Get in Touch

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# Letter from the Management

Dear friends interested in the sustainable development of Ardentec :

The rapid development of human technology and civilization has brought us tremendous convenience. However, the cost that come with this double-edged sword is the increasing damage to the planet we live on. Mother Nature is silently increasing the force of climate change to counterattack. In 2021, countries around the world experienced a once-in-a-millennium extreme climate impact, heat waves, unstoppable mountain fire, floods, blizzards, etc., which not only caused great damage to the human habitats and paralyzed the basic environment, but also posed a serious challenge to the sustainable operation of industries. Not only every global citizen, but also the corporate citizens of the world should actively do their best to mitigate climate change.

With the commitment of focusing on the core business, corporate governance, and the mission of perpetuating the company's business in 2021, Ardentec achieved record revenue and delivered outstanding results under the dual challenges of the pandemic and extreme weather. The stability of the economy provides a more solid impetus for Ardentec to fulfill its corporate citizenship responsibilities.

The global expectation on the industry is moving from corporate social responsibility to a more effective ESG era, which takes a more proactive, concrete approach in respect of environment, society and governance, while tackling climate change in a comprehensive manner. In response to the trend of sustainability and the government's promotion of Corporate Governance 3.0, Ardentec has repositioned its Corporate Social Responsibility Committee as the ESG Sustainability Operation Committee, on which the Board of Directors appoints the chairperson, vice-chairperson and Chief Sustainability Officer (CSO). Besides, senior executives from various fields are responsible for the promotion and implementation of sustainable development in various aspects. The Board of Directors has adjusted the sustainable development policy and set long-term environmental, social and governance development strategies. Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) are adopted to review climate change responses and align with the achievement of the UN Sustainable Development Goals.

Since 2020, Ardentec has been actively addressing the risks and opportunities of climate change through systematic operations, identification and analysis, and planning for the procurement of renewable energy. Since October 2021, the green power has been introduced into the operation. In addition, a 500-kilowatt of solar panels will be installed on the roof of the Company's Tingshin Site, which is expected to generate 561,650 kilowatts of electricity annually. The four sites of Ardentec's headquarters launch nearly 40 energy-saving and carbon-reducing projects every year, and thus the carbon intensity decreases year by year. In the future, Ardentec will continue to actively plan green operations, such as increasing the utilization of green power, the continuous installation of solar power equipment and the introduction of wind power. The long-term goal is to use 100% of renewable energy and achieve the ultimate goal of carbon neutrality by 2050. In order to actively govern the achievement of the long-term goals, the Board of Directors reviews the progress and performance of the development for the goal of carbon neutrality on a quarterly basis.

“ As a corporate citizen of the world should actively do their best to mitigate climate change. ”

Since 2020, COVID-19 started impacting humankind worldwide. Like Voldemort, it continued to test humans' technology, civilization, lifestyle and business models by multiple variants in 2021, and it is still unstoppable. In response to the pandemic, Ardentec has adjusted its pandemic prevention measures, alternated shifts, reduced occupancy of dormitories, paid rewards for pandemic prevention, and screened all employees so as to ensure that our employees are safe and feel secure to prevent the pandemic, thereby achieving the promise of sustainable operations to our customers.

Although viruses continue to evolve, Ardentec also continues to morph and improve. It integrates its subsidiaries and partners as well as constantly steps forward in the pursuit of climate action, social justice, and employee and social care in order to make tomorrow's world a better place!

Ardentec  
Vice Chairman/  
President

Dr. Chi-Ming Chang




Ardentec  
Chairman

Dr. Chih-Yuan Lu





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# About Ardentec

Company Introduction

Corporate Values

Market Size and Performance

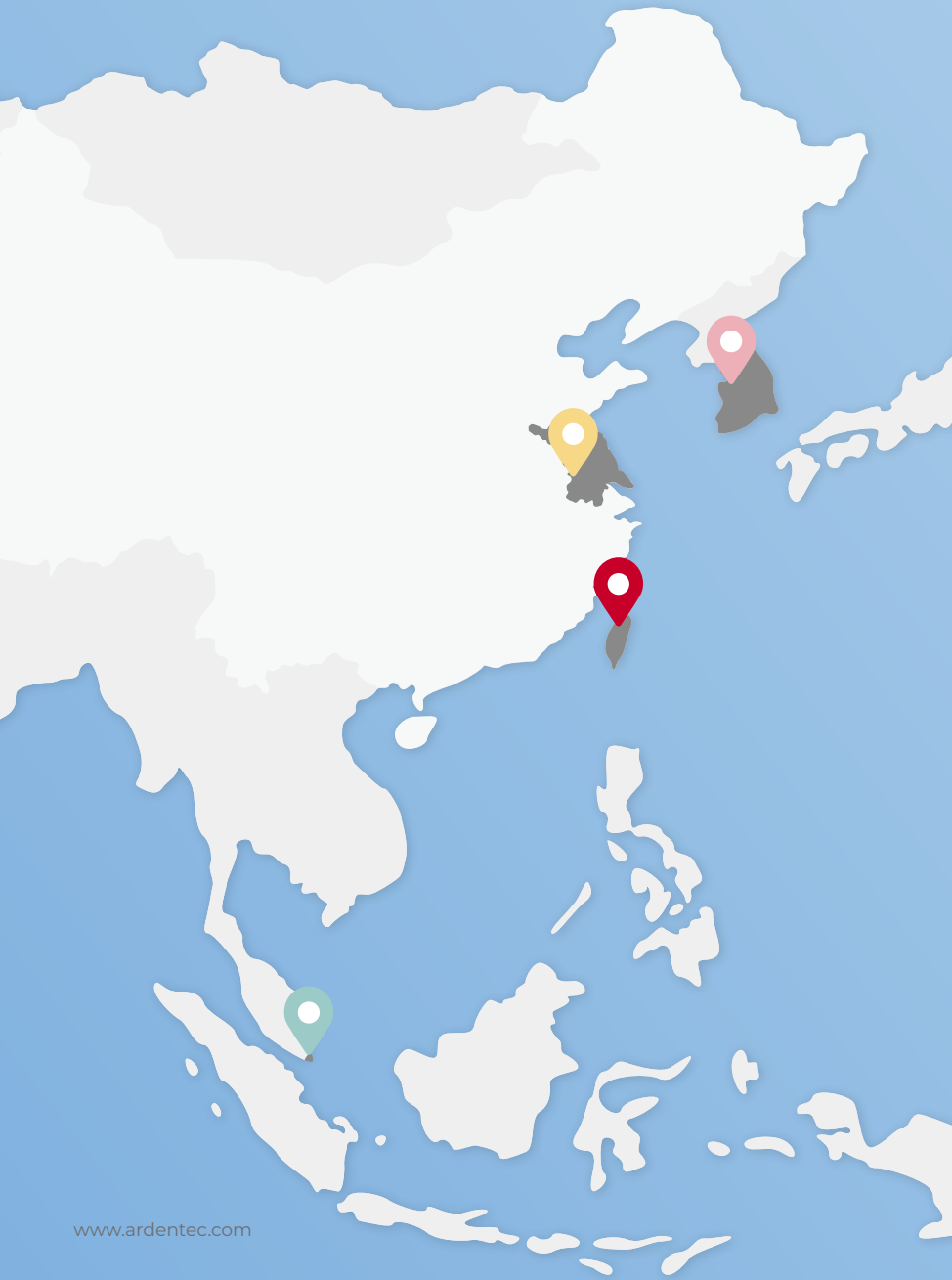
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Surplus Allocation

Honors and Accolades



# Company Introduction



Ardentec Corporation is listed on the Taipei Exchange and offers professional semiconductor testing services. The total capital in 2021 is NTD 4.9 billion. The company's service includes testing, engineering development and product testing of various semiconductors. With the industry-leading engineering capability, quality system and IT technical service, and through the industrial vertical integration, Ardentec has established a long-term cooperative relationship with big domestic and foreign semiconductor manufacturers and become one of top three specialized semiconductor testing service providers in Taiwan.

Ardentec's headquarters is in Hsinchu Industrial Park, Hukou Township, Hsinchu County, Taiwan, including Kaiyuan, Tingshin, Gaosheng and Paoching total of 4 sites, together with the presence of Ardentec Korea in North-East Asia, GIGA Solution in Taiwan Science Park, Ardentec Nanjing in China, and Ardentec Singapore, creating a circular Asia service band, forming a complete business development and testing operation service network of Europe, Asia and America.

**Semiconductor  
Testing Service  
Providers in Taiwan TOP 3**



## Taiwan

Headquarters Ardentec Corporation  
Subsidiary GIGA Solution Tech. Co., Ltd.



## Singapore Subsidiary

Ardentec Singapore Pte. Ltd.



## Korea Subsidiary

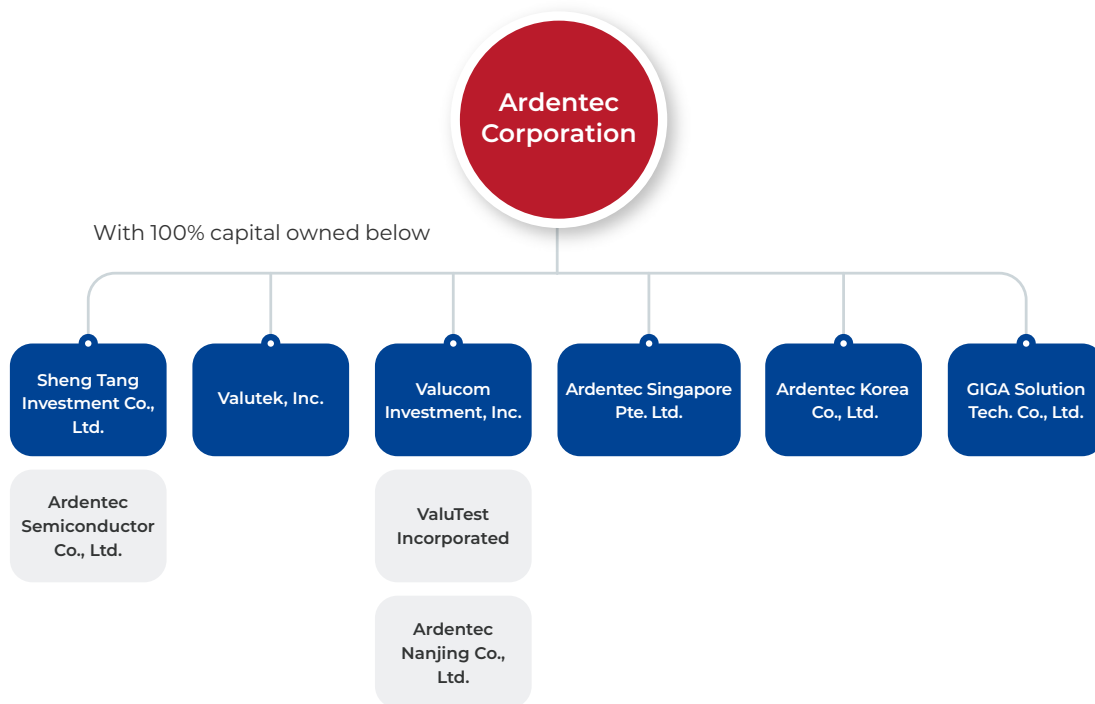
Ardentec Korea Co., Ltd.



## Nanjing Subsidiary

Ardentec Nanjing Co., Ltd.

## Ardentec and Affiliates





# Corporate Values

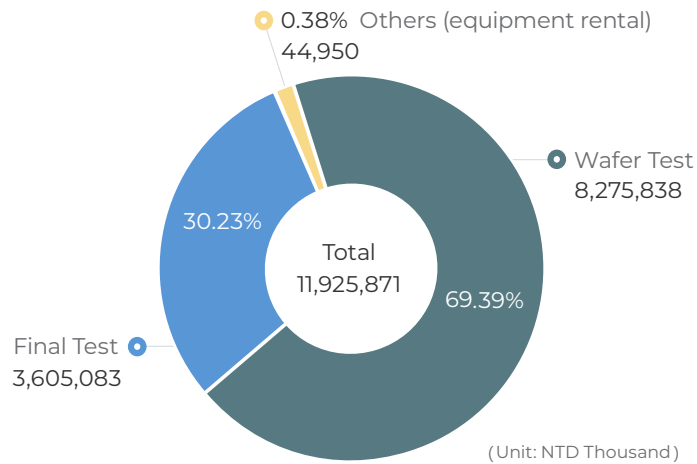
Ardentec aspires to be a model company that creates a positive cycle conducive to the development of society, the economy and the industry by emphasizing business ethics, exercising diligent in governance, complying to laws and regulations as well as international rules and standards, making transparent disclosures, and using the "right" business processes to provide customers with the best professional services and provide employees with the best care and competitive benefits. To us, the most enjoyable aspect of corporate

management is to engage employees, customers, suppliers and business partners with "passion" and create the right values through "rationality". These beliefs are the cornerstones of Ardentec. Ardentec has incorporated topics of environmental protection, employee care, and society feedback into its corporate governance, and thereby ensure sustainable growth for the Company, the employees, the environment, and society alike.

- ✓ Pursue Excellence : to meet the needs of customers and the long term expectation of shareholders
- ✓ Innovate with Passion : to be the key contributor to the global semiconductor industry
- ✓ Harmony in Human & Professional Aspirations : to encourage the growth of both employee and employer
- ✓ Uphold Business Integrity : to promote social care and environmental sustainability

# Market Size and Performance

## 2021 Product Sales Proportion

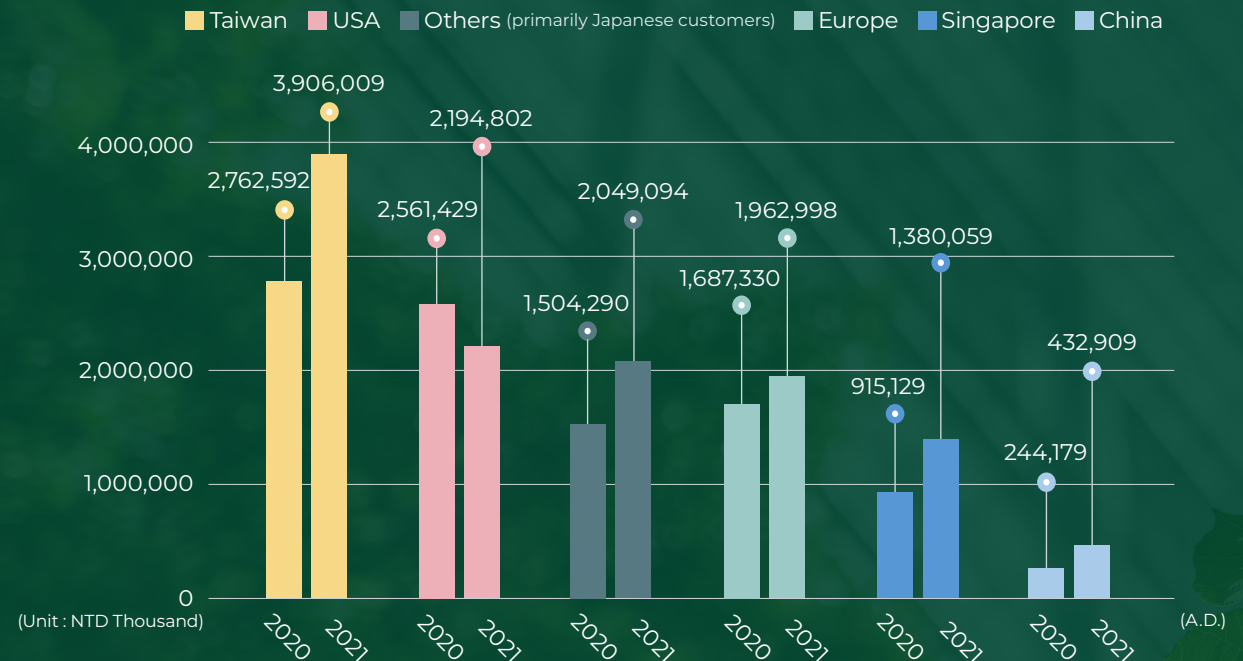


## 2020 & 2021 Financial Performance (Consolidated)

Item	2020	2021
Operating Revenues	9,674,949	11,925,871
Operating Costs and Expenses	7,445,285	8,860,478
Operating Net Profit	2,229,664	3,065,393
Non-operating Revenues and Expenses	19,658	118,889
Pre-tax Profit	2,249,322	3,184,282
Income Tax Expense	466,824	603,988
Net Profit for the Period	1,782,498	2,580,294

Note: Above includes the revenues of Taiwan Headquarters, GIGA Solution, subsidiaries in Singapore, Korea, and Nanjing. (Unit: NTD Thousand)

## 2020 & 2021 Testing Service Sales Region



## 2021 Production Scale

Product Type		Headquarters	Subsidiary				Total
			Singapore	Korea	Nanjing	GIGA Solution	
Wafer	Total (K wafer)	1,750	306	36	202	66	2,360
	Self-owned Equipment (K wafer)	81%	100%	0%	61%	100%	81%
	Consigned Equipment (K wafer)	19%	0%	100%	39%	0%	19%
IC	Total (K)	410,000	0	0	12,800	3,160,000	3,582,800
	Self-owned Equipment (K)	64%	0%	0%	100%	74%	73%
	Consigned Equipment (K)	36%	0%	0%	0%	26%	27%



# Tax Management

## Tax Policy

Ardentec has its presence in Taiwan, Singapore, South Korea and Mainland China, abiding respective tax law and legal requirement. We are also highly in compliance with tax obligation, accurately declare business income and fulfil the respective tax obligation on time.

Ardentec keeps a stable and steady pace in our operations, formulating transfer pricing policies. The transactions between affiliated

companies are based upon the principle of regular trading, we do not engage in any illegal methods such as set up subsidiaries in tax-free countries or trade via related parties to evade or reduce tax liability.

Ardentec supports government initiatives in promoting legal and transparent tax incentive policies for industrial innovation, R&D and reinvestment, and establishes a mutually respectful relationship with tax authorities through information transparency and trust.

## Tax Governance and Risk Control

In terms of finance, Ardentec takes the potential impact of tax on operational activities into consideration. It formulated tax governance policies and established a sound tax management system, tax governance culture and enterprise risk management systems, thereby effectively managing tax risks.

The effective tax rate of Ardentec is lower than the income tax rate of 20% in the

R.O.C. mainly because Ardentec recognized investment income under the equity method in the R.O.C. and was entitled to investment tax credits according to the tax laws.

In light of the complexity of the taxation nature and the scale of Ardentec's operations, we continuously review and evaluate the amendments of the relevant tax regulations. In addition, internal trainings are held to ensure that our employees have the essential taxation skills and awareness.

## 2021 Ardentec Group Global Tax Jurisdiction Net Revenue, Net Profit before Tax, Income Tax Payment

Tax Region	Revenues	Net Profit	Profit before Tax	Income Tax	Income Tax Paid
Taiwan	10,859,582	3,072,759	3,612,258	539,499	426,494
Singapore	918,838	316,378	375,269	58,891	7,007
Korea	64,232	-53,793	-53,793	0	0
China	236,116	-140,557	-140,424	133	175

(Unit: NTD Thousand)

## 2020 & 2021 Headquarters Income Tax

A.D.	Net Profit before Tax	Income Tax		Effective Tax Rate (%)	Tax Paid	Tax Rate on Cash Base (%)
		Tax of the Period	Deferred Income Tax			
2020	2,114,237	329,866	1,873	16%	251,928	12%
2021	3,031,159	456,446	-5,581	15%	336,225	11%
Average	2,572,698	393,156	-1,854	16%	294,077	12%

(Unit: NTD Thousand)

## Surplus Allocation

According to the Company's Articles of Incorporation, when there is a profit after the annual closing of books, besides paying taxes and making up losses in previous years, the Company will appropriate 10% of the balance as the legal reserve and the special reserve by the law or based on actual needs. After which, based on the operational needs, the Board of Directors draws up a proposal to distribute the balance (including reverted special reserve) together with the unappropriated earnings in the previous year and submit the proposal

to the annual general meeting of shareholders (AGM) for resolution before distributing the profit.

The 2021 net profit after tax is NTD 2,580,294,375. The Board of Directors Meeting approved on February 24, 2022 the distribution of cash dividends at NTD 2.8 per share.

In accordance with the Articles of Incorporation, from profit of the current year, Ardentec distributes 12% as employees' compensation and 3% as directors' compensation. Compensation should be provided if

the Company is still has accumulated deficit. In 2021, Ardentec distributed NTD 106,982,083 for directors' compensation and NTD 427,928,332 for employees' compensation.

Note : Profit for the year refers to the net profits before tax for the current year and before deducting employee compensation as well as directors' compensation.





# Honors and Accolades

## Membership

Facility	Membership
Taiwan Headquarters	Global Semiconductor Alliance (GSA)
	Taiwan Semiconductor Industry Association
	Chinese Institute of Engineers, Hsinchu County Chapter
	Monte Jade Taiwan
	Hsinchu Industrial Park Association
	Hsinchu Industrial Park Security Alliance
	Hsinchu County Nurses Association
	Automotive Electronics Exchange Association of IoT Innovation Promotion Platform
	Chinese Society for Management Of Technology
Singapore Subsidiary	Singapore Business Federation (SBF)
	Singapore Semiconductor Industry Association (SSIA)
Korea Subsidiary	Korea Customs Logistics Association
	Eoyeon Hansan Industrial Complex Manager Association
	GG Association of Foreign-invested Companies
	Korea Fire Safety Association
	Korea Energy Engineers Association
	Korea Electric Engineers Association

## 2021 Awards

### Taiwan Headquarters



Top 5% Corporate Governance Evaluation of OTC Company for 5 Consecutive Years



2021 Sustainability and Resilience Pilot Award

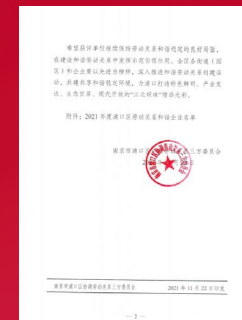
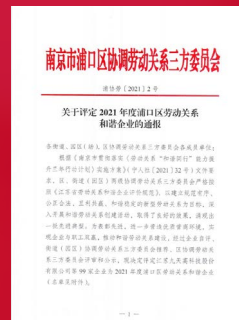


2021 Outstanding President Award of Hsinchu Area



2021 Taiwan Continuous Improvement Activities: Chairperson Award of Zi-Chiang Group, North Area

### Nanjing Subsidiary



2021 Harmonious Labor Relations Company (Nanjing Pukou Development Zone)

## Starting Year of Verification/Certification Validation

Starting	Headquarters	Subsidiary			
		Singapore	Korea	Nanjing	GIGA Solution
2000	ISO 9002	—	—	—	ISO 9002
2001	—	—	—	—	ISO 9001
2002	QS 9000	—	—	—	—
2003	ISO 9001	—	—	—	—
2004	ISO 14001	—	—	—	—
	ISO/TS 16949				
2007	OHSAS 18001	ISO 9001	—	—	—
2008	ISO/IEC 27001	—	—	—	—
2009	TOSHMS	ISO 14001	—	—	—
		OHSAS 18001			
2010	ISO 14064-1	ISO/IEC 27001	—	—	—
	IECQ QC080000				
	Authorized Economic Operator, AEO				
2011	—	ISO/TS 16949	ISO 9001	—	ISO 14001
2012	Internal Compliance Program (ICP)	ISO 14064-1	ISO/TS 16949	—	—
2013	CNS 15506 <sup>(1)</sup>	Strategic Trade Scheme (STS) Tier 3 Permit	ISO 14001	—	—
	Common Criteria (Site Certification) Tingshin Site		OHSAS 18001		
	AA1000 AS				

(1) Not renew from 2015 (2) Includes Gaosheng Site data center and Paoching Site data center

(3) FOC ID : hzwQBkFCyDDEn8M

Starting	Headquarters	Subsidiary				
		Singapore	Korea	Nanjing	GIGA Solution	
2014	ANSI/ESD S20.20	Approved Contract Manufacturer and Trader (ACMT)	ISO/IEC 27001	—	—	
	Common Criteria (Site Certification) Kaiyuan Site	TradeFirst & STP Certificate	CP (Compliance Program) AA Grade			
	ISO/IEC 17025	Common Criteria (Site Certification)	Automatic Customs Approval			
2015	Common Criteria (Site Certification) EAL 6 <sup>(2)</sup>	ISO 22301	—	—	—	
	Healthy Workplace Certification Health Promotion Mark					
2016	ISO 22301	—	—	—	—	
2017	—	—	—	—	ANSI/ESD S20.20	
2018	ISO 45001	—	IATF 16949	ISO 9001	IATF 16949	
	ISO 26262			IATF 16949		
	IATF 16949			ISO/IEC 27001		
2019	ISO 50001	ISO 50001 SA IATF 16949	ISO 26262	ISO 14001 ISO 45001	IEC-61340-5-1:2016	
	RBA VAP Audit Platinum Level (score 200)					
2020	TIPS Certified A Level	ISO 45001	ISO 45001	Common Criteria (Site Certification)	ISO 45001	
	GSMA SAS-UP					
	ISO 14064-1			Authorized Economic Operator, AEO		
	RBA Factory of Choice Award (FOC) <sup>(3)</sup>					
	ISO 14067					
2021	—	GSMA SAS-UP	—	—	—	



# Professional Services and Technology Development

## Professional Services

Quality and Product Services

Business Continuity

Information Security

Intellectual Property and Trade Secrets

Development Strategies and Innovations

2021 Severe  
Information Security  
Incident

**0** Case

Industry 4.0  
Productivity Boost  
by Automation

**40** %

Taiwan Intellectual  
Property Management  
System (TIPS)

**A** Grade

# Professional Services

With engineering expertise, service enthusiasm, and lean onsite management, we are committed to provide customers with complete semiconductor testing solutions. Our scope of service includes pre-production engineering service, mass production engineering service, probe card service, wafer probing service, final testing services, wafer-level chip scale packaging (WLCSP) service, wafers thinning, Backside Grinding/Backside Metallization/Front Side Metallization (BGBM/FSM) and other related engineering support services.

In Ardentec, we have independently developed highly automated information platforms. Our outstanding engineering team builds custom information service for customers with different needs and provides customers with engineering services from the design phase to mass production to enable customers to quickly start mass production and maximize added value for customers. By combining highly automated test production, automatic early warning systems for malfunctions and advanced automation information

platforms with our solid engineering technology capability and rigorous quality system, we assure the production quality of customer products.

Validated by various quality systems, Ardentec has the best product quality in the industry and has become the leading company in the production of automotive ICs, security ICs, Internet of Things (IoT), third-generation green semiconductor devices, high performance computing (HPC) chips, and CMOS Image Sensor (CIS).



AI



# Quality and Product Services

## In-depth Quality Culture

The value of high-quality products and services is the cornerstone of Ardentec's sustainable management. We continue to strengthen our quality management system in accordance with international and customized quality standards and requirements. Furthermore, we also collaborate with internal and external organizations and customers to refine our quality management system. Through certificates, such as ISO 9001, IATF 16949/ VDA 6.3 (automotive industry), ISO 26262, PSCR, ISO 15408/Common Criteria EAL6 (security product), GSMA, ISO 14001 (green environment), QC 080000, ISO 22301 (sustainability), ISO 27001 (information security), and Taiwan Intellectual Property Management System (TIPS), we work together to establish quality control

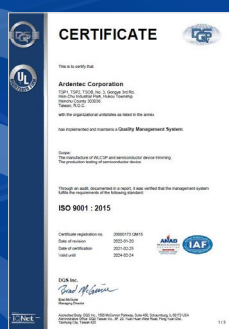
procedures to ensure the product quality for our customers and to make our cost-effective products available to the market more quickly. Ardentec aims to be the facilitator of the trend of continuous innovation in the semiconductor industry and an essential business partner of integrated device manufacturers (IDM) in semiconductor supply chain.

Ardentec is committed to cultivating the spirit of continuous improvement on quality in order to form a quality culture of Zero Defect, Quality/Operation/ Engineering Excellence. Moreover, aiming at satisfying customers' needs in all aspects, Ardentec continues to strive for improvement in the domains of test technology, engineering services, and test processes. We encourage all employees to participate in the continuous improvement; therefore, from front-line production and

service units to functional support units are able to participate in the improvement through different activities. For technology, production, departmental functions, green environment, information security, etc., we comprehensively expand the scope by re-engineering, quality improvement team, quality control circle, and projects.

The QCC promotion committee started the annual QCC competition for the headquarters and all subsidiaries since 2011. Since 2017, we have been participating in the national CIA competition and have won 2 Silver Tower Awards and 4 Bronze Tower Awards. In addition, quality award projects/activities for all employees, such as QIT/Zero Defect, Stop and Fix, and My quality, are constantly increasing. Through the activities, our employees developed the ability to identify problems, improve logical thinking and problem analysis/

solving skills. Besides, they can, further, learn from each other through teamwork, thus multiplying the growth. Ardentec's continuous improvement activities have created and accumulated the benefits of exponential growth. Industry 4.0 and environmental sustainability awareness are being promoted these years, and the scope of improvement covers automation, intellectual property protection, energy saving, carbon reduction, and green products. Moreover, we continue to devote our efforts to ensure that our customers receive sustainable and high-value services and products in return. Through re-engineering, workshops, and BKM platform, we are able to sustain a team with quality management and analysis expertise.



ISO 9001  
Headquarters



IATF 16949  
Tingshin Site



IATF 16949  
Kaiyuan Site



ISO 26262  
Headquarters



QC 080000  
Tingshin Site



QC 080000  
Kaiyuan Site



QC 080000  
Gaosheng Site



QC 080000  
Paoching Site



# Business Continuity

ISO 22301:2012 Business Continuity Management System (BCMS) International Standard verification was approved, covering 4 sites of headquarters and Singapore subsidiary in 2016 and 2015 respectively. To maintain continuous improvement of the management system, we are verified by the ISO 22301:2019 in November 2021 to ensure that when a disaster occurs, we will be prepared and able to respond in a timely manner; that we are able to restore the company's highest operational objectives in the shortest time; and that the overall operation will continue without any risk of disruption.

The Business Continuity Policy, Business Continuity Management Manual, and Business Continuity Strategy have been established. All employees must duly comply with business continuity related operation procedures and protect the company in the event of operation disruption so as to safeguard key operational processes from the effects of major disasters, sabotage, or equipment failure.

Owing to the impact of climate change, in recent years, heavy rains (downpour), severe earthquakes, and the once in 100-year drought have been occurring in Taiwan one after another. In addition, the severe infectious pneumonia (COVID-19), supply chain disruptions, energy shortages (power outages and restrictions), cyber attacks (ransomware), and infringement of business confidentiality are the top international risk assessment objects, and are also the focuses that various industries

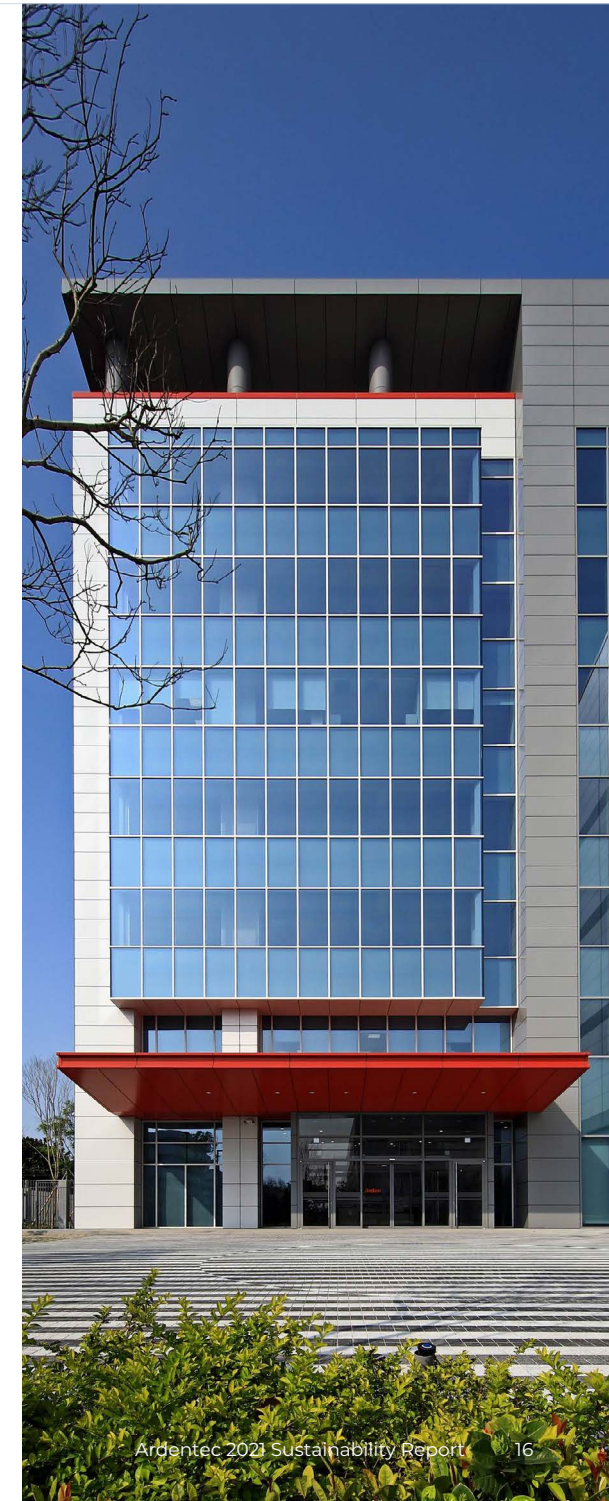
continue to pay attention to. By using the management approach of PDCA cycle, Ardentec plans, does, checks, and acts the business continuity management system to ensure the achievement of business continuity goals, thereby improving constantly. Through the results of business impact analysis and risk assessment, we develop business continuity plans including emergency response plans, recovery plans and business continuity strategies for high-risk impact events, such as typhoons, earthquakes, water disruptions, fires, major infectious diseases, energy shortages and cyber attacks to reduce the impact caused by disasters.

