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LOCAL COMMUNITIES

Giving Back

Local Communities

Sustainability Statement



SUSTAINABILITY STATEMENT

cont'd

ABOUT THIS SUSTAINABILITY STATEMENT

Inari Amertron Berhad and its subsidiaries (herein referred to as “Inari” or “the Group”) are one of the region’s leading Outsourced Semiconductor Assembly & Test (“OSAT”) providers and therefore, we have a responsibility to and are deeply committed to driving sustainable development throughout our business operations by inculcating a culture of sustainability at Inari.

Building on our sustainability efforts from the last reporting period, we disclose our progress on our sustainability journey in our fifth Sustainability Statement (“Statement”). Through this statement, we provide an overview of our performance and how we manage our key economic, environmental, social and governance matters.

This Statement should also be read alongside other sections in this Annual Report namely Management Discussion and Analysis, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control as well as our Corporate Governance Report, as sustainability efforts may be better contextualised and narrated in the respective sections.

REPORTING PERIOD AND BOUNDARY

This Statement provides information on Inari’s sustainability performance for our operations in Malaysia, Philippines and China, and covers the financial reporting period from 1 July 2020 to 30 June 2021 (“FY2021”). Where possible, information from previous years have been included to provide comparative data.

REPORTING FRAMEWORK AND STANDARDS

We have prepared this Statement in compliance with the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and refers to Bursa Malaysia’s Sustainability Reporting Guide 2nd edition and Toolkits. Additionally, we have adhered to the best practice sustainability guidelines, standards and framework as follows:

- Global Reporting Initiative (“GRI”) Standards
- FTSE4Good Bursa Malaysia Index’s Environmental, Social and Governance indicators
- United Nations Sustainable Development Goals (“UNSDGs”).

POINT OF CONTACT

To continuously improve on our sustainability efforts, we welcome and encourage our stakeholders to provide feedback pertaining to this Statement or our sustainability practices and initiatives. Comments and questions can be directed to our designated email address at info1@inariberhad.com.

SUSTAINABILITY STATEMENT

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OUR SUSTAINABILITY JOURNEY THUS FAR



SUSTAINABILITY STATEMENT
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SETTING THE TONE FROM THE TOP

SUSTAINABILITY GOVERNANCE

To embed sustainability throughout our organisation, we believe in adopting a tone from the top approach. Inari’s sustainability governance is led by our Board of Directors who are responsible for considering economic, environmental, social and governance matters in the Group’s business strategies.

Our Board of Directors is supported by the Sustainability and Risk Management Committee (“SRMC”) in overseeing the sustainability matters of the Group, identifying principal risks and business sustainability strategies alongside the Senior Management, and ensuring their adherence to appropriate risk mitigation and sustainability efforts within the Group. The SRMC is assisted by the Group Chief Executive Officer (“CEO”) and Group Chief Financial Officer (“CFO”), to provide the overall direction, lead strategic decision making and review sustainability implementation, and performance & risk management in an integrated manner.

Sustainability and Risk Management Committee Members

Chairman	Datuk Phang Ah Tong <i>Chairman, Independent Non-Executive Director</i>
Committee Members	Foo Kok Siew <i>Independent Non-Executive Director</i> Dato’ Dr. Tan Seng Chuan <i>Executive Vice Chairman</i>

The Sustainability and Integrity Working Group (“SIWG”) will continue to be led by the Group CEO and comprises the management team and representatives from various departments. The SIWG is responsible to undertake the process of materiality assessment, as well as, executing and implementing sustainability initiatives and monitoring its progress. We have further strengthened our sustainability governance structure by the development and enhancement of the Sustainability Reporting Handbook and Framework, Corporate Liability and Corruption Risk Management Framework.

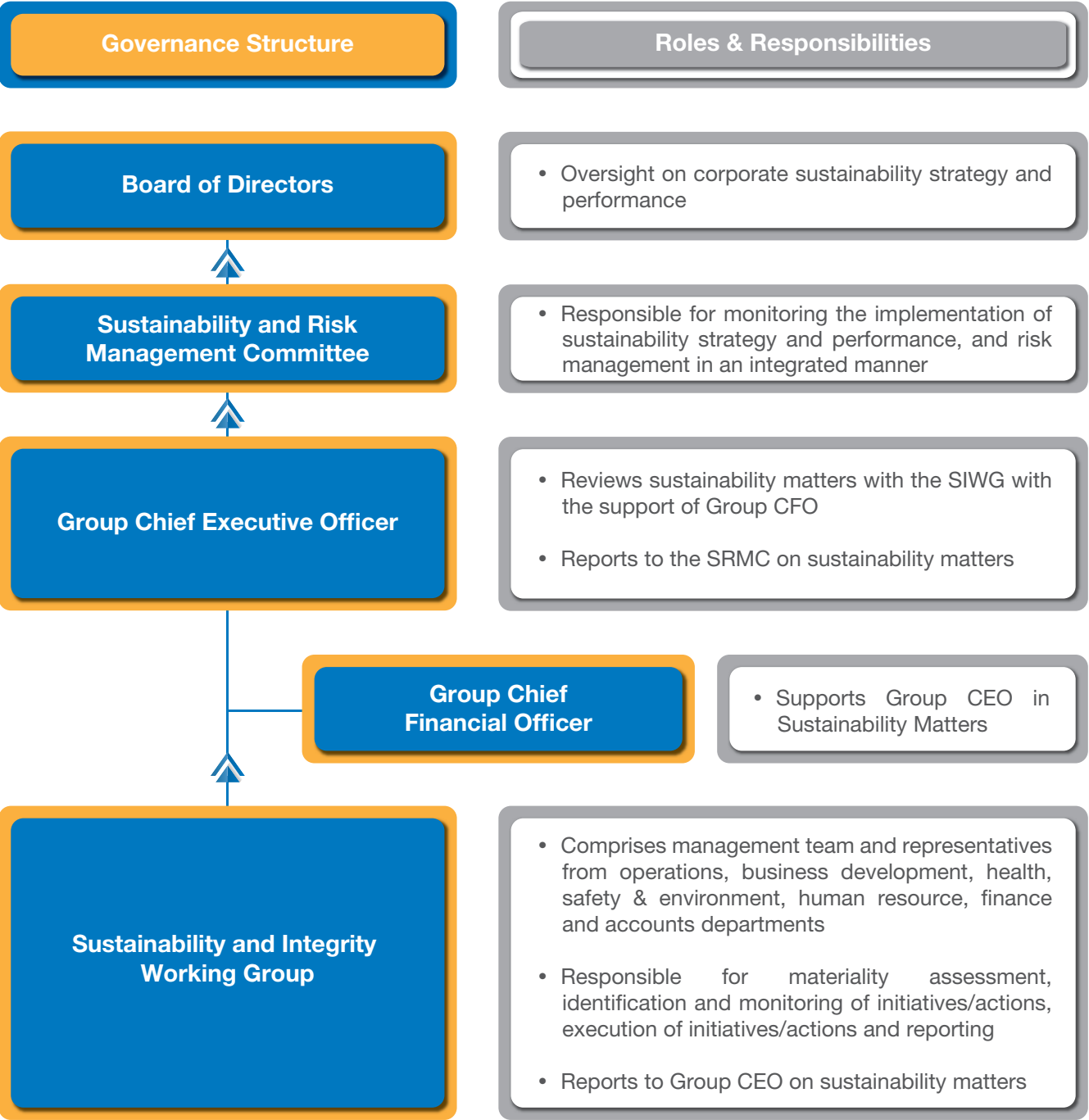
In April 2021, the Malaysian Code on Corporate Governance (“MCCG”) has released an update with an emphasis on sustainability management including climate change. MCCG Practice 4.3 states that the Board of Directors is required to take appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities. Against this backdrop, our Board of Directors is committed to further enhance our sustainability management to be aligned with the latest requirements.

SUSTAINABILITY STATEMENT
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SETTING TONE FROM THE TOP (cont'd)

SUSTAINABILITY GOVERNANCE (cont'd)

The diagram below illustrates our sustainability governance structures along with their roles and responsibilities.



SUSTAINABILITY STATEMENT
cont'd

SETTING TONE FROM THE TOP (cont'd)

CORPORATE MEMBERSHIP

Over the years, Inari contributes to the development of economic, environmental and social sustainability matters individually and collectively via business associations. We are a corporate member of the Malaysia Semiconductor Industry Association (“MSIA”) and the Malaysian Investor Relations Association (“MIRA”).

MSIA is an industry association which gathers companies involved directly or indirectly in the supply chain of the semiconductor industry. It serves as a platform to develop technology in the semiconductor industry and to advocate and build positive relationships with the government, agencies, and other industry associations (including chambers of commerce). On the other hand, MIRA is an association established by Bursa Malaysia with the objective to facilitate communication and foster closer relationships between public listed companies and the investor community.

Additionally, we became a corporate friend of Climate Governance Malaysia, the Malaysian chapter of World Economic Forum’s Climate Governance Initiative in 2021. This complements our initiatives in managing our resources, environmental impact and adaptation to climate change, bolstering our sustainability reporting as well as strengthening value creation.



We believe that our involvements with these memberships will add value in Inari’s journey to achieve its economic, environment, social and governance goals and aspirations.

LISTENING TO OUR STAKEHOLDERS

STAKEHOLDER ENGAGEMENT

We understand the significant impact of those with a vested interest in our operations, and therefore, the success of our business is dependent on maintaining strong relationships with our stakeholders. Inari actively engages with our stakeholders through different types of platforms and channels to understand their priorities and expectations of the Group. By keeping lines of communications open, we intend to create meaningful dialogue to address stakeholders’ concerns and build their confidence in us.






The table below summarises our key stakeholders, the engagement channels and their sustainability concerns.

Stakeholder Group	Type of Engagement	Sustainability Concerns
<div>Customers</div> <div></div>	<ul style="list-style-type: none">• Customer satisfaction surveys• Annual audit on operations• Ad-hoc meetings• Real-time production status updates	<ul style="list-style-type: none">• Building of long-term relationships• Product quality, timely delivery, productivity and efficiency• Product innovation• Demonstration of good economic, environmental, social and governance adherence and practices
<div>Employees</div> <div></div>	<ul style="list-style-type: none">• Volunteer programmes• Hotline• Feedback boxes• Annual appraisal• Townhall meetings	<ul style="list-style-type: none">• Safe and healthy working environment• Ensure law-abiding operation• Fair remuneration and compensation packages• Equal opportunity for career advancement• Employee development and talent retention• Sustainable growth and development of organisation

SUSTAINABILITY STATEMENT
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LISTENING TO OUR STAKEHOLDERS (cont'd)

STAKEHOLDER ENGAGEMENT (cont'd)

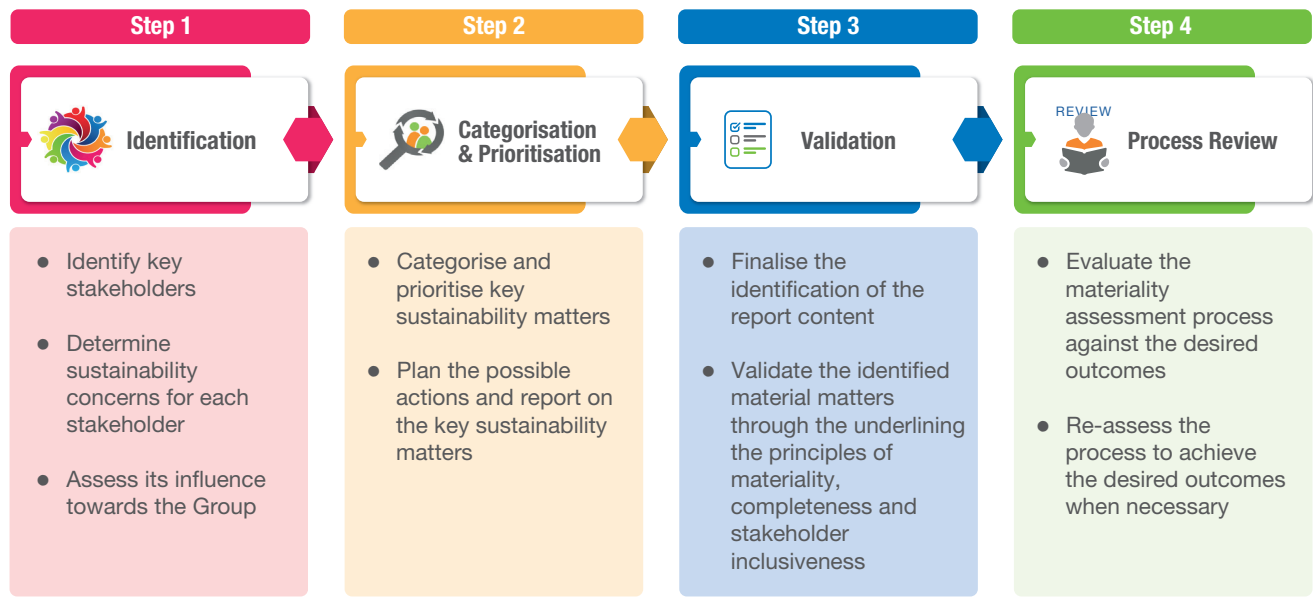
Stakeholder Group	Type of Engagement	Sustainability Concerns
<div>Senior Management</div> <div></div>	<ul style="list-style-type: none">• Management review• Operational review• Various communications meetings and sessions	<ul style="list-style-type: none">• Economic, environmental, social and governance matters• Achievement of key performance indicators• Human resource management• Ethics, integrity and regulatory compliance• Anti-corruption and bribery
<div>Shareholders</div> <div></div>	<ul style="list-style-type: none">• Quarterly analysis briefing• Quarterly financial results• Annual General Meeting• Annual reports• Corporate website• Regular plant visits for further understanding of our operations	<ul style="list-style-type: none">• Strong and sustainable financial performance• Continuous business growth and expansion plans• Demonstration of good economic, environmental, social and governance adherence and practices• Ensure transparency in financial reporting• Timely and accurate announcements and information on Inari’s website
<div>Suppliers</div> <div></div>	<ul style="list-style-type: none">• Supplier selection via pre-qualification and registration• Regular supplier performance evaluation	<ul style="list-style-type: none">• Strategic partnerships• Fair tender practices• Ethics, integrity and regulatory compliance
<div>Regulators</div> <div></div>	<ul style="list-style-type: none">• Participation in programmes organised by regulatory bodies• Engaging in dialogues with regulators• Participation in industry and government interest groups• Regular plant visits	<ul style="list-style-type: none">• Compliance with relevant laws and regulations• Good corporate governance practices
<div>Local Communities</div> <div></div>	<ul style="list-style-type: none">• Volunteering programmes• Engagement and participation in community and corporate social responsibility (“CSR”) events	<ul style="list-style-type: none">• Financial and non-financial contributions to local communities• Good corporate citizenship

SUSTAINABILITY STATEMENT

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MATERIALITY ASSESSMENT

Our materiality assessment process enables us to identify and assess key risks and opportunities to ensure long-term sustainable growth. The assessment involves evaluating the significance of each sustainability issue based on its level of impact and influence on the Group. There are various factors taken into consideration including current economic, environmental, social and governance trends both locally and globally. The illustration below summarises our materiality assessment process.



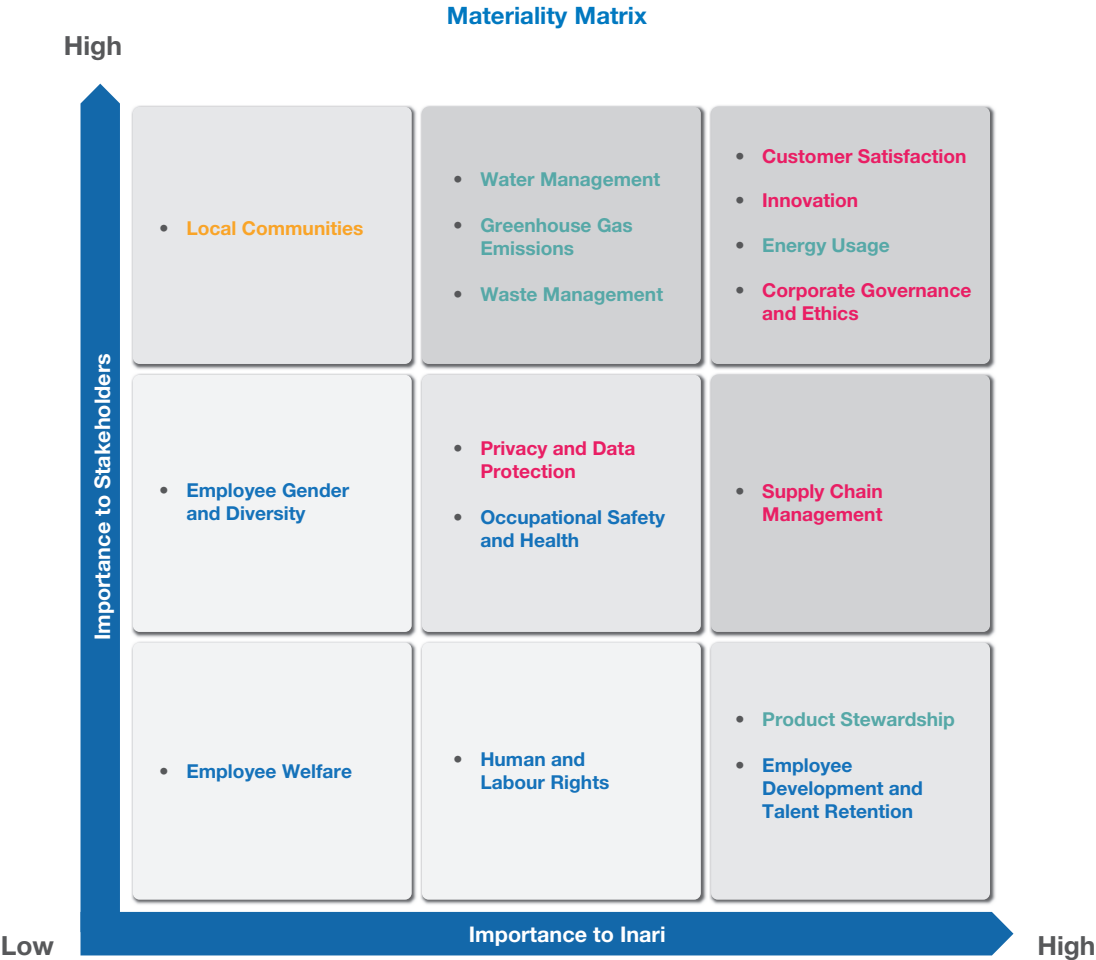
The materiality assessment process generates the materiality matrix, a visual representation of the Group's priorities. Each of the material sustainability matter reflects the concerns and interests of our stakeholder groups as well as its significance to the Group's business operations.

Our top material sustainability matters remained the same as previous year, namely (i) Customer Satisfaction; (ii) Innovation; (iii) Energy Usage; and (iv) Corporate Governance and Ethics. The remaining twelve (12) material sustainability matters are still important to the Group and are continuously being monitored and reported.

