

Sustainability Report

2023

MPI CORPORATION

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1. INTRODUCTION

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1.1 Message from the Management

In 2023, the overall market underwent a year-long inventory correction influenced by geopolitical tensions and the end-market demand not meeting expectations, resulting in extended inventory adjustment periods. However, the industry is nearing the bottom of this adjustment phase and has begun to recover gradually, especially with the development of AI and the automotive market driving the overall semiconductor market. MPI Corporation, adhering to its customer-oriented core business philosophy and sustainable operation strategies, has made long-term plans to mitigate operational impacts, resulting in steady growth in 2023. MPI Corporation's consolidated operating revenue for 2023 was NT\$8.147 billion, an increase of 10% compared to 2022. The net profit for 2023 was NT\$1.312 billion, an 8% increase from 2022, with an earnings per share (EPS) of NT\$13.92, setting new records in business operational performance and profitability.

MPI Corporation is a global leader in test solution design and manufacturing, dedicated to boosting customer competitiveness by serving as a technical partner. We closely monitor emerging technological trends, such as smart living, contactless operations, vehicle electrification, carbon reduction, and emerging AI developments, to respond to new market applications across various industries. With a focus on developing forward-looking measurement technologies, we have established technical roadmaps and currently operate five major product segments: Probe Card, Photonics Automation, Advanced Semiconductor Test, Thermal Test, and Celadon High-Performance Probe Cards, continuously creating sustainable competitiveness for our customers.

The international semiconductor association SEMI presented actionable recommendations for global semiconductor sustainability at the 28th Conference of the Parties (COP28) under the United Nations Framework Convention on Climate Change. These recommendations include strengthening the use of renewable energy and AI applications. As the best partner for customer sustainability, we actively support various sustainability initiatives. We have verified and passed the ISO 14064-1 greenhouse gas inventory and have formulated a greenhouse gas reduction policy, beginning to plan a carbon reduction blueprint. Additionally, specific plants have been planned for the introduction of AI lighthouse factories and smart energy management systems, utilizing AI technology to accelerate process development and sustainable manufacturing. As of the end of 2023, we have installed 963KW of photovoltaic power generation equipment, contributing a total power generation of 1.27 million kWh.

In our commitment to corporate social responsibility, we consistently endeavor to cultivate a workplace that upholds human rights and champions inclusivity and friendliness. Our initiatives include offering complimentary meals to our staff, conducting wellness programs for mental and physical health, and implementing a range of welfare measures along with cultural and artistic activities. We are dedicated to promoting professional development, thereby supporting the holistic growth of our employees. These efforts have earned us the Happiness Enterprise Label from prominent job banks for multiple consecutive years, enhancing our appeal to professional talent. We remain committed to following the Responsible Business Alliance (RBA) Code of Conduct, enhancing transparency and accountability systems, and ensuring compliance and ethical conduct in our corporate operations.

As MPI Corporation celebrates its 30th anniversary, we continue to strive to become the leading company in the field of precision measurement. Our mission is to enhance our customers' competitiveness through advanced core technologies, bringing value to Taiwanese society. We are committed to deepening sustainable operations with a spirit of integrity, professionalism, and high quality. We look forward to collaborating with all stakeholders to embrace challenges together and create a prosperous and sustainable future.

MPI Corporation
President & ESG Committee Chair

郭遠明

1.2 Company Overview

MPI Corporation ("MPI" or the "Company") was founded on July 25, 1995, in Zhubei City, Hsinchu County, Taiwan. In January 2003, the Company was listed on the Taipei Exchange (TPEX: 6223) in January 2003. As a world-leading designer and manufacturer of probe solutions upholding the customer-oriented corporate philosophy, we are committed to developing prospective measurement technologies to tailor solutions for industries including semiconductor, LED, PD, laser, materials research, aerospace (aviation), automotive, fiber optics, and electronic components. We have also established five product operational units: Probe Card, Photonics Automation, Advanced Semiconductor Test, Thermal Testing, and Celadon Systems.

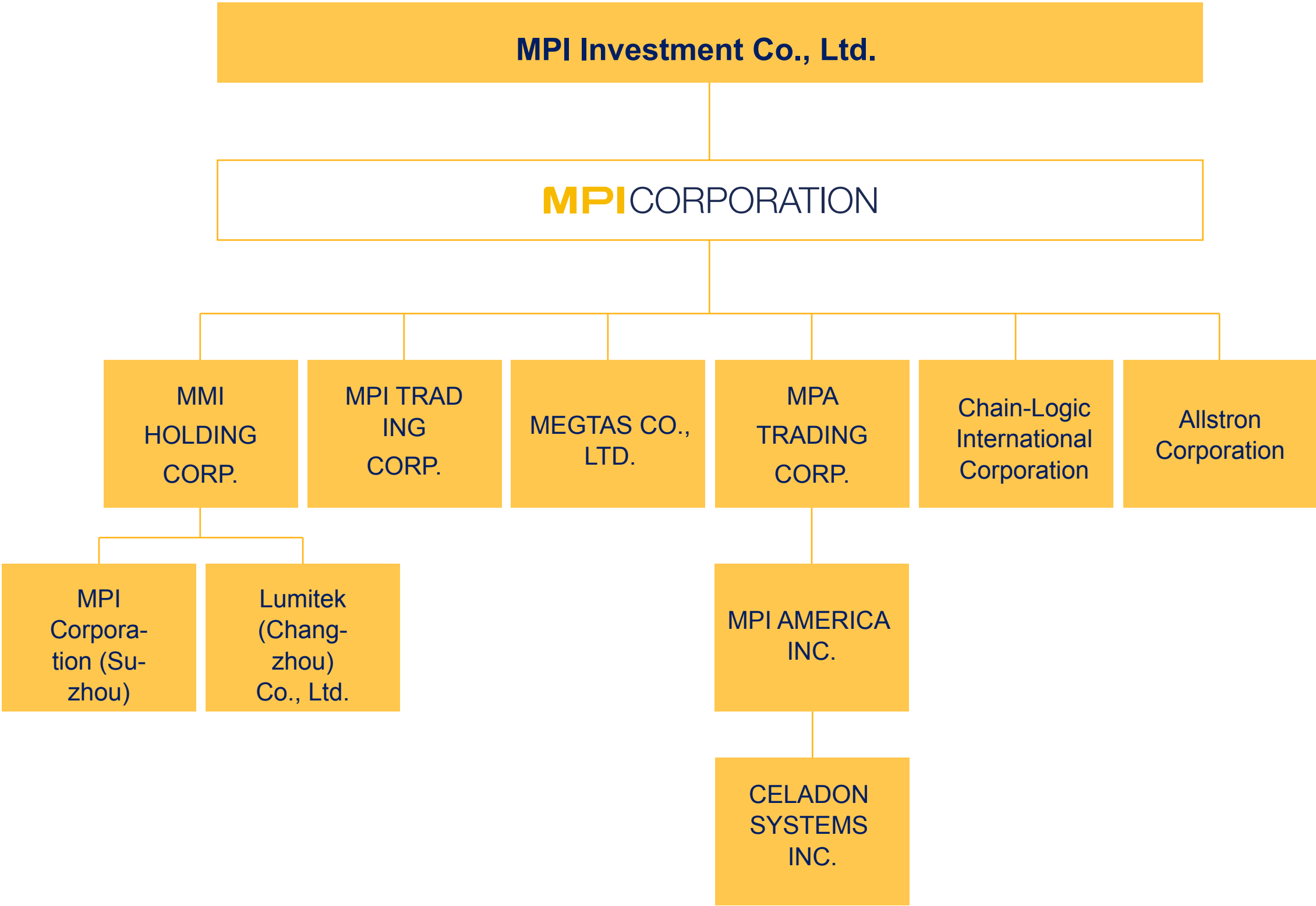


Business Groups



Organization and Worldwide Locations

MPI employs both effective horizontal and vertical integration strategies, enabling scale expansion and risk dispersion through the establishment of subsidiaries, distributors, dealers and business collaboration models. Headquartered in Taiwan, MPI engages in diversified operations with a global presence. It delivers prompt, swift, and high-quality services to clients across Europe, the Americas, and Asia.



Overseas



MPI America
California, USA
(2017)



MPI Suzhou
Jiangsu, China
(2017)



Celadon Systems
Minnesota, USA (2021)

Taiwan



Headquarters
Zhubei, Hsinchu
(2000)



Luzhu Plant
Luzhu, Kaohsiung
(2005)



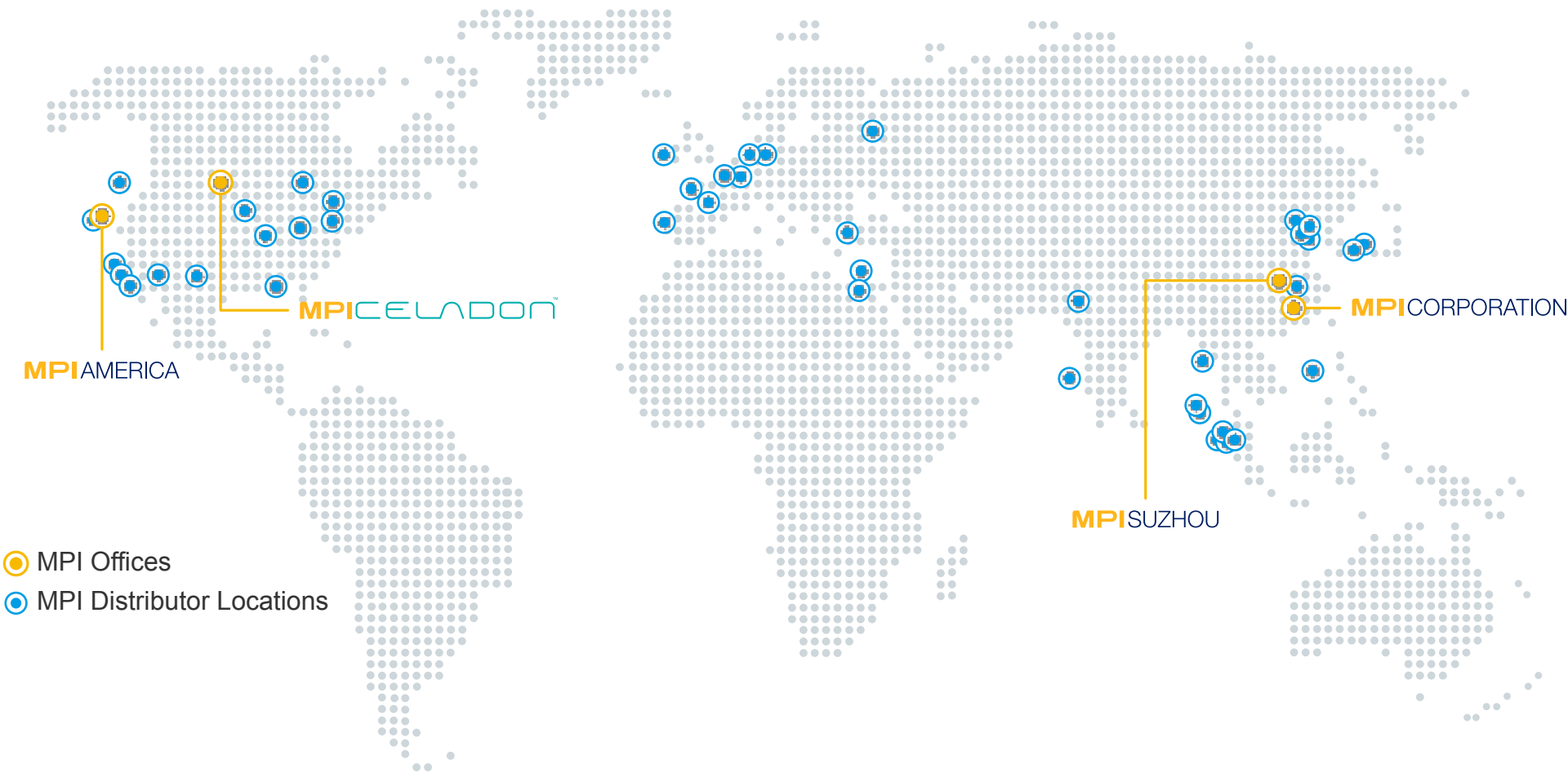
Operations Plant 2,
Zhubei, Hsinchu
(2012)




Xinpu Plant
Xinpu, Hsinchu
(2014)



Operations Plant 3,
Zhubei, Hsinchu (2021)



1.3 Sustainability Performance




Economic

- Total revenue for 2023 was **NT\$8.147** billion, with an EPS of **NT\$13.92** (continuously setting new records)
- Ranked 389th among the top **400** manufacturing companies in Taiwan in 2024 by CommonWealth Magazine, and 33rd in the semiconductor industry
- Globally ranked as the **fourth**-largest probe card supplier, the **largest** cantilever probe card (CPC) manufacturer, and the **largest** vertical probe card (VPC) manufacturer (according to TechInsights 2023 report)
- Maintained **ISO 27001** Information Security Management System certification
- Maintained **ISO 17025** Testing Laboratory certification
- Maintained **ISO 9001** Quality Management System certification



Environmental

- Maintained **ISO 14001** Environmental Management System certification
- Implemented **ISO 50001** Energy Management System
- Obtained **ISO 14064-1** certification for organizational greenhouse gas inventory
- Achieved a power-saving rate of **1.53%** in 2023, saving **350,000** kWh, and reducing greenhouse gas emissions by **176** tCO2e



Social

- Received the Happy Enterprise Label from 1111 Job Bank a total of **4** times
- Maintained **ISO 45001** Occupational Health and Safety Management System certification
- **Zero** major occupational accidents
- Free meals provided to all employees
- The average tenure of employees is **9.3** years, highlighting sustainable talent development
- Adherence to the RBA Supplier Code of Conduct

1.4 Corporate Impact

As a key player in the semiconductor supply chain, MPI Corporation actively participates in major domestic and international industry associations. By the end of 2023, MPI Corporation has joined or held positions in various organizations under its name.

Member



Member



Director



Committee Member



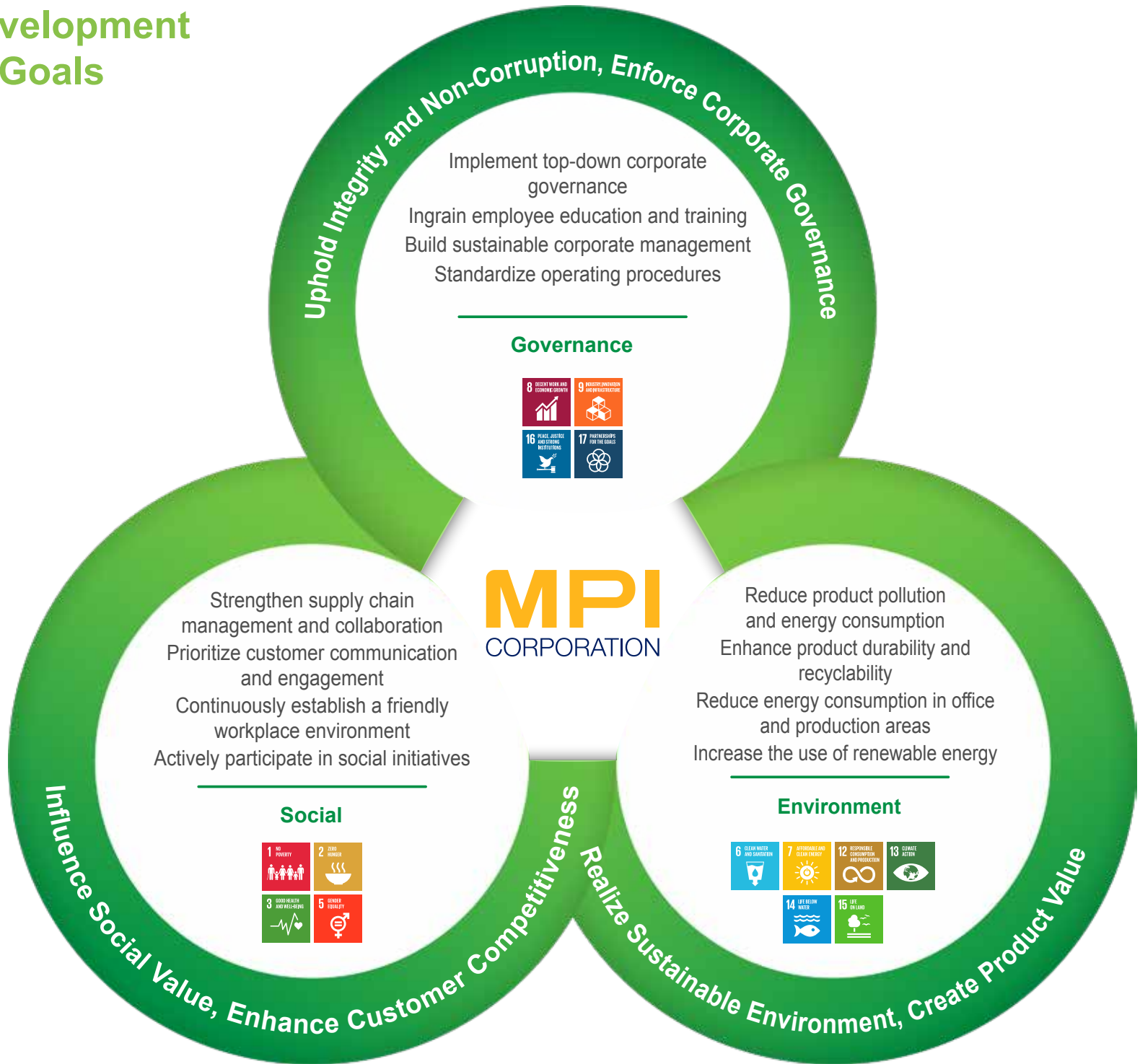
2. SUSTAINABILITY MANAGEMENT

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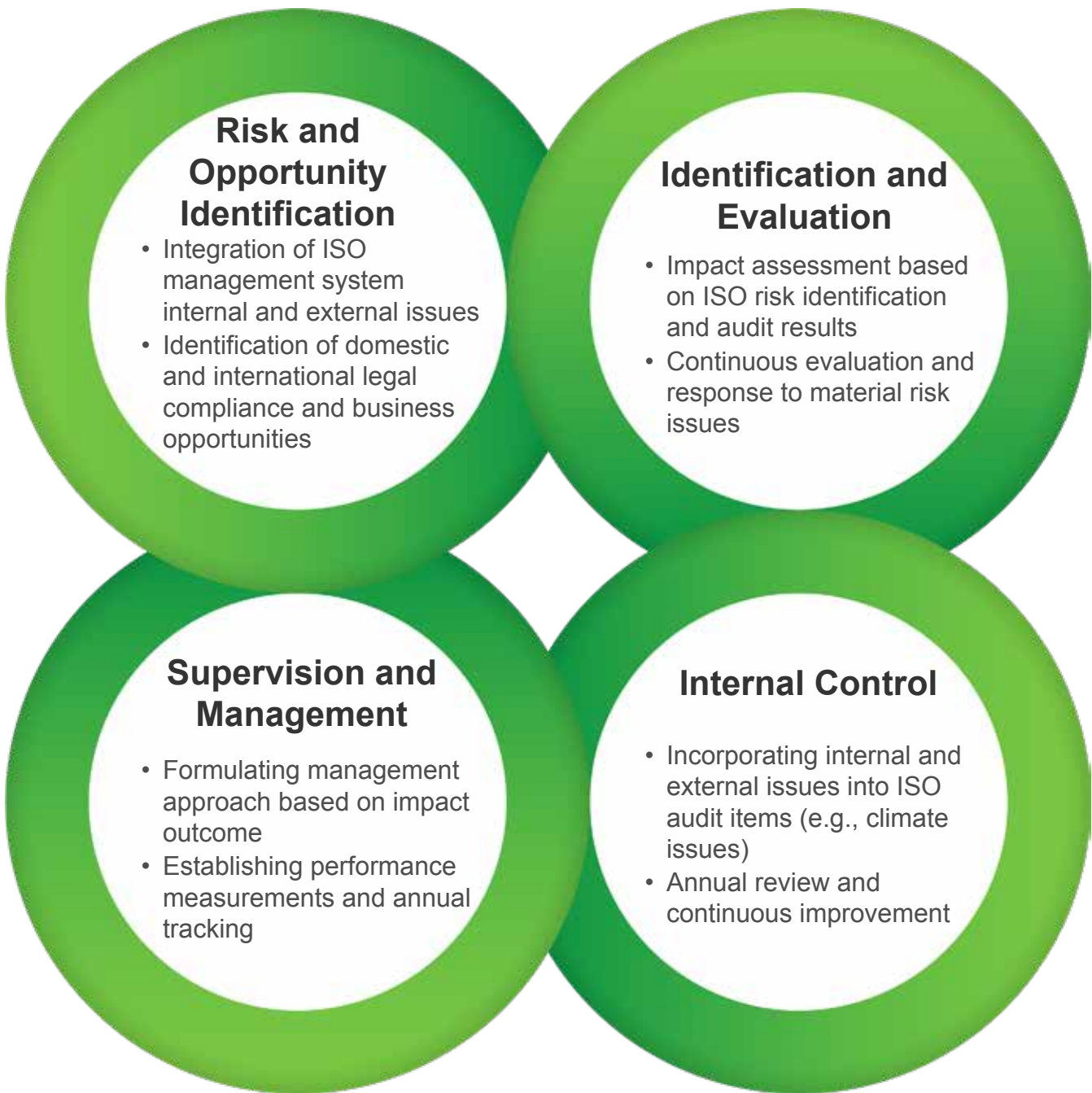
2.1 Sustainability Execution Framework and Management

"Sustainable management" is the core business philosophy of MPI, with rigorous quality management as the direction of governance. In promoting sustainability management, we adhere to international industry standards, referencing the “Applying Enterprise Risk Management to Environmental, Social and Governance-related Risks” standard, co-edited by COSO and the World Business Council for Sustainable Development (WBCSD). This standard helps us build our environmental, social responsibility, and corporate governance operations and risk management. In 2022, we established the "Corporate Sustainable Development Policy" and the "Corporate Sustainable Development Procedures," along with corresponding adjustments to internal management control processes, to fully implement our corporate sustainability philosophy, continuously advancing sustainable development while creating long-term value for shareholders and society.

Sustainable Development Strategies and Goals



Sustainable Development Risk Management



MPI established the ESG Committee, chaired by the President and comprising 13 senior executives from various operational centers/offices. The Committee is responsible for coordinating corporate sustainable development strategies and goals, setting short, medium, and long-term sustainability management goals and performance metrics, and reporting to the Board of Directors at least once a year. Additionally, task forces are formed based on the relevant departments corresponding to each field. Besides conducting the annual identification of ESG risk assessments and response measures, these task forces work together to achieve the sustainable development goals set by the committee, executing sustainability actions in phases.

ESG Committee Organization Chart



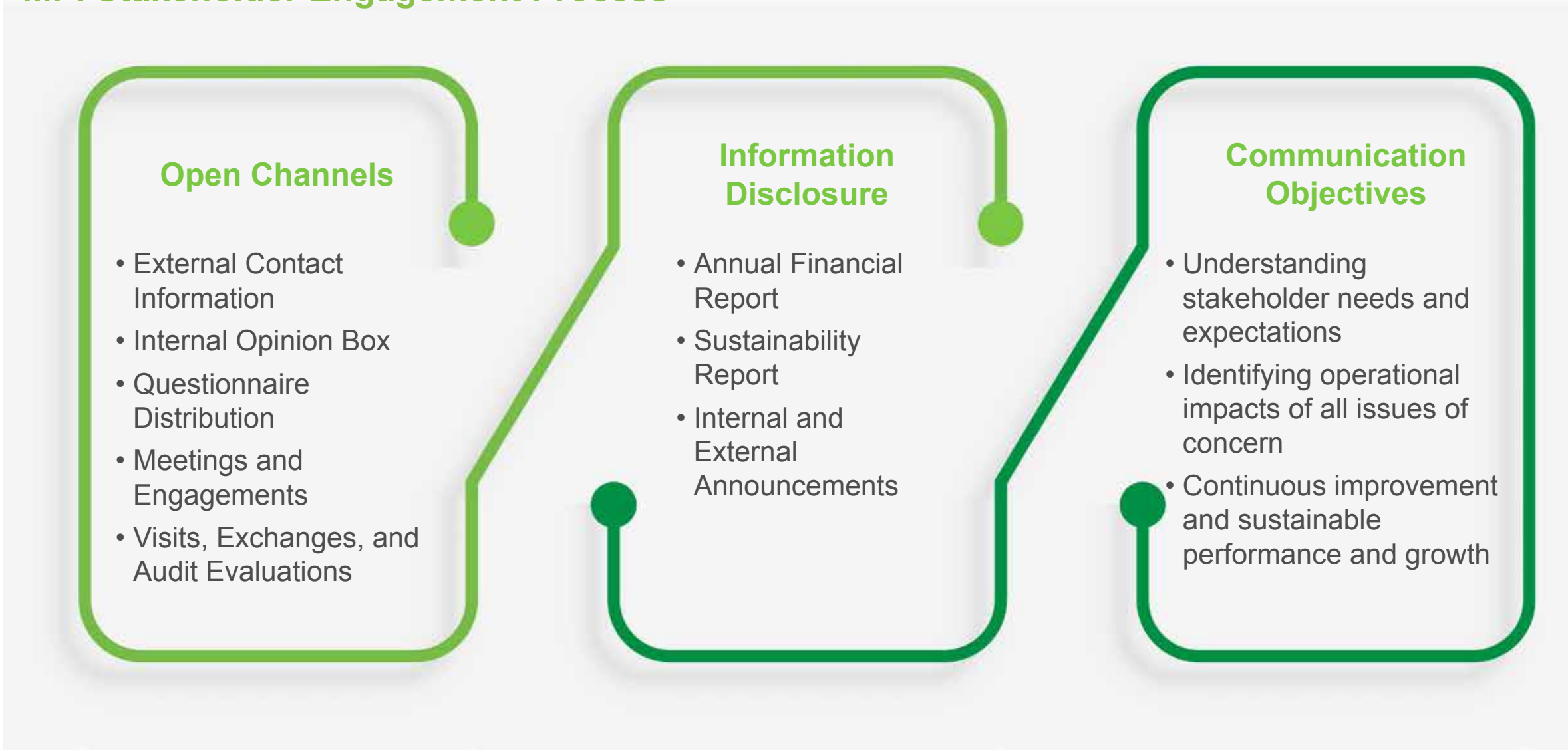
Committee and Task Force Operation Structure

Organizational Name	Composition and Structure	Meeting frequency	Primary Tasks	2023 Key Records Reported to the Board of Directors
ESG Committee	Senior supervisors of the President's Office, R&D, Manufacturing, QA, Sales, IT, and Resources Departments	Quarterly	Plan strategies and goals for sustainable development; establish annual management approaches and implementation plans for sustainable development; and supervision and audit of performance.	<div>2023 ESG Sustainability Committee Execution Results</div> <ul style="list-style-type: none">Executed over 40 various task force and communication meetings.Completed an ESG risk inventory and analysis, formulating response strategies.Integrated ISO systems to conduct annual management review reports and performance tracking.Completed the first organizational greenhouse gas inventory and verification.Published MPI's first sustainability report in both Chinese and English.Launched ESG official websites in Chinese, English, and Japanese.Completed 3 ESG educational training sessions for management-level staff.Conducted sustainability competency and skill training for executing personnel.Initiated the planning and evaluation for the introduction of international standards management systems such as ISO 22301.
Sustainability Promotion Team	Supervisors of quality assurance, information, audit departments, and task force leaders	As needed	Implementation of committee assignments, schedule planning, and data collection, analysis, and integration.	
Corporate Governance Team	Heads of Finance, Information Security, Intellectual Property, Legal, and Audit Departments		Planning and implementation of corporate governance, business continuity, and assessment of climate-related financial impacts.	
OHS, Environment, and Energy Development Team	Heads of Facility, QA, and Manufacturing Departments		Planning and implementation of occupational safety, environmental management, and energy management.	
Supply Chain Management Team	Heads of Procurement and QA Departments		Planning and implementation of supply chain management, evaluation, and audit; supplier ESG and RBA-CoC promotion.	
Customer Service Team	Heads of Sales Departments		Concerns about and response to active/passive customer demands and issues.	
Employee Affairs & Social Engagement Team	Heads of HR, Occupational Safety, and Administrative Departments		Planning and implementation of human rights policy, employee ethics risk assessment, employee remuneration and benefits.	
Product R&D and Process Sustainability Team	Heads of R&D, Design, and Manufacturing Departments		Planning and implementation of product life cycle assessment, response to and reduction of product/production line impacts.	

2.2 Stakeholder Engagement

MPI values stakeholder engagement, recognizing that the outcomes of these engagements directly or indirectly influence the company's sustainable operation direction. To understand stakeholder levels of concern regarding corporate sustainability and ensure effective communication, we provide appropriate and diverse communication channels. We also integrate stakeholder identification across various ISO management systems, using both active and passive modes to collect and investigate.

MPI Stakeholder Engagement Process



Significance of stakeholders to MPI

Employees	Employees are considered core assets of the company, pivotal in driving technological innovation, production efficiency, and service quality. Employee welfare and professional development are key indicators of sustainable management.
Government agencies/ public associations	Plays a crucial role in setting industry standards and compliance with regulations. Active participation in communications helps ensure compliance and informs policy-making.
Shareholders/investors	Direct investors in MPI have a vested interest in the financial health and strategic direction of the Company. Transparent communication and stable operations are critical to creating investment value.
Clients/distributors and dealers	As the main driver of revenue and market expansion, we set high expectations for product quality, innovation, and service, which significantly contribute to our market position and competitive strength.
Suppliers/contractors	The Company ensures key aspects of production supply, business continuity, and quality control are maintained, positioning itself as an essential partner for sustainable business growth and enhancing overall commercial value.
Community residents	As a corporate citizen, MPI works alongside local communities to foster mutual prosperity and build positive social impacts.
Non-profit organizations (NPOs)	MPI is committed to enhancing its societal responsibilities and contributions, actively collaborating in areas such as humanitarian care, arts and education, and community service.

Stakeholder engagement mechanisms

		Changes in stakeholder level of concern	
		▼ Not a concern for the year	
		▲ New concerns added	
		Same as the previous year	
Stakeholders	Annual Issues of Concern	Main Communication Methods/Frequency	2023 Communication Focus and Outcomes
Employees	<ul style="list-style-type: none">GHG ▼Occupational Safety —Labor Rights ▲Business Ethics and Integrity ▲Employee Cultivation —Employee Welfare —Quality Management ▲	<ul style="list-style-type: none">Occupational Safety and Health Committee meeting (quarterly)Satisfaction Surveys (annually)Targeted ESG Questionnaire Surveys (annually)Internal Opinion Box (permanent)Complaint Hotline and Email (permanent)	<ul style="list-style-type: none">Four Occupational Safety Committee meetings and two Employee Welfare Committee meetings were convened. A total of 1,683 employee satisfaction surveys were distributed, and 25 internal opinion box submissions were received. Additionally, 43 ESG issues of concern questionnaires were issued to members of the subgroups under the ESG Committee.Continually striving to establish a healthy, safe, and friendly work culture by listening to employees' voices and continually improving the workplace environment. Based on feedback from employee satisfaction surveys and opinion boxes, improvements are made based on feasibility assessments and responses provided.Occupational safety and health management is highly valued, with the President serving as the Chief Committee Member. Quarterly tracking of employee occupational safety includes preventive measures for occupational injuries and review of any incidents.For the first time, an internal survey on ESG issues of concern was conducted, targeting 43 ESG Committee group members, including various levels of management and senior engineers/managers, to understand the importance of various ESG concerns across different levels and business units, aiding in promoting sustainable development.
Shareholders/ Investors	<ul style="list-style-type: none">Employee Development ▼Employee Welfare ▼Corporate Governance ▲Business Performance —Supply Chain Management ▼	<ul style="list-style-type: none">AGM (annually)Investor conference (as needed)Communication meeting (as needed)Investor relationship contact (permanent)	<ul style="list-style-type: none">Held 1 annual general shareholders' meeting, 9 investor conferences, multiple communication meetings, and disclosed financial and business reports on MPI's official website.Completed the annual Corporate Governance Evaluation and disclosed governance results.
Customers/ Distributors/ dealers	<ul style="list-style-type: none">Green Products —GHG —Quality Management —Supply Chain Management —Business Continuity —Business Ethics and Integrity —	<ul style="list-style-type: none">Customer Meetings (as needed)Satisfaction Surveys (annually)Audits/Questionnaires (as needed)Sales Contacts (permanent)Distributor/Dealer Meetings (as needed)	<ul style="list-style-type: none">Conducted 13 customer and distributor/dealer audits, 146 survey questionnaires, 63 supplier capability evaluations, etc.As part of the customer's sustainable supply chain, MPI adheres to customer and industry standards, including the RBA Code of Conduct (RBA CoC), greenhouse gas inventory, and information security standards.MPI also participates in customer supplier activities, including carbon reduction supply chain, charity runs, etc.

Stakeholders	Annual Issues of Concern	Main Communication Methods/Frequency	2023 Communication Focus and Outcomes
Government agencies/ public associations	<ul style="list-style-type: none">Environment and Energy —GHG —Occupational Safety —Operational Performance ▼Corporate Social Responsibility —Corporate Governance —Labor Rights ▼Legal Compliance —	<ul style="list-style-type: none">Official/letters (as needed)Communication meeting (as needed)Audit and inspection meetings (as needed)Stakeholder contact (permanent)	<ul style="list-style-type: none">Received a total of 124 official letters and conducted 13 audit inspectionsMaintained smooth communication channels with government agencies and associations, adhering to laws and local tax regulations.
Suppliers/ contractors	<ul style="list-style-type: none">Quality Management —Supply Chain Management —Operational Performance —Legal Compliance ▲	<ul style="list-style-type: none">Exchange and audit meetings (as needed)Evaluations/assessments (annually/quarterly)Questionnaire surveys (as needed)Procurement relationship contact (permanent)	<ul style="list-style-type: none">Conducted 31 supplier evaluations, 9 audit communication meetings, and 14 surveys.Implemented RBA Code of Conduct, promoting the signing and auditing of the "RBA Code of Conduct," progressively advancing supply chain practices.
Community residents/ nonprofit organizations	<ul style="list-style-type: none">Corporate Social Responsibility —	<ul style="list-style-type: none">Front desk and community liaison (permanent)Official/letters (as needed)	<ul style="list-style-type: none">Received 2 official letters and conducted 11 communication meetingsMaintained good community relations and supporting various charitable activities and artistic sponsorships through regular interaction with community residents and nonprofit organizations.