Management Committee, complies with the business continuity operation, and performs regular business impact analysis (BIA), risk assessments (RA), disaster drills, and surveys of stakeholder topics of concern. The business continuity committee authorizes the annual business continuity goals as the basis for supervision and measurement, conducts regular internal audits of the business continuity management system, collects feedback from internal and external stakeholders, holds management review meetings, proposes improvement measures for operational results, ensures the effectiveness of the business continuity management system, and refines the business continuity management system.

Ardentec regularly conducts annual maintenance for backbone equipment, network utility, and factory facilities to ensure that when a disaster occurs, we can

immediately make a switch and provide backups to minimize the duration, scope and extent of the impact. In addition, for high-risk impact events, we carry out regular tabletop exercises, scenario planning, and walkthroughs to ensure that production operations can be resumed within the target time after the incident so as to protect the rights and interests of customers and stakeholders.

All employees must perform annual business continuity management training. To continuously strengthen the management ability of business continuity risks, all supervisors implement daily management tasks, observing internal and external changes. When latent risks are likely to pose an impact on the company, they must comply with the response measures and plans of the business continuity management system to reduce the probability of business disruption.



# Information Security

Ardentec is committed to protecting company and customer information through confidential data protection and information security measures. Aiming at confidentiality, integrity, and availability, we will continue to strengthen our information system, information protection facilities, data usage control, as well as raise employees' awareness of confidentiality and Information Security.

We set up an Enterprise Security Committee (ESC), security policies, "Information Security Manual" and "GSMA Procedure" and other security management procedures and regulations; diversified information security protection operations; and conducted regular risk assessments.

Multiple information system tools are used for authorization of internal and external documents, control of information assets and documents, encryption of information transmission, and control of external emails. Ardentec's firm information security, physical security, product security and IP security management system serve as our guarding net. As of 2021, there were no customer complaints caused by business or personal data leakage.

To ensure compliance with security regulations and requirements, annual information security educations are conducted for all the employees. Besides, security matters are maintained to protect the information security of customers and the Company.

**2021 Severe  
Information  
Security Incident**

**0** Case

## ISO/IEC 27001



Headquarters Singapore Korea Nanjing

Ardentec's headquarters, Singapore, Korea and Nanjing subsidiaries are all ISO/IEC 27001 certified, and standard safety structure and standard procedures for each related operation are also established. The committee conducts management reviews every six months to continuously strengthen the implementation and improve the overall safety framework of the Company. The subsidiary, GIGA Solution, expects to introduce this management system in 2022.

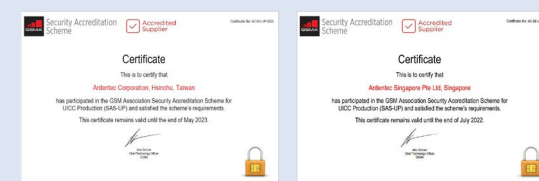
## ISO/IEC 15408



Headquarters Singapore Nanjing

In 2013, we were accredited with the ISO/IEC 15408 (site security) by the German Federal Office for Information Security to strengthen the safety framework of our customers' safety products, and to comply with the international standards and regulations for the production of safety products. The data center in Tingshin, Kaiyuan, Gaosheng and Paoching sites of Headquarters, Singapore and Nanjing subsidiaries are all Common Criteria ISO/IEC 15408 certified.

## GSMA/SAS-UP Certification



Headquarters Singapore

Headquarters Tingshin site and Singapore subsidiary have obtained GSMA SAS-UP certification. Regarding our customers' mobile communication chip production environment and information, we provide a higher level of protection. Ardentec is continuously accredited and re-accredited by international safety standards so that the effectiveness of continuous operations, safety risk management and protection of customer products and data is ensured. All system development and maintenance, data access, backup mechanisms, viruses and network intrusions have strict protection measures. The equipment room is fitted with an automatic fire extinguishing system, uninterruptible power system, access control system and video monitoring measures.

# Intellectual Property and Trade Secrets

Ardentec has established an intellectual property management manual. Besides, based on the PDCA method, we use the four steps (Plan-Do-Check-Act) to systematically manage intellectual property and trade secrets, which advance various control mechanisms and continuous improvement of intellectual property management for the Company and the customers. Being the bellwether, Ardentec requires its suppliers to cooperate in strengthening the intellectual property management system in order to realize the achievement of intellectual property protection in the supply chain. The intellectual property report is published annually on [the Company's website](#) to disclose information on the intellectual property management to the Company's internal and external stakeholders.

In order to continuously improve legal compliance and the protection of trade secrets and intellectual property rights, an Intellectual Property Management Committee

is established to review the implementation status of trade secret management, including daily review, regular internal audit or third-party verification and improvement advice, as well as to adjust the management objectives and regulations of trade secrets accordingly. Newly created trade secrets are regularly submitted to the Intellectual Property Management Committee for review. After the newly created trade secrets are approved, the Intellectual Property Management Committee will record them in the trade secrets management list and regularly review, update and maintain them.

Intellectual property management goals that are aligned with operational strategies are set to create greater profitability and enhance the Company's competitiveness. In order to realize the compliance of corporate governance regulations, the Company has established a comprehensive intellectual property management system in accordance with Article 37-2 of the Corporate Governance Best

Practice Principles for TWSE/TPEx Listed Companies, and the requirements of Item 2.27 of the Corporate Governance Evaluation indicators to maintain and further the management of the Company's trade secrets, and to establish the patent and trademark rights management targets required for the intellectual property R&D cycle of the Company, thus strengthening the corporate intellectual property management operations. The Company obtained an A grade of Taiwan Intellectual Property Management System (TIPS) in 2020. For the three objects—patents, trademarks and trade secrets—the company was re-accredited by the Taiwan Intellectual Property Management System (TIPS) in November 2021 to further the intellectual property management system associated with the operational objectives.

Taiwan Intellectual Property  
Management System (TIPS)

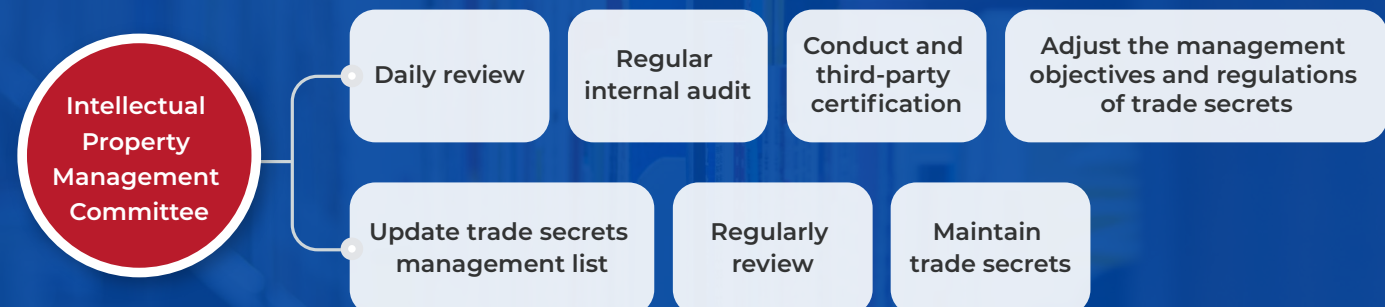
**A** Grade

## The Intellectual Property Protection Policies



All Ardentec employees hold the spirit of innovation and integrity toward comprehensive intellectual property creation and protection by following company governance regulations and deploying intellectual property and trade secret management, and respect any others' intellectual property right.

## Intellectual Property Management Committee Responsibilities





### Patent Management

Ardentec has formulated a patent application-related procedure and encourage employees to research and develop technologies by setting up patent award system. For R&D technology development projects of Ardentec, we evaluate the possible intellectual property risks through preliminary evaluation planning. In addition, we assess the intellectual property requirements and search for patent during R&D. Through internal meetings, we confirm that the R&D technology will be protected by patent applications or other intellectual property rights.

### Trademark Management

Ardentec started to apply for trademarks in 2020, and has already obtained several Taiwanese trademarks. In line with the overseas expansion, the registration of trademarks in Mainland China and Singapore has been completed in 2021. Ardentec has established internal trademark management procedures to develop trademark protection strategies and has set up a "Patent Master List", which is regularly updated and maintained, thereby keeping up with the latest status of trademarks.

### Response to Opportunities and Risks

Ardentec's intellectual property management system "patents, trademarks, and trade secrets" are the entry points. Besides, we take stock of internal/external issues and opportunities and risks related to intellectual property, put intellectual property management into practice, and protect the use of the Company's R&D achievements for the purpose of improving the deployment of intellectual property. We put the compliance of corporate governance into practice, and through continuous process improvement management, we reduce the risk of intellectual property management due to infringement of others' intellectual property rights and avoid leakage of trade secrets, R&D secrets or key technologies.



### Establishment of Intelligent Property Risk Management

Ardentec continues to safeguard Taiwan's intellectual property management system, review internal/external issues and risks of the Company's intellectual property management system. Regarding the deployment of intellectual property rights, the intellectual property management issues and risks that are currently taken into stock :

- (1) We have applied the patents for certain technology plans and have also prepared trademark applications. However, we still need to continue our R&D and make brand deployment plans, actively strengthen the deployment of our intellectual property, and protect the use of our R&D achievements.
- (2) We actively protect the Company's intellectual property rights and trade secrets to avoid the risk of infringement of intellectual property rights or leakage of R&D secrets.

### Legal and Intellectual Property Right Risk

To ensure the protection and correct use of intellectual property in the technology industry, the "Intellectual Property Management Manual" is in place. Keep a close eye on domestic and foreign policies that affect operating conditions, amendments in law and regulations in the social and economic fields, or operating-related patents. All employees undergo the training on intellectual property and trade secret courses, adhere to the management and protection of intellectual property procedures, strengthening the concept of intellectual property management related risk management. Violations of intellectual property laws, anti-competitive practices, antitrust and monopolistic practices shall be prevented.

**In 2021, Ardentec complied with all legal requirements and no appeals or incidents related to violations of the laws and regulations occurred.**

- Appeals from various parties that have been confirmed by the organization.
- Appeals from competent authorities.
- Information leakage, theft, or loss of customer information that has been verified.
- Major fines.
- Non-monetary penalties.
- Cases solved through dispute resolution mechanisms.

# Development Strategies and Innovations

Providing wafer testing services for leading manufacturers at home and abroad has enabled Ardentec to establish core competitiveness in key technologies, such as advanced testing technology, test process analysis systems, and test production automation.

To cope with the industry trend, we constantly expand our testing capacity for 12-inch wafers to become the largest testing team for 12-inch wafers in the industry. Apart from providing long-term mass production testing service for numbers of professional IC manufacturers at home and abroad, we launch cooperation with upstream IC design houses to advance the development of product testing programs for customers at the product design phase to facilitate customers to quickly start mass production.

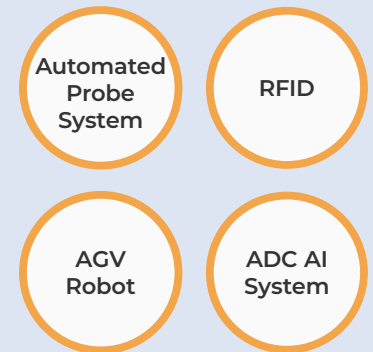
In response to market trends in the industry, Ardentec has successfully developed technologies in recent years, including testing techniques for automotive ICs, security ICs, Internet of Things (IoT), third-generation green semiconductor devices, high performance computing (HPC) chips, and CMOS Image Sensor (CIS). These technologies have entered a harvest stage, and turnover will increase year by year.

We have also embarked on the R&D and successfully integrated technologies relating to IC testing, such as information system, logistics management, and automated production, to provide customers with integrated products and services.

Aiming to improve production quality and enhance production efficiency, we continuously research and develop information systems to achieve both product quality improvement and testing cost reduction. We also endlessly optimizing and developing the test process analysis system and test machine real-time monitoring system, to meet the comprehensive demands and quality requirements of different customers by increasing production efficiency.

The Company is promoting the automation production of Industry 4.0 project, and is committed to the automated probe system, RFID (radio frequency identification) system, AGV robot (automated guided vehicle) and ADC AI system (probe mark classification). The automated probe system replaces the traditional operator's manual setting of test parameters with automatic setting of test parameters to avoid manual errors and to systemize the production process. Currently, the headquarters and subsidiaries have been fully introduced it into production applications with excellent results. By automated probers, RFID and AGV robot process integration, batch delivery, and loading/unloading machine that test batches with automatic setting of test parameters, the whole process has been upgraded to full system automation management, and these enhancements have increased productivity by about 40%. Although Ardentec also faced labor shortage during the COVID-19 outbreak in 2020/2021, the application of increased automation development eliminated human errors, improved testing efficiency and inspection accuracy, and therefore we still achieved excellent capacity utilization.

Automation Production | Industry **4.0**



In addition to probe automation and AGV robots, we have also integrated AI (artificial intelligence) and machine learning to develop and realize AVI ADC automatic visual inspection machine for probe mark classification. AVI ADC automatic visual inspection machine probe mark classification helps to automatically classify and measure marks during the inspection process, which improves the speed, accuracy, consistency and reliability of automatic visual inspection machine.

One-stop, high-end, and automated testing services have become a market trend. In addition to contributing in the professional specialization and launching strategic alliances with the industry chain at home and abroad for global market deployment, we have also established the Patent Review Committee to develop patents for cutting-edge testing, advanced IT technologies, and automation technologies. The committee also continuously optimizes and innovates research energy and services to achieve the goal of "leading brand of testing and qualification service and technology development with complete and custom services."



## Technical Capabilities and Support

Ardentec focuses on the core competencies of various wafer testing technologies, production automation and intelligent technologies, and has implemented them in the management of trade secrets and R&D records. The R&D progress records are submitted to the R&D project manager every week for review and approval, and the manager will upload the exclusive database personally after review and approval to ensure the protection of the company's intellectual property, and no leakage of major business secrets.

In terms of the third-generation semiconductor green energy components (GaN), the test technology development has been completed for four components, and the testing of the public version of the probe card and test program can be applied to extremely high temperature 175°C, extremely high voltage 2KV, extremely low leakage current ~nA, GaN/HEMT component testing. The probe card is equipped with a unique technology that balances and shunts for the probes, and has the function of self-detection of high voltage leakage before production, which prevents the probes from burning during mass production, and prevents misconnection of cables before production, which may cause misjudgment of spotty in production. For customers' mixed product ICs in the R&D stage, Ardentec is also able to establish different probing paths to test the distribution of different wafer products to help customers shorten the R&D process.

Regarding the semi-automatic manual positioning of test Pads in the testing process, the system has been improved to on-screen operation, and the system will automatically find each probe mark and Pads by using intelligent recognition. Moreover, it will determine whether they meet the specifications, thereby, enhancing the function and convenience of the electronic microscope of the existing production lines. This improvement was launched out in July 2021.





# Sustainable Business Framework

RBA VAP Audit  
200 Platinum Level

## Full Score

Sustainable Development Policy  
Sustainable Development Steering Platform  
Corporate Social Responsibility Performance  
Analysis of Stakeholders and Topics of Concern  
Topic Materiality Matrix  
Material Topics Management Strategy  
Communication with Stakeholders



# Sustainable Development Policy

Upholding the concept of enhancing the business competitiveness while taking into account the social sustainable development, Ardentec is committed to contribute in building the culture and environment that values ethics, social welfare and environmental sustainability.

The Board of Directors reviews the Sustainable Development Policy and evaluates the implementation performance of the environmental, social and governance topics annually to ensure key topics are properly communicated and processed and the Sustainable Development policy is implemented. On the increasing urgency of climate change actions, the Board of Directors reviews the progress and effectiveness of the projects on a quarterly basis.

In the process of Sustainable Development implementation, Ardentec preserves our mission, vision, and charter of the Responsible Business Alliance (RBA). In addition, Ardentec ensures the full compliance in the Responsible Business Alliance Code of Conduct (RBA CoC).

Ardentec preserves  
Responsible Business Alliance | **RBA**

## Sustainable Development Policy Set by Board of Directors :



**Uphold Corporate  
Governance, Ethics,  
and Environmental  
Sustainability**



**Comply with Laws  
and International  
Standards**



**Well disclose Corporate  
Governance, Ethics,  
and Environmental  
Sustainability**



**Develop a  
Sustainable  
Environment**



# Sustainable Development Steering Platform

An "ESG Sustainability Committee" has been established at the headquarters and all the subsidiaries. The Board of Directors at the headquarters appoints the president as the chairperson of the committee, the senior vice president as the vice chairperson and the group sustainability officer; and the chairperson appoints senior managers from across departments as members. For each subsidiary, the president of the subsidiary serves as the chairperson of the "ESG Sustainable Operation Committee"; the senior managers serve as members. The committees are aligned to respond to the classification of criteria of the Responsible Business Alliance (RBA) and to implement them in environmental, social, and environmental governing aspects. The committee has seven task groups focusing on "Smart Manufacturing and Environment Management", "Health & Safety", "Human Right and Caring", "Social Caring", "Sustainable Supply Chain", "Ethics", and "Governance."

The sustainability officer is responsible for implementing the sustainability policies, sustainability goals and climate change action goals approved by the Board of Directors in Ardentec Group so as to push forward the action plans and guidelines for each goal.

Each ESG Sustainability Operation Committee is responsible for the implementation of the sustainable management goals, monitoring the development of domestic and international Sustainable Development systems and the trends and initiatives in response to climate change, developing measures for the implementation of sustainability goals and climate change mitigation and adaptation in parallel with the world, continuing to strengthen the Sustainable Development system established by Ardentec and ensuring continuous enhancements to the effectiveness of the implementation.

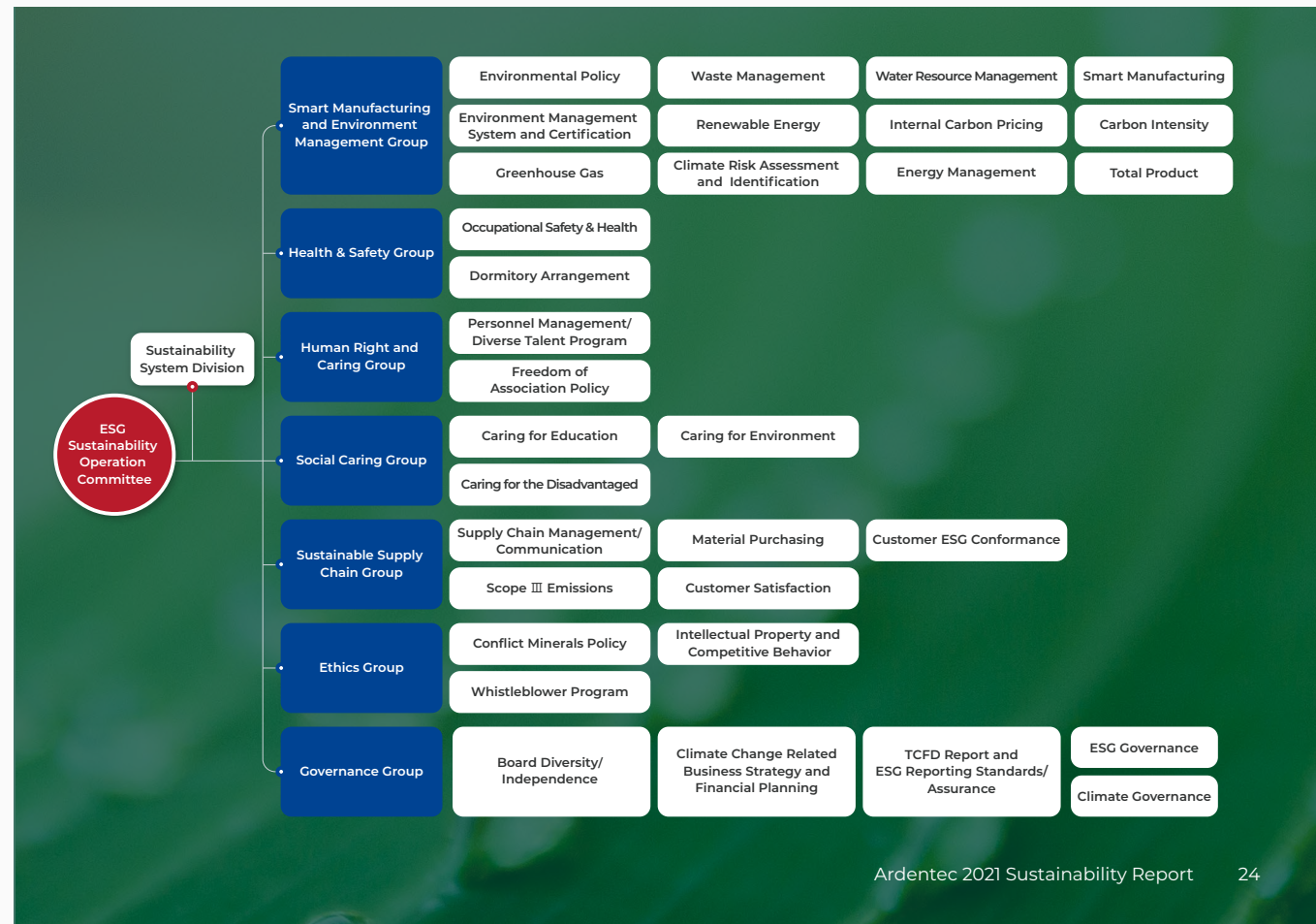
The ESG Sustainability Operation Committee of each operating site of Ardentec Group holds meetings every two months, and management review meetings every half year to review the progress and effectiveness of various projects on aspect of environment/climate change actions, society, and governance. Chief Sustainability Officer holds ESG sustainable operation meetings on a quarterly basis, and the ESG Sustainability Operation Committee at the headquarters holds group management review meetings on a semi-annual basis. The chairperson of headquarters,

in person, reviews the progress and effectiveness of the Group's environment/climate change actions, projects for society, and governance.

The Sustainability System Division is responsible for pushing forward and following up the progress of projects related to the resolutions and goals approved by the ESG Sustainability Operation Committee of Ardentec Group to ensure that the environment/climate change actions, social and governance goals of the Ardentec Group are achieved in accordance with the plans. The sustainability systems division annually

discloses the sustainability performance of Ardentec Group, including environmental, social and governance performance, through the issuance of sustainability reports, official websites and other means so as to communicate with stakeholders.

Ardentec headquarters leads all subsidiaries in promoting the development of CSR and ESG. Every effort is made to realize the Ardentec Corporation's sustainability goals during and after each phase. The chairperson of the ESG Sustainability Operation Committee reports to Board of Directors on the corporate's performance each year.

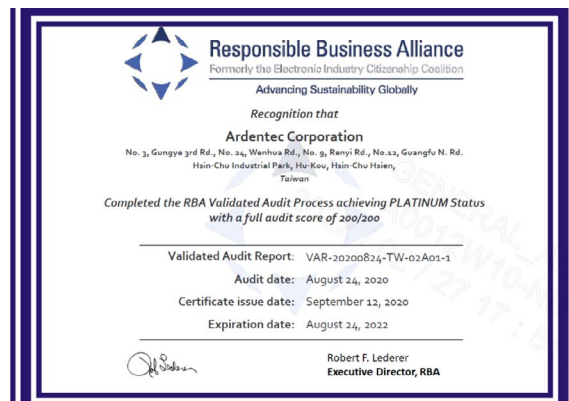




## Corporate Social Responsibility Performance

- Ardentec headquarters adopted the RBA management standard to set a direction for upstream customers and downstream suppliers.
- Ardentec headquarter's 4 sites underwent the RBA Validated Audit Program (VAP) again in August 2020 and achieved the platinum rating with a full score of 200 in initial audit, expiring in August 2022.

### RBA VAP Audit Certificate of 200/200



# Analysis of Stakeholders and Topics of Concern

## Identification of Stakeholders

The head of each function identifies the stakeholders in the business activities, and the methods & channels of the communication with them based on the identified topics.

Based on the results, we concluded 7 major types of stakeholders for 2021: employees, customers, suppliers and contractors, government and public agencies, investors, creditors and communities.

Every year, Ardentec adopts the following processes to identify stakeholders and topics collection, monitor level of topics concern, the impact, and material topics. Ardentec has established diverse, transparent, and responsive communication channels with stakeholders aiming to understand their topics of concern and expectations for Ardentec. The responses of stakeholders are important references for the Company's strides toward Sustainable Development.

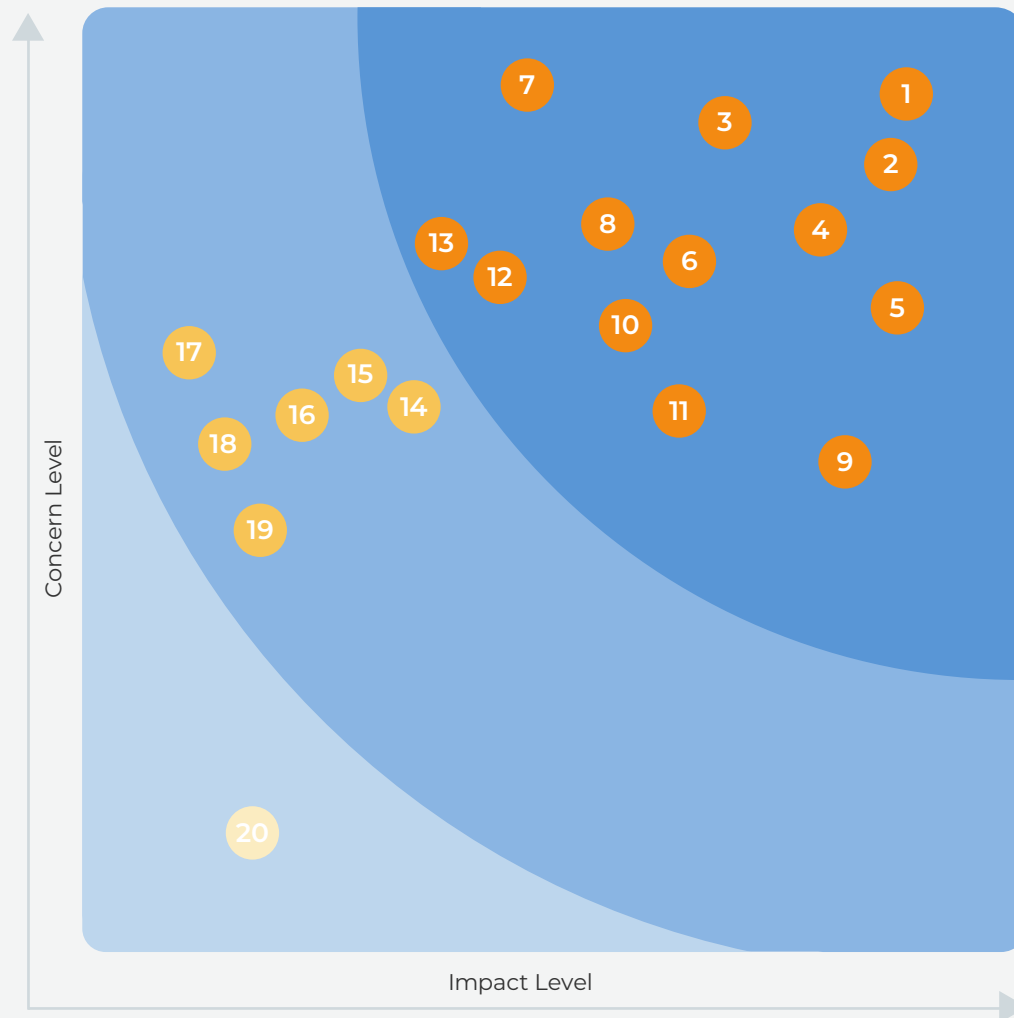
## Stakeholders, Topics of Concern Analysis and Material Topics Identification Steps



# Topics Materiality Matrix

After combining the results of topic materiality assessment, questionnaire, and the internal assessment of the reasonability of topic, the materiality of topic raised by stakeholders are concluded and prioritized in the following scatter plot:

2021 Topics Materiality Matrix





- |  |   |
|--|---|
| 1 Protection of Confidential Information     | 11 Business Performance and Profitability |
| 2 Customer Service and Satisfaction          | 12 Occupational Health and Safety         |
| 3 Business Continuity Management             | 13 Employee Welfare and Compensation      |
| 4 Quality and Product Service                | 14 Respect for Human Rights               |
| 5 GHG Reduction and Action to Climate Change | 15 Communication with Stakeholders        |
| 6 Business Integrity                         | 16 Employer and Employee Relations        |
| 7 Regulatory Compliance                      | 17 Contractors/Suppliers Relationship     |
| 8 Technical Know-how and Support             | 18 Waste Management                       |
| 9 Risk Management                            | 19 Energy Resources Management            |
| 10 Talent Nurturing                          | 20 Community Care                         |



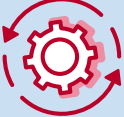
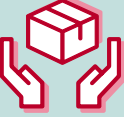
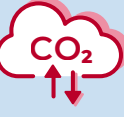

# Material Topics Management Strategy

Based on the analysis and evaluation of the concern and impact of the topics, after considering the relevance of the actual operation of the company, the management policy of each material topic is determined as follows :

## Management Approach for Material Topics





Management for Material Topics					
Topics	Impact	Policy	Management Measure/Project	Target	Evaluation Mechanism
 <b>Protection of Confidential Information</b>	<ul style="list-style-type: none"> <li>• Business reputation</li> <li>• Customer trust</li> <li>• Legal compliance</li> </ul>	All employees to abide the security regulations and requirements to ensure the information security of both customers and the Company's	<ul style="list-style-type: none"> <li>• The established Enterprise Security Committee promotes information security management. ISO 27001 (ISMS) , ISO 15408 (Common Criteria), and GSMA SAS-UP certification have now been completed to ensure the security of customer and company trade secrets</li> <li>• Reasonable protective measures for confidential information have been put into place through (1) information management (document confidentiality classification, prevention of unauthorized access, and establishment of document management records); (2) behavior control (confidentiality measures, restricting access to confidential data, authorization management); (3) education control (education &amp; training, guarantees, confidentiality agreements, separate procedure and waiver forms)</li> <li>• All employees undergo security, intellectual property/ trade secrets training to ensure the awareness of the security policies every year, and to safeguard any confidential information</li> </ul>	No following incident occurring : <ul style="list-style-type: none"> <li>• Leakage of company or customer information due to information security incident</li> <li>• Production equipment and capacity impacted by large-scale infection/ damage due to malicious software</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous improvement of the security management system through annual audits and security management reviews</li> <li>• Strengthen the network architecture and security defenses through vulnerability scanning and penetration tests</li> </ul>
 <b>Customer Service and Satisfaction</b>	<ul style="list-style-type: none"> <li>• Customer order maintenance and growth</li> <li>• New customer development</li> </ul>	With industry-leading technology in wafer testing, Ardentec offers customers comprehensive testing services, making it the best partner for customers	Establishing individual customer projects in order to build a smooth service system and effective communication channel	Customer satisfaction > 85%	Annual customer satisfaction survey