SUSTAINABILITY STATEMENT

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MATERIALITY ASSESSMENT (cont'd)



Legend:

- Economic
- Environment
- Workplace
- Local Communities

SUSTAINABILITY STATEMENT

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MATERIALITY ASSESSMENT (cont'd)

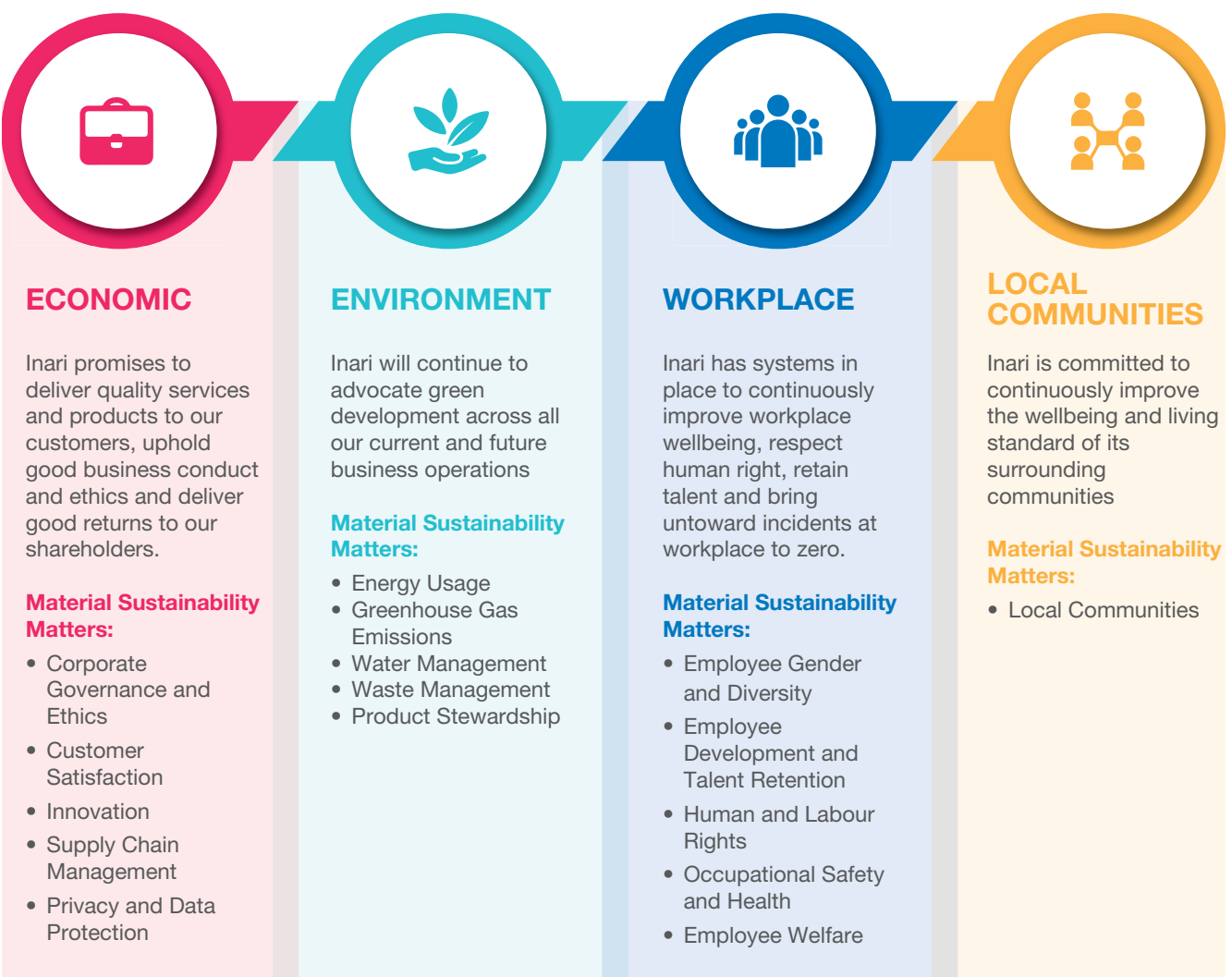
Material Sustainability Matter	Description
ECONOMIC	
Corporate Governance and Ethics	Ensure compliance with regulatory requirements and corporate values that are translated into internal controls, processes or guidelines to ensure that the business is conducted in an ethical and responsible manner
Customer Satisfaction	Creating positive customer experience through quality products and services to ensure satisfaction
Innovation	Developing innovative solutions through collaborative efforts to synergise technologies, skills and other strengths for common benefits
Supply Chain Management	Managing our relationships with suppliers through fair procurement practices and ensuring they comply with the supplier code of conduct that include economic, environmental, social and governance requirements and responsibilities
Privacy and Data Protection	Protecting private information for our suppliers, employees and customers through robust internal cybersecurity controls
ENVIRONMENT	
Energy Usage	Efforts to improve energy consumption efficiency
Greenhouse Gas (“GHG”) Emissions	Implementing internal controls to better manage our carbon footprint
Water Management	Efforts to improve water consumption efficiency
Waste Management	Efforts to decrease the generation of waste and to prevent waste to landfill
Product Stewardship	Ensuring products are safe throughout its lifecycle including proper management of our hazardous waste
WORKPLACE	
Employee Gender and Diversity	Embracing and promoting gender diversity and fostering an inclusive work environment
Employee Development and Talent Retention	Efforts to retain employees and develop their capabilities through various training programmes
Human and Labour Rights	Protection of the human and labour rights of our employees and addressing grievances accordingly
Occupational Safety and Health (“OSH”)	Safeguarding the health and safety of our employees with robust internal controls and standard operating procedures. Tracking and monitoring of incidents and developing corrective actions to address them
Employee Welfare	Looking after the wellbeing of our employees through various employee engagement activities and employee survey
LOCAL COMMUNITIES	
Local Communities	Supporting local communities through various CSR programmes for the underserved. Ensuring to hire locally where possible to benefit local communities

SUSTAINABILITY STATEMENT

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OUR SUSTAINABILITY STRATEGY

Our sustainability strategy is fortified by our four (4) Sustainability Pillars, namely (i) Economic; (ii) Environment; (iii) Workplace; and (iv) Local Communities. To demonstrate our commitment towards sustainable development, we have integrated each pillar within our business value chain.



SUSTAINABILITY STATEMENT

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OUR SUSTAINABILITY GOALS

At Inari, we constantly monitor our performance across our sustainability pillars. To further enforce our commitments, we have aligned our sustainability goals with the UNSDGs. We have identified and selected UNSDGs based on prioritisation of our sustainability initiatives and action plans.

The table below presents the overview of the sustainability goals and targets and our performance for FY2021.

Sustainability Strategy	Sustainability Goals	Performance in FY2021
Economic <ul style="list-style-type: none"> Corporate Governance and Ethics Customer Satisfaction Innovation Supply Chain Management Privacy and Data Protection    	<ul style="list-style-type: none"> Practice good corporate governance and ethics Deliver good returns to our shareholders Meet customers' requirements Deliver quality services and products Promote local suppliers 	<ul style="list-style-type: none"> Zero cases of non-compliance and ethical issue Revenue increased by 35.0% Profit after tax increased by 111.4% Dividend payout ratio: 113.5% Responded to all queries received from customers Zero cases related to breaches of privacy and data protection Our spending from local suppliers has increase over the years
Environment <ul style="list-style-type: none"> Energy Usage Greenhouse Gas Emissions Water Management Waste Management Product Stewardship    	<ul style="list-style-type: none"> Advocate green development alongside all our current and future business operations 	<ul style="list-style-type: none"> Decrease of 29% in energy intensity Decrease of 29% in GHG emissions intensity Decrease of 30% in water intensity 100% compliance with local regulatory requirements for wastewater discharge
Workplace <ul style="list-style-type: none"> Employee Gender and Diversity Employee Development and Talent Retention Human and Labour Rights Occupational Safety and Health Employee Welfare    	<ul style="list-style-type: none"> Improve workplace wellbeing Respect human rights Retain talent and succession planning Bring untoward incidents at the workplace to zero 	<ul style="list-style-type: none"> Achieved response rate of 83% with an overall score of 98% for employee engagement survey 64% of female employees in the global workforce Achieved 77,770 of total training hours with an average of 13 hours per employee 100% of employees received performance reviews Zero cases reported for forced/child labour, discrimination or grievances on human rights Zero incidents of workplace injury at operations in Malaysia and China
Local Communities <ul style="list-style-type: none"> Local Communities  	<ul style="list-style-type: none"> Contribute to the wellbeing and living standard of surrounding communities 	<ul style="list-style-type: none"> 3,600 volunteered hours, contributed by employees Contributed a total of RM1.15 million in CSR initiatives in FY2020/2021 Launched in-house face mask production line and produced 2 million face masks for distribution Contributed an unutilised section of our P34 plant in Batu Kawan as a Covid-19 Vaccination Centre where 20,628 individuals completed two (2) doses of vaccination 554 interns hired this year with a total of 3,359 interns hired to date

SUSTAINABILITY STATEMENT


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OUR COVID-19 RESPONSE



In the past year, the Covid-19 virus has continued to heavily impact operations of businesses around the world and we at Inari have faced the challenges brought on by the pandemic. The health and safety of our employees, clients, and community remain our utmost priority and we take great effort to implement measures at our facilities and offices to safeguard their well-being. In-line with the recommendations of the World Health Organisation (WHO) and the respective governments, we have developed and implemented measures to mitigate the transmission of this virus at our operations.

To ensure the safety of our employees and visitors, we have implemented the following measures:


- Temperature screening and registration on MySejahtera app, Itinerary Code & Health Code app, or StaySafe.ph app prior to entering Inari's premises

Malaysia

MySejahtera


Philippines

StaySafe.ph

China

行程码 (Itinerary Code)

苏康码 (Health Code)



- Mandatory face mask-wearing within Inari premises




- Close our plant to visitors with exceptions of strict health screening protocol
- Leverage on technology to conduct virtual meetings
- Introduction of Work-From-Home ("WFH") procedure for non-production employees to reduce the capacity and risk of exposure



- Enforcement of social distancing within the workplace and ensure our workplace/premises are frequently sanitised
- Segregation of employees into different working teams to prevent contact across different shifts and departments

- Declaration by employee on potential exposure to any positive cases and undergo quarantine and swab test



In addition to the above measures, our employees in Penang were also required to wear proximity sensors to log and alert any close physical contacts amongst employees to ensure safe social distancing limits are adhered to. Furthermore, the data logs generated from the sensors serve to facilitate contact tracing in the event any of our employees tested positive for Covid-19.

We have also contributed our efforts towards supporting the needs of the nation by embarking on our first in-house face mask production line. To-date, we have produced about 2 million pieces of 3-ply disposable surgical face masks which was distributed for our employees' use, as well as for contributions to hospitals, government quarantine centres and others as part of our corporate social responsibilities ("CSR") initiative. Inari also helped to alleviate challenges and cope with the impact of the pandemic faced by underserved communities during this time through the distribution of food packs and hygiene products.

Inari has also further supported the efforts in combatting Covid-19, by collaborating with authorities to contribute an unutilised section of our P34 plant located in Batu Kawan, Penang, Malaysia as a Vaccination Centre (Pusat Pemberian Vaksin: "PPV") approved under the Public-Private Partnership Covid-19 Industry Immunisation Programme ("PIKAS") launched by the Malaysian Government to intensify the immunisation efforts in the industrial and factory sectors. Our P34 plant commenced PPV-related activities on 22 July 2021 with the capacity to administer 1,500 doses of Covid-19 vaccine per day. Upon the completion of the PIKAS on 2 September 2021, a total of 20,628 individuals have completed their two (2) doses of vaccination at our P34 plant.

To learn more about our efforts, please refer to the Local Communities section of this Statement.

SUSTAINABILITY STATEMENT

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ECONOMIC

Better Results from Better Practices

CORPORATE GOVERNANCE AND ETHICS

Code of Business Conduct and Ethics

Inari fully recognises that organisations with good corporate culture will help employees comprehend and clearly apply the Group's mission/vision and beliefs as well as the policies established within their day-to-day work. Our corporate principles and standards are stated in our Code of Business Conduct and Ethics.

The Code defines our high expectation on each and every employee to carry out good business practice and high personal conduct, and to go beyond strict adherence to local laws and regulations. The Code also states explicitly that all forms of insider information and securities trading, bribery and corruption are prohibited. The Code also forbids employees and directors from offering and accepting gifts, benefits or entertainment from third parties which may create a sense of obligation and compromise their professional judgment or create an appearance of doing so.

We continue to communicate and institutionalise the Code to all Directors and employees to ensure they uphold and align with our ethical standards. Each employee will receive a copy of the Code which is an integral part of the terms and conditions of employment. Annually, all Directors and employees are required to make declaration to strictly observe and apply the provisions encapsulated within the Code.

In addition, all employees (except trainees and direct labour) are required to complete the Declaration of Conflict-of-Interest Form to declare any form of relationship that may exist between themselves or their family members with any organisations, projects, contracts or business dealings involving the Group. Similarly, declarations by all Directors are required by completing the Conflict-of-Interest and Related Party Transactions Form on an annual basis and/or on needs basis to avoid or mitigate the risk of conflicting interests.

In FY2021, we did not record any cases of non-compliance and breach of ethical issues.

Anti-Corruption and Bribery Policy

Our Anti-Corruption and Bribery Policy clearly states that Inari has zero-tolerance towards corruption and bribery. We strictly prohibit any of our Directors, employees and associated third parties from taking part in any form of corruption, bribery, extortion, embezzlement or any kind of money laundering activities.

Our Policy is approved and governed by our Board of Directors through the Audit Committee on the ethical framework, adequacy and integrity of the internal controls system in ensuring overall ethical health and compliance level with professional and ethical standards in managing risks of corruption, bribery and money laundering. The Policy covers salient areas pertaining to corruption and bribery such as gifts, entertainment, donations, and sponsorships. The Policy also necessitates strict adherence by all parties across the supply chain. Annually, we will review the Policy's relevance based on the latest regulations and requirements.

In line with the new corporate liability provision of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 which took effect on 1 June 2020, the Board of Directors had taken steps to direct the establishment of adequate procedures to prevent the commission of corrupt act by persons associated to the Group. We engaged with external consultant, KPMG Management & Risk Consulting Sdn Bhd ("KPMG"), to independently assess the adequacy of our policies and procedures on Inari's anti-corruption and bribery programme. The outcome of the assessment had led to the establishment of anti-corruption and bribery system as well as various enhancement made to our Board Charter, Anti-Corruption and Bribery Policy, Whistleblowing Policy and Procedures, Code of Business Conduct and Ethics, Supplier Code of Conduct, Terms of Reference of Board Committees and Internal Control System and Procedures across the Group.

SUSTAINABILITY STATEMENT

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ECONOMIC *(cont'd)*

Better Results from Better Practices

CORPORATE GOVERNANCE AND ETHICS *(cont'd)*

Anti-Corruption and Bribery Policy *(cont'd)*

All parties, who are subject to our Anti-Corruption and Bribery Policy, are required to complete the Corporate Social Responsibility, Donation and Sponsorship Form and Due Diligence Checklist and obtain approval from the relevant approving authority if they intend to provide or receive any sponsorships, donations and contribution to charity or social projects on behalf of our company. At Inari, we do not make charitable donations or contributions to political parties. Although employees and associated third parties acting in their personal capacity are not restricted to make any personal political donations, Inari will not make any reimbursement for these personal political contributions.

Additionally, corruption and bribery risk assessment will be conducted on an annual basis with intermittent assessments as and when necessary. During the financial year under review, the Board has engaged KPMG to conduct Corruption Risk Management ("CRM") assessment, which involves the independent assessment of the adequacy, effectiveness and integrity of the Group's risk management and internal control systems. The CRM assessment has been carried out across the Group based on the present and potential corruption risks. The assessment process took into account the potential impact and likelihood of occurrence, effectiveness of controls in place and action plans taken to mitigate the corruption risks. Various enhancements to the current anti-corruption system, policies and procedures have been further adopted including the development and establishment of Group Corruption Risk Management Framework and Corporate Liability and Sustainability Reporting Handbook.

Based on the outcome of CRM Assessment Report for FY2021, there were no reported incidents of corruption or breaches against our Anti-Corruption and Bribery Policy.

Whistleblowing Policy and Procedures

“ We encourage employees to come forward and voice their concerns and report any misconduct occurring in the organisation. We view whistleblowing as a positive act that can make a valuable contribution to the Group's efficiency and long-term success. ”

Inari has put in place a Whistleblowing Policy and Procedures to promote high standards of ethical conduct and has established proper channels for whistleblowing.

This Policy outlines the various reporting channels to provide Directors, employees and other stakeholders who have a business relationship with Inari an avenue to report suspected wrongdoings, unethical behaviours or workplace grievances that may cause adverse impact to the Group.

The whistleblowing reporting channels include making a report directly to the employees' immediate superior or to the designated officers, up to the Audit Committee Chairman. A report can be made verbally, writing via email or via the whistleblowing disclosure form as set out in the Whistleblowing Policy and Procedures. Alternately, employees may make a report via a whistleblowing hotline that is managed by an independent third party.

The Group treats all reports in a confidential manner and at the same time, the whistleblower shall be accorded protection of confidentiality of identity to the extent reasonably practicable, and protection against any adverse and detrimental actions and retaliations of all forms. In FY2021, we did not receive any cases of non-compliance and breaches of ethical issues through the whistleblowing channels.

Our policies and procedures namely the Code of Business Conduct and Ethics, Anti-Corruption and Bribery Policy, Whistleblowing Policy and Procedures are made available on our company's website at www.inari-amertron.com.

SUSTAINABILITY STATEMENT
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ECONOMIC (cont'd)
Better Results from Better Practices

CORPORATE GOVERNANCE AND ETHICS (cont'd)

Corporate Governance and Compliance

Inari is committed to the principles and best practices of corporate governance as laid out in the Bursa Malaysia Listing Requirements and MCCG. We ensure that the standards of corporate governance are being observed throughout the Group with the ultimate objective of enhancing long term shareholders value and returns to our stakeholders. Details of our corporate governance framework and practices are presented in the Corporate Governance Overview Statement on page 102 to 117 of this Annual Report as well as Corporate Governance Report which is available on the website of Bursa Malaysia.

Tax Governance

Taxation is important for Inari and for our stakeholders, therefore we actively manage, monitor and control our Group tax matters. We have formulated our tax strategy based on the local tax regulatory requirements in the countries where we operate including Malaysia, Philippines and China. Our tax strategy is incorporated into audited financial statements which is audited by external auditors and approved by the Board of Directors with recommendation from Audit Committee.

CUSTOMER SATISFACTION

The satisfaction of our customers is integral to the longevity of our business. We strive to understand and meet our customer's evolving expectations in delivering quality products continuously. We adopt a customer focused approach where any requests, concerns, or dissatisfaction are handled with close attention, urgency and confidentiality. We engage with our customers at every stage, from design and manufacturing to delivery to ensure tailored care when providing them with our services. Only by achieving consistent satisfaction of our customers, will we be able to build a trustful relationship.

Aside from regular meetings with customers, we respond to customer queries through the establishment of a systematic review process which is done periodically, based on the working level and functions involved. For all gaps identified we ensure that the appropriate action items are set out to resolve these concerns.

To ensure we maintained quality within our products and services, we are guided by our Quality Policy that enables us to achieve our quality objectives and commitment to excellence. Below summarises the tenets of our Quality Policy:

- Maintain the application of Quality Management System ("QMS") based on ISO 9001:2015 QMS model in general
- Improve our QMS effectiveness continuously while maintaining the performance of our products
- Produce safe and useful products that comply with applicable statutory and regulatory requirements as well as customers' requirements and specifications
- Enhance the efficiency of manufacturing processes through elimination of wastage and reduction of process variance
- Timely delivery of products and services constantly with zero defects
- Inculcate a mindset across our value chain that quality is the responsibility of all and require their total involvement and commitment

To review our quality of products and services, our customers assess our work based on various criterias quarterly. For this reporting period, we managed to meet the requirements based on the categories of customer quality and factory & facilities quality. The feedback received is crucial for us to enhance our processes and ensure that we are constantly meeting customer's increasing expectations and demands.

SUSTAINABILITY STATEMENT
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ECONOMIC (cont'd)
Better Results from Better Practices

CUSTOMER SATISFACTION (cont'd)

Branding and Reputation

By building a strong brand reputation, we are able to gain trust with existing and new potential customers which drives revenue and our bottom-line growth. Our brand reputation reflects our core value and strengthens confidence in our products and services. Through our relentless efforts, we strive to maintain being an outstanding OSAT provider and to be best-of-class in our industry.

The quality of our products and services can be proven by the numerous awards we have received over the years. They are testament to our hard work and efforts in delivering quality, technology solutions and operational excellence.

Below lists the awards presented to our business in recognizing Inari's efforts and achievements.

- Asiamoney Awards 2019 for The Most Outstanding Company in Malaysia - Semiconductor & Semiconductor Equipment Sector
- Industry Excellence Platinum Award 2019 organised by The Institution of Engineering and Technology (IET) Malaysia Network
- All Executive Team 2019 - ASEAN Most Honored Companies and Special Achievement Award for CEO and CFO organised by Investor Relations Professionals Association Singapore (IRPAS)
- Broadcom's Strong Partnership & Excellent Shipment Support for 2018
- The Edge Billion Ringgit Club Awards - Highest Returns on Equity Over Three Years and Highest Growth in Profit After Tax Over Three Years in 2018; High Returns to Shareholders Over Three Years in 2016
- MIRA Best CEO for Investor Relations (Mid Cap) 2018
- Financial Times FT1000 High-Growth Companies Asia Pacific 2018
- Broadcom's Best Supplier Award (Best Contract Manufacturers) for 2010, 2015 and 2017
- Forbes Asia 200 Best Under A Billion Company Award for 2014, 2015 and 2016
- BestBrands Blue Chip Award 2013 (Electronics Manufacturing) by the BrandLaureate SMEs

INNOVATION

“ Think ahead and always stay relevant to the needs of our customers ”

Given the rapid pace of technological change in today's connected and digitalised world, aligning research and development goals to market opportunities is key to growing our business. We place importance on continuous improvement across our organisation and value chain as we aim to strengthen our competitive advantage and stay ahead of our competitors. As such, innovation is woven deeply into our corporate culture, people as well as the products and solutions we offer – a testament to innovation being placed at the center of everything we do. We ensure process efficiency and meeting both market and customer demands.

Process Innovation and Industry 4.0

Presently, the world is witnessing how the new industrial revolution is advancing the manufacturing industry with the focus on interconnectivity, automation, machine learning and real-time data. Companies are integrating and enabling technologies, including Internet of Things (IoT), cloud computing & analytics, and artificial intelligence & machine learning into production facilities and throughout the operations. Being one of the top industry players, Inari has embarked on this journey since 2017.