2.3 Identification and Prioritization of Material Topics

MPI has consistently facilitated effective communication with various stakeholders over an extended period, utilizing the Sustainability Report to showcase significant ESG communication outcomes. In alignment with "GRI 3: Material Topics 2021," the Company conducted a dual materiality assessment, which evaluated issues based on stakeholder concern and operational impact. This assessment helped identify material topics and establish guidelines for managing performance. Each phase of this process is thoroughly deliberated by the pertinent ESG task groups and subsequently reviewed by the committee prior to final decision-making.

1

Understanding organizational context

Selection of issue of concern and stakeholder survey

- Based on the focus areas of concern of domestic and international industries,the Committee adjusted the original 22 issues of concern to 18 as sustainable development issues for MPI.
- Identifying seven types of stakeholders impacting MPI Corporation, communication about issues of concern is conducted through official correspondence, audit evaluations, survey questionnaires, visitation meetings, and suggestion boxes.
- Our first-ever ESG issue of concern questionnaire was distributed to the 43 members of the ESG Committee and various subgroups. Using a representative sampling method, the survey aimed to understand the perspectives and levels of concern of key stakeholders regarding the Company's sustainabil ity efforts. Out of the total, 25 responses were received from various business groups and ranks, resulting in a response rate of 54%.

2

Identification of actual and potential impacts

Impact and Influence Assessment Survey

- Annual concerns of various stakeholders are collected and inventoried to filter issues based on the importance and breadth of concern levels, serving as a basis for both positive and negative impact questionnaires.
- Following this, an impact and influence assessment survey was conducted among the 43 members of the ESG Committee and various subgroups. A total of 29 responses were received, representing a response rate of 67%, which was used to decide the results and types of positive and negative impacts.

3

Assessment of impact significance

Analysis of Actual and Potential Impacts

- Based on the inventory surveys and questionnaires of Steps 1 and 2, the level of concern for each issue (general, high, priority) is determined and subsequently approved by the Sustainability Promotion Team, the Committee, and the Board of Directors.

4

Prioritization of the reporting order of most significant impacts

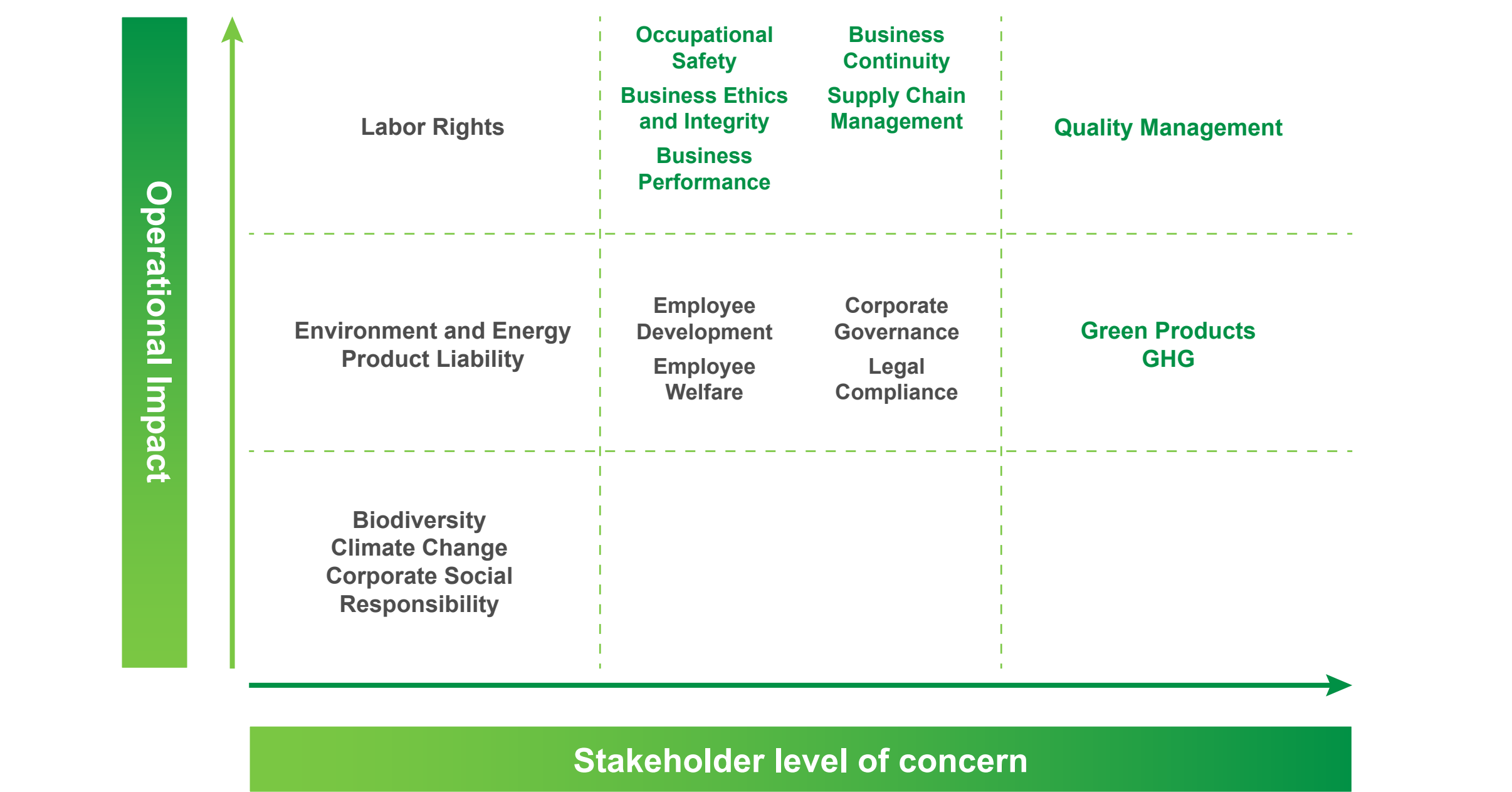
Determining Material Topics and Management Approach

- Issues are ranked by level of concern, with eight identified as "Priority Concerns" and categorized as material topics, along with three changes noted.
- Management strategies are established for these eight material topics, executed by the respective responsible departments, and regularly reviewed for performance by both the Committee and the Board of Directors.

Table of Changes in Issues of Concern

Environmental Issues (E)		Social Issues (S)		Governance Issues (G)	
2022	2023	2022	2023	2022	2023
Raw Materials Use and Management	Green Products	Human Rights Policy	Labor Rights	Service Quality	Quality Management
Energy	Environment and Energy	Talents Cultivation and Retention	Employee Development	Product Information	
Water		Occupational Safety and Employee Health	Occupational Safety	Corporate Governance and Ethical Corporate Management	Corporate Governance
GHG Emissions	GHG	Remuneration and Employee Care	Employee Welfare	Operational Performance (shareholder rights and interests)	Business Ethics and Integrity
Waste and Toxic Substance Management	Biodiversity	Social care and welfare	Corporate Social Responsibility	Business Performance	Business Performance
Green Procurement			Product Liability	Legal Compliance	Legal Compliance
Climate-related Risks and Opportunities	Climate Change			Sustainable Development	Business Continuity
				Risk Management	
				Business Continuity	
				Information Security	
				Supplier Management	Supply Chain Management

Matrix of Material Topics



In 2023, according to the principle of Double Materiality, 8 focus issues were identified as material topics, falling within the "Priority Focus" range (with operational impact "Medium" and stakeholder level of concern "High," or operational impact "high" and stakeholder level of concern "medium" or above).

Changes in material topics compared to the previous year

Material topic changes	Reasons for change
Business Continuity ▲	In response to the increasing likelihood of potential operational disruptions caused by natural disasters, geopolitical tensions, or information security threats, key stakeholders are paying more attention to supply chain business continuity management. Using the ISO 22301 standard, they evaluate the impact and risk level of disruptions.
Business Ethics and Integrity ▲	Key stakeholders emphasize the strict adherence to ethical standards and the effective implementation of quality management, with increasing demand for internal training and promotional activities.
Quality Management ▲	Quality management is a core facet of MPI's sustainable operations, encompassing product design, manufacturing, delivery, and after-sales service, with a focus on continuous improvement and standardized operations.
Employee Development ▼	Internal education and training programs are gradually returning to normal in the post-pandemic era, with increased training types and enhanced internal and external resources, continuing to be included in sustainability management guidelines.
Employee Welfare ▼	We value employee welfare, with related welfare activities gradually returning to normal in the post-pandemic era. We continue to build a friendly workplace culture, incorporating it into our sustainability management approach.

2.4 Sustainability Goals and Management

MPI follows sustainable development strategies and objectives, establishing governance guidelines and performance measurements in phases. By referencing the ISO 31000 risk management standard and the PDCA methodology, we conduct annual risk tracking and responses for high-risk items to ensure sustainable development.

Material topics and their relationship with MPI's value chain

Material Topic	GRI Specific Topic	Corresponding SASB Standards	Corresponding SDG Goals	Value Chain Relationships (direct impact →, indirect impact ⇄)		
				Upstream (Procurement phase)	MPI Operations	Downstream (Customer use)
Green Products	301, 302, 303, 306	TC-SC-130 a. 1 TC-SC-140 a. 1 TC-SC-150 a. 1	   	→	→	→
GHG	305	TC-SC-110 a. 1 TC-SC-110 a. 2	 	-	→	⇄
Occupational Safety	403	TC-SC-320 a. 1 TC-SC-320 a. 2		-	→	-
Quality Management	416			⇄	→	→
Business Ethics and Integrity	205			⇄	→	⇄
Business Performance	201		  	⇄	→	-
Business Continuity	201, 203		 	⇄	→	→
Supply Chain Management	204, 308, 414	TC-SC-440 a. 1		→	→	⇄

Material Topics and Management Approach

Material Topic	Operational Significance	Significance of Impacts (Positive + /Negative -)	Management Approach	Management Objectives	2023 Achievements (please refer to the following sections)	
Green Products	Industrial products complying with domestic and international green regulations or customer requirements, becoming a sustainable partner for customers.	<ul style="list-style-type: none">Expanding market opportunities +High investment costs -Innovation-driven and technological progress +	<ul style="list-style-type: none">Challenges in production efficiency -Increased complexity of the supply chain -	<ul style="list-style-type: none">Meeting market sustainability and green demands, continuing the development of high-temperature, high-pin count, low pin pressure, high current resistance, high-speed transmission, and micro-pitch probe cards.Closely monitor emerging technology trends and establishing technical roadmaps for R&D investments.	<ul style="list-style-type: none">R&D expenses account for at least 5-10% of revenueProviding customized products based on customer needs	04 Innovation and Quality Assurance 05 Environmental Stewardship
GHG	In response to government regulations and the semiconductor supply chain's carbon reduction trends, accelerate MPI's carbon reduction efforts.	<ul style="list-style-type: none">Growing market demand +Compliance with government and customer requirements +	<ul style="list-style-type: none">Supply Chain Management -Increased operating costs -	<ul style="list-style-type: none">In compliance with government regulations, gradually complete ISO 14064-1 GHG inventory and verification processes for the parent company and consolidated subsidiaries.Continuously developing short, medium, and long-term carbon reduction targets.	<ul style="list-style-type: none">The parent company continues to complete verification work.Planning phased introduction and verification for subsidiaries.	05 Environmental Stewardship
Occupational Safety	Maintaining workplace safety is a basic social responsibility of the company and has a significant impact on employee retention.	<ul style="list-style-type: none">Increased employee satisfaction and retention +Material legal liability and financial costs if violations occur -	<ul style="list-style-type: none">Improve the occupational safety environment better than the legal and regulatory requirementsFollowing the ISO 45001 occupational health and safety management system standard, we identify and address all factors in the workplace environment that may impact employee health and safety.	<ul style="list-style-type: none">Disabling occupational injury events: 0Material legal violations (over NT\$1 million): 0Work-related ill health due to chemical exposure: 0Completion rate of annual employee health checkup: 100%	06 Happy Workplace	
Quality Management	Superior product quality is the core of competitiveness, enhancing customer trust and market competitiveness.	<ul style="list-style-type: none">Improved competitiveness +Enhanced customer trust +	<ul style="list-style-type: none">High management and investment costs -Challenges in supply chain quality control -	<ul style="list-style-type: none">The quality objective is to enhance customer competitiveness with superior products, excellent service, and regulatory compliance.Following the ISO 9001 quality management system, we improve the overall product process quality, providing customers with stable and high-quality products.	<ul style="list-style-type: none">Project completion rate: 95%Customer service satisfaction rate: 85%	04 Innovation and Quality Assurance
Business Ethics and Integrity	The principle of business ethics and integrity is fundamental and the most important concept for the Company.	<ul style="list-style-type: none">Attracting and retaining talent +Strengthening customer and partner relationships +Increased legal and ethical risks -	<ul style="list-style-type: none">Identify employee ethical risks following the RBA CoC standards.Strengthen workplace ethical management by referencing ISO 37001 anti-bribery management system standards.	<ul style="list-style-type: none">Annual completion of labor and ethical assessmentsRegular promotion of business ethics and integrity	03 Operations and Governance	
Business Performance	Facing external competition, regulatory compliance, and challenges in the overall business environment, business operational performance is key to the Company's sustainable management.	<ul style="list-style-type: none">Market leadership position +Increased investment in technological innovation and R&D +Risks of operational expansion and market changes -	<ul style="list-style-type: none">Comprehensive test application solutions and test interface products to meet diverse needs.Global market deployment reduces operational risk.	<ul style="list-style-type: none">Continuous deployment of distributors, dealers, and business cooperation around the globe.Steady revenue growth and profitability maintenance	04 Innovation and Quality Assurance	
Business Continuity	Due to climate change and shifts in the global supply chain ecosystem, the ability to deliver products on time has become increasingly important, affecting customer operational risks.	<ul style="list-style-type: none">Enhanced customer trust +Improved internal management and efficiency +	<ul style="list-style-type: none">High demand for technology and information security -Responding to cost pressure -	<ul style="list-style-type: none">Conduct businessbusiness continuity risk reviews and continuous improvements according to sustainable development strategies and goals.Gradually introduce ISO 22301 business continuity management system standards for product business groups.	<ul style="list-style-type: none">Introduction of ISO 22301 systemPhased completion of verification across business groups	05 Environmental Stewardship
Supply Chain Management	The semiconductor manufacturing supply chain is complex, and smooth collaboration with key supplier partners significantly impacts business continuity and performance.	<ul style="list-style-type: none">Increased operational efficiency +Potential cost fluctuations and supply disruptions -Challenges in quality and RBA management -	<ul style="list-style-type: none">Continuously strengthen supply chain quality, social, and environmental management.Ensure supply chain resilience and control from an business continuity risk management perspective.Progressively complete the signing of the Statement of Compliance with the RBA CoC, survey, and audit of key suppliers.	<ul style="list-style-type: none">Key suppliers who have signed prohibition of hazardous substances and conflict minerals agreements: 70%Qualified suppliers who have signed integrity and anti-corruption agreements: 80%RBA CoC investigations or audits	07 Sustainable Supply Chain	

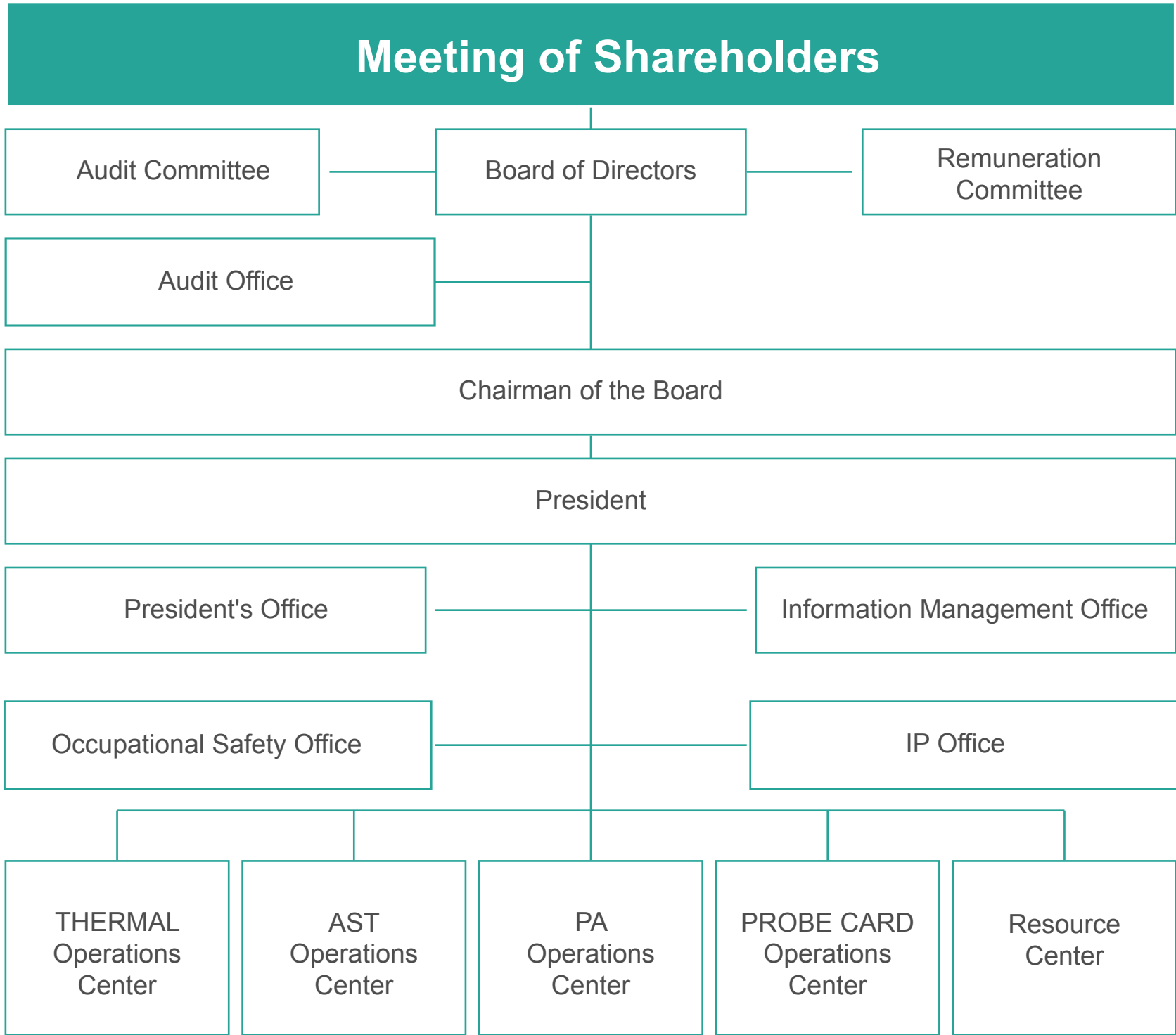
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3.1. Corporate Governance

MPI adheres to the principles of integrity and the philosophy of integrity in governance, following legal regulations for corporate governance. The Board of Directors governs operations and is accountable to the Annual General Shareholders’ Meeting. To enhance governance functions and protect shareholders’ rights, the Remuneration Committee was established in 2011, and the Audit Committee in 2020. At the same time, based on business needs and the nature of business groups, operations centers and management units are set up to implement corporate business strategies. Through a comprehensive governance and oversight mechanism, the Company ensures sustainable operations, business performance, and sustainable development outcomes Through comprehensive governance and oversight mechanisms, the Company ensures sustainable operations, business performance, and sustainable development outcomes.

Corporate Governance and Organizational Structure



Department Name	Department Responsibilities
Audit Office	Take charge of audit, maintenance, improvement and recommendations of the Company's internal control system and assist all units in solving problems, making improvements, and enhancing efficiency.
President's Office	Assist the president with operational planning and management of departments and functions, and effective implementation to achieve the operational goals.
Information Management Office	Responsible for the Company's computerized operations, network connections, email, and internet planning and setup, as well as information security management.
Occupational Safety Office	Take charge of the safety and health management and health promotion of employees.
IP Office	Combine R&D activities, create quality intellectual property for businesses, and enhance competitive strength at the same time; respect and carefully evaluate the intellectual property rights of others to mitigate the risk of rights infringement and maintain the greatest interest for the Company and shareholders.
THERMAL Operations Center	Responsible for the R&D, manufacturing, and sales of the Company's Thermal Air Series of products, provision of temperature testing equipment for the manufacturing or experimental needs of customers.
AST Operations Center	Take charge of the planning, development, manufacturing, sales, and after-sales service of engineering probing systems and radio-frequency probes.
PA Operations Center	Responsible for the development, technology application, manufacturing and assembly of new equipment and products for photoelectronic automation; and quality inspection and control of the raw materials, equipment, and products.
PROBE CARD Operations Center	Take charge of the research, development, design, manufacturing, sales, and after-sales service of probe card products.
Resource Center	Responsible for the Company's finance and accounting, human resources, procurement and logistics, administrative affairs, and plant management operations.

Board Members

Job title	Name	Gender	Age Range	Functional Committee Members	Also an employee of the Company	Expertise	Actual Attendance Rate
Chairman of the Board	Brian Green	Male	61-70 years old			Industry-related expertise in leadership, marketing, operations management, and strategic planning, leading the Company to become an industry pioneer, advancing towards sustainable corporate development.	100%
Director	Steve, Chen	Male	61-70 years old		Consultant	Specialized in research and innovation in semiconductor-related fields, providing professional experience in product development and application development for the Company.	100%
Director	Scott Kuo	Male	51-60 years old		President	Specialized in business operations management, providing professional experience in production management and planning, market strategy, and business development.	100%
Director	Li, Tu-Cheng	Male	51-60 years old			Work experience in industrial and corporate management and corporate governance, using expertise to provide timely supervision and professional advice to the Board of Directors.	75%
Director	Liu, Fang-Sheng	Male	61-70 years old			Expertise in management and corporate governance, offering key advice for the Company's operational development, providing timely supervision and professional insights to the Board of Directors.	100%
Director	Tsai, Chang-Shou	Male	61-70 years old			Financial and accounting qualifications and familiarity with relevant regulations, able to offer concrete suggestions to the Company, providing supervision and insights to the Board of Directors.	100%
Independent director	Hsu, Mei-Fang	Female	51-60 years old	<ul style="list-style-type: none">Audit Committee ConvenerRemuneration Committee Member		Proficiency in financial regulations, offering necessary supervision and advice to the Company from a professional and objective standpoint.	100%
Independent director	Kao, Chin-Cheng	Male	51-60 years old	<ul style="list-style-type: none">Audit Committee MemberRemuneration Committee Convener		Legal expertise and proficiency in relevant laws, providing legal insights on board governance and corporate governance, ensuring the legality of Company decisions, and mitigating the risk of potential legal violations.	100%
Independent director	Liao, Da-Ying	Male	61-70 years old	<ul style="list-style-type: none">Audit Committee Member		Profound legal knowledge, high academic standing, and familiarity with corporate governance, providing the Board with critical legal knowledge and corporate governance insights.	100%
Others	Su, Hsien-Teng	Male	61-70 years old	<ul style="list-style-type: none">Remuneration Committee Member		Legal expertise and proficiency in relevant laws, providing legal insights on board governance and corporate governance, ensuring the legality of Company decisions, and mitigating the risk of potential legal violations.	100%

Board Operations

The Board of Directors is the highest governance body of the Company and determines the overall business strategy. It exercises its powers according to the "Articles of Incorporation" and the "Regulations Governing Procedure for Board of Directors Meetings," overseeing the achievement of business goals, major investments, asset disposals, and other legally mandated duties, all while striving to maximize shareholder value. The current Board consists of 9 directors elected according to the "Rules for the Election of Directors," including 3 independent directors, with a term of 3 years. The current directors were elected on June 15, 2023. The qualifications of independent directors comply with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," covering professional qualifications, restrictions on concurrent positions, and independence. Employee directors make up 22% of the Board, independent directors 33%, and female directors 11%.

Status of Continuing Education of Directors

In the post-pandemic era, the restrictions on director training have returned to normal, with all directors completing their training to continuously enhance their professional skills and management strategies.

Organizing Unit	Training Date	Course Title	Training Hours	Training Recipients
Taiwan Corporate Governance Association	2023/8/10	Corporate Merger and Acquisition Strategy Planning	3	All Directors
	2023/11/9	Corporate Succession and Planning	3	
	2023/6/21	Corporate Governance and Securities Regulations	3	Li, Tu-Cheng, Director

Functional Committees

Name	Scope of Responsibilities	2023 Achievements
Remuneration Committee	With the due care of a good administrator, submit recommendations to the Board of Directors for discussion, including regular reviews and proposed amendments to the Company's remuneration policies; regular reviews of the performance evaluation and remuneration policies, systems, standards, and structures for the Company's directors and managers; and regular evaluations of the remuneration of the Company's directors and managers.	A total of 4 meetings were convened, including approval of managerial remuneration items, distribution of remuneration for directors and employees, election of the Remuneration Committee convener, and discussions on managerial employee remuneration.
Audit Committee	Evaluate the effectiveness of the Company's internal control systems, including policies and procedures related to finance, operations, risk management, information security, outsourcing, and regulatory compliance. Review regular reports from the Company's audit department, certified public accountants, and management, covering risk management and regulatory compliance.	A total of 8 meetings were held, including discussions and deliberations on significant regulatory cases, the acquisition of land and factory facilities in the Hukou Industrial Park, the disposal of subsidiary Megtas Co., Ltd. shares (including BH equipment), financial and business reports, internal audit plans, internal control system statements, and TCS technology transfer contracts.

Board Performance Evaluation

To enforce corporate governance and improve the competencies of Board and functional committees, we established the "Board Self-Evaluation Regulations" in 2020 to conduct internal performance evaluations in accordance with the law. The evaluations cover the Board of Directors, the Audit Committee, and the Remuneration Committee. The self-evaluation results for 2023 were reported to the Board of Directors on March 7, 2024.

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Method of Evaluation	Evaluation Metric	Evaluation Content	Self-Evaluation Scores/Total Score
Once a year	2023/1/1 - 12/31	Board of Directors	Internal Self-Evaluation	23	<ul style="list-style-type: none">Participation in company operationsImprovement of the Board's decision-making qualityBoard composition and structureElection and continuing education of directorsInternal Control	4.97／5.00
		Directors		16	<ul style="list-style-type: none">Alignment with the corporate goals and missionsAwareness of the directorial dutiesParticipation in company operationsDevelopment and communication of internal relationshipsThe expertise and continuing education of directorsInternal Control	4.94／5.00
		Audit Committee		16	<ul style="list-style-type: none">Participation in company operationsAwareness of the duties of the Audit CommitteeImprovement of the decision-making quality of the Audit CommitteeThe composition and member selection of the Audit CommitteeInternal Control	4.98／5.00
		Remuneration Committee		12	<ul style="list-style-type: none">Involvement in corporate operationsAwareness of the duties of the Remuneration CommitteeImprovement of the decision-making quality of the Remuneration CommitteeThe composition and selection of the Remuneration Committee	4.94／5.00

Remuneration Policy for Senior Management

MPI’s executive remuneration policy is directly related to business profitability, operational execution, risk assumption, and contribution levels. According to Article 29 of the Company Act and Article 19 of the Company’s Articles of Incorporation, if there is pre-tax profit in the fiscal year, 0.1% to 15% should be allocated as employee remuneration and up to 3% as directors’ remuneration. However, if there are accumulated losses, the amounts should be reserved first, and then employee and directors’ remuneration should be allocated proportionately, subject to review and approval by the Remuneration Committee and the Board of Directors, and reported at the shareholders' meeting. The remuneration for the President and Vice Presidents is adjusted according to performance and approved by the Remuneration Committee before being finalized by the Board of Directors. The remuneration for the president and vice presidents should be adjusted appropriate to the operational performance. After the review and passage of the Remuneration Committee, the proposal should be submitted to the Board for approval and implementation.

Unit: NTD thousands

	2021		2022		2023	
	Total	Ratio to Net Income	Total	Ratio to Net Income	Total	Ratio to Net Income
Directors’ Remuneration	17,762	2.56%	31,950	2.63%	34,663	2.64%
Remuneration to President and Vice Presidents	11,372	1.64%	11,288	0.93%	13,814	1.05%
Net Income	693,851	-	1,213,625	-	1,311,899	-

Avoidance of Conflicts of Interest

To prevent conflicts of interest from affecting corporate governance and operations, the Board and functional committees have specified that directors/members with potential harms on corporate interest must not join the discussion or voting of the corresponding proposals. They must also recuse from the discussion and voting and must not represent other directors/members to exercise the voting rights. Additionally, where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interest in a matter under discussion in the meeting, he or she is considered as having personal interest in that matter. Hence, he or she must recuse from that matter to prevent affecting the impartiality and fairness of decisions. Simultaneously, based on the ethical responsibilities of a publicly listed company and the protection of investors, additional regulations such as the "Operating Procedures for Derivatives Trading," "Operating Procedures for Making Endorsements and Guarantees," "Operating Procedures for Loaning of Funds to Others," "Operating Procedures for Acquisition or Disposal of Assets," and "Management Regulations Governing Transactions with Specific Companies, Group Enterprises, and Related Parties" have been established. These regulations aim to avoid irregular transactions or improper benefits in trading, acquisition or disposal of assets, endorsement and guarantee, and fund lending. Possible conflicts of interest are audited by the internal Audit Department and reviewed by the Audit Committee. For details on audit results and communication status, please refer to the “Corporate Governance” section on MPI's website regarding internal audit operations:



3.2 Financial Performance

A solid financial foundation is the basis for sustainable corporate operations. Since its establishment, MPI has operated with a professional and technology-driven approach, focusing on operational performance and market competitiveness. MPI is committed to developing stable operational plans and production policies, creating greater economic value through effective financial management to best serve shareholder interests. With a long-term global strategy, a focus on improving its technology and service quality, and increasing demand in probe cards and test equipment products alongside the booming semiconductor industry, MPI achieved another record performance in 2023. The consolidated net operating income for 2023 was NTD 8.147 billion, an increase of 10% from NTD 7.412 billion in 2022. Earnings amounted to NTD 1.312 billion, up 8% from the previous year's earnings of NTD 1.214 billion, with an after-tax earnings per share of NTD 13.92, marking the highest profit performance in the Company's history.

Three-Year Financial Performance

Unit: NTD thousands

	2021	2022	2023
Operating Revenue	6,508,725	7,411,929	8,147,112
Operating Cost	3,765,309	4,005,548	4,250,049
Gross Profit	2,743,416	3,406,381	3,897,063
Operating Expense	1,935,798	2,156,089	2,425,698
Profit Before Tax	828,742	1,445,995	1,582,295
Current Net Profit	695,458	1,212,262	1,309,575

Profitability over the past three years

	2021	2022	2023
Return on Assets	7.44%	11.78%	11.40%
Return on Equity	11.89%	18.73%	18.05%
Operating Income to Capital Stock	85.85%	132.68%	156.14%
Profit Before Tax to Capital Stock	88.09%	153.45%	167.92%
Profit Margin	10.69%	16.36%	16.07%

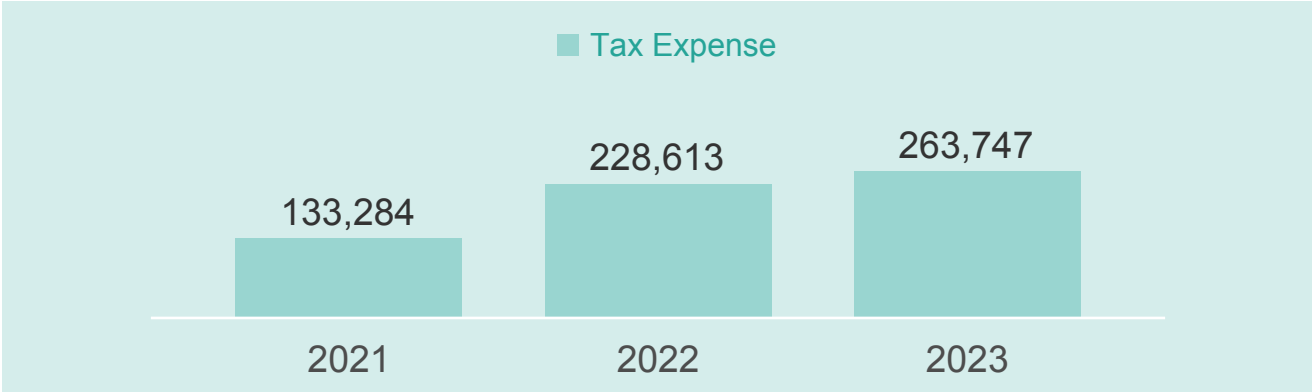
Stock performance over the past three years

		Unit: NTD		
		2021	2022	2023
Average price per share		133.34	106.04	172.78
Net asset value per share	Before distribution	64.19	73.07	80.81
	After distribution	60.19	66.07	73.31
EPS		7.44	12.89	13.92
Cash dividend		4.00	7.00	7.50
Price-to-earnings ratio		17.92	8.23	12.41
Price-to-dividend ratio		33.34	15.15	23.04

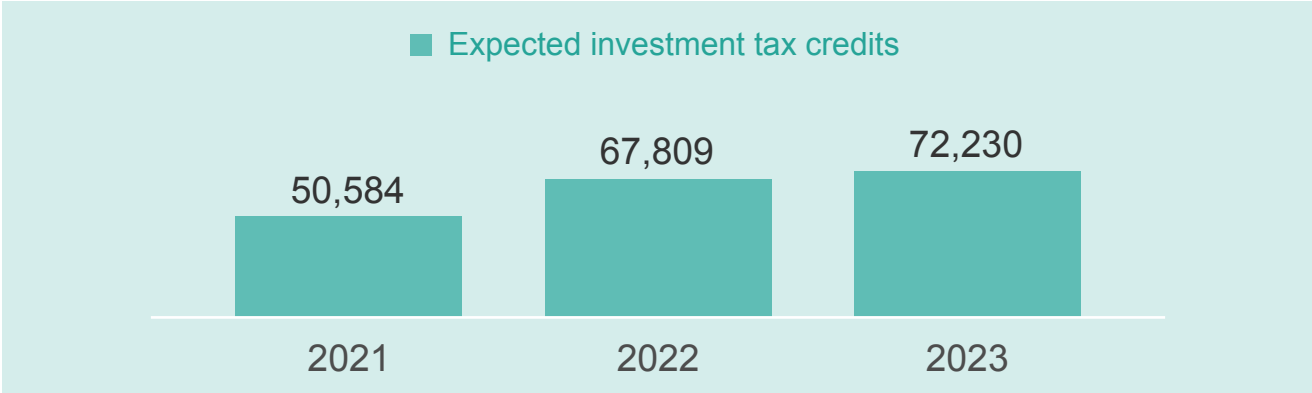
Tax Management

MPI complies with the tax laws of each jurisdiction where it operates. Current income tax is calculated based on the tax rates enacted or substantively enacted at the balance sheet date in the respective countries where taxable income is generated. Management regularly evaluates the status of income tax filings in accordance with applicable tax regulations and, where applicable, estimates income tax liabilities based on the expected tax payments to the tax authorities. Financial planning and tax obligations are carried out by professionals, with the Audit Committee assisting the Board of Directors in overseeing accounting, auditing, financial reporting processes, and the quality and integrity of financial controls, ensuring the completion of tax governance undertakings. Under rigorous tax management and in alignment with government tax reforms, MPI was honored with the "2023 Outstanding Business Entity" award by the Hsinchu Branch of the National Taxation Bureau of the Northern Area, Ministry of Finance, Taiwan. Additionally, MPI, in accordance with the "Regulations Governing the Deduction of Research and Development Expenditures from Profit-Seeking Enterprise Income Tax," conducts investment tax credit operations, ensuring that the tax credits do not exceed 30% of the annual corporate income tax payable.