## Management for Material Topics




Topics	Impact	Policy	Management Measure/Project	Target	Evaluation Mechanism
 Business Continuity Management	<ul style="list-style-type: none"> <li>• Risk of supply dis-continuity</li> <li>• Risk of production dis-continuity caused by shutdowns</li> <li>• Customer satisfaction</li> </ul>	The business continuity management system was adopted by Ardentec to identify potential threats to business operations and establish an emergency response capability for protecting stakeholders, business reputation and brand image. Continuous improvements to the business continuity management system are also being made in accordance with applicable laws and regulations	A Business Continuity Management Committee was set up, and certification obtained for the ISO 22301 business continuity management system (BCMS) international standard	Zero disruptions to business continuity due to major disasters	Conducted annually <ul style="list-style-type: none"> <li>• Risk Assessment (RA)</li> <li>• Business Impact Analysis (BIA)</li> <li>• Internal system audit</li> <li>• Management review meeting</li> </ul>
 Quality and Product Service	Customer satisfaction	Construct a rigorous management system, through materialized assessment and technological capability, strengthen the quality and its management	<ul style="list-style-type: none"> <li>• The headquarters shall continuously maintain the TIPS management system</li> <li>• The Singapore subsidiary shall continuously maintain the GSMA management system</li> <li>• The Nanjing subsidiary shall introduce the ESD management system (2021)</li> <li>• Automatic methods shall be used to improve the quality and efficiency of inspection</li> </ul>	<ul style="list-style-type: none"> <li>• Certified by 3rd party</li> <li>• Select specific product to implement</li> </ul>	A quality review shall be conducted monthly
 Greenhouse Gas Reduction and Action to Climate Change	<ul style="list-style-type: none"> <li>• Customer order maintenance and growth</li> <li>• Development of new customers</li> <li>• Regulatory compliance</li> </ul>	We shall comply with regulations and international standards to protect the environment, support energy-efficient procurement and design, promote energy conservation and carbon reduction, climate change mitigation and adaptation, and sustainable use of resources, as well as regularly review our targets to continuously improve eco-efficiency, thereby advancing sustainable environmental development	<ul style="list-style-type: none"> <li>• Standardized management system shall be established through ISO 14001/ISO 50001, and PDCA improvement cycle shall be used to continuously push forward the improvement of environment and energy efficiency</li> <li>• We shall push forward various energy-saving and carbon-reduction projects, enhance the usage effectiveness of natural resources, and shall use renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>• Power saving rate &gt;1%</li> <li>• Carbon emissions shall be decreased by 2% in 2021 compared to 2020</li> </ul>	Environmental Management Committee shall conduct management review meeting on a quarterly basis
 Business Integrity	<ul style="list-style-type: none"> <li>• Business reputation</li> <li>• Legal compliance</li> </ul>	Employee, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purpose of acquiring or maintaining benefits	<ul style="list-style-type: none"> <li>• "Business Ethics Guidelines" prohibits any unethical business conducts</li> <li>• Annual re-training to all employee on anti-bribery</li> <li>• All indirect employees are required by submit "Conflict of Interest Declaration" annually</li> </ul>	No unethical conducts	The ESG Sustainability Operation Committee conducts management review meeting on a semi-annual basis to review the reports



## Management for Material Topics






Topics	Impact	Policy	Management Measure/Project	Target	Evaluation Mechanism
 <b>Regulatory Compliance</b>	Legal compliance	Overall business activities must comply with relevant laws and regulations	Adopting the relevant laws from the Regulatory Identification Procedures to serve as the reason for verification as required by law	Regulatory compliance : 100%	<ul style="list-style-type: none"> <li>Quarterly legal compliance audit</li> <li>Conduct management review meeting half yearly</li> </ul>
 <b>Technical Know-how and Support</b>	Customer order maintenance and growth	The management of trade secrets and R&D records shall be realized so that the R&D achievements can be best protected	According to the R&D record management method, when a R&D project is established, the R&D personnel shall write down the information according to the R&D progress and submit it to the R&D project manager for review every week. After the review and approval, the R&D project manager shall upload it to the dedicated database	No significant leakage of confidential business information	Annual intellectual property management KPI audits shall be conducted
 <b>Risk Management</b>	<ul style="list-style-type: none"> <li>Legal compliance</li> <li>Business continuity</li> </ul>	Formulate risk assessment and operating procedures for each type of business related risk to protect the interests of the Company and stakeholders through sound risk and crisis management	<ul style="list-style-type: none"> <li>Internal control systems were set up and implemented in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies issued by the Financial Supervisory Commission</li> <li>Various management committees were set up for routine risk management in accordance with the risk management system and operating guidelines</li> <li>Management audits conducted for internal controls to help carry out routine risk management at the relevant committees</li> </ul>	Zero incidents with major risk	Each risk management committee meets regularly to review actual performance and conduct internal audits that ensure that risk management procedures are being effectively enforced
 <b>Talent Nurturing</b>	<ul style="list-style-type: none"> <li>Employee retention</li> <li>Technical capability growth</li> <li>Sustainable operations</li> </ul>	We shall cultivate employees' work knowledge, skills and concepts, improve their service quality, enhance their service capability, develop quality talents, provide them with development pathways, retain and motivate outstanding talents, and foster their career growth	<ul style="list-style-type: none"> <li>Annual training plans shall be established, implemented and followed up according to the requirements of each unit</li> <li>Regular review and evaluation of employee performance shall be conducted to ensure the effectiveness of development, and regular promotion shall be held to provide development pathways for outstanding talents</li> </ul>	<ul style="list-style-type: none"> <li>Training courses shall be conducted in accordance with the Company's annual training plan</li> <li>Performance evaluation and promotion shall be conducted regularly every year</li> </ul>	<ul style="list-style-type: none"> <li>Management review meeting shall be conducted semi-annually</li> <li>Promotion shall be conducted annually</li> </ul>

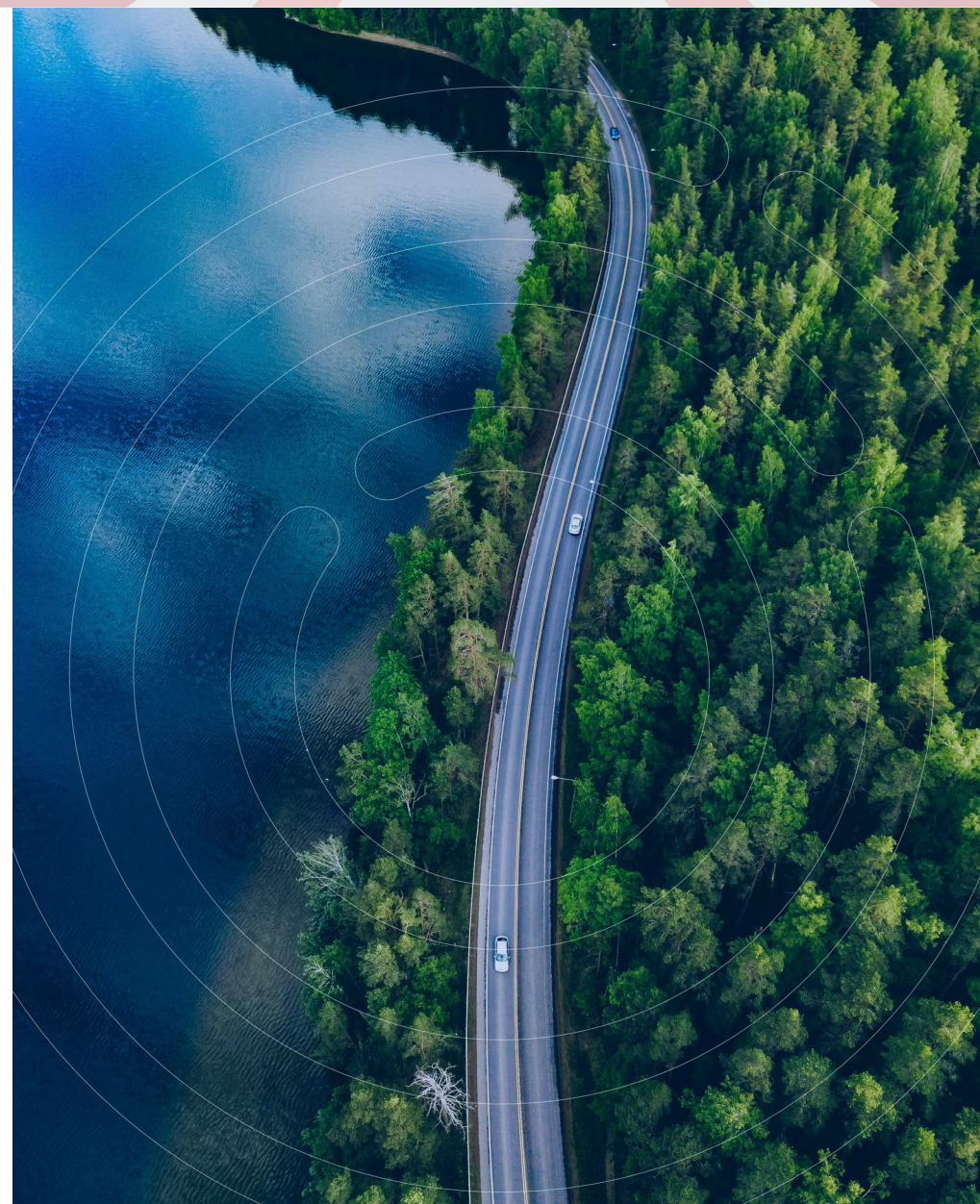
## Management for Material Topics

Topics	Impact	Policy	Management Measure/Project	Target	Evaluation Mechanism
 <p><b>Business Performance and Profitability</b></p>	<ul style="list-style-type: none"> <li>• Sustainable operation</li> <li>• Shareholders' support</li> <li>• Employee retention</li> <li>• Give back to society</li> </ul>	<p>Uphold sustainable business principle, keep a steady pace of our operations, invest prudently; continuously improving and expanding in technical field, meet market and customer demand; focus on quality and optimize our operation management, elevate our competitiveness to maximize our profit, continue to create value for our customers, shareholders and employees and to fulfill our corporate social responsibilities</p>	<ul style="list-style-type: none"> <li>• Remain highly focused, committed in advancing and expansion in advanced testing technology</li> <li>• Excel in quality, be part of the international industry norms and quality systems</li> <li>• Elevate productivity &amp; efficiency, continue the journey on automation and artificial intelligence</li> <li>• Expand market, penetrate strategic markets, proactively expanding top international clientele</li> <li>• Review operations, and have a keen eye on overall operations and economic environment changes at home and abroad, review regularly and respond appropriately</li> </ul>	<p>Execute according to the annual business plan, and to achieve overall operational goals</p>	<ul style="list-style-type: none"> <li>• Weekly sales meeting</li> <li>• Every 3 months forward rolling operation, forecast review meeting</li> <li>• Monthly finance review meeting</li> <li>• Quarterly Board of Directors meeting</li> <li>• Half yearly management review meeting covering operation, quality, technical, sales, finance goal achievement review aim to attain overall operational goals</li> </ul>
 <p><b>Occupational Health and Safety</b></p>	<ul style="list-style-type: none"> <li>• Employees health and safety</li> <li>• Legal compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Complying with regulations and international standards, as well as eliminate and reduce occupational safety and health risks to establish a safe and healthy working environment</li> <li>• Promote labor participation and consultation, and make continuous improvements to safety and health performance</li> </ul>	<ul style="list-style-type: none"> <li>• Established an Occupational Safety and Health Management Committee to coordinate, make recommendations and review OHS-related initiatives and compliance</li> <li>• Verify and continue to promote the ISO 45001 occupational safety and health management system while continuing to ensure compliance with international laws</li> <li>• Promotion of healthy workplace projects</li> </ul>	<ul style="list-style-type: none"> <li>• Eliminate serious occupational injuries (including both employees and engineers)</li> <li>• Total annual accumulated injury index &lt; 0.04</li> </ul>	<p>Management review meetings are conducted by the Occupational Safety and Health Management Committee on a quarterly basis</p>
 <p><b>Employee Welfare and Compensation</b></p>	<ul style="list-style-type: none"> <li>• Talent retention</li> <li>• Technical capability growth</li> </ul>	<ul style="list-style-type: none"> <li>• Workers' Compensation Comply with Labor Laws</li> <li>• Employee remuneration is highly competitive in the industry</li> <li>• Employees are rewarded through profit-sharing when the company is profitable for the year</li> </ul>	<ul style="list-style-type: none"> <li>• Annual review of changes in the remuneration regulations to ensure that employees' wages, overtime pay, and other benefits are above and beyond those required by the regulations</li> <li>• Regularly review average salaries in the job market and industry, check the company's business performance, carry out project evaluations and make salary adjustments</li> <li>• The Articles of Incorporation explicitly set out how employee compensation should be shared if the Company was profitable during the financial year</li> <li>• Communicate with stakeholders, gather relevant suggestions for reference</li> </ul>	<p>100% regulatory compliance in employee compensation, and maintained in the top 25 percentile of the industry</p>	<ul style="list-style-type: none"> <li>• Compliance audits are conducted every quarter</li> <li>• Industry compensation surveys and salary adjustments are conducted every year</li> <li>• Employee profit sharing after annual settlement</li> </ul>



## Description of Material Topics Change

Topic	Compared to 2020	Description
 <b>Greenhouse Gas Reduction and Action to Climate Change</b>	Added	<p>The Paris Climate Agreement accords sets a limit of 1.5°C on global warming. However, the performance of the world is not so satisfactory; extreme climate has repeatedly occurred, which led to the unsuspected shutdowns of production and the breakage of the supply chains. To mitigate climate change, the significance of greenhouse gas reduction is highly elevated.</p> <p>Since the end of 2019, COVID-19 has dramatically changed the way of life and work of human beings. In response to this, the technology-based contactless lifestyle and work style have raised the demand for technology upgrade and talent development for technology products, and the significance has thus increased.</p>
 <b>Technical Know-how and Support</b>		
 <b>Talent Nurturing</b>		
 <b>Respect for Human Rights</b>	Reduced	<p>Ardentec has long been committed to the integration of supply chain social responsibility, and has systematically established supply chain human rights and labor relations systems. Ardentec's 2019 and 2020 RBA VAP Audits have all reached a full score of 200, which confirms that the systems are sound and run continuously, and therefore, the significance is relatively minor.</p>
 <b>Employer and Employee Relations</b>		





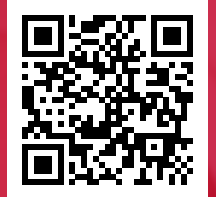
# Communication with Stakeholders

Every year, we carry out survey and discussion on topics of concern with our stakeholders, and to review the achievement of goals of each functional department, to ensure the effective execution of the topics discussed, and aid to plot our future strategies.

## Get in Touch



Through our official website, stakeholders may communicate with us on concern topics and enable us to respond timely. Ardentec engages our stakeholders through a reciprocal communication, jointly review and share our sustainable development achievements, communicating our performance, and suggestions, contents are reviewed and approved by the Board of Directors.



Stakeholders' concern topics for 2021 are consolidated as following, and disclosed on the official website on December 30th 2021; reported to the Board of Directors on February 24th 2022 :



## Employee

Labor-Management/  
occupational  
safety and health/  
work safety meeting

52

Educational training,  
dissemination and  
announcement

476

Reaction of  
opinions

62

Internal  
communication/  
meeting

1,785

Communication Methods	Topics of Concern	Communication Channels	Ardentec Response
<ul style="list-style-type: none"> <li>• Labor-management/ occupational safety and health/ work safety meeting</li> <li>• Educational training, dissemination and announcements</li> <li>• Reaction of opinions</li> <li>• Internal communication/ meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Talent Nurturing</li> <li>• Technical Know-how and Support</li> <li>• Regulatory Compliance</li> <li>• Quality and Product Service</li> <li>• Customer Service and Satisfaction</li> <li>• Business Continuity Management</li> <li>• Risk Management</li> <li>• Employee Welfare and Compensation</li> <li>• Business Performance and Profitability</li> <li>• Business Integrity</li> <li>• Protection of Confidential Information</li> <li>• Occupational Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Labor-Management Meeting</li> <li>• Occupational Safety and Health Committee/Labor Safety Window Meeting</li> <li>• Intranet website electronic interaction platform/phone/email</li> <li>• Announcement and educational training</li> <li>• Physical and online suggestion box</li> <li>• Department meeting</li> </ul>	<ul style="list-style-type: none"> <li>• We shall enhance the accessibility of the talent cultivation, provide online educational materials and courses, so that the employees can flexibly arrange training to grow and enhance their technical skills, as well as strengthen their awareness of occupational health and safety</li> <li>• Quality concepts and quality examples shall be disseminated every month to enhance the quality and to achieve each target, thus providing customers with the best test quality and services</li> <li>• The international laws and regulations related to green products, amendments to the international certification standards, trade secrets, intellectual property and confidential information protection shall be regularly updated and disseminated. The laws and the standards shall be 100% in compliance</li> <li>• Weekly reviews on major issues of sustainable operations management, including supply chain disruptions, climate change, net zero carbon emissions, hacker attacks, and natural disaster response such as earthquakes and typhoons, shall be done in order to realize sustainable operations response plans and strategies</li> <li>• Internal announcement of revenue information and related employee benefits shall be conducted monthly</li> <li>• We provided PCR screening for all employees, and all were negative, thus ensuring no COVID-19 risk for employees</li> <li>• We shall establish a company safety and health culture, conduct monthly production environment inspections, and continuously improve and ensure the knowledge of occupational health and safety</li> </ul>





## Customer

Audit/  
assessment | 113

Customer  
meeting | 1,082

Customer  
satisfaction survey | 18

Communication Methods	Topics of Concern	Communication Channels	Ardentec Response
<ul style="list-style-type: none"> <li>• Audit/assessment</li> <li>• Customer meeting</li> <li>• Customer satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>• Technical Know-how and Support</li> <li>• Regulatory Compliance</li> <li>• Quality and Product Service</li> <li>• Customer Service and Satisfaction</li> <li>• Risk Management</li> <li>• GHG Reduction and Action to Climate Change</li> <li>• Business Performance and Profitability</li> <li>• Business Integrity</li> <li>• Protection of Confidential Information</li> <li>• Business Continuity Management</li> </ul>	<ul style="list-style-type: none"> <li>• Meeting or audit</li> <li>• Corporate official website</li> <li>• Customer satisfaction management and survey</li> <li>• Regular visits and rapport building through phone and email</li> </ul>	<ul style="list-style-type: none"> <li>• We shall improve our engineering capabilities to meet the needs of the customers according to the customer review meetings</li> <li>• We shall introduce automatic production, improve the efficiency of information feedback to customers, assist customers in production scheduling and logistics efficiency, create value for customers, and strengthen customer service and satisfaction</li> <li>• In response to COVID-19, we provided customers with remote inspection services and greenhouse gas technical solutions, and the inspections all meet customers' expectations</li> <li>• We shall perform monthly production environment walk-through inspections to ensure workplace safety. Relevant departments shall be instructed to make improvements within the deadline if deficiencies are found</li> <li>• Major issues of sustainable operations shall be reviewed, and sustainable operations contingency plans and strategies shall be realized</li> <li>• We shall implement various electricity saving projects, plan for greenhouse gas reduction and waste reduction, as well as strive to achieve carbon reduction targets for the customer supply chain</li> <li>• We shall obtain ISO 27001, Common Criteria and GSMA certification, and have systems that are in line with the International Information Security Management System, and the Security Committee and the Intelligence Committee shall regularly review the management system to ensure that customer confidentiality is being fully protected</li> </ul>



## Supplier and Contractor

Supplier meeting and technical support | **366** times

Supplier audit | **27** times

Group insurance claim | **152** cases

Contractor training prior to commencement of work | **84** times

Communication Methods	Topics of Concern	Communication Channels	Ardentec Response
<ul style="list-style-type: none"> <li>• Supplier meeting and technical support</li> <li>• Supplier audit</li> <li>• Group insurance claim</li> <li>• Contractor training prior to commencement of work</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory Compliance</li> <li>• GHG Reduction</li> <li>• Business Integrity</li> <li>• Protection of Confidential Information</li> <li>• Business Continuity Management</li> <li>• Occupational Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier audit</li> <li>• Supplier CSR and business ethics awareness training</li> <li>• Consultative organization meeting</li> <li>• Contractor training prior to commencement of work</li> <li>• Meeting and regular contact</li> </ul>	<ul style="list-style-type: none"> <li>• The sign-up rate for the Supplier Social Responsibility and Business Ethics requirement is 100%</li> <li>• Contractor induction trainings are held to ensure awareness relevant to occupational safety, health, environmental protection and human rights in the workplace</li> <li>• The defects found by supplier and contractor inspections are all improved and completed to ensure that all the suppliers will practice safety and health, environmental protection and human rights related policies</li> <li>• We arrange PCR tests for all of our contractors' on-site personnel, which shall all be negative, thus, ensuring no COVID-19 risk for our on-site personnel</li> <li>• We shall put confidential data protection into practice, and our company, suppliers, contracted business confidential information and personal data shall all be properly protected</li> </ul>



## Government and Public Agency

Business-related  
presentations/  
seminars

6 sessions/  
times

Filing or  
submitting

101 times

Documents  
and letters  
correspondence

200 times

Communication Methods	Topics of Concern	Communication Channels	Ardentec Response
<ul style="list-style-type: none"> <li>Business-related presentations/seminars</li> <li>Filing or submitting</li> <li>Documents and letters correspondence</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Risk Management</li> <li>Business Performance and Profitability</li> <li>Business Integrity</li> <li>Business Continuity Management</li> <li>Occupational Health and Safety</li> <li>GHG Reduction and Action to Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>Official documents</li> <li>Filing or submitting</li> <li>Regulation briefing or public hearing</li> <li>Governmental online platform</li> <li>Business declaration and response</li> </ul>	<ul style="list-style-type: none"> <li>We follow the requirements of the law and the requirements of public agencies to submit the relevant documents, and the legal compliance rate is 100%</li> <li>Based on the changes in accounting standards and regulations, we respond to them in a timely manner</li> <li>We actively promote various electricity saving projects, plan greenhouse gas reduction and waste reduction, and strive to reduce the risk and impact of climate change</li> </ul>



## Investor

Shareholders'  
meeting

1

Virtual legal  
representative  
briefing session

2

Major information  
announcement

44

Respond to investors'  
communication

31

Communication Methods	Topics of Concern	Communication Channels	Ardentec Response
<ul style="list-style-type: none"> <li>Shareholders' meeting</li> <li>Virtual legal representative briefing session</li> <li>Major information announcement</li> <li>Respond to investors' communication</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory Compliance</li> <li>Business Performance and Profitability</li> <li>Business Integrity</li> <li>GHG Reduction and Action to Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders' meeting</li> <li>Legal representative briefing session</li> <li>Financial report on official website</li> </ul>	<ul style="list-style-type: none"> <li>All motions at the shareholders' meeting were passed, and we have maintained good communication with our shareholders</li> <li>We shall implement various electricity saving projects, plan for greenhouse gas reduction and waste reduction, as well as strive to achieve the goal of low-carbon production</li> </ul>





## Creditor

Renewal of bank  
loan agreement

**19** financial institutes

Communication Methods	Topics of Concern	Communication Channels	Ardentec Response
<ul style="list-style-type: none"> <li>• Renewal of bank loan agreement</li> </ul>	<ul style="list-style-type: none"> <li>• Business Continuity Management</li> </ul>	<ul style="list-style-type: none"> <li>• Financial report</li> </ul>	<ul style="list-style-type: none"> <li>• Business and governance performance reach loan bank loan line renewal assessment</li> </ul>



## Community

Support for  
elementary and junior  
high schools nearby

**5** projects at  
each of the  
3 schools

Support for  
organizations of  
disadvantaged  
groups/project

**15** domestic and  
international  
projects

**2** sessions of  
adopted  
friendly farms

Adoption of  
afforestation to  
reduce carbon



Communication Methods	Topics of Concern	Communication Channels	Ardentec Response
<ul style="list-style-type: none"> <li>• Support for elementary and junior high schools nearby</li> <li>• Support for organizations of disadvantaged groups/project</li> <li>• Adoption of friendly farms</li> <li>• Adoption of afforestation to reduce carbon</li> </ul>	<ul style="list-style-type: none"> <li>• Community Care</li> </ul>	<ul style="list-style-type: none"> <li>• Social welfare activities</li> </ul>	<ul style="list-style-type: none"> <li>• We support our neighboring schools' drum corps, students with low income, and graduation scholarships</li> <li>• We support after-school parenting and independent learning in neighboring schools and villages</li> <li>• Used children's books are donated to remote areas in order to encourage children to read</li> <li>• We donate to organizations for the underprivileged elderly and children.</li> <li>• The employees adopt friendly farming rice to support environmental and ecological protection through consumption</li> <li>• We adopt afforestation to allow the natural environment to create carbon sequestration and reduction benefits</li> </ul>

# Corporate Governance

## Governance Principles

Board of Directors

Executive Compensation Policy

Ethical Guidelines

Internal Controls

Risk Management

Corporate Governance  
Evaluation OTC Companies  
5th Consecutive Year

Top **5** %



# Governance Principles

## Ardentec's Six Governance Principles

Establish effective corporate governance structure

Exert the Audit Committee functions

Protect interests of shareholders

Respect stakeholders' rights and interests

Strengthen board of directors functions

Enhance information transparency

Ardentec upholds corporate governance and have a due sense of our mission, committed to building a sustainable business, and care about environmental and social sustainability. For that reason, we have established the "Corporate Governance Principles", "Ethical Corporate Management Principles", and "Sustainable Development Practice Principles" as a code of conduct in guiding Ardentec in promoting and managing the business. The 3 major aspects of sustainable development such as environmental protection and climate change actions, social, and governance are incorporated into the Company's governance and operations in order to achieve the goal of sustainable development. The Board of Directors reviews the implementation of sustainable development on a quarterly basis, and makes recommendations for improvement in order to strengthen the realization of sustainable development.

The established governance framework is based upon relevant legislation, regulations, and standards at home and abroad, such as the Company Act, Securities and Exchange Act, international standards or agreements, Responsible Business

Alliance (RBA) Code of Conduct, and Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Those rules and regulation relating to corporate governance such as Article of Incorporation, Rules of Procedure for Shareholders Meetings, Management of Operation of Board Meeting, Procedures for Acquisition or Disposal of Assets, Procedures for Financial Derivatives Transactions, Procedures for Lending Funds to Other Parties, and Procedures for Endorsement and Guarantee can be browsed from Ardentec Website under Investors > Corporate Governance > Major Internal Policies.

Devoted to governance in aspects, Ardentec rigorously took part in the Corporate Governance Evaluation of Publicly Listed/Trade Companies conducted by the Taiwan Stock Exchange and Taipei Exchange. The published results (April 2022) position Ardentec amongst the top 5% of public companies in Taiwan for the 5th consecutive year. It is an affirmation of the effectiveness of our governance performance through a governmental authority assessment.

Corporate Governance Principles

Ethical Corporate Management Principles

Sustainable Development Practice Principles





## Board of Directors

The highest governance unit of Ardentec is the Board of Directors, which is chaired by the chairperson, and the chairperson also serves as the Chief Executive Officer (CEO) of the Company. In order to strengthen corporate governance, four independent directors are included in Board of Directors, and functional committees, such as The Compensation Committee and The Audit Committee, are formed to be responsible for supervising and guiding the Company's decisions in economic, environmental and social aspects, as well as confirming the performance targets and compensation structure of the Company's directors and managers. They also effectively carrying out internal control, risk management, etc., so as to cope with various potential corporate risks.

Major issues related to the Company's operations and the procedures are reported to the Board of Directors for discussion to ensure proper communication and decision making on major issues. A total of 42 cases were submitted to the Board of Directors for review in 2021.

Directors serve for a 3-year term. The term of office of the 8th Board of Directors is from May 28, 2020 to May 27, 2023. The Board of Directors is composed independently and pluralistically, and the directors are nominated through a rigorous selection process by a candidate nomination system. The candidates are elected at the shareholders' meeting, and the shareholders fully exercise their right of selection.

The 8th Board of Directors consists of 11 seats, the chairperson and vice chairperson serve as directors in their individual

capacities that account for 18.1% of total directorship, 5 of which are corporate directors (45.5%), of which 4 seats (36.4%) are independent directors. There is 1 female director (9.1%). The directors have various professional and industrial experience required for the governance of the Company, including experience in the semiconductor industry, environmental protection, venture capital, management, finance, and corporate governance, as well as extensive academic experience. There are 3 directors between the ages of 51 and 60 (27.3%), 8 directors are between the ages of 61 and 70 (72.7%) of the total directorship. The list of Ardentec Technology directors and related information is available on [the Company's website](#).

### Motions Reviewed and Approved by the Board of Directors in 2021

No.	Classification of Motions	Number
1	Annular operating plan and budget	1
2	Major capital expenditures	2
3	Bank credit planning	13
4	Financial report/internal control statement/audit plan	2
5	Matters related to shareholders' meeting	5
6	Amendments to internal control system and major rules and regulations	2
7	Acquisition/disposal of major assets and lending of funds	5
8	Major personnel appointments and dismissals	2
9	Motions related to directors' and managers' compensation	6
10	Motions related to compensation system	2
11	Capitalization change	2
Total		42



In order to reinforce the corporate governance, none of the board members, managers and executives of Ardentec have cross-shareholdings with the suppliers or other interested parties.

The board of directors of the company exercises the board of directors' powers in accordance with the Company Act, Regulations Governing Procedure for Board of Directors Meetings of Public Companies, Articles of Incorporation, and Rules of Procedure for Board of Directors Meetings. It is specified that if directors have interests in motions of meeting which relate to themselves or the legal entity they represent, they shall state the main content of their interests at such board meeting. If there is a risk that the interests of the Company will be affected, they shall not participate in the discussion and vote, and shall recuse themselves from the discussion and vote, and they also shall not exercise their voting rights on behalf of other directors.

In 2021, there were total 7 board meetings convened to oversee the management of economic, social, and environmental aspects of the business and assist the internal control strengthening and

corporate governance enhancement. Action plans and targets for sustainability policy, ESG/climate change initiatives, etc. are reviewed at the 1st board meeting each year; from 2022, the board reviews environmental/climate change actions, social and governance performance on a quarterly basis.

The attendance and operation status of the Board of Directors, and the contents and hours of training courses for the members of the Board of Directors are disclosed on the Market Observation Post System of the Taiwan Stock Exchange and the current annual report of the Company in accordance with the regulations. According to the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies", we arrange annual training for board members in order to enhance the promotion of sustainable development. In 2021, a total of 6 hours of courses were arranged on sustainability issues, including "Corporate Management Mindset—from CSR to ESG" and "Business Strategy and Corporate Governance for Unsustainable Risks in the World—in Light of COVID-19", in order to enhance their understanding

of environment/climate change actions, social, governance, the global and domestic trends, thus improving the professional knowledge of board members on governance responsibilities.

In accordance with the Corporate Governance 3.0—Sustainable Development Blueprint, the directors are actively planning to set up a sustainable development promotion process that is in line with the organizational and operational requirements of the Company for the environmental (E), social (S) and governance (G). In 2021, the external experts and professional organizations advised to upgrade the scope of CSR work to be in line with international standards as well as the sustainability scope and objectives of domestic corporate governance, including: Forming the ESG Sustainability Operation Committee, the Board of Directors appoints the chairperson, vice-chairperson and Chief Sustainability Officer (CSO). Besides, the Board of Directors approved the change of the Corporate Social Responsibility Practice Principles to the Sustainable Development Practice Principles, and the establishment of the Sustainable Development Policy and the management guidelines in 2022.



### Performance Evaluation of Directors

In order to continuously improve the performance of the Board of Directors, the board passed Self-Evaluation or Peer Evaluation of the Board of Directors to evaluate the board's overall performance in 2018.



### Self-evaluation

At the end of each year, the members of the Board of Directors, the meeting affairs units and the functional committees conduct internal self-evaluation of the performance of the "members of the Board of Directors", the "board of directors as a whole" and the "functional committees" respectively, and the evaluation results are reported to the Board of Directors in the first quarter of the following year.



### Third-party Evaluation

The "Rules for Performance Evaluation of Board of Directors" stipulates that an evaluation shall be conducted at least once every three years by an external professional independent organization or a team of external experts and scholars. The most recent performance evaluation of the Board of Directors was commissioned to Taiwan Corporate Governance Association in 2019. The evaluation was conducted by means of self-evaluation questionnaires and on-site visits on eight major components of the Board of Directors, including composition, guidance, authorization, supervision, communication, internal control and risk management, self-regulation and support system. The Taiwan Corporate Governance Association concluded that the Company's Board of Directors places emphasis on the implementation of corporate governance, adequately performs the functions of the Board of Directors, and supervises corporate risk management effectively.

# Executive Compensation Policy

Compensation Committee was formed by 4 independent directors, its function ranges from formalizing policies and systems on compensation & benefits and performance assessment, the regular review of compensation of the directors and executives to maintain fairness, to attract and retain talent. There were 3 meetings in 2021; the proposal was drafted based on the meeting resolutions and submitted to the Board of Directors for approval.

Ardentec executives' compensation & benefits is established with prudence based

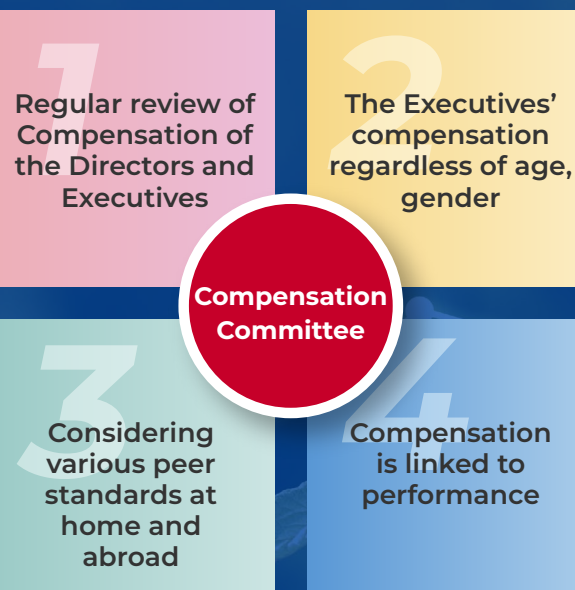
upon the role and the industrial norm while considering various peer standards at home and abroad, and fully representing the performance of both individual and team regardless of age, gender, and aims to attract, retain and motivate talents. Regarding executives, the performances are evaluated each year according to the scope of authority and responsibility of their positions and their contribution to the Company's environmental sustainability, social, economic and operational goals as well as future risks. The executives' compensation is related to their performance, and the compensation

information is disclosed in the annual report prior to the shareholders' meeting, which is available for stakeholders and shareholders to review before the shareholders' meeting.