SUSTAINABILITY STATEMENT

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ECONOMIC (cont'd)

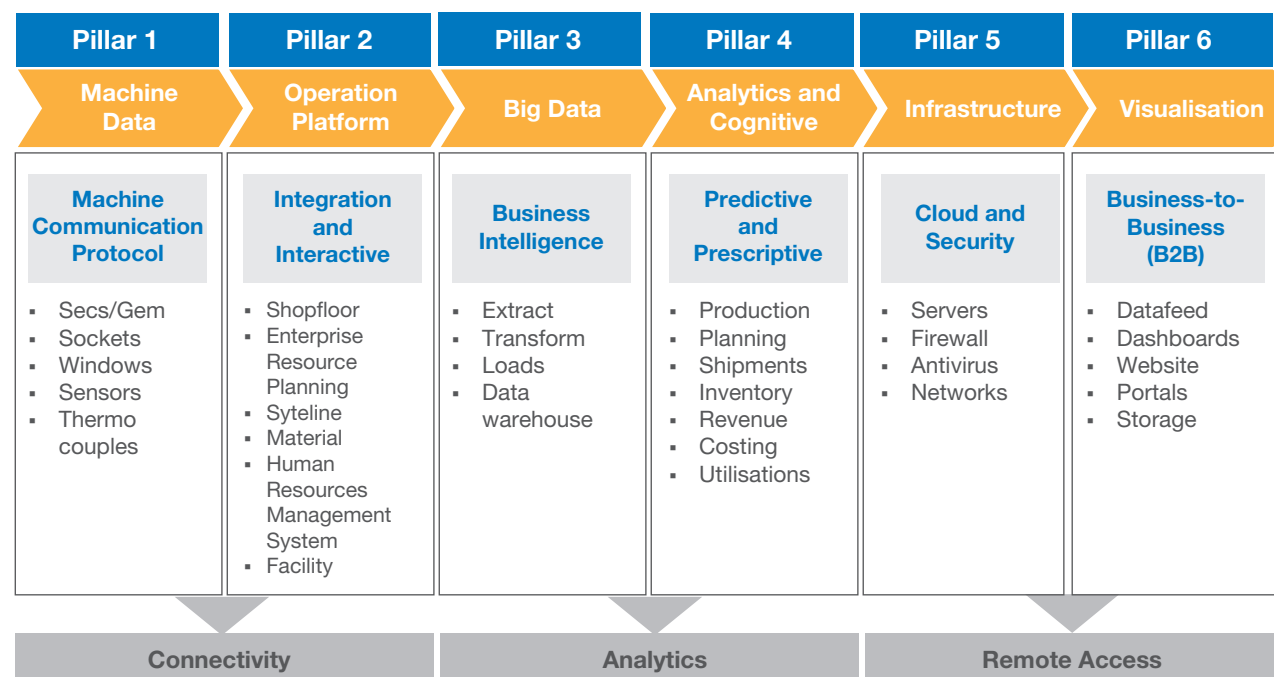
Better Results from Better Practices

INNOVATION (cont'd)

Process Innovation and Industry 4.0 (cont'd)

To ensure we are continuously driving innovation, our operations are guided by our six (6) Technology Advancement pillars, which comprise (i) Machine Data; (ii) Operation Platform; (iii) Big Data; (iv) Analytics and Cognitive; (v) Infrastructure and (vi) Visualisation.

Inari's Technology Advancement Pillars



Operational Excellence through Innovation

Inari actively collaborates with local partners to synergise technologies, skills, competitive advantages and strengths by meeting common goals. We work closely with several local vision automation houses, equipment & system automation providers, original equipment manufacturers (OEM) and sensor & related solution providers.

We have developed an Automation Strategy to guide the Group on the customised processes to achieve higher throughput, productivity and quality. During the financial year under review, we have revised our automation strategy by introducing additional phase, which is the Phase 4: Integration of System to ensure completeness of the process. Diagram below presents the summary of our automation strategy with our local partners.

SUSTAINABILITY STATEMENT

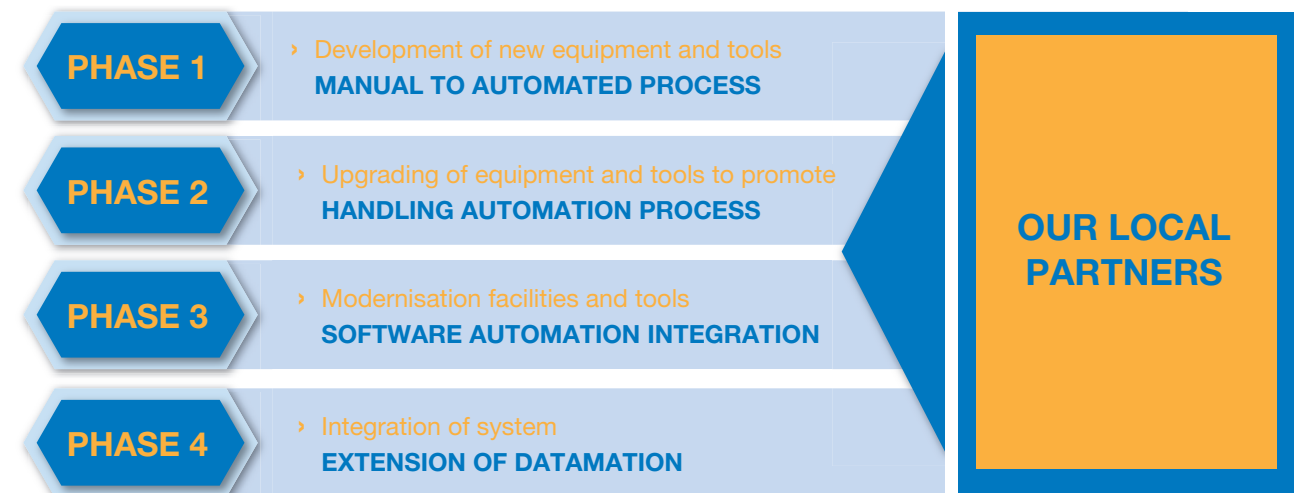
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ECONOMIC (cont'd)

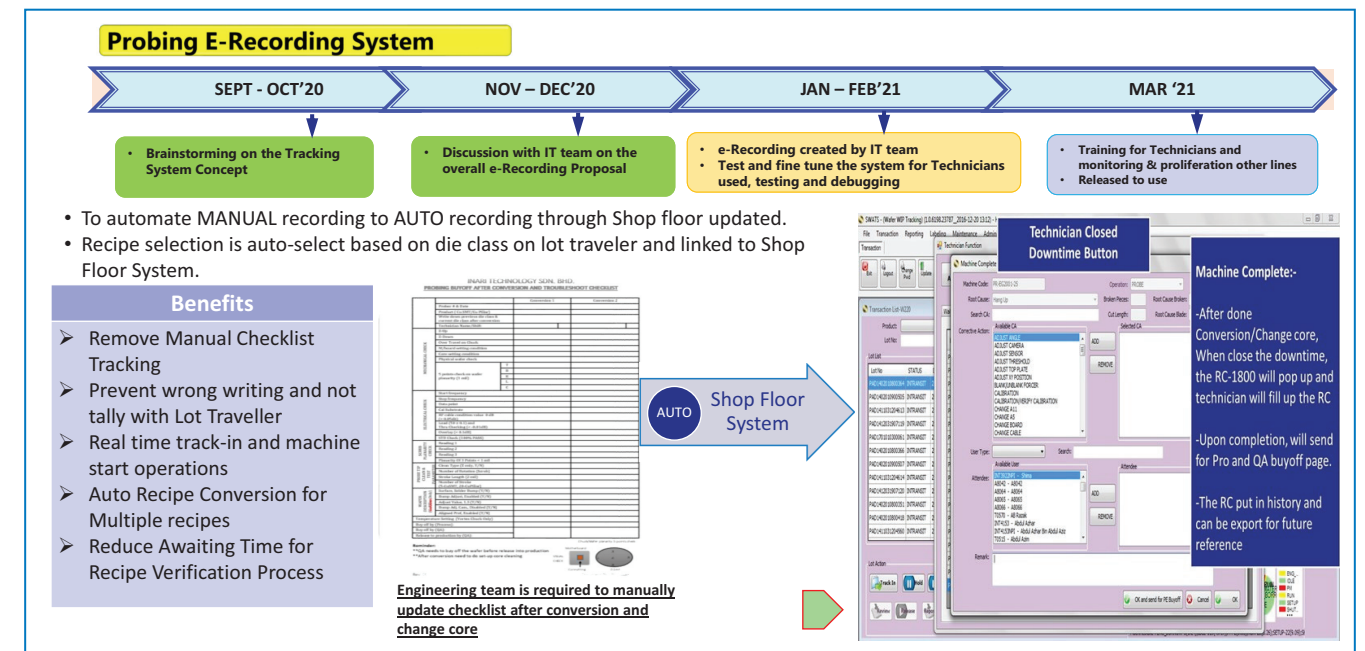
Better Results from Better Practices

INNOVATION (cont'd)

Operational Excellence through Innovation (cont'd)



Probing E-Recording System



SUSTAINABILITY STATEMENT

cont'd

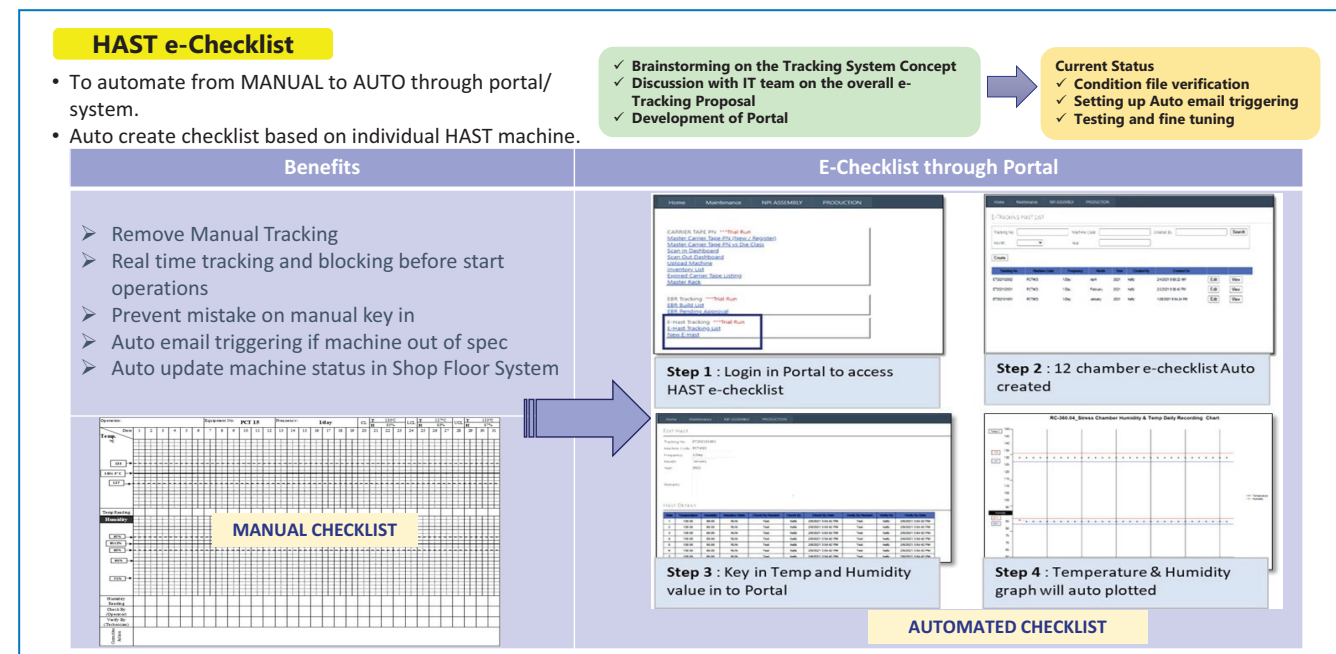
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Better Results from Better Practices

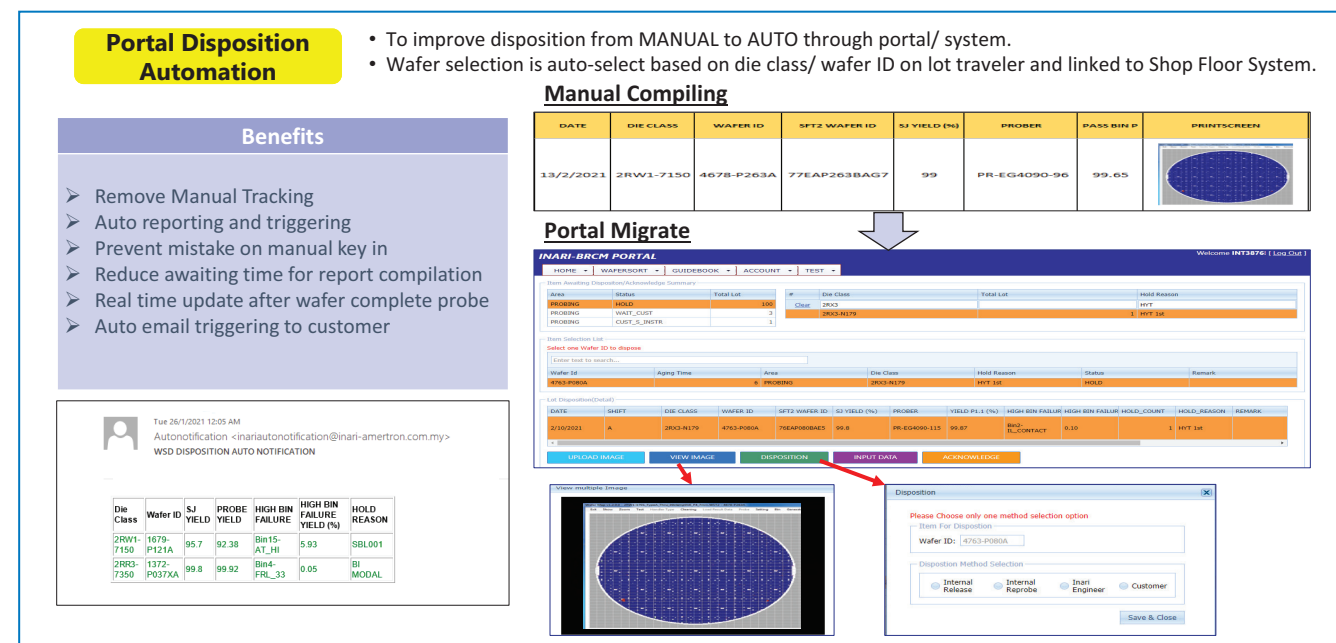
INNOVATION (cont'd)

Operational Excellence through Innovation (cont'd)

Hast e-Checklist



Portal Disposition Automation



SUSTAINABILITY STATEMENT

cont'd

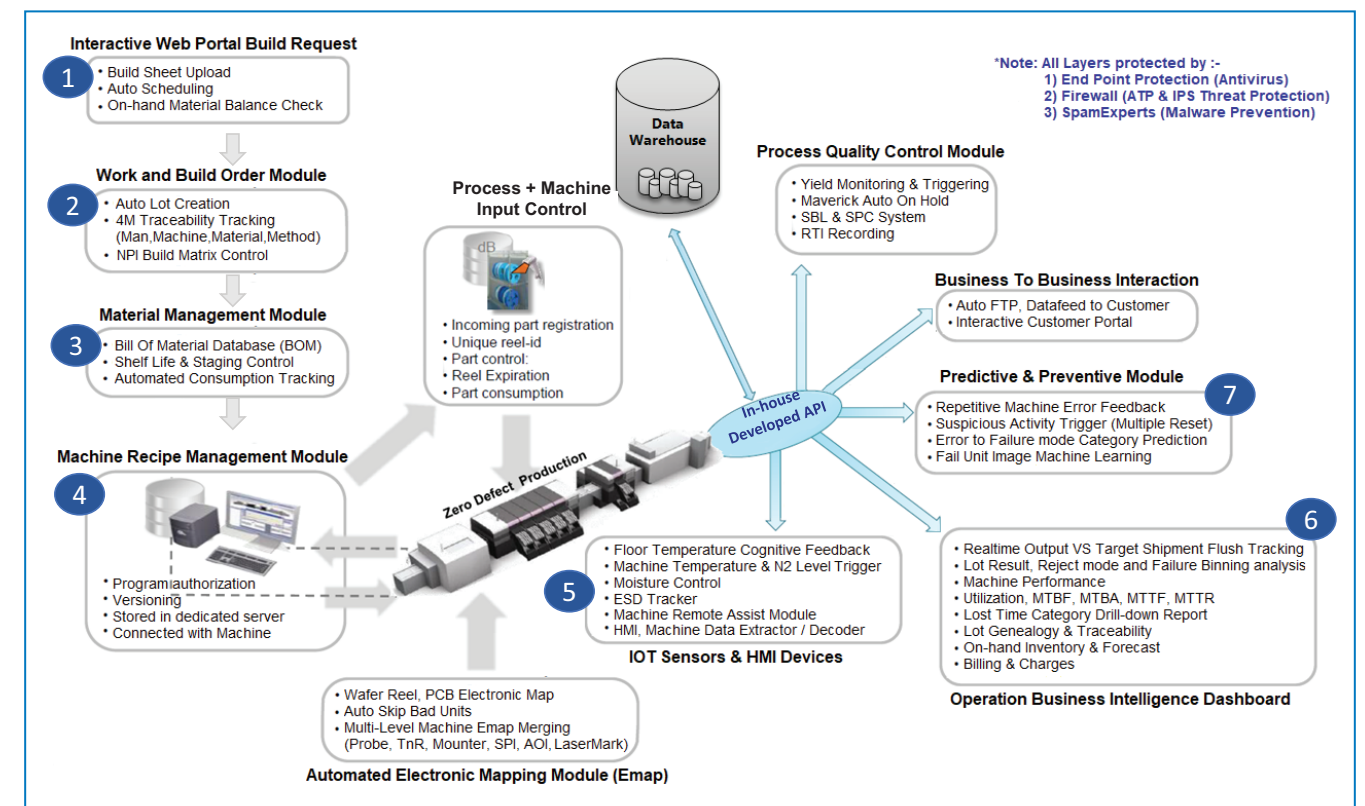
ECONOMIC (cont'd)

Better Results from Better Practices

INNOVATION (cont'd)

Operational Excellence through Innovation (cont'd)

Additionally, we have developed the Inari Manufacturing Execution System (“IMES”) to strengthen its real-time operations tracking and triggering. The IMES connectivity allows fully integrated operations which help all levels of the operational teams to prepare, run and control the high-volume manufacturing operations in a lean and efficient manner for all circumstances of order fulfillment. The diagram below summarises Inari’s in-house developed IMES process for implementation of Industry 4.0.



SUSTAINABILITY STATEMENT

ECONOMIC (cont'd)

Better Results from Better Practices

INNOVATION (cont'd)

Operational Excellence through Innovation (cont'd)

Engineering Build Request (“EBR”) and Material Management

1 2 3 EBR & MATERIAL MANAGEMENT

1. **Engineering Build Request** submission (Build & Shipment Instruction)
2. Process Routing Control
3. Automated Material & Inventory Validation
4. Realtime Inventory, Build Schedule/ Loading & WIP Tracking Report
5. EBR Billing Forecast
6. B2B Data Feed to Customer


(Lot Genealogy, WIP Consumption & Traceability,
Yield & Defect Breakdown, DO/Shipment Pre-alert & etc.)