Income tax expenses over the past three years (NTD thousands)

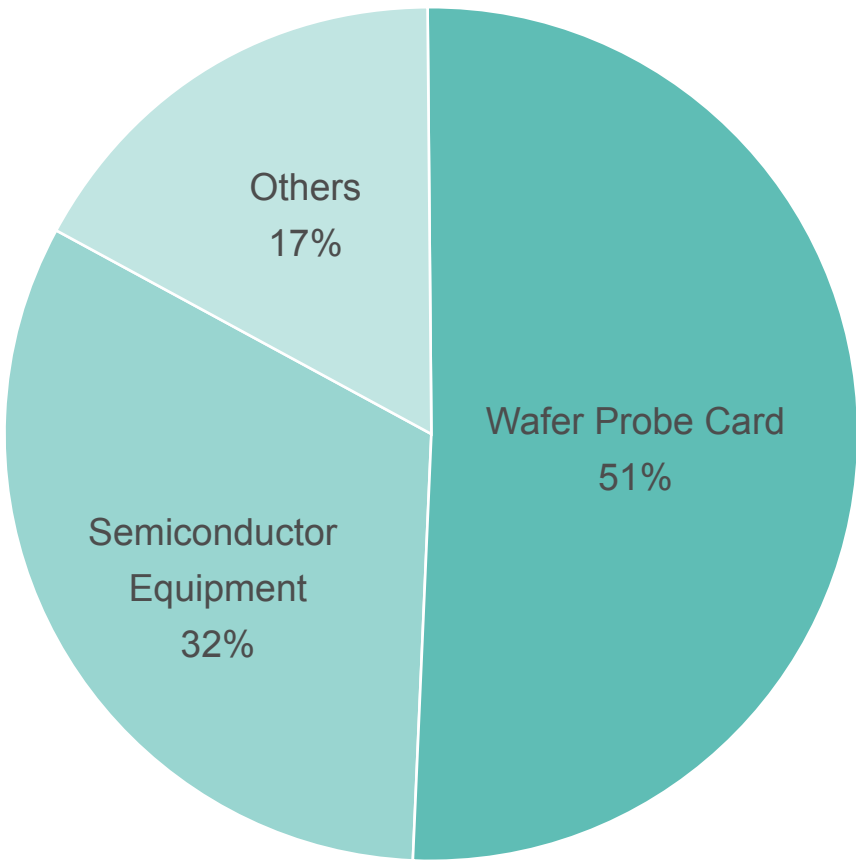


Expected investment tax credits over the past three years (NTD thousands)

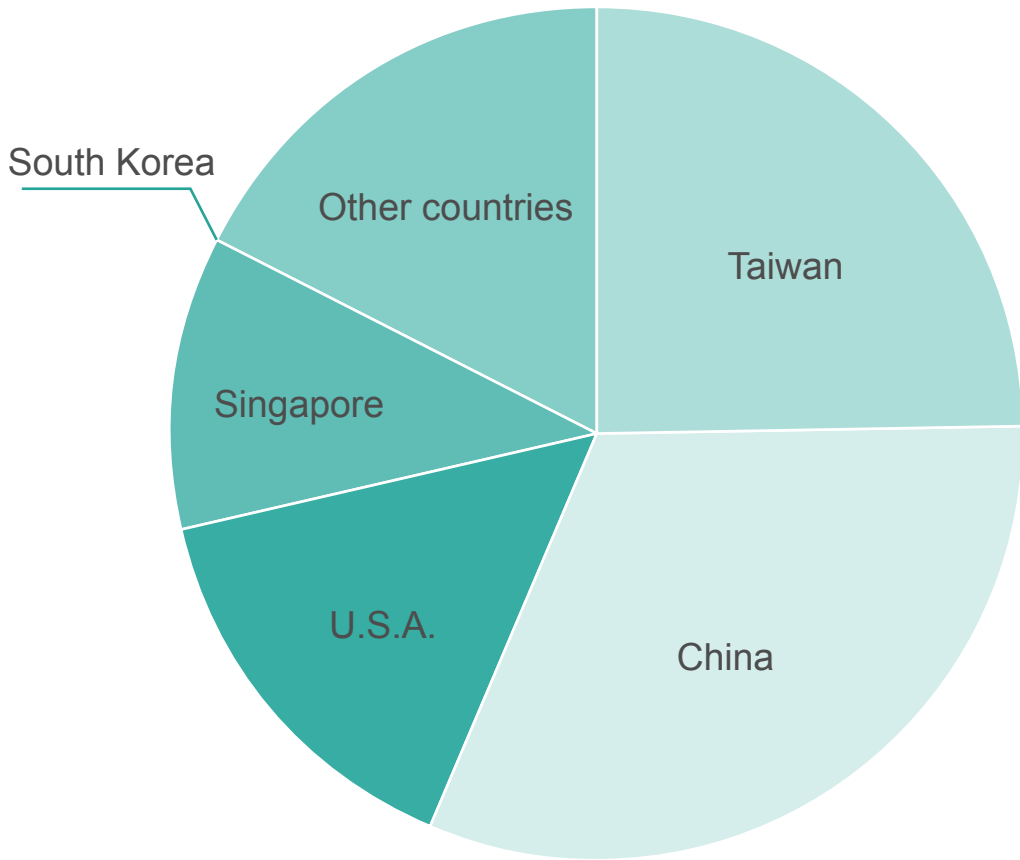


MPI's operational performance continues to grow, with its global ranking among probe card suppliers rising from 5th in 2023 to 4th. Notably, MPI ranked 1st globally in both Cantilever Probe Cards (CPC) and Vertical Probe Cards (VPC) and 3rd in global market share for logic IC test probe cards. In response to emerging application markets driven by trends like smart living, contactless technology, electric vehicles, carbon reduction needs, silicon photonics, and the AI wave, MPI has also increased its revenue share and global market presence in products such as photonics component automated testing (PA), thermal testing, and advanced semiconductor test (AST) equipment. The primary sales markets are Taiwan, China, and the United States, with no single customer's revenue exceeding 10% of total operating income, indicating no operational risk from over-reliance on a single customer.

Revenue Proportion by Product in 2023



2023 Sales Distribution by Region
(Based on Customer Location)



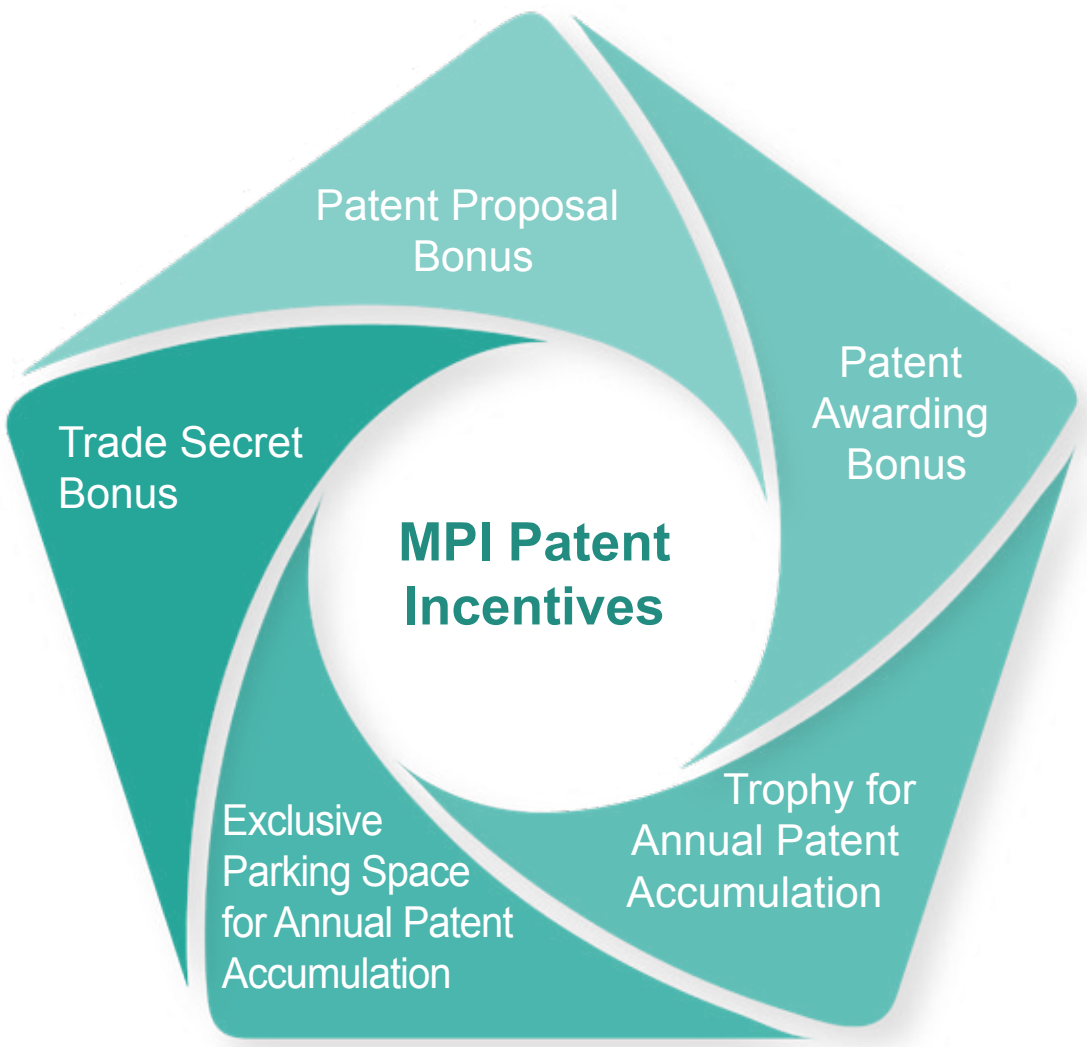
Participation in Sustainable Finance

MPI actively participates in sustainable financial activities. In March 2023, MPI participated in the "Green and Sustainable New Taiwan Dollar Time Deposit" product offered by Land Bank of Taiwan, with a participation amounting to NTD 100 million. This initiative supports financial institutions in green investments, such as renewable energy, green building financing, or social benefit investments, including balanced urban and rural development, care for disadvantaged groups, construction of educational facilities, and medical institutions, demonstrating support for environmental, social, financial, and corporate governance sustainability activities.

3.3 Intellectual Property Management

MPI respects and protects intellectual property rights. We have established the “Intellectual Property Office” to manage patents, trademarks, and copyrights. The office’s duties include the application for and maintenance of IP rights, risk assessment, IP rights deployment, and IP rights litigations and disputes to ensure the complete protection of our technology and related outputs and maintain the maximum interest of the Company and stakeholders. We have also established work instructions for individual procedures for all employees to understand all processes and access professional assistance as necessary.

Encouraging R&D



Intellectual property rights are a competitive advantage, enhancing MPI's competitiveness. To encourage colleagues, the "Patent Case Reward Operation Manual" has been specifically formulated. In addition to issuing bonuses for patent proposals and approvals, annual patent awards, trophies, and exclusive parking spaces are provided to reward employees' research and development achievements. As of the end of 2023, MPI has accumulated 1,390 global patent applications and 944 approvals, with an approval rate of 68%.

Improving the IP concepts of all employees

Through a series of internal education and training programs, MPI ensures that employees understand various concepts of intellectual property rights. This fosters an atmosphere of collective participation in safeguarding these rights. Additionally, specific patent knowledge training for R&D personnel is conducted to enhance their sensitivity to technology protection. In 2024, we plan to introduce advanced courses on internal patent applications and patent risk management, enabling employees to more effectively apply patent knowledge in daily operations and reduce legal risks.

Education and Training Achievements in 2023

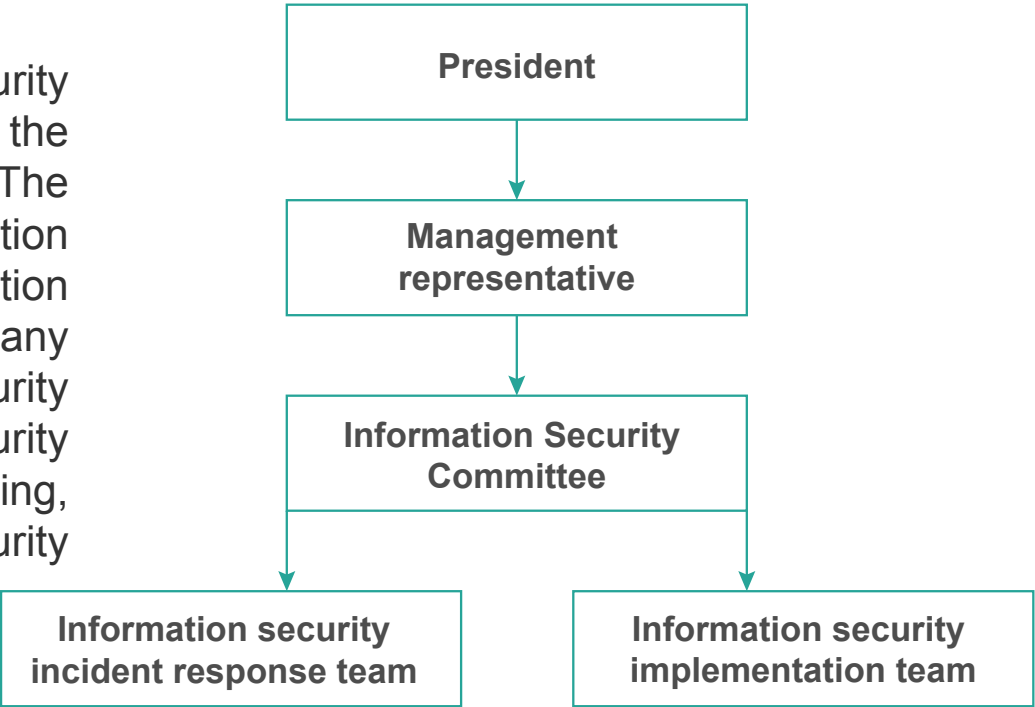
Course Title	Target Audience	Completion Rate
Introduction to Intellectual Property Rights	Current employees	1710+
Introduction to Patents	Responsible R&D personnel	360+

3.4 Information Security

Information security is a critical governance operation for MPI, aimed at protecting internal and customer confidential information. Since 2015, we have obtained and continuously maintained ISO 27001 Information Security Management System certification (valid until November 16, 2024). In March 2023, the Board of Directors approved the appointment of a dedicated Chief Information Security Officer, who reports on information security governance annually to the Board. The 2023 information security governance results and effectiveness report were completed at the Board meeting on January 31, 2024.

Management Framework

The President serves as the convener of the information security organization, appointing a management representative responsible for the operation of the information security management system. The management representative reports to the convener and the Information Security Committee on execution details, including the annual operation status of the information security management system, plans, and any other suggestions or motions. In 2023, the dedicated information security personnel convened 25 meetings and completed 1 information security management review meeting during the ESG Committee meeting, ensuring the continued stable operation of the information security management system.



Information Security Policy

MPI implements the "Information Security Policy," managed by a dedicated information security unit. Following the "Regulations Governing Information Security Management" and related documents, we ensure the effectiveness of information security controls, including strengthening cybersecurity defenses, updating hardware and software systems, managing cloud environment security, and monitoring the risk of information leaks. This ensures the protection of the Company's trade secrets and the security of customer data.

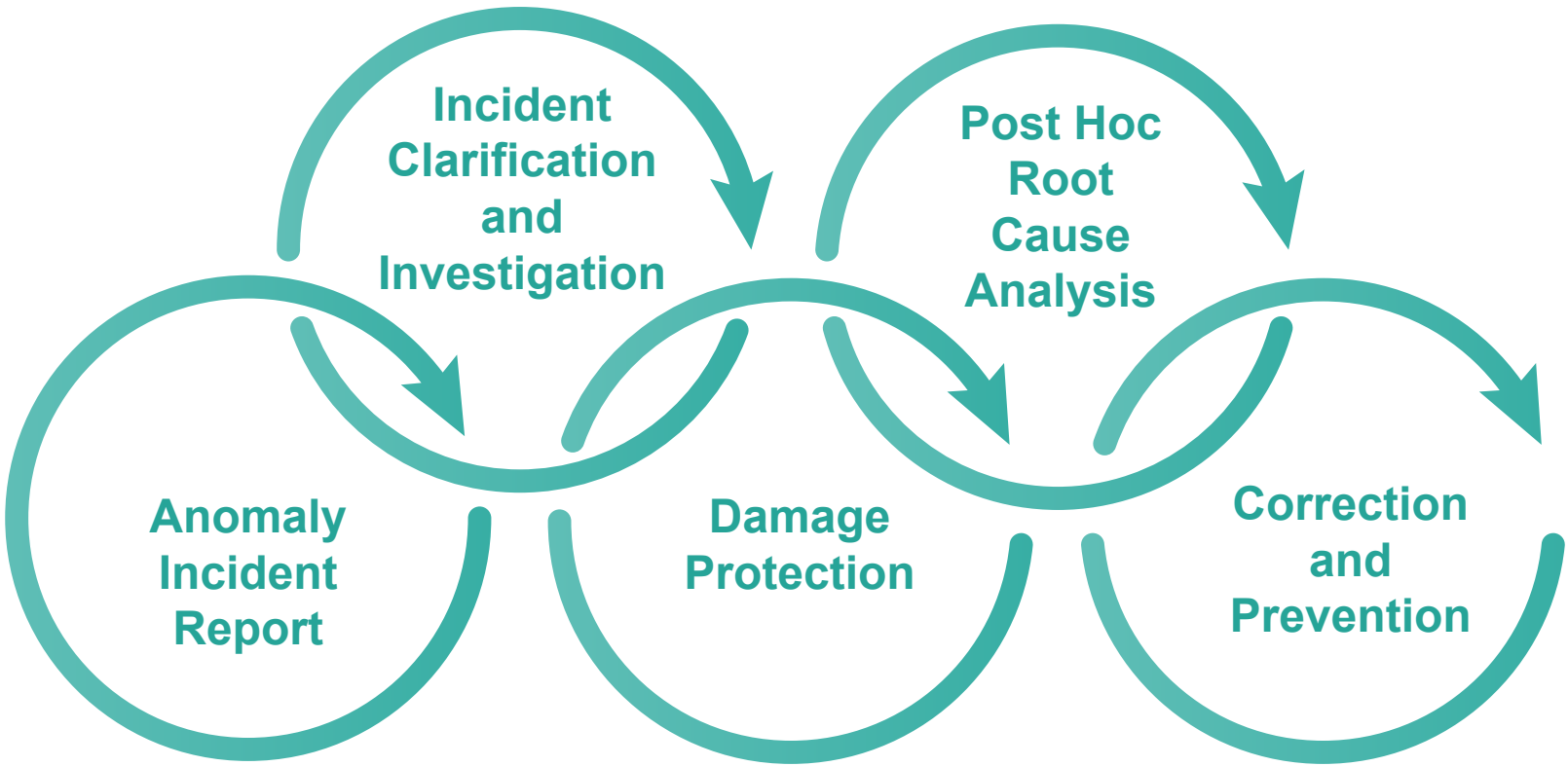
Information Security Policy
Safeguarding the confidentiality of the Company's trade secrets and important customer information
Ensure the information application and support services of core operations and the availability and integrity of equipment.
Ensure effectiveness and sustainability of the information security management mechanism.

Information Security Management Operations

1. Information Framework Check:
Check if there is risk of single point of failure (SPOF) in the measures and mechanisms adopted to maintain business continuity; run risk analysis; and propose the results of and recommendations for security assessment of the information framework. Additionally, check the maximum impact of SPOF and risk tolerance and discuss and implement the improvement plan.
2. Network Activity Check
Check whether or not the access log of networking equipment, information equipment, and servers and account privilege authorization and monitoring mechanisms meet the internal control regulations; and check the account privilege and access log based on the principle of least privilege (PoLP) to identify the abnormal log and verify the warning mechanism.
3. Inspection of Networking Equipment, Servers and Terminals:
Implement vulnerability scan on networking equipment, servers, and terminals periodically and fix or patch detected vulnerabilities.
4. Security Settings Check:
Review the server settings (such as domain services like Active Directory) concerning "Password Policy" and "Account Lockout Policy." Through tool analysis and manual operations, check whether the relevant domain security policies comply with internal control standards.

5. Online fraud protection:
Quarterly or random reminders are issued to employees about online fraud schemes (including social engineering, phishing emails, ransom emails, etc.), and practical training is conducted to enhance employees' awareness and ability to distinguish between genuine and fraudulent online information. In 2023, one internal training session was completed.
6. Report and follow-up of information security incidents:
The Company categorizes information security incidents into four levels. When an incident occurs, employees can report it through the Company's incident reporting system to the information security incident response team. If the incident is classified as level three or higher, it is considered a material information security incident, triggering the Business Continuity Plan (BCP) to minimize damage. Regular information security drills are also conducted annually for specific departments and topics to maintain employee awareness of information security. By the end of 2023, one phishing incident had been reported and handled according to the "Information Security Incident Reporting and Handling Procedures."

7. Information Security Threat Protection:
Given the dynamic and continuous evolution of new types of information security threats, such as ransomware, social engineering attacks, and email fraud, MPI has enhanced its protection measures for internal and external network connections, implemented regular backups, and scheduled routine vulnerability scans and penetration tests. These actions strengthen the overall information security awareness among all employees and enhance MPI's information security defense capabilities.
8. Trade Secrets Management:
Trade secrets are central to competitiveness in the semiconductor industry, and MPI places a high priority on managing them. In addition to implementing effective internal control over information security operation, we also request transaction counterparties or cooperation partners to sign the "non-disclosure agreement" (NDA) in accordance with the "General Contract & NDA Management Procedures" to keep trade secrets. On their arrivals, employees are requested to sign the "Service Agreement" stipulating the need to keep the trade secrets. Employees of specific duties or keeping confidential information must sign the "Post Separation Non-Disclosure and Non-Compete Agreement" before their separation from the Company, ensuring that confidentiality obligations are upheld both during and after employment.



Incidents of material information security breaches in 2023: none.

3.5 Risk Management

Effective risk management must be accompanied by robust internal controls to prevent the failure of control mechanisms during high-risk situations, which could lead to irreparable harm to stakeholders. MPI adopts a balanced risk management strategy, with the Audit Committee responsible for evaluating and reviewing the effectiveness of the Company's risk management implementation and internal control management, including financial, operational, risk management, information security, outsourcing, and legal compliance controls. The Audit Committee also reviews reports from the Company's Internal Audit Department and attesting CPAs, along with regular reports from management. Financially, the Company manages market risk, credit risk, and liquidity risk related to business operations. Non-financially, the ESG Committee assesses risks related to sustainability management, including information security, environmental safety and health, quality management, and business ethics and integrity. As of the end of 2023, no incidents that have caused material operational losses have occurred.

Financial Risk	Business Ethics Risk	Information Security Risk
Includes market risks, credit risks, and liquidity risks based on the Company's risk appetite and tolerance. Prevent engagement in high-risk, high-leverage investments, loaning of funds to others, making endorsements and guarantees, and conducting transactions of financial derivatives. Publish and report by law in accordance with the relevant regulations including the "Operating Procedures for Derivatives Trading", "Operating Procedures for Loaning of Funds to Others", "Operating Procedures for Making Endorsements and Guarantees", and "Operating Procedures for Acquisition or Disposal of Assets".	Establish the "Code of Ethical Conduct", "Ethical Corporate Management Best Practice Principles", and "Code of Employee Conduct and Ethics" for compliance by directors, top management, and employees. New employees must sign a "Service Agreement," pledging to uphold the highest ethical standards, prohibiting bribery, and the provision of illegal political donations. Additionally, we have also established the report system for illegal and unethical behaviors for employees, customers, suppliers to file grievances or report illegal and unethical behaviors anonymously.	Establish an Information Security Risk Assessment Operation based on the ISO 27001 information security management system. This involves using an "Information Asset Inventory" and "Vulnerability Threat Assessment Form" to review the entire Company's information architecture, network activities, network equipment, servers and terminals, security settings, and protection against online fraud, identifying and managing potential risks.
Labor Human Rights and Ethics Risk	OHS, Environment, Energy Risk	Sustainability Management Risk
Establish the "Labor and Ethical Risk Assessment Regulations" to conduct annual management assessments of labor rights and ethical practices, aiming to prevent and mitigate existing or potential labor and ethical risks.	Establish the "ESH Risk Assessment Procedures" in accordance with the ISO 14001, ISO 45001, and ISO 50001 management systems to identify the environmental aspects and hazard factors that can cause impacts to the environment or human safety and health and assess their risks of various operation or production processes including products, activities, service processes, and equipment operation.	Establish the "Business Sustainable Development Procedures" to conduct regular risk impact assessments based on GRI, SASB, TCFD, CDP, or industry standards. Additionally, hold quarterly ESG sustainability committee meetings to track and respond to non-financial sustainability risks.
Procurement and Supplier Risk	Quality Risk	Intellectual Property and Compliance Risks
Procedures such as "Supplier Management Procedures" and "Procurement Management Procedures" have been established to manage production and non-production raw materials separately and address inventory risks. For critical materials, the possibility of finding secondary suppliers is explored to maintain procurement flexibility and mitigate the risks associated with over-concentration of raw material sources.	A quality risk management system has been established based on the ISO 9001 Quality Management System. The purpose is to ensure that all stages of product quality production processes, including product development, project management, derivative product design, processes, and production management, comply with the Company's quality policy and departmental quality management standards. The effectiveness of measures taken to address risks and opportunities is reviewed through management reviews.	Establish the "Legal Compliance Management Procedures" to ensure that all departments conduct business in compliance with the applicable laws and regulations to lower the risk due to defects in legal compliance. Additionally, under the "Intellectual Property Management Procedure," intellectual property strategies are formulated, including comprehensive patent protection layouts and patent risk assessments.

3.6 Business Ethics and Legal Compliance

Ethical Conduct

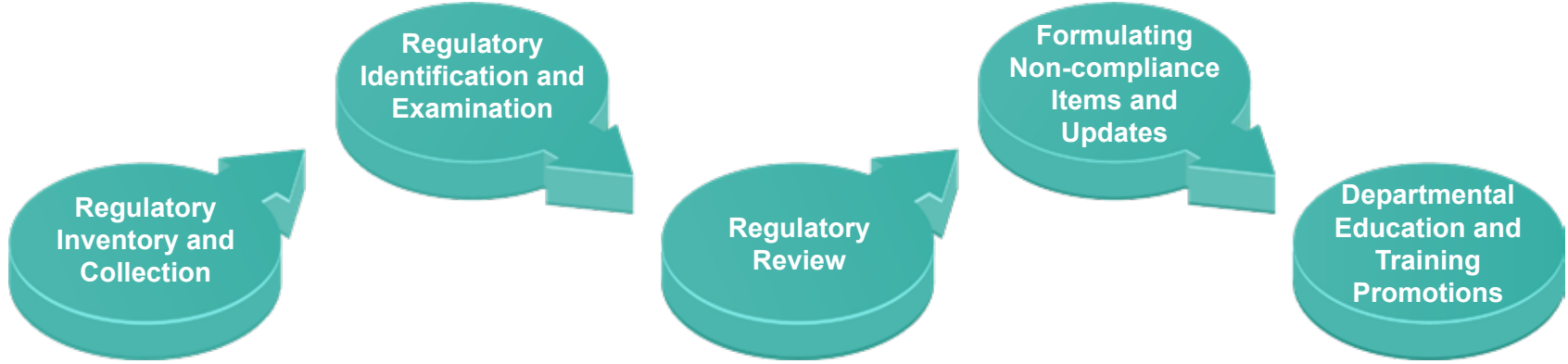
Integrity is the cornerstone of MPI’s business philosophy. To establish a corporate culture of integrity and ensure sound development, MPI has formulated the "Ethical Corporate Management Best Practice Principles" and the "Code of Ethical Conduct" as the guiding standards for the Company’s ethical conduct and integrity. The Company also references the Responsible Business Alliance Code of Conduct (RBA CoC) to establish internal implementation regulations, such as the "Employee Code of Conduct," "Human Resources Management Procedures," and "Labor and Ethics Risk Assessment Management Procedures," for managing and assessing internal integrity and ethical risks. As of the end of 2023, there were no cases of unethical or illegal conduct.

Risk Prevention	Declaration of Conflict of Interest	<ul style="list-style-type: none">New employee onboarding declarationsEmployees sign a service agreement, committing to ethical conduct and confidentiality.	
	Education and Training	<ul style="list-style-type: none">New employee orientation and training (over 160+ participants)Biennial ethical conduct training (scheduled for 2024)	
	Supplier Management	<ul style="list-style-type: none">Signing of the Integrity and Non-Corruption Agreement	
Detection Management	Self-Review	<ul style="list-style-type: none">Annual internal labor and ethics risk assessmentsAssessment Scope: RBA CoC scope	<ul style="list-style-type: none">Assessment Subjects: All departments and specific units2023 Assessment Results: Ethical risk was identified as minimal to low risk.
	Internal/External Reporting Channels	<ul style="list-style-type: none">Internal: MPI Opinion BoxExternal: Report hotline for illegal or unethical behavior (03-5551771-8820) and email (vivian.tseng@mpi.com.tw).	
	Disciplinary Actions	<ul style="list-style-type: none">Handled according to the "Employee Rewards and Penalties Procedures."	
Ongoing Supervision and Oversight	Assessment and Improvement	<ul style="list-style-type: none">If there are violations of ethical integrity, review and improvement meetings are conducted.If material risks are identified, risk responses are implemented.	

Legal Compliance

Legal compliance is the fundamental responsibility and obligation of corporate governance. By establishing the “Legal Compliance Management Procedures”, we ensure that the operation of all departments comply with the laws and regulations through identification of legal and regulatory requirements, crosscheck and notification of system legal compliance, and quarterly legal compliance check so as to lower the risks associated with non-compliance.

Legal Compliance Procedures



Implementation status of legal compliance

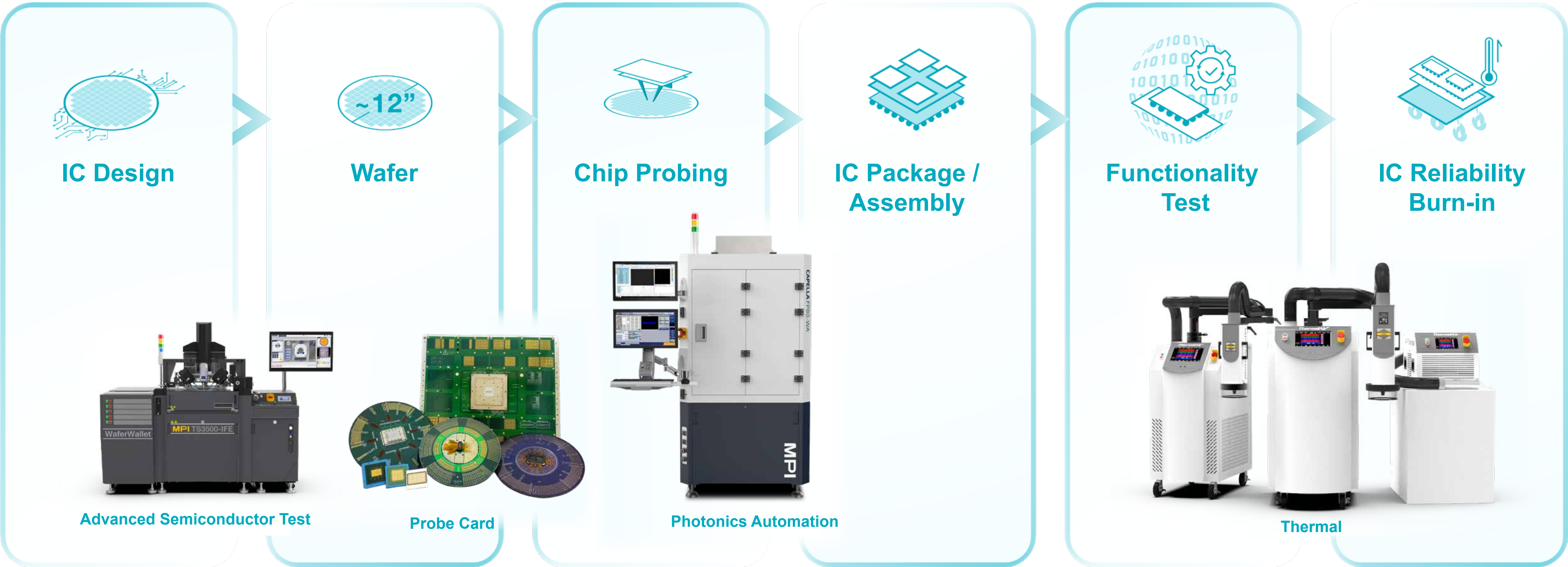
Legal compliance incidents	Implementations in 2023
Total monetary losses resulting from legal proceedings arising from anti-competitive behavior	No incidents of legal violations have occurred Additionally, there is an ongoing civil and criminal lawsuit against a former employee for violating the Trade Secrets Act. A total of NTD 69,090,000 has been provisioned as a security deposit for the case. This incident does not adversely impact MPI's operations; please refer to the 2023 Annual Report for details.
Incidents of material violations related to EHS regulations (over NTD1 million)	No incidents of legal violations have occurred.
Total monetary losses resulting from legal proceedings arising from anti-competitive behavior	
Incidents of violations related to product and service safety responsibility regulations	
Incidents of violations related to marketing and communications regulations	
Incidents of violations related to information privacy regulations	
Being named as a defendant in lawsuits filed by the Securities and Futures Investors Protection Center	
Incidents of material violations of internal control systems leading to substantial losses or significant penalties from regulatory authorities	
Other instances of non-compliance with corporate governance principles, including but not limited to insider trading, stock price manipulation, fraudulent financial reporting, asset misappropriation, disputes over control of the company, tax evasion, or violations of corporate governance-related regulations, resulting in material administrative penalties from regulatory authorities, judicial searches, indictments, or convictions.	