Director's compensation includes travel allowance and Director's compensation; travel allowance is on actual attendance basis. The disbursement of Director's compensation depends on the company earning at proportions laid out in the Articles of Incorporation, subsequently submitted to the shareholders after obtaining Board of Resolution.

The compensation to Directors and executives<sup>(Note)</sup> are subject to the review of the Compensation Committee and Board of Directors' resolution and are disclosed in the company's annual reports. Board of Directors recuse themselves during such review and discussion, and voting rights are revoked to avoid conflict of interest.

Note : Executives refer to Senior Director and above and the Chief Finance Officer.





# Ethical Guidelines

Ardentec's belief in being "A Testing Partner You Can Trust" is manifested in its technical service as well as its business activities and employees' conduct.

Ardentec has established the Sustainable Development Practice Principles and Ethical Corporate Management Principles as the code of conduct. Any forms of corruption, extortion and misappropriation of public funds are strictly prohibited. In addition, we refuse to provide or accept any improper benefits, abide by fair trade, and do not participate in illegal market competition such as false advertisement. Ardentec also support customer CSR and ethical business conduct to show our commitment.

According to the Responsible Business Alliance (RBA) Code of Conduct, the management teams of headquarters and all subsidiaries and all employees are required to attend ethics and anti-corruption training. As of December 31, 2021, all employees of Ardentec completed the training (leave of absence employees take training after returning work).

The Company specializes in testing technical services and does not use materials. There is no tin, tungsten, gold and cobalt from conflict-affecting area or high-risk areas is purchased or used during the operations. In the spirit of international human rights protection, to avoid benefiting mining activities in conflict risk areas through the procurement or supplier selection, a "Responsible Sourcing of Minerals Policy" has been established in accordance with the Organization for Economic Co-operation and Development (OECD). In 2022, the "Responsible Sourcing of Minerals Due Diligence Specification" was established to clarify the scope and process of investigation, thus improving and strengthening the implementation of the aforesaid policy.

## Handling Violations of Ethical Guidelines

The Company has a dedicated ethics grievance department for employees or outsiders to file grievance/reports of violations of ethics, laws and regulations, or integrity-related issues, whether on a named or anonymous basis. The grievance procedures are posted on the Company's website. The Company has established a "Grievance and Reporting Regulations". Both employees and external personnel can report to the Human Resources and Service Division, and the dedicated department will be responsible for investigation and notification. If the reported person is an appointed manager (or a higher level position), the dedicated department will refer to the President or the board chairperson to determine the investigation unit.

If the incident report is true upon investigation, for Ardentec employee, disciplinary action will take place in accordance with Employee Reward and Disciplinary Regulation; for suppliers will cease partnership. If there is a law violation, it shall be dealt with according to respective legislation. The regulation also stated the prohibition of any retaliation towards the whistleblower.

## Grievance Channels



+886-3-5976688 #1201

 [grievance@ardentec.com](mailto:grievance@ardentec.com)

# Internal Controls

The internal control system of Ardentec is in compliance with the “Regulations Governing Establishment of Internal Control Systems by Public Companies” issued by the Financial Supervisory Commission. It is designed by the management, approved by the Board of Directors, and implemented by the Board of Directors, the management and the employees. Its purpose is to promote the sound operation of the Company, to reasonably ensure the realization of the objectives, such as the effectiveness and efficiency of operations, the reliability, timeliness and transparency of reporting, and the compliance with relevant regulations and laws.

The Audit Office is attached to the Board of Directors, and in accordance with the regulations of the Financial Supervisory Commission, in addition to the items required to be audited annually, certain operational cycles, and

control practices are included in the annual audits based on the results of risk assessment in order to control risks effectively and establish a risk management oriented internal audit system. Audit procedures are conducted in accordance with annual audit plan approved by the Board of Directors. Audit reports and follow-up reports are submitted to each independent director for review after examination, and the implementation status is reported at the audit committee meeting and the board meeting. In case of special circumstances, they are reported to each independent director immediately. The purpose of the audit system is to assist the Board of Directors, and the managers in examining and reviewing the deficiencies of the internal control system, and measuring the effectiveness and efficiency of the operations; to provide timely suggestions for improvement so as to ensure the continuous and effective implementation of the internal control system; and to be used as a basis for

the review and revision of the internal control system.

Each unit of the headquarters and the subsidiaries conduct self-evaluation in accordance with the “Regulations Governing Establishment of Internal Control Systems by Public Companies” in order to realize the self-monitoring mechanism, and adjust the design and implementation of internal control systems promptly in response to changes in the environment. Each unit of the headquarters and the subsidiaries conduct self-evaluation every year, and the audit office coordinates to review the self-evaluation report. The report, together with the improvement information on internal control deficiencies and irregularities identified by the audit office, are used as the main basis for the Board of Directors, and the President to evaluate the effectiveness of the overall internal control system and to issue a statement on the internal control system.

# Risk Management

Sound risk management, and appropriate crisis management designed to protect stakeholders' interests. Ardentec formulated various risk assessment and operation specification to manage risks. The President or appointed management representatives

regularly review the various risk management results and formulate the improvement plans to ensure the continuous perfection of the risk management effectiveness. The performance of risk management is reported to the Board of Directors annually.



## Financial Risk

Focusing solely on the semiconductor testing business and not engaging in any high-leverage or high-risk investments. Ardentec and its subsidiaries all implement a stringent approach towards financial and financial market management; we also control our operations and profit risks at all times and further coordinate in devising strategies to accommodate changes in the industrial economy, financial market, and ultimately deliver stable semiconductor testing business performance and earnings.



## Labor and Human Rights Risk

Formulating the "Labor and Human Rights Risk Management Procedure", we evaluate potential labor and human rights risks on an annual basis. For items with a high risk level, we formulate and implement control measures, and for items with a risk level above (inclusive) "medium", we set it as an annual target and submit it to the ESG Sustainability Operation Committee for review on a regular basis. The assessment for 2021 found that two risks have a medium probability of occurrence and the existing measures are well in place. Besides, there are no labor and human rights violations.

There is Human Right Protection Specification to ensure that workers are under proper human rights protections. And there is Specific Fixed-term Contract Worker Recruiting Agent Management Specification to ensure foreign workers' human rights protection. Protective operation of us check the recruitment process of all labor recruited abroad. Each year, we audit domestic and foreign agencies to confirm that employees do not have any human rights risks in the recruitment process.

The Company has established a "Grievance and Reporting Regulations" and has set up various ways to report complaints, which are posted on the Company's internal and official websites. Any human rights-related issues can be named or anonymously reported.



## Business Ethics Risk

Formulating a Business Ethics Risk Management Procedure, the functional departments conduct potential risks in business ethics identification annually. We establish and conduct control measures based on items identified as high risk are included in Key Performance Indicators (KPI) setting annual goals. ESG Sustainability Operation Committee regularly reviews performance. In 2021, existing control measures can properly control risks, so there have been no violations of business ethics.

On the other hand, all the indirect employees are required to make a "Conflict of Interest Declaration" every year, and the subjects of the declaration include employees and family members within the second degree of kinship. The declarations of interest in 2021 are fully completed, and for those family members whose business are declared to be related to the Company's operations, they are all subject to recusal and appropriate prevention management measures.



## Safety Risk

Environmental Measurement/Hazard Identification and Risk Assessment Procedure was in place to identify the existing characteristics and risk level of causes that may possibly result in staff injuries, illnesses, loss of property, damages to the work environment, or the combination of any of the aforesaid latent risks, for the reference of continuous improvement decision for the safety and health policy, goals and management plan.

Emergency Response Plans will be composed according to Emergency Response Control Procedure, which provides response measures for typhoons, earthquakes, and other natural disasters. Each site area has its own emergency response team in place and holds regular emergency response drills and fire evacuation drills to develop employees' responsiveness to emergencies and raise their safety awareness which ultimately reduces the risk of accidents during disasters.

Through ISO 45001 certification, headquarters and all of its subsidiaries manage the safety-related risks effectively with an international management system.





### Information Security Risk

Security management systems are established through international standard management systems to assess security risks. Through the implementation of risk assessment, corresponding systems are developed to reduce safety risks in the Company. Sensitive data protection is performed from various management system aspects, including information management, information level classification, authorization management, and control measures for monitoring the use of sensitive data, as well as from physical and personnel security aspects, including confidentiality agreements, employee exit process, authorization control of restricted areas, and information technology (including network architecture and information security) and product data protection. Regular security management meetings, continuous monitoring of security management, security incident notification and emergency response mechanism, annual education training and dissemination (including security awareness and security policy dissemination), internal and external audits and reviews, and vulnerability scanning and penetration testing are used to maintain and continuously improve the effectiveness of the security of sensitive information protection and IT information system architecture.

In 2021, there were no major information security incidents at Ardentec's headquarters or its subsidiaries that resulted in the leakage of the Company's or customers' data, nor were there any major information security incidents such as large-scale infections of malware that affected production equipment and capacity.



### Climate Change Risk

Procedures for identifying, assessing and managing climate change risks and opportunities are established in accordance with the framework of Recommendations to the Task Force on Climate-related Financial Disclosures (TCFD). In principle, risk/opportunity identification is conducted every three years, and the results are analyzed financially for management and decision-making purposes.



# Environmental Sustainability

Environmental Sustainability Policy  
Climate Change Management  
Green Management System  
Energy and GHG Management  
Disclosure of Environmental Information  
Water Resource Management  
Waste Management

Reduced CO<sub>2</sub> in 2021

**3,017** Metric  
Tons

Energy Conserved in 2021

**6.1** GWh



# Environmental Sustainability Policy



Devote to environmental protection in compliance with international environmental regulations and standards. Support procurement and design improving the energy performance. Promote energy saving, greenhouse gas emissions reduction, and resources recycling. Regularly review the corporation objectives to promote environment sustainability.

Ardentec is committed to energy saving, carbon reduction, maintenance of ecological environment, implementation of "environmental sustainable development" policies and practice the concept of environmental sustainable development.

Regarding the purchase of each site or lease assessment, selection and business activity planning, the first consideration is to be away from the habitat and conservation areas with rich biodiversity. In addition, another important selection factor is to be as close as possible to the clients to achieve low-carbon and energy saving transportation. We do our best to minimize the transportation mileage and energy consumption of daily operation in order to reduce the impact on the environment. All dormitories are located within the walking distance of the site to reduce the carbon emission generated by vehicles.



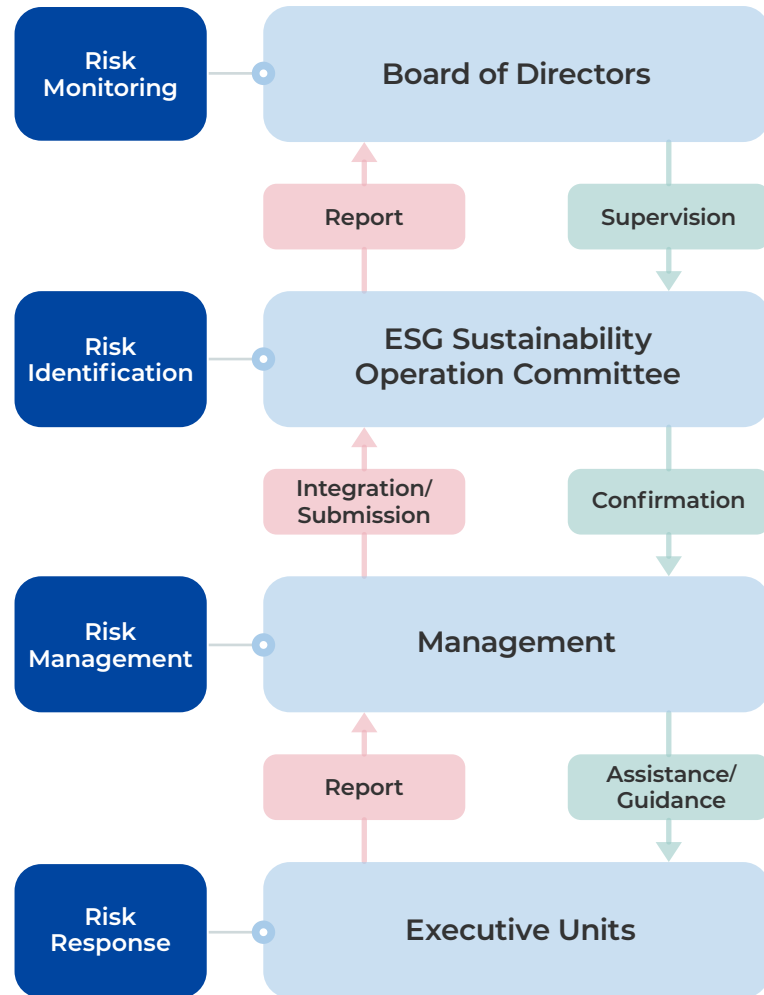
# Climate Change Management

The impact of global climate change and extreme weather is increasing. In order to actively tackle the risks and opportunities brought by climate change, Ardentec combines its existing governance structure and follows the Recommendation to the Task Force on

Climate-related Financial Disclosures (TCFD) framework to identify the company's climate change risks and opportunities, and then effectively respond to and manage them, as well as to disclose the relevant management actions based on the four core elements of TCFD.



## Climate Governance Framework



## Procedures of Framework of Recommendation to the Task Force on Climate-related Financial Disclosures



## Risk and Opportunity

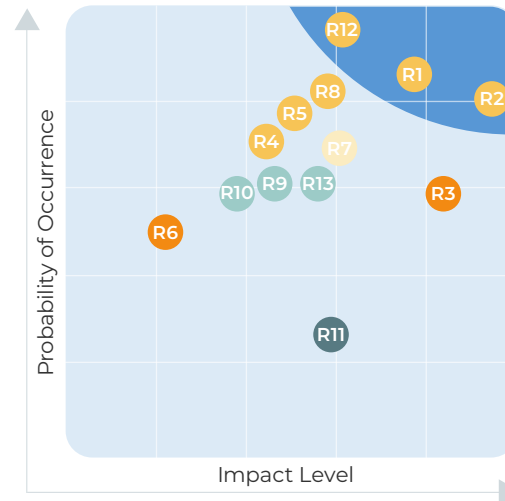
No.	Item	Risk Topics	Time
1	R2	Investors' favor may lost because of the failure to take positive and sustainable actions.	medium
2	R1	Customers' favor may lost because of the failure to take positive and sustainable actions.	medium
3	R12	Rising temperatures may increase the power consumption of the facility's cooling equipment, which in turn increases operating costs.	medium
4	R3	In response to requirements of regulations, customers and international initiatives, operating costs may increase due to increased use of renewable energy.	long
5	R8	In response to the booming trend of smart process, the introduction of emerging technologies may increase operating costs.	medium
6	R7	In response to the trend of low-carbon development, the energy efficiency standards of various assets may be upgraded, which further increases the operating costs.	short
7	R5	Influenced by changes in power structure and policies, electricity rates may increase, which in turn raises operating costs.	medium
8	R4	Influenced by global warming, the domestic demand for electricity may increases rapidly, resulting in unannounced power outages, which further increases operating costs.	medium
9	R13	Operating pressure and impact may be caused by the shortage of water resources.	medium
10	R9	Increased frequency and severity of heavy rainfall and flooding may result in equipment inoperability and service interruptions.	medium
11	R10	Customers are affected by climate change, which may delay the delivery of goods to Ardentec and affect its operations.	medium
12	R11	Inundation of low-lying coastal areas due to global sea level rise may result in asset damage.	long
13	R6	Owing to the tightening of the policy, Ardentec has to pay carbon price, which may further increase the operating cost.	long

■ top 3 risks    ■ other risks

### Climate Change Risk Metrics

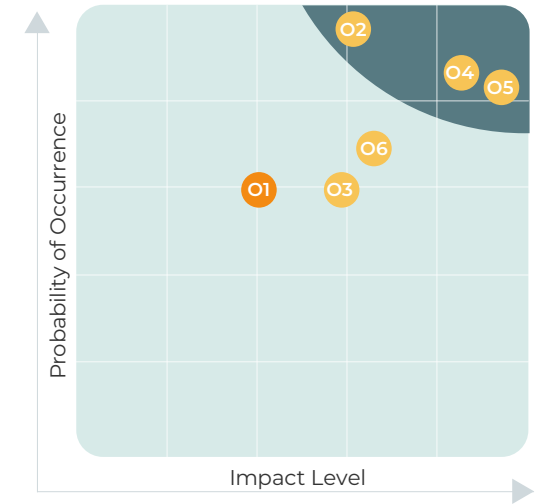
Transition Risks  
 ■ short-term  
 ■ medium-term  
 ■ long-term

Physical Risks  
 ■ short-term  
 ■ medium-term  
 ■ long-term



### Climate Change Opportunity Metrics

Opportunity  
 ■ short-term  
 ■ medium-term  
 ■ long-term






No.	Item	Opportunity Topics	Time
1	O5	Investors' recognition may be gained because of adopting active sustainable actions.	medium
2	O4	Customers' recognition may be gained because of adopting active sustainable actions.	medium
3	O2	Introduction of smart manufacturing processes, improvement of efficiency in production and distribution, and reduction of environmental impact may further reduce operating costs.	medium
4	O6	When the frequency and severity of extreme weather (e.g., floods or droughts) increase, establishing an effective contingency plan to return to normal operating standards faster than the industry may gain the favor of customers and increase orders.	medium
5	O3	Rising demand in the green consumer market and continued provision of low-carbon services may lead to higher market share.	medium
6	O1	Reducing the risk of greenhouse gas emissions may improve resilience to changes in carbon prices.	long

■ top 3 opportunities    ■ other opportunities






## Financial Impact Analysis of Major Climate Change Risks and Opportunities

### Climate Risks

Climate Risks	Description of the Impact on the Company	Potential Financial Impact	Management Action
 <b>Investors' favor may be lost because of the failure to take positive and sustainable actions.</b>	Investors are gradually using ESG scores as a reference for investment decisions. If Ardentec does not actively set ESG goals and make improvements, it may lose investors' attention.	Market value decline	Ardentec has listed the protection of shareholders' rights and interests as one of the six governance principles, and the Board of Directors reviews the implementation of corporate sustainable development and makes recommendations for improvement every year. Moreover, the Company was ranked in the top 5% of the OTC Corporate Governance Rating for the fifth consecutive year.
 <b>Customers' favor may be lost because of the failure to take positive and sustainable actions.</b>	Many companies are already requiring their supply chains to reduce carbon emissions; failure to do so could result in loss of customers and difficulty in market access, which could reduce revenue.	Revenue decline	We set up dedicated customer projects for each customer, set up service systems and communication channels to understand customers' long-term expectations, and actively respond to customers' ESG performance requirements through transparent disclosure of information and promotion of various energy saving and carbon reduction measures.
 <b>Rising temperatures may increase the power consumption of the plant's cooling equipment.</b>	Under the IPCC RCP 8.5 scenario, the average temperature across Taiwan is expected to rise continuously in the future, which will increase the use of energy for cooling and air conditioning equipment.	Increase in electricity consumption	Ardentec's headquarters and Singapore subsidiary introduced the ISO 50001 energy management system, which is verified by a third party. Besides, a cross-site energy saving team was established to continuously improve the performance of energy use. 37 energy saving projects were implemented in 2021, and the total energy saving was 6,109,380 kWh.

### Climate Opportunities

Climate Opportunities	Description of the Impact on the Company	Potential Financial Impact	Management Action
 <b>Investors' recognition may be gained because of adopting active sustainable actions.</b>	Major global investors are prioritizing companies that have committed to net-zero emissions and clean energy transition for agreement, and if Ardentec continues to refine its sustainability measures, it may gain further attention from investors.	Market value increase	We introduced the ISO 22301 Business Continuity Management System (BCMS), which was verified by a third party. We analyze the losses and potential risks caused by climate change from the aspects of regulations, production activities and goodwill, and develop strategies and action plans to deal with them.
 <b>Customers' recognition may be gained because of adopting active sustainable actions.</b>	Many companies have asked their supply chains to reduce carbon emissions, and if Ardentec responds positively to the expectations, more business opportunities may be available.	Revenue increase	To address the rising demand for ESG from customers, Ardentec responds to the SDGs and customer expectations by introducing various international standards, energy saving measures, water management, and pollution prevention.
 <b>Introduction of smart manufacturing processes, improvement of efficiency in production and distribution may reduce the environmental impact.</b>	With Industry 4.0 becoming an important issue that attracts global attention, smart manufacturing has become the goal of industrial transition. Through the introduction of smart manufacturing, production efficiency may be greatly enhanced.	Operating cost reduction	Ardentec continues to promote information systems, logistics management, and automated production technologies to effectively improve production efficiency and monitor production processes and quality at a rapid pace.

# Green Management System

Ardentec follows the government's relevant environmental protection regulations in establishment of an integrated management system. Based on the PDCA method, management system relating to environment is incorporated into current organization to improve environment and energy performance. We introduce environmental protection personnel, formulating, promoting, and maintaining environmental management systems and action plans. Ardentec reviews the overall operational processes to perform greenhouse gas inventory and reduction, water resources inventory management and waste reduction/recycling and other improvement measures, to reduce and manage greenhouse gas emission from the source. In addition, Ardentec is committed to energy saving projects, minimizing environmental consumption, optimizing cost management, and reducing the impact of global warming to enhance our competitiveness and achieve environmental sustainability goals.

## Management of Hazardous Substances

Ardentec has formulated a Hazardous Substance Free (HSF) Policy, regularly implementing internal audits to manage and review the Company's Hazardous Substance Free Goal every six months. The 4 sites at headquarters have passed the certification IECQ QC 080000 Hazardous Substance Process Management System. All of operational activities conform to international regulations such as the EU's Restriction of Hazardous Substances Directive (RoHS) and the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulations. Ardentec's services adhere to international laws and regulations and comply with customers' requirements for green products and management of hazardous substances. The Company does not have its own products, the testing services provided to customers do not require the use of any materials either. The testing services provided to customers' products in 2021 did not use any substances containing regulated substances (IEC 62474).

In 2021, the headquarters and all subsidiaries did not have any cost incurred for environmental damage such as major fines or lawsuits that exceeded NTD 1 million.

## Environmental Management System (ISO 14001)

Headquarters and all subsidiaries are ISO 14001:2015 Environmental Management System certified.



Headquarters



Singapore Subsidiary



Korea Subsidiary



Nanjing Subsidiary



GIGA Solution

## Energy Management System (ISO 50001)

Ardentec headquarters and Singapore subsidiary have obtained ISO 50001:2018 energy management system certification to ensure effective management of energy consumption. PDCA techniques were employed to incorporate energy management into the existing organization and improve energy performance.



Headquarters



Singapore Subsidiary

## Carbon Footprint Verification (CFV)(ISO 14067)

To promote Green Service and Green Manufacturing, testing service carbon footprint verification was conducted, and verified by 3rd party according to ISO 14067 standard to ensure its credibility. The verification included Wafer Probing Services in Tingshin, Kaiyuan and Paoching sites, as well as Final Testing Service in Gaosheng site.



Tingshin Site



Kaiyuan Site



Gaosheng Site



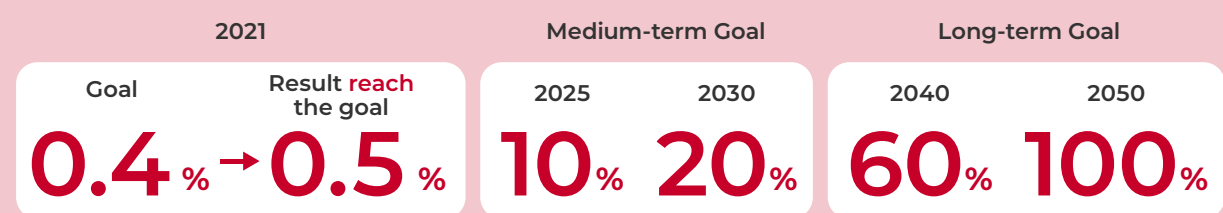
Paoching Site

# Energy and GHG Management

## Power Saving Rate KPI



## Renewable Energy Account for Total Power Consumption KPI



Note: Only count headquarters' renewable energy goal

Semiconductor testing is positively correlated to the consumption of energy and water resources, waste generation and the amount of test equipment used. Ardentec establishes specific energy-saving and waste-saving projects and goals and includes them in long-term improvement strategies. In that way it can achieve reduction and encourage external suppliers and contractors to achieve the goal of greenhouse gas reduction in the industry chain. In order to continuously improve the performance of environmental management, Ardentec

corporate had implemented measures such as upgrade facilities, optimize operation, and set energy-saving controls in 2021. Ardentec has set an energy management target of reducing average energy consumption by no less than 1% between 2015~2024.

Climate change and greenhouse gas reduction continue to receive high attention from the international community, and the use of low-carbon energy has become an indispensable part of the industry. At this time, Ardentec

has gradually incorporated the installation and procurement of renewable energy into its objectives. In early 2021, the headquarters planned to set up solar power generation facilities, which were completed in February 2022 and started to generate electricity. Consequently, 499 kW of installed capacity was provided. The headquarters started using renewable energy in October 2021, with a usage of 648 thousand kWh, which is 0.5% of the total electricity consumption in 2021.

## 2021 Energy Consumption Distribution

		Headquarters	Subsidiary				Total
			Singapore	Korea	Nanjing	GIGA Solution	
Electrical grid	GJ	482,798	45,224	14,463	27,032	161,737	731,254
	%	99.5	100.0	100.0	100.0	100.0	99.7
Renewable energy	GJ	2,334	0	0	0	0	2,334
	%	0.5	0.0	0.0	0.0	0.0	0.3
Total energy consumption	GJ	485,132	45,224	14,463	27,032	161,737	733,588

Note: GJ conversion coefficient is 0.0036 J/kWh

## Effectiveness of Energy Management in 2021

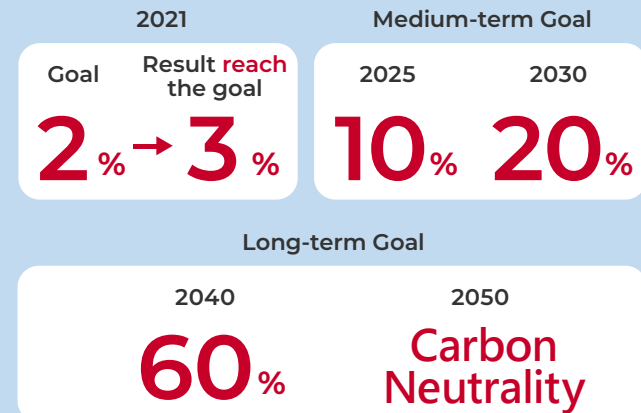
		Headquarters	Subsidiary				Total
			Singapore	Korea	Nanjing	GIGA Solution	
Power consumption	kWh	134,110,473	12,562,092	4,017,600	7,508,760	44,926,896	203,125,821
Power saving	kWh	2,820,666	1,117,577	687,740	235,926	1,247,471	6,109,380
Power saving rate	%	2.07	8.17	14.62	3.05	2.70	2.93

Note: Power saving rate = power saving/(power used+ power saving) %



## GHG Management

### GHG Emissions Reduction KPI (2020 as base year)



Note: Headquarters GHG emissions reduction goals as above

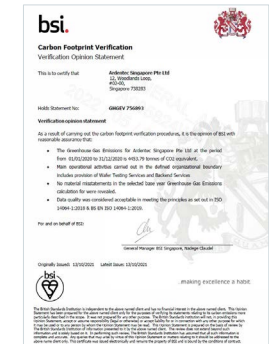
## GHG Inventory

Climate warming actions have become an important concern for the world. Ardentec conducts GHG inventories of all the Group's operational sites and fabs in accordance with inventory guidance, such as ISO 14064-1:2018 and GHG inventory protocols. The data-based indicators from the inventory results are used to understand the impact and influence of operational activities on the environment in order to plan GHG reduction strategies. According to the results of the inventory, the main source of emissions is indirect carbon emissions of purchased electricity derivative scope 2 for 24-hour test machine operation. Direct emission scope 1 is related to HFCs from leaked refrigerant of air conditioning system and a small amount of PFCs gas (CF<sub>4</sub>) used in the test machine, and CO<sub>2</sub> and CH<sub>4</sub> and N<sub>2</sub>O emissions caused by the use of gas and diesel vehicles.

### 2021 ISO 14064-1 GHG Emissions Opinion Statement



Headquarters



Singapore Subsidiary

### 2021 GHG Emissions

Type	Headquarters	Subsidiary				Total
		Singapore	Korea	Nanjing	GIGA Solution	
1	1,162	8	13	66	276	1,525
2	66,998	5,125	1,836	5,948	22,553	102,460
3	627	44	81	74	478	1,304
4	17,736	746	67	818	4,147	23,514
5	NS	NS	NS	NS	NS	NS
6	NS	NS	NS	NS	NS	NS
Total	86,523	5,923	1,997	6,906	27,454	128,803
Emissions intensity (metric tons CO <sub>2</sub> /NTD million revenues)	11.3	6.4	31.1	29.2	8.6	10.7

Note: Direct emissions in headquarters and Singapore subsidiary are all verified by BSI. (unit: metric tons CO<sub>2</sub>e)  
NS: Not significant.

### 2021 GHG Scope 1 Emissions

Scope 1	Headquarters	Subsidiary				Total
		Singapore	Korea	Nanjing	GIGA Solution	
CO <sub>2</sub>	160	1	0	26	15	202
CH <sub>4</sub>	74	7	0	0.04	46	127
N <sub>2</sub> O	4	0.002	0.000	0.100	0.200	4.3
PFC <sub>s</sub>	0.3	0.0	0.0	0.0	0.0	0.3
HFC <sub>s</sub>	924	0.004	13	40	215	1,192
SF <sub>6</sub>	0	0	0	0	0	0
NF <sub>3</sub>	0	0	0	0	0	0
Total	1,162	8	13	66	276	1,525

\*Electricity carbon emission coefficient: HQ and GIGA solution: 0.502 kgCO<sub>2</sub>e/kWh; (unit: metric tons CO<sub>2</sub>e)  
Singapore: 0.408 kgCO<sub>2</sub>e/kWh; Korea: 0.4567 kgCO<sub>2</sub>e/kWh; Nanjing: 0.7921 kgCO<sub>2</sub>e/kWh.

\*Scope 1 emissions calculate method according to GHG protocol (2004).

\*GWP value adopted the coefficient of IPCC announced 6th evaluation report in 2021.

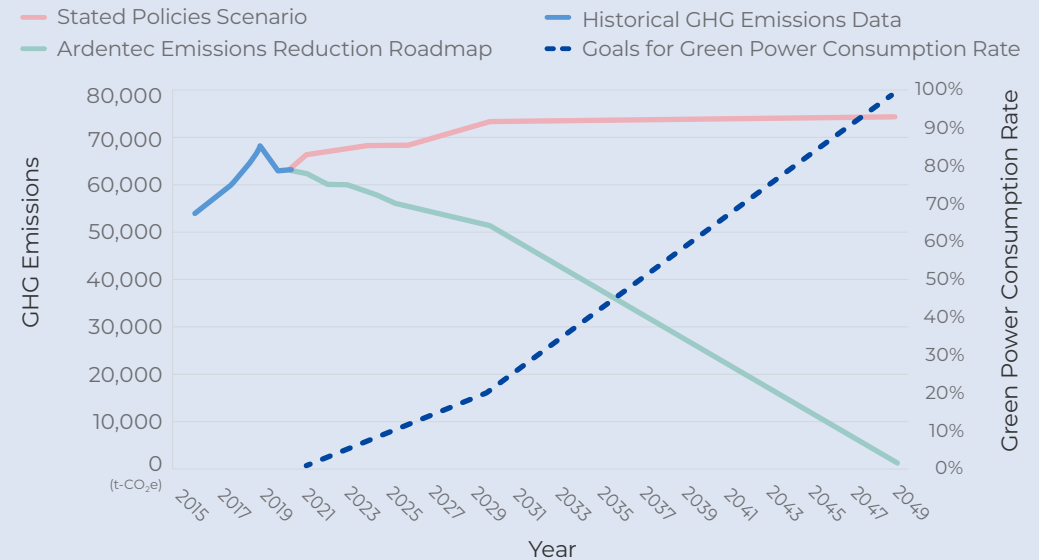
\*Scope 2 data disclosed for headquarters is market-based.