Inventory (BAZA)									
PC (PAWSE)			DDE (4.70R)			COMPONENTE (DINT)			
BAZA10002	1		28K3-1701-8150-NP1-175		106453	GJMB0225C18CBW000=	<=	33076	
BAZA10002P1	9		28K8-1701-8150-NP1-175		054088	GJFMB0225C18CBW000=	<=	40000	
BAZA10002P2	10		28K8-1701-8150-NP1-175		07135	6-GJMB0225C18CBW000=	<=	330	
BAZA10002	35		32P5-1701-8150-NP1-175		105532	6-GJMB0225C18CBW000=	<=	93644	
BAZA10002P	42								
BAZA10002	43		32P7-8126 TR1		64191				
BAZA10002	43								
BAZA10002	6								
BAZA00002	6								
BAZA00001	1								

EBR Request Form

Project/Module Name : Revision :

EBR Name (EBR#) : Qty Panel : Qty Build :

Start Date : 

PE Name : [Add PE Name](#)

Shipment Location : [Add Location](#)

Build Location : [Add Location](#)

Machine : [Add Machine](#)

Require MCOB : ☐ YES ☒ NO Require 2D1D : ☐ YES ☒ NO

EBR Purpose :

Upload File : No file chosen

SUBMIT FOR MATERIAL CHECKING

Record No	Item	Message	Result
1	WalerLot	Waler DHS53-001-05 Insufficient QTY detected in Ixart Shopfloor (2476)	FAIL
1	WalerMap	Same waler map (DHS53-001-05-A5) found in other EBR (EBR-000055-INK). Please use different map name. (RM# 1)	FAIL
2	WalerLot	Waler DHS53-001-06 Insufficient QTY detected in Ixart Shopfloor (2252)	FAIL

Validation Fail

Save Validate Submit Clear Cancel

SUSTAINABILITY STATEMENT

ECONOMIC (cont'd)

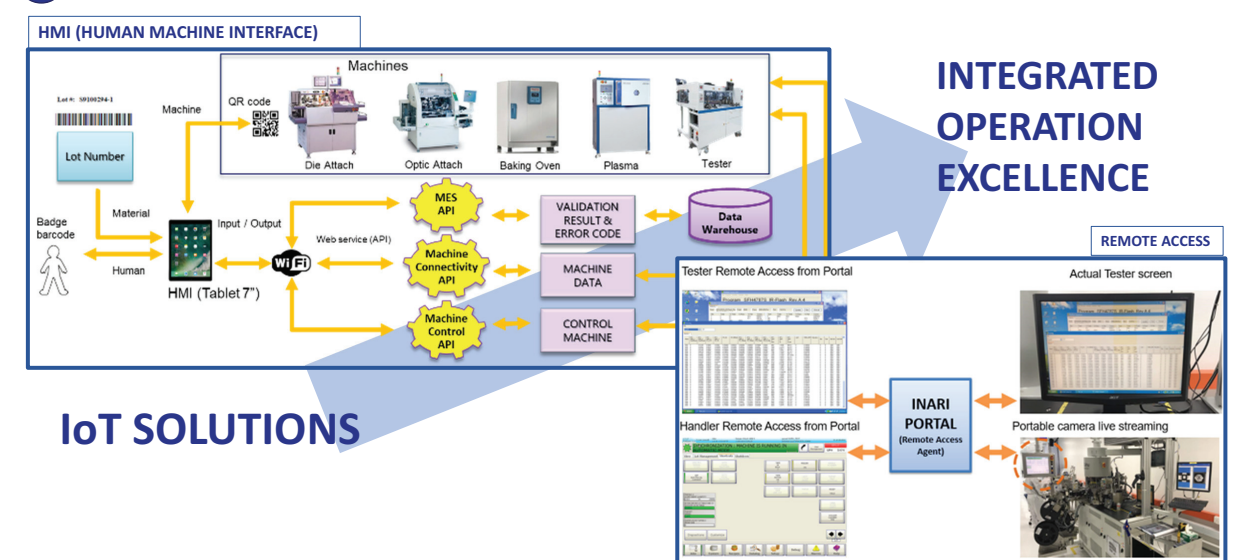
Better Results from Better Practices

INNOVATION (cont'd)

Operational Excellence through Innovation (cont'd)

Human Machine Interface (“HMI”) and Remote Access

5 HUMAN MACHINE INTERFACE AND REMOTE ACCESS



Recipe Management System (“RMS”)

4 RECIPE MANAGEMENT SYSTEM (RMS)

- Improve Sawing Recipe selection from MANUAL to AUTO CALL RECIPE through 2D barcode apps using tablet/phone scanners.
- Auto-select of machine recipe based on die class on and linked to Shop Floor System.

Portable HMI interface	
<ul style="list-style-type: none"> <input type="checkbox"/> Barcode scanning using tablet camera <input type="checkbox"/> Operator ID Authentication <ul style="list-style-type: none"> • Valid EMP # • Training certification <input type="checkbox"/> Lot transaction <ul style="list-style-type: none"> • Transaction IN/OUT/Cancel 	<ul style="list-style-type: none"> <input type="checkbox"/> Material transaction <ul style="list-style-type: none"> • Material IN/OUT • Material replenish <input type="checkbox"/> Recipe Management (RMS) <input type="checkbox"/> Machine Downtime tracking

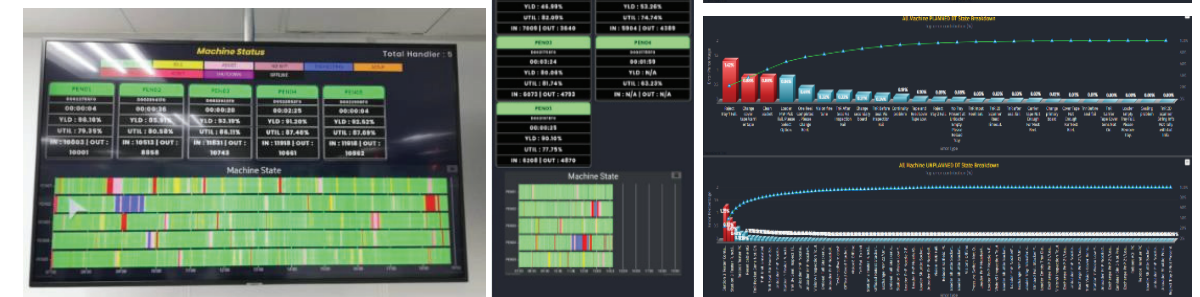
RMS PORTAL											
RMS			RMS Background			RMS Saving					
ID#	On-Cell Class	Machine Type	Process	Machine Model	Sub Type	Temp	Size	Product	Before Load 1	Before Type 1	After Lower Car WH
2398	2403-BL36	DSBC3	SARING DSBC3	DPK0K91	HCC2205K4	2403-LSD	3	PA30ICP	0	0	0
2397	2406-B330	DSBC3	SARING DSBC3	DPK0K91	HCC2205K4	2406-LB5	3	PA30ICP	0	0	0
2396	2417-4041	DSBC3	SARING DSBC3	DPK0K91	HCC2205K4	2417-LSD	3	PA30ICP	0	0	0
2395	2417-4041	DSBC3	SARING DSBC3	DPK0K91	HCC2205K4	2417-LSD	3	PA30ICP	0	0	0
2394	2422-B330	DSBC3	SARING DSBC3	DPK0K91	HCC2205K4	2422-LB5	3	PA30ICP	0	0	0
2393	2404-B330	DSBC3	SARING DSBC3	DPK0K91	HCC2205K4	2404-LB5	3	PA30ICP	0	0	0

BENEFITS	
❖	Remove Manual Checklist Tracking
❖	Prevent Wrong Recipe Selection
❖	Real Time track-in and machine start operations
❖	Auto Recipe Conversion for Multiple recipes
❖	Reduce Awaiting Time for Recipe Verification Process

6 IN-HOUSE DEVELOPED LIVE DASHBOARD PORTAL

Live Dashboard Portal

1. Real-time Tester Performance Status
2. Machine Utilisation
3. Yield Monitoring/ Pareto Chart
4. Machine Plan/ Unplanned Downtime Monitoring
5. Failure Binning Summary/ Breakdown
6. Remote Access Capabilities (VNC/ VPN)



SUSTAINABILITY STATEMENT

cont'd

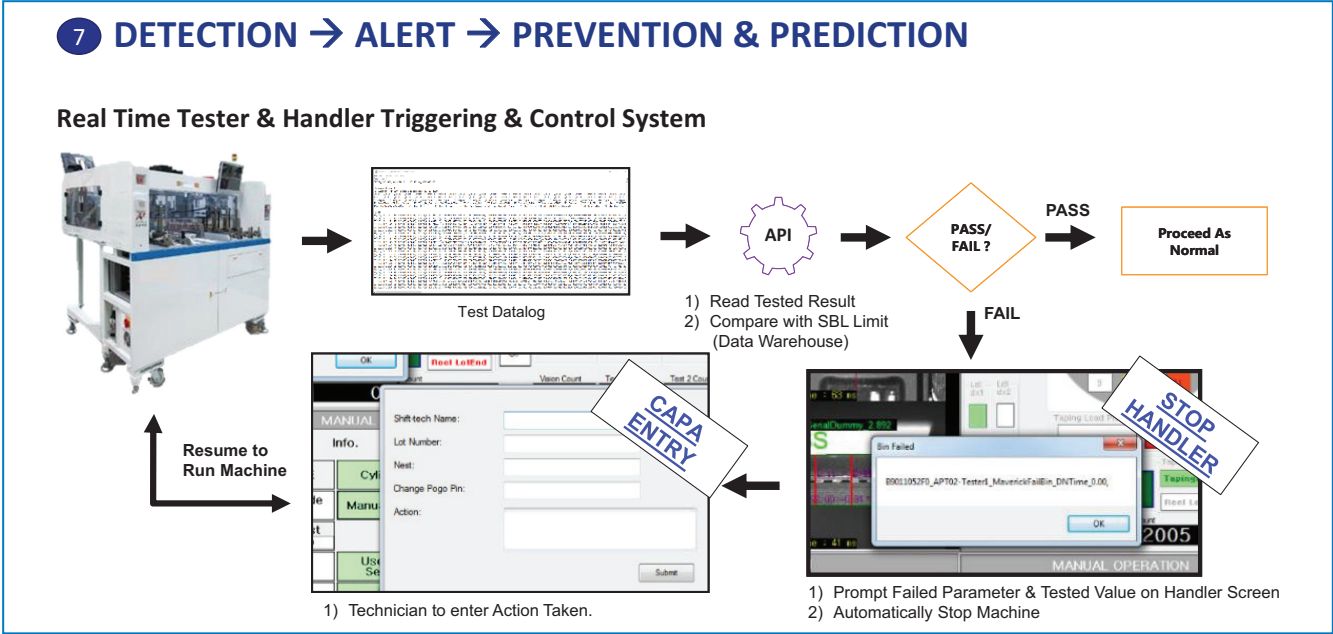
ECONOMIC (cont'd)

Better Results from Better Practices

INNOVATION (cont'd)

Operational Excellence through Innovation (cont'd)

Real Time Tester & Handler Triggering & Control System



In addition to internal initiatives and commitments, Inari collaborates with external parties such as system integrators, equipment suppliers, academia and government agencies through knowledge sharing. The list below presents some of the initiatives conducted by Inari showcasing our efforts to improve the manufacturing industry landscape in FY2021.

Date	Initiatives/Events
August 2020	■ Participated as the Industrial Judge panel for the “Design Thinking - Industry 4.0 Approach” organised by INTI College Penang
September 2020	■ Participated in the formation of “Electrical & Electronic (“E&E”) Industry Roadmap 2021-2030” which will be the guideline for the ‘New Industrial Masterplan (NIMP), organised by Ministry of International Trade and Industry(MITI) and Ministry of Science, Technology and Innovation (MOSTI)
October 2020	■ Presented the “Replicating the Successful Model” which featured the “Waterfall Effect” to MIDA on development program, initiated by Inari to further develop local SME
November 2020	■ Inari is the Chairman of the “E&E Marketplace of Malaysia (“EEMM”)” which is the portal for local and international suppliers under electrical and electronic sector to promote, present and search the products and services online. The EEMM portal was officially launched under E&E Productivity Nexus of Malaysian Productivity Corporations
December 2020	■ Presented “The Business Model in the Industry, Risk and Challenges Faced (EE Sector)” and become the panelist in the forum organised by Bank Negara Malaysia to give the business overview and bridge the information to the participating financial institutions with the identified high-tech sectors

SUSTAINABILITY STATEMENT

cont'd

ECONOMIC (cont'd)

Better Results from Better Practices

INNOVATION (cont'd)

Operational Excellence through Innovation (cont'd)

Date	Initiatives/Events
January 2021	■ 18 engineers and technicians from Inari attended the “Strategic Workforce Transformation Program” organised by Penang Skills Development Centre to develop and train on the IoT and Artificial Intelligence functions in operations ■ 5 (five) managers attended the “Advanced Semiconductor Technology Conference” organised by Semi with the theme of “Towards Connecting, Sensing, Predicting and Optimising Manufacturing Operation in the Digital Age” ■ Participated in the “Artificial Intelligence for SMEs (Ai4s) Program Inception” organised by Malaysian Investment Development Authority (MIDA) ■ Officially registered with MSIA under the Malaysian Productivity Corporation (MPC) and our Group CEO, Mr. Lau Kean Cheong is one of the committee member
February 2021	■ Joined as the committee member of the “Industrial Advising Committee for Politeknik Seberang Prai” for 2021 to 2022
March 2021	■ Participated in the “Artificial Intelligence 7 Big Data in Operation” organised by BIGIT Campus
June 2021	■ Conducted online presentation to Politeknik Seberang Prai on “Industry 4.0 – Awareness and Preparing for Graduating Students” towards employment ■ Joined as the Alternate Chairman for “Industry 4.0-i-Connect” founding members team, organised by Crest and Nano Malaysia Berhad

SUPPLY CHAIN MANAGEMENT

Supply chain management is an essential part of business success. As a responsible corporation, it is our duty to manage our overall operations in a sustainable manner. At Inari, we actively engage our suppliers to minimise any risks of non-compliance related to human rights, labour standards and environmental management across all our business value chain. We are cognisant that our operational performance of our supply chain will impact customer’s perception towards the business. Thus, we are highly committed to provide ethical products and services to our customers and at the same time supporting our suppliers and their employees.

Internally, we design our procurement processes to select and retain suppliers through a non-discriminatory bidding and tendering process. With our international footprint and market presence, our procurement processes are required to comply with relevant laws and regulations in the different jurisdictions that we operate to reflect our on-going commitment to sustainable procurement practices.

Supplier Code of Conduct

We aim to establish a mutually beneficial relationships with our suppliers. To achieve this, we developed our Supplier Code of Conduct (“SCOC”) as standard terms and conditions to ensure our requirements are communicated and made clear to our suppliers. Our SCOC is also translated into relevant languages and is communicated globally to all our suppliers. Our environmental and social, corporate governance standards are outlined below, which makes reference to the Responsible Business Alliance Code of Conduct, GRI Standards, United Nations Global Compact Initiative, United Declaration of Human Rights, and International Labour Organisation Conventions.

SUSTAINABILITY STATEMENT
cont'd

ECONOMIC (cont'd)
Better Results from Better Practices

SUPPLY CHAIN MANAGEMENT (cont'd)

Supplier Code of Conduct (cont'd)

Environment	Social	Governance
<ul style="list-style-type: none">■ Comply with all local and international regulations on environmental, health and safety matters.■ Use resources efficiently, apply energy and water-efficient environmentally friendly technologies and reduce waste as well as gas emissions.■ Adopt appropriate management systems to ensure product quality and safety meet the applicable requirements.■ Minimise the negative impact on biodiversity, climate change, pollution and water scarcity.■ Identify the potential safety and health issues, and minimise their impact by implementing occupational safety and health procedures (including emergency reporting, employee notification & evacuation procedures, employees training and drills, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans).	<ul style="list-style-type: none">■ Respect personal dignity, privacy and rights of each individual.■ Support the protection of human rights and prohibit any forced labour and child labour.■ Uphold the freedom of association and the right to collective bargaining.■ Provide a workplace free of harassment, harsh and inhumane treatment and discrimination of any kind.■ Ensure the employees are fairly compensated, comply with local laws on minimum wages and working hours.■ Enable all of the stakeholders to report concerns or potentially unlawful practices at the workplace via our whistleblowing channel.	<ul style="list-style-type: none">■ Abide by all applicable local and international trade laws and regulations.■ Consider business integrity as the basis of business relationships.■ Prohibit all types of bribery, corruption and money laundering.■ Endeavour to deal fairly and should not take unfair advantage of anyone through the manipulation, concealment, abuse of privileged information, misrepresentation of a material fact or any other unfair business practices.■ Declare any potential or actual conflicts of interest.■ Respect the privacy and confidentiality of information of all the employees and business partners as well as protect data and intellectual property from misuse.

In addition to the SCOC, we expect continuous improvement from our suppliers in terms of economic, environmental and social, corporate governance performance. To ensure commitment from our suppliers, we have prepared a Supplier Declaration Form (“SDF”) reflecting our principles of which all suppliers are requested to sign. The intention of this SDF is to increase awareness and improve transparency, economic, environmental and social, corporate governance adherence and integrity of Inari’s supply chain.

Fair Procurement Practices and Supplier Screening

We believe that our sourcing process is key to conducting successful tender projects together with our suppliers that add value to Inari as well as to the communities in which we operate. Presently, our sourcing process and procedure are governed by our Procurement Policy. We will ensure all suppliers are treated fairly and equally. Additionally, we strive to establish a common objective with our suppliers to achieve a favourable balance between quality and price whilst fulfilling the economic, environmental and social, corporate governance requirements.

To ensure ethical business operations, we have maintained a checklist for new vendor selection request. We will assess our suppliers in term of quality, pricing, delivery lead time, product certification (which includes the assessment of environmental and social performance) as well as organisation background. We carry out due diligence assessments on all the suppliers vide Supplier Due Diligence Questionnaire in our Procurement Policy.

SUSTAINABILITY STATEMENT
cont'd

ECONOMIC (cont'd)
Better Results from Better Practices

SUPPLY CHAIN MANAGEMENT (cont'd)

Supporting Local Ecosystem and Local Procurement

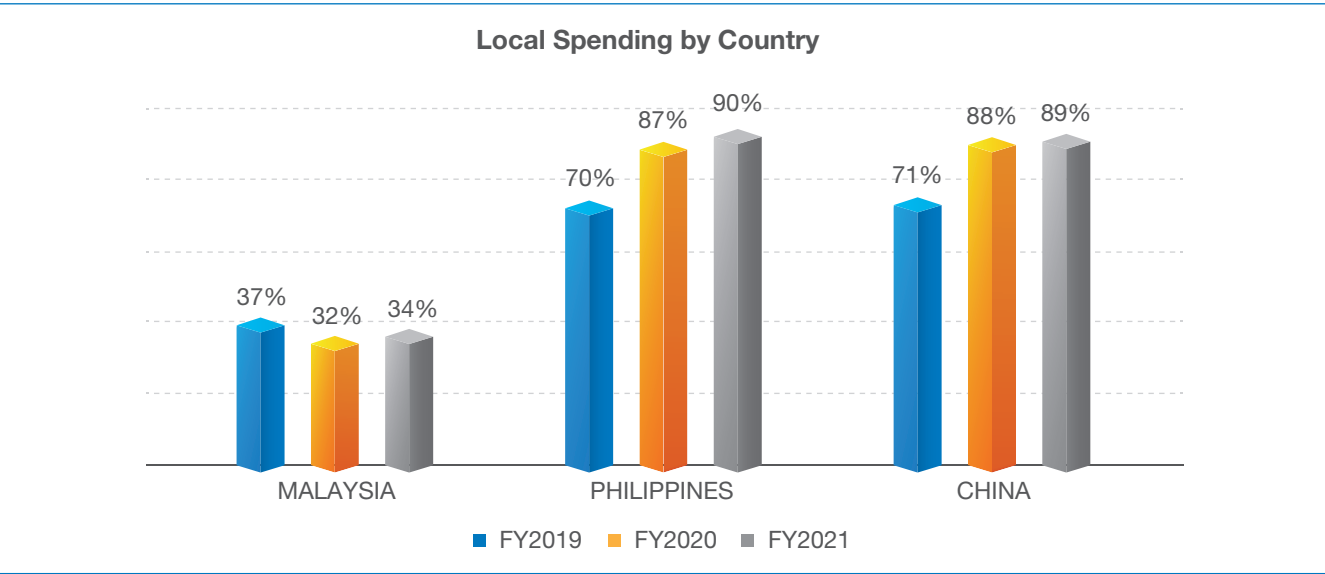
We strongly believe the health of the local electronics and electrical ecosystem is an important requirement in our long-term economic sustainability. Over the years, we have been initiating with various local equipment manufacturers and academia to co-develop or improve existing equipment performance and create new automation, machine connectivity and data extraction systems. These collaborations also formed part of our Industry 4.0 framework.

Our concerted efforts have created new capabilities and platforms which benefits local equipment manufacturers by enhancing their company portfolios and profiles. This has also further enabled Inari in supporting industries such as metal fabrication and component suppliers to increase their revenues thereby creating more employment opportunities. The academia sector also benefits in this programme as university-owned research and development are used and tested in an industry environment, concurrently providing platforms for students and lecturers to gain up-to-date knowledge and practical experiences.

At Inari, we continue to prioritise procurement of goods and services from local suppliers who meet the standards we require. By promoting local suppliers, Inari is able to reduce dependency on foreign equipment and the impact of foreign exchange fluctuations through local purchases. In term of business operations, working with local equipment improves production and development turnaround time with services and support from local suppliers and academia. Ultimately, we will be contributing a direct positive economic impact on the communities where we operate.

Inari strives to retain the cost-effectiveness of our supplier base by continuously engaging with the local suppliers for our indirect material. The proportion of our spending from local suppliers has increase over the years as shown below.