4. INNOVATION AND QUALITY ASSURANCE

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4.1 Scope of Operations

MPI is a global leader in the design and manufacturing of testing solutions. The main products and services can be divided into two categories: wafer probe cards and semiconductor equipment. As a downstream supplier in the IC packaging and testing segment of the industry supply chain, MPI operates under a B2B model, and its products do not enter the end-consumer market. Our sales markets are distributed across Taiwan, the United States, Japan, Europe, and China. Our customer base includes industries such as wafer foundries, IC design, packaging and testing, optical communication, optoelectronics, automotive, aerospace, fiber optics, and electronic components. MPI provides comprehensive testing solutions, with its products and services visible from IC design to reliability and functionality testing.

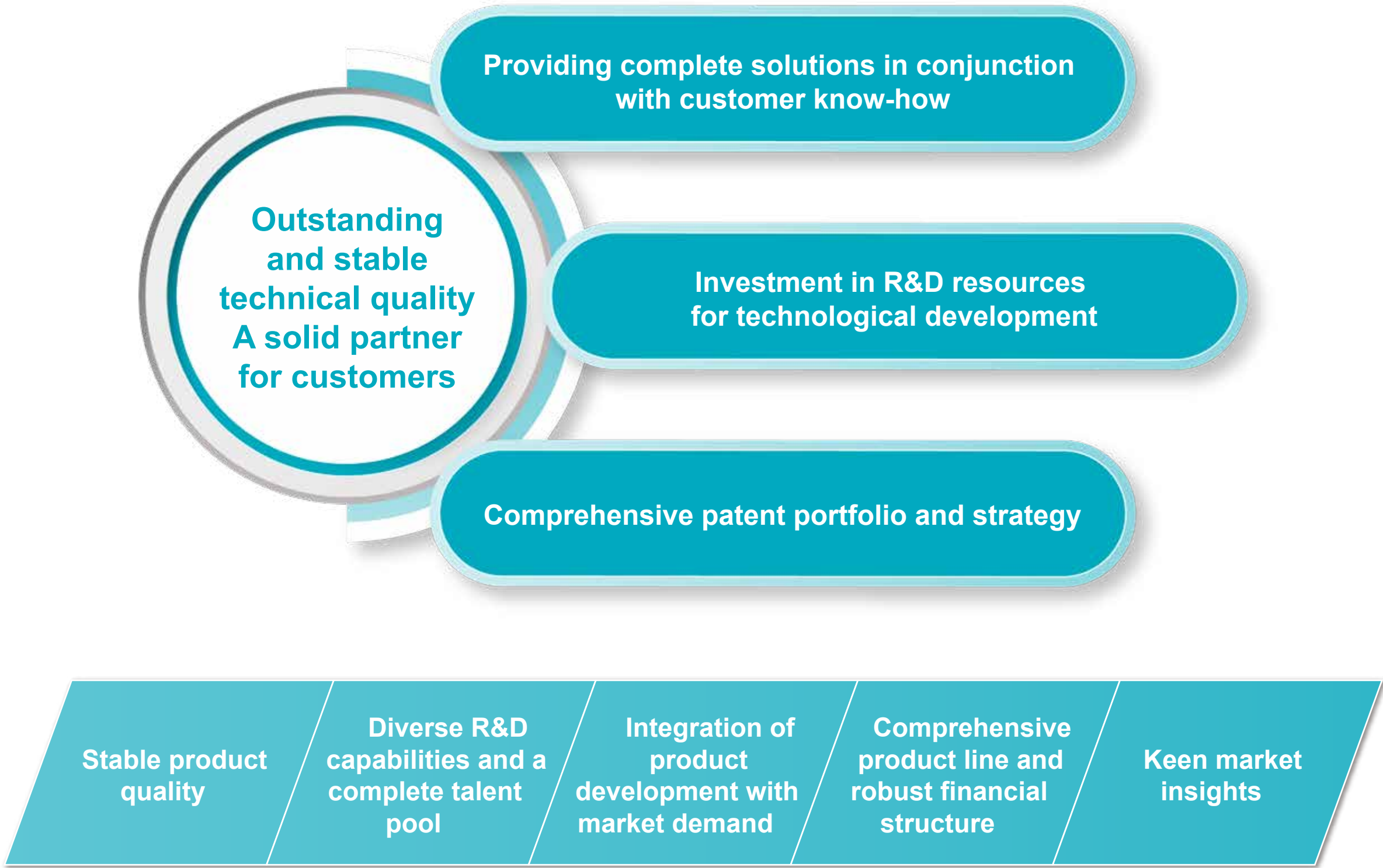


Main Sales Products	Purpose and Function
Wafer probe cards	Measurement interface during the wafer testing stage, serving as the bridge between the wafer under test and the test machine, widely used in the wafer-level testing of logic devices, memory devices, and LCD driver ICs.
Wafer probe cards for testing (LCD Driver IC Final Test)	Functions as a post-packaging test interface, serving as the signal transmission bridge between the LCD Driver IC, tape, and the test machine.
Vertical probe card	The measuring interface at the wafer probing stage is designed for the wafer probing and need for flip-chip products.
MEMS probe card	
Semiconductor die testing equipment	It is used to test the optical properties of the die and perform data analysis for the bin value after the optoelectronic semi-conductor wafer is manufactured.
Optoelectronic semiconductor die testing and sorting equipment	It is used on sorting dies based on their optoelectronic properties after the optoelectronic semiconductor die is tested.
Automatic AOI equipment	The equipment sorts out and marks the die with defects by adopting AOI after the optoelectronic semi-conductor testing and sorting are complete.
Thermal Testing Equipment	We offer advanced, precise, and convenient-to-use thermal testing equipment and thermal testing solutions. They are applicable for production and research-related temperature testing solutions.
Engineering Probe Systems	We offer a wide range of engineering probe systems to meet the specific requirements of different markets and applications. They include the component characteristics measure for modeling, failure analysis, design validation, IC engineering, wafer level reliability test, and the special requirements for MEMS, high power, RF, and mmWave component tests.
RF Probe	The TITAN™ RF probe series, featuring a patented probe blade design and microelectromechanical systems (MEMS) manufacturing process, provides excellent visual angles and low contact impedance, even on difficult-to-detect materials like aluminum, demonstrating extremely high contact consistency. The industry-leading calibration software QAlibria® and verified calibration substrates realize the industry standard and advanced calibration methods to provide solutions for RF measurement and calibration.

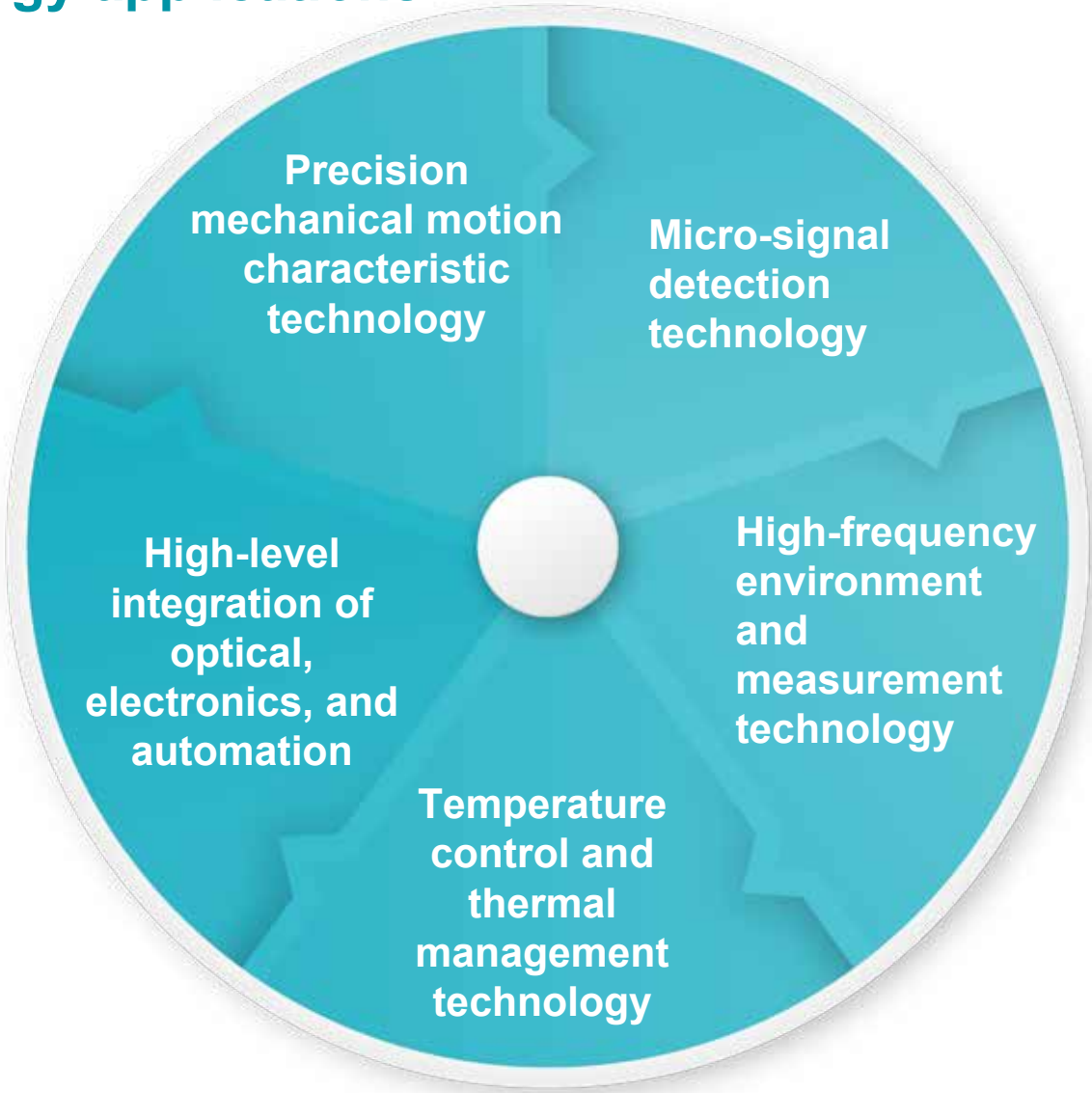
4.2 Competitive Strengths

Taiwan’s semiconductor industry has a complete ecosystem with well-established upstream and downstream supply chains, providing Taiwan with a competitive edge in semiconductor industry development. MPI’s headquarters and main production facilities are located in Taiwan, leveraging a favorable competitive environment and business strategies focused on R&D investment and technological innovation. MPI has become a leading player in the probe card market and a top manufacturer of semiconductor test equipment.

Competitive niche and favorable factors

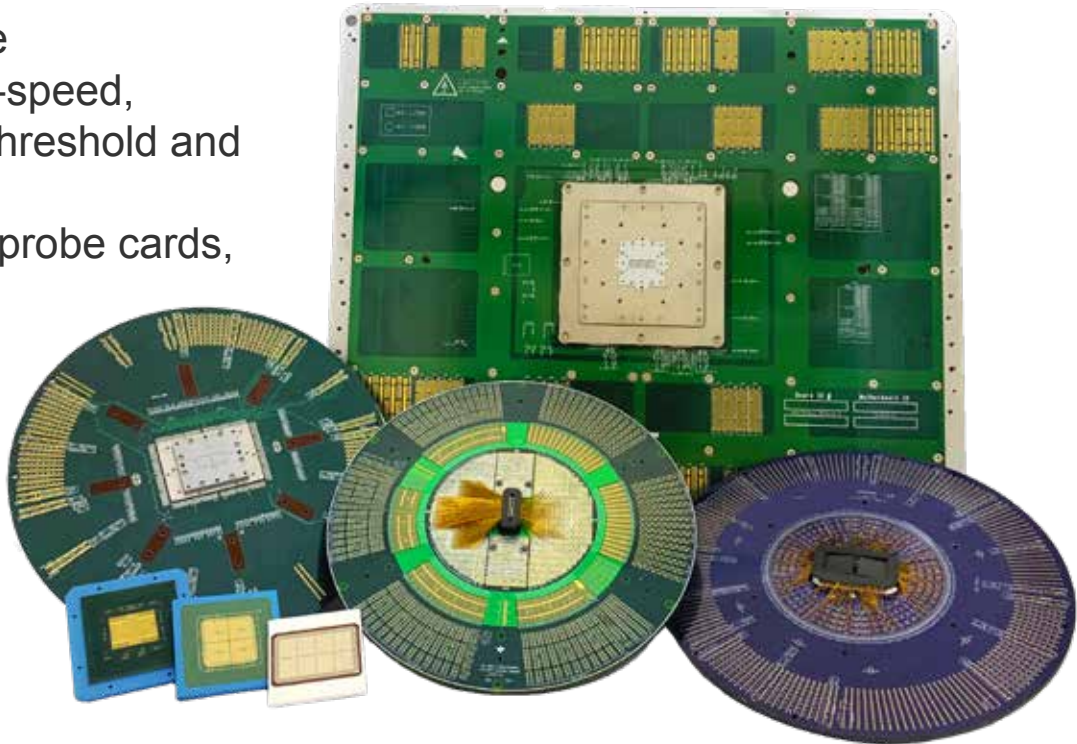


Cutting-edge technology applications

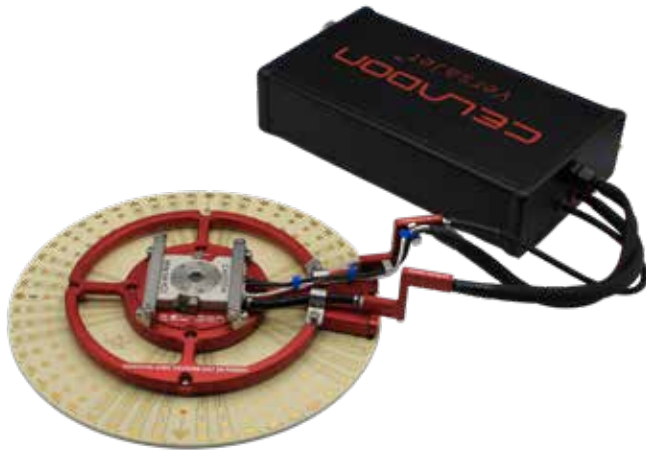
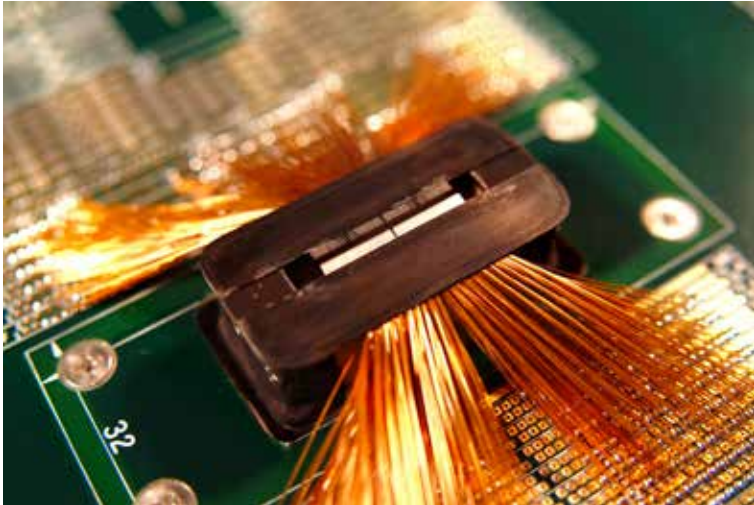


Product Focus: Wafer Probe Cards

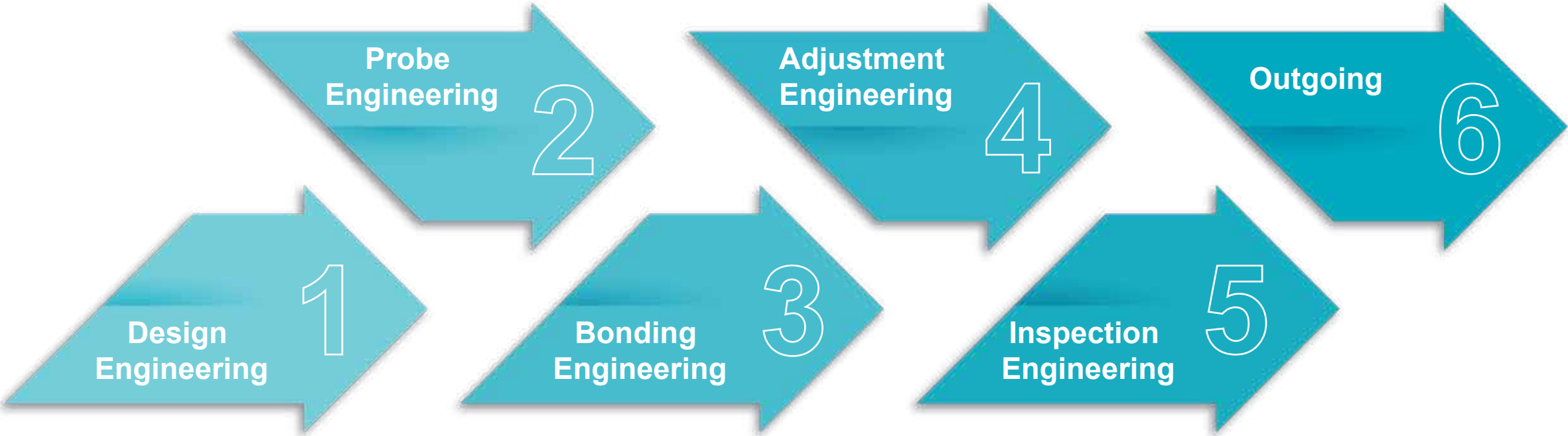
MPI is the market leader in the probe card industry, with highly mature manufacturing technologies for high pin count, narrow pitch, and high-speed, high-frequency applications. MPI has established a certain technical threshold and possesses the capability to self-supply key components with a high self-manufacturing rate. Our products include probe cards, cantilever probe cards, vertical probe cards, LCD driver ICs, RF and high-speed probe cards, and MEMS probe cards, making MPI a benchmark whether in terms of quality and sales volume within the domestic industry. By structure our wafer probe cards can broadly classified into three categories: cantilever probe cards (CPC), vertical probe cards (VPC), and MEMS probe cards. These can be applied to testing wafers of various sizes.



A probe card is a circuit board covered with probes that serves as the interface for testing and analysis between the test machine and the wafer to be tested. After wafer fabrication is completed, a probe card is used to test the wafer's quality, detecting whether the ICs are of high quality or defective (flawed or malfunctioning) . As the size of IC packaging continues to shrink and packaging costs rise, wafer probing has become a critical process in IC manufacturing. There is a direct correlation between the number of probe cards produced and the volume of IC manufacturing. Probe cards are primarily used for wafer yield testing, and each type of IC requires at least one corresponding probe card to prevent defective ICs from entering the packaging process, thereby avoiding unnecessary cost waste. As electronic products trend towards thinner, more functional, and lower power consumption, the cost of high-end packaging has increased, making wafer probing technology an essential part of the IC industry. Therefore, probe cards not only ensure the quality of ICs but also effectively control the costs of subsequent packaging processes. They help reduce waste from defective products, GHG emissions, and water usage after packaging, making them key partners for customers in achieving environmental sustainability and innovative development.



Wafer Probe Card Manufacturing Process



Upstream and downstream relationships in wafer probe card manufacturing



Product Focus: Semiconductor Equipment

Taiwan has long been a pivotal player in the global semiconductor industry's supply chain, serving as a crucial production hub. This role is fueled by increasing demands from advancements in smart living, contactless technology, automotive electrification, carbon reduction initiatives, and AI developments, with Taiwan becoming a global hub of semiconductor manufacturing. The semiconductor equipment produced by MPI can be broadly divided into automated photonic testing equipment, advanced semiconductor test equipment, and thermal test equipment and related solutions. Through innovative R&D, an outstanding R&D team, and solid partnerships with world-leading manufacturers and domestic and international customers, and customer-oriented design cooperation strategies, MPI has become a leading and competitive supplier of semiconductor equipment. At the same time, the equipment products are designed to meet market demands or comply with local country regulations, ensuring conformity with relevant environmental-friendly, equipment safety certification standards (such as CE, NRTL, SEMI-S2/S8, SEMI-F4, RoHS, etc.).

1. Photonics Automated Test

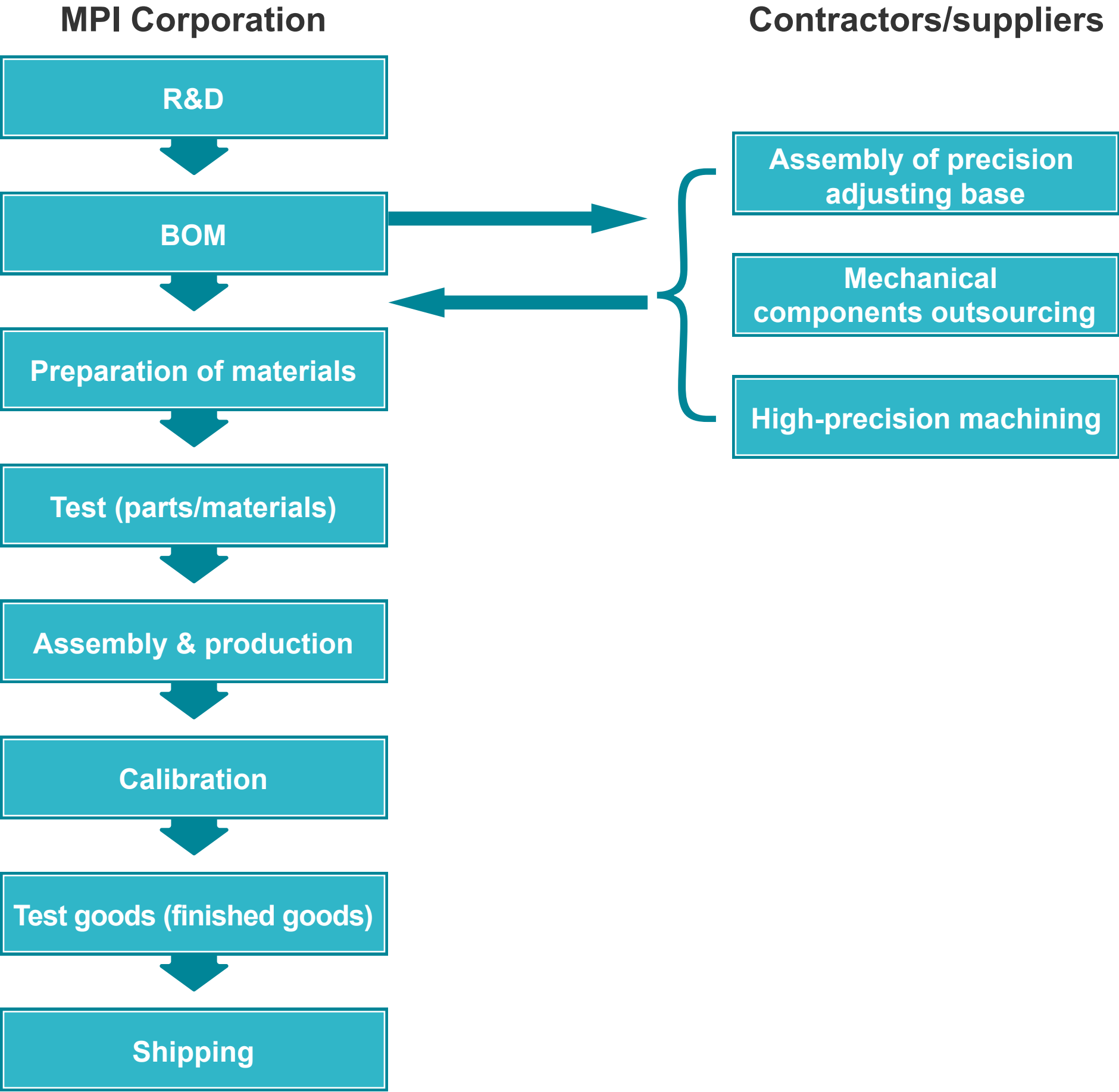
Provide complete testing application solutions that meets the demand for mass production of new products in the photoelectric and semiconductor industries based on the five core technologies: probers, sorting, photoelectric testing, imaging detection, and automated equipment.
2. Advanced Semiconductor Test

Including Engineering Probe Systems and RF Probe Products, leveraging core technologies in micro-signal, high-frequency measurement, high power, and high/low-temperature measurement to implement more refined and higher-specification technologies in products.
3. Thermal Test

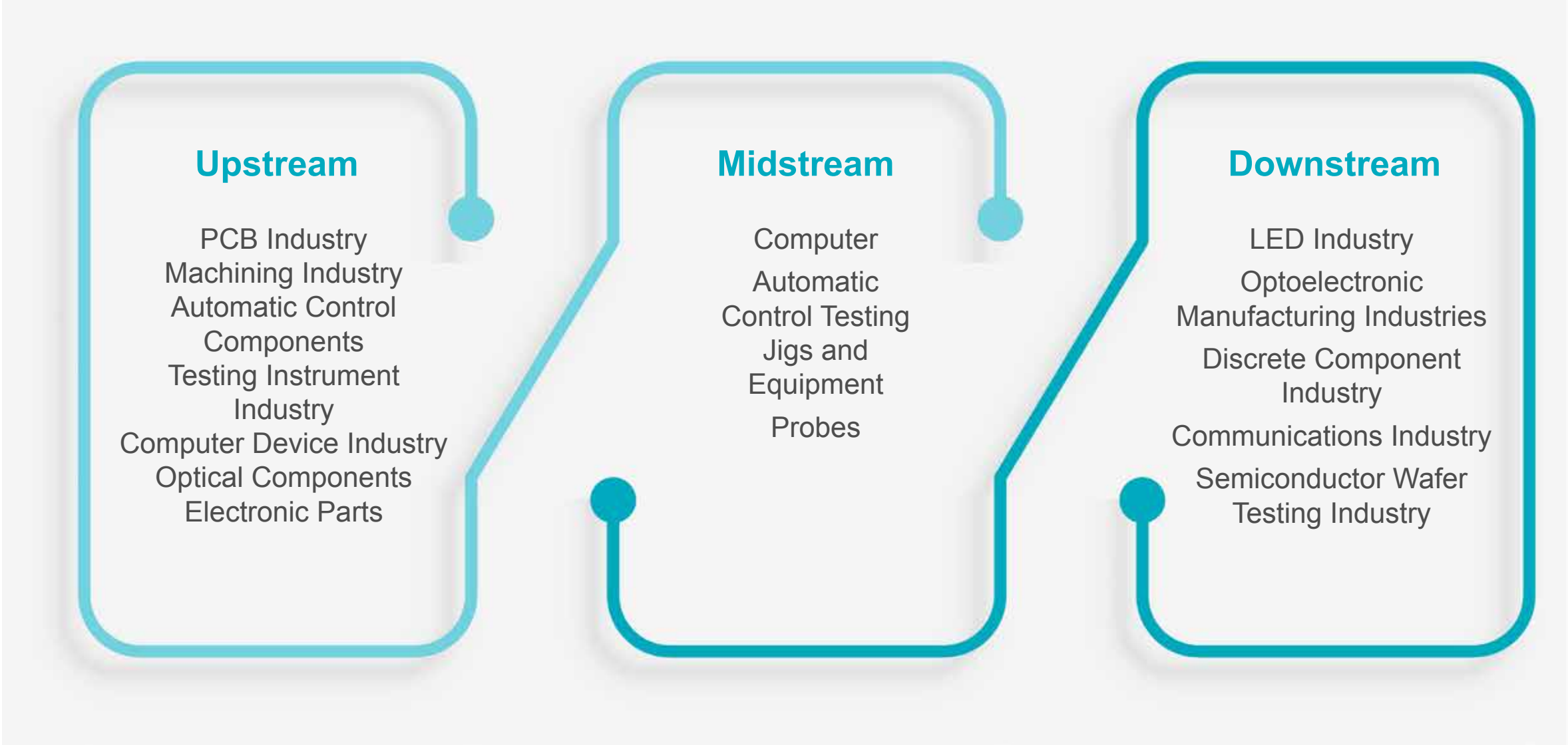
We have developed a rapid temperature rise and fall thermal testing system, utilizing core temperature control technology to achieve fast temperature changes, environmental efficiency, and low noise characteristics, continuing to advance in the semiconductor market. There are also plans to expand the temperature testing system into non-electronic markets such as automotive, 5G/RF telecommunications, sensors, and data center fiber optics.



Semiconductor equipment manufacturing process



Upstream and Downstream Relationships in Semiconductor Equipment Manufacturing



4.3 Development Strategy and Innovative R&D

Technology is bedrock to maintain competitiveness. In light of the development of the microelectronics industry and future technical requirements, we uphold the core philosophy of assisting customers in enhancing competitiveness. The following development strategies are implemented to maintain a competitive edge:

1	Continue to develop wafer-level micropitch technology.
2	Continue to develop high-current-resistant probes and high-current-resistant whole-card architectures.
3	Develop faster wafer probe cards to meet the demands of next-generation high-speed transmission technology.
4	Continue R&D on high-temperature large-area probe card technology.
5	Investing efforts in developing multilayer organic substrates with more refined line width and spacing. Developing higher-layer-count technology for PCBs to enhance the overall product competitiveness of probe cards.
6	In the semiconductor optoelectronic automation industry, the focus is on four major industry sectors: optical communication (optical communication, silicon photonics), sensing (sensing & LiDar), micro-display, and compound semiconductors (LED, GaN, SiC). MPI provides automated equipment for short-pulse, high-voltage, and high-current measurements, sorting, and optical inspection in different temperature environments, with a high level of integration of optics, mechanics, and electronics. By collaborating with global technology-leading customers, the primary development goal is to provide next-generation products in the semiconductor industry, focusing on innovative mass production technology with a turnkey solution.
7	The component temperature testing system has been widely deployed, including the development of tabletop hot and cold temperature systems in laboratories to meet customers' rapid engineering needs. We continue to expand and design different product series for mass production or laboratory temperature testing, providing optimal corresponding products.
8	In the field of semiconductor engineering inspection applications, the focus is on higher frequency and more precise measurement items, continuously enhancing product functions to provide customers with more accurate measurements and easier operation, accelerating the completion of engineering experiments.

Innovation and R&D

To better respond to rapidly changing market demands and operational development strategy goals, MPI has strengthened its R&D capabilities. In addition to continuously recruiting R&D professionals and collaborating with customers on technology, MPI annually invests about 10% of its revenue in R&D for innovation. The Company also formulates technical roadmaps to quickly and accurately introduce R&D technology into new products, expanding its business.

R&D expenses over the past three years

	2021	2022	2023
R&D Funds (NTD thousands)	744,766	747,551	830,188
Proportion in Revenue	11.44%	10.05%	10.19%

Major R&D Achievements in 2023

Major product categories	Results
Wafer Probe Card	<ul style="list-style-type: none">Development project for large-area, high pin count MEMS probe cards for testing high-end smartphone application processors ICsDevelopment project for large-area MEMS probe cards for automotive IC testingDevelopment project for high-speed probe cards for high-performance computing ICs (112 Gbps PAM4)
Semiconductor optoelectronic automation equipment	<ul style="list-style-type: none">Optical characteristic parameter measurement equipment for optical communication components (RIN, S21)Nanosecond pulse high-power laser diode (Laser Diode, VCSEL) wafer-level testing system, capable of measuring electrical and optical properties of single crystals, 1D addressable elements, 2D addressable elements, etc.Flip-chip wafer-level three-temperature probe station system
Semiconductor Component Thermal Testing Series	<ul style="list-style-type: none">Develop models with different temperature ranges and flow rates to meet customer multi-task testing requirements, providing the most suitable solutions for mass production and engineering.
Semiconductor Engineering Testing Machine Series	<ul style="list-style-type: none">Introduce an automatic temperature alignment system and advanced high-frequency, microwave measurement systems, significantly increasing testing convenience and accuracy.

Major future R&D projects

R&D Project	Key Factors Affecting R&D Success	Execution Status	Additional Investments (NTD)	Mass Production Schedule
Ultra-high Pin Count (100,000 pins) Vertical Probe Card	<ul style="list-style-type: none">Structural design and simulation analysis capability	Under design validation	NT\$150 million	2024
High-Speed (PAM4-224Gbps) Vertical Probe Card	<ul style="list-style-type: none">Electrical and structural design	Under design validation	NT\$150 million	2024
Micro LED multi-channel high-speed low-current testing equipment.	<ul style="list-style-type: none">Development of micro-current testing instrumentsFine-pitch multi-channel probe card application technology	Under design validation	NT\$20 million	2024
Wafer-level reliability testing system (VCSEL, SiPh)	<ul style="list-style-type: none">High-precision wafer probing stationWafer-level probe card manufacturing technologyMulti-channel current source design technologyHigh-energy temperature control system	Under development validation	NT\$50 million	2025
Silicon photonics package optical waveguide characteristic measurement system	<ul style="list-style-type: none">Silicon photonics package inspection technologyHigh pin count probe card point measurement applicationHigh-precision and high-speed optical coupling technologyOptical waveguide characteristic measurement technology	Under development validation	NT\$30 million	2025

4.4 Quality Management and Product Services

MPI has established a quality management system based on the ISO 9001 international standard. The Company employs the PDCA (Plan-Do-Check-Act) cycle to continuously assess and improve its processes, products, and services. The implementation of the quality management system is driven by the leadership team, which sets the operational strategies and directions of the company. Goals are selected from the top down, and outcomes are generated according to these goals. MPI is committed to enhancing the importance of customer service. In the many years of dedicated research, development, and manufacturing of wafer testing probe cards, LED/wafer probing platforms, and temperature testing systems, we have continuously refined our production technologies, adopting the most advanced production methods to ensure our products meet world-class quality and reliability standards. Additionally, we offer multifaceted complete services, aiming to enhance customer competitiveness by providing customized, high-quality products. We are committed to complying with regulations and consistently delivering high-quality products and complete, on-time services to our customers.