## Greenhouse Gases (GHGs) Reduction

Ardentec's greenhouse scope 1 is mostly CO<sub>2</sub> emissions from fixed sources with a very small amount of PFCs that are mixtures for refrigerant filling, accounting for about 2% of the total emissions from scope 1 and scope 2. In 2021, the headquarters reduced 325 metric tons of CO<sub>2</sub>-equivalent and purchased 7,000 tons of carbon rights from the use of renewable electricity in 2021, resulting in a 3% reduction in scope 1 and scope 2 emissions compared to 2020. The target of Ardentec headquarters for total GHG scope 1 and scope 2 reductions is 2025: 10%; 2030: 20%; 2040: 60%; and 2050: to achieve carbon neutrality.

The reduction method is mainly based on the use of renewable energy for electricity to reduce the emission of scope 2. If the renewable energy power cannot be obtained smoothly due to market factors in the future, the renewable energy certificate will be purchased instead.

## Renewable Energy Consumption Simulation Roadmap for Carbon Reduction



## 2020 Energy Conservation Projects

In response to the impact of climate change, Ardentec is committed to energy conservation. In 2021, the execution of 37 energy conservation projects such as CDA heat recovery, vacuum pumps and chillers replacement, etc. Reduced power consumption by 6,109,380 kWh; 21,994 GJ, and GHG emissions by 3,017 metric tons CO<sub>2</sub>e.



2021 Voluntary Cancellation Certificate

## 2021 Energy Conservation Projects and Outcomes

Measures	Facilities Upgrade	Operation Optimization	Energy-saving Controls Setting	Total
Effectiveness				
Energy-savings (GJ)	8,045	6,382	7,567	21,994
CO <sub>2</sub> Emissions reduction (metric tons)	1,082	932	1,003	3,017

	Headquarters	Subsidiary				Total
		Singapore	Korea	Nanjing	CIGA Solution	
Electricity savings (GJ)	10,154	4,023	2,476	850	4,491	21,994
CO <sub>2</sub> e Emissions reduction (metric tons)	1,425	458	320	187	627	3,017

CO<sub>2</sub> emission reduction is calculated by multiplying the saved kWh by the electricity emission coefficient of each subsidiary's location.

## Administrative Management Measures for Energy-saving

### Reduction of Lighting and Air-conditioning

Partitioning and time interval control and management of air conditioning and lighting, encouraging employees to turn off the area lighting and air conditioning when leaving the office in accordance with the control chart to conserve energy. Corridors with natural lighting have been equipped with light sensors to turn off automatically when light in the area is sufficient. Corridors people seldom visit have built-in infrared sensors to turn on lighting only when people pass through the area. In Singapore subsidiary, lights in the office area and corridors are switched off during 12 noon to 1 pm on working day to reduce energy consumption.

### Saving Energy on Management Information System

Energy-saving measures are taken for all information management devices. When computers are not in use, screens are shut down, dimmed and set to go into sleep mode under pre-configured circumstances to reduce energy consumption and CO2 emission.

### Mitigating Global Warming

#### Meat-free Monday for loving the Earth

In 2003, a group of U.S. scholars started to promote Meatless Mondays by referring to relevant studies conducted by the Bloomberg School of Public Health at Johns Hopkins, Syracuse University and Columbia University. In 2021, the headquarters' "Meatless Monday" policy entered its 14th year. By having a meatless diet one day a week, the ozone layer damage caused by methane emissions from livestock farming will be reduced. All the employees work together to love the earth from their plates. By reducing the consumption of livestock products by 10% from our daily diet, we can reduce the damage of global warming caused by livestock farming.





# Disclosure of Environmental Information

The main environmental resource consumed during Ardentec's business operation is the electricity for the testing machines that run 24 hours a day. This is followed by

the water, electricity, oil, and refrigerant consumed, and the small amount of waste produced, during site operations, cooling, transportation and personnel activities.

Use	Energy			
	2019	2020	2021	
	Diesel (GJ) <sup>(1)</sup>	289	84	227
	Electrical grid (GJ)	579,330	632,664	731,254
	Renewable energy for electricity (GJ) <sup>(2)</sup>	0	0	2,334
	Electricity intensity (GJ/revenue million)	71.56	64.79	60.73
Water (m <sup>3</sup> )				
2019				2020
2021				
Water use				293,055
Water use intensity (m <sup>3</sup> /revenue million)				36.40
2020				30.33
2021				26.61
Packing Materials (Kg)				
2019				2020
2021				
Carton (recyclable)				177,771
Cushioning material (recyclable)				253,548
Foil bags* (non-recyclable)				302,180
2019				34,877
2020				503,875
2021				843,069
Recycle and reuse %				278,175
2019				474,418
2020				682,231
2021				62.7

(1)(2): Heating value refer to Energy Statistics Manual of 2018, ROC

\*Testing industry does not need to use materials, above calculation is for packaging material

Operating



Activities

Emission/ Discharge	GHG Inventory (metric tons CO <sub>2</sub> e)			
	2019	2020	2021	
	Direct emission (scope 1)	1,606	1,917	1,525
	Indirect emission (scope 2)	85,693	90,555	102,460
	Indirect emission (scope 3-6)	19,358	18,475	24,818
	Scope 1+2 discharge intensity (metric tons/revenue million)	10.84	9.48	8.60
Waste Water (m <sup>3</sup> )				
2019				2020
2021				
Waste water				180,610
Waste water discharge intensity (m <sup>3</sup> /revenue million)				22.44
2020				14.64
2021				9.77
Waste (metric tons)				
2019				2020
2021				
General industrial waste				385
Hazardous industrial waste				466
Waste discharge intensity (metric tons/revenue million)				7
2019				4
2020				0.05
2021				0.05

# Water Resource Management

## Use of Water Resources and Risk Management

The bulk of Ardentec's water usage was for air conditioner cooling in 24-hour testing fabs. Other water usages include general and fire safety purposes. In 2021, Ardentec used 321,404 metric tons of water and discharged 118,008 metric tons of water in total.

Ardentec uses the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI) to identify water stress levels in the areas where headquarters and all subsidiaries are located. Through the data of source of water and the total water withdrawal, to understand our overall water consumption and potential risks and impacts, so as to strengthen our water conservation efforts. Ardentec's operating sites in Taiwan, Singapore, and Korea are all located in areas of low or moderate water scarcity, and Ardentec's operating sites in China are all located in areas of moderate to high water scarcity.

## Water Resources Consumption 2021

	Headquarters	Subsidiary				Total
		Singapore	Korea	Nanjing	GIGA Solution	
Water sources	tap water	tap water	tap water	tap water	tap water	
Water resource pressure of sites	low-moderate	low	low-moderate	moderate-high	low-moderate	
Water withdrawal	258,297	20,005	6,541	14,529	22,032	321,404
Water discharge	81,537	550	5,233	13,063	17,626	118,008
Water consumption	176,760	19,455	1,308	1,466	4,406	203,396

\* Korea Subsidiary does not install drainage meter; GIGA Solution rents several factory buildings, and each landlord has different ways to allocate water withdrawal and water discharge volume: water discharge volume of Korea subsidiary and GIGA solution is calculated according to 20% water withdrawal effusion.

(unit: m<sup>3</sup>)

## Water Sources

Water sources are all approved by the government for business purposes, to there is no risk of impact on the environment or species.

Headquarters	Subsidiary			
	Singapore	Korea	Nanjing	GIGA Solution
Tou Cian Stream and Shimen Reservoir	Source of industrial water is reclaimed water treated by government approved procedures; source of domestic water is rainwater and desalinated sea water	Paldang Dam	Yangtze River	Baoshan No. 2 Reservoir Hsinchu County

## Water Conservation Results

Even though Ardentec is not water intensive company and have relatively low water consumption, Ardentec commits to "reduce, recycle and reuse" water resources while continuously introducing new water-saving facilities and management practices. The air conditioning condensation water and the RO discharge from the manufacturing process have been reused as cooling water for the air conditioning, which maximizes the recycling and reuse rate of water resources, thereby reducing the depletion of water resources and enhancing water conservation performance. In 2021, a total of 19,034 metric tons of water were recycled from the Headquarters and Nanjing subsidiary, accounted for 5.9% of the water consumed. The cost saved from water conservation will be transferred to environmental education related to water resources, to promote positive feedback loops in the green management system.

# Waste Management

## 2021 KPI (waste reuse rate)

Goal Result **reach the goal**  
**32% → 40%**

Ardentec headquarters and all subsidiaries have closely controlled waste treatment, ensuring that there is no environmental pollution, outflow to habitats, or impact to ecology or diversity of any species.

Ardentec's operation waste can be divided into general industrial waste and hazardous industrial waste. The waste has been centralized, stored, and managed to effectively control the output of waste sources. The waste has been classified as appropriate, and the waste that cannot be recycled is entrusted to be treated by professional, qualified waste organizations according to the best treatment technology corresponding to the waste characteristics.

The Company conducts non-periodical follow up to ensure that the waste is properly disposed of, and the hazardous industrial waste is not transported to be treated abroad.

In 2021, Ardentec removed a total of 598 metric tons of general industrial waste; about 3 metric tons of hazardous industrial waste from headquarters, Korea and GIGA Solution subsidiaries. Singapore and Nanjing subsidiaries do not produce hazardous industrial waste, hazardous industrial waste reuse is 99% of the total. Headquarters set a waste recycling target of over 32% for 2021 and 40% was achieved in practice.

## Waste Items and Treatment

Category	Treat Type	Headquarters	Subsidiary			
			Singapore	Korea	Nanjing	GIGA Solution
General industrial waste	reusable <sup>(1)</sup>	29.00	0.00	0.00	0.00	0.00
	recyclable <sup>(2)</sup>	84.00	4.00	2.50	14.00	185.00
	incineration	172.00	5.00	3.00	16.00	83.00
Hazardous industrial waste	reusable <sup>(3)</sup>	2.50	0.00	0.00	0.00	0.40
	incineration	0.00	0.00	0.01	0.00	0.00

(1) Reusable general industrial waste includes mixture of waste wood, sludge.

(2) Recyclable general industrial includes recyclable plastic, waste paper, mixture of iron, computers, etc.

(3) Reusable hazardous industrial waste includes empty barrels, waste electronic components, offal products, defective product, etc.

(unit: metric tons)



## Waste Reduction Initiatives

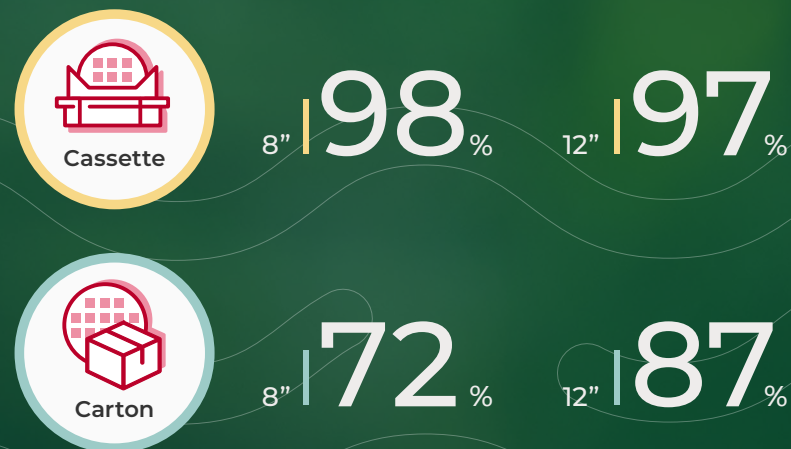
### Reuse and Reduction of Packaging Materials

Ardentec rigorously encourages upstream and downstream vendors to reduce waste by enhancing the recycling and reuse rates of their various packaging materials. Except for specific products of the customers that are not suitable for packaging material reuse, Ardentec cooperates with customers to reuse packaging materials of shipments to Ardentec for Ardentec's future shipments back to the customers. For example, the special wafer cassettes are professionally cleaned and re-used for shipments, and the cartons are reused.

### Refuse to Use of Disposable Utensils

Most of the disposable dining utensils are made from fossil materials that produce high amounts of carbon when incinerated. 75% of disposable chopsticks contain bleach, sulfur dioxide, hydrogen peroxide and a number of chemical substances that are harmful to our health. As Ardentec believes in the idea that "health comes to those who are friendly to the environment". It had saved nearly 149,739-piece worth of disposable dining utensils in headquarters in 2021, and reduce the amount of carbon they emit and the level of pollution they could have done to the environment.

### Reuse Resources



## Waste or Polluted Water Management

The polluted water is mainly discharged from the wastewater of the cooling water tank operated for the fab's air-conditioning and general domestic water. The Ardentec headquarters has monitoring facilities in place to manage and control the polluted water to be in compliance with the discharge standards of waste (sewage) water in the sewers of Hsinchu Industrial Park before discharging, ensuring that wastewater reaches the PH, COD and SS discharge standards of waste (sewage) water in the sewers of Hsinchu Industrial Park. This ensures that subsequent treatment of water quality reaches the standards for discharge into streams. As a result, the water discharge of Ardentec headquarters does not influence or impact the biodiversity or habitat in regions near the Xinfeng River and on areas of high biodiversity outside of protected areas.

GIGA Solution subsidiary is located in the Hsinchu Science Park, and the polluted water is treated according to the system of the Science Park Bureau and discharged to Keya River. Wastewater (sewage) from the Korean and Nanjing subsidiaries are processed by the sewage treatment plant of their industrial park. Once the wastewater meets discharge water quality standards they are discharged into the Hwangguji River and Gaowon River; industrial wastewater at the Singapore subsidiary is discharged to the government's NEWater Plant, and domestic wastewater is discharged to the sea after being treated.

Both headquarters and subsidiaries have contingency measures in place for rainwater discharge. Headquarter placed valves at drainage gutters to strengthen the anti-blocking mechanism, and reducing the risk of pollution discharge from the drain.

### 2021 Discharged Water Quality (Kaiyuan Site)

Item	Water Temperature (°C)		pH Value		Chemical Oxygen Demand (COD)(mg/L)		Suspended Solids (SS)(mg/L)	
	legal limit	actual reading	legal limit	actual reading	legal limit	actual reading	legal limit	actual reading
1 <sup>st</sup> half	under 45	22.5	5~9	7.5	480	54.4	400	17.8
2 <sup>nd</sup> half		30.8		7.7		30.4		5.6

Note: Only WLCSP in Kaiyuan site produces wastewater.

# Employees as Partners

Labor Dispute

0 Case

Employee Partnership Policy  
Right People for Right Job  
Workforce Structure  
Compensation and Benefits  
Career Growth  
Labor-Management Harmony



# Employee Partnership Policy

By viewing employees as partners of the Company, Ardentec has developed an employee partnership policy that is centered on 3 core values: Right People for the Right Job, Reasonable Compensation and Benefits, and Career Development. Through empathy and trust, we strive to grow with our partners. Through establishing Work-Life harmony policies, we hope that employee not only happy at work, but also able to enjoy their time with their families. We promote Ardentec Corporate Citizenship as one of the core of the Company's competitiveness in the global semiconductors industry, corporate and its citizens working side by side to cultivate a win-win and brighter future for all.

## Human Rights Management



### Commitment

The following international standards shall be followed

- Code of Conduct of Responsible Business Alliance
- United Nations Guiding Principles on Business and Human Rights



### Regulation

Establishment of "Human Right Protection Specification"



### Prevention

Annual risk assessment



### Result

No human rights violations occurred

## Enhancement of Human Rights Awareness

In order to well manage human rights, we have established measures to protect our employees and designed education on human rights, ethics and corporate social responsibility to raise employees' awareness of human rights. In 2021, the training rate of human rights in Ardentec reached 100%. Up to 2021, 20,921 hours of training related to "Human Rights and Ethics" and "Corporate Social Responsibility" were accumulated.

Security guards responsible for front-line security control are all trained in human rights-related policies and human rights considerations. In 2021, a total of two training sessions were conducted with a 100% completion rate to ensure that security guards are performing their duties with respect for human rights.

## Respect for Career Plans

All employment contracts are mutually agreed between the employer and the employee. As required by law, any changes to the terms of employment requires consent from employee. Employees who wish for a change of role or to take on different career plans may do so by raising a transfer request, subject to department head's approval. Employees who wish to resign may do so freely by serving a required period of notice.

All the suppliers are prohibited from treating workers unfairly or forcing them to work in any form; all jobs shall be done of free will so as to fulfill Ardentec's human rights protection policy.

## Anti-discrimination

The Company is committed to providing a workplace free from harassment and unlawful discrimination. In the recruitment and hiring process (e.g., compensation, promotion, incentives, training opportunities, etc.), there is no discrimination or harassment of employees due to race, skin color, age, gender, sexual orientation, gender identity and gender expression, race or ethnicity, disability, pregnancy, religion, political leanings, membership in certain organization, military service status, confidential genetic information, or marital status. No incidents of discrimination occurred in 2021.

## Respect for Freedom

Ardentec respects employee's rights to set up associations or participate in any legitimate organizations or union, and encourages the employees to exercise their civil rights. We also respect individual's political orientation and reached mutual understanding with our suppliers on the topic. Neither Ardentec nor its suppliers violated any freedom of association in the reporting year.



# Right People for Right Job

According to the management strategy, Ardentec recruits outstanding talents through various ways, including human resource bank, campus recruitment, and on-site recruitment events. The recruitment process is based on strict standards and systematic evaluation procedures. Through an open selection system, we select professionals with suitable expertise and like-mindedness to join Ardentec. Recruiting employees based on the principle of equal opportunity, we employ the right person for the right job in according to their qualifications. With locals being the core of our workforce, we also employ foreign employees with the approval of employment authorities to meet our operational demands through pre-screened recruitment agencies, with the growth, we are then able to create more jobs.

## Talent Retention and Attraction

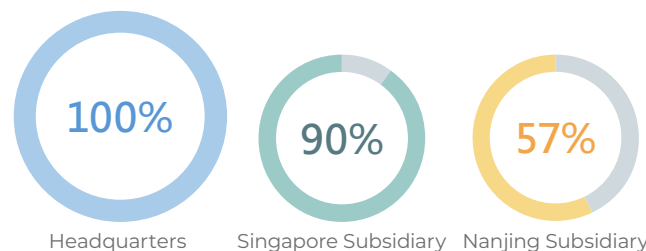
Ardentec provides a complete training system for new employees to participate in new employee orientation right after their arrival. Through understanding Ardentec's culture and philosophy, they can quickly adapt to the Company's environment, thereby reducing the turnover rate of new employees. In 2021, we introduced a reward program for recommendations and re-employment to stabilize our workforce and increase the employee retention rate; in addition, through the "Return of the Phoenix" program, we actively show our care for our former employees' current status and invite them back to work with us. Through cooperation with employment service stations and related government agencies, we support and participate in the government's stable employment program, and encourage unemployed people, regardless of gender and age, to participate in selection interviews via referrals from employment service stations.

## Core Principles of Recruitment

Ardentec prohibits the employment of child laborers under the age of 16 at all of its operating sites and its suppliers. During the hiring process, age verification is strictly enforced in order to ensure that each of the operating sites is in compliance with its applicable local labor laws and regulations. In terms of employment, Ardentec's headquarters and subsidiaries give priority to local residents and treat each employee fairly and equally, and the employment, compensation, promotion, and other qualifications or opportunities are not affected by differences in race, religion, nationality, or gender. All the suppliers are prohibited from treating workers unfairly or forcing them to work in any form; all jobs shall be done of free will so as to fulfill Ardentec's human rights protection policy. There were 953 new hires in 2021, and no violations of human rights or incidents of discrimination observed in the hiring process.

The management of Ardentec headquarters, its Korean subsidiary, and GIGA Solution Tech. Co., Ltd. Are local talents; except the General Manager assigned by the headquarters, 90% of the Singapore subsidiary management team members are locals. The construction of Nanjing subsidiary completed in early 2018. In order to constantly train the local recruited employees and foster the operation of Nanjing subsidiary, four managers (43%) were assigned from headquarters in 2021 to build and ramp up the Ardentec operation system.

### Percentage of Local Management Hiring



## Overseas Recruitment

Ardentec headquarters and Singapore Subsidiary have rigorous selection process in shortlisting recruitment agencies to work with. All appointed agencies are with good credentials in human rights protection, and are committed to adhere to the RBA CoC. Any fees (pre & post employment) related to the employment is born by Ardentec, workers hired are not required to pay any agency fee or other related expenses for the employment, such as airfare, fee for the medical examination required by laws. Ardentec is committed to ensuring workplace diversity and free from discrimination such as race, skin color, age, gender, ethnicity or nationality, religion, political affiliation, marital status or any other personal characteristics. Every year the domestic human resources agency audits are conducted, and the foreign human resources agency audits are conducted when holding overseas recruitment within a particular year, ensuring the foreign employees hiring process is legitimate and human rights are protected. Both Human Rights Policy and Non-discrimination Policy are declared to all candidates during each overseas recruitment activities, and grievance slips contain information of grievance reporting channels are also provided to candidates to report complaints of any violation of Ardentec policies.

**Ardentec**

Non-Retaliation channels for grievance or reporting

Thank you for joining Ardentec's interview!

If you have been treated or charged unfairly while applying Ardentec jobs with the agent in Philippines, please email to [grievance@ardentec.com](mailto:grievance@ardentec.com).

We will have the designated person at your service. Don't worry about retaliation for using this channel to raise your points.

Grievance slip

## Diverse Employment

Ardentec actively employs physically and mentally disabled people who are self-reliant through their own efforts. Ardentec takes into consideration of the suitability of disabled persons to create job opportunities for them, and thereby increases the chances for the socially disadvantaged to be part of our workforce. In addition to making changes to the nature of work and the working environment, the Company also provides disabled employees with full training so that they can realize their best potentials. In order to let more physically and mentally disabled people become self-sufficient, build up their self-confidence, and let their lives shine, and improve their quality of life while contributing towards the development of society.

The proportion of total employment at Ardentec has always exceeded the requirements of the "People with Disabilities Rights Protection Act" over the years. The percentage of employment in 2021 reached 150% of the legal requirement, which is a 17% increase compared to the previous year.

## Industry and Academic Integration

### Fostering talents with deep roots in campus

Ardentec is committed to industry-academia education; through industry-academia cooperation, corporate internship program, corporate visits, campus lectures, etc., undergraduates are able to experience industry experience and understand semiconductor testing knowledge early. Besides, realizing the industry-academia connection further, they can join Ardentec to consistently accumulate the depth and breadth of their expertise upon graduation.

### Industry-academia alliance

In 2021, Ardentec and Feng Chia University signed a memorandum of understanding and a pilot project agreement. Hand in hand, we will enhance semiconductor testing technology and cultivate talents, thereby creating a new benchmark of industry and academia. The subsidiary, Giga Solution Tech. Co., Ltd., donated equipment to Feng Chia University; the cooperation covers consulting, technology exchange, industry-academia projects, and in-service training, etc. Through students' professional ability, we will apply AI visual recognition and AR guidance system in the company's operation, and cooperate on projects such as AI visual object recognition of workstations, AR guidance system establishment technology for machines, and probe card technology for probe card system, etc. in order to continuously cultivate excellent talents.

### Corporate visits

A joint visit of 45 students and faculty members from the Department of Information Management of Minghsin University of Science and Technology and Yi Ming Senior High School to the headquarters of Ardentec in 2021.

Ardentec arranged company introduction, production line visit and explanation; hence students can get to know the future working environment and basic knowledge of production line operation in advance through this activity.

### Corporate internship program

Since 2012, Ardentec's headquarters has been providing university students with the opportunity to experience the industry early. Through the internship program, we develop their technical and practical skills, broaden their horizons, encourage them to step out of their comfort zone, get familiar with how companies operate, thus making them ready to enter the workforce. In 2021, we provided internship opportunities for 14 students from 9 departments and 7 universities, including Taiwan Tech, Yuan Ze, Fu Jen, Feng Chia, Tunghai, Chung Yuan and Minghsin University of Science and Technology. Over the years, a total of 181 students from 8 universities have been provided with internship experience at Ardentec.

Interns are encouraged to stay in the Company, and the retention rate of interns was 55% in 2021. By joining Ardentec immediately after graduation, interns can continue to accumulate the depth and breadth of their expertise and shorten the time of adapting to new jobs, thus enabling them to become proficient in their work quickly.

### Campus lectures

In 2021, Dr. Chang, Chi-Ming, Vice Chairman and President, served as a lecturer at Feng Chia University's EMBA on Mega Trends in Semiconductor Industry; Mr. Hsu, Yuan-Fu, director of Product Engineering Division, served as a lecturer on Semiconductor Technology and Industry Introduction—Semiconductor Testing Technology and Outlook at Feng Chia University. They share the information on IC testing process, future outlook and trends, as well as corporate social responsibility and climate change impact topics so as to enhance students' understanding of the testing industry.

## Result Exhibition

### Providing a stage for students to develop their skills—technical exchange

Through the cooperation with professors and students in the development of automation technology projects, artificial intelligence technology exchange, not only will the company expand the technical level of progress, but also students will be able to put their knowledge into practice, extend the knowledge learned in school, and get the opportunity to combine theory and practice, through the equipment and environment of Ardentec, thereby providing students a stage to perform.

### Wielding influence of industry-academia cooperation

Through various events, such as campus recruiting and internship seminar, we enhanced the visibility of Ardentec in various schools and departments, and promoted Ardentec through introductions of the company's background, business descriptions, and welfare system to increase the Ardentec's publicity on campuses, thereby further exerting influence in industry-academia cooperation.



Yi Ming Senior High School Industry-academia Cooperation Visit

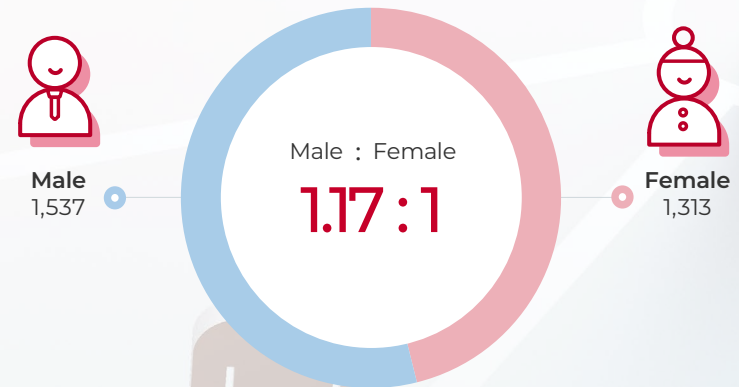


Dr. Chang, Chi-Ming, Vice Chairman and President, served as a lecturer at Feng Chia University's EMBA

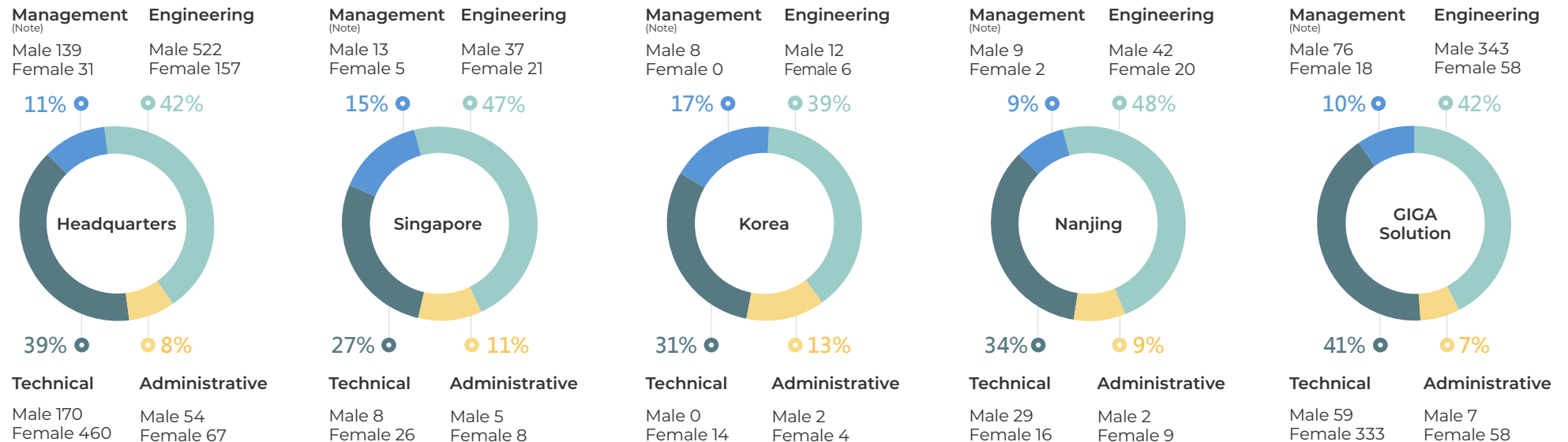
# Workforce Structure

Ardentec had 2,850 employees worldwide, and there were 1,537 males, 1,313 females among all the employees, with a gender distribution of 1.17:1 (male: female). Full-Time Equivalent (FTE) method is used to calculate the number of employees. Certain items (nationality, age, and disadvantaged groups: holders of physical and mental disability certificates or documents issued by the local government) are shown as percentages at their respective subsidiary or headquarters.

## Male to Female Ratio



## Nature of the Work/Gender Distribution

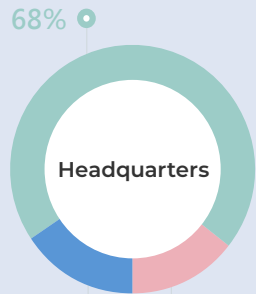


Note: Management refers to section head and above management position. Ardentec headquarters include 1 part-time consultant (male), 3 contract employees (male 1, female 2) and 6 interns (male 4, female 2); GIGA Solution subsidiary includes 3 contract employees (male 1, female 2)



## Academic Distribution

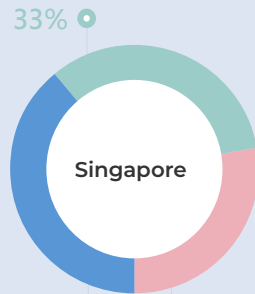
College/  
university Male 637  
Female 457



High school  
and below Male 77  
Female 187

Postgraduate  
and above Male 171  
Female 71

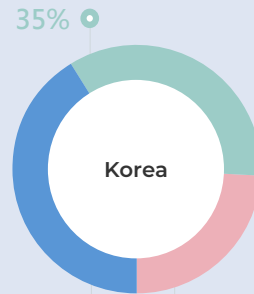
College/  
university Male 28  
Female 13



High school  
and below Male 12  
Female 36

Postgraduate  
and above Male 23  
Female 11

College/  
university Male 12  
Female 4



High school  
and below Male 5  
Female 14

Postgraduate  
and above Male 5  
Female 6

College/  
university Male 54  
Female 29



High school  
and below Male 26  
Female 18

Postgraduate  
and above Male 2  
Female 0

College/  
university Male 366  
Female 306

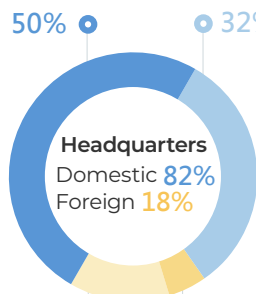


High school  
and below Male 59  
Female 147

Postgraduate  
and above Male 60  
Female 14

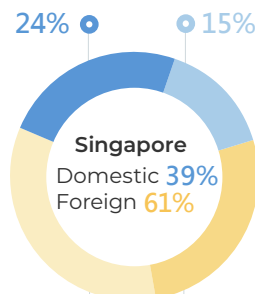
## Nationality Distribution

Domestic Male 795  
Female 513



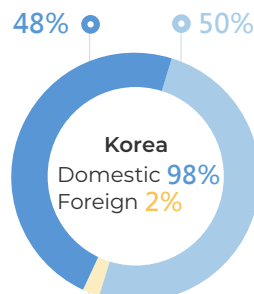
Foreign Female 202  
Male 180

Domestic Male 30  
Female 18



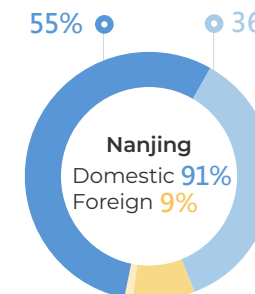
Foreign Female 42  
Male 33

Domestic Male 22  
Female 23



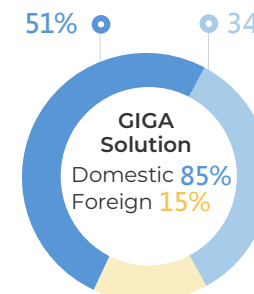
Foreign Female 1  
Male 0

Domestic Male 71  
Female 46



Foreign Female 1  
Male 11

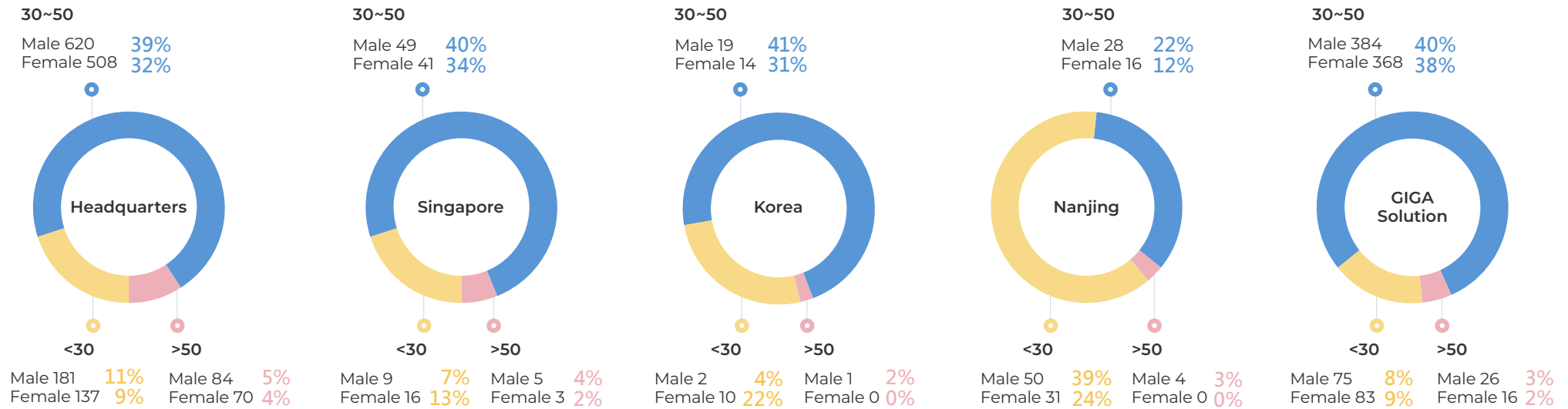
Domestic Male 485  
Female 322



Foreign Female 145  
Male 0

Note: Expatriate employees: headquarters expatriated 11 employees (to Nanjing Subsidiary: 10, Singapore Subsidiary: 1, account for 1% of total headquarters' employees), counted in foreign employees of expatriated subsidiaries.