Proportion of spending	Unit	FY2019		FY2020		FY2021	
		Local Suppliers	Foreign Suppliers	Local Suppliers	Foreign Suppliers	Local Suppliers	Foreign Suppliers
Malaysia	Percentage (%)	37	63	32	68	34	66
Philippines	Percentage (%)	70	30	87	13	90	10
China	Percentage (%)	71	29	88	12	89	11



SUSTAINABILITY STATEMENT
cont'd

ECONOMIC (cont'd)
Better Results from Better Practices

SUPPLY CHAIN MANAGEMENT (cont'd)

Conflict-Free Minerals Policy

In addition to our supply chain management practices, we have established a Conflict-Free Mineral Policy to ensure that material defined as conflict minerals do not directly or indirectly finance or benefit the armed groups in the Democratic Republic of the Congo, or any adjoining countries while continuing to support responsible mineral sourcing in the region.

Inari has defined its Conflict Minerals Due Diligence Programme as aligned with the framework of “Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Area” promulgated by the Organisation for Economic Cooperation and Development. Inari has also evaluated its internal controls for conflict minerals and encourage our suppliers to conduct similar evaluation with their suppliers.

We also encourage our suppliers to purchase minerals from smelters who are listed on the Conflict-Free Smelter Program Compliant Smelter List to ensure the materials used in our supply chain are conflict-free. Our Conflict-Free Minerals Policy is made available on our company’s website.

PRIVACY AND DATA PROTECTION

As technology becomes increasingly integral to the workplace to enable more effective and efficient forms of collaboration, it is imperative that Inari is able to manage the threats and increasing risk of cyber-attacks to the Company. Inari is committed to protecting the private information and personal data of our customers, suppliers, and employees.

Our cybersecurity measures and practices ensure that information is appropriately and lawfully shared and that data is handled with the utmost care, done confidentially and with integrity. We comply with the regulations on the Personal Data Protection Act which apply to dealing with and processing personal data in commercial transactions. All information and personal data are secured through the use of our integrated data protection and information security strategy.

Below lists the key internal controls to protect data privacy:

- ✓ Protect our technology resources and assets with encryption, firewalls, antivirus or anti-malware software, automated patching and security vulnerability assessments
- ✓ Use appropriate physical and organisational security measures to protect personal data
- ✓ Require all employees to comply with Inari’s Code of Business Conduct and Ethics
- ✓ Provide training and awareness programmes on data security and proper handling of information
- ✓ Sign Non-Disclosure Agreements between Inari and customers, suppliers and contractors
- ✓ Annual simulation on disaster recovery
- ✓ Use of antivirus, firewall, data backup and use of multiple internet service providers to ensure connectivity

Due to our data privacy and protection efforts, we have received zero cases related to breaches of data or complaints from external stakeholders.

SUSTAINABILITY STATEMENT
cont'd

ENVIRONMENT
Caring for our Planet

“ We aim to deliver green and safe products and services while maintaining the good of the environment ”

Responsible stewardship of the environment is no longer a voluntary decision, but it has emerged to be a critical action to future proof our business. The ongoing discussions and calls for companies to act on climate change has accelerated the transition to low carbon products and services to ensure environmental impacts are reduced and managed in a responsible manner. Against this backdrop, we are committed to providing environmentally friendly products to our customers and improving practices along our value chain for the efficient and responsible use of all resources.

Presently, our environmental management and practices are governed by the Environmental Policy. The key areas of focus in our environmental and climate change management are to enhance energy consumption efficiency, reduce GHG emission, ensure efficient use of water resources, and maximise recovery, re-use and recycling activities. Our Environmental Policy is outlined below, which is also made available on our company’s website.

Environmental Policy
<ul style="list-style-type: none">■ We use only environmentally safe materials that comply with Restriction of Certain Hazardous Substances (“RoHS”), Registration, Evaluation, Authorisation and Restriction of Chemicals (“REACH”) and Halogen-free requirements in our products and processes.■ We establish objectives, targets and standards for continuous environmental improvement and protection.■ We prevent water, air and noise pollution, reduce waste and minimise the consumption of natural resources.■ We always comply with relevant environmental regulations and customer’s specific requirements.■ We educate, train and motivate employees to be environmentally friendly in a responsible manner.■ We encourage and influence environmental protection among the suppliers and subcontractors.

Certifications

Our efforts in managing our environmental and climate change management have led our operations to receive several certifications in relation to Environment, Health and Safety (“EHS”) compliance from local and international governing bodies which recognise our efforts in preserving the environment.



SUSTAINABILITY STATEMENT

cont'd

ENVIRONMENT (cont'd)
Caring for our Planet

Biodiversity

Inari is supportive to the preservation of biodiversity in the regions where we operate. We have chosen our operation sites diligently to ensure that our operation sites are not located within close proximity to any reserved forest or protected habitat. Our operation sites are located at the industrial zones in Malaysia, Philippines and China as detailed below:

- Bayan Lepas Free Industrial Zone, Penang, Malaysia;
- Bayan Lepas Non-Free Industrial Zone, Penang, Malaysia;
- Batu Kawan Industrial Park, Penang, Malaysia;
- Clark Freeport Zone, Clarkfield, Philippines; and
- Kunshan Comprehensive Bonded Zones, Jiangsu, China.

Environmental compliance

In FY2021, we complied with all relevant environmental regulations and no sanctions resulting from non-compliance for our operations in Malaysia, Philippines and China.

ENERGY USAGE

During the financial year under review, we continue to focus our investments in environmental technologies and efforts in improving plant operations management systems that result in the delivery of products manufactured through processes that reduce our environmental footprint.

Our initiatives on energy-efficiency projects as at FY2021 are listed below:

Energy-efficiency projects	Purpose	Target saving	Status
Installation of solar panel at P13 and P55	Green energy	92,171 kWh per month	In-progress
Installation of solar panel at P21	Green energy	63,747 kWh per month	In-progress
Conversion of screw compressor to centrifugal compressor at P3	Energy efficiency	161 kW per month	Completed
Conversion of screw compressor to centrifugal compressor at P13	Energy efficiency	161 kW per month	Completed
Conversion of T8 lighting to light-emitting diode (“LED”) tube at P1	Energy efficiency	115 kW per month	Completed
Conversion of T8 lighting to LED tube at P3	Energy efficiency	12 kW per month	Completed
Conversion of T8 lighting to LED tube at P5	Energy efficiency	6 kW per month	Completed
Enhancement to machine switch off plan	Energy saving	141 kW per month	Completed

In addition to the above energy-efficiency projects, we also expect discipline among our employees at Inari to switch off unused lighting and electronic equipment within Inari’s premises.

SUSTAINABILITY STATEMENT

cont'd

ENVIRONMENT (cont'd)
Caring for our Planet

ENERGY USAGE (cont'd)

Our total energy consumption in FY2021 is approximately 399,009 GJ of energy (petrol, diesel and electricity), representing an increase of 8% in our total energy consumption, which was mainly due to increase in volume of production/factory output unit. However, we managed to obtain **lower energy intensity by 29%** which signifies a higher efficiency level within our operations.

Petrol Consumption	Unit	FY2019	FY2020	FY2021
Malaysia	GJ	140	138	126
Philippines	GJ	161	123	99
China	GJ	149	106	139
Total	GJ	450	367	364

Diesel Consumption	Unit	FY2019	FY2020	FY2021
Malaysia	GJ	249	265	581
Philippines	GJ	2,026	3,976	7,085
China	GJ	– (a)	– (a)	– (a)
Total	GJ	2,275	4,241	7,666

Note:
(a) No consumption of diesel for operation in China.

Electricity Consumption	Unit	FY2019	FY2020	FY2021
Malaysia	GJ	263,844	270,989	288,894
Philippines	GJ	79,669	69,082	76,975
China	GJ	26,586	24,885	25,110
Total	GJ	370,099	364,956	390,979

Energy Intensity	Unit	FY2019	FY2020	FY2021
Malaysia	GJ/FOU	0.000025	0.000022	0.000015
Philippines	GJ/FOU	0.000323	0.000397	0.000295
China	GJ/FOU	0.000136	0.000155	0.000138

Overall Energy Intensity	GJ/FOU
FY2019	0.0000342
FY2020	0.0000289
FY2021	0.0000205

Note:
(a) FOU stands for Factory Output Unit.

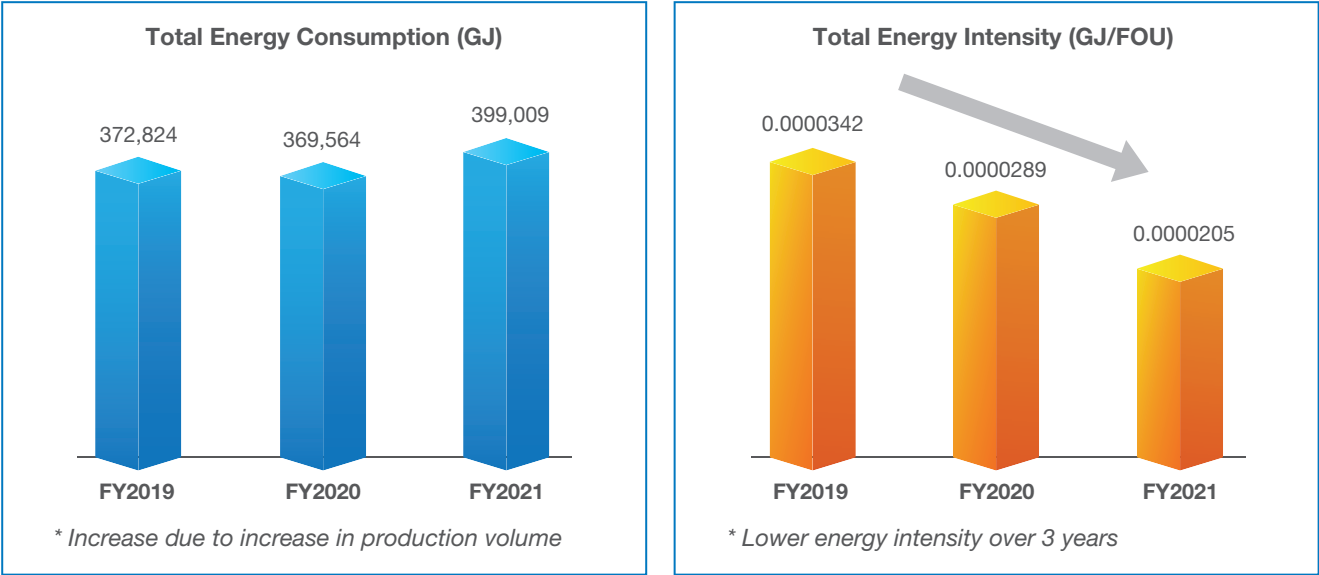
SUSTAINABILITY STATEMENT

cont'd

ENVIRONMENT (cont'd)

Caring for our Planet

ENERGY USAGE (cont'd)



Note:

(a) Total energy consumption covers petrol, diesel and electricity consumption in Malaysia, Philippines and China.

GHG EMISSIONS

Our operational GHG emissions are measured and disclosed below:

- GHG emissions Scope 1 refers to direct GHG emissions from the activities in our organisation including mobile combustion; and
- GHG emissions Scope 2 refers to indirect GHG emissions from consumption of electricity.

During the year under review, our GHG emissions generated a total of 74,905 tCO₂e. In comparison to FY2020, Inari recorded an increase in GHG emissions, which is mainly due to higher volume of production. However, our effective energy management and initiatives has **lowered our total energy intensity by 29%**, which then translates to a **decrease in GHG emissions intensity by 29%**.

GHG Emissions Scope 1	Unit	FY2019	FY2020	FY2021
Malaysia	tCO ₂ e	29	30	54
Philippines	tCO ₂ e	170	321	563
China	tCO ₂ e	10	7	9
Total	tCO ₂ e	209	358	626

Notes:

(a) GHG emissions Scope 1 covers consumption of petrol and diesel.

(b) Malaysia, Philippines and China: Emission factor for Scope 1 obtained from IPCC Fifth Assessment Report, while the default emissions factors were based on IPCC Guidelines for National Greenhouse Gas Inventories (2006)

SUSTAINABILITY STATEMENT

cont'd

ENVIRONMENT (cont'd)

Caring for our Planet

GHG EMISSIONS (cont'd)

GHG Emissions Scope 2	Unit	FY2019	FY2020	FY2021
Malaysia	tCO ₂ e	48,885	50,208	53,526
Philippines	tCO ₂ e	15,957	13,667	15,228
China	tCO ₂ e	5,850	5,475	5,525
Total	tCO ₂ e	70,692	69,350	74,279

Notes:

(a) GHG emissions Scope 2 covers consumption of electricity.

(b) Malaysia: Emission factor for Scope 2 obtained from 2017 Clean Development Mechanism (CDM) Electricity Baseline for Malaysia, Malaysia Green Tech Corporation.

(c) Philippines: Emission factor for Scope 2 obtained from 2015-2017 National Grid Emission Factor, Department of Energy, Republic of the Philippines.

(d) China: Emission factor for Scope 2 obtained from China's regional power grids for emission reduction projects in 2019

Total GHG Emissions (Scope 1 and Scope 2)	Unit	FY2019	FY2020	FY2021
Malaysia	tCO ₂ e	48,914	50,238	53,580
Philippines	tCO ₂ e	16,127	13,988	15,791
China	tCO ₂ e	5,860	5,482	5,534
Total	tCO ₂ e	70,901	69,708	74,905

Total GHG Emissions (Scope 1 and Scope 2) Intensity	Unit	FY2019	FY2020	FY2021
Malaysia	tCO ₂ e / FOU ('000)	0.00468	0.00404	0.00282
Philippines	tCO ₂ e / FOU ('000)	0.06355	0.07580	0.05533
China	tCO ₂ e / FOU ('000)	0.02992	0.03392	0.03020

Overall GHG Emissions (Scope 1 and Scope 2) Intensity	(tCO ₂ e/FOU ('000))
FY2019	0.00651
FY2020	0.00545
FY2021	0.00385

Note:

(a) FOU stands for Factory Output Unit.

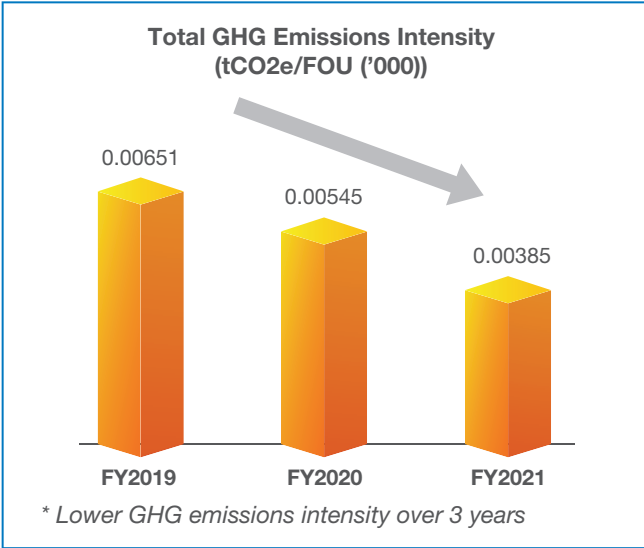
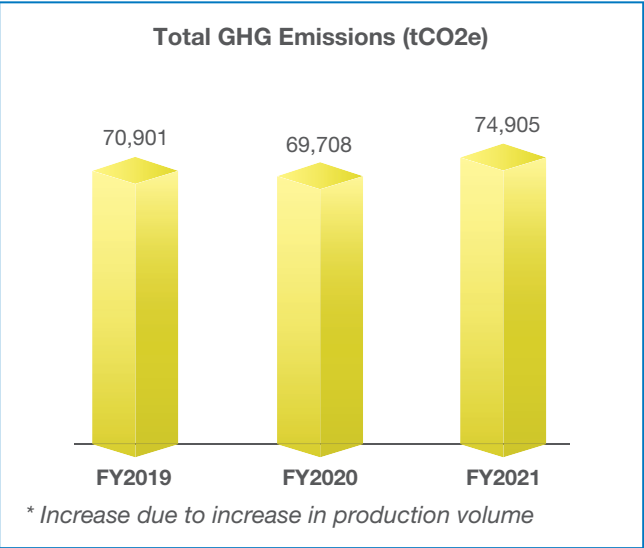
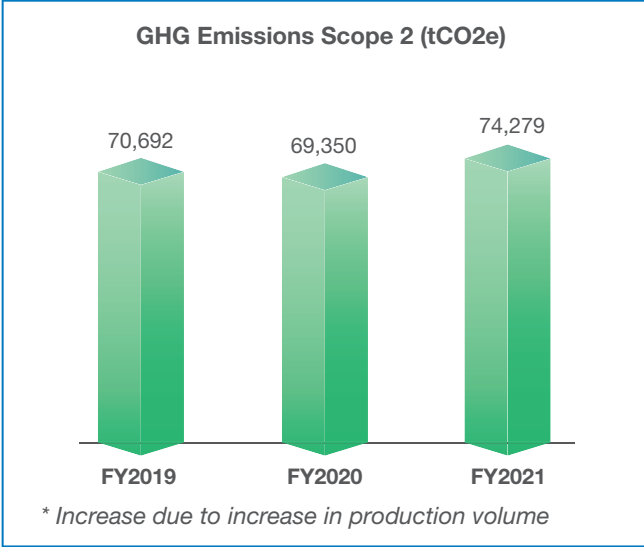
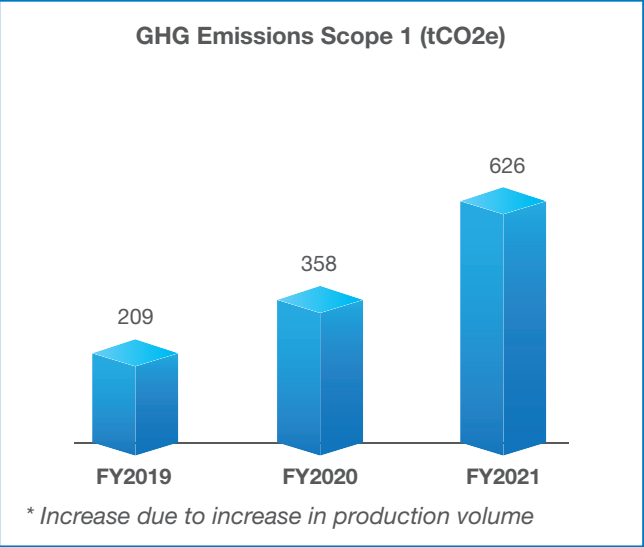
SUSTAINABILITY STATEMENT

cont'd

ENVIRONMENT (cont'd)

Caring for our Planet

GHG EMISSIONS (cont'd)



Presently, we have yet to embark on the process of collecting data on GHG emissions Scope 3 (indirect emission) which relates to business travel and emissions within our value chain. However, efforts are in place through promoting the utilisation of groupwide and personal video conferencing facilities to minimise non-essential air and ground travel. Additionally, Inari does not produce any Nitrogen Oxides (NOx) and Sulfur Oxides (SOx) emissions as none of our business activities involve biomass combustion.

SUSTAINABILITY STATEMENT

cont'd

ENVIRONMENT (cont'd)

Caring for our Planet

WATER MANAGEMENT

At Inari, our wafer fabrication and packaging facilities consumed a large portion of our daily water usage. The water is utilised to clean silicon wafers during wafer processing. Due to the high volume of water consumption within our production processes, we continue to focus on water conservation.

Water Saving and Efficiency

We have taken necessary actions to ensure the efficient use of our water. One of our efforts taken to increase efficiency is by reducing water consumption by converting from single spindle to dual spindle machines which increase wafer production capacity while having the same water intake.

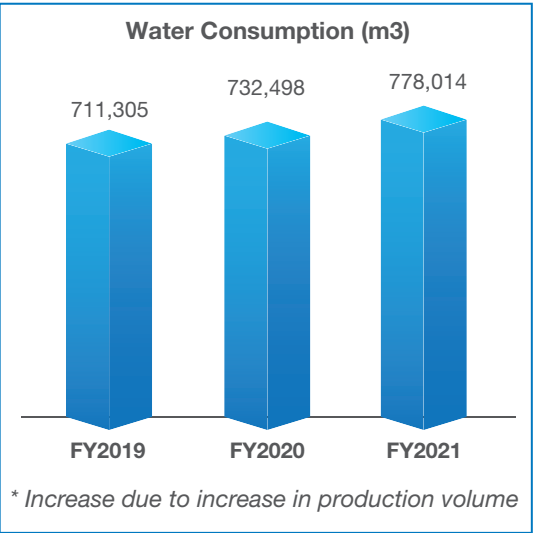
Our plants are equipped with complex rinse water collection systems with separate drains to collect lightly contaminated wastewater to reuse in our plants’ toilet flushing systems. Our other ongoing water-saving plans include rainwater harvesting and recycling of reverse osmosis reject water for gardening and as raw water. With this re-use strategy, we recycle as much water as we can from our manufacturing processes for re-use purposes.