Based on a customer-oriented approach, MPI focuses on providing the necessary resources and managing the effectiveness of its processes across various stages, including:

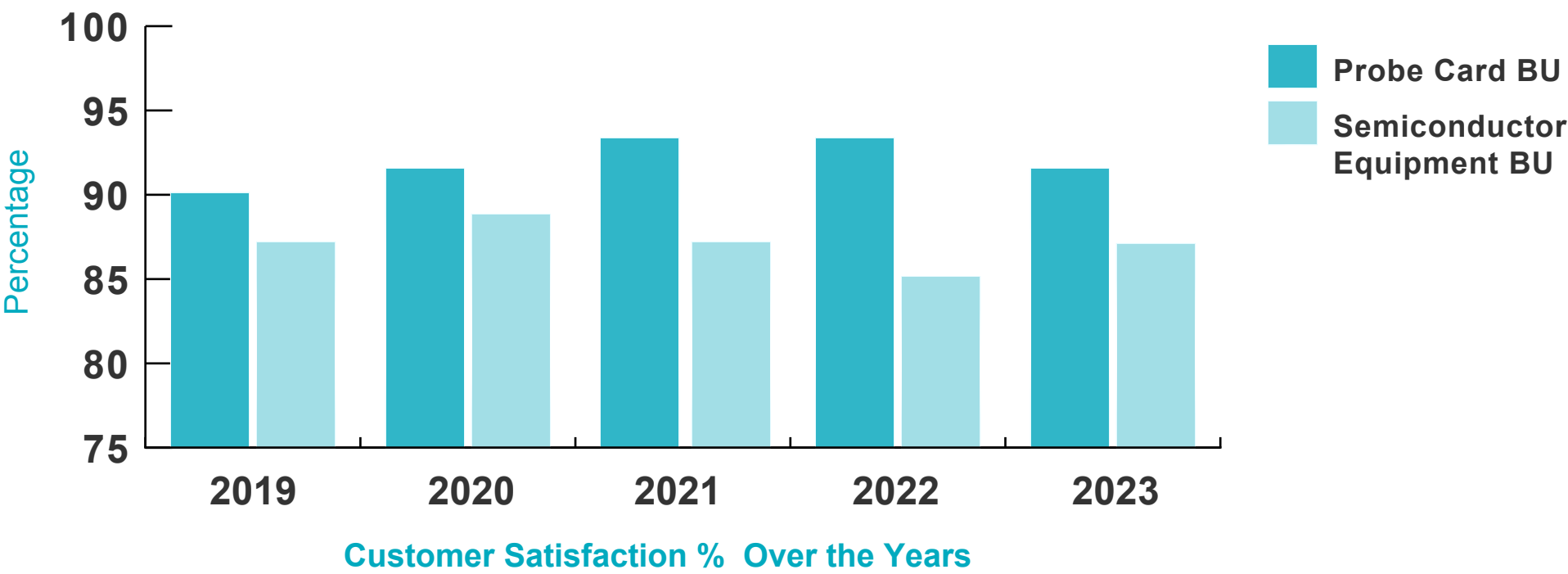


Quality System Management Operations	Design and Development Quality Assurance	Production Quality Assurance	Shipping Quality Assurance	After-Sales Service Quality Assurance
<ul style="list-style-type: none">Implementation of International Standard SystemsInternal Quality AuditsTechnical Document ManagementIntegration of the Quality Management System	<ul style="list-style-type: none">Product Development ManagementProcess Validation ManagementTechnology Development Management	<ul style="list-style-type: none">Derivative Product Design and ReviewDesign Change ControlProcess Control	<ul style="list-style-type: none">Shipping Quality ControlNon-Conforming Product Control	<ul style="list-style-type: none">Customer Complaint HandlingCustomer Satisfaction SurveysProduct Returns and Repair Handling

Customer Satisfaction

Every year, MPI conducts customer satisfaction surveys, either through in-person visits or online questionnaires, targeting the top five to ten major customers by sales revenue or other representative key customers. The survey covers four main areas: "Product Quality," "Delivery and Processing Timeliness," "Business Support and Professionalism," and "Customer Service and Communication." The goal is to collect and understand customer feedback from multi-faceted perspectives, providing products or services that better meet customer needs and continuously improving and responding to key customer concerns to enhance their competitiveness. In addition to satisfaction surveys, MPI maintains regular engagements with customers through weekly, monthly, quarterly, and annual meetings, as well as ad hoc meetings. These interactions are aimed at strengthening customer trust and loyalty. Through close cooperation with customers, MPI tailors products to meet specific needs, garnering consistent customer approval.

In customer satisfaction surveys conducted over the past five years, probe card products and semiconductor equipment product lines have consistently maintained a satisfaction level above 85% (Target M ≥ 85%).



Laboratory Accreditation and Technology Certification

To achieve world-class quality and reliability, we have established an electrical compliance testing laboratory (Lab No. 3631) that passed the accreditation of the ISO/IEC 17025 General requirements for the competence of testing and calibration laboratories by the Taiwan Accreditation Foundation (TAF) to accredit the compliance with the international standards of our laboratory management and technology capabilities and the compliance with the requirements of the International Laboratory Accreditation Cooperation (ILAC) of our testing processes and quality. With such we ensure the impartiality of our testing services and data to provide customers with accurate and reliable testing data.

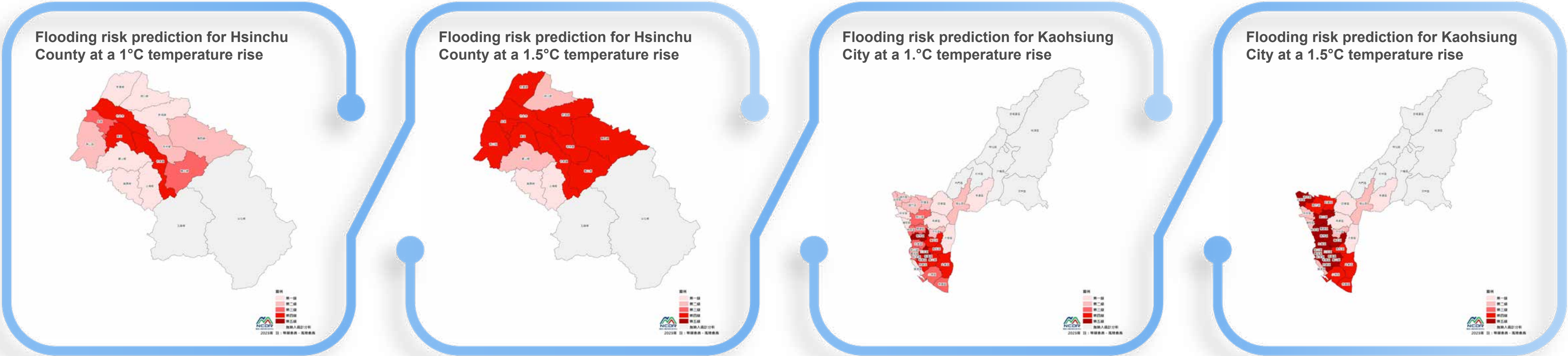
5. ENVIRONMENTAL STEWARDSHIP

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5.4 Water Resource and Waste Management	43

5.1 Climate Change

The urgency of addressing climate change cannot be overstated, as governments and industry associations worldwide are actively providing recommendations and standards to guide companies in mitigating the impacts of climate change. In 2022, the Semiconductor Climate Consortium (SCC), established by the international semiconductor industry association SEMI, released a white paper titled "Transparency, Ambition, and Collaboration: Advancing the Climate Agenda of the Semiconductor Value Chain." This white paper outlines five strategic responses, including: "establishing baseline for value chain emissions", "investing in low-carbon energy electricity as the largest lever," "investment and innovation to solve remaining 16%," "reducing actual manufacturing process emissions in future manufacturing scenarios," and "addressing the dilemma where reliance on semiconductor digital technologies simultaneously increases overall carbon footprint emissions." Additionally, the International Organization for Standardization (ISO) incorporated climate change issues and the needs and expectations of stakeholders into the fourth chapter of the High Level Structure (HLS) of the ISO management system in February 2024. As a result, companies must more proactively respond to the opportunities and risks posed by climate change and develop corresponding strategies.

According to the flood risk maps provided by the "Climate Change Disaster Risk Adaptation Platform," if the global average temperature rises by 1.5°C, MPI's main headquarters and facilities located in Zhubei City and Xinpu Township, Hsinchu County, and Luzhu District, Kaohsiung City, would be situated in fourth-level high-risk flood zones, while Hukou Township, Hsinchu County, would be classified as a second-level low-risk flood zone.



In light of the potential impacts of climate change, MPI Corporation has referenced the Task Force on Climate-related Financial Disclosures (TCFD) management framework for the first time to manage climate risks. The Company focuses on three main aspects: "Green Energy," "Greenhouse Gas Management," and "Water Resources and Waste Management" for operational execution and management. In the Carbon Disclosure Project (CDP) Supplier Assessment results conducted by key customers in 2023, MPI was rated at the "Awareness Level" for the climate change questionnaire and the "Management Level" for the water security questionnaire. The Company will continue to move forward and remain a sustainable partner in the global semiconductor industry and customer supply chains.

Climate Change Management Framework and Implementation Results

Management Framework	Strategy and Actions	2023 Implementation Results
Governance	Management and executives regularly review climate change risks and opportunities. <ul style="list-style-type: none">Board of Directors: The Board of Directors treats climate change as an important component of corporate governance, reporting quarterly on the progress of greenhouse gas inventory planning.ESG Committee: Ensures the effective implementation of ESG strategies and goals, with annual results reported to the Board of Directors.	<ul style="list-style-type: none">Presented four reports to the Board of Directors on the progress of GHG inventory and verification schedules.Hold four meetings of the ESG Committee, including one review report on environmental safety and energy management systems and greenhouse gas inventory management, and track reports on energy-saving measures and carbon management.
Strategy	<ul style="list-style-type: none">Develop Short, Medium, and Long-term Strategies	<ul style="list-style-type: none">Short-term implementation: Set an annual energy-saving target of 1% for plants with contracted electricity capacity exceeding 800 kW. Continue procuring/replacing energy-efficient equipment and introducing smart energy systems. Expand the scope of GHG inventory and verification.Mid-term planning: Prudently plan and set 5-10 year carbon reduction targets for Scope 1 and Scope 2. Plan carbon credit operations and prepare carbon trading accounts. Plan energy-saving measures for new plants and introduce greenhouse gas inventories for all subsidiaries.Long-term assessment: Establish renewable energy and energy storage facilities, set internal carbon pricing, plan long-term carbon reduction targets (including Scope 3), and strategize for carbon neutrality and net-zero carbon emissions.
Risk Management	<ul style="list-style-type: none">Combine ESG and ISO management systems to identify climate change risks through stakeholder and impact assessment methods.	<ul style="list-style-type: none">Completed an impact assessment of issues of concern, both internally and externally.Reported climate-related risks to the ESG Committee.Plan to introduce the ISO 22301 Business Continuity Management System and include climate change risk identification.
Metrics and Targets	<ul style="list-style-type: none">Set inventory and carbon reduction strategies for Scope 1 to Scope 3 emissions in accordance with the ISO 14064 Greenhouse Gas Management System standard.Implement various environmental impact mitigation and energy-saving measures based on the ISO 14001 and 50001 Environmental and Energy Management Systems.	<ul style="list-style-type: none">For specific results and data, refer to this chapter.

Climate Change Risks/Opportunities and Response Strategies

MPI conducted an impact assessment survey on issues of concern for the ESG Committee and representatives from various teams, identifying 32 risks and opportunities related to climate change. The findings are summarized as follows:

Type	Risks/Opportunities	Response Strategies
Transition Risks	<ul style="list-style-type: none">Strict compliance with domestic and international GHG and green regulations.Challenges in green transition and technology development.Changes in product demand.Impact on the Company's reputation and order-taking capabilities.	<ul style="list-style-type: none">The imposition of carbon taxes and carbon fees domestically and internationally has not yet impacted MPI financially. However, we continue to closely monitor greenhouse gas regulations and green standards in regions where the Company has a market presence.Proactively plan carbon reduction strategies and prepare for carbon credit trading.Collaborate with experts from institutions such as the Industrial Technology Research Institute (ITRI) for energy-saving guidance on energy-intensive plant equipment.Monitor market changes and conduct industry analysis through research institutions.Prepare in advance for ESG implementation planning in response to customer audits and investigations.
Physical Risks	<ul style="list-style-type: none">Flooding (own operations, supply chain)Drought (own operations, supply chain)High temperatures (own operations, supply chain)Enhance emergency response capabilities to natural disasters.	<ul style="list-style-type: none">Plan to introduce the ISO 22301 Business Continuity Management System, focusing on operational impacts related to production and delivery. Identify and assess various physical risks and establish contingency plans for significant risks to improve response capabilities.
Climate-related Opportunities	<ul style="list-style-type: none">Enhance energy efficiency and energy-saving measures in plants.Establish renewable energy and energy storage facilities.Develop high-efficiency, environmentally friendly products.Enhance corporate reputation and goodwill.Strengthen business continuity resilience.	<ul style="list-style-type: none">Plan and implement energy-saving measures for new plants and continue promoting energy-saving operations in existing plants.Collaborate with academic institutions to research innovative product technologies and alternative materials.Obtain RoHS environmental certifications for specific semiconductor equipment series to reduce environmental impact.Introduce environmentally friendly refrigerant materials into high-low temperature testing equipment to improve energy efficiency and explore market opportunities.Plan and verify the ISO 22301 Business Continuity Management System to enhance customer trust and operational resilience.

5.2 Green Environment

To effectively reduce the environmental impact of greenhouse gas emissions and lower energy consumption, MPI, through its ESG Committee, oversees and manages energy-saving and carbon reduction development goals and plans. The committee also holds meetings from time to time to review and track the implementation progress. In parallel, MPI is actively advancing energy conservation by introducing various technologies and enhancing energy efficiency in its operations. In addition to implementing electricity-saving measures, improving energy efficiency, and continuously evaluating the installation of renewable energy and energy storage facilities as part of its energy management strategies, MPI also promotes energy-saving management plans in offices and public areas. These efforts include posting promotional materials and conducting routine educational training to enhance employees' energy-saving and carbon reduction awareness and habits.

To ensure that the environmental and energy execution strategies of the facilities meet international standards, MPI has continuously operated the ISO 14001 Environmental Management System and ISO 50001 Energy Management System since 2016. The ISO 14001 Environmental Management System has consistently maintained certification and was revalidated in 2024, with the certification valid until September 19, 2025. The energy consumption structure at MPI is predominantly composed of purchased electricity, accounting for 95.96%. Due to increased production capacity and operational growth, the total energy consumption reached approximately 141,270.44 GJ, representing a 3.93% increase over the previous year.

In response to the growing trend of energy consumption due to operational expansion, MPI has refined its energy efficiency improvement and electricity-saving plans. This includes evaluating and replacing equipment that is over 20 years old and optimizing system operations by adjusting energy monitoring system settings. Over the past three years, the total electricity savings have amounted to approximately 871,509 kWh, achieving an energy-saving rate of 1.53% in 2023, which could reduce approximately 176.37 tCO₂e.

Total Energy Consumption

Type of Energy	2022		2023	
Purchased Electricity	35,578,446.73 kWh	128,082.41 GJ	37,655,724.28 kWh	135,560.61 GJ
Gasoline	140,473.60 liters	4,579.44 GJ	136,172.62 liters	4,439.23 GJ
Diesel	8,049.22 liters	282.53 GJ	7,674.32 liters	269.37 GJ
Natural Gas	26,223.05 m3	985.99 GJ	26,628.59 m3	1,001.24 GJ
Total Energy Consumption	133,930.36		141,270.44	
Proportion of Purchased Electricity	95.63%		95.96%	
Energy intensity <small>(GJ/ per million NTD of revenue for the current year)</small>	21.44		20.94	

* Power calorific value: 1 kWh = 0.0036 GJ; gasoline calorific value: 1 liter = 0.0326 GJ; diesel calorific value: 1 liter = 0.0351 GJ; natural gas: 1 cubic meter = 0.0376 GJ

Green Sustainability Actions

In response to the green energy policy, which promotes clean energy and reduces carbon emissions from gasoline and diesel vehicles, MPI Corporation installed DC 30 kW and AC 11 kW charging stations at the Zhubei and Xinfeng plants in July 2023 for employee commuting use. As of the end of December 2023, the charging stations had been used more than 60 times, with a total charging capacity of approximately 1,208 kWh. MPI will continue to promote and encourage employees to adopt green transportation, contributing to environmental sustainability.



Due to its geographical location and climatic conditions, Taiwan has sufficient sunshine hours. According to the statistics of Central Meteorological Administration, Ministry of Transportation and Communications, there are about 2,000-3,000 sunshine hours each year in Taiwan, equivalent to about 2.5 to 4.5 sunshine hours each day. Particularly in Hsinchu and Kaohsiung, the equivalent daily sunshine hours are 3 hours and 4 hours respectively,

which are quite sufficient. Taking advantage of the geographic environment, MPI Corporation has installed 292.06 kW and 671.88 kW solar power facilities continue to evaluate and plan the installation of renewable energy and energy storage facilities in existing plant spaces. During the 2021-2023 period, several energy-saving initiatives were implemented, focusing on replacing aging and energy-inefficient equipment, and improving system operations to enhance energy efficiency.

Amount invested in 2021-2023	Economic benefits for 2021-2023	Energy savings for 2022	Energy savings for 2023	Estimated energy savings for 2024	Energy savings for 2021-2023	Expected reinvestment in energy-saving funds for 2024
NT\$3,826.20 thousand	NT\$2,770.10 thousand	270,354.01 kWh	356,299.98 kWh	457,441.20 kWh	3,278.12 GJ	NT\$1,473 thousand

5.3 Greenhouse Gas Management

Global warming poses a critical challenge worldwide. According to research from The Breakthrough Institute in California and statistics from Worldometer, Taiwan was the 21st largest emitter of carbon dioxide from fuel combustion globally in 2016, contributing about 0.77% of the world's emissions. With a per capita carbon emission of 11.73 tCO₂e, it ranked 20th globally, underscoring its significant impact on global carbon emissions. Taiwan's export-driven economy is shaped by both domestic and international regulatory frameworks. This includes the local Climate Change Act and global measures like the European Union's Carbon Border Adjustment Mechanism (CBAM) and California's Corporate Climate Data Accountability Act (SB-253). As a key player in the global semiconductor supply chain, MPI commenced its organizational greenhouse gas inventory process in 2022, using that year as the baseline. MPI has since developed a robust greenhouse gas inventory management system across all its facilities.

GHG Inventory

The annual greenhouse gas inventory serves as MPI's assessment of overall carbon management status and as the basis for the carbon reduction plan. MPI has implemented the ISO 14064 Greenhouse Gas Management System and completed the initial verification of the Company's greenhouse gas inventory in 2022. The scope of the inventory was further expanded in 2023. According to the 2023 verification results, carbon dioxide accounted for approximately 96.09% of total emissions, with Category 2 indirect emissions (purchased electricity) being the largest contributor at approximately 69.01%. Overall emissions increased by about 8.457% compared to 2022. The main reasons for this increase include:

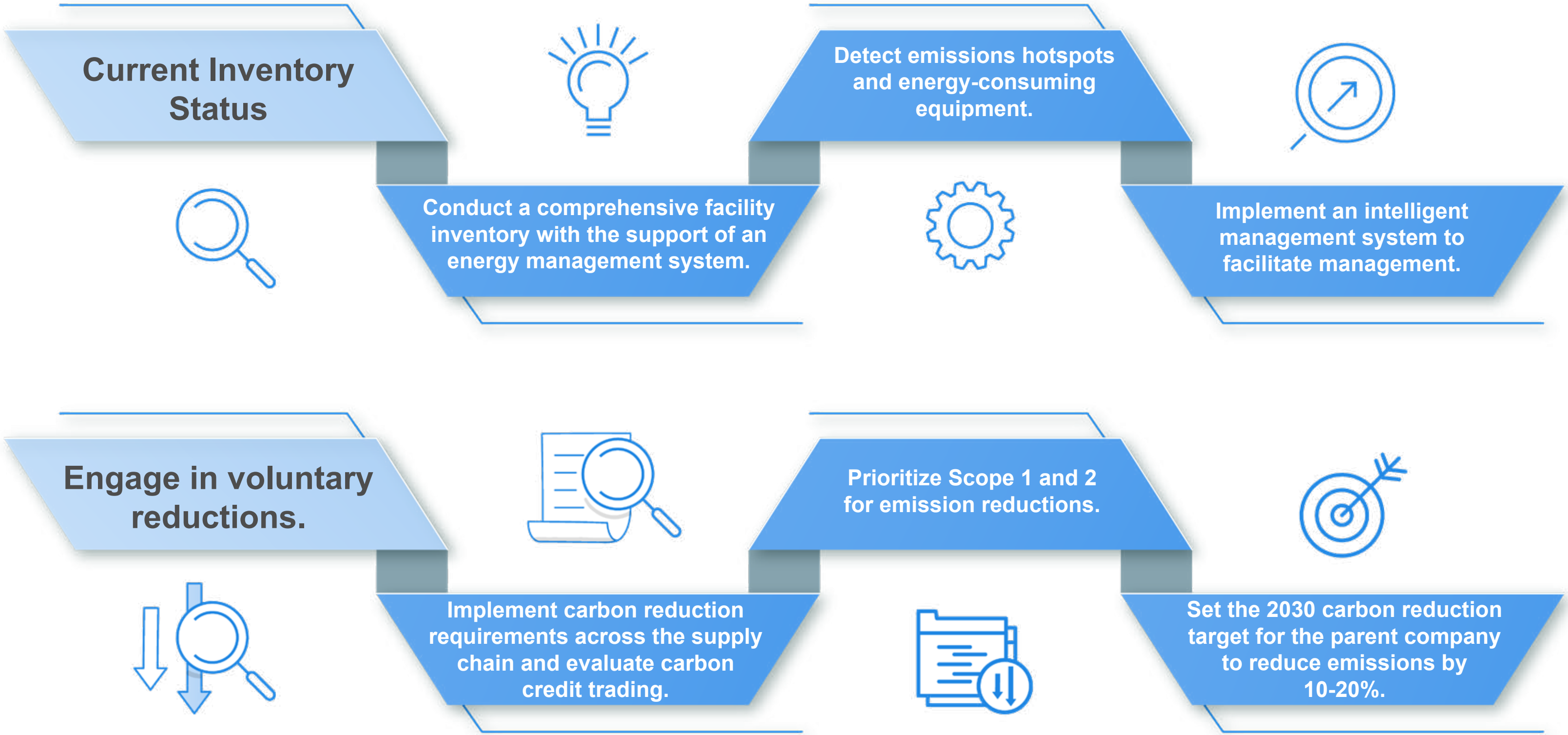
1. Expanded production lines and operational growth leading to increased electricity consumption.
2. Expanded the scope of raw material procurement inventory. MPI will continue to refine greenhouse gas management and carbon reduction planning.

Plant	Category	2022 Verified Emissions (CO2e)	2023 Verified Emissions (CO2e)
All Plants in Taiwan	1: Direct GHG emissions and removals	1,408.4590	1,441.2795
	2: Energy indirect GHG emissions	17,611.3311	18,601.9278
	3: Transportation indirect GHG emissions	Insignificant	Insignificant
	4: Indirect GHG emissions from purchased goods and services	5,833.5215	6,911.8828
	5: Indirect greenhouse gas emissions from processing and use of sold products.	Insignificant	Insignificant
	6: Other sources of indirect GHG emissions	Insignificant	Insignificant
Total		24,853.3116	26,955.0901
GHG emission intensity (CO2e / per million NTD of parent company only revenue for the current year)		3.9781	3.9952

GHGs	2023 Emissions CO2e	2023 Emissions CO2e
CO2	23,952.5893	25,901.8987
CH4	151.6262	152.0901
N2O	10.2903	9.9311
HFCs	806.9337	811.7835
PFCs	54.5332	79.3866
SF6	0	0
NF3	0	0

MPI Carbon Reduction Planning

MPI is not listed by the Ministry of Environment as a major carbon emitter. However, as part of the sustainable semiconductor supply chain and in evaluating potential compliance risks with domestic and international regulations, MPI is gradually implementing GHG management and voluntary reduction plans. Based on the initial inventory results, MPI established a GHG management system in the second half of 2023, including integrating GHG management and reduction into environmental, safety, and energy policies. The Company also added documents such as the "Greenhouse Gas Management Procedure," "Greenhouse Gas Emission Quantification Operations Instructions," and "Greenhouse Gas Data Quality Management Operations Instructions" as the sources for the Company's GHG management. Concurrently, the Company is planning carbon management strategies and reduction processes. Commencing in 2024, the Company will gradually increase the scope of subsidiary inventories, aiming to complete GHG inventories and verification for all consolidated subsidiaries by 2028, while also planning the Group's overall carbon reduction strategy.



5.4 Water Resource and Waste Management

Recent climate change has altered the water environment, increasing the incidence of droughts and floods. External stakeholders are increasingly concerned about water resource issues. Due to the specific nature of MPI’s products, the Company is not classified as a water-intensive enterprise. The primary operational water use is for air conditioning cooling systems and production line processes operating 24 hours a day, followed by water for employee domestic use and fire safety. MPI follows relevant legal requirements and proactively engages in water resource planning, focusing on process water management and pollution control. We have established a "Wastewater Treatment Operations Instructions," obtained water pollution prevention permits, and employs dedicated Class B wastewater treatment personnel to ensure strict management. Additionally, we have planned and executed water resource analysis, collecting water consumption data from 2022 to 2024 to develop water-saving strategies for 2025 and assess water recycling for new facilities.

Water Consumption

Plant	Hsinchu Plant		Kaohsiung Plant	
Water Source	Primary: Touqian River, Baoshan Reservoirs I & II; Secondary: Yongheshan Reservoir, Shimen Reservoir		Primary: Agongdian Reservoir; Secondary: Gaoping River, Fuliu River	
Water Source	Third-Party Water (tap water)			
Year	2022	2023	2022	2023
Water Consumption (m3)	144,831.00	152,050.42	14,811.00	11,578.99
Percentage of total water withdrawn in regions with high baseline water stress	NA			
Water Discharge (m3)	79,477.00	90,068.74	3,758.55	6,988.03
Water Consumption (m3)	65,354.00	61,981.68	11,052.45	4,590.96
Percentage of total water consumed in regions with high baseline water stress	NA			
Water Consumption Intensity <small>(Water consumption/ per million NTD of parent company only revenue for the current year)</small>	23.18	22.54	2.37	1.72

According to the World Resource Institute's 2023 Water Stress Country Ranking, Taiwan is not classified as a high water stress region but is considered a medium to low water stress region.

Waste Management

To effectively manage the Company’s waste, prevent environmental pollution, and maintain environmental hygiene while achieving waste resource recovery, reduction, and detoxification, the Company has established a “Waste Management Operations Instructions.” This manual outlines the procedures for centralized processing and classification of various waste types, along with mandatory reporting according to legal requirements. Depending on the waste category (hazardous/general), appropriate licensed waste disposal companies are selected for the waste disposal process. Additionally, the Company has adjusted waste collection and disposal methods to increase the recycling rates of various waste types, scrapped products, and electronic waste, minimizing the environmental impact of the Company's operations and ensuring that no environmental pollution occurs.

Waste Category	Treatment	2022 (tons)	2023 (tons)
General industrial waste	Reuse	44.10	20.31
	Incineration	114.80	114.07
	Materialization	27.20	18.66
	Solidification	0.00	6.01
	Thermal treatment	0.00	114.07
	Recycling	0.00	14.14
	% Recycled	-	11.99%
Hazardous industrial waste	Reuse	0.70	0.00
	Incineration	2.00	2.29
	Materialization	21.10	19.49
General waste	Reuse	-	34.56
	% Recycled	-	100.00%
Waste emissions intensity (metric tons/ per million NTD of parent company only revenue for the current year)		0.03	0.05

Product and electronic waste	2023 (tons)	Recycling rate
Products	0.5900	0%
Product-related accessories	0.3500	0%
Scrap iron	8.5580	100%
Scrap aluminum	5.5780	100%
Scrap copper	0.0013	100%

6. HAPPY WORKPLACE

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6.1 Talent Cultivation and Development

A good workplace environment is crucial to business operations, with our employees playing a pivotal role in maintaining our competitive edge. We are dedicated to fostering a workplace that promotes happiness and well-being by creating an atmosphere conducive to professional growth. Our commitment is demonstrated through various initiatives, including comprehensive talent training programs, stringent occupational safety management, robust physical and mental health support, workplace human rights assurances, rewarding employee achievements, and enhancing rest environments. These efforts are supported by effective labor-management communication mechanisms, ensuring a safe and secure workplace at MPI.

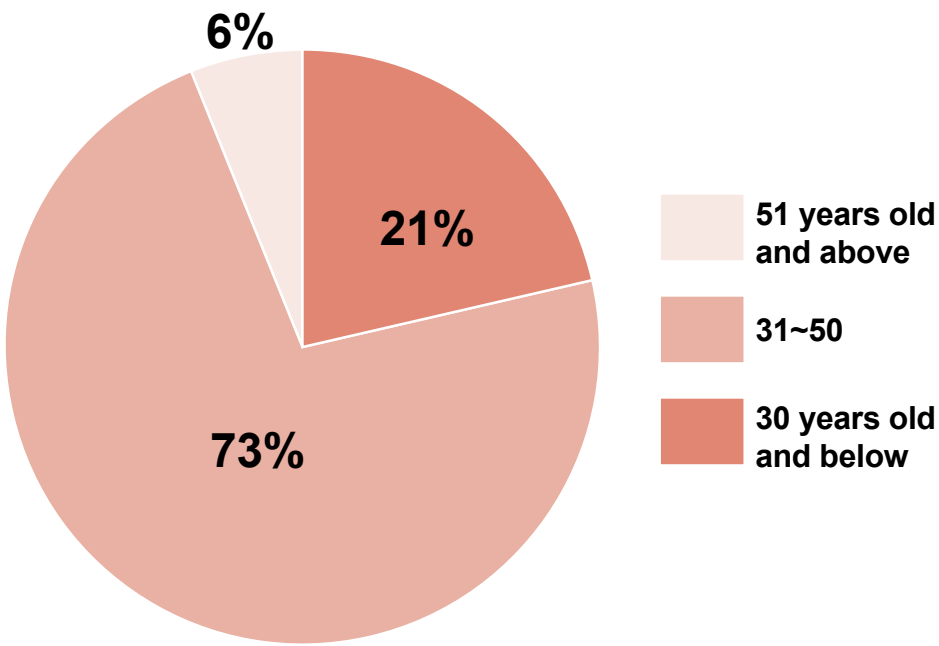
As AI technology advances and the complexity of advanced packaging increases, the demand for specialized testing escalates, exacerbating the talent shortage in the semiconductor industry. MPI's demand for talent and desire for professional expertise has only increased, presenting a significant challenge in retaining and attracting talent in the highly competitive semiconductor talent market. To address these challenges, MPI takes a dual approach: internally, we continually enhance the workplace environment and compensation packages to boost employee satisfaction and retention; externally, we engage in partnerships with academic institutions to promote industry-academia collaboration, increase our corporate visibility, and offer incentives like referral bonuses and transparent disclosure of benefits and workplace conditions to successfully attract and recruit outstanding young and professional talent.

Workforce Distribution

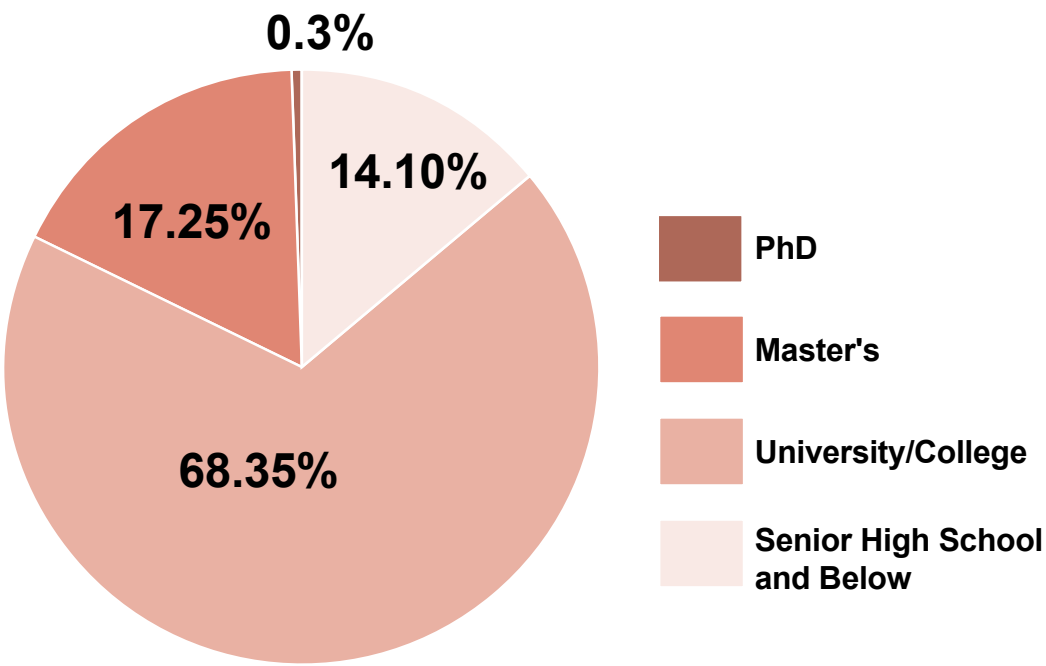
As of the baseline date of December 31, 2023, MPI's parent company in Taiwan had a total of 1,681 employees, representing a 3.45% growth compared to 2022. Of these employees, 1,127 were male, and 554 were female, with a male-to-female ratio of 2:1. The number of employees is calculated in accordance with the full-time equivalent (FTE) method. In terms of work area distribution, 98.39% of the workforce is located in the primary operational sites in Taiwan (91.97% in Hsinchu and 6.42% in Kaohsiung), with approximately 1.61% in overseas locations (China, the United States, etc.). Our workforce is mainly composed of Taiwanese citizens, with a majority being local residents. Due to the nature of the industry, the majority (67.04%) of employees are male, with 94.05% of employees under the age of 50. Additionally, 85.9% of the workforce holds higher education degrees, reflecting a trend toward a younger and highly educated workforce.