## Age Distribution



## The Disadvantaged Distribution

Type	Headquarters	Subsidiary			
		Singapore	Korea	Nanjing	GIGA Solution
Number of People	19	0	0	0	5
Proportion	1%	0%	0%	0%	1%

Note: the disadvantaged: holders of physical or mental disability certificates or documents issued by the local government.

The disadvantaged age in headquarters : 2 < 30, (male : 1, female : 1) ; 12 30~50 (male : 4, female : 8) ; 5 > 50 (male : 5, female : 0)

The disadvantaged age in GIGA Solution : 1 < 30, (male : 1, female : 0) ; 4 30~50 (male : 4, female : 0)

There was no disadvantaged employee in Singapore, Korea and Nanjing subsidiaries.

For cleaning, security and food services required for operation, Ardentec contracted service providers for such requirement. The number of service personnel at each operation site is as follows :

Type	Headquarters	Subsidiary			
		Singapore	Korea	Nanjing	GIGA Solution
Security	23	4	1	9	2
Cleaning	37	4	2	5	19
Caterer	6	0	0	0	0

# Compensation and Benefits

Ardentec complies with each operation site's local labor laws and regulations. Talent market compensation, industrial compensation standard related index, and corporate business operation performance review are regularly assessed. In the first quarter of each year, we conduct performance evaluation and salary adjustment according to each employee's contribution in the previous year, performance, and responsibility taking, etc., to ensure Ardentec employees' compensation policy keeps highly competitive in each talent market. Ardentec upholds our fair and just principles on compensation and benefits, awarding based on performance and target contribution, excluding any prohibited discrimination items such as gender, age, race, religion, politics, marital status...etc.

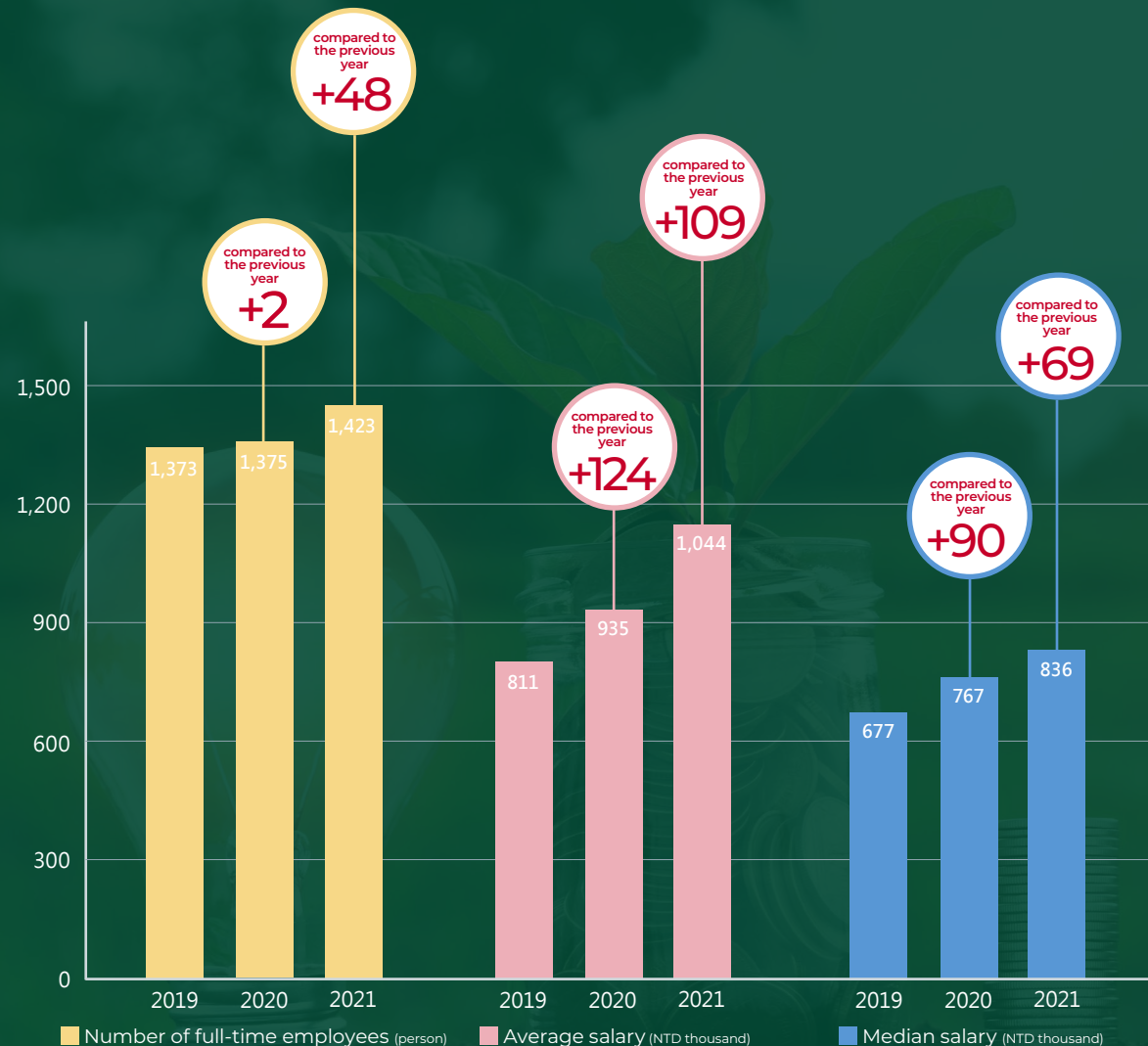
According to the regulations of the Taiwan Stock Exchange, listed companies in Taiwan shall disclose information on the salaries of the company's full-time employees who do not hold executive positions. The headquarters' statistics are based on the regulations of the Taiwan Stock Exchange. Except managers and employees who qualify for the exclusion from counting, the remuneration of employees shall be based on the accrual basis; hence unpaid remuneration of employees shall be estimated.

In 2021, the non-management full-time employees of Ardentec's headquarter were 1,423; the average salary was NTD 1,044,000; and the median salary was NTD 836,000, which was more than three times of the minimum wage of Taiwan.

The number of non-management full-time employees, average salary, median salary and year-over-year variance for the past three years are listed below. Revenues and net income have been growing year after year, and full-time employees' salaries also have been increasing year after year in response.

In 2021, the salaries, welfare expenses and training investment of employees in Ardentec group totaled NTD 3,405,152,498. In accordance with the Articles of Incorporation, from profit of the current year, Ardentec distributes 12% as employees' compensation. This system is consistent with Ardentec's view that employees are its core business partners. The 2021 surplus of Taiwan headquarters approved by the Board of Directors allocable to the employee is NTD 427,928,332.

## Salary in Non-management Positions of Headquarters





## Welfare

Item	Headquarters	Subsidiary			
		Singapore	Korea	Nanjing	GIGA Solution
Pension contribution	●	●	●	●	●
Health insurance & occupational insurance	●	●	●	●	●
Happy year-end party	●		●	●	●
Comfortable dormitory	●		●	●	●
Medical consultation by stationed physicians	●		●		●
Wedding/funeral subsidies and festive gifts	●	●	●	●	●
Profit sharing	●	●			●
Group medical insurance, life insurance, and travel insurance	●	●			●
Regular health exam	●		●		●
Long-term service trophy and bonus	●	●			●
Free night meal	●		●		
Lunch and dinner subsidies	●		●	●	●
Commute shuttle service	●	●	●	●	
Production/operation bonus	●	●			
Annual company trip	●				●
Optical and dental allowances		●			
Multi-functional health center	●				
Housing central provident fund				●	
Zero MO birthday leave		●			
Fitness class	●				
Vax bonus		●			
Epidemic prevention bonus	●	●			
LOA of parenting	●	●	●		●

Note: Welfares for contract employees and non-full-time employees according to the content of contracts.

## Pension Compensation

The Headquarters and GIGA Solution subsidiary transfers the pension contribution to the employees' personal bank accounts every month in accordance with the new retirement policy. Pension contribution following the old retirement contribution is also deposited to the specific accounts every month in accordance with the law. Every year, the Company hires actuaries to calculate the rate of employees' pension contributions to ensure that monies provided to the defined benefit account held with Bank of Taiwan and amounts budgeted for pension contributions do suffice to guarantee employees' lifestyles after retirement. A Pension Supervisory Committee comprising of employee and management representatives would review the pension account every quarter and discuss issues regarding employees' retirement.

The Singapore subsidiary complies with "Central Provident Fund Act" by contributing to the government-managed Central Provident Fund (CPF), whereas the Korea Site follows the "Pension Protection Act" and makes contributions to a "Defined Contribution" (DC: Defined Contribution Retirement Pension) plan that the employer and the employees have agreed upon. The Nanjing subsidiary makes contributions to pension insurance in accordance with the pension insurance regulations of China.

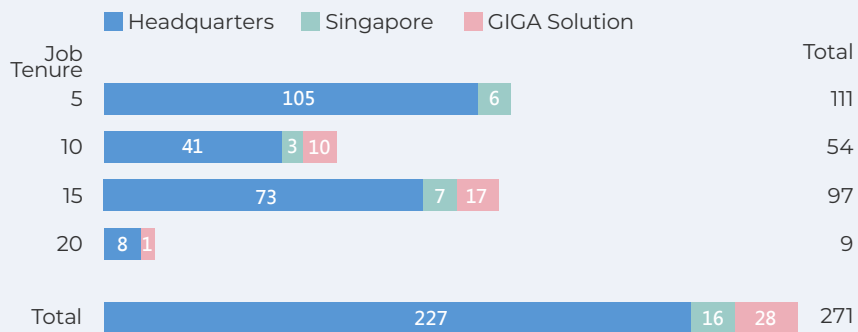
In 2021, the total pension contributions of Ardentec group was at 4.15% of total employee welfare expenses

4.15%

## Long-term Service Trophy and Bonus

In order to express our gratitude to our employees who have been dedicated to their jobs and have worked hard for many years, Ardentec awards trophies or medals and longevity bonuses to employees who have served for 5, 10, 15 and 20 years as an expression of appreciation. Encouraging our employees to pass on their valuable experience, we are united to face the challenges and opportunities of the future and grow together!

### 2021 Number of Rewarding Employees with Long-term Service Trophy and Bonus



Note: The Singapore subsidiary has been established for 16 years; the GIGA Solution subsidiary rewards employees over 10 years



Group Photo Taken in 2021 of Headquarters Executives and Long-term Employees



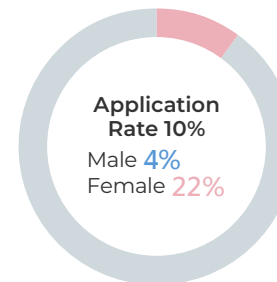
Singapore Subsidiary Awarding Long-term Employees

## Family and Career Support

With Ardentec's liberal attitude towards gender equality, employees are entitled to apply leave of absence (LOA) for parenting so that both personal and family care needs can be met. At the headquarters, GIGA Solution Tech and the overseas subsidiaries, there were 11 employees who applied for maternity leave and 22 employees who applied for paternity leave; 36 women and 5 men applied leave of absence for parenting in 2021.

The Company also has a well-established leave management system; therefore, employees can apply for the leave according to their needs and flexibly organize their lives.

### LOA for Parenting in Ardentec Headquarters and GIGA Solution



#### Application

##### Qualified for application

Number of applicants for maternity leave of 56 days or more and paternity leave of 1 day or more between 2019/1/1 and 2021/12/31

**Male 109**  
**Female 57**

##### Actual application

Number of new applicants in 2021 (excluding extensions)

**Male 4**  
**Female 13**

### Finish and Reinstatement

#### To be reinstated

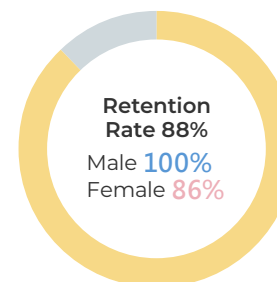
Number of employees to be reinstated in 2021 (excluding extensions)

**Male 1**  
**Female 22**

#### Actual reinstatement

Number of actual reinstated employees in 2021

**Male 1**  
**Female 17**



### Retention of Reinstating to Work in 2020

#### Finish and reinstatement

Number of employees to be reinstated in 2020

**Male 1**  
**Female 7**

#### Employees reinstated for over 12 months and are still in service

Number of employees who had applied for LOA for parenting and stay in service for more than 12 months after their reinstatement in 2020

**Male 1**  
**Female 6**

# Career Growth

Ardentec has developed a multitude of training solutions that are centered on the Company's goals and employees' career development. Through systematic learning roadmaps, we have developed five main types of training and built an environment where employees may learn and grow on the job.

## Training and Development Roadmap- Training System

Technical skill development is one of the major emphases in the Company's training program. Employees who have been trained on Ardentec's testing procedures and system operations are given the responsibility to pass on their knowledge and bring new comers to the expected standard of professionalism.

## Diverse Learning Resources-Building a Friendly Learning Environment

In order to improve our employees' learning development and expand their learning pathways, the headquarters established an online e-learning center in 2021, where employees can read and review the course and materials through a digital platform so as to enhance the learning effectiveness and make learning not limited by time and location. There were 8 courses held in 2021. Consequently, this center mitigates the impact of the pandemic on education and training, and creates a more comprehensive knowledge management platform.



### To understand company policies and human rights and ethics regulations

Company profiles, management, regulations, company policies, employee rights, human rights, ethics and work-related laws and regulations

### To cultivate employees' knowledge and management skills

Helps employees develop knowledge, attitude, teamwork, and management skills

### To further educate testing and related systematic professional skills

Skills and knowledge that are required for certain jobs

### Required training linked for specific positions

Training that is mandatory specific work; e.g. technician is required to take tester and related equipment training

### Regulation, code of conduct compliance training

Laws, company policies, domestic and international standards those eventually contribute toward business operation and environmental sustainability



In December 2021, it was upgraded to “Ardentec English Corner 2.0”. In addition to the original learning content, selected external English learning resources were added, including common English conversations, specialized English terms and listening exercises, etc., so that employees can learn English in a more diversified way.

“Reflection of knowledge” and “understanding our own progress” is also an important part of learning. An online English test platform “Ardentec English Test” is introduced to provide a platform for employees to test themselves, get feedback on their learning, and achieve the goal of continuous improvement.



Introducing English names of the company's sites one word a day



Introducing the company's development through monthly short essays

## Cultivating International and Diverse Talents

In line with the expansion of the overseas affiliates, we arrange for employees to travel to the affiliates to gain experience in multinational operations in order to cultivate international and diversified talents through practical work.

### 01 Leadership for middle/high level management

Quarterly managers' forums where managers may develop leadership skills by discussing trends of the industry, regulatory developments, upcoming international standards, business planning, and share practical experiences

### 02 Leadership of junior managers

For junior managers, quarterly courses on project management, presentation skills, cross-departmental communication, and performance management methods are held to enhance the efficiency and management skills of junior managers.

### 03 English proficiency improvement

In August 2021, Ardentec's headquarters launched “Ardentec English Corner” on its internal website. Four times a week, work, industry and current affairs related vocabularies are introduced to employees via emails, and a short practical article is written every month using the introduced vocabularies, so that employees can build up learning power and improve their own competence. While we learn English, the company's policies and current affairs are disseminated, and employee relations are enhanced, thus gaining the recognition of employees and supervisors.

## 2021 Cultivation/training Highlights

## Career Development and Lifelong Learning

The performance evaluation each year involves training requirement assessment and personal development plan (PDP) review. The employees choose a variety types of courses based on individual training requirements to fulfill each competence development demand. The supervisor and employee discuss the personal work and annual growth requirement required by the future target and create a customized training program in order to assist the employee's career development and lifelong learning.

Ardentec also provides training at external or overseas institutions to broaden horizons through the off-the-job training allowance payment.

## Training Hours

The total number of training hours arranged by the headquarters and subsidiaries in 2021 is 90,643.5 hours, and 100% of the employees have been trained. The average hours of training per employee is 35 hours for men and 29 hours for women.

## 2021 Training Hours by the Nature of Work and Gender

	Nature of Work			
	Management (Note)	Engineering	Administrative	Technical
Male	22.3	35.2	29.4	47.0
Female	20.0	40.8	16.9	28.3

Note: Section head and above management position.

(unit: hour)

# Labor-Management Harmony

Ardentec does not have union as the Collective Agreement Act defined. However, to create a harmonious relationship between employees and employer, we followed the Regulations for Implementing Labor-Management Meeting released by Minister of Labor to form the Labor-Management Meeting Committee as an alternative of union. In addition, the Company has functional labor-management communication committee in place that thoroughly discuss and communicate on the various of issues, including labor safety window meetings, the Occupational Safety and Health Committee, and the Employee Welfare Committee. These committees comprise representatives from both the management and the employees; these functional committees protect employees' rights and listen to their opinions. In an environment promoting open communications, Ardentec has been able to cultivate trust between the management and the

employees. No employment-related dispute cases that had negative impact on the employee relations.

## Labor-Management Meetings

A total of 6 management representatives have been appointed, comprising the Vice President of Operation and directors. A total of 6 labor representatives have been elected by employees below the rank of Site Director. If no foreign worker is elected as an employee representative, a foreign worker communication meeting will be held beforehand, and proposals made during the session will be submitted to the quarterly labor-management meeting for discussion. Labor management meetings ensure all employees under the protection coverage of collective bargain.

Labor-management meetings are held on a quarterly basis, and on an interim basis when deemed necessary.

Employees are able to raise suggestions regarding employment relations, employment terms and conditions, welfare, and are able to speak freely during the meetings. During these meetings, labor representatives can communicate with management and participate in labor related decision-making process. Employees are able to express their opinions while being protected under the labor meeting agreements. All issues discussed are documented for subsequent follow-ups improvements.

Any changes to the Company's operations that require an adjustment to employees' jobs are notified to the affected employees at least 30 days in advance. Meanwhile, all necessary assistances are given to affected employees. For any employees out-stationed at overseas subsidiaries, Ardentec provides the necessary subsidies and makes family relocation arrangements.



## Employee Complaints

Ardentec has established the "Grievance and Reporting Regulations" to build a free, open, and diverse communication platform. The communication ways include labor-management meetings, employee grievances, online and physical suggestion boxes, a dedicated grievance mailbox, etc. Besides, employees are encouraged to address problems or make suggestions to the company for the decision-making unit.

In the spirit of continuous improvement, the "Grievance and Reporting Regulations" were amended in 2021 to categorize the suggestions into grievance reporting, general affairs and other categories. The categories of grievance reporting were also divided into: labor rights, business ethics, health and safety, and environmental protection. Furthermore, a time limit is set for handling grievance reporting category in order to enhance the efficiency of the processing of the suggestion box.

Employees may file complaints personally to their line managers or to the Human Resource Division (labor rights and business ethics) and to OSH & Risk Management Department (health and safety and environmental protection) if they encounter any grievance and reporting related problems at work. The in charge department of employee complaints is required to discuss and explore solutions as soon as possible. Employees may report anonymously by sending e-mails to [grievance@ardentec.com](mailto:grievance@ardentec.com), and describing clearly the details and provide evidence. Where a complaint involves other employees, the investigator is required to protect the basic rights of the involved during investigation. All complaints, whether identified or anonymous will be conducted with proper measures after affirmed investigation. Line managers and the Human Resource Department have the responsibility to resolve employees' complaints, while in the meantime giving employees the rightful protections they deserve, including the right to confidentiality.

Suggestion boxes are available in all sites, which employees may use to express opinions on an identified or anonymous basis. Opinions raised through the suggestion box are answered and the improvement plans are deployed by the relevant functional departments. Required improvements should be on track for completion. Anonymous suggestions and processed results without involving any particular person are announced in Chinese and English after relevant department processed and answered. In 2021, Ardentec headquarters and subsidiaries received 269 grievances or suggestions (78 named, 191 anonymous). All comments and complaints were processed, replied or announced. In 2021, most of suggestions were general affairs or other suggestions category. In response to COVID-19, employees provided prevention measures actively. In 2021, there was neither labor rights related grievance, nor business ethics related incident after verification.

### Suggestion Box



Headquarters



Singapore  
Subsidiary



Korea Subsidiary



Nanjing  
Subsidiary



GIGA Solution  
Subsidiary

### Grievance and Reporting :

Labor Rights

Business Ethics

Health and Safety

Environmental Protection

Announcement or reply shall be made after investigation and processing according to each suggestion.

### The Processing of the Suggestion Box



#### Determination

Within 1 working  
day or 24 hours



#### Processing

14 calendar days



#### Reply or Announcement

3 working days



#### Disagreement

Reply or  
announcement date  
+ 14 calendar days

### Grievance and Reporting :

General Affairs or Other Suggestions

The suggestions shall be forwarded to their responsible department for processing. On the 5th and 20th of each month, the responsible departments and the case officer of suggestions shall be collated.



## Work Life Balance

We appreciate employees who enjoy their work and are self-motivated in learning, and we also care for employees' work-life balance. Through internal activities, we work with employees to create a happy and friendly workplace.

## Working Hours

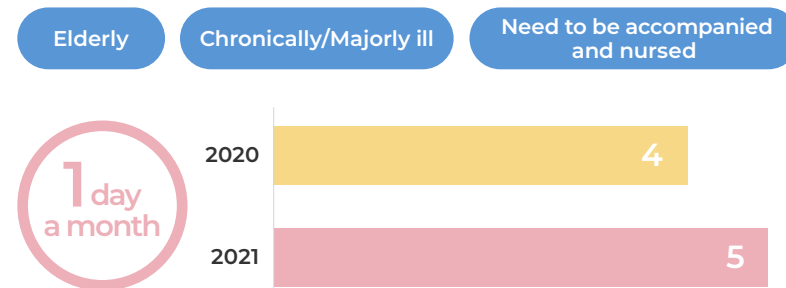
We ensure strict compliance with local regulations regarding employees' working hours. The Taiwan headquarters, for example, adheres to the terms of the Labor Standards Act by providing "at least one day's rest for any seven-day period" and "at least 30 minutes of break time for every four consecutive work hours," while limiting work hours to "no more than 12 hours a day" and "no more than 46 overtime hours in a month." If there is a need to arrange overtime, we mandate line managers to make overtime arrangements only with willing employees. In order to ensure that employees' working hours are managed according to the above rules, the Company has implemented an electronic overtime application system that caters for all overtime scenarios.

Overtime arrangements that do not comply with such rules will be automatically rejected by the system without exceptions. Ardentec has strict rules to ensure that it does not exceed its authorities when managing employees' working hours and rights. In order to improve the timeliness and completeness of employee attendance records, the attendance system is continuously optimized and automated. In response to the demand for flexible attendance records from employees and supervisors, we have designed various attendance statements to enhance the accessibility of employees and supervisors.

## Family Care and Work from Home

In response to the trends of an aging society, low-rate fertility, and family size shrinks, the “family care and work from home” program was introduced in August 2020. Employees who have direct relatives at home who are elderly or chronically/majorly ill and need to be accompanied and nursed may apply to work from home one day a month; therefore, employees are not restricted from their workplace and can take care of their direct relatives as well. 4 applicants in 2020; 5 applicants in 2021.

## Home Care Home Work Application



## Big Weekend—four-day Work Week



November 2021 Ardentec Calendar

## Joyful Workplace

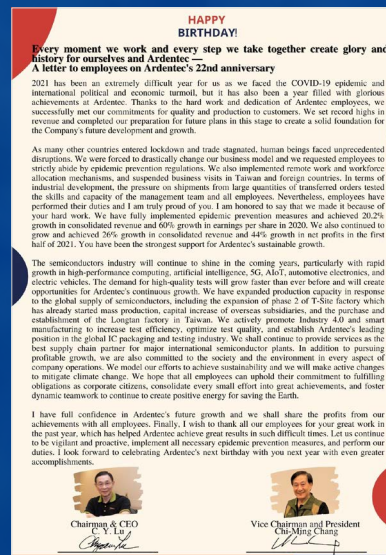
### Distribution of Ardentec's 22nd Anniversary Gift Box

In 2021, we experienced an extremely difficult year in the midst of COVID-19 and international political and economic crisis; however, all of our employees worked together diligently so that we could still meet our commitments to our customers in terms of product quality and production capacity and achieved record revenue and profitability.

To celebrate the 22nd anniversary of the founding—from October 1999 to October 2021, we sent a gift box of biscuits with Ardentec's seal and a card of thanks from the chairman and president to the employees of the headquarters and the subsidiary, GIGA Solution, in order to share the birthday joy! The letter of thanks expressed that "Every moment and every step in our joint efforts are creating a glorious history for ourselves and Ardentec;" the Korean and Singapore subsidiaries also ordered biscuit gifts for all employees at the same time to celebrate Ardentec's 22nd birthday.

“Every moment and every step in our joint efforts are creating a glorious history for ourselves and Ardentec”

Letter of thanks to all employees of Ardentec Group by the Chairman, Dr. Lu, Chih-Yuan and the Vice Chairman and President, Dr. Chang, Chi-Ming



# 22<sup>nd</sup> anniversary Gift Box for Ardentec Group





# Workplace Safety and Health



Safety and Health Management System  
Safety and Health Management  
Health Management  
Epidemic Prevention Management



# Safety and Health Management System

Ardentec and its operating sites follow the regulations on occupational safety and health and the regulations of domestic and foreign management systems to promote various safety and health measures to achieve risk prevention and to provide a safe and friendly working environment on a continuous basis.

## Safety and Health Policy

Comply with international safety and health regulations and standards, eliminate hazards and reduce occupational safety and health risks to establish a safe and healthy workplace, promote the consultation and participation of workers, and upgrade safety and health performance through continuous improvement.

## Occupational Safety and Health (OSH) Management Committee

The combination of the labor representatives of the OSH Management Committee are selected by Labor representatives at headquarters and GIGA Solution Subsidiary, as for the overseas subsidiaries, labor representatives are selected according to local laws and regulations, and the percentage is higher than requirements of laws and regulations. The Committee is responsible to review workplace health related plan, performance, coordination, and suggestions. All representatives may fully express opinions of safety and health, the committee is a transparent communication platform for employee direct participation. The conclusion and agreement from each meeting will be documented as reference for further monitor or planning for occupational health and safety.

## Occupational Health and Safety Management System (ISO 45001)

The Ardentec headquarters, Singapore, Korea, Nanjing, and GIGA Solution subsidiaries have all passed ISO 45001:2018 Occupational Health and Safety Management Systems certification. Health and safety risk assessments are performed for each project to identify possible risks, with audits to timely control risks and achieve continuous improvement goals.



Headquarters



Singapore  
Subsidiary



Korea  
Subsidiary

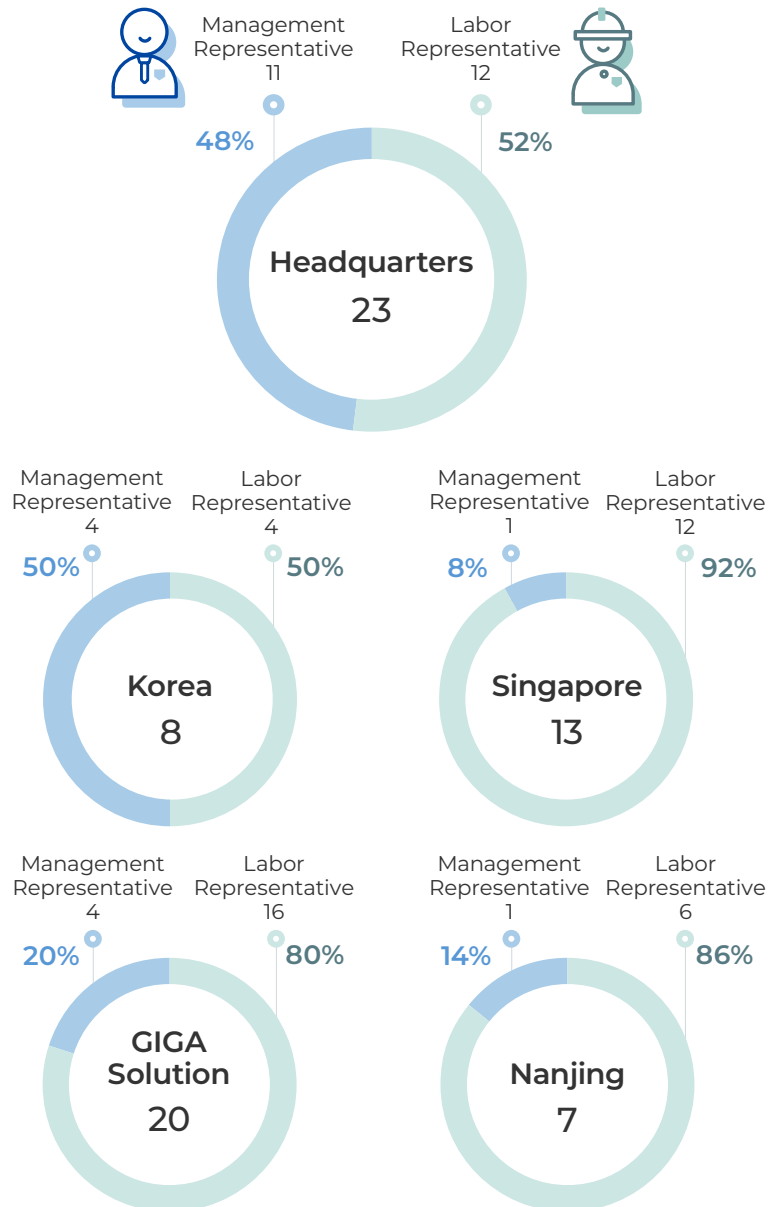


Nanjing  
Subsidiary



GIGA Solution  
Subsidiary

## Composition of Representatives



## Responsibilities of the Occupational Safety and Health (OSH) Management Committee



**Management Representative**

### Responsibility

- To be responsible for reviewing and approving the occupational safety and health policy, safety and health code of practice and related safety and health procedures.
- To ensure that the resources that are needed to build, implement, maintain and improve the management system are available.
- To encourage all the Company's employees to participate in safety and health activities.
- To report the performance of the safety and health management system for review and as a basis for management system improvement.
- To draft, plan and promote safety and health management issues, and guide the relevant departments in their implementation.
- To direct and supervise the implementation of safety and health management in accordance with the authority, and to coordinate and guide the relevant personnel in the implementation.



**Labor Representative**

### Responsibility

- To participate in the development and review of policies, safety and health code of practice and related safety and health procedures.
- To participate in occupational safety and health management committee, risk assessment, hazard identification, accident investigation and operational environment monitoring.
- To participate in consultation and decision making on various safety and health related issues.

# Safety and Health Management

## Risk Assessment and Management

Headquarters and all subsidiaries have set safety and health management mechanism, through various prevention measures and training for all kinds of risk management to enhance employee's awareness of workplace safety and health. Each department follow Hazard Identification and Risk Assessment Procedure to identify the possibility and severity of risk, and to find out hazard points for improvement.

Ardentec's internal workers can report, by any means, all matters that may result in occupational hazards, danger, injury or illness, and the workers have the right to refuse or stop unsafe or unhealthy work when a hazard occurs without being penalized for any of these actions. For accident happened, investigation and improvement will be conducted to prevent re-occurrence, and also be reported to Occupational Safety and Health Committee.



## Actions for Safety and Health



### Regulation Identification

Regulations are regularly identified, and the conformity of each site is evaluated. 9 safety and health related regulations are changed.



### Safety Inspection

In terms of supervisors' and occupational safety and hygiene officers' inspection at all levels, a total of 54 deficiencies were found, and the completion rate of rectification was 100%.



### Training

- Employee and contractor safety and health training is conducted to enhance workers' safety and health awareness and prevent occupational hazards.
- The total number of employee trainings was 375 with 3,931 participants.
- The total number of contractor trainings was 389 with 2,180 participants.