We have also upgraded our water piping system in to compensate the low domestic water pressure which may be resulted from the ageing of underground water pipping. Our facility team will continue to monitor and look for cost-effective methods to improve our water usage.

Water Consumption

Our water consumption in FY2021 amounted to a total of 778,014 m3 and experienced an increase of 6.2% compared to the last reporting year. This was mainly due to the increase in volume of production/factory output unit. Despite the increase in water consumption, we managed to record **lower water intensity by 30%** which signifies the effectiveness of our water saving and consumption efficiency initiatives.

Water Consumption	Unit	FY2019	FY2020	FY2021
Malaysia	m3	579,298	632,487	666,636
Philippines	m3	91,789	68,124	83,248
China	m3	40,218	31,887	28,130
Total	m3	711,305	732,498	778,014



SUSTAINABILITY STATEMENT

cont'd

ENVIRONMENT (cont'd)

Caring for our Planet

WATER MANAGEMENT (cont'd)

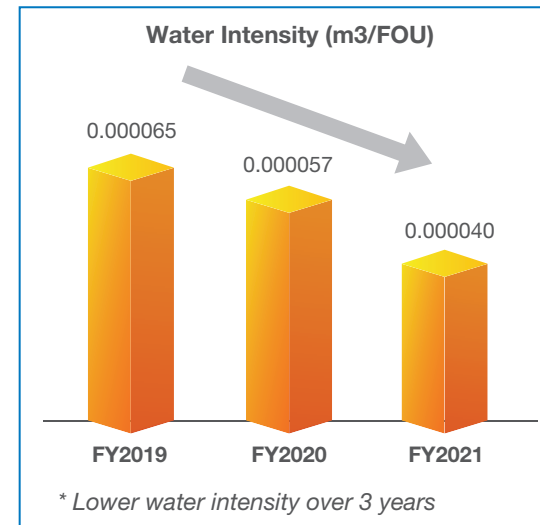
Water Consumption (cont'd)

Water Intensity	Unit	FY2019	FY2020	FY2021
Malaysia	m3/FOU	0.000055	0.000051	0.000035
Philippines	m3/FOU	0.000362	0.000369	0.000292
China	m3/FOU	0.000205	0.000197	0.000153

Overall Water Intensity	Unit (m3/FOU)
FY2019	0.000065
FY2020	0.000057
FY2021	0.000040

Note:

(a) FOU stands for Factory Output Unit.



Wastewater Discharge Quality

Effluent discharge contains chemicals, metals, organic and inorganic compounds which may be detrimental to the environment. Hence, we strive to maintain the water quality discharged to ensure compliance with the applicable local regulatory requirements. The effluent discharged will be treated prior discharging from operation sites into sewerage connecting to municipal's sewerage treatment plant. During the financial year under review, **we fully complied with all local regulatory requirements** for our wastewater discharge quality.

Compliance Status: Full compliance ✓

Wastewater discharge quality	Unit	Malaysia				Philippines				China			
		FY2019	FY2020	FY2021	(a)	FY2019	FY2020	FY2021	(b)	FY2019	FY2020	FY2021	(c)
Temperature	°C	NA	NA	NA	40°C ^(e)	25.00	25.00		22-32°C	NA	NA	NA	NA
pH	-	7.75	7.91	7.57	5.5 - 9.0	7.10	8.90		6 - 9.5	7.11	7.23	7.26	6-9
BOD5	mg/L	NA	NA	NA	NA	2.00	1.00		>50	73.80	86.50	18.90	300
COD	mg/L	20.41	38.37	30.70	200	78.00	NA		>100	288.00	231.00	37.00	500
Suspended solids	mg/L	3.08	11.45	9.16	100	<2.50	2.50		>100	32.00	89.00	4.00	400
Oil and grease	mg/L	NA	NA	NA	NA	0.63	0.96		>5	NA	0.24	0.24	20
Ammoniacal Nitrogen	mg/L	NA	NA	NA	NA	2.70	0.08		>0.5	33.30	44.70	8.60	45

Notes:

(a) Malaysia's Standard B under Environmental Quality (Industrial Effluents) Regulations 2009

(b) Philippines' Water Quality Guidelines and General Effluent Standards (DENR Administrative Order no 2016-08)

(c) China's Integrated Wastewater Discharge Standard (GB8978-1996).

(d) In FY2021, the wastewater discharged for our operation in Philippines is treated by third party service provider, Clark Water Corporation.

(e) The Department of Environment assesses that temperature is not critical parameter as Inari does not have any process that will discharge hot water.

SUSTAINABILITY STATEMENT

cont'd

ENVIRONMENT (cont'd)

Caring for our Planet

WATER MANAGEMENT (cont'd)

Water Stress Management

Presently, our operations are not located in water stress areas. The water consumed within our operations in Malaysia, Philippines and China, is primarily fresh water supplied by respective local water service providers, namely Perbadanan Bekalan Air Pulau Pinang, Clark Water Corporation and Kunshan Water Supply Group Co. Ltd. The respective local water service providers will provide water tanker supply in the event of any disruption of supply. As of to date, we do not have major water disruptions issue within our operations.

WASTE MANAGEMENT

Waste management is always our priority. We practice the 3R Programme of "Recovery, Re-use and Recycle" in managing waste generated by our operations. The waste produced are properly segregated, recovered and recycled wherever possible. We hire reputable and licensed local waste recovery contractors with expertise in recycling electronics and scheduled waste, to recycle the waste into usable and re-usable forms. The waste recovery contractors are selected through a rigorous selection and audit process.

Inari's 3R Programme

3R Programme	Methodology
Recovery	<ul style="list-style-type: none"> Invest in Industrial Effluent Treatment System Increase efficiency in extracting pollutants Ensure cleaner waste discharged to the environment Provide recycle bins at strategic locations
Re-use	<ul style="list-style-type: none"> Collaborate with licensed hi-tech waste recycling contractor Increase waste re-use proportion Re-use of carton box Re-use of plastic tray and reel
Recycle	<ul style="list-style-type: none"> Collaborate with licensed hi-tech waste recycling contractor
Disposal	<ul style="list-style-type: none"> Minimise the mass ended up in landfill

3R Waste Management Approach



SUSTAINABILITY STATEMENT

cont'd

ENVIRONMENT (cont'd)

Caring for our Planet

WASTE MANAGEMENT (cont'd)

Our waste management approach also includes organic and non-organic waste chemicals. The organic waste chemicals are converted into raw materials for pesticides and water treatment solutions, while the non-organic waste chemicals are broken down to produce alcohol, thinner and solutions used by other industries. The table below presents the sample list of production waste which Inari recovers, re-uses and recycles.

Production Waste	3R Program	Recycled Products
Electronic waste	Recovery	Precious metal recovery (gold, nickel & copper)
Metal sludge	Recovery	Heavy metal extraction
Spent lubricating oil	Recovery	Industrial lubricating oil
Waste of non-halogenated organic solvent	Recovery	Recycled solvent (propanol, pesticide & coagulant)
Contaminated container	Re-use	Cleaned container
Contaminated rags and gloves	Re-use	Reuse as low-grade rags & gloves
Plastic scrap	Recycle	Plastic pallet for consumer product
Metal waste	Recycle	Precious metal (iron & aluminum bar)
Solder waste	Recycle	New solder wire

At Inari, we also aim to reduce the consumption of new material. These initiatives have contributed to cost savings and allow effective use of materials. We recorded an increase in the recycling and re-use tonnage over the years, derived mainly from:

- Re-use of packaging carton when shifting material and semi-finished goods for inter-warehouse and inter-production floor transfer; and
- Increase the use of recycled plastic trays in our plants rather than reels for material and semi-finished products for inter-production line transfer.

The following table discloses our total waste generated, comprising both hazardous and non-hazardous waste, across our operations in Malaysia, Philippines and China. In comparison to FY2020, Inari recorded an increase in waste generation, which is mainly due to higher volume of production.

Waste Generation	Unit	Malaysia			Philippines			China		
		FY2019	FY2020	FY2021	FY2019	FY2020	FY2021	FY2019	FY2020	FY2021
Hazardous Waste ^(a)	metric ton	127.99	95.99	109.26	106.2	71.5	78.7	35.18	14.14	24.04
Non-Hazardous Waste ^(b)	metric ton	235.52	478.20	497.70	251.0 ^(c)	112.2 ^(c)	175.8 ^(c)	2.00 ^(c)	1.60 ^(c)	12.70 ^(c)
Total Waste Generated	metric ton	363.51	574.19	606.96	357.2	183.7	254.5	37.18	15.74	36.74

Notes:

(a) Hazardous waste covers chemicals, organic and inorganic compounds.

(b) Non-hazardous waste covers paper, plastic, metal and general waste.

(c) Operations in Philippines and China cover paper consumption only.

SUSTAINABILITY STATEMENT

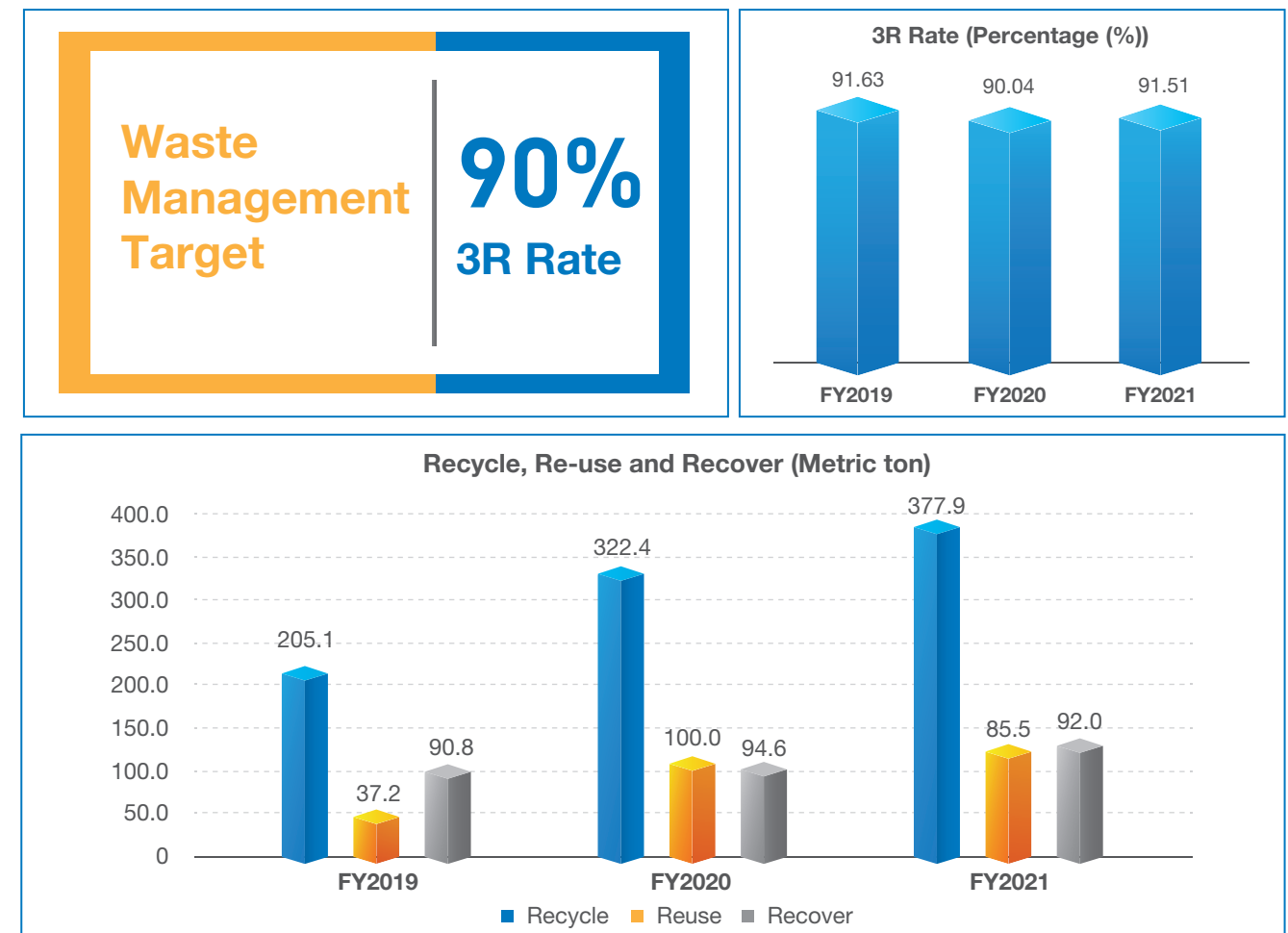
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ENVIRONMENT (cont'd)

Caring for our Planet

WASTE MANAGEMENT (cont'd)

In Malaysia, we have set our production waste management target with the aim of achieving 90% 3R rate. The following charts present our 3R Programme performance at our Malaysia operating site.



PRODUCT STEWARDSHIP

Our rigorous product stewardship initiatives ensure our manufacturing process fulfil the highest quality and safety standards throughout their lifecycle. Ultimately, we aim to provide customers and relevant stakeholders with the skills and knowledge and good product quality,

Our production and product development process are complying with the requirements prescribed by the European Union Restriction of Hazardous Substances underlying the restricted use of certain hazardous substances in the electronics industry.

In order to understand and manage the potential environmental, safety and health risks presented by our products and services, we evaluate them carefully by working closely and supporting the research and development work with our customers and suppliers to monitor any adverse impact and ensure our products are safe and sustainable. The detailed outcome of our analysis is presented through structured Safety Data Sheets, which set out any hazards or risk associated with a particular product alongside any relevant local regulatory requirements.

SUSTAINABILITY STATEMENT

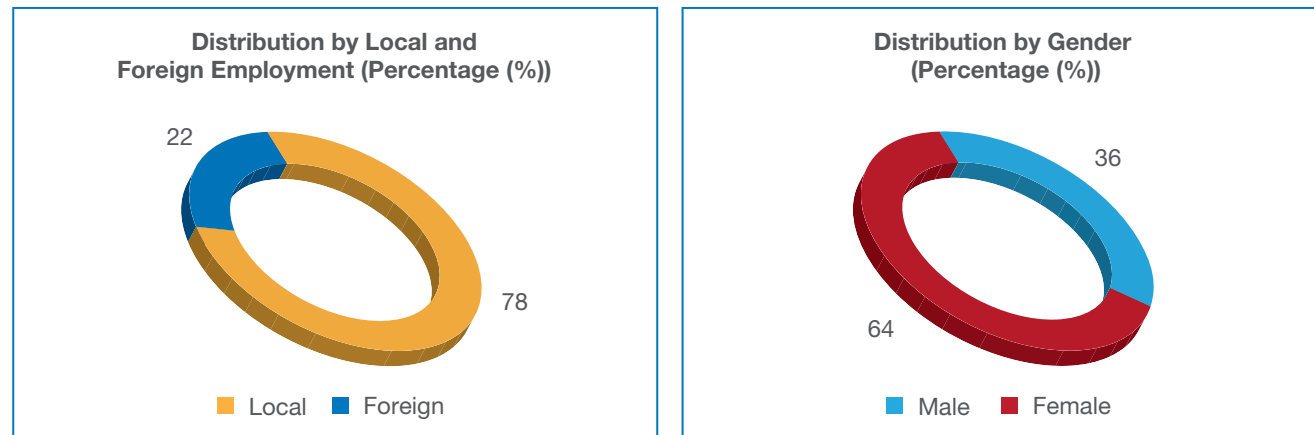
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WORKPLACE

Caring for our People

EMPLOYEE GENDER AND DIVERSITY

We recognise the strength in having a diverse workforce. As a part of our strategic priorities and corporate DNA, we build a fair culture of inclusiveness where employees are treated and valued equally regardless of age, race, gender, disability, nationality, religion, or sexual orientation. We ensure that all our employees are treated with respect and dignity, and are provided with a safe working environment.



Note: Total number of employees: 5,803

Contractors or temporary employees	Percentage (%)
Malaysia	-
Philippines	23.9
China	51.0
Employees with disabilities	Percentage (%)
Malaysia	0.12
Philippines	-
China	0.48

Employee Distribution	Percentage (%)		
	FY2019	FY2020	FY2021
By Gender			
Male	27	31	36
Female	73	69	64
By Nationality			
Local	71	70	78
Foreign	29	30	22

SUSTAINABILITY STATEMENT

cont'd

WORKPLACE *(cont'd)*

Caring for our People

EMPLOYEE GENDER AND DIVERSITY *(cont'd)*

Turnover Rate	Percentage (%)		
	FY2019	FY2020	FY2021
By Gender			
Male	17.6	17.5	12.8
Female	26.7	13.7	20.9
By Age Group			
< 30 years old	28.5	25.3	26.8
30-50 years old	15.3	5.5	6.4
> 50 years old	0.5	0.4	0.4
By Region			
Malaysia	24.8	18.0	31.8
Philippines	17.0	21.3	20.5
China	45.2	31.3	31.9

Overall Turnover Rate	Percentage (%)
FY2019	23.5
FY2020	20.2
FY2021	28.3

New Hire Rate	Percentage (%)		
	FY2019	FY2020	FY2021
By Gender			
Male	13.8	17.5	17.1
Female	15.9	13.6	17.9
By Age Group			
< 30 years old	25.5	23.0	30.7
30-50 years old	4.0	8.0	4.1
> 50 years old	0.2	0.1	0.2
By Region			
Malaysia	33.2	24.0	47.2
Philippines	20.4	3.8	14.6
China	38.5	23.1	24.0

Overall New Hire Rate	Percentage (%)
FY2019	28.8
FY2020	17.1
FY2021	35.0

We have increased our number of employees from 5,661 to 5,803 this year, with the overall workforce comprising a majority of women at 64%. We are committed to local employment and therefore have decreased our dependency on foreign workers to 22% from last year's 30%. The foreign workers at our operations comprise Indonesians, Burmese, Nepalese, and Vietnamese. For our operations in China and Philippines, 99.8% of our employees comprise of local hires. However, we do see an increase in turnover rate, likely caused by Covid-19 precautionary measures undertaken by the Group involving the reorganising and reshuffling of employees in our production lines to avoid any Covid-19 cross-infections affecting our operations. Despite this, we have also managed to increase our hire rate for this reporting period to support our higher production levels within our operations. We continue to see that employees in the under 30 years old age category are consistently our largest groups for turnover and new hires as they are in the early stages of their career journey and are looking for new opportunities.

SUSTAINABILITY STATEMENT

cont'd

WORKPLACE (cont'd)

Caring for our People

EMPLOYEE DEVELOPMENT AND TALENT RETENTION

By providing various professional development, training sessions, and other programmes, we aim to enhance our performance and quality standards across the Group. It is imperative we invest in the capabilities of our employees to remain at the forefront of innovation.

Our approach involves a human capital management development framework that encompasses the following:

- Management Talent Development Programmes
- Supervisory Level Development Programmes
- Technical Engineering and i4.0 Upskilling Programmes
- Machine Operation Training, Supplier Responsibility Compliance, Electro Static Discharge Rules; Environment, Health & Safety Practices

Below we summarise the types of training and development programmes conducted at Inari.

Orientation

We ensure that all new employees understand the corporate activities, values and business unit performance-based culture by undergoing the orientation programme, held within the first week of their commencement. Topics including corporate culture, organisational structure, overview of career paths, benefit plans, administrative procedures, key corporate policies and procedures will be shared. They are also instructed about the importance of the Code of Business Conduct and Ethics, Anti-Corruption and Bribery Policy, as well as the Whistleblowing Policy and Procedures.

Onboard Training

The onboarding training is prepared by respective department leaders to focus on departmental goals and in engaging employees with the overall company objectives. The purpose of the training is to address employee needs and provide them with easy access to information and skills needed to deliver their job efficiently.

Mandatory Training

As Inari operates in specific industrial areas, we ensure that employees are prepared and trained on all applicable regulations. Mandatory training that employees are required to undergo are OSH training as well as environmental training.

Technical Skills Development Training

We conduct various training to develop employees' technical skills for the performance delivery including, big data analysis, coding & programming, technical writing and database software. The necessary trainings are conducted regularly based on the latest industry developments to ensure employees are up-to-date.

Soft Skills Development Training

Soft skill training is conducted periodically to enable our employees to interact effectively with other people in the workplace. Topics covered in our soft skills training include presentation skills, communication skills, leadership skills, emotional intelligence, teamwork, and others.

SUSTAINABILITY STATEMENT

cont'd

WORKPLACE (cont'd)

Caring for our People

EMPLOYEE DEVELOPMENT AND TALENT RETENTION (cont'd)

During this reporting period, across all our operations, we have conducted a total of 77,770 hours of training, with an average of 13 training hours per employee.