Employment Conditions	Operational Sites					
	Hsinchu Plant		Kaohsiung Plant		Overseas Locations	
	Male	Female	Male	Female	Male	Female
Full-Time Employees	994	540	97	11	26	1
Part-Time Employees	10	2	0	0	0	0

Age of new employees (%)

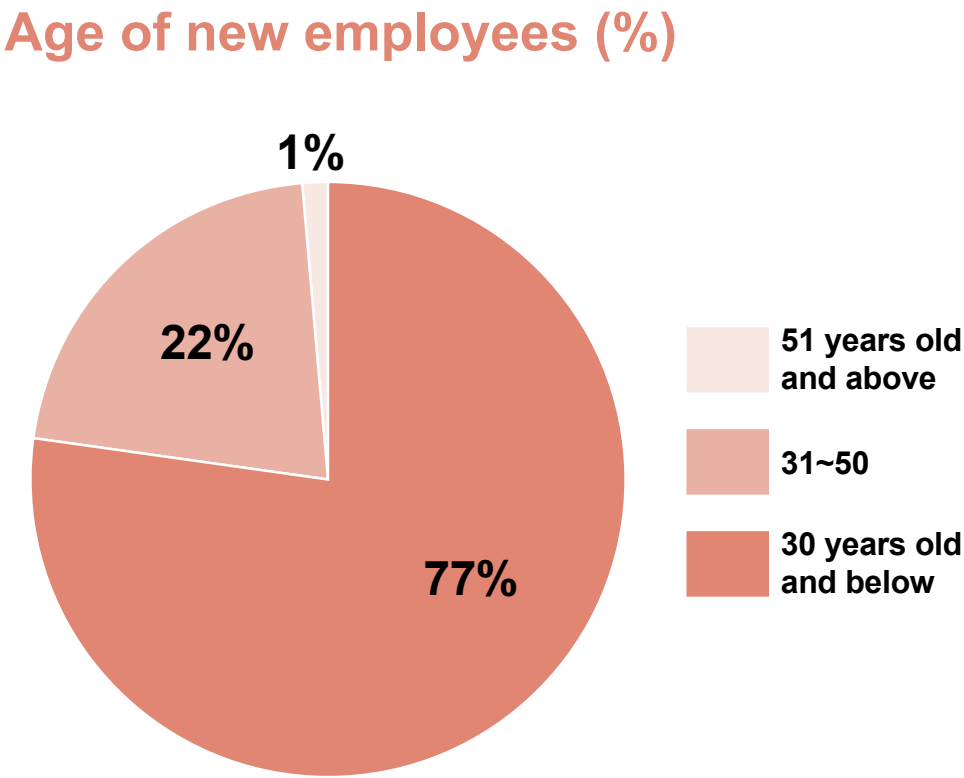
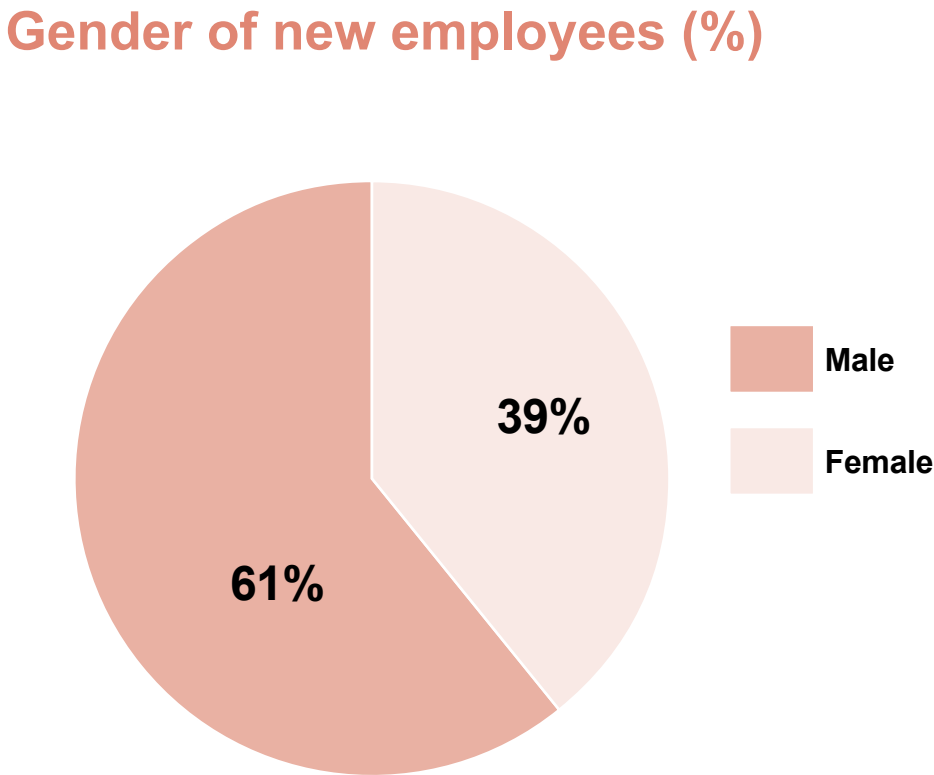
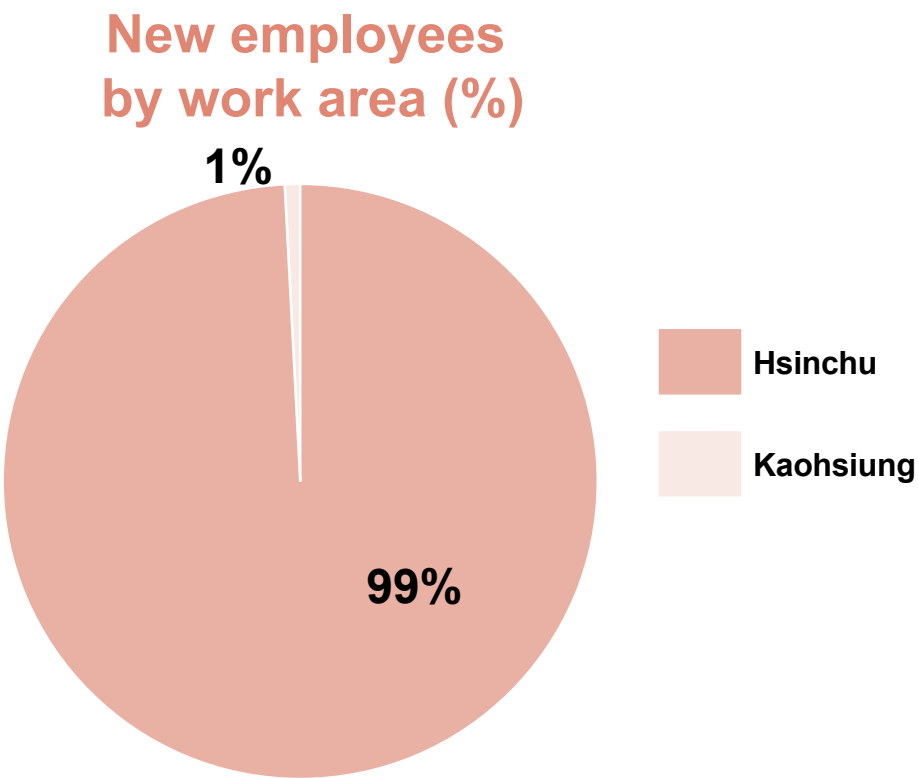


Education level of new employees (%)

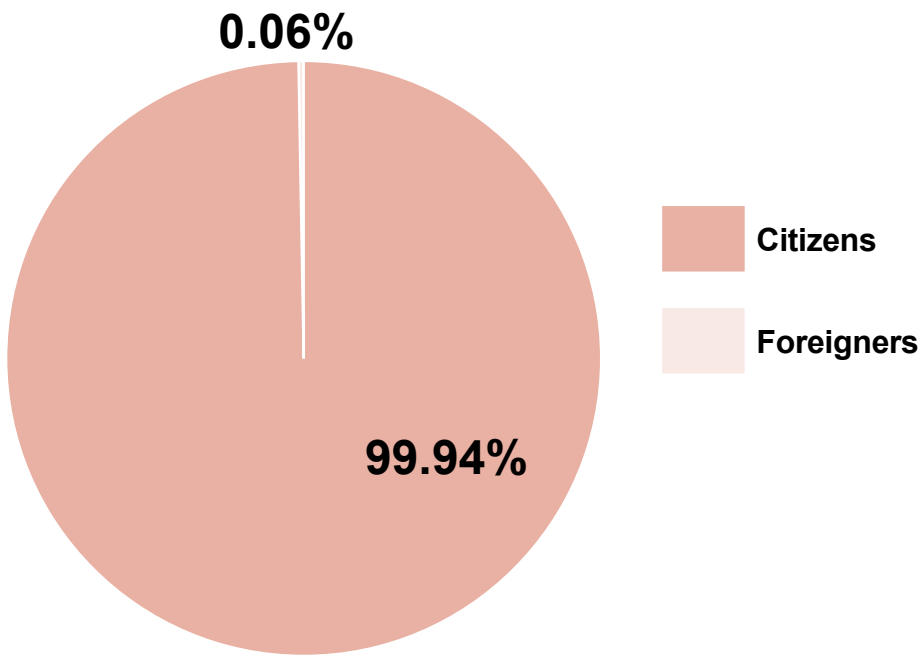


Overview of New Employees

Due to operational growth and capacity expansion, the demand for talent continued to increase. As of December 31, 2023, MPI employed 163 new employees, most of whom were under 30 years old and working at the Company's headquarters in Hsinchu, Taiwan. All employees hired were Taiwanese nationals, and all were at least 18 years old.



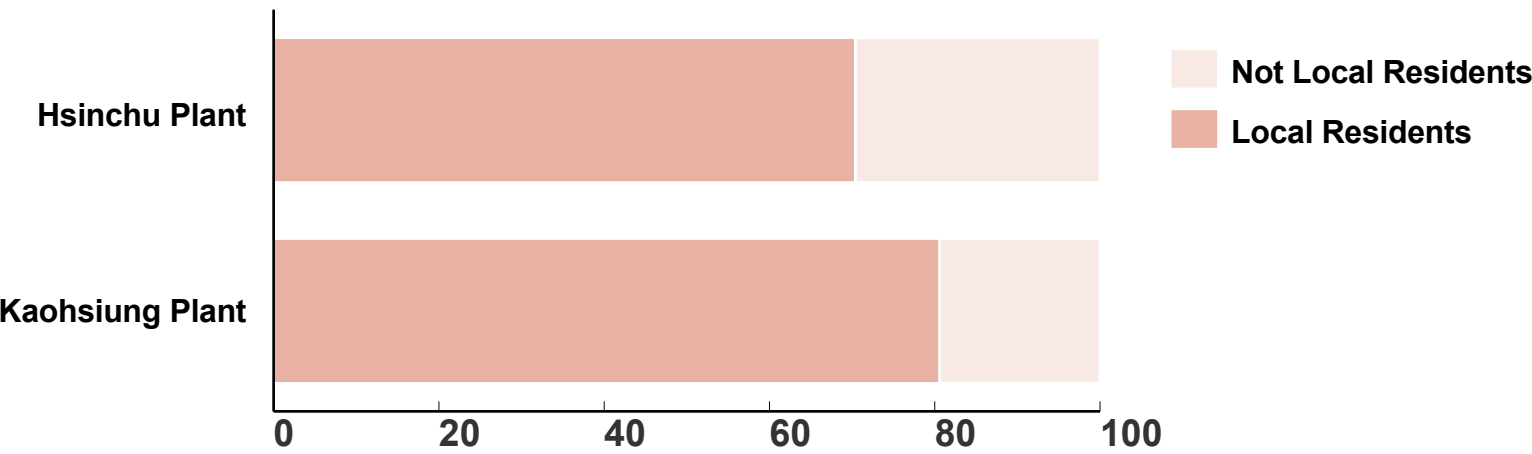
Nationality of full-time employees (%)



Hiring local employees

In 2023, 99.94% of the formal employees hired by MPI's parent company in Taiwan were local residents, with 0.36% being indigenous peoples and 1.01% being individuals with disabilities. No foreign workers were hired through intermediaries.

Local resident employees by site (%)



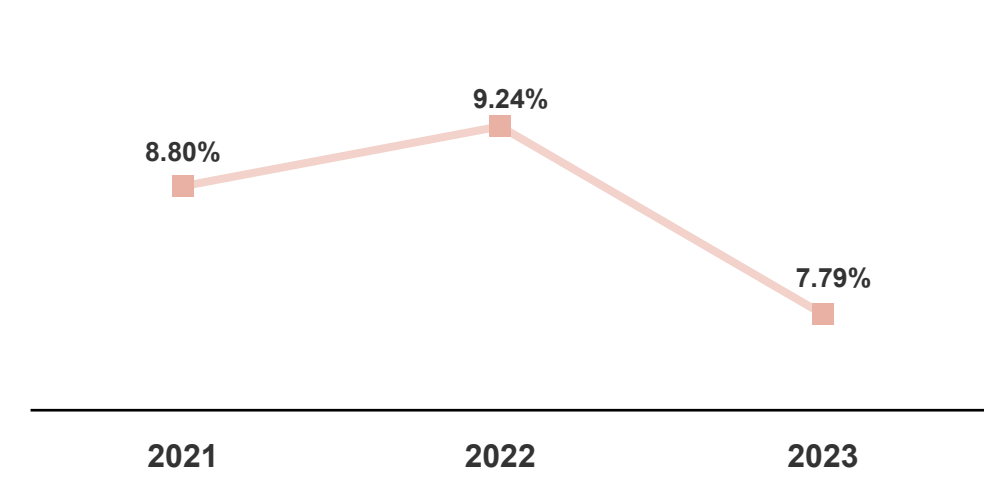
Employee Gender Distribution

MPI upholds gender equality, ensuring that promotions and career development are not influenced by gender. However, due to the nature of the semiconductor industry, most of the Company’s supervisors and engineers are male, while managerial and assistant positions are predominantly female. Currently, women make up 33.1% of MPI's full-time employees

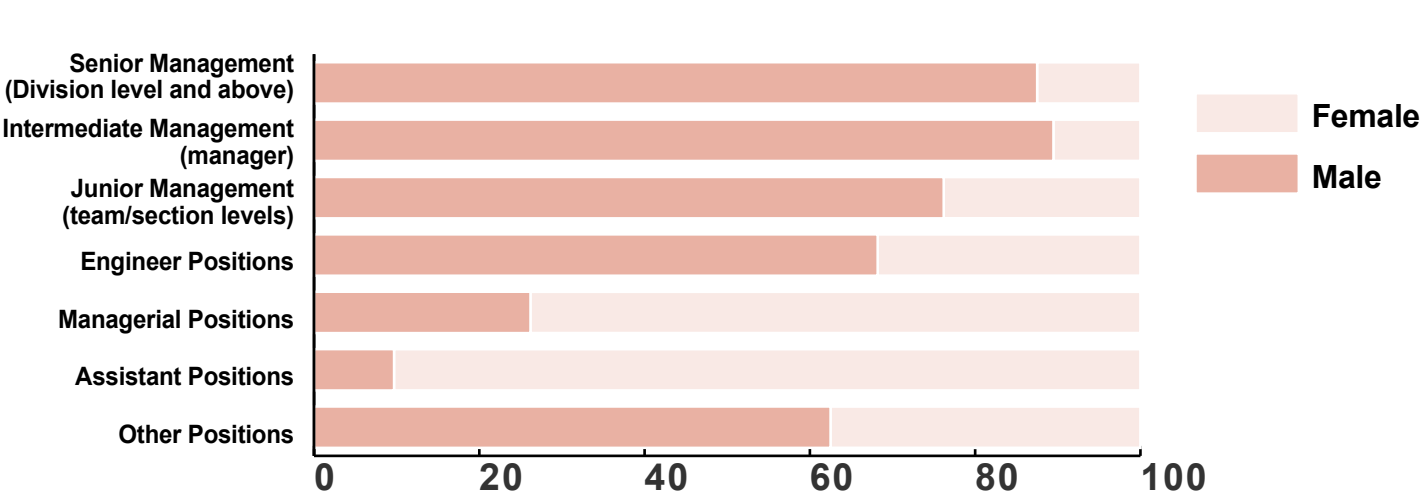
Turnover rate and average seniority

From 2021 to 2023, MPI's average turnover rate was 8.61%, with an average seniority for full-time employees reaching 9.3 years. As we have experienced operational growth and increased capacity demand in recent years, it has continuously adjusted its human resources strategy to attract talent and foster high employee engagement through competitive salaries, bonuses, and comprehensive benefits. When employees submit resignation requests, supervisors and the Human Resources Department conduct interviews to thoroughly understand the reasons for leaving and make possible adjustments. Depending on the employee's willingness, internal transfer opportunities are offered to achieve retention outcomes. The turnover rate decreased by 15.69% compared to 2022, aligning with the achievement of sustainable talent management goals.

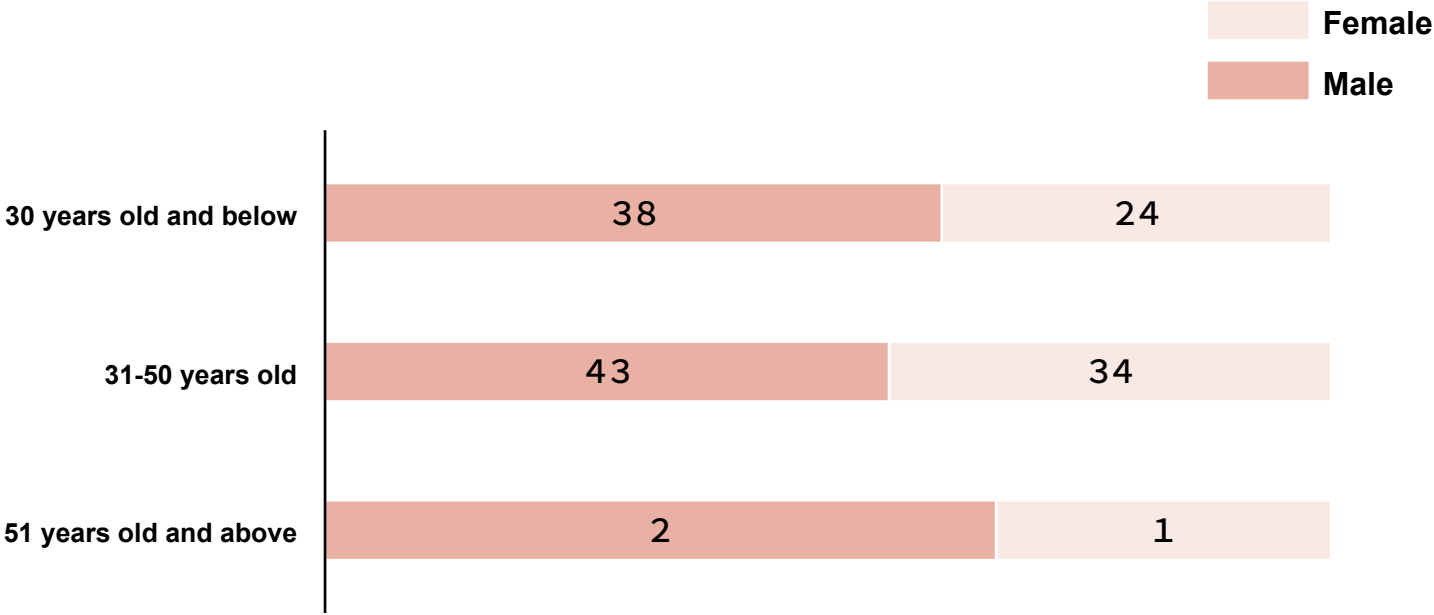
Turnover rate of full-time employees



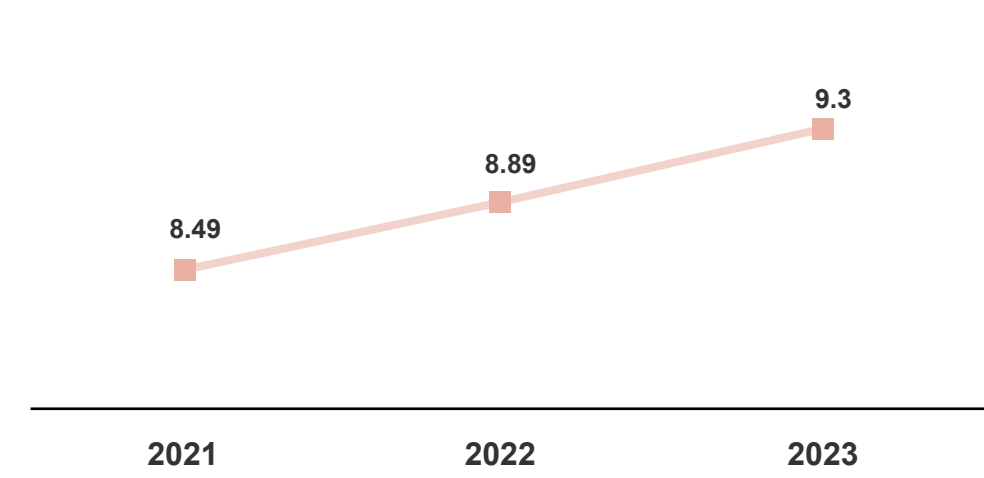
Gender distribution by position (%)



Gender and age distribution of full-time employee turnover



Average seniority of full-time employees

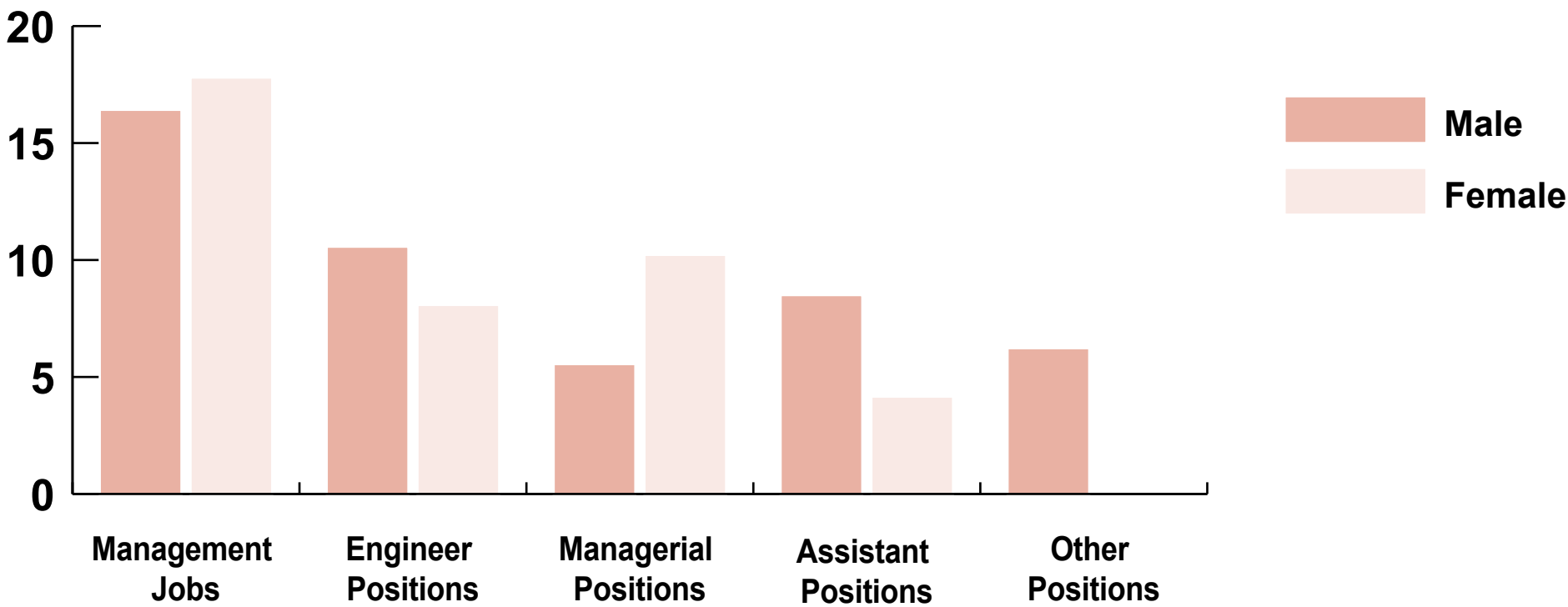


Talent Cultivation and Development

Employee development is a critical factor in maintaining the Company's competitiveness. In alignment with its operational policies and development goals, MPI provides a comprehensive learning environment for its employees. Dedicated personnel of the Human Resources Department arrange and plan courses (including training courses co-organized with other entities and units commissioned by the Company) for the education and training of professional competencies. Based on the Company's operational policy and development objectives, these courses are offered to improve the quality, enrich the basic knowledge, and sharpen the skills of employees for them to maximize their potential. Training is systematically planned based on course nature (competency-specific, hierarchical, self-development), covering areas such as quality management, occupational safety and health, environmental protection and fire safety, general courses, computer skills, English and Japanese languages, expert lectures, and in-service masters programs. Additionally, each operating center provides specialized internal training for manufacturing line personnel, covering electrical testing, materials knowledge, probe design and manufacturing, practical testing engineering, machine operation, integrated testing, equipment software operation, verification techniques, burn-in applications, and basic system operation skills. The comprehensive training plans enhance employee work efficiency and fully develop their potential, achieving a win-win strategy for both the Company and its employees. As the pandemic subsided and restrictions were lifted, various training programs gradually resumed and diversified. In 2023, the average training hours per employee increased to 10.78 hours, representing a 108.11% growth compared to 2022. The total external training hours reached 3,323, with 327 participants, with all indicators returning to pre-pandemic levels and showing an upward trajectory.

2023 Training Programs	Number of Classes	participants	Training Hours	Total Expenditure (NTD)
New Employee Training	3	148	1,032	NA
Professional Competency Training	220	2,149	12,889.37	2,287,936
Management Competency Training	13	191	3,357.5	1,442,754
General Education Training	73	122	814	181,260
Self-Motivation Training	25	225	1,555.5	716,309
Total	334	2,835	19,648.37	4,628,259

Average Training Hours for Full-Time Employees



Quality Management Mindset Training
for Senior Executives



Mid-Level Supervisor Competency Training



Competency training for frontline supervisors



Practical Course on Mechanical Drawing



Basic Principles and Programming Implementation
of Deep Learning for Machines



6.2 Remuneration and Benefits

MPI provides market-competitive compensation and related benefits policies that are superior to government regulations to attract talent and retain exceptional employees. Employee salaries at MPI are determined based on education, experience, job attributes, and the market value of the position. The planning and provision of all salaries and benefits are not influenced by gender, race, religion, political stance, or marital status, ensuring that employees receive fair and reasonable compensation. Salary adjustments are made based on performance, job type, job level, and operational results. Over the past three years, the median salary for non-supervisory positions has consistently remained above the industry average and has grown year by year. Additionally, according to Article 19 of the Company's Articles of Incorporation, if there is pre-tax profit for the year, 0.1% to 15% of it should be allocated as employee compensation. In the past three years, we have allocated an average of over 10% of profit as remuneration for employees. As the expenses on employee benefits also increase every year, showing the fruit of our profit sharing with employees.

Employee compensation to Median Ratio

	2021		2022		2023	
	Total (NTD thousand)	Growth Rate	Total (NTD thousand)	Growth Rate	Total (NTD thousand)	Growth Rate
Mean employee salary	1,096	2.33%	1,210	10.40%	1,216	0.50%
Mean annual total compensation for non-management full-time employees	1,156	0.17%	1,266	9.52%	1,326	4.74%
Median annual total compensation for non-management full-time employees	1,008	1.31%	1,103	9.42%	1,167	5.80%

Compared to local minimum wage

Content	2022	2023
Minimum Wage	Monthly salary of NTD 25,250, hourly wage of NTD 168	Monthly salary of NTD 26,400, hourly wage of NTD 176
Standard entry level salary as a percentage of local minimum wage	1:1	

Total Amount of Compensation for Employees in Past 3 Years

	2021		2022		2023	
	Total (NTD thousand)	Percentage of Net Income After Tax	Total (NTD thousand)	Percentage of Net Income After Tax	Total (NTD thousand)	Percentage of Net Income After Tax
Compensation for employees	71,048	10.24%	127,800	10.53%	138,653	10.57%
Net Income	693,851	-	1,213,625	-	1,311,899	-

Male and Female Employee Salary and Compensation Ratios

Position	Male to Female Ratio	Explanation of Differences
Senior Management (Division level and above)	1:1	-
Middle Management (manager level)	1:0.97	Predominantly senior male employees
Junior Management (team/section levels)	1:0.97	
Engineer Positions	1:0.92	
Managerial Positions	1:1.08	Predominantly senior female employees
Assistant/Secretary Positions	1:1.21	Predominantly female employees, with longer tenure compared to male employees

Comprehensive and Superior Welfare System Exceeding Legal Mandates

MPI is committed to creating a workplace atmosphere that balances work and life, offering employees a comprehensive welfare plan. The Employee Welfare Committee, composed of employees, coordinates and plans company-wide welfare activities, including the year-end party, domestic and international employee travel, holiday events, discounts at partner stores, family days, and more. Each operational unit also provides various activities and gatherings according to the nature of their operations, offering a wide range of activities and welfare measures to meet employees' needs comprehensively.

Bonuses and gift vouchers

- Regular performance-based salary adjustments
- Performance bonuses
- Dragon Boat Festival, Mid-Autumn Festival, and year-end bonuses
- Gift vouchers for the three major festivals, Labor Day, birthdays, and seasonal gifts

- Travel subsidies (domestic and international travel, book purchases, recreational activities, etc.)
- Various shopping vouchers and activity participation bonuses
- Employee stock ownership trust (ESOT) for employees with tenure
- English and Japanese language proficiency bonuses

Health care and emergency assistance

- Free meals for all employees (breakfast, lunch, dinner, and midnight snacks)
- Paid flexible adjustment leave exceeding legal requirements
- Funding for weddings, funerals, and childbirths
- Group insurance for employees and their dependents
- Hospitalization, funeral condolence payments, and care assistance
- Dormitory subsidies

- Special health check-ups for specific positions every year
- Annual health check-ups for all employees
- Twice-monthly mental relaxation counseling sessions
- Weekly on-site doctor health consultations
- Women's cancer screening activities
- Blood donation drives
- Influenza vaccination campaigns

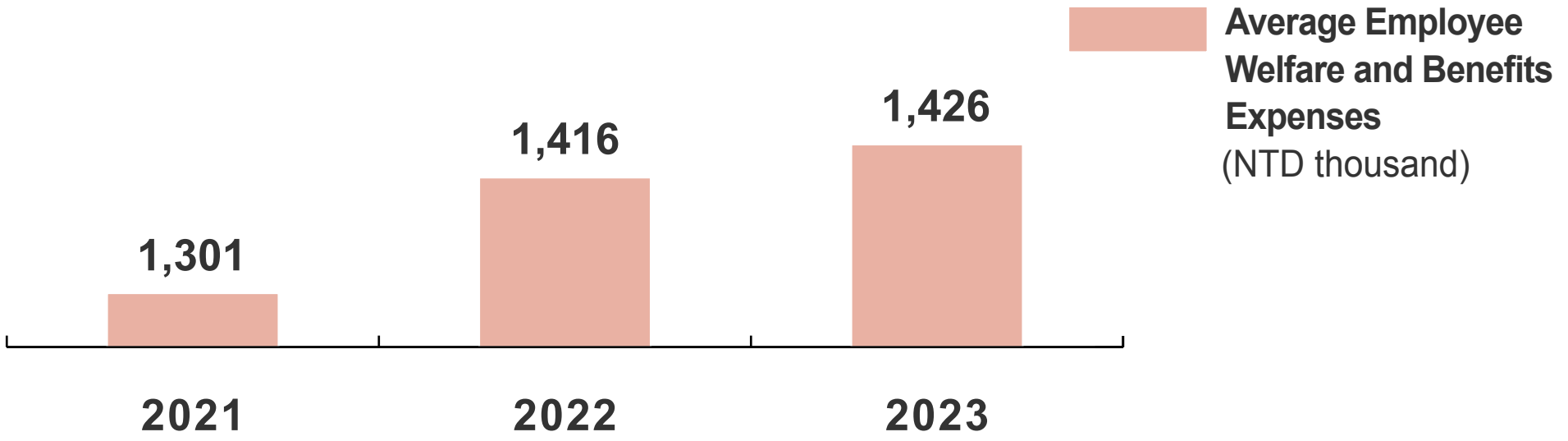
Friendly facilities and local partnerships

- Free car and motorcycle parking
- Discounts at various partner stores
- Set up EV charging piles
- Gym, aerobics room, and reading room spaces available

- Espresso coffee machines and tea bags provided free of charge
- Well-known convenience store services stationed on-site
- Self-improvement education and training sessions provided from time to time

As the Company grows steadily and with the relaxation of pandemic restrictions, travel and activities have returned to normal. In 2023, the total subsidy for employee travel reached NTD 92,956 thousand, benefiting 1,622 employees. Other employee welfare subsidies totaled NTD 31,527 thousand, with 24,435 participants. These welfare expenses hit a record high.

Average employee welfare costs over the past three years



Pension System

MPI complies with relevant retirement regulations and systems in our operating locations. All regular employees participate 100% in related pension plans to ensure retirement benefits. At the Taiwan headquarters and subsidiaries, MPI makes monthly contributions to employee pension reserve funds based on the applicable new or old system under the "Labor Standards Act" or the "Labor Pension Act" (with July 1, 2005, as the demarcation point). Additionally, an Employee Pension Reserve Fund Supervision Committee has been established to oversee retirement-related matters, ensuring employees have ample security and peace of mind upon retirement. For overseas subsidiaries, pension or retirement insurance contributions are made monthly as a percentage of the total salary of local employees, in accordance with local government regulations, with the funds managed and arranged by the local government.