### Modification Management

A total of 110 cases of modification management were completed.



### Contractor Construction Management

- The total contractor works were 3,758, and the total high-risk operations were 1,228.
- 11 non-compliance cases by contractors are rectified.



### Workplace Environment Monitoring

- To ensure that the concentration of carbon dioxide, exposure of hazardous chemicals or substances and illuminance in workplace meet the requirements of the law, a specialist organization is commissioned to monitor the working environment every half year.
- In 2021, the test results of hazardous chemicals or substances met regulatory requirements and were announced to all employees.



### Emergency Response

- Regular emergency response drills for fire, earthquake, etc. are conducted to raise employees' awareness of safety and disaster prevention.
- A total of 74 drills were conducted with 2,725 participants.



## Very Early Smoke Detection Apparatus

To increase our internal safety standards to a high level and uphold our commitment to customers on business continuity, Ardentec headquarters required all clean rooms and high/low-voltage switching rooms to install the Very Early Smoke Detection Apparatus (VESDA) beyond regulatory requirements. The higher sensitivity of VESDA allows alarm configuration to be optimized for different environments. Potential fires can then be detected early to prevent fire outbreak and reduce risk. Prevents disruption to operations and losses from stoppages. Headquarters is planning to expand the program to include the server room as well.

Even though Singapore subsidiary, Korea subsidiary and Nanjing subsidiary located country do not have legal requirement for VESDA, while based on corporate aligned policy for high level safety standard, all the subsidiaries will also install VESDA by Ardentec self-demand base.

## Low-oxygen Environment Monitoring

To prevent accidents from low-oxygen environments caused by accidental leakage of nitrogen gas, low-oxygen detection and alarm systems have been installed in all areas where nitrogen gas is used to ensure work safety.



Low-oxygen Detection



Very Early Smoke Detection Apparatus

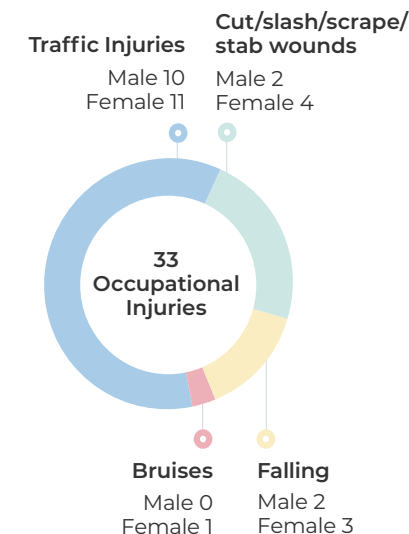


## Occupational Accident Investigation and Management

Ardentec has established an accident procedure to ensure that all units have a guideline to follow and are able to respond quickly when an accident occurs. When occupational injuries, illnesses, or false alarms happened to employees and workers in Ardentec's operating sites, notification, first aid, rescue, investigation, and rectification measures shall be carried out to prevent the recurrence of similar accidents by horizontally developing rectification measures based on the root cause of the accident.

Annual statistics on occupational injuries and absenteeism are taken to review the effectiveness of health and safety management, which is used as a reference for continuous improvement.

In 2021, there were 33 occupational injuries. 12 of these were bruises caused by falls, cuts during work, and injuries caused by bumps, and 6 of these were minor occupational injuries that did not result in disability, and the remaining 21 were commuting accidents, which are not included in the statistics of occupational injuries listed below.



Injury type	Cause of injury	Rectification measures
Cut/slash/scrape/stab wounds	65% of the injuries is not related to the work, 35% is caused by unsafe behavior and failure to pay attention to the work environment.	<ul style="list-style-type: none"> <li>The operating environment shall be improved, such as removing protrusions, wrapping and other safety measures.</li> <li>Case studies shall be made to enhance personnel safety awareness and reduce unsafety behavior.</li> </ul>
Falling		
Bruises		
Traffic Injuries	20% of the accidents were falls caused by slippery roads, and the remaining 80% were caused by the unpredictable behavior of other road users.	From time to time, traffic safety awareness and traffic safety courses are held in the factories to provide our employees with the safety knowledge of defensive driving.

## 2021 Occupational Injury Statistics (Employee)

Item	Headquarters		Subsidiary								Total
			Singapore		Korea		Nanjing		GIGA Solution		
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Total Working Hours	1,659,925	1,431,707	145,740	129,870	46,353	48,133	134,432	88,134	897,091	850,479	5,431,864
No. of Occupational Injury	4	6	0	0	0	0	0	0	0	2	12
Disabling Injuries	2	2	0	0	0	0	0	0	0	2	6
Lost Days*	43	62	0	0	0	0	0	0	0	5	110
Injury Rate (IR)*	0.24	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.47	0.22
Lost Date Rate (LDR)*	5.18	8.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.18	4.05
Occupational Disease	0	0	0	0	0	0	0	0	0	0	0
Death Caused by Occupational Accident	0	0	0	0	0	0	0	0	0	0	0

\*Lost days: Lost working day count from 2nd working day after the accident

\*Injury Rate (IR) = (total disabling injuries/total work hours elapsed) ×200,000

\*Lost Days Rate (LDR) = (total lost work days/total work hours elapsed) ×200,000

## Occupational Injury Statistics in 2019~2021

	2019	2020	2021
Disabling Injuries	6	4	6
Lost Days	70.75	135.00	110.00
Year to Date Frequency-Severity Indicator	0.14	0.16	0.14

Note:

1. No occupational disease (ODR=0%), occupational death incident occurred in 2021, including headquarters, its subsidiaries and their contractors.

2. The number of disabling injuries and the number of lost days are only counted for workplace injuries and cases that are required to be reported as occupational accidents. Therefore, commuting traffic accidents are not included in the calculation.

# Health Management

Physical or mental illnesses are caused by occupational or personal factors will bring about low productivity. Ardentec applies different approaches and management measures to prevent occupational injury and promote employee health management.

Employees The four sites in Taiwan headquarters have received the Health Promotion Badge for A credited Healthy Workplaces from the Health Promotion Administration of the Ministry of Health and Welfare since 2015.

## Health Management and Risk Identification

Employee health checkups are conducted every two years to collect information such as employee age, work, life schedule, and working conditions. The correlation between health risks and work are analyzed to identify high-risk employees for proactive health management. Resident physicians provide consultations for employees identified as high-risk while to reduce the risk of serious illness, nurses provide regular follow-ups and support.

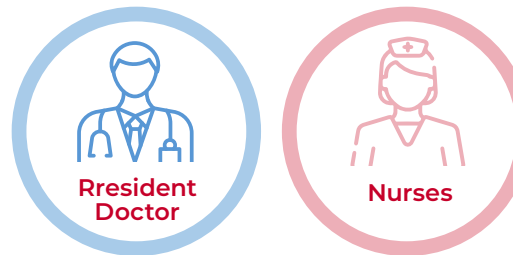
For employees with anomalies in the results during their health screenings, individual health instruction and education by the resident physician is organized. Assistance is provided (if necessary) to who required to seek medical treatment. Resident physicians scheduled and nurses regularly visit each site to assist in treating/preventing general/occupational diseases/injuries, and offer health advice and first-aid for all employees.

## Emergency Medical Service

Nurses are employed at each site to provide employees who fall ill or injured are given immediate care and assessment of the need for further medical care, and arrangement of medical institutions.

First-aid personnel onsite in each site and shift are more than regulatory requirements. In production area, first-aid personnel uniforms are specially marked for quick and easy identification. When emergency needs arise, emergency resources can be immediately sought after.

Automated External Defibrillators (AED) are in place in all sites of headquarters and also Singapore subsidiary. Annual refreshing trainings enable personnel familiarize AED operation during emergencies.



## Health Promotion Activities

Combined with professional counseling psychologist, leisure and fitness center, and medical offices of each factory, we hold a variety of health promotion activities, including stress management, weight loss management, and smoking cessation classes.

Health promotion information is sent to employees regularly, which includes diet management, prevention of infectious diseases, and chronic disease information, etc. Using lively and diversified contents, employees can easily absorb medical knowledge.

## Employee Assistance Programs (EAP)

Since 2021, Ardentec headquarters has worked hand in hand with Hsinchu Lifeline to establish an "Employee Assistance Service Program", which assists employees in identifying and addressing various factors that affect work performance, such as stress, alcoholism, emotions, career, psychology, and health, etc. Through the assistance and support of professional consultants, the program improves the physical and mental health of our employees and enhances their work efficiency.

A colorful promotional graphic for the Employee Assistance Program (EAP). It features the Ardentec logo at the top left with the tagline 'A testing partner you can trust'. To the right is the EAP logo with the text '新竹市生命線協會 員工協助服務中心'. Below the logos, the text 'What can EAPC offer you?' is followed by three bullet points: 'EAPC can provide you a place to rest when you feel stressed, emotionally tired.', 'We can be there to help when you feel a sense of helplessness;', and 'we can help you to achieve a better quality of life.' A QR code is positioned to the right of the text. At the bottom, there is a cartoon illustration of a landscape with mountains, trees, and a house, with the words 'CONFIDENTIAL PROFESSIONAL CARING' in a banner.

 A graphic detailing the Employee Assistance Program. It has a pink background with clouds and a rainbow. The title 'Employee Assistance Program' is in a red box. Below it, a table lists the program details:
 

Participants	All employees of Ardentec
Service content	Counseling (career, family/parenting, relationship, stress, etc) & Legal assistance (debt, inheritance, legal suit, etc)
Service provider	EAPC of Hsinchu Lifeline Association
Service hour	Monday to Friday 09:00-19:00
Phone	0800-668-880 (Toll free number)
E-mail	eapc@eapcenter.org

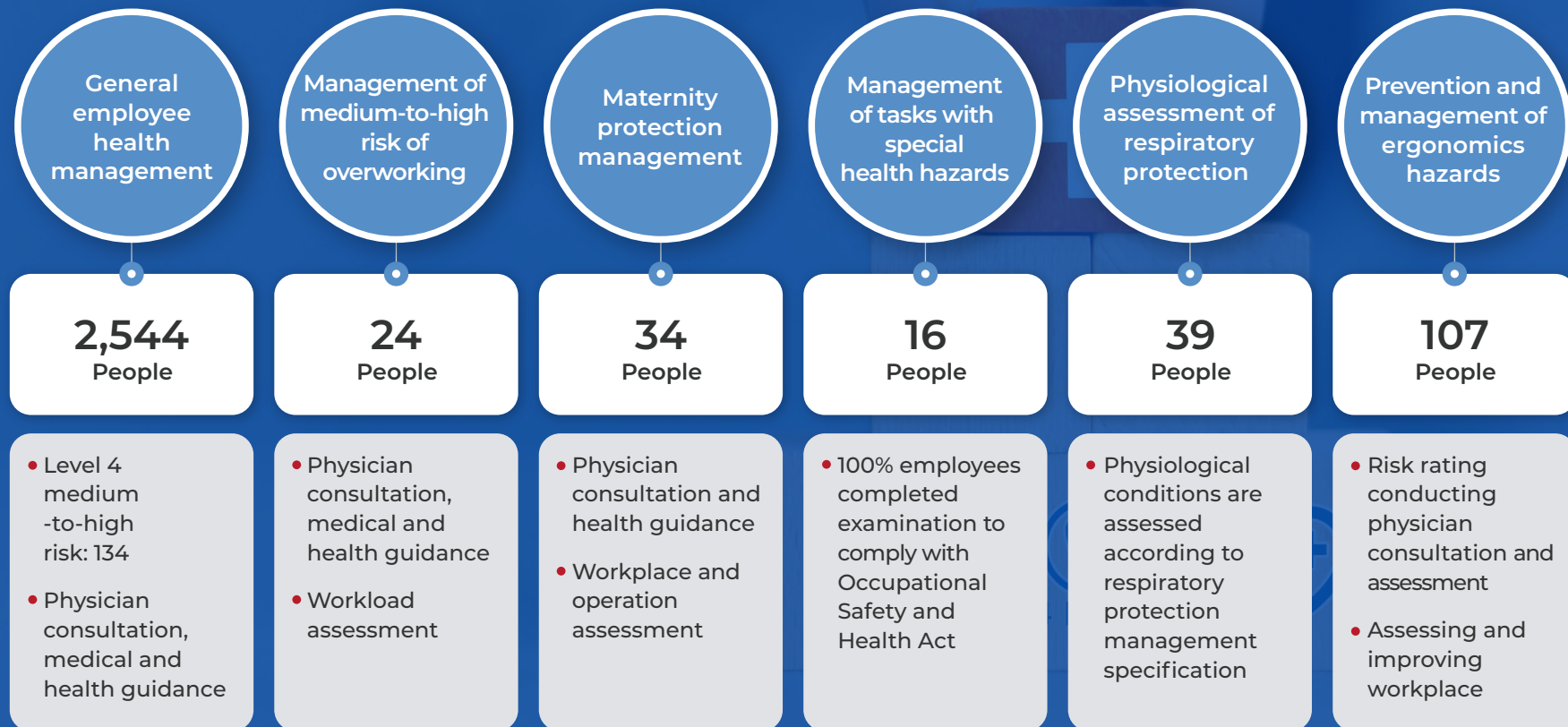


## Violations of Laws Relating to Employee Health and Safety

There was one violation related to employee health and safety at Ardentec headquarters in 2021, and the fine was NTD 60,000. The violation is: The employee's skin was cut by a protruding object, and the employee returned to work after the nurse assessed that there was no need for timely medical treatment because there was no wound. The nurse negligently failed to conduct an accident investigation in accordance with the occupational injury procedure.

Rectification measures: A case study has been held, and supervisors and nurses are required to report all occupational injuries in the workplace, regardless of the degree of injury. Moreover, an investigation of the incident is conducted and corrective measures are initiated. All of the above rectification has been completed.

None of the subsidiaries had any incidents related to employee health and safety violations.



Note: The above are the statistics of Ardentec's headquarters and the subsidiary, Giga Solution.

# Epidemic Prevention Management

When COVID-19 was spreading rapidly at the end of 2019, Ardentec headquarters immediately set up a Pandemic Prevention Committee. The committee worked with all the departments to establish and implement relevant operational guidelines and to arrange pandemic prevention programs. At the same time, the response measures of the headquarters and subsidiaries are unified to establish a pandemic prevention mechanism and prepare supplies to prevent the spread of infectious diseases and viruses. Thus, we are able to ensure that our employees are safely protected against COVID-19 and that there is no impact on our operations and workforce.

Uninterrupted pandemic prevention: We helped our

foreign employees to prepare for the pandemic at home in response to the severe outbreak in the middle of 2021. Taiwan had implemented a level 3 alert for the outbreak, and every family was taking precautions at home on their own. In order to reduce unnecessary outdoor activities to avoid human contact, Ardentec's foreign employees are also cooperating with the pandemic prevention measures and following related procedures. Considering the inconvenience of foreign employees who are far away from home and not going out, Ardentec has not only segregated and grouped employees who live in dormitories in dormitories according to government regulations, but also arranged three free meals to the dormitories and prepared care kits for pandemic

prevention. The care kit contains essential daily necessities and dry rations so that employees can feel free to protect themselves from the disease in the dormitory without worrying about the inconvenience of living. In addition, in order to encourage employees to cooperate with the Company and the government's pandemic prevention policies, the Company also provides a pandemic prevention policy cooperation bonus to encourage everyone to tide over the difficulties together.



**Set up a Pandemic  
Prevention Committee**

## Pandemic Prevention Measures



- Employees shall wear masks
- Employees shall have their body temperature measured daily when they enter a factory
- Daily contact history shall be reported
- Weekly health self-assessment form shall be completed
- When going to or from hot zones, employees shall do a rapid antigen self-test.



- Employees shall wear masks
- Employees shall have their body temperature measured daily when they enter a factory
- Weekly health self-assessment form shall be completed
- When coming from hot zones, personnel shall do a rapid antigen self-test.



- Guests are allowed to enter the facility only after approval by senior management
- Employees shall wear masks
- Guests shall have their body temperature measured when they enter a factory
- Health self-assessment form shall be completed
- Name registration shall be done
- The activity area is restricted
- When coming from hot zones, personnel shall do a rapid antigen self-test.

## Pandemic Prevention Plan



Personnel  
Control

- Various control measures shall be implemented according to the classification, such as restrictions on travel, meeting rooms and meeting types, work areas, restaurants, elevators, transportation vehicles, staff dormitories, etc.
- In 2021, the number of people working from home for the headquarters was 1,349, which was 30% of the total.
- In 2021, we conducted two rounds of testing for high-risk employees, on-site personnel and voluntary employees, and the total number of participants was 1,199.



Environmental  
Cleaning and  
Disinfection

- In the facility, strengthening cleaning and disinfection of public areas shall be performed 2 times.
- The factories and offices shall be further disinfected by specialist companies once a week.



Adequate Pandemic  
Prevention Materials

- Adequate medical masks, 75% alcohol, ear/forehead thermometer, etc. shall be prepared.
- The working staff and on-site personnel shall be supplied with rapid test kits based on demands.



Pandemic Prevention  
Promotion

- Relevant information and control measures shall be announced from time to time, and the correct concept of pandemic prevention shall be promoted.
- Vaccination information shall be provided to employees in a timely manner.



Pandemic  
Prevention for  
Dormitory

- Segregation: The elevator load limit shall be lowered to 4 (including) persons or less to encourage the use of stairs instead of elevators. The number of people in the laundry/drying area shall be controlled, and there shall be no cross-building or cross-room activities in the dormitory.
- Curfew: It is recommended not to go outside during non-working hours, not to go to hot zones, not to go out for meals, register online for dormitory access, wear a mask inside the room, and wear a mask the whole time outside the room. We provide free boxed lunch, purchasing agent services and bonuses for people who don't go out.
- Traffic management: Fixed checkerboard seating is required for the shuttle buses; passengers shall have their body temperature measured and their hands disinfected before boarding; the vehicle shall be disinfected before/after the employee gets on/off the bus; and it is forbidden to take illegal taxi.
- Disinfection: Dormitory shall be cleaned daily, and cleaning and disinfection of common areas in the facility shall be enhanced.



Daily Body  
Temperature  
Measurement



Employees  
Do Rapid  
Antigen  
Self-tests



Employees  
Do Rapid  
Antigen  
Self-tests



Offices  
Disinfection



Dormitory  
Disinfection



# Customer Service and Supplier Management

## Procurement Locally

\* exclude equipment and  
customer-consigned suppliers

# 100%

## Customer Service

Customer Secrecy Protection

Customer Satisfaction Surveys

Supplier/Contractor Management

Supplier/Contractor Workplace Safety

## Customer Service

Ardentec dedicates in assisting our customers in the development of engineering technologies for semiconductor wafer and finished product testing. We provide testing in production services for various product application tests including logic and mixed signal, analog, radio frequency, memory, and image sensing.

The demand for technology and timeliness in semiconductor testing services from customers has been increasing in recent years as the industry enters a post-Moore's Law era. In response to the demand for high speed computing, low power consumption, high frequency transmission, and thin and light products, in addition to the continuous progress of advanced foundry processes, new packaging formats, such as wafer-level packaging, fan-out packaging, 3D packaging, heterogeneous packaging, and the new chiplet mode are

increasing the complexity of semiconductor wafers. These new processes make testing of semiconductor wafers and finished products much more difficult, and testing methods must be planned in a systematic and flexible manner, which are all brand new challenges.

In terms of testing services, Ardentec has accumulated years of experience in working with top international Teir-1 IDMs and major Fabless semiconductor companies. Furthermore, Ardentec continues to enhance its capabilities in developing testing technologies for HPC (High Performance Computing) ICs, Communication ICs, CIS, Automotive ICs, etc., in line with market trends. Ardentec's test technology team can participate in design review of the customers at the early stage of development. From a testing perspective, we assist our customers in validation of test specifications,

analysis for product characterization, selection of appropriate test equipment, and implementation of test program development. In terms of test fixture selection, Ardentec can also assist in providing advice on M&E design and placement, probe card and load board design.

In terms of mass production testing, Ardentec has a wide range of test platforms to assist customers in mass production testing of semiconductor wafers and finished products, thus satisfying the testing needs of different product characteristics. Moreover, we also continue to invest in mainstream, compatible (flexibility) and scalable (customization) test equipment in the market in order to grow with our customers. During the production process, Ardentec has a dedicated product engineering team to assist in product validation, yield analysis and improvement.

Furthermore, the team can assist customers in switching test platforms after mass production in response to changes of requirements. Ardentec is also continue working on the introduction of factory automation and intelligent production, such as automatic loading and unloading of test equipment, RFID inventory and fixture management, and automation guided vehicle (AGV) distribution, so as to reduce production costs, improve production quality and increase production efficiency.

In addition to the continuous investment and refinement in the test end, in response to the demand of product miniaturization and Turnkey service from our customers, we also offer wafer-level packaging post-processing services to provide customers with a comprehensive solution of semiconductor post-processing.

**In cooperation  
with  
international  
companies  
on top**

**| Fabless  
| Teir-1 IDM**

**The  
introduction of  
Fab automation  
and intelligent  
production**

**| Automatic loading and  
unloading of test equipment  
| RFID inventory and fixture  
management  
| Automation guided vehicle  
(AGV) distribution**



# Customer Secrecy Protection

In the spirit of protecting the intellectual property of customers, Ardentec has established an intellectual property protection policy since 2006. Based on the information security management system structure and information system structure, Ardentec protects the intellectual property of customers under the principle of honesty. Since 2020, Ardentec has been accredited class A by the Taiwan Intellectual Property Management System (TIPS) and has set up an Intellectual Property Management Committee. Besides, we revise our intellectual property management policy in line with the corporate governance, write intellectual property reports every year and publish them on the Company's public website. We hope that through the promotion of intellectual property reports, we can more comprehensively convey its spirit to internal and external stakeholders and demonstrate the Company's energy of intellectual property. For the intellectual property and trade secret information, through the Company's confidential information protection and security system, we further strengthen the Company's overall sensitive information protection in the management system. The intellectual property management system is based on a four-step cycle of Plan-Do-Check-Act to carry out systematic management activities according to the spirit of PDCA. At the same time, we also strengthen the quality of operation through risk assessment, improve management performance of each procedure and provide customers with effective solutions to further enhance the competitiveness of the Company. Moreover, in addition to creating greater profitability for the company, external suppliers are required to strengthen their intellectual and financial management mechanisms.

Ardentec's intellectual property protection includes patents, trademarks, and trade secrets, and separate management rules are established therefor, which are regularly updated and maintained through the patent statement, trademark statement, and trade secret list. In addition, in the planning and evaluation stage of R&D projects, all pre-development intellectual property evaluations are conducted to evaluate the potential intellectual property risks and the prerequisites of intellectual property rights that may be obtained from the development results. In 2020, we acquired several trademarks in Taiwan. Furthermore, in this year, we registered trademarks in China, Singapore and Korea in line with our overseas development. In terms of patent arrangement, we conduct patent evaluation through internal examination system and cooperate with external intellectual property patent firms to file patent applications to the MOEA.



## Intellectual Property Management Committee

The Intellectual Property Management Committee considers and reviews internal/ external issues and stakeholders of the intellectual property management system through regular internal meetings, pays attention to and evaluates the requirements and expectations of stakeholders on the intellectual property management system to avoid leakage of trade secrets and R&D secrets. Furthermore, it conducts intellectual property evaluation of testing technology development to continuously improve the existing intellectual property management process. In order to improve employee quality and intellectual property awareness, enhance the implementation of documentation and standardization of internal

intellectual property management of the Company, reduce operational deviations, further experience inheritance, and promote cross-departmental communication/cooperation, the awareness and concept of intellectual property and trade secrets are enhanced through education and training courses for all employees.

For subsidiaries of Singapore, Korea, Nanjing and Giga Solution, we have gradually introduced policies, relevant operating procedures and mechanism for the intellectual property management systems, including training for intellectual property and trade secret protection as well as internal intellectual property management operating procedures and mechanism. Besides, we have adopted information technology (IT) systems and related tools to protect internal intellectual property and trade secrets, and also improved the effectiveness of the management system through regular management review meetings. We will adjust our intellectual property goals on a rolling basis in line with the business strategy year by year, and evaluate the commercializable intellectual property rights from time to time to bring a positive intellectual property cycle for the company.

In addition to technical services and mass production services for customers, we are committed to actively building a highly efficient communication platform with our customers in terms of system and practice, which has a strict confidentiality mechanism in order to continuously optimize the quality of our services to our customers.

In terms of information system, TPAS (Test Process Analysis System), a highly automated information platform developed by Ardentec, can

provide customers with transparent and real-time information inquiry services. The main framework covers timely yield test information on the quality side, batch process inquiry on the production side, and test program and engineering data control on the manufacturing side. In addition, the system settings can be customized to meet the different needs of our customers, so as to facilitate the data connection with the customer's information system. It not only improves the efficiency of information communication between operation and engineering units and customers, but also serve as a virtual factory for customers after the data is connected.

In practice, Ardentec pays special attention to the feedback from our customers. Through regular weekly and quarterly meetings with our customers, we communicate with them on engineering, quality and business perspectives, and transfer their opinions and needs into internal continuous improvement goals. Interdepartmental project teams are formed by various departments to talk effective solutions out and continuously review them on a rolling basis so as to optimize the services to customers and make flexible adjustments in a timely manner. The annual customer satisfaction survey is a comprehensive review for Ardentec to ensure customer satisfaction. By conducting annual surveys in engineering, service, and quality, we can ensure that our project teams are working towards the goal of customer satisfaction.



Highly automated  
information platform

# TPAS



# Customer Satisfaction Surveys

In order to provide services closer to our customers' needs, the Customer Satisfaction Survey conducted by Ardentec annually looks at sales & customer services, engineering support, on-time delivery rate, hazardous substance free controls, quality management and system services. The results provide a critical reference for future improvements in customer satisfaction. Having better knowledge of customer requirements allows Ardentec to make continuous enhancements and upgrades in testing quality, engineering technology and service efficiency that leads a win-win partnership.

Ardentec believes that customer satisfaction with delivered quality and services is the only way to take customer satisfaction to the next level, strengthen relationships with existing customers, and attract new opportunities. Only then, the profitability of the company can be retained. Results gathered from customer satisfaction surveys are consolidated and reviewed by the Vice President of Sales. After which, employees of relevant departments are tasked to conduct reviews and make improvements to address customers' suggestions, and therefore contribute towards total satisfaction. Ardentec achieved a 93% customer satisfaction in 2021, which was higher than 85% goal satisfaction, Ardentec continues to pursue service more advanced to customer expectation.



# Supplier/Contractor Management

As suppliers and contractors are key business partners of Ardentec, the Company has implemented a business model that aimed at pursuing sustainable operation and business growth. Except the reliance on the manufacturer or customers' designated suppliers for the testing equipment, Ardentec maximizes its partnership with local

suppliers to utilize various resource and services efficiently while supporting local jobs and maintain the economic stability. Except for testing equipment and customer-appointed suppliers, Ardentec headquarters and its subsidiaries procures 100% locally. In 2021, there were no major supplies added to Ardentec's approved supplier list.

## Supplier/Contractor CSR Performance Management

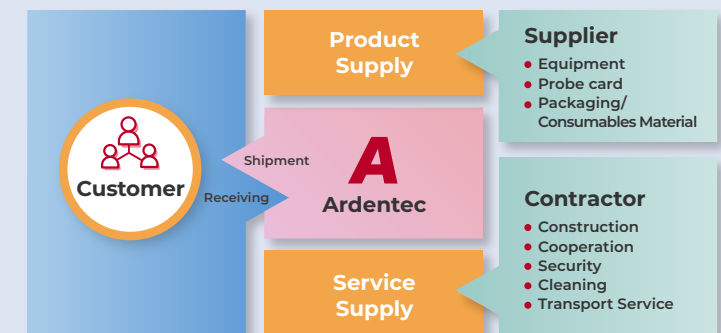
Ardentec formulated CSR supplier code of conduct as a standard to follow, and suppliers are required to sign the compliance confirmation. Ardentec amends its standards whenever there is a change in RBA Code of Conduct, and resign the compliance confirmation with its suppliers, this is to ensure the adherence to the latest standards. There were 11 suppliers signed the compliance confirmation in 2021.

Ardentec requires all of our suppliers and contractors to comply with 「Supplier CSR and Business Ethics

Guidelines」 to achieve the goal of CSR in the industry supply chain.

Equipment and software are the major investments of Ardentec. The main equipment manufacturers who supply to Ardentec are located in America and Japan; these developed countries have sound legal system in protecting human rights, thus human rights protection is not part of supplier qualifying criteria. To qualify suppliers and contractors, one of the qualifying criteria is there must be entities registered in the locations with legal representative and comply with local labor law and other required law and regulations. This is to ensure that all of their operational activities comply with local laws and protect human rights.

## Supply Chain Structure



## Supplier Audit

Ardentec conducts annual on-site audits to our major suppliers (process related suppliers, recruitment agencies and on-site service providers) covering all aspects of CSR in accordance with the supplier CSR performance management procedures to ensure that our partners in the supply chain adhere to the economic, environmental, social and other related laws and regulations.

In 2021, a total of 46 audits were performed, and 34 major suppliers were audited, including 3 probe card supplier, 3 recruitment agencies, 4 security service providers, 5 cleaning service providers and 2 caterers. Audit covered the human rights, working conditions, and safety, health & environment elements.

The audited supplier complied with respective local labor law, no child or forced labor were detected, communication channels were available between the management and labor, and respect the freedom of association was observed. The management of safety and health was sound. Probe card supplier is a repair and maintenance service provider. Small amount of chemicals required in their process were managed appropriately; waste disposal complied with laws and regulations and fulfilled environmental protection requirements. Ardentec observed no risk of safety or environmental impact.

Major suppliers had no penalties resulted from law violation in 2021, good management practices contributed to zero impact on social and environment elements, achieved Ardentec supplier CSR performance expectation and requirements, preserved the supply chain partnerships.



# Supplier/Contractor Workplace Safety

Ardentec follows the requirements of the Occupational Safety and Health Management System to ensure a safe workplace environment for all on-site personnel (security, caterer, cleaning) and contractors at Ardentec. Before working in factory, contractors' personnel are required to receive "contractor induction training", which includes pre-operation hazard notification, common work safety and health protection,

expectations and requirements of corporate social responsibility and business ethics, etc. Moreover, they must sign the "Vendor Safety, Health and Environment Management Signature Page" and join a contractor consultative organization to confirm that contracted services meet the requirements of safety, health and environmental protection.

Before contractors' daily operation, a toolbox safety meeting shall be conducted by responsible units to clearly inform contractors of working environments, hazard factors and hazard prevention measures, as well as fill out a record sheet and place it at the worksite for identification. Consultative organization quarterly meetings are held to ensure the safety of co-contracting operations.

Contractor  
induction training

To sign the "Vendor Safety,  
Health and Environment  
Management Signature Page"



To conduct a toolbox  
safety meeting before  
contractor's daily operation

Consultative organization  
quarterly meetings





# Community Engagement

Educational Outreach

Caring for the Disadvantaged

Sustainability of the  
Environment and Ecosystem

Forest Land Adopting:  
carbon sink/year

**259** Metric  
Tons



## Educational Outreach

### Have a Bright Future Blessings to the Graduates

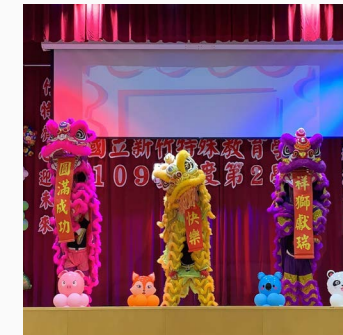


Ardentec headquarters began providing Ardentec Awards to graduates of Zhongzheng Junior High School and Huaxing and Zhongxing Elementary Schools at Hukou Industrial Park in 2017 for the 5th consecutive year. In graduation season, the chairperson of Ardentec Employees' Welfare Committee gave the best wishes at the graduation ceremony in recognition of their academic achievements, and to encourage them aim higher, be more successful and paying it forward in future. There were total 73 Ardentec Awards had been given in 5 years.

## Heritage of Traditional Art—Lion Dance Drum Team of Zhongzheng Junior High School

A group of children from the lion dance drum team of Hukou Zhongzheng Junior High School, Hsinchu Industrial Park, are striving to learn the declining Chinese folk culture and insist on bringing the traditional art to the forefront. In 2021, they participated in China Cup Dragon and Lion Dance Championships, school day of Zhubei Special Education School, Hsinchu County Sports Day's opening act. In these events, they have achieved many successes and received numerous positive feedbacks. Since 2015, Ardentec has continued

to donate funds for 7 years to encourage the children's efforts and to support the heritage of folk arts and crafts.



School Day Performance of Zhubei Special Education School



China Cup Dragon and Lion Dance Championships

Since 2015, Ardentec has continued to donate funds | **7 YEARS**

## After-Class Self-Study

Since 2017, Ardentec headquarters has been donating regularly to Hukou, Huaxing Elementary School and Zhongxing Elementary School so that these students wouldn't lose the opportunity to learn and pursue their dreams due to the weak economy. Since 2019, we have provided funding for Zhongzheng Junior High School to hold after-school clubs and self-learning classes during the holidays. The school teachers provide tutoring after school according to the students' condition, supervise the children to complete homework and review homework, thus maintaining the quality of after-school learning.

