

The background of the page is a photograph of a large, leafy tree on the right side, with its branches extending over a body of water. The water is calm and reflects the surrounding greenery. The foreground is a grassy area with dappled sunlight. The overall scene is peaceful and natural.

# SUSTAINABILITY STATEMENT



# CONTENTS

About This Sustainability Statement  
Reporting Period And Boundary  
Reporting Framework And Standards  
Availability  
Point Of Contact  
Our Sustainability Journey Thus Far  
Our Sustainability Governance  
Our Sustainability Policy  
Our Sustainability Strategy  
Corporate Membership And Association  
Our Sustainability Goals  
Our Commitment Towards Climate Change  
Listening To Our Stakeholders  
Materiality Assessment

## ECONOMIC

### *Better Results from Better Practices*

Corporate Governance And Ethics  
Customer Satisfaction  
Innovation  
Supply Chain Management  
Privacy And Data Protection

## ENVIRONMENT

### *Caring for our Planet*

Energy Usage  
GHG Emissions And Climate Change  
Water Management  
Waste Management  
Product Stewardship

## WORKPLACE

### *Caring for our People*

Employee Gender, Diversity And Inclusion  
Employee Development And Talent Retention  
Human And Labour Rights  
Occupational Safety And Health  
Employee Welfare

## LOCAL COMMUNITIES

### *Giving Back*

Local Communities



## SUSTAINABILITY STATEMENT

cont'd

### ABOUT THIS SUSTAINABILITY STATEMENT

As one of the region's leading Outsourced Semiconductor Assembly & Test ("OSAT") providers and largest Malaysian technology companies with total built-up production floor space of approximately 1,800,000 square feet across Malaysia, Philippines and China, our actions have an impact across a very wide area and scope - affecting economies, the livelihoods of people and the health of natural environments. Therefore, we have a responsibility to and are deeply committed to a sustainable future and to improving the social, economic and environmental wellbeing of the community following.



In line with Inari's Core Values, we have integrated sustainability as a central part of our governance and everyday business processes. With this, we proudly present Inari Amertron Berhad and its subsidiaries (herein referred to as "Inari" or "the Group") sixth Sustainability Statement ("Statement"), highlighting the Group's performance in the economic, environment, workplace and local communities aspects of sustainability.

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 2021 to 30 June 2022 ("FY2022"). Where possible, information from previous years have been included to provide comparative data.



## SUSTAINABILITY STATEMENT

cont'd

### 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;
- United Nations Sustainable Development Goals (“UNSDGs”); and
- FTSE4Good Bursa Malaysia Index’s Environmental, Social and Governance indicators (“FTSE4Good”).

### AVAILABILITY

This Statement is available on the Company’s website at [www.inari-amertron.com](http://www.inari-amertron.com) in a downloadable PDF format.

### 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](mailto:info1@inariberhad.com).



# SUSTAINABILITY STATEMENT

cont'd

## OUR SUSTAINABILITY JOURNEY THUS FAR


### Our Vision & Mission

- 1 Deliver Quality Service & Products To Our Customers
- 2 Treat Staff, Customers, Our Business Partners Fairly
- 3 Deliver Good Returns To Our Shareholders


### Our Key Beliefs

- I** **Integrity**  
*Need all levels to walk the talk at all times*
- N** **No Excuse**  
*Focus on the Success Formula*
- A** **Aligned Partnership**  
*Customers - Our Team - Suppliers*
- R** **Result Oriented**  
*To delight Stakeholders, Customers and Employees*
- I** **Initiative**  
*Positive and Can-Do attitude*

2022

- Our **Sustainability Policy** included our support to the **Paris agreement 2015's** goal to reduce global warming and the **Net Zero** carbon emission by **2050**. This is evidenced by the inclusion of climate change risk and controls in annual Enterprise Risk Management assessment activities.
- Became a **listed Task Force on Climate-Related Financial Disclosures ("TCFD") supporter**. This indicates our commitment to align our disclosures to the TCFD recommendations. 
- Conducted a formal and objective **Board evaluation** by external consultant in accordance to MCCG Practice 6.1 to enhance the governance process.

2021

- Strengthen sustainability governance through the development and enhancement of the **Sustainability Reporting Handbook and Framework, Corporate Liability and Corruption Risk Management Framework**
- Became a **corporate member of Climate Governance Malaysia**, the Malaysian chapter of World Economic Forum's Climate Governance Initiative 

2020

- Included as one of the constituents of **FTSE4Good Bursa Malaysia Index** on 22 June 2020 
- Redesignated Sustainability Working Committee to **Sustainability and Integrity Working Group ("SIWG")**

2019

- Published third Sustainability Statement in accordance to **Global Reporting Initiative Standards**
- Mapped sustainability matters with **United Nations Sustainable Development Goals**

2018

- Board oversight on the implementation of sustainability strategy through the establishment of **Sustainability and Risk Management Committee**

2017

- Published **inaugural Sustainability Statement**
- Established **Sustainability Working Committee** which comprises Inari's management team and representatives from various departments
- Performed internal and external **Stakeholder Engagement & Materiality Assessment** exercise



# SUSTAINABILITY STATEMENT

cont'd

## OUR SUSTAINABILITY GOVERNANCE

### Setting the Tone from the Top

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	
Chairman	Datuk Phang Ah Tong <i>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 supported by the Group CFO 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. These were done in alignment with, amongst others, the updated Malaysian Code on Corporate Governance ("MCCG") released in April 2021, particularly the Intended Outcome 4.0 which puts emphasis on sustainability management including climate change.