Pension System	Old System	New System
Applicable Law	Labor Standards Act	Labor Pension Act
Method of Contribution	2% contribution based on the total monthly salary of employees	6% of the insured salary category of employees
Contribution Account	Labor Retirement Reserve Fund special account at the Bank of Taiwan	Employee personal account at Bureau of Labor Insurance
Contribution Amount	Remaining balance in the account is NTD 108,285 thousand	Retirement pension contributions amounted to NTD 90,366 thousand

Family Care

In accordance with the rights granted by the "Gender Equality in Employment Act," employees are entitled to apply for paternity leave and unpaid parental leave. MPI upholds a commitment to gender equality, respecting employees' personal and family care needs while safeguarding their legal rights. To support our employees effectively, we provide maternity subsidies and psychological counseling services, empowering them to take care of their families without compromising their own well-being. Our family-friendly policies have been successful, achieving an 82% reinstatement rate and a 100% retention rate for employees returning to work in 2022. These measures demonstrate our dedication to creating a supportive and inclusive workplace.

Unpaid Parental Leave and Paternity Leave in 2023	Application				Return to work after parental leave ended			Return to work and retention in 2022		
	Applications for maternity leave	Applications for paternity leave	Applications for parental leave	Percentage of employees who applied for parental leave	Number of employees due to return to work after parental leave (no extension)	Number of employees that did return to work after parental leave	Return to work rate	Number of employees due to return to work after parental leave ended	Percentage of employees who returned and remained employed for 12 months after returning from parental leave	Retention rate
Male	-	45	2	25%	3	3	100%	2	2	100%
Female	18	-	6	75%	8	6	75%	9	9	100%

Long-service events

The hard work and continuous support of employees are the cornerstone of our steady growth. To recognize this, commemorative gifts, trophies, or medals are awarded, and long-service celebrations are held for employees who have completed 5, 10, 15, 20, and 25 years of service. This is done to express gratitude for the contributions of senior employees, their experience, and the knowledge they have accumulated and passed on.



Long-service award trophies and gifts



Long-service events

6.3 Friendly Workplace

Human rights policy

MPI supports international labor-related human rights norms and fulfills corporate social responsibility, placing great importance on employee rights and management oversight. In alignment with the United Nations Guiding Principles on Business and Human Rights (UNGPs), the Responsible Business Alliance Code of Conduct (RBA CoC), GRI indicators, and related international standards, MPI has formulated the "Corporate Sustainable Development Policy," "Corporate Social Responsibility Best Practice Principles," "Human Resources Management Procedures," and "Employee Code of Ethical Conduct," among other first and second-tier regulations. All employees are required to adhere to these guidelines in their daily work and business operations.

To implement human rights policies, MPI follows four key directions:

1

Comply with local laws to protect employee rights and maintain a friendly environment.

2

Comply with RBA prohibitions on forced labor, child labor, discrimination, bullying, and harassment.

3

Maintain complaint channels and track improvements on reported issues.

4

Regular RBA and ESG risk assessments and tracking, supervised by the ESG Committee.

Human Rights Core Items	Implementation Approach	Management Measures
No Forced Labor	<ul style="list-style-type: none">Forced, bonded or indentured labor, involuntary or exploitative labor is prohibited.Employees are entitled to resign or terminate employment at any time without any punishment, deduction of wage, or control of their personal freedom (including passport detention, etc.)	<ul style="list-style-type: none">Investigate problems and their cruxNotify the top supervisor of the relevant unit to discuss the handling measuresProactively notify the competent authorities of violationsPost-hoc preventive measures review and observation
Prohibition of Child Labor and Protection of Young Workers	<ul style="list-style-type: none">Child labor under the age of 16 is strictly prohibited.Employees aged 16 but under 18 must not be assigned to work that may jeopardize their health or safety, including night shifts or overtime.	<ul style="list-style-type: none">If child labor is identified, remove them from job and arrange health assessment of the work environment.Arrange health checkups at medical institutions for threats of physical and mental health hazards. Pay for the treatment of proven work-related ill health or injuries.Proceed with the resignation procedures for child labor only after there is no doubt about health condition.Investigate recruitment procedures for unintended use of child labor and prevent recurrence.
Humane Treatment	<ul style="list-style-type: none">No harsh or inhumane treatment for employees, including gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers	<ul style="list-style-type: none">Provide mailbox and hotline for signed and anonymous grievancesStop relevant operations upon discovery of violationsConduct cause investigation and remedial measures (such as correction, counseling, job accommodation)Departments found in violation will be subject to awareness promotion and disciplinary actions.The HR Department will continuously monitor for risks and review improvements within three months.
Non-Discrimination/Non-Harassment	<ul style="list-style-type: none">There must be no discrimination or harassment based on race, skin color, age, gender, sexual orientation, gender identity and expression, ethnicity or nationality, disability, pregnancy, religion, political stance, marital status, etc. This includes ensuring that wages, promotions, rewards, and training opportunities are not influenced by such factors.	
Working Hour Benefits	<ul style="list-style-type: none">The total weekly working hours must not exceed 60 hours, with other working hour standards in accordance with the Labor Standards Act.Wages must not be lower than the minimum wage set by local regulations. Deductions from wages as a disciplinary measure are not permitted.	
Freedom of Association	<ul style="list-style-type: none">Respect the right of all employees to form and join trade unions of their own choosing, to bargain collectively, and to engage in peaceful assembly and enable employees to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, or intimidation.	

MPI conducts regular training sessions, labor ethics assessments, and risk evaluations. Corresponding mitigation measures are established for each complaint case, with regular follow-ups to ensure implementation. In 2023, a risk assessment was completed, resulting in a "Mild/Low Risk" classification, with one complaint case that was thoroughly investigated and resolved by the dedicated department.

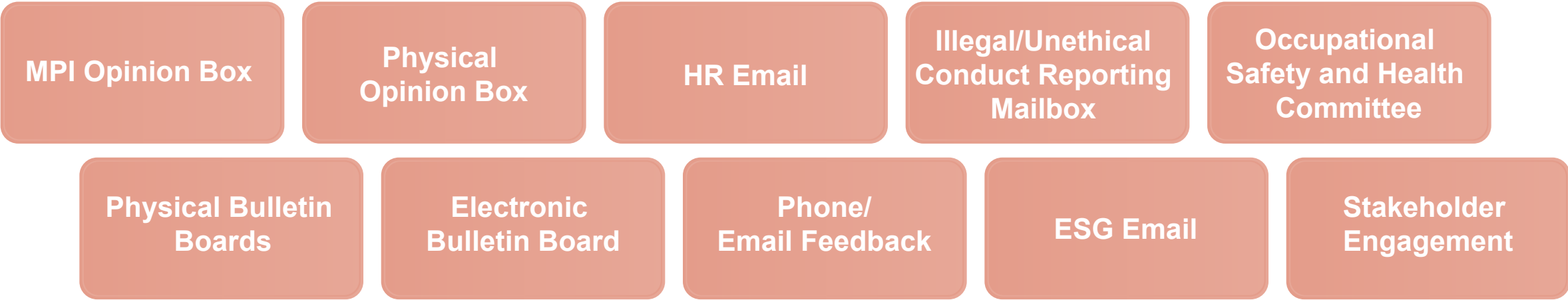
Education and Training	Training Subjects	Training Outcome
	New employees	Total 162 participants
	Current employees	Once every two years, next refresher training scheduled for 2024

Complaint Cases	Number of Cases	Case Type	Outcome
	1	Workplace Bullying	In-depth interviews were conducted separately with employees and supervisors, aiming to improve workplace relationships through effective communication.

Risk Assessment	Evaluation Period	Evaluated Departments	Evaluation Basis	Scope of Evaluation	Evaluation Results
	2023/03/14 - 2023/03/17	General Evaluation: All Departments Specific Evaluation: HR and Procurement Departments	RBA CoC 7.0	All RBA Rules	Mild/Low Risk

Smooth Communication Channels

MPI values employee opinions, protects employee rights, and strives to create a healthy work environment. Feedback channels are provided through regular Occupational Safety and Health Committee meetings, departmental meetings, service satisfaction surveys, physical suggestion boxes, online suggestion boxes, and other methods, all handled in accordance with the "Employee Opinion Handling Regulations." Whether it involves work-related issues, suggestions for workplace improvements, or any other company or personal matters, employees can communicate either by name or anonymously. Their submissions are protected by the procedures, ensuring no fear of retaliation or discrimination.



Online MPI Opinion Box



Physical Opinion/Complaint Boxes



Employee Satisfaction Survey

To provide better-quality service, we listen to employee opinions and respect feedback from all parties to fulfill work demands and quality as much as possible. At the end of each year, an employee satisfaction survey is conducted, which is divided into two main categories: Human Resources and Administrative Support. In 2023, 1,683 questionnaires were distributed to all employees, with an average recovery rate of 41.5%, yielding a total of 264 suggestions and commendations. The overall average satisfaction score was 9.29 points. Through the internal questionnaire, we understand the feelings and ideas of employees. Apart from reviewing their recommendations with a humble heart, we also give them our replies and make improvements so as to continuously build a friendly workplace environment.

Scoring Contents		2023 Satisfaction Score (out of 10)
Human Resources Items	Education and Training Service	9.29
	EWC Service	9.19
	Labor Insurance, NHI, and Group Insurance Services	9.44
	Electronic System Operation Service	9.41
	Service Friendliness	9.49
	Service Efficiency/ Problem-Solving Efficiency	9.44
	Overall Service Satisfaction	9.48
	Average Score	9.39

Scoring Contents		2023 Satisfaction Score (out of 10)
Administrative Support Items	Counter and Mail Services	9.47
	General Affairs Service	9.26
	Catering Service	8.80
	Environmental Cleaning Service	9.09
	Health Service	9.34
	Plant Facility Services	9.27
	Videoconferencing Service	9.67
	Overall Service Satisfaction	9.31
	Average Score	9.25

Work-Life Balance

MPI emphasizes the health and well-being of its employees, recognizing that a pleasant work atmosphere is key to enhancing employee productivity, satisfaction, and solidarity. A superior workplace environment also attracts and retains top talent. MPI considers employee perspectives in creating a vibrant workplace environment, continuously improving facilities and designing a variety of activities to help employees recharge and stay creative during both work and leisure.

Provide a comfortable work environment	Friendly Dining Environment	Welfare and Team Building Activities	
Comfortable lighting and air-conditioning	Offer well-lighted and sanitary employee canteens in each plant	Domestic employee incentive trips	"MPI Voice" singing competition
Periodic air quality inspection	Supply four free meals for employees of all shifts	Festive events like the Lantern Festival riddle contest and Christmas super lottery	Basketball and bowling tournaments
Periodic floor waxing and environmental disinfection		Networking events	Year-end banquets
Opinion box and contact point for immediate maintenance, repair, or replacement of out-of-order equipment.	At the Zhubei plant, chefs and kitchen staff are hired to carefully manage the quality of employee meals	Running events with customers and partners	Long-service recognition and tea parties
Necessary work aids and office supplies	Change the menu periodically and control food quality and health for employees to eat with confidence	Birthday celebrations	Mid-Autumn Festival gift boxes
Breastfeeding room and infirmary	Collaborate with a well-known convenience store chain to establish the "MPI Store" at the Zhubei Plant III to benefit employees and accomodate their shopping needs	Newspaper and magazine subscription services are available for borrowing and reading	Departmental gatherings, spring gala dinners, and family day events are organized
Gym and aerobics classroom			
A reading room is set up for employees to enjoy			



Reading room



Gym



Restaurant and convenience store at Zhubei Plant III



Various competitions and partner activities

Domestic employee incentive trips

6.4 Occupational Safety and Health

Occupational safety and health are the foundation for building a friendly environment. We obtained the Occupational Health and Safety Assessment Series (OHSAS) 18001 certificate in 2016 and passed the version change certification to the ISO 45001 Occupational Health and Safety (OH&S) Management Systems in 2020. In 2024 we passed the verification of the OH&S management systems, and the certificate is valid until August 31, 2025. Through years of system implementation and third-party verification of system effectiveness, we spare no efforts in OH&S management.

The Office of Labor Safety and other responsible units implement and supervise the operation, education and training, and internal communication of OH&S management. We have also established the Occupational Safety and Health Committee in accordance with the Occupational Safety and Health Act, and is chaired by the General Manager, with relevant supervisors and President. Representatives serve as committee members (with 62% participation from non-management personnel). The Committee holds regular quarterly meetings and organizes the Environmental, Safety, and Energy Promotion Team to implement various policies and plans across departments, thereby ensuring employee safety and health. In addition to establishing management regulations for disaster prevention and management, such as the Employee Safety and Health Management Regulations, Emergency Response Management Regulations, Contractor Safety and Health Management Regulations, and Employee Safety and Health Work Rules, we also implement self-inspection and organize health and safety education and drills required for disaster prevention every month to enhance the awareness of and emergency response to hazards in the workplace environment in employees and ensure the effectiveness of implementation of the emergency response plan.



Safety and Health Management System

MPI has established a comprehensive safety and health management system across all plant areas, using the PDCA cycle within the Occupational Safety and Health Management System framework, covering all worker activities, products, and services.

Hazard Identification and Risk Assessment

Each year, MPI conducts a regular inventory of occupational safety hazard factors and risk identification, evaluating risks based on severity (S), probability of occurrence (P), and controllability (C). If hazard factors are identified with a risk score of "96 or above and risk control effectiveness of 3 or above, likelihood to cause traffic accidents," or "probability of occurrence 7 or above and risk control effectiveness of 4," these will be classified as material items In 2023, there were 91 material items related to safety and health, for which control measures and improvements have been planned.

Potential environmental impact/ consequences	Number of Material Items
Injuries from extreme high or low temperature objects or electric shock	1
Vision impairment	34
Causing long-term or cumulative physical harm to personnel	6
Muscle strains, sprains, bone injuries	10
Physical discomfort due to mental stress and pressure	21
Traffic accidents	19

Monitoring and Supervision

Higher-risk factors that affect employee safety and health in the workplace are listed as monitoring items and under the routine supervision by dedicated personnel to reduce the probability of major accident hazards. Employees in special work environments undergo regular work environment monitoring and special health examinations. Specific sensitive groups (middle-aged, elderly, under 18 years old, workers with maternal health concerns, or high-risk workers) are also monitored and cared for to ensure the health and safety of all workers. Furthermore, according to Articles 30 and 31 of the Occupational Safety and Health Act, pregnant female workers are prohibited from engaging in work that involves the dispersion of lead and its compounds, harmful radiation, lifting certain heavy objects, or other work that may significantly affect the fetus and maternal health. As some of our production lines involve the above conditions, factory nurses voluntarily conduct health protection assessment and healthcare consultation on pregnant workers to ensure perfect protection for both the pregnant workers and their fetuses.

Inspection Item	Frequency
Operating environment monitoring - dust, noise, organic matters, specialty chemicals	Once every six months
Operation environment monitoring: lead	Once a year
Periodic inspection of hazardous machines and equipment: Elevators, special equipment for high-pressure gases	Once a year
Electrical equipment inspection	Once every six months
Self-inspection	Implemented in accordance with the relevant documents and regulations
Fire inspection	Once a year

Health checkup items	Number of completed health checkups
Special health checkups (lead, dust, noise operations, etc.)	239
General health checkups	1,393

Specific sensitive groups	Number of monitored individuals
Middle-aged	257
Elderly	2
Employees with concerns about maternal health hazards	6

MPI assesses the health reports of high-risk workers, particularly middle-aged, elderly, and those with cardiovascular diseases. Assessments are based on age, cardiovascular risk level, work type, and overtime status to evaluate overall risk. High-risk individuals must undergo an interview assessment to determine if job adjustments are necessary, with regular follow-up. Dedicated personnel identify and assess risk factors in the workplace environment, operations, and within the organization that may impact employees' physical and mental health, proposing improvement measures. Suggestions are also made for improving occupational safety and health facilities and investigating the correlation between employees' health conditions and their work, leading to the implementation of necessary preventive and health promotion measures. In case of an occupational accident, consultations and recommendations for functional assessments, job redesign, or adjustments are provided for returning employees.

Occupational Accident Management and Prevention

Ensuring a healthy and safe work environment for employees during work hours is the Company's responsibility. In addition to routine monitoring of the work environment, MPI Corporation also proactively tracks and monitors various types of occupational hazards. The goal is to achieve zero major occupational accidents by implementing preventive or mitigating measures, including comprehensive health checks, training, purchase of work aids, production line environment improvements, regular on-site services by professional doctors and counselors, enhanced inspections and audits, and assigning two on-site nurses for proactive care. In 2023, there was one minor injury incident (classified as a disabling injury) and 15 traffic accident injury incidents during commuting.

Item	Annual Target	Number of Incidents in 2023
Significant In-house Occupational Accidents	≤ 0	0
Significant In-house Occupational Accidents	≤ 0	1
Traffic-related Injuries	Traffic-related Injuries	15

**Analysis of Minor Injury Incident:* An accidental chemical splash occurred during machine maintenance. The incident has been formally investigated, and preventive improvements have been implemented.

** Analysis of injuries from traffic accidents:* As MPI's operating locations are located on busy provincial and county highways, the likelihood of traffic incidents during commuting hours is relatively high. In addition to regular traffic safety education, we continue to collaborate with local government agencies to arrange for traffic enforcement officers to provide educational training for employees involved in traffic accidents. Additionally, we communicate with relevant administrative agencies to seek improvements in traffic accident hotspots.

2023 Occupational Injuries and Occupational Diseases Statistics Table					
Type	Frequency Rate	Percentage	Type	Frequency Rate	Percentage
Employees	Total Recordable Fatal Injury Frequency Rate	0	Workers whose work or workplace is managed by MPI	Total Recordable Fatal Injury Frequency Rate	0
	Total Severe Injury Frequency Rate	0.299		Total Severe Injury Frequency Rate	0
	Total Recordable Injury Frequency Rate	0.299		Total Recordable Injury Frequency Rate	0
	Total Recordable Fatal Illness Frequency Rate	0		Total Recordable Fatal Illness Frequency Rate	0
	Total Recordable Illness Frequency Rate	0		Total Recordable Illness Frequency Rate	0

Occupational safety training

Safety and health training aims to enhance employees' awareness of safety and self-protection. Through repeated training, employees are made aware that occupational safety is everyone's responsibility, not just the duty of a single department. By self-assessment and compliance, we continuously strive to achieve the goal of zero major occupational accidents.

Training Themes		Quarter (number of participants)				Completion Rate
		Q1	Q2	Q3	Q4	
Internal training	Occupational safety and health for new general workers	37	52	50	24	100%
	Self-defense firefighting team	-	151	-	98	
	Civil defense team and fire-fighting group	-	-	37	-	
	Basic life-saving techniques (CPR + AED)	-	-	-	46	
	Toxic chemical disaster drills	-	-	-	11	
	Defensive driving safety lecture	-	-	40	-	
External training	Occupational safety and health personnel	62				

Health-themed activities

MPI is always concerned about the physical and mental health of its employees. By organizing various health activities, employees can receive appropriate care and attention.

Health activity themes	Month(s) held	Purpose of the events	Number of participants
Blood donation drives	1, 7	To fulfill our commitment to corporate social responsibility, MPI initiated blood donation activities to give back to society and enhance the corporate image (a total of 245 blood bags contributed).	163
Women's cancer screening activities	5, 6	Cervical cancer and mammography screenings are critical as they are the leading threats to women's health. Through early screening activities, detecting and treating abnormalities, and subsequent follow-up care provided by the on-site medical team, employees receive comprehensive care, enhancing corporate social responsibility and creating a friendly workplace.	122
"Human Factors Potential Hazard Engineering Improvement" health education course for production line staff	3, 4, 6, 7	According to the Bureau of Labor Insurance's statistics on occupational disease claims over the past three years, musculoskeletal injuries rank as the leading cause of occupational injuries and illnesses, excluding COVID-19-related cases, accounting for 80% of occupational injury claims. This indicates that musculoskeletal injuries remain the primary health hazard for workers. The International Social Security Association (ISSA) research report indicates that investing in worker safety and health can bring companies a return of 2.2 times the benefits. Promoting the prevention and improvement of human factors hazards is an essential part of implementing a healthy workforce, not only addressing the hazards of musculoskeletal injuries for workers but also improving the work environment and enhancing operational efficiency, achieving a win-win situation for employee care and sustainable corporate management.	43
Influenza vaccination campaigns	10	Prevent influenza, reduce the risk of illness, severe cases, and hospitalization caused by influenza, actively protect high-risk groups, reduce medical expenses, maintain normal production line operations, and lower health risks for employees.	113
Mental relaxation sessions	Twice a month	Offer employees psychological health services and a supportive work environment. Through the professional knowledge and skills of mental health personnel, help employees navigate challenges and solve problems, whether related to work, family, or interpersonal relationships. This enables employees to expand life choices, address life issues and maladaptations, and create new perspectives and life meanings.	125
On-site doctor health consultations	Once weekly	Provide personal health consultations, including maternal health, musculoskeletal health, abnormal workload management, mental health, and other specialized work-related health consultations to safeguard employee health.	216



Blood donation drives



Breast cancer screening activities



Mental relaxation sessions



On-site doctor consultations

6.5 Social Impact

Collaborating with society for shared prosperity is a fundamental corporate responsibility. Adhering to the principle that benefits derived from the community should be returned to it, MPI endorses the United Nations Sustainable Development Goals (SDGs). These goals shape our approach to utilizing our corporate influence positively. We focus on the needs and concerns of stakeholders such as community residents, welfare organizations, and social groups, and we actively participate in and support their initiatives. Through diverse activities such as donations, sponsorships, and charity sales, MPI builds partnerships with various organizations. This collaborative effort enables us to leverage our corporate influence to address critical social issues. We are committed to helping eradicate poverty and hunger, ensuring access to healthcare and medical services, advancing educational opportunities, and fostering a peaceful and inclusive society.



Charitable Contributions

MPI Corporation has made long-term contributions to local and national disadvantaged groups, public welfare, and social organizations. We have set up donation boxes in office areas, providing employees with the opportunity to voluntarily donate money or invoices. Additionally, in response to a well-known car manufacturer’s Earth Day event, we assisted employees in collecting children’s toys to donate to families in need, spreading love and joy through good deeds.

Event Name	Donation recipients	Donation/charity sale amount
Charitable donations	World Peace Association	NTD 324 thousand
	Taiwan Fund for Children and Families	NTD 180 thousand
	Little Sapling Association	NTD 100 thousand
	New Taipei City New Life Pet Shelter Association	NTD 50.3 thousand
	Taiwan Corporate Governance Association	NTD 42.5 thousand
	St. Camillus Center for Intellectual Disability	NTD 41.5 thousand
	Andrew Charity Association	NTD 36.1 thousand
	The Rock Social Welfare Foundation	NTD 30.6 thousand
	Sant Joseph Social Welfare Foundation	NTD 15.9 thousand
	Children Are Us Foundation	NTD 15.8 thousand
	ROC SCA	NTD 14.9 thousand

Event Name	Donation recipients	Donation/charity sale amount
Valentine’s Day flash sale of fresh flowers for charity	Children Are Us Foundation	NTD 1.6 thousand
Happy White Day charity product pre-order event	Doctors Without Borders (Médecins Sans Frontières)	NTD 1.6 thousand
Mother's Day charity pre-order sale	Taiwan Foundation for the Blind	NTD 3.7 thousand
Charity calendars & diaries	Sant Joseph Social Welfare Foundation	NTD 9.2 thousand
Christmas charity sale event kicks off	Sunshine Social Welfare Foundation	NTD 2.8 thousand
Total		NTD 870.5 thousand

Social collaboration

MPI’s headquarter building is located in a residential community, where we make every effort to foster good relations with our neighbors. This includes participating in local community temple events and festivals, having regular visits by management to the local community development association and community patrol team, maintaining harmonious neighborhood relations, and encouraging and supporting the cultivation of local youth and the development of local cultural and artistic activities and groups over the years.

Sponsorship recipients	Sponsorship amount
Community temple events	NTD 2.4 thousand
Taihe Community Development Association, Zhubei City, Hsinchu County	NTD 10 thousand
Hsinchu Symphonic Orchestra	NTD 75 thousand
Hsinchu Municipal Wind Orchestra	NTD 100 thousand
Total	NTD 187.4 thousand



7. SUSTAINABLE SUPPLY CHAIN

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7.1 Supply Chain Management

The raw materials required for MPI's two major product categories, probe cards and semiconductor equipment, are diverse and include many customer-specified materials. By the end of 2023, MPI had collaborated with over 6,000 suppliers, underscoring the importance of suppliers as partners in MPI's operations and key to ensuring business continuity. Through close collaboration with suppliers, MPI seeks to achieve sustainable business growth and fulfill corporate social responsibility. To ensure that procured products meet MPI's procurement and supply chain management requirements, MPI implements different handling processes and management methods based on material attributes, supplier types, and procurement regions to achieve sustainable supply chain management and ensure that supply quality meets Company demands and customer expectations. In 2023, 91% of MPI's procurement was from local suppliers, with 9% from foreign suppliers.

Supplier Management

To ensure that the purchased products comply with the designated requirements and suppliers are MPI qualified vendors, we have established the "Supplier Management Procedures," "Supplier Management Measures," and relevant regulations and forms. We have also developed an effective and continuously improving supplier management model in accordance with the ISO 9001 Quality management system. In line with sustainability management requirements and ISO management system standards, specific suppliers are evaluated based on the ISO 14001 Environmental Management System and ISO 17025 Laboratory Management System, and RBA audits are conducted to comprehensively review supplier management and procurement strategies. To ensure compliance with MPI's management requirements, different types of suppliers undergo capability assessments, including new suppliers, qualified suppliers, and key material suppliers, to ensure alignment with MPI's standards. New suppliers are evaluated for basic capabilities, such as whether they have obtained ISO 9001 certification, established production management processes, and implemented shipping inspection procedures. Depending on the importance and impact of materials, assessments are conducted via documentation, on-site evaluations, or component and material assessments. Existing suppliers undergo quarterly and annual evaluations, focusing on quality, delivery, cost, and service capabilities, while key material suppliers are subject to quality and RBA audits. Suppliers that do not meet evaluation or audit standards are followed up for improvement, and procurement strategies are adjusted accordingly. Additionally, suppliers are required to sign Confidentiality Agreements, Occupational Safety and Health Environmental Commitments, and RBA CoC Commitments based on their attributes and the nature of their provided products, establishing a foundation for sustainable supply chain management.





Procurement Management

Due to the complexity and variety of materials required by MPI, such as PCBs, pins, wires, and sleeves for probe cards, and microscopes, mechanical lathes, mechanical mills, screw slides, motors, and industrial computers for semiconductor equipment, the lead time for procurement varies considerably depending on the material type, procurement region, and difficulty. To ensure a smooth requisition and procurement process and timely, cost-effective, and quality supply of production materials, MPI has established a "Procurement Management Procedures" that includes inquiry/quotation/negotiation processes for both production and non-production materials, as well as for designated supplier requisitions. The procedure also covers raw materials for trial and mass production, quality-related inspection instruments, machinery, equipment, and office supplies within the Company's management procedures. The goal is to avoid over-reliance on a single supplier, maintain procurement flexibility, and ensure that specific components meet production and quality assurance unit assessments. This rigorous procurement management process ensures smooth operations and stable sources of supply.

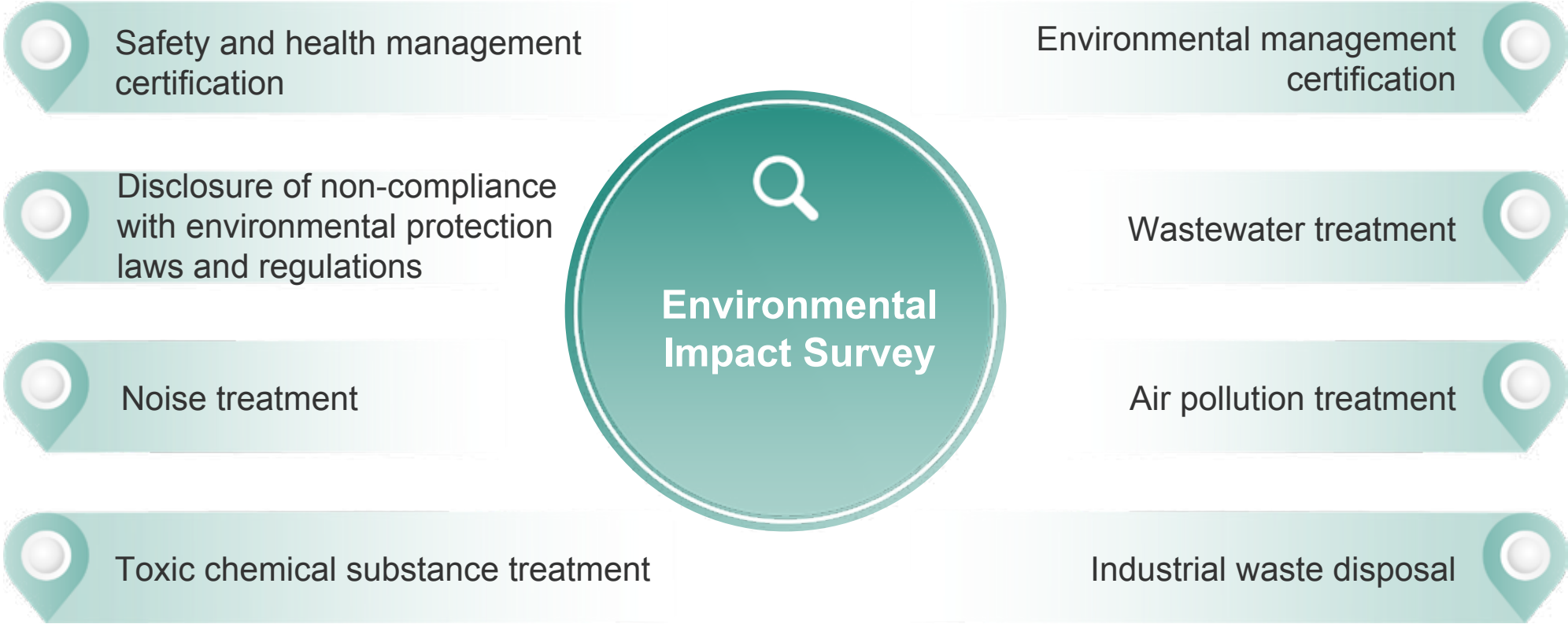


7.2 Social and Environmental Responsibility

To realize sustainable supply chain management goals and ensure that products meet appropriate customer requirements, MPI identifies relevant domestic and international regulations based on environmental protection, social responsibility, and corporate governance principles. MPI requires suppliers to fulfill their responsibilities and ensure compliance with our standards. Building a trading environment that aligns with sustainable and green supply chain principles, MPI strengthens corporate governance and sustainability efforts. In line with the "Corporate Sustainable Development Policy," "Ethical Corporate Management Best Practice Principles," the RBA CoC, and guidelines from domestic and international regulations and organizations, MPI promotes RBA Supplier Management. This includes environmental impact assessments, integrity and ethics, non-use of hazardous substances, non-use of conflict minerals, and information security management, reinforcing the social and environmental assessment and management of suppliers while mitigating the negative impacts from suppliers of concern.

Environmental and Occupational Safety Management

In compliance with ISO 45001 Occupational Health and Safety Management System and ISO 14001 Environmental Management System standards, contractors must sign the "Contractor Occupational Safety, Health, and Environmental Commitment" before performing engineering and service work at MPI facilities. As of the end of 2023, 957 contractors had completed the signing process. Additionally, key material suppliers undergo an annual environmental impact assessment covering eight aspects to timely review and reduce potential environmental harm, aiming to achieve a green and sustainable supply chain.



Information Security and Trade Secrets

MPI has obtained ISO 27001 Information Security Management System certification and implements stringent information security and trade secret management protocols. Suppliers are required to adhere to information security requirements, particularly key material suppliers who access MPI's critical business information. These suppliers undergo regular information security assessments and audits, covering four major information security aspects to ensure that the Company and its customers' confidential information are protected under contract.



Integrity and Non-Corruption Policy

To enhance corporate governance, establish a fair trading environment, and protect suppliers' legitimate rights, new suppliers are required to sign an "Integrity and Non-Corruption Agreement." MPI also provides a whistleblowing hotline and contact information. In cases of undue advantages, bribery, or violations of the agreement, MPI will terminate the supplier relationship and may require the return of received benefits and payment of punitive damages.



Policy on the Non-Use of Hazardous Substances

Reducing the use of hazardous substances is a global and industry-driven trend, particularly in the semiconductor industry, where metal components and raw materials are used extensively. Finding ways to avoid using hazardous substances or reduce their use without compromising technical quality and performance, thus minimizing environmental impact, is a critical challenge for the semiconductor industry. Although the products manufactured by MPI do not circulate in the consumer market and have minimal environmental impact, the Company remains committed to complying with customer commitments and increasingly stringent environmental regulations. MPI continues to enhance its process capabilities and supplier management by reducing the use of hazardous substances in production processes. Key and new suppliers are gradually required to ensure that all materials, packaging, and substances used in production comply with major international green regulations and globally recognized standards. If the use of such hazardous substances is unavoidable, suppliers must provide explanations in the "Certification of Non-Use of Hazardous Substances." In case of violations, MPI reserves the right to terminate the business relationship and may seek compensation for losses incurred.