The after-school club has benefited more than 100 people to date. In addition to the improvement of the students' academic performance, students are also less likely to get into trouble outside of school after class. Parents in industrial park who are busy with their livelihoods can have their children cared by teachers after school to improve their fundamental academic capabilities.

### Zhongzheng Junior High School



Self-learning classes students proactively review lessons during the holidays



Reading room cooperative learning at after-school clubs

Since 2017, Ardentec headquarters has been donating regularly to Hukou, Huaxing Elementary School and Zhongxing Elementary School | **5 YEARS**



### Appreciation Card for Donation to Low-income Students



Hsinchu County Government



Zhongxing Elementary School

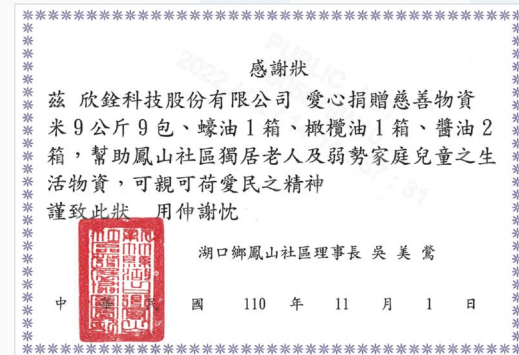
## Support Village Chief for After School Learning

There are many low-income or new immigrants' families in Hsinchu Industrial Park where Ardentec located. These families lack sufficient support to their children's education and learning, resulted difficulty of education to those children.

The chief of Fengshan Village spearheaded the "free afterschool tutoring", and accompanied with "complimentary dinner", after-school care for children of those families. The initiatives helped them overcome learning difficulties and reduced the learning gap. Ardentec stands by Chief Wu's good will. Since 2013, we have continued donating children's books, school supplies, and food for after-school tuition centers for 9 consecutive years, and providing disadvantaged families with the support they need. The sustained support and assistance from Ardentec warmed the hearts of the parents and their children in need.



Headquarters donated necessities to Fengshan Village for after-school learning



Appreciation card from Fengshan Community for donation of after-school necessities



## Sharing Children's Books, Sharing Love

For the eighth year in a row, Ardentec headquarters and its subsidiary, GIGA Solution, are promoting employee donations of second-hand children's books to share with children in elementary schools near the rural areas of Hsinchu County. The donated books totaled 5,448. In 2021, the collection of children's books was mainly donated to the BOYO Social Welfare Foundation. The headquarters collected 218 books including new books and donated them to the Hengshan center; the subsidiary, GIGA Solution, donated 500 books to the Jianshi Center.



GIGA Solution donated Boyo Social Welfare Foundation books



Appreciation card from Boyo Social Welfare Foundation- Ardentec books donation



Appreciation card from Boyo Social Welfare Foundation- GIGA Solution books donation



## Painting Class of Wujian Center Cultivating Children's Aesthetic Understanding

There are about 160 elementary school children from disadvantaged or disabled families in Zhudong District, Hsinchu County. Wujian Center, World Vision Taiwan established a painting class in Zhudong, offering a variety of courses based on the themes of creative painting, art and color. The classes provide a safe after-school space for 25 children from disadvantaged or disabled families to learn painting and other diversified talents.



Ardentec has donated NTD 108,000 to support the painting class. Through art education, the class will help the children develop aesthetic knowledge, and through artistic cultivation, their self-confidence and interpersonal relationships will be enhanced.



Appreciation card from Hsinchu Wujian Center, World Vision



# Caring for the Disadvantaged

## Warmth of Blood— Let love carry on



Ardentec headquarters has held at least two blood donation events each year since 2013. In addition to encouraging employees to donate blood, we also call on our on-site clients/ companies and neighboring companies to join us. Over the past 9 years, we have continued to “donate gifts that save lives”. Donated 1,394 bags of blood, we used our warm blood to restore the health of countless strangers.



Headquarters' employee donated blood

## Heartwarming Society Concerns

From 2012, Ardentec's longstanding support for local charities aims to help fostering a diverse and inclusive society to let the warmth and bright lights up more corners. Along the years, we have worked with World Peace Council, Huashan Social Welfare Foundation, Boyo Social Welfare Foundation, Maria Social Welfare Foundation, Eden Social Welfare Foundation, St. Joseph Home, Genesis Social Welfare Foundation, Down Syndrome Foundation, Taiwan Fund for Children and Families, St. Fanfrancis Xavier Home for Children, St. Joseph Social Welfare Foundation, and Catholic Hua-Kuang Social Welfare Foundation.

The donation of 2021 is total NTD 1,900,600, including NTD 1,050,000 by Ardentec headquarters and NTD 850,600 by employees.



## Enjoying Fitness for Charity



Ardentec headquarters invites the employees to join the “You enjoy fitness, I donate rice” weight loss competition to promote health and do charity work at the same time. In 2021, our employees lost a total of 196 kg and earned their health. Besides, the company donated 196 kg of rice to local social welfare organizations for charity.

## Appreciation from Local Charities for Ardentec's Support



## Caring Across Borders

### Washing hands properly and hygienically — Growing up healthy together in the Sahara Desert!

Located in the Sahara Desert region of West Africa, Niger is the least developed country in the world. Many communities and schools do not have toilets and hand washing facilities, and 78% of them have open defecation. Those children can only defecate in open spaces or in bushes. In addition to the great safety risks and inconveniences faced by the girls, the lack of hand washing facilities makes the students not have proper hygiene norms. Consequently, contagious diseases are likely to develop and spread rapidly, making schools a high-risk place for students and teachers. Toilets and hand washing, which are easily accessible in our lives, are unreachable in the remote villages of Niger!

World Vision launched a water and sanitation improvement program in Tahoua planning area, Niger, to improve water resources issues, build school restrooms and hand-washing facilities, and provide hygiene education. Ardentec supported World Vision in 2021 to set up 30 hand-washing devices in front of 10 school restrooms. Furthermore, with the personal hygiene knowledge promoted by World Vision, the children are able to develop the habit of hand washing and bring home the hygiene knowledge, so that their family members will also have the correct hygiene knowledge; thus, the children will be less likely to be infected with diseases. We look forward to seeing their healthy smiles and happy growth under the bright sun!



Appreciation card from World Vision –  
Ardentec donation



## Epidemic Prevention with Mask Caring for the Elderly

Society for the Aged Sick (SAS) is a non-profit nursing home, providing residential, respite care services, medical care, nursing care, physiotherapy, occupational therapy, dietary services and dental care to meet the needs of their residents. In light of the current COVID-19 situation in Singapore and elderly are being more vulnerable and faces significant risk of developing severe illness if they contract the coronavirus due to physiological changes that come with ageing and potential underlying health conditions. Ardentec Singapore had donated 1,800pcs of surgical face masks to the nursing home to help the elderly residents to strengthen epidemic prevention efficiency and reduce infection risks.



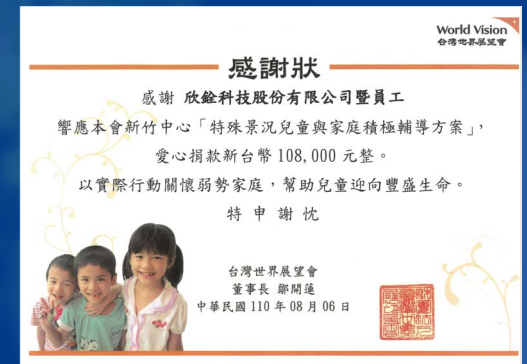
Singapore subsidiary donated masks to SAS  
nursing home



## Helping to Overcome COVID-19 Together

Since 2020, the number of families who are affected by COVID-19 is rapidly increasing, and the number of people who need support in 2021 was increased by nearly 50% compared to the previous year. For families in financial hardship due to illness, injury, emergencies, changes in family and other unforeseen circumstances, World Vision provides regular financial support through the "Active Counseling Program for Children and Families with Special Circumstances" to help families get back on track as soon as possible.

In 2021, Ardentec donated NTD 108,000 to World Vision, Hsinchu Center of Taiwan, family support fund, which is expected to help 16 families (48 people) return to a family and have a balanced financial life.



Appreciation card from Hsinchu Center, World  
Vision – Ardentec headquarters' donation



## Rice Brings Warmth to Stomach and Heart

Rice Donation Event is held every year by the volunteer group in Pyeongtaek, where Ardentec Korea Subsidiary located in, sharing rice with residents and neighbors in need.

There were about 20 organizations established in Pyeongtaek participated in the event. Korea Subsidiary responded to the call, donating 100 kg of rice to the volunteer group in Pyeongtaek in the 3rd consecutive year, to bring warmth to stomach and heart.



Korea Subsidiary donated rice to the volunteer group in Pyeongtaek



## Race against Cancer Pass Love On

Organized by Singapore Cancer Society (SCS), Race Against Cancer (RAC) 2021 exists to make a statement against cancer, to minimize cancer and maximize lives. No one should fight cancer alone. The activity aims to raise funds for cancer treatment subsidies, welfare assistance, cancer rehabilitation, hospice care, cancer screenings, public education and cancer support group initiatives, to help to drive Singapore Cancer Society's programmes and services such as the SCS Cancer Care

Fund, SCS Cancer Rehabilitation Centre, SCS Cancer Treatment Fund, SCS Help the Children and Youth Programme and the SCS Welfare Aid.

A total of 16 employees of Singapore Subsidiary had accomplished 359 kilometers and donated the sum \$640 to turn their love into power of support and to encourage those who are impacted by cancer join in the fight and run alongside.



Race Against Cancer

## Care and Comfortable Tissue

Moonlight Home for the Aged and Handicapped equipped with abundance of patience, dedication, and a warm heart to run the Nursing Home just like the moonlight. Hand towel & toilet roll is one of their fastest consumption goods when taking care of the elderly. St John's Home was established to shelter for elderly persons who are ambulant and aged above 60. The institute provides caring to meet the physical

and spiritual needs of elderly persons regardless of race or religion who are homeless and without children.

To reduce their cost burden and support the social services of social welfare organizations, the Singapore subsidiary donated household paper to the above two social welfare organizations in 2021 as follows.



Donated Social Welfare Organization	Hand Towel (box)	Toilet Roll (box)
Moonlight Home for the Aged and Handicapped	40	10
St. John's Home	10	6



# Sustainability of the Environment and Ecosystem

## Ardentec Natural Paddy Field Respect Ecology Friendly Health

Ardentec started supporting Changhua Ecology Wetland Rehabilitation Project since 2015, and co-worked for ecological wetland rice field restoration as "Ardentec Natural Paddy Field". Only the most natural farming methods that eschew the use of pesticides, herbicides and chemical fertilizers were adopted so that a naturally diverse and balanced eco-system can be cultivated by the plants and animals living on the land. Employees purchase harvest in 2021 to make farmers' endeavor receive reasonable respect.

To support friendly farming and to protect ecology diversity through friendly and healthy consumption action, then our missing ecosystem could be recovered.

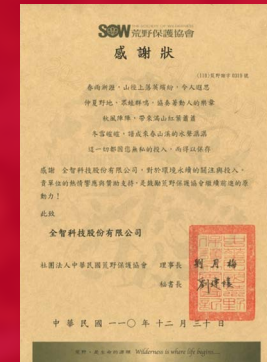


Ardentec Natural Paddy



## Endorsing Environmental Protection and Supporting Wildness

With the engagement for all citizens, the "Society of Wilderness" promotes the protection of Taiwan's environment and wilderness through nature education, habitat conservation and protection actions to create a beautiful natural environment. In response to climate change and global warming, we promote various environmental education and engage in environmental topics, such as sustainable mountain forests, plastic-free oceans, and conservation of natural habitats to make our contribution for the environmental protection of Taiwan. The subsidiary, GIGA Solution, donated NTD 100,000 in 2021 to support the Society of Wilderness's environment actions.



Appreciation card from the Society of Wilderness –GIGA Solution Subsidiary's donation



## Land and Forest—Dear to Ardentec's Heart

As global warming becomes increasingly serious, Ardentec is doing its part for the environment by adopting state-owned forest land in Tainan's Nanxi District. The forest has a total area of 13.14 hectares, which is the largest under the jurisdiction of Chiayi Forestry Bureau. The forest is expected to store 259 metric tons of carbon dioxide per year, about 0.7 Daan Forest Park, which helps to mitigate the greenhouse effect, purify the air quality and maintain biodiversity, thus doing our part for the earth.



Ardentec adopted state-owned forest land received trophy by the Forestry Bureau



Ardentec adopted state-owned forest land in Tainan's Nanxi District



## Being Mutual-Good for Environment

### Street trees and green belt adoption

Working together with the neighbors in the industrial area to improve the environment, Ardentec adopts the street trees and green belts around the company, regularly clean and water them, as well as trim and maintain the trees every quarter.

### Happy Spore Environment Activity

Happy Spore Environment Activity spreading happy spores to each corners through voluntarily cleaning up the environment. Korea Subsidiary employees proactively participate in clean-up activities on a quarterly basis to pursue a clean industrial area and build a healthy and qualified environment.



Ardentec street trees and green belt adoption



Korea Subsidiary employees clean up the streets at the industrial area





# Annexes

**Annex 1 Independent Assurance Opinion Statement**

**Annex 2 GRI Standards Reference Table**

**Annex 3 Sustainability Accounting Standards Board Index**

**Annex 4 ISO 26000 Reference Table**

**Annex 5 UN Sustainable Development Goals (SDGs) Reference Table**

**Annex 6 The UN Global Compact Reference Table**

# Annex 1 Independent Assurance Opinion Statement



## INDEPENDENT ASSURANCE OPINION STATEMENT

### Ardentec Corporation 2021 Sustainability Report

The British Standards Institution is independent to Ardentec Corporation (hereafter referred to as Ardentec in this statement) and has no financial interest in the operation of Ardentec 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 Ardentec only for the purpose of assuring its statements relating to its sustainability 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 Ardentec. 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 Ardentec only.

#### Scope

The scope of engagement agreed upon with Ardentec includes the followings:

1. The assurance scope is consistent with the description of Ardentec Corporation 2021 Sustainability Report.
2. The evaluation of the nature and extent of the Ardentec's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.
3. The assessment of disclosure to be in conformance with the applicable SASB industry standard(s) in this report as conducted in accordance with type 1 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 Ardentec Corporation 2021 Sustainability Report provides a fair view of the Ardentec sustainability programmes and performances during 2021. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the Ardentec and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate Ardentec's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers 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 Ardentec's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards and SASB Standard(s) (Semiconductors Sustainability Accounting Standard) were fairly stated.

#### Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top level review of issues raised by external parties that could be relevant to Ardentec's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 13 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- 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 (2018).
- an assessment of the organization's use of metrics or targets of SASB Standard(s) to assess and manage topic-related risks and opportunities.

#### Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018), GRI Standards, and SASB Standard(s) are set out below:

#### Inclusivity

This report has reflected a fact that Ardentec 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 Ardentec's inclusivity issues.

#### Materiality

Ardentec publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of Ardentec and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the Ardentec's management and performance. In our professional opinion the report covers the Ardentec's material issues.

#### Responsiveness

Ardentec has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for Ardentec is developed and continually provides the opportunity to further enhance Ardentec's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the Ardentec's responsiveness issues.

#### Impact

Ardentec has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. Ardentec has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the Ardentec's impact issues.

#### GRI Sustainability Reporting Standards (GRI Standards)

Ardentec 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-specific Standard, 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 Ardentec's sustainability topics.

#### SASB Standards

Ardentec provided us with their self-declaration of in accordance with SASB Standard(s) (Semiconductors Sustainability Accounting Standard). Based on our review, we confirm that the sustainability disclosure topics & accounting metrics of SASB Standard(s) (Semiconductors Sustainability Accounting Standard) are reported, partially reported or omitted. In our professional opinion the self-declaration covers disclosure topics, associated accounting metrics and activity metrics for applicable SASB industry standard(s).

#### Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

#### Responsibility

The sustainability report is the responsibility of the Ardentec'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 14084 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:

Peter Pu, Managing Director BSI Taiwan



Statement No: SRA-TW-2021064  
2022-05-26

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# Annex 2 GRI Standards Reference Table

Verify result is as Annex 1 Independent Assurance Opinion Statement

GRI Standards	Chapter	Page	Remarks
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## GRI 2: General Disclosures 2021

The Organization and Its Reporting Practices				
*2-1	Organizational details	Report Cover Company Introduction	05	
*2-2	Entities included in the organization's sustainability reporting	About the Report	01	
*2-3	Reporting period, frequency and contact point	About the Report	01	
*2-4	Restatements of information	Refer to each chapter	—	
*2-5	External assurance	About the Report	01	
Activities and Workers				
*2-6	Activities, value chain and other business relationships	Market Size and Performance Supplier/Contractor Management	08 93	
*2-7	Employees	Workforce Structure	67	
*2-8	Workers who are not employees	Workforce Structure	67	
Governance				
*2-9	Governance structure and composition	Board of Directors	41	
*2-10	Nomination and selection of the highest governance body	Board of Directors	41	
*2-11	Chair of the highest governance body	Board of Directors	41	
*2-12	Role of the highest governance body in overseeing the management of impacts	Board of Directors	41	
*2-13	Delegation of Responsibility for managing impacts	Board of Directors	41	
*2-14	Role of the highest governance body in sustainability reporting	About the Report	01	
*2-15	Conflicts of interest	Board of Directors	41	

GRI Standards	Chapter	Page	Remarks
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## Governance

*2-16	Communication of critical concerns	Board of Directors	41	
*2-17	Collective knowledge of the highest governance body	Board of Directors	41	
*2-18	Evaluation of the performance of the highest governance body	Board of Directors	41	
*2-19	Remuneration policies	Executive Compensation Policy	43	
*2-20	Process to determine remuneration	Executive Compensation Policy	43	
*2-21	Annual total compensation ratio	—	—	Employment Contract (version 2; effective date: 2020/05/19) including salary confidentiality constraint could not disclosure

## Strategy, Policies and Practices

*2-22	Statement on sustainable development strategy	Sustainable Development Policy	23	
*2-23	Policy commitments	Governance Principles Employee Partnership Policy	40 64	
*2-24	Embedding policy commitments	Ethical Guidelines Employee Partnership Policy	44 64	
*2-25	Processes to remediate negative impacts	Ethical Guidelines Labor-Management Harmony	44 75	
*2-26	Mechanisms for seeking advice and raising concerns	Ethical Guidelines Labor-Management Harmony	44 75	
*2-27	Compliance with laws and regulations	Employee Partnership Policy	64	
*2-28	Membership associations	Honors and Accolades	11	

## Stakeholder Engagement

*2-29	Approach to stakeholder engagement	Analysis of Stakeholders and Topics of Concern	26	
*2-30	Collective bargaining agreements	Labor-Management Harmony	75	

GRI Standards		Chapter	Page	Remarks
<b>GRI 3: Material Topics 2021</b>				
*3-1	Process to determine material topics	Analysis of Stakeholders and Topics of Concern Topic Materiality Matrix	26 27	
*3-2	List of material topics	Topic Materiality Matrix Material Topics Management Strategy	27 28	
*3-3	Management of material topics	Material Topics Management Strategy	28	
<b>Disclosure of Specific Topic</b>				
<b>GRI 201: Economic Performance 2016</b>				
*201-1	Direct economic value generated and distributed	Market Size and Performance Surplus Allocation Compensation and Benefits	08 10 70	
201-2	Financial implications and other risks and opportunities due to climate change	Climate Change Management Green Management System	50 54	
*201-3	Defined benefit plan obligations and other retirement plans	Compensation and Benefits	70	
<b>GRI 202: Market Presence 2016</b>				
202-2	Proportion of senior management hired from the local community	Right People for Right Job	65	
<b>GRI 203: Indirect Economic Impacts 2016</b>				
203-2	Significant indirect economic impacts	Risk Management	46	
<b>GRI 204: Procurement Practices 2016</b>				
204-1	Proportion of spending on local suppliers	Supplier/Contractor Management	93	
<b>GRI 205: Anti-corruption 2016</b>				
205-1	Operations assessed for risks related to corruption	Ethical Guidelines	44	
205-2	Communication and training about anti-corruption policies and procedures	Ethical Guidelines	44	
205-3	Confirmed incidents of corruption and actions taken	Risk Management	46	
<b>GRI 207: Tax 2019</b>				
207-1	Approach to tax	Tax Management	09	
207-2	Tax governance, control, and risk management	Tax Management	09	
207-4	Country-by-country reporting	Tax Management	09	
<b>GRI 301: Materials 2016</b>				
301-1	Materials used by weight or volume	Disclosure of Environmental Information	59	
301-2	Recycled input materials used	Disclosure of Environmental Information	59	

GRI Standards		Chapter	Page	Remarks
<b>GRI 302: Energy 2016</b>				
302-1	Energy consumption within the organization	Energy and GHG Management Disclosure of Environmental Information	55 59	
302-3	Energy intensity	Disclosure of Environmental Information	59	
302-4	Reduction of energy consumption	Energy and GHG Management	55	
302-5	Reductions in energy requirements of products and services	Energy and GHG Management	55	
<b>GRI 303: Water and Effluents 2018</b>				
303-1	Interactions with water as a shared resource	Water Resource Management	60	
303-2	Management of water discharge-related impacts	Water Resource Management	60	
303-3	Water withdrawal	Water Resource Management	60	
303-4	Water discharge	Water Resource Management	60	
303-5	Water consumption	Water Resource Management	60	
<b>GRI 305: Emissions 2016</b>				
305-1	Direct (Scope 1) GHG emissions	Energy and GHG Management	55	
305-2	Energy indirect (Scope 2) GHG emissions	Energy and GHG Management	55	
305-4	GHG emissions intensity	Energy and GHG Management	55	
305-5	Reduction of GHG emissions	Energy and GHG Management	55	
305-6	Emissions of ozone-depleting substances (ODS)	Energy and GHG Management	55	
<b>GRI 306: Waste 2020</b>				
306-1	Waste generation and significant waste-related impacts	Waste Management	61	
306-2	Management of significant waste-related impacts	Waste Management	61	
306-3	Waste generated	Waste Management	61	
306-4	Waste diverted from disposal	Waste Management	61	
306-5	Waste directed to disposal	Waste Management	61	

GRI Standards		Chapter	Page	Remarks
GRI 307: Environmental Compliance 2016				
307-1	Non-compliance with environmental laws and regulations	Green Management System	54	There was no major fine in the year of report
GRI 308: Supplier Environmental Assessment 2016				
308-2	Negative environmental impacts in the supply chain and actions taken	Supplier/Contractor Management	93	
GRI 401: Employment 2016				
※401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compensation and Benefits	70	
401-3	Parental leave	Compensation and Benefits	70	
GRI 402: Labor/Management Relations 2016				
※402-1	Minimum notice periods regarding operational changes	Labor-Management Harmony	75	
GRI 403: Occupational Health and Safety 2018				
※403-1	Occupational health and safety management system	Safety and Health Management System	80	
403-2	Hazard identification, risk assessment, and incident investigation	Safety and Health Management	82	
403-3	Occupational health services	Health Management	85	
※403-4	Worker participation, consultation, and communication on occupational health and safety	Safety and Health Management System	80	
403-5	Worker training on occupational health and safety	Safety and Health Management	82	
403-6	Promotion of worker health	Health Management	85	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety and Health Management Supplier/Contractor Workplace Safety	82 94	
403-8	Workers covered by an occupational health and safety management system	Supplier/Contractor Workplace Safety	94	
403-9	Work-related injuries	Safety and Health Management	82	
403-10	Work-related ill health	Safety and Health Management	82	
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	Career Growth	73	
404-2	Programs for upgrading employee skills and transition assistance programs	Career Growth	73	
404-3	Percentage of employees receiving regular performance and career development reviews	Career Growth	73	

\* Core Item; ※Topic Materiality; Core Item is fully disclosed and others are non-fully disclosed.

GRI Standards		Chapter	Page	Remarks
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	Workforce Structure	67	
GRI 406: Non-discrimination 2016				
※406-1	Incidents of discrimination and corrective actions taken	Right People for Right Job	65	There was no discrimination in 2020
GRI 407: Freedom of Association and Collective Bargaining 2016				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Labor-Management Harmony Supplier/Contractor Management	75 93	
GRI 408: Child Labor 2016				
※408-1	Operations and suppliers at significant risk for incidents of child labor	Right People for Right Job Supplier/Contractor Management	65 93	
GRI 409: Forced or Compulsory Labor 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Right People for Right Job	65	
GRI 410: Security Practices 2016				
410-1	Security personnel trained in human rights policies or procedures	Employee Partnership Policy	64	
GRI 412: Human Rights Assessment 2016				
412-2	Employee training on human rights policies or procedures	Employee Partnership Policy	64	
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	Supplier/Contractor Management	93	
GRI 418: Customer Privacy 2016				
※418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security Intellectual Property and Trade Secrets	17 18	There was no complaint of violation of customer privacy or data leakage in 2021
GRI 419: Socioeconomic Compliance 2016				
※419-1	Non-compliance with laws and regulations in the social and economic area	Health Management	85	There was full-compliance with laws and regulations in the social and economic area in 2021



# Annex 3 Sustainability Accounting Standards Board Index

## Technology & Communications Sector, Semiconductors

Topic	Code	Accounting Metric	Category	Chapter
Greenhouse Gas Emissions	TC-SC-110a.1	(1) Gross global Scope 1 emissions and (2) amount of total emissions from perfluorinated compounds	Quantitative	Environmental Sustainability
	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	Environmental Sustainability (Energy and GHG Management)
Energy Management in Manufacturing	TC-SC-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Environmental Sustainability
Water Management	TC-SC-140a.1	(1) Total water withdrawn, (2) total water consumed, (3) percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Environmental Sustainability (Water Resource Management)
Waste Management	TC-SC-150a.1	Amount of hazardous waste from manufacturing, percentage recycled	Quantitative	Environmental Sustainability
Employee Health & Safety	TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	Discussion and Analysis	Workplace Safety and Health
	TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	Quantitative	Workplace Safety and Health
Recruiting & Managing a Global & Skilled Workforce	TC-SC-330a.1	Percentage of employees that are (1) foreign nationals and (2) located offshore	Quantitative	Employees as Partners
Product Lifecycle Management	TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Environmental Sustainability (Green Management System); Ardentec primarily offers testing services and technologies, and does not produce tangible products, not applicable.
	TC-SC-410a.2	Processor energy efficiency at a system-level for: (1) servers, (2) desktops, and (3) laptops	Quantitative	Ardentec primarily offers testing services and technologies, and does not produce tangible products, not applicable.
Materials Sourcing	TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	Environmental Sustainability (Green Management System); no conflict minerals usage
Intellectual Property Protection & Competitive Behavior	TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	Professional Services and Technology Development
Total production	TC-SC-000.A	—	Quantitative	About Ardentec (Market Size and Performance)
Percentage of production from owned facilities	TC-SC-000.B	—	Quantitative	About Ardentec (Market Size and Performance)

\*According to Sustainability Accounting Standards Board (SASB), Ardentec is classified as Technology & Communications-Semiconductors.

## Annex 4 ISO 26000 Reference Table

ISO 26000 indicators		Chapter	Remarks	ISO 26000 indicators		Chapter	Remarks
Organizational Governance	Decision-making processes and structures that help fulfill social responsibilities and enable applications of core CSR principles	Right People for Right Job		Fair Operating Practices	Anti-corruption	Anti-corruption	
					Responsible political involvement	Employee Partnership Policy	Ardentec cares for all aspects of national development but remains politically neutral; We encourage employees to exercise civil rights, but fully respect the political orientation of individual employees.
Human Rights	Checks for regulatory compliance and avoidance of human rights risks	Employees as Partners Supplier/Contractor Management	The Taiwan headquarters, Singapore, Korea, and GiGA Solution subsidiaries are located in countries with sound human rights review. All business operations are located in the industrial zones supervised by the governments. All human rights related matters meet the regulations.		Fair competition	Anti-corruption	The Company serves corporate customers and is not involved in the mass market. Ardentec complies with regulations that govern intellectual property rights and fair trading. It maintains sound and legal business interactions with customers as well as upstream and downstream partners.
	Human rights risk situations	Employees as Partners Supplier/Contractor management			Promoting social responsibility in the value chain	Customer Service Customer Satisfaction Surveys	
	Avoidance of complicit	Labor-Management Harmony	Employees are provided with multiple means through which to communicate and file complaints		Respect for property rights	Intellectual Property and Trade Secrets	The Company complies with regulations that govern intellectual property rights. It maintains sound and legal business interactions with customers as well as upstream and downstream partners.
	Resolving grievances	Labor-Management Harmony		Consumer Topics	Fair marketing, factual and unbiased information and fair contractual practices	Anti-corruption	The Company complies with regulations that govern fair trade. It maintains sound and legal business interactions with customers as well as upstream and downstream partners.
	Discrimination and vulnerable groups	Educational Outreach			Protecting consumers' health and safety	—	The Company's business activities were primarily semiconductor testing with no tangible products produced. The testing procedures pose no health or safety concerns to the customers.
	Civil and political rights	Employee Partnership Policy Labor-Management Harmony	Ardentec cares for all aspects of national development but remains politically neutral; We encourage employees to exercise civil rights, but fully respect the political orientation of individual employees		Sustainable consumption	—	The Company maintains long-term business relationships with its corporate customers.
	Economic, social and cultural rights	Compensation and Benefits			Consumer service, support, and complaint and dispute resolution	Customer Service Customer Satisfaction Surveys	The primary operation does not contain any tangible products. Therefore, there is no concern about customer services, support, complaints and disputes.
	Fundamental principles and rights at work	Compensation and Benefits			Consumer data protection and privacy	Information Security	The primary operation does not contain any tangible products. Therefore, it does not involve customer data and privacy.
Labor Practices	Employment and employment relations	Right People for Right Job			Access to essential services	Customer Service	
	Conditions of work and social protection	Right People for Right Job Compensation and Benefits Labor-Management Harmony Workplace Safety and Health			Education and awareness	—	The Company's services are not targeted at individual consumers.
	Social dialogue	Communication with Stakeholders		Community Involvement And Development	Community involvement	Community Engagement	
	Health and safety at work	Workplace Safety and Health			Education and culture	Right People for Right Job	
	Human development and training in the workplace	Right People for Right Job Career Growth			Employment creation and skills development	Development strategies and innovations Compensation and Benefits Workplace Safety and Health	
The Environment	Prevention of pollution	Waste Management			Technology development and access	Development strategies and innovations	
	Sustainable resource use	—			Wealth and income creation	Market Size and Performance Compensation and Benefits	
	Climate change mitigation and adaptation	Environmental Sustainability Policy			Health	Workplace Safety and Health	
	Protection of the environment, biodiversity and restoration of natural habitats	Environmental Sustainability Policy			Social investment	Community Engagement	

## Annex 5 Sustainable Development Goals (SDGs) Reference Table

Sustainable Development Goals		Goal Item	Chapter	Page
3	Ensure healthy lives and promote well-being for all at all ages	3.8 3.9	Workplace Safety and Health	79
4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4.4 4.5 4.7	Right People for Right Job Career Growth	65 73
5	Achieve gender equality and empower all women and girls	5.1 5.2 5.c	Right People for Right Job Compensation and Benefits	65 70
6	Ensure availability and sustainable management of water and sanitation for all	6.3 6.6	Water Resource Management	60
7	Ensure access to affordable, reliable, sustainable and modern energy for all	7.2	Energy and GHG Management	55
8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.7	Right People for Right Job Career Growth	65 73
12	Ensure sustainable consumption and production patterns	12.5	Energy and GHG Management Water Resource Management Waste Management	55 60 61
13	Take urgent action to combat climate change and its impacts	13.3	Energy and GHG Management	55
16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16.5	Governance Principles	40



## Annex 6 The UN Global Compact Reference Table

Classification and Principles of the UN Global Compact		Chapter	Remarks
Human rights	Businesses should support and respect the protection of internationally proclaimed human rights	Employees as Partners Supplier/Contractor Management	The Taiwan headquarters, Singapore, Korea, and GIGA Solution subsidiaries are located in countries with sound human rights review. All business operations are located in the industrial zones supervised by the governments. All human rights related matters meet the regulations.
	Business should make sure that they are not complicit in human rights abuses		
Labor	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Labor-Management Harmony	
	Elimination of all forms of forced and compulsory labor	Employee Partnership Policy	
	Effective abolition of child labor	Right People for Right Job	
	Elimination of discrimination in respect of employment and occupation	Employee Partnership Policy Right People for Right Job Compensation and Benefits	
Environment	Business should support a precautionary approach to environmental challenges	Energy and GHG Management	Ardentec primarily offers testing services and technologies, and does not produce tangible products.
	Undertake initiatives to promote Greater environmental responsibility	Energy and GHG Management	
	Encourage the development and diffusion of environmentally friendly technologies	—	
Anticorruption	Businesses should work against corruption in all its forms, including extortion and bribery	Ethical Guidelines	



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