Average number of training hours per employee	FY2019	FY2020	FY2021
By Gender			
Female	7	4	12
Male	14	15	17
By Employee Category			
Manager and above	17	25	22
Executive	20	16	17
Non-executive	8	6	13

Average training hours per employee	No. of hours
FY2019	12
FY2020	10
FY2021	13

Compensation and Benefits


We recognise that Inari's success is driven by a committed workforce, and therefore we strive to empower employees through a supportive corporate culture that ensures their well-being is taken care of. We comply with the standard minimum wage laws within each country we operate in, with a minimum entry level wage to minimum wage ratio of 1:1. In addition to providing our employees with fair remuneration packages, we also provide eligible employees to receive remuneration in the form of share options as stipulated in our Employees' Share Options Scheme and performance bonus. Benefits, promotions, recognition, rewards and increments are solely based on the employee's performance and merit, where 100% of our employees received a performance review. We ensure the salary scale is benchmarked on a periodic basis against industry peers to compensate and reward our employees fairly.

The following are some of the benefits and privileges provided to our employees:




Insurance/Medical Coverage

- Executive health screening
- Free medical attention and treatment by medical practitioner duly appointed by Inari
- Hospitalisation scheme extended to the employees' family or dependents
- Outpatient medical benefits extended to employees' family or dependents
- Personal accident, hospitalisation and term life insurance coverage to permanent employees
- Social insurance



In-house Facilities

- Car parking space
- Hostel for operators
- Personal lockers
- Prayer rooms
- Transport services
- 24-hour canteen



Employees with Special Needs

- Dedicated mother's nursing room
- Dedicated parking spaces for disabled employees
- Sickbay for sick employees

SUSTAINABILITY STATEMENT

cont'd

WORKPLACE (cont'd)

Caring for our People

HUMAN AND LABOUR RIGHTS

Inari's employment practices uphold its belief for fair employment, and therefore is committed to protecting the human and labour rights of all our employees. Our Human Resources and Administrative department oversees all issues regarding human rights, forced and child labour and ensure protection of our employees' rights. They are responsible for implementing and making sure that our operations comply with regulations mandated by the Department of Labour.

This includes ensuring that workers both local and foreign, are provided with adequate accommodation with more space per individual as stipulated in the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (Act 446). Building facilities provided include a multi-purpose hall, canteen/cafeteria, management office, reading and tv room, security, mini mart, common surau, among others.



Inari's dormitory building dedicated to workers



Spacious dormitory rooms with natural lighting



Laundry facilities within the dormitory



Living room within dormitory units



Common area within the dormitory building with various amenities

SUSTAINABILITY STATEMENT

cont'd

WORKPLACE (cont'd)

Caring for our People

HUMAN AND LABOUR RIGHTS (cont'd)

Furthermore, to ensure responsible supply chain management, we have incorporated human rights elements in our Supplier Code of Conduct which we expect our suppliers to fully comply with in all our commercial dealings.

We also highlight the following clauses in our Human Resource Policy:

- Humane Treatment and Non-discrimination
- Zero Tolerance to Harassment
- Respect Human Rights
- Freedom of Association and Collective Bargaining
- Availability of Grievance Channel
- Child Labour and Forced Labour Prohibition
- Working hours do not exceed the maximum set by local law
- Wages and benefits comply with all applicable wage laws
- OSH
- Anti-Corruption and Bribery

Child Labour and Forced Labour Prohibition

At Inari, we do not tolerate or condone any use of child labour or forced labour. We comply fully with the regulations and local laws of the countries we operate in. There were zero cases reported for child labour or forced labour, discrimination, or grievances on human rights since our incorporation.

Fair Treatment in Managing Foreign Labour

We only employ foreign workers with the complete legal work permits. At Inari, we strictly prohibit the unlawful withholding of wages, passports, or other personal documents. We do not require them to lodge any form of monetary deposits as condition of employment and no recruitment fees are charged back to the workers. We abide strictly to the law that employees must receive at least minimum wages and that wage deductions are not imposed as disciplinary measure. Our foreign workers are given a contract of employment and are entitled to similar benefits as local employees as stated in our Wages, Benefits and Contracts Policy. Furthermore, we ensure that foreign workers are aware of their entitlements by communicating with them in their local language for better understanding.

OCCUPATIONAL SAFETY AND HEALTH

In safeguarding the well-being of our employees, we are committed to stringent health and safety practices and good work environment. The well-being of our employees is enhanced by the commitment of our management team at all levels and requires their close monitoring of the business units' safety performance. As we strive to achieve zero injuries and casualties at our production plants, safety awareness is essential to avoid accidents and prevent occupational illness.

SUSTAINABILITY STATEMENT

cont'd

WORKPLACE *(cont'd)*

Caring for our People

OCCUPATIONAL SAFETY AND HEALTH *(cont'd)*

OSH Policy

Inari provides a safe and healthy workplace for its employees, and therefore, has established an OSH Policy that is committed to:

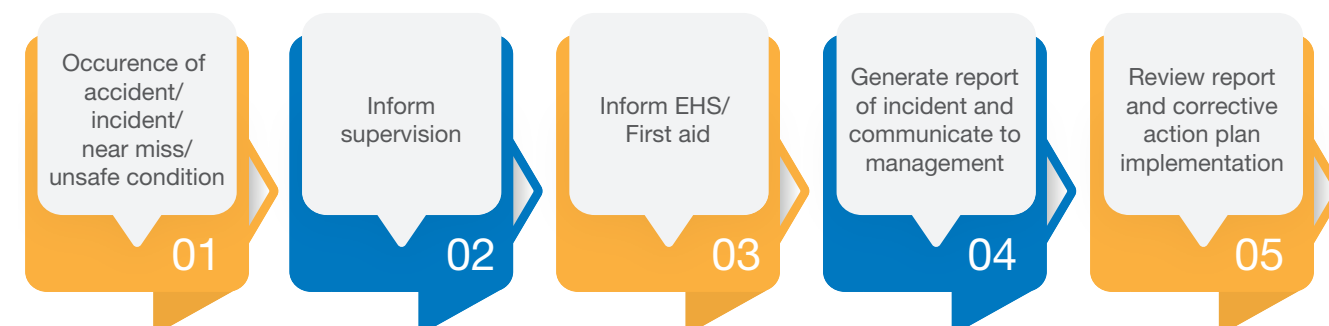
- Making OSH a core value of everything we do;
- Having a risk-based process in place for the identification, classification and control of hazards and risks;
- Providing all employees, contractors and visitors with relevant information, operational controls and regular training on OSH requirements to enable them to conduct their activities safely;
- Providing a positive culture in which employees, contractors and visitors feel free to share their concerns about non-conformance, undesirable, unsafe situations or any OSH related issues;
- Implementing effective approaches to protect people from safety and health risks;
- Being fully transparent in the periodic reporting on OSH performance;
- Consulting and collaborating with employees and other stakeholders on OSH matters;
- Complying with all applicable laws and regulations which apply to our business.

In ensuring we provide a healthy and safe working environment, 100% of our operations are in compliance with the relevant OSH regulations or are ISO 45001:2018 certified.



Incident Reporting and Investigation

To ensure proper management of safety and health issues at our plants, we implement a standard operating procedure for identification of any workplace hazards or risks and to develop control measures to minimise these risks from occurring. All employees, visitors and contractors are informed of our incident reporting platforms and are encouraged to report any risky or unsafe conditions to the supervisor.



SUSTAINABILITY STATEMENT

cont'd

WORKPLACE *(cont'd)*

Caring for our People

OCCUPATIONAL SAFETY AND HEALTH *(cont'd)*

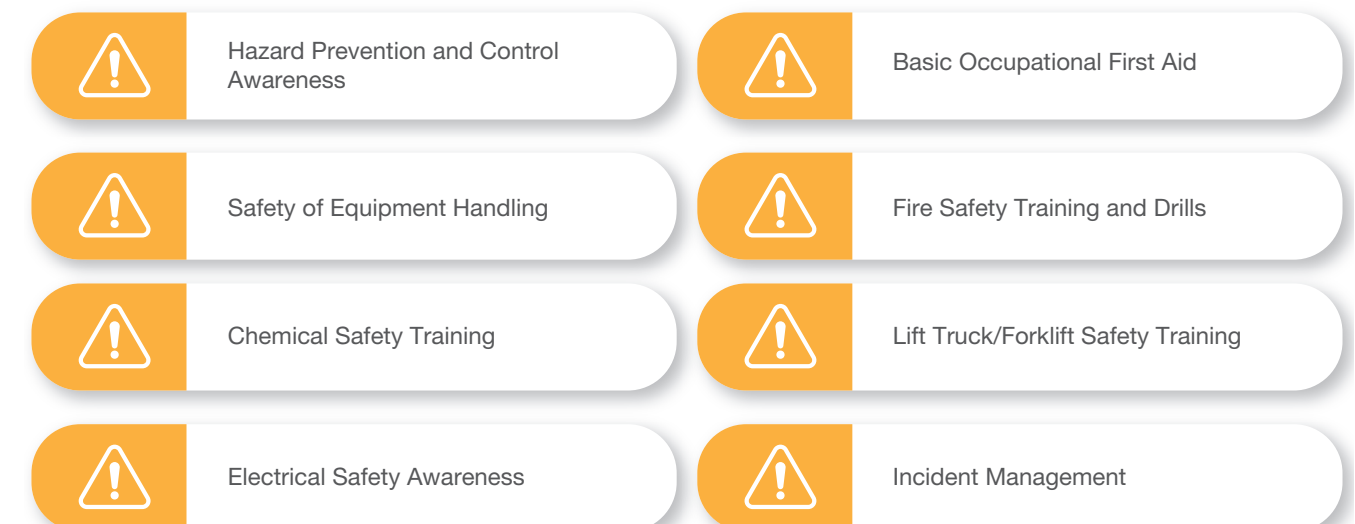
Incident Reporting and Investigation *(cont'd)*

In the event of an incident or unsafe work condition occurred, an initial investigation will be carried out by the supervisor which they will report to the EHS department within 24 hours. Once the report has been reviewed by the EHS department, if necessary, further investigation will be conducted and requests for corrective actions will be sent to the respective Area Manager to develop and implement the next steps for preventing recurrence. Where applicable, the Head of department and Human Resource department may take the appropriate disciplinary action for those involved in unsafe acts or conditions. Management periodically reviews for opportunities for continual improvement when necessary.

OSH Awareness Training

At Inari, we take safety seriously and therefore, ensure our employees receive training on various safety procedures and conduct drills to build their awareness and competencies. OSH training and development programmes are imperative to keep abreast with current relevant regulatory requirements and to equip employees with the skills they need to carry out work safely. The types of training conducted include incident management, hazard management, as well as emergency preparedness and response. During this reporting period, all employees attended trainings or refresher courses on health and safety.

These trainings include:



SUSTAINABILITY STATEMENT
cont'd

WORKPLACE (cont'd)
Caring for our People

OCCUPATIONAL SAFETY AND HEALTH (cont'd)

Managing OSH Performance

Our OSH committee is responsible for monitoring, recording and reporting the Group’s occupational safety, health and environment performance. They also report on measures carried out towards the prevention of accidents. Through our stringent efforts, we have successfully managed to record zero cases of occupational fatality or work-related illnesses within the Group.

Our continuous efforts aim to:

- Limit the number of incidents in the workplaces;
- Perform evacuation exercises in facilities with difficult escape paths;
- Improve hazard control, notably in hazardous chemical work areas; and
- Improve the safety of equipment or activities, with a special emphasis on lifelines.

Injury Type/Rate	Units	FY2019	FY2020	FY2021
Malaysia				
Number of injury incidents	no.	1	2	– (b)
Number of fatalities	no.	– (b)	– (b)	– (b)
Number of work-related illness	no.	– (b)	– (b)	– (b)
Lost Time Injury Frequency (LTIF) ^(a)	Percentage (%)	0.11	0.25	– (b)
Philippines				
Number of injury incidents	no.	11	4	13
Number of fatalities	no.	– (b)	– (b)	– (b)
Number of work-related illness	no.	– (b)	– (b)	– (b)
Lost Time Injury Frequency (LTIF) ^(a)	Percentage (%)	2.20	1.10	2.92
China				
Number of injury incidents	no.	1	– (b)	– (b)
Number of fatalities	no.	– (b)	– (b)	– (b)
Number of work-related illness	no.	– (b)	– (b)	– (b)
Lost Time Injury Frequency (LTIF) ^(a)	Percentage (%)	0.63	– (b)	– (b)

Notes:

(a) Rates are calculated based on the formulas as follows:

Lost Time Injury Frequency	No. lost time injuries/ total man-hours X 1,000,000
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(b) No cases reported.

SUSTAINABILITY STATEMENT
cont'd

WORKPLACE (cont'd)
Caring for our People

OCCUPATIONAL SAFETY AND HEALTH (cont'd)

Managing OSH Performance (cont'd)

Below is the summary of injuries and corrective measures at our operations in Philippines:

Type of Injury	Causes	Corrective Action	Preventative Action
Minor laceration of hand	<ul style="list-style-type: none">• Switch on the equipment used were either defective or misused• Sharp edges exposed	<ul style="list-style-type: none">• Fix the defective switch• Change location of switch to avoid misuse• Provide appropriate equipment when handling sharp edges or cutters	<ul style="list-style-type: none">• Replaced location of switch to be more suitable for user• Briefing on handling of equipment
Minor head bump/ injury	Door open when not in use	To ensure that door is closed after use or when not in use	Installed spring closer and door magnets to ensure doors are securely shut when not in use
Minor injury on foot	Machine door was not properly closed	Fix door sensor	Regular safety briefings on compliance, personal safety and proper usage of personal protective equipment (“PPE”)

In the event of each incident occurred, we have conducted a root cause analysis investigation and with the finding, developed the necessary corrective actions and revised our preventative measures to avoid occurrence in the future. All 13 incidents from Philippines operations were minor injuries.

Through the robust management of our health and safety efforts to be more stringent, we managed to record zero cases of workplace injuries reported at our operations in Malaysia and China during this reporting period. This is an improvement from our previous year’s performance. We will continue to be vigilant and commit to safeguard the health and safety of our employees by enforcing tighter controls to mitigate possible safety risks identified.

EMPLOYEE WELFARE

Inari’s strength is its workforce and we take great efforts to take care of the wellbeing of our employees. As such, we invest in the health and welfare of employees and are committed to producing a caring and supporting community.

Employee Wellness Activities

At Inari, we recognise the need to maintain a healthy work-life balance and to do so we have a number of different programmes and activities for employees to participate. The aim is to release stress and foster positive relationships amongst co-workers and creating a supportive community. Our employee sports clubs organise events such as weekly indoor fitness classes like yoga, or sports events such as bowling, volleyball, badminton and basketball tournament. However, due to the pandemic, these regular activities were not possible for the safety of our staff.

SUSTAINABILITY STATEMENT
cont'd

WORKPLACE (cont'd)
Caring for our People

EMPLOYEE WELFARE (cont'd)

Employee Engagement Survey

We conduct employee engagement surveys annually to gather feedback and understand the views of our employees at Inari. The surveys are collected by our Human Resource team which then help analyse areas where the company can improve, and to also help identify any major concerns that our employees may have and how to address them accordingly.

For this reporting period, our survey’s response rate is 83% with an overall score results of our engagement survey having increased to 98% compared with last year’s 80%. The components of this year’s survey look at three (3) key aspects of employees’ satisfaction with respect towards diversity and equality, teamwork and job security. In addition to this, we have also looked at our response in securing a safe work environment during the pandemic.

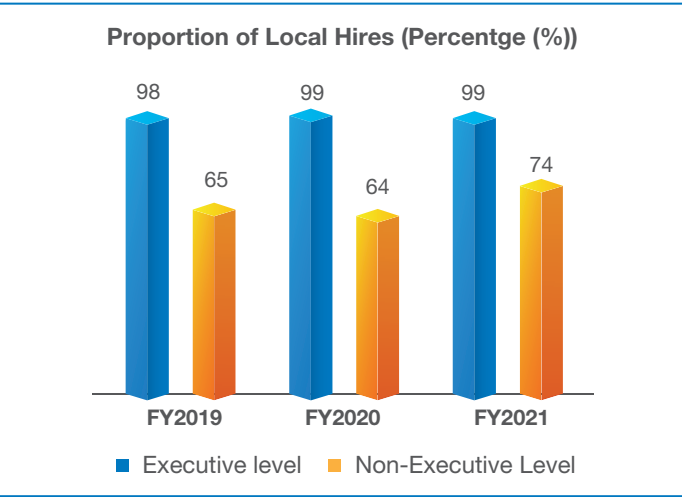
Survey Questions	Score (Percentage (%))
Do you agree that Inari respects individual differences?	93
Is teamwork valued and encouraged within this organisation?	95
Overall, do you feel secure working at Inari?	96
Pandemic Measures	
Do you undergo temperature screening before entering Inari?	100
Do you wear a mask, practice social distancing and good personal hygiene during/after working hours/outside of Inari?	100
Do you wash your hands frequently using soap and water or hand sanitiser?	100
Does Inari provide personal protective equipment (PPE) such as face mask to all employees or place hand sanitisers at identified locations surrounding the premises?	100
Overall Results	98%

LOCAL COMMUNITIES
Giving Back

Inari strives to be a responsible corporate citizen by giving back to the surrounding communities in which we operate and to create a positive impact in the long-term. Through our various CSR initiatives including our internship programmes, we utilise our knowledge and experience to give back.

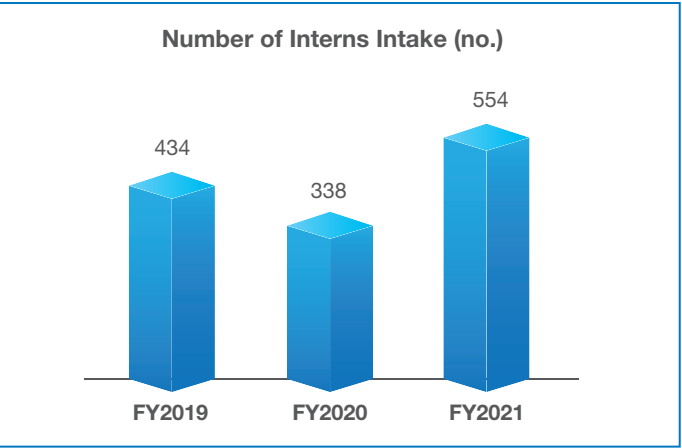
Local Employment

In supporting the communities we operate in, hiring local is a priority whenever possible to boost local economies and increase social well-being. Providing job opportunities is valuable resource that we as a business can offer to enable people to reach their potential. Across our operations in Malaysia, Philippines, and China, we strive to employ locally, especially at our production facilities. We have increasingly hired locally over the years as we recognise its importance.



Internship Programme

To enhance the sustainability of our business, our internship programme enables us to cultivate future talents. By doing so, we establish deeper relationships and provide interns with the opportunity to gain skills and hands-on experience that will enable them to be successful in their careers. Our internship programme commenced in FY2015 through the collaboration with various higher institutions and colleges in Malaysia to take in industrial interns to expose them to a working environment where they are able to apply the knowledge from the classroom to real-world experience. Since FY2015, we have offered this opportunity to a total of 3,359 interns.



SUSTAINABILITY STATEMENT

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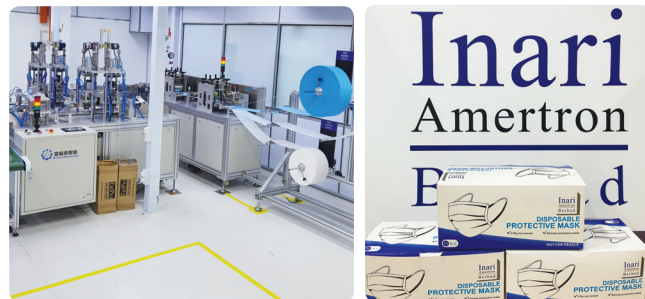
LOCAL COMMUNITIES (cont'd)

Giving Back

Local Communities Development

We recognise the importance of giving back to the communities we operate in and do so through various contributions and donations, as well as other CSR programmes. We strive to create a positive impact to our local communities especially those that are underserved. Through our working committee, we organise our CSR programmes to be centered on providing support to indigenous communities and charitable institutions, with a focus on distribution of food items and donation drives to help with everyday necessities.

This year, we continue to support local efforts against combatting the impacts of the Covid-19 pandemic. We contributed a total of RM1.15 million in CSR programmes in FY2020/2021 in donations, sponsorship and non-monetary contributions, with our employees participating in 3,600 volunteering hours towards the betterment of the local communities. Besides that, we launched our own in-house face mask production line at the P1 plant in Penang, Malaysia in September 2020. To-date, we have produced about 2 million pieces of 3-ply disposable surgical face masks which was distributed for our employees' use, as well as for contributions to hospitals, government quarantine centres and others as part of our corporate social responsibilities ("CSR") initiative.