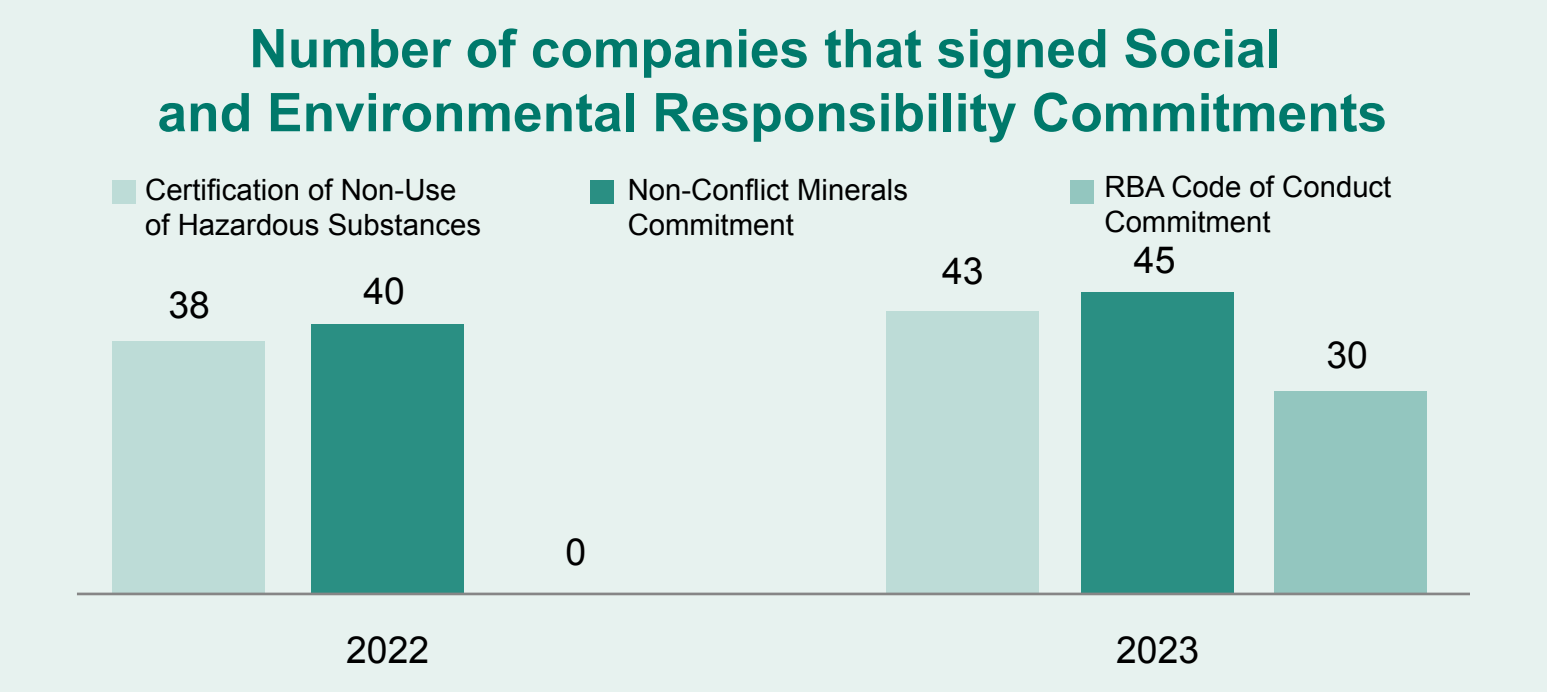
RBA and Non-Conflict Minerals Policy

The Responsible Business Alliance Code of Conduct (RBA CoC) is an important industry standard for the electronics sector, focusing on labor rights and ethical standards and has expanded into the semiconductor industry. To comply with RBA standards and meet customer requirements, MPI not only adheres to internal compliance but also drafted the "RBA CoC Commitment" in 2023, requiring suppliers to follow the Supplier Responsibility section of the RBA Code of Conduct. This commitment aims to ensure that all relevant local laws and regulations are followed in business operations and that social responsibility and environmental awareness are promoted throughout the supply chain as a business partner. Due to the large number of MPI suppliers, the first phase of management focused on key material suppliers for probe cards, gradually expanding to other key material suppliers and qualified suppliers. In addition to signing the commitment, written audits were conducted with selected key material suppliers following the RBA VAP audit process, with results meeting MPI's requirements.

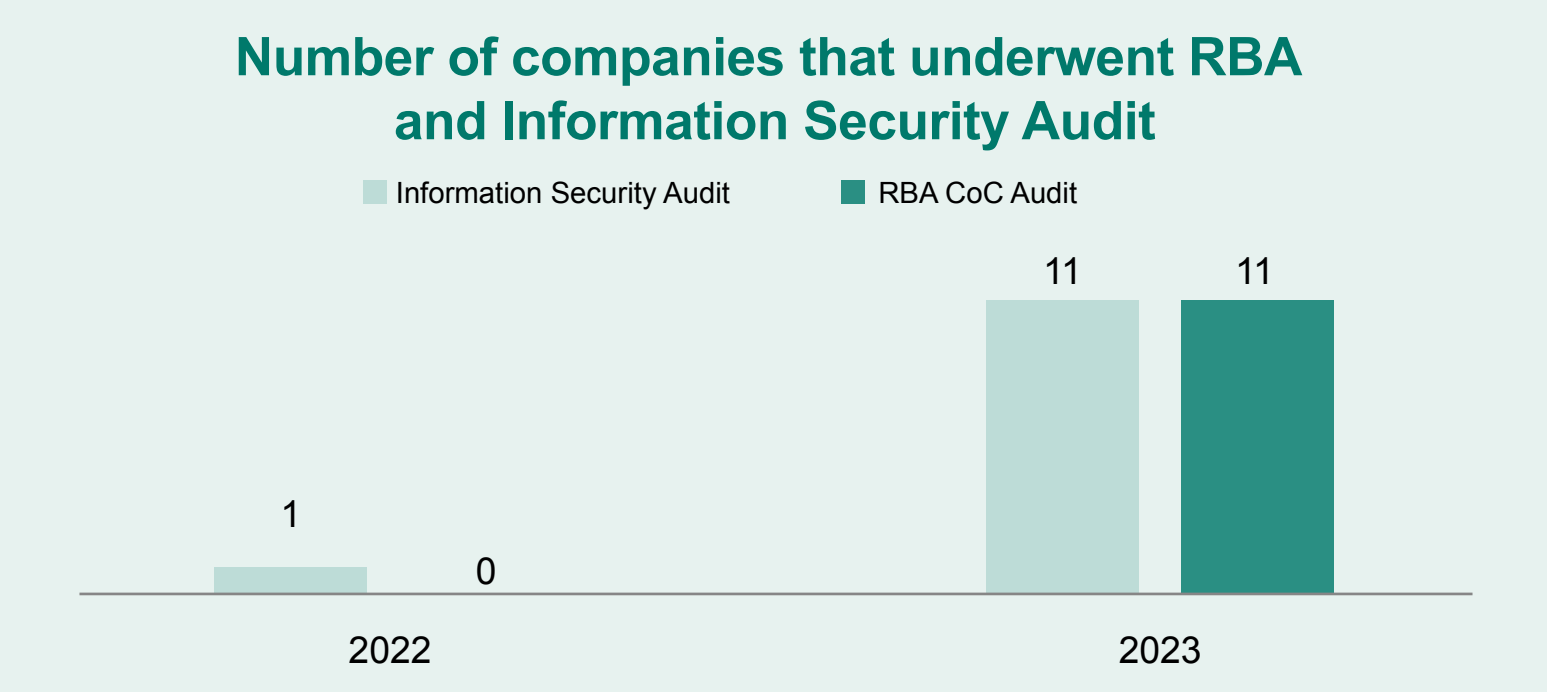
Conflict minerals refer to restricted minerals mined or extracted through armed conflicts or human rights violations. With respect to the Responsible Minerals Initiative (RMI), conflict minerals are sourced from regions such as the Democratic Republic of Congo and its surrounding countries or any areas controlled by armed forces within these countries. The main minerals include tungsten, tin, tantalum, and gold (3T1G) and have been expanded to include cobalt, mica, and palladium. These metals are commonly used raw materials in the electronics and semiconductor industries. To avoid human rights violations and reduce concerns about negative impacts, MPI follows international organization regulations and has established the "Conflict-Free Minerals Commitment," requiring that products and packaging materials provided by key and new suppliers do not originate from conflict-affected regions. Suppliers must also pass this requirement on to their upstream suppliers. Violation of this requirement and provision of conflict minerals can severely impact MPI's reputation, leading to the termination of the business relationship and potential claims for related damages.

Performance Metrics

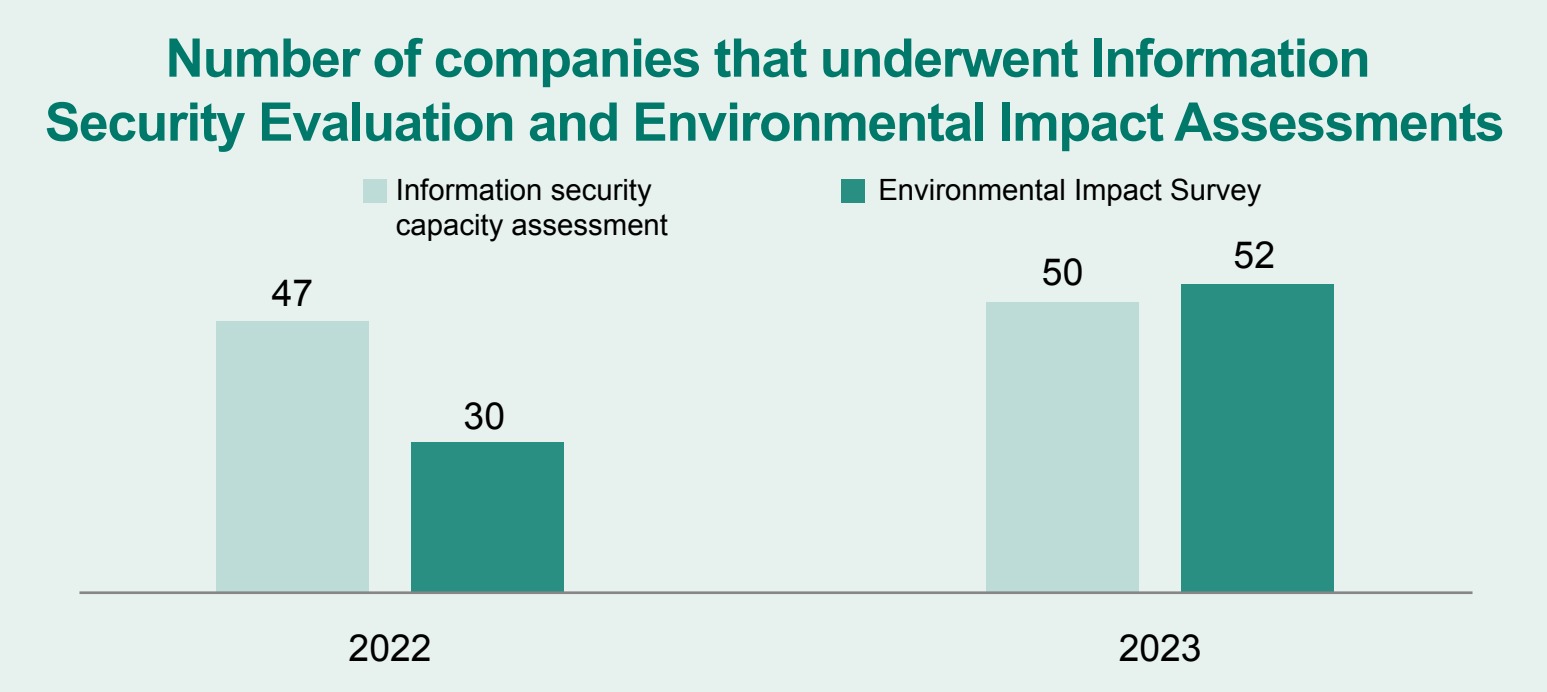
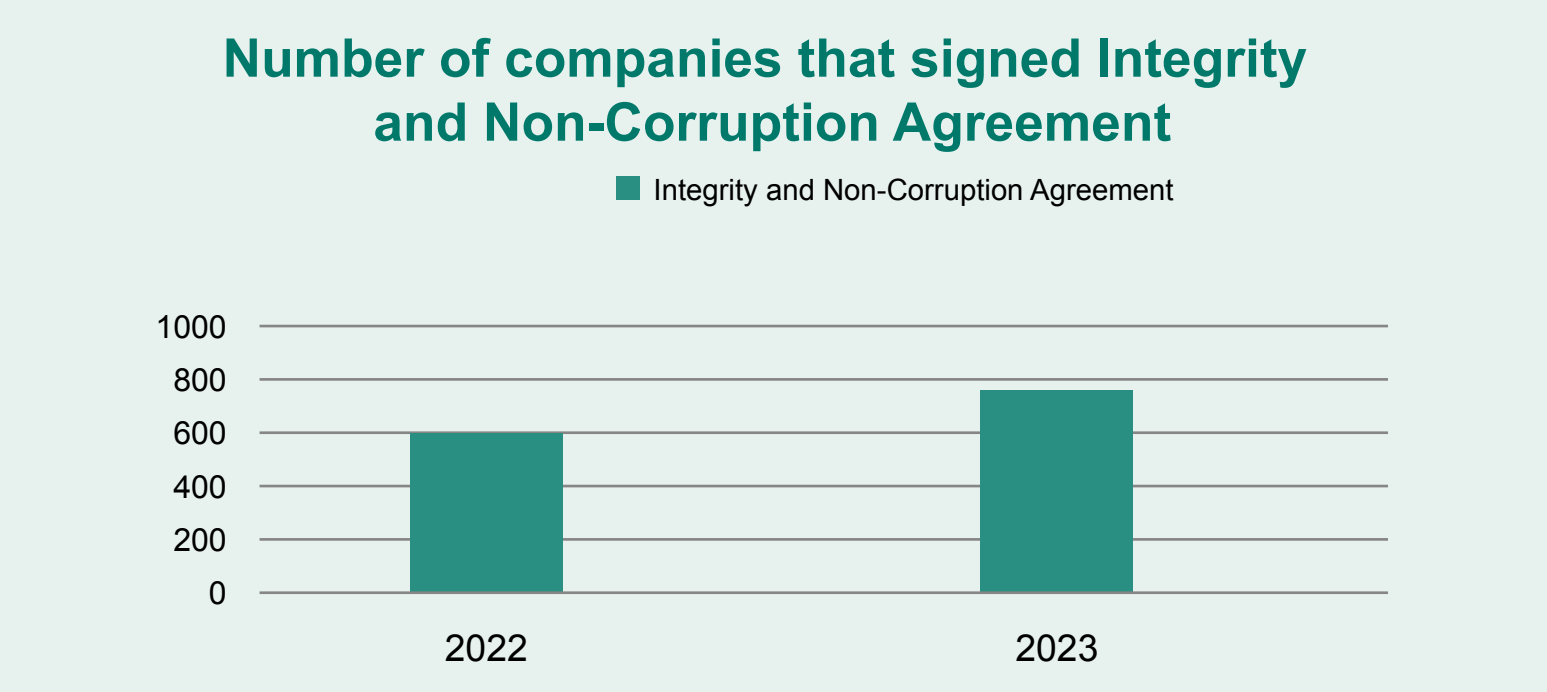
Based on the above supply chain management model and implementation items, the performance in social and environmental responsibility is as follows: The signing rate of the Certification of Non-Use of Hazardous Substances by key material suppliers has reached 80%, the signing rate of the Conflict-Free Minerals Commitment by key material suppliers has reached 83%, and the signing rate of the Integrity and Non-Corruption Agreement by qualified suppliers has reached 67%. For the first time, 11 suppliers underwent a document audit based on the RBA CoC 7.0 standard, and no major deficiencies were found in the audit results, meeting the annual management objectives of MPI’s sustainable supply chain.



* The "RBA Code of Conduct Commitment" was established and issued in September 2023; therefore, there are no statistical records for 2022.



* The RBA Code of Conduct audit was first conducted in November 2023, adopting the 7.0 version standard for a written audit; therefore, there are no statistical records for 2022.



APPENDIX

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A. About this Report

Reporting Period and Publication

MPI Corporation (referred to as "MPI" or "the Company") follows the GRI Standards, SASB Semiconductors Standard, TCFD, and the “Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies” in reporting its sustainability activities from January 1, 2023, to December 31, 2023. Key information is also updated on MPI's "Sustainable Development" website (<https://www.mpi.com.tw/esg/>), with downloadable electronic versions in both Chinese and English. This report is MPI’s second sustainability report, presenting an overview and performance of MPI’s economic, environmental, and social sustainable development in 2023 to various stakeholders.

Reporting period: January 1, 2023, to December 31, 2023. Financial information aligns with the financial year, and other major events in this report are updated until June 30, 2024.

Publication frequency and period: once a year. Previous edition publication date: September 2023. Current edition publication date: August 2024. Next edition expected to be published on: June 2025.

Report Scope

This Report covers entities primarily focused on MPI Corporation’s Taiwan headquarters. Financial information includes all consolidated subsidiaries. The reporting scope is the same as the previous year with no restatements of information.

Report drafting and management process

The content of this Report was reviewed by team leaders or department heads, compiled by the Sustainability Promotion team, reviewed by the ESG Committee, and issued after approval by the Board of Directors. The related compilation and management process are also incorporated into the Company's internal management control operations to ensure the report’s reliability, timeliness, transparency, and compliance.

Contact Information

Thank you for reading this Report. If you have any questions or suggestions regarding the content of this report or MPI’s sustainability initiatives, please contact us.

MPI Corporation ESG Committee

Address: No. 155, Zhonghe St., Zhubei City, Hsinchu County, Taiwan








Tel: +886-3-5551771

Email: mpiesg@mpi-corporation.com

ESG website: <https://www.mpi.com.tw/esg/>

B. UN SDGs Guidelines

SDGs	Management Approach	Corresponding Chapter
	<ul style="list-style-type: none">Comply with government regulations and adjust compensation based on business conditions, ensuring that the median salary remains above the industry average	6.2 Remuneration and Benefits
	<ul style="list-style-type: none">Provide free meals to employees, covering meal needs at all times of the day.	6.3 Friendly Workplace
	<ul style="list-style-type: none">Provide comprehensive health checks for employees, and regularly invite doctors and professional counselors to provide free physical and mental consultations and care for employees.	6.3 Friendly Workplace 6.4 Occupational Safety and Health
	<ul style="list-style-type: none">Eradicate gender inequality and workplace harassment, regularly promote and provide gender equality education and training, and offer grievance channels, with annual execution status reports at the occupational Safety Committee.	6.3 Friendly Workplace 6.4 Occupational Safety and Health
	<ul style="list-style-type: none">Rigorously monitor effluent discharge and comply with regulations.Regularly test the quality of drinking water facilities.	5.4 Water Resource and Waste Management 6.4 Occupational Safety and Health
	<ul style="list-style-type: none">Increase the use of renewable energy and seek other alternative measures.	5.2 Green Environment
	<ul style="list-style-type: none">Steady business growth and increasing demand for talent.Create a healthy and safe work environmentPlan reasonable, fair, and competitive systems, benefits, and reward measures to continuously attract and retain outstanding talent.	3.2 Financial Performance 6.2 Remuneration and Benefits 6.3 Friendly Workplace
	<ul style="list-style-type: none">Respect and protect intellectual property rights to ensure MPI's sustainable competitiveness.Establish information security systems and environments, protect personal data and trade secrets, and ensure uninterrupted business continuity.Dedicated to developing new technologies and enhancing customer competitiveness	3.3 Intellectual Property 3.4 Information Security 4.3 Development strategy and innovative R&D

SDG	Management Approach	Corresponding Chapter
	<ul style="list-style-type: none">Identify and properly manage employee and supplier human rights and ethical risks following the RBA CoC.	6.3 Friendly Workplace 7.2 Social and Environmental Responsibility
	<ul style="list-style-type: none">Enhance customer competitiveness with high-quality products, excellent services, and compliance with regulations as the highest quality policy.Gain customer trust by establishing standard operating procedures, regularly surveying product and service satisfaction, and reviewing performance measurement results.	4.4 Quality Management and Product Services
	<ul style="list-style-type: none">Integrate climate change into ISO management systems and respond and mitigate climate change risks according to the TCFD Framework.Implement ISO 22301 business continuity management system to enhance resilience against extreme and unexpected disasters.	5.1 Climate Change
	<ul style="list-style-type: none">Comply with regulations and strictly monitor effluent discharge, reduce the use of hazardous substances, and seek water-saving measures to minimize water usage and discharge.	5.4 Water Resource and Waste Management
	<ul style="list-style-type: none">Lower product pollution and energy consumption and enhance product durability and recyclabilityContinue developing advanced probe technology and provide testing solutions to contribute to customers' sustainable environmental goals	4.2 Competitive Strengths 5.4 Water Resource and Waste Management
	<ul style="list-style-type: none">Comply with international conventions and local laws, and follow the RBA Code of Conduct.	3.1 Corporate Governance 3.6 Business Ethics and Legal Compliance 6.3 Friendly Workplace
	<ul style="list-style-type: none">Actively participate in social activities and fulfill corporate social responsibility.Establish supplier management procedures following the RBA CoC to manage social, environmental, and governance risk impacts.	6.5 Social Impact 7.2 Social and Environmental Responsibility

C. GRI Standards

GRI Standards		Corresponding Chapter	Supplementary Explanation
GRI 2: General Disclosures 2021			
Organization and Reporting Practices			
2-1	Organizational details	1.2 Company Overview	
2-2	Entities included in the organization’s sustainability reporting	Appendix A: About This Report	
2-3	Reporting period, frequency, and contact point	Appendix A: About This Report	
2-4	Restatements of information	Appendix A: About This Report	
2-5	External assurance	NA	This report has not been verified or assured, which is scheduled for 2025.
Activities and workers			
2-6	Activities, value chain and other business relationships	1.2 Company Overview 4.2 Competitive Strengths	
2-7	Employees	6.1 Talent Cultivation and Development	
2-8	Workers who are not employees	6.1 Talent Cultivation and Development	
Governance			
2-9	Governance structure and composition	3.1 Corporate Governance	
2-10	Nomination and selection of the highest governance body Nominating and selecting the highest governance body	3.1 Corporate Governance	
2-11	Chair of the highest governance body	3.1 Corporate Governance	
2-12	Role of the highest governance body in overseeing the management of impacts	3.1 Corporate Governance	
2-13	Delegation of responsibility for managing impacts	3.1 Corporate Governance	
2-14	Role of the highest governance body in sustainability reporting	2.1 Sustainability Execution Framework and Management 3.1 Corporate Governance	

GRI Standards		Corresponding Chapter	Supplementary Explanation
2-15	Conflicts of interest	3.1 Corporate Governance	
2-16	Communication of critical concerns	2.2 Stakeholder Engagement 3.1 Corporate Governance	
2-17	Collective knowledge of the highest governance body	3.1 Corporate Governance	
2-18	Evaluation of the performance of the highest governance body Evaluating the highest governance body’s performance	3.1 Corporate Governance	
2-19	Remuneration policies	3.1 Corporate Governance	
2-20	Process to determine remuneration	3.1 Corporate Governance	
2-21	Annual total compensation ratio	3.1 Corporate Governance	
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	1.1 Message from the Management 2.4 Sustainability Goals and Management	
2-23	Policy commitments	2.4 Sustainability Goals and Management	
2-24	Embedding policy commitments	2.4 Sustainability Goals and Management	
2-25	Processes to remediate negative impacts	2.3 Identification and Prioritization of Material Topics	
2-26	Mechanisms for seeking advice and raising concerns	2.2 Stakeholder Engagement	
2-27	Compliance with laws and regulations.	3.6 Business Ethics and Legal Compliance	
2-28	Membership of associations	1.4 Corporate Impact	
Stakeholder Engagement			
2-29	Stakeholder Engagement Policy	2.2 Stakeholder Engagement	
2-30	Collective bargaining agreements	NA	MPI does not restrict employees from organizing unions; all employees sign labor contracts.

GRI Standards		Corresponding Chapter	Supplementary Explanation
3-1	Process to determine material topics	2.3 Identification and Prioritization of Material Topics	
3-2	List of material topics	2.4 Sustainability Goals and Management	
3-3	Management of material topics	2.4 Sustainability Goals and Management	

GRI Standards		Corresponding Chapter	Supplementary Explanation
Topic-specific Standards GRI 200 Economic			
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	3.2 Financial Performance	
201-2	Financial impacts, risks, and opportunities arising from climate change Financial implications and other risks and opportunities due to climate change	5.1 Climate Change	
201-3	Defined benefit plan obligations and other retirement plans	6.2 Remuneration and Benefits	
201-4	Financial assistance received from government	3.2 Financial Performance	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	6.2 Remuneration and Benefits	Our minimum wage standard follows the government's basic wage regulations (as of January 1, 2023, the basic wage is NT\$26,400, and the hourly minimum wage is NT\$176), with a ratio of 1:1.
202-2	Proportion of senior management hired from the local community	6.1 Talent Cultivation and Development	
GRI 203: Indirect Economic Impacts 2016			
203-2	Significant indirect economic impacts	3.2 Financial Performance 4.2 Competitive Strengths	
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	7.1 Supply Chain Management	

GRI 206: Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.6 Business Ethics and Legal Compliance	There was no legal proceeding associated with anticompetitive or monopolistic behavior in 2023.
GRI 207: Tax 2019			
207-4	Country-by-country reporting	3.2 Financial Performance	

GRI Standards		Corresponding Chapter	Supplementary Explanation
Topic-specific Standards GRI 300 Environmental			
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	5.2 Green Environment	
302-2	Energy consumption within the organization	5.2 Green Environment	
302-3	Energy intensity	5.2 Green Environment	
302-4	Reduction of energy consumption	5.2 Green Environment	
GRI 303: Water and Effluents 2018			
303-3	Water withdrawal	5.4 Water Resource and Waste Management	
303-4	Water discharge	5.4 Water Resource and Waste Management	
303-5	Water consumption	5.4 Water Resource and Waste Management	
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	5.3 Greenhouse Gas Management	
305-2	Energy indirect (Scope 2) GHG emissions	5.3 Greenhouse Gas Management	
305-3	Other indirect (Scope 3) GHG emissions	5.3 Greenhouse Gas Management	

305-4	GHG emissions intensity	5.3 Greenhouse Gas Management	
305-5	Reduction of GHG emissions	5.3 Greenhouse Gas Management	
GRI 306: Waste 2020			
306-3	Waste generated	5.4 Water Resource and Waste Management	
306-4	Waste diverted from disposal	5.4 Water Resource and Waste Management	
306-5	Waste directed to disposal	5.4 Water Resource and Waste Management	
GRI 308: Supplier Environmental Assessment 2016			
308-2	Negative environmental impacts in the supply chain and actions taken	7.2 Social and Environmental Responsibility	

GRI Standards		Corresponding Chapter	Supplementary Explanation
Topic-specific Standards GRI 400 Social			
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	6.1 Talent Cultivation and Development	
401-2	Benefits provided to full-time employees (that are not provided to temporary or part-time employees)Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.2 Remuneration and Benefits	
401-3	Parental leave	6.3 Friendly Workplace	
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	6.4 Occupational Safety and Health	
403-2	Hazard identification, risk assessment, and incident investigation	6.4 Occupational Safety and Health	
403-3	Occupational health services	6.4 Occupational Safety and Health	
403-4	Worker participation, consultation, and communication on occupational health and safety	6.4 Occupational Safety and Health	

403-5	Worker training on occupational health and safety	6.4 Occupational Safety and Health	
403-6	Promotion of worker health	6.4 Occupational Safety and Health	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.4 Occupational Safety and Health	
403-8	Workers covered by an occupational health and safety management system	6.4 Occupational Safety and Health	
403-9	Work-related injuries	6.4 Occupational Safety and Health	
403-10	Work-related ill health	6.4 Occupational Safety and Health	
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	6.1 Talent Cultivation and Development	
404-2	Programs for upgrading employee skills and transition assistance programs	6.1 Talent Cultivation and Development	
404-3	Percentage of employees receiving regular performance and career development reviews	6.1 Talent Cultivation and Development	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	3.1 Corporate Governance 6.1 Talent Cultivation and Development	
405-2	Ratio of basic salary and remuneration of women to men	6.2 Remuneration and Benefits	No gender discrimination. Instead of gender, performance and salary are assessed based on academic backgrounds, experience, and performance.
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	6.3 Friendly Workplace	There was no incident of discrimination in 2023.
GRI 408: Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	6.3 Friendly Workplace 7.2 Social and Environmental Responsibility	
GRI 409: Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	6.3 Friendly Workplace 7.2 Social and Environmental Responsibility	

GRI 411: Rights of Indigenous Peoples 2016			
411-1	Incidents of violations involving rights of indigenous peoples	6.4 Occupational Safety and Health	There was no incident of discrimination in 2023.
GRI 414: Supplier Social Assessment 2016			
414-2	Negative social impacts in the supply chain and actions taken	7.2 Social and Environmental Responsibility	
GRI 415: Public Policy 2016			
415-1	Political contributions	NA	There was no expenditures on political contributions in 2023
GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	NA	All MPI products and services are industrial products and have never been been sold in the consumer market.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.6 Business Ethics and Legal Compliance	No major violations in 2023
GRI 417: Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	NA	All MPI products and services are industrial products and have never been sold in the consumer market. Information and labeling requirements are customer-oriented.
417-2	Incidents of non-compliance concerning product and service information and labeling	3.6 Business Ethics and Legal Compliance	No major violations in 2023
417-3	Incidents of non-compliance concerning marketing communications	3.6 Business Ethics and Legal Compliance	No major violations in 2023
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer dataSubstantiated complaints regarding concerning breaches of customer privacy and losses of customer data	3.6 Business Ethics and Legal Compliance	No major violations in 2023

D. SASB Semiconductors Standard

Disclosure Topics	Code	Metric	Corresponding Chapter	Content Summary
GHG Emissions	TC-SC-110 a.1	<div><div>Gross global Scope 1 emissions</div><div>Amount of total emissions from perfluorinated compounds</div></div>	5.3 Greenhouse Gas Management	<div><div>1,441.2795 CO2e (MPI Parent Company)</div><div>79.3866 CO2e</div></div>
	TC-SC-110 a.2	<div><div>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</div></div>	5.3 Greenhouse Gas Management	<div><div>Target to reduce Scope 1 and 2 emissions by 10-20% by 2030 for the parent company, with ongoing assessment for carbon neutrality by 2040</div></div>
Energy Management in the Manufacturing Process	TC-SC-130 a.1	<div><div>Total Energy Consumption</div><div>Percentage grid electricity</div><div>Percentage renewable</div></div>	5.2 Green Environment	<div><div>141,270.4384 GJ</div><div>95.9582%</div><div>0%</div></div>
Water Management	TC-SC-140 a.1	<div><div>Total water withdrawal</div><div>Total water consumption</div><div>Proportion of high or extremely high water-stress areas</div></div>	5.4 Water Resource and Waste Management	<div><div>163,629.41 m3</div><div>66,572.64 m3</div><div>NA (not a high water-stress area)</div></div>
Waste Management	TC-SC-150 a.1	<div><div>Quantity of hazardous waste generated during the manufacturing process</div><div>Waste recycling ratio</div></div>	5.4 Water Resource and Waste Management	<div><div>21.7830 metric tons</div><div>11.99% (general industrial waste)</div></div>
Employee Health & Safety	TC-SC-320 a.1	<div><div>Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards</div></div>	6.4 Occupational Safety and Health	<div><div>Operations conducted according to ISO 45001 Occupational Health and Safety Management System</div></div>
	TC-SC-320 a.2	<div><div>Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations</div></div>	3.6 Business Ethics and Legal Compliance	<div><div>No major violations in 2023</div></div>
Recruiting & Managing a Global & Skilled Workforce	TC-SC-330 a.1	<div><div>Percentage of employees holding work visas</div></div>	6.1 Talent Cultivation and Development	<div><div>0.06%</div></div>
Product Lifecycle Management	TC-SC-410 a.1	<div><div>Percentage of products by revenue that contain IEC 62474 declarable substances</div></div>	NA	<div><div>N/A</div></div>
	TC-SC-410 a.2	<div><div>Processor energy efficiency at a system-level for: (1) servers, (2) desktops, and (3) laptops</div></div>	NA	<div><div>N/A</div></div>
Materials Sourcing	TC-SC-440 a.1	<div><div>Description of the management of risks associated with the use of critical materials</div></div>	7.1 Supply Chain Management	<div><div>Identification and risk assessment of key material suppliers.</div></div>
Intellectual Property Protection & Competitive Behavior	TC-SC-520 a.1	<div><div>Total monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations</div></div>	3.6 Business Ethics and Legal Compliance	<div><div>There was no legal proceeding associated with anticompetitive behavior regulations in 2023.</div></div>

E. Sustainability Disclosure Indicators for TPEx Listed Companies - Semiconductor Industry

No.	Metric	Metric Type	Annual Disclosure Status
1	Total energy consumption, percentage of purchased electricity, and renewable energy usage rate	Quantitative	<ul style="list-style-type: none">Total energy consumption: 141,270.4384 GJ, percentage of purchased electricity: 95.9582%, renewable energy usage rate: 0%.
2	Total water withdrawal and total water consumption	Quantitative	<ul style="list-style-type: none">Total water withdrawal: 163,629.41 cubic meters, total water consumption: 66,572.64 cubic meters.
3	Weight of hazardous waste produced and recycling percentage	Quantitative	<ul style="list-style-type: none">Weight of hazardous substances: 21.7830 metric tons, recycling ratio: 0%.
4	Description of occupational hazard types, number of people affected, and incident rate	Quantitative	<ul style="list-style-type: none">1 incident of employee disabling injury occurred in 2023 (classified as a minor injury incident), affecting one person, with an occupational injury rate of 0.06%.
5	Disclosure of product lifecycle management: including the weight of scrapped products and electronic waste and the recycling percentage	Quantitative	<ul style="list-style-type: none">Weight of scrapped products and electronic waste: 0.94 metric tons, recycling ratio: 0%.
6	Description of risk management associated to the use of key materials	Qualitative Description	<ul style="list-style-type: none">Identification and risk assessment of key material suppliers.
7	Total monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Quantitative	<ul style="list-style-type: none">There was no legal proceeding associated with anticompetitive behavior regulations in 2023.
8	Main product output by category	Quantitative	<ul style="list-style-type: none">Wafer Probe Card: 14,975,602 PINSSemiconductor Equipment: 1,031 units

F. Climate-Related Information for TPEx Listed Companies

No.	Item	Execution Status
1	Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	Please refer to 5.1 Climate Change
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Please refer to 5.1 Climate Change
3	Describe the financial impact of extreme weather events and transformative actions.	Please refer to 5.1 Climate Change
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Please refer to 5.1 Climate Change
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Please refer to 5.1 Climate Change
6	If a transition plan is in place to manage climate-related risks, describe the plan's content and the indicators and targets used to identify and manage physical and transition risks.	Please refer to 5.1 Climate Change
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Internal carbon pricing plan not yet implemented
8	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Please refer to 5.1 Climate Change, 5.3 Greenhouse Gas Management, no renewable energy certificates or offset mechanisms have been utilized
9	Greenhouse Gas Inventory and Assurance Status	Please refer to the table below

Scope	Scope 1		Scope 2		Scope 3		Assurance Body	Description of Assurance Status
	Total Emissions (tCO2e)	Intensity (tCO2e / NTD thousand)	Total Emissions (tCO2e)	Intensity (tCO2e / NTD thousand)	Total Emissions (tCO2e)	Intensity (tCO2e / NTD thousand)		
Parent Company	1,441.2795	0.000214	18,601.9278	0.002758	6,911.8828	0.001025	DQS	Reasonable Level of Assurance
Subsidiaries (expected to complete verification by 2028)	NA	NA	NA	NA	NA	NA	NA	NA

G. ISO Management System Certificate



MPI CORPORATION