Vaccination Centre at Inari P34 Plant at Batu Kawan, Penang

As Malaysia is on its path towards recovery, the government has been ramping up its efforts to ensure the population is vaccinated. As such, Inari has supported these efforts in combatting Covid-19, by collaborating with authorities to contribute an unutilised section of our P34 plant located in Batu Kawan, Penang, Malaysia as a Vaccination Centre (Pusat Pemberian Vaksin: "PPV") approved under the Public-Private Partnership Covid-19 Industry Immunisation Programme ("PIKAS") launched by the Malaysian Government to intensify the immunisation efforts in the industrial and factory sectors. Our P34

plant commenced PPV-related activities on 22 July 2021 with the capacity to administer 1,500 doses of Covid-19 vaccine per day. Upon the completion of the PIKAS on 2 September 2021, a total of 20,628 individuals have completed their two (2) doses of vaccination at our P34 plant.



In addition to this effort, below summaries our other contributions this year for our CSR activities.

Covid-19 Efforts

Donation of Laptop to Pusat Pemberian Vaksin (PPV) Pulau Pinang

As the nation commenced its vaccination rollout this year, Inari has donated several laptops to the vaccination centres in Pulau Pinang to help ease the burden and smooth processes to carry out vaccinations.



SUSTAINABILITY STATEMENT

cont'd

LOCAL COMMUNITIES (cont'd)

Giving Back

Local Communities Development (cont'd)

Covid-19 Efforts (cont'd)



Donation of various equipment to Penang General Hospital

To ensure the resilience of our communities, especially our front-liners who have contributed their endless efforts to protect us during this time, we have donated equipment such as unit patient monitors and face masks. This is to help cope with the overwhelming demand of medical equipment and supplies.

Donation of Face Masks to Police Department, Penang, Malaysia

To help support our frontliners, we have donated boxes of face masks so that they are able to stay protected while carrying out their duties to keep the nation safe.



Community-based Efforts



Donation Drive at Munting Tahanan ng Nazareth Mabalacat, Philippines

We hosted a donation drive at the orphanage for special kids, to help provide supplies such as food, hygiene products, and other necessities.

Donation of Supplies at Atlu Bola High School, Philippines

To safeguard the health and safety of the students at Atlu Bola High School, we donated various supplies such as boxes of face masks, thermal scanners, among others.



SUSTAINABILITY STATEMENT

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Global Reporting Initiative Sustainability Reporting Standards ('GRI' Index)

GRI Content Index			
GRI Indicator	Disclosure	Response	Page Number
102-1	Name of the organisation	Company Profile	3
102-2	Activities, brands, products and services	Management Discussion and Analysis	22-35
102-3	Location of headquarters	Corporate Information	2
102-4	Location of operations	Management Discussion and Analysis	22-35
102-5	Ownership and legal form	Analysis of Shareholding	229-231
102-6	Markets served	Management Discussion and Analysis	22-35
102-7	Scale of the organisation	Corporate Structure and Audited Financial Statement	3/132-226
102-8	Information on employees and other workers	Sustainability Statement ("SS") - Employee Gender and Diversity, Employee statistics	76-77
102-9	Supply chain	Sustainability Statement - Supply Chain Management	61-64
102-10	Significant changes to the organisation and its supply chain	Management Discussion and Analysis Sustainability Statement - Supply Chain Management	22-35 61-64
102-11	Precautionary principles or approach	Statement of Risk Management and Internal Control	121-126
102-12	External initiatives	Sustainability Statement – Our Sustainability Goals	48
102-13	Membership of associations	Sustainability Statement – Corporate Membership	42
102-14	Statement from senior decision-maker	Chairperson's Letter to the Shareholders	18-21
102-16	Values, principles, standards and norms of behaviour	Sustainability Statement – Our Sustainability Journey Thus Far Corporate Governance Overview Statement	39 102-117
102-18	Governance structure	Profile of Directors, Profile of Key Senior Management Corporate Governance Overview Statement Sustainability Statement – Sustainability Governance	12-17 102-117 40-41
102-40	List of stakeholder groups	Sustainability Statement - Stakeholder Engagement	42-43
102-41	Collective bargaining agreements	Inari does not have collective bargaining agreement. However, it is stated in our Human Resources Policy that all employees have the rights to form and join organisation of their choice. Sustainability Statement - Human and Labor Rights	-
102-42	Identifying and selecting stakeholders	Sustainability Statement - Stakeholder Engagement	42-43
102-43	Approach to stakeholder engagement	Sustainability Statement - Stakeholder Engagement	42-43
102-44	Key topics and concerns raised	Sustainability Statement - Stakeholder Engagement, Materiality Assessment, Our Sustainability Strategy	42-47
102-45	Entities included in the consolidated financial statements	Audited Financial Statement	132-226

SUSTAINABILITY STATEMENT

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Global Reporting Initiative Sustainability Reporting Standards ('GRI' Index) (cont'd)

GRI Content Index			
GRI Indicator	Disclosure	Response	Page Number
102-46	Defining report content and topic boundaries	Sustainability Statement – Reporting Period and Boundary	38
102-47	List of material topics	Sustainability Statement - Materiality Assessment, Our Sustainability Strategy, Our Sustainability Goals	44-48
102-48	Restatements of information	In this Sustainability Statement FY2021, certain reported key performance has been restated to better reflect the sustainability matters.	-
102-49	Changes in reporting	Sustainability Statement – Reporting Period and Boundary	38
102-50	Reporting period	Sustainability Statement – Reporting Period and Boundary	38
102-51	Date of most recent report	The Company's Annual Report 2020, was published in October 2020. The online version of the Annual Report 2020 can be found online at http://www.inari-amertron.com/annual-report.asp	-
102-52	Reporting cycle	Sustainability Statement – Reporting Period and Boundary	38
102-53	Contact point for questions regarding the report	Sustainability Statement – Point of Contact	38
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Statement – Reporting Framework and Standards	38
102-55	GRI content index	GRI Content Index	90-100
102-56	External assurance	To be applied in the future	-
GRI 201: Economic Performance			
103-1	Explanation of the material topic and its boundary	Not applicable as it does not reach our materiality consideration.	-
103-2	The management approach and its components	Not applicable as it does not reach our materiality consideration.	-
103-3	Evaluation of the management approach	Not applicable as it does not reach our materiality consideration.	-
201-1	Direct economic value generated and distributed	Audited Financial Statement	132-226
201-2	Financial implications and other risks and opportunities due to climate change	To be applied in the future	-
201-3	Defined benefit plan obligations and other retirement plans	Audited Financial Statement	132-226
201-4	Financial assistance received from government	Audited Financial Statement	132-226

SUSTAINABILITY STATEMENT
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Global Reporting Initiative Sustainability Reporting Standards ('GRI' Index) (cont'd)

GRI Content Index			
GRI Indicator	Disclosure	Response	Page Number
GRI 202: Market Presence			
103-1	Explanation of the material topic and its boundary	Not applicable as it does not reach our materiality consideration.	-
103-2	The management approach and its components	Not applicable as it does not reach our materiality consideration.	-
103-3	Evaluation of the management approach	Not applicable as it does not reach our materiality consideration.	-
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Inari complies with all applicable minimum wage standards regardless of gender. The entry level for both female and male employees is equivalent to the national minimum wage.	-
202-2	Proportion of senior management hired from the local community	Sustainability Statement - Local Communities Employments Employee Statistics	87
GRI 203: Indirect Economic Impacts			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Innovation, Process Innovation and Industry 4.0, Operational Excellence through Innovation	53-61
103-2	The management approach and its components	Sustainability Statement - Innovation, Process Innovation and Industry 4.0, Operational Excellence through Innovation	53-61
103-3	Evaluation of the management approach	Sustainability Statement - Innovation, Process Innovation and Industry 4.0, Operational Excellence through Innovation	53-61
203-1	Infrastructure investments and services supported	Sustainability Statement - Innovation, Process Innovation and Industry 4.0, Operational Excellence through Innovation	53-61
203-2	Significant indirect economic impacts	Sustainability Statement - Innovation, Process Innovation and Industry 4.0, Operational Excellence through Innovation	53-61
204: Procurement Practices			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Supply Chain Management	61-64
103-2	The management approach and its components	Sustainability Statement - Supply Chain Management	61-64
103-3	Evaluation of the management approach	Sustainability Statement - Supply Chain Management	61-64
204-1	Proportion of spending on local supplies	Sustainability Statement - Supply Chain Management	61-64

SUSTAINABILITY STATEMENT
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Global Reporting Initiative Sustainability Reporting Standards ('GRI' Index) (cont'd)

GRI Content Index			
GRI Indicator	Disclosure	Response	Page Number
GRI 205: Anti-corruption			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Corporate Governance and Ethics, Anti-Corruption and Bribery Policy Statement on Risk Management and Internal control - Internal Audit Function Corporate Governance Overview Statement	50-51 125-126 102-117
103-2	The management approach and its components	Sustainability Statement - Corporate Governance and Ethics, Anti-Corruption and Bribery Policy Statement on Risk Management and Internal control - Internal Audit Function Corporate Governance Overview Statement	50-51 125-126 102-117
103-3	Evaluation of the management approach	Sustainability Statement - Corporate Governance and Ethics, Anti-Corruption and Bribery Policy Statement on Risk Management and Internal control - Internal Audit Function Corporate Governance Overview Statement	50-51 125-126 102-117
205-1	Operations assessed for risks related to corruption	Sustainability Statement - Corporate Governance and Ethics Corporate Governance Overview Statement	50-52 102-117
205-1	Communication and training about anticorruption policies and procedures	Sustainability Statement - Corporate Governance and Ethics, Anti-Corruption and Bribery Policy Statement on Risk Management and Internal control - Internal Audit Function	50-51 125-126
205-3	Confirmed incidents of corruption and actions taken	Sustainability Statement - Corporate Governance and Ethics, Anti-Corruption and Bribery Policy Statement on Risk Management and Internal control - Internal Audit Function	50-51 125-126
302: Energy			
103-1	Explanation of the material topic and its boundary	Sustainability Statement – Environment	65-66
103-2	The management approach and its components	Sustainability Statement – Environment	65-66
103-3	Evaluation of the management approach	Sustainability Statement – Environment	65-66
302-1	Energy consumption within the organisation	Sustainability Statement - Energy Usage	66-68
302-2	Energy consumption outside the organisation	To be applied in the future	-
302-3	Energy intensity	Sustainability Statement - Energy Usage	66-68
302-4	Reduction of energy consumption	Sustainability Statement - Energy Usage	66-68
302-5	Reductions in energy requirements of products and services	To be applied in the future	-

SUSTAINABILITY STATEMENT
cont'd

Global Reporting Initiative Sustainability Reporting Standards ('GRI' Index) (cont'd)

GRI Content Index			
GRI Indicator	Disclosure	Response	Page Number
303: Water and Effluents			
103-1	Explanation of the material topic and its boundary	Sustainability Statement – Environment	65-66
103-2	The management approach and its components	Sustainability Statement – Environment	65-66
103-3	Evaluation of the management approach	Sustainability Statement – Environment	65-66
303-1	Interactions with water as a shared resource	To be applied in the future	-
303-2	Management of water discharge-related impacts	To be applied in the future	-
303-3	Water withdrawal	To be applied in the future	-
303-4	Water discharge	To be applied in the future	-
303-5	Water consumption	Sustainability Statement - Water Management	71-73
305: Emissions			
103-1	Explanation of the material topic and its boundary	Sustainability Statement – Environment	65-66
103-2	The management approach and its components	Sustainability Statement – Environment	65-66
103-3	Evaluation of the management approach	Sustainability Statement – Environment	65-66
305-1	Direct (Scope 1) GHG emissions	Sustainability Statement - GHG Emissions	68-70
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Statement - GHG Emissions	68-70
305-3	Other indirect (Scope 3) GHG emissions	Sustainability Statement - GHG Emissions	68-70
305-4	GHG emissions intensity	Sustainability Statement - GHG Emissions	68-70
305-5	Reduction of GHG emissions	Sustainability Statement - GHG Emissions	68-70
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	Sustainability Statement - GHG Emissions	68-70
306: Effluents and Waste			
103-1	Explanation of the material topic and its boundary	Sustainability Statement – Environment	65-66
103-2	The management approach and its components	Sustainability Statement – Environment	65-66
103-3	Evaluation of the management approach	Sustainability Statement – Environment	65-66
306-1	Water discharge by quality and destination	To be applied in the future	-

SUSTAINABILITY STATEMENT
cont'd

Global Reporting Initiative Sustainability Reporting Standards ('GRI' Index) (cont'd)

GRI Content Index			
GRI Indicator	Disclosure	Response	Page Number
306: Effluents and Waste (cont'd)			
306-2	Waste by type and disposal method	Sustainability Statement – Waste Management	73-75
306-3	Significant spills	No significant spills as of FY2021	-
306-4	Transport of hazardous waste	To be applied in the future	-
306-5	Water bodies affected by water discharges and/or runoff	To be applied in the future	-
307: Environmental Compliance			
103-1	Explanation of the material topic and its boundary	Sustainability Statement – Environment	65-66
103-2	The management approach and its components	Sustainability Statement – Environment	65-66
103-3	Evaluation of the management approach	Sustainability Statement – Environment	65-66
307-1	Non-compliance with environmental laws and regulations	We have not identified any non-compliance with environmental laws and regulations as of FY2021	-
308: Supplier Environmental Assessment			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Supply Chain Management	61-64
103-2	The management approach and its components	Sustainability Statement - Supply Chain Management	61-64
103-3	Evaluation of the management approach	Sustainability Statement - Supply Chain Management	61-64
308-1	New suppliers that were screened using environmental criteria	Sustainability Statement - Supply Chain Management	61-64
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainability Statement - Supply Chain Management	61-64
401: Employment			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Employee Gender and Diversity, Employee Statistics	76-77
103-2	The management approach and its components	Sustainability Statement - Employee Gender and Diversity, Employee Statistics	76-77
103-3	Evaluation of the management approach	Sustainability Statement - Employee Gender and Diversity, Employee Statistics	76-77
401-1	New employee hires and employee turnover	Sustainability Statement - Employee Gender and Diversity, Employee Statistics	76-77
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Statement - Employee Gender and Diversity, Employee Statistics	76-77

SUSTAINABILITY STATEMENT

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Global Reporting Initiative Sustainability Reporting Standards ('GRI' Index) (cont'd)

GRI Content Index			
GRI Indicator	Disclosure	Response	Page Number
GRI 402: Labour/Management Relations			
103-1	Explanation of the material topic and its boundary	Not applicable as it does not reach our materiality consideration.	-
103-2	The management approach and its components	Not applicable as it does not reach our materiality consideration.	-
103-3	Evaluation of the management approach	Not applicable as it does not reach our materiality consideration.	-
402-1	Minimum notice periods regarding operational changes	We will ensure the employees are informed with appropriate notice periods regarding operational changes in Inari.	-
403: Occupational Health and Safety			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Occupational Safety and Health	81-85
103-2	The management approach and its components	Sustainability Statement - Occupational Safety and Health	81-85
103-3	Evaluation of the management approach	Sustainability Statement - Occupational Safety and Health	81-85
403-1	Occupational health and safety management system	Sustainability Statement - Occupational Safety and Health	81-85
403-2	Hazard identification, risk assessment and incident investigation	Sustainability Statement - Occupational Safety and Health	81-85
403-3	Occupational health services	Sustainability Statement - Occupational Safety and Health	81-85
403-4	Worker participation, consultation and communication on occupational health and safety	Sustainability Statement - Occupational Safety and Health	81-85
403-5	Worker training on occupational health and safety	Sustainability Statement - Occupational Safety and Health	81-85
403-6	Promotion of worker health	Sustainability Statement - Occupational Safety and Health	81-85
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Statement - Occupational Safety and Health	81-85
403-8	Workers covered by an occupational health and safety management system	Sustainability Statement - Occupational Safety and Health	81-85
403-9	Work-related injuries	Sustainability Statement - Occupational Safety and Health	81-85
403-10	Work-related ill health	Sustainability Statement - Occupational Safety and Health	81-85

SUSTAINABILITY STATEMENT

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Global Reporting Initiative Sustainability Reporting Standards ('GRI' Index) (cont'd)

GRI Content Index			
GRI Indicator	Disclosure	Response	Page Number
404: Training and Education			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Employee Development and Talent Retention	78-79
103-2	The management approach and its components	Sustainability Statement - Employee Development and Talent Retention	78-79
103-3	Evaluation of the management approach	Sustainability Statement - Employee Development and Talent Retention	78-79
404-1	Average hours of training per year per employee	Sustainability Statement - Employee Development and Talent Retention	78-79
404-2	Programmes for upgrading employee skills and transition assistance programmes	Sustainability Statement - Employee Development and Talent Retention	78-79
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Statement - Employee Development and Talent Retention	78-79
405: Diversity and Equal Opportunity			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Employee Gender and Diversity	76-77
103-2	The management approach and its components	Sustainability Statement - Employee Gender and Diversity	76-77
103-3	Evaluation of the management approach	Sustainability Statement - Employee Gender and Diversity	76-77
405-1	Diversity of governance bodies and employees	Profile of Board of Directors, Profile of Key Senior Management, Sustainability Statement - Employee Gender and Diversity, Employees Statistics	12-17 76-77
405-2	Ratio of basic salary and remuneration of women to men	To be applied in the future	-
406: Non-discrimination			
103-1	Explanation of the material topic and its boundary	Sustainability Statement – Human and Labour Rights	80-81
103-2	The management approach and its components	Sustainability Statement – Human and Labour Rights	80-81
103-3	Evaluation of the management approach	Sustainability Statement – Human and Labour Rights	80-81
406-1	Incidents of discrimination and corrective actions taken	No incidents of discrimination in FY2021 Sustainability Statement - Human and Labour Rights	-

SUSTAINABILITY STATEMENT
cont'd

Global Reporting Initiative Sustainability Reporting Standards ('GRI' Index) (cont'd)

GRI Content Index			
GRI Indicator	Disclosure	Response	Page Number
408: Child Labour			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-64 80-81
103-2	The management approach and its components	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-64 80-81
103-3	Evaluation of the management approach	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-64 80-81
408-1	Operations and suppliers at significant risk for incidents of child labour	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-64 80-81
409: Forced or Compulsory Labour			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-64 80-81
103-2	The management approach and its components	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-64 80-81
103-3	Evaluation of the management approach	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-64 80-81
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-64 80-81
412: Human Rights Assessment			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-64 80-81
103-2	The management approach and its components	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-64 80-81
103-3	Evaluation of the management approach	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-64 80-81
412-1	Operations that have been subject to human rights reviews or impact assessments	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-64 80-81
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-64 80-81

SUSTAINABILITY STATEMENT
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Global Reporting Initiative Sustainability Reporting Standards ('GRI' Index) (cont'd)

GRI Content Index			
GRI Indicator	Disclosure	Response	Page Number
413: Local Communities			
103-1	Explanation of the material topic and its boundary	Sustainability Statement – Local Communities	87-89
103-2	The management approach and its components	Sustainability Statement – Local Communities	87-89
103-3	Evaluation of the management approach	Sustainability Statement – Local Communities	87-89
414: Supplier Social Assessment			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Supply Chain Management	61-64
103-2	The management approach and its components	Sustainability Statement - Supply Chain Management	61-64
103-3	Evaluation of the management approach	Sustainability Statement - Supply Chain Management	61-64
414-1	New suppliers that were screened using social criteria	Sustainability Statement - Supply Chain Management	61-64
414-2	Negative social impacts in the supply chain and actions taken	Sustainability Statement - Supply Chain Management	61-64
415: Public Policy			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Corporate Governance and Ethics, Anti-Corruption and Bribery Policy and Supply Chain Management	50-52 61-64
103-2	The management approach and its components	Sustainability Statement - Corporate Governance and Ethics, Anti-Corruption and Bribery Policy and Supply Chain Management	50-52 61-64
103-3	Evaluation of the management approach	Sustainability Statement - Corporate Governance and Ethics, Anti-Corruption and Bribery Policy and Supply Chain Management	50-52 61-64
415-1	Political contributions	Sustainability Statement - Corporate Governance and Ethics, Anti-Corruption and Bribery Policy	50-52
418: Customer Privacy			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Privacy and Data Protection	64
103-2	The management approach and its components	Sustainability Statement - Privacy and Data Protection	64
103-3	Evaluation of the management approach	Sustainability Statement - Privacy and Data Protection	64
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Statement - Privacy and Data Protection	64

SUSTAINABILITY STATEMENT

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Global Reporting Initiative Sustainability Reporting Standards ('GRI' Index) (cont'd)

GRI Content Index			
GRI Indicator	Disclosure	Response	Page Number
419: Socioeconomic Compliance			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Corporate Governance and Ethics	50-52
103-2	The management approach and its components	Sustainability Statement - Corporate Governance and Ethics	50-52
103-3	Evaluation of the management approach	Sustainability Statement - Corporate Governance and Ethics	50-52
419-1	Non-compliance with laws and regulations in the social and economic area	We have not identified any non-compliance with laws and regulations in the social and economic area as of FY2021	-