Further to becoming a corporate member of Climate Governance Malaysia, the Malaysian chapter of World Economic Forum's Climate Governance Initiative in 2021, our Board of Directors acknowledged and recognised climate change as a relevant long-term risk and/or opportunity to the business, thus, in FY2022, the Sustainability and Risk Management Committee namely, Datuk Phang, Mr. Foo and Dato' Dr. Tan had exercised their oversight of the management of climate change risks by reviewing the risk profile facilitated by external consultant on the impact of climate change to the Company's operations and the relevant controls put in place by the Management through the Company's annual enterprise risk management assessment activities. The detailed risk management process on climate change risk and other operations risk can be found at Statement on Risk Management and Internal Control of Inari's FY2022 annual report.



## SUSTAINABILITY STATEMENT

cont'd

### OUR SUSTAINABILITY GOVERNANCE (cont'd)

#### Setting the Tone from the Top (cont'd)

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



As stated in our Remuneration Policy and Procedures for Directors and Senior Management, our Directors and Senior Management incentives or remuneration pay are linked to ESG metrics including climate change, ensuring management accountability for the achievement of the Company's goals. In FY2022, the Group has set the FY2022 Key Performance Indicators (KPIs) tied to various ESG matters such as product quality and safety, human rights and labour practices, occupational health and safety, talent development and retention as well as compliance to regulatory requirements.

To reflect the Company's commitment in transitioning into a net zero carbon business by year 2050, the Group will introduce carbon emission reduction as new KPI for the near future.



## SUSTAINABILITY STATEMENT

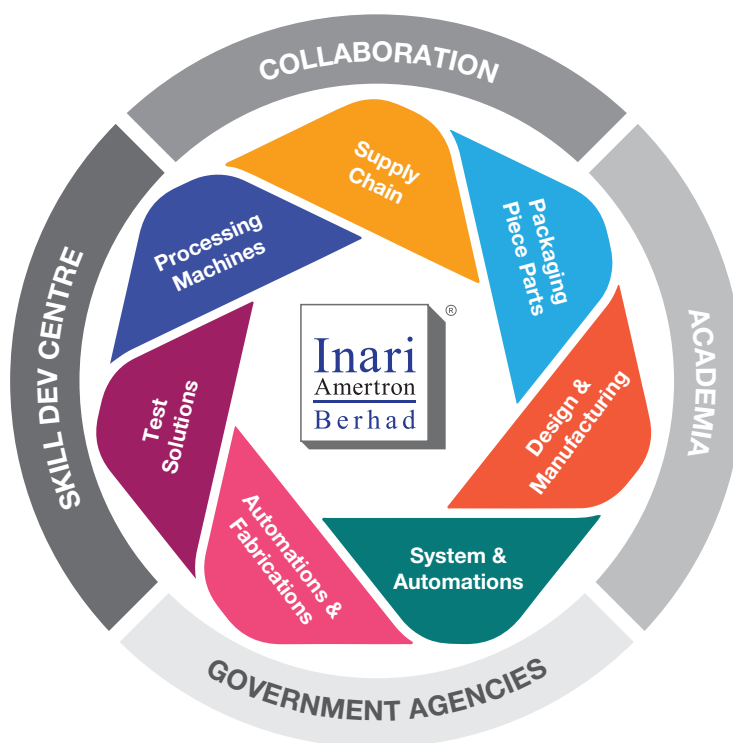
cont'd

### OUR SUSTAINABILITY POLICY

Our sustainability policy had been established with the following objectives:

- Outline Inari Group's sustainability approach to identify, analyse, evaluate, manage and monitor significant issues concerning sustainability for the Inari Group in the areas of:
  - Economic sustainability;
  - Environmental sustainability;
  - Workplace sustainability;
  - Ethics and integrity.
- Integrate the philosophy of sustainable development into all Inari Group's activities; and
- Provide guidance to management and employees on their roles and responsibilities towards the sustainability goals of Inari Group.

Above all, our Sustainability Policy focus on collaboration with various stakeholders as we reckon collaboration is the foundation of success towards sustainable development. Company can only achieve sustainable growth by optimising all three factors in the sustainable equation: Profit, People and Planet.



This policy shall be reviewed periodically to ensure that it is always consistent with the business and market environment that Inari Group is operating in. For FY2022, we have enhanced our Policy to include our support to Paris Agreement 2015 and Net Zero Carbon Emission by year 2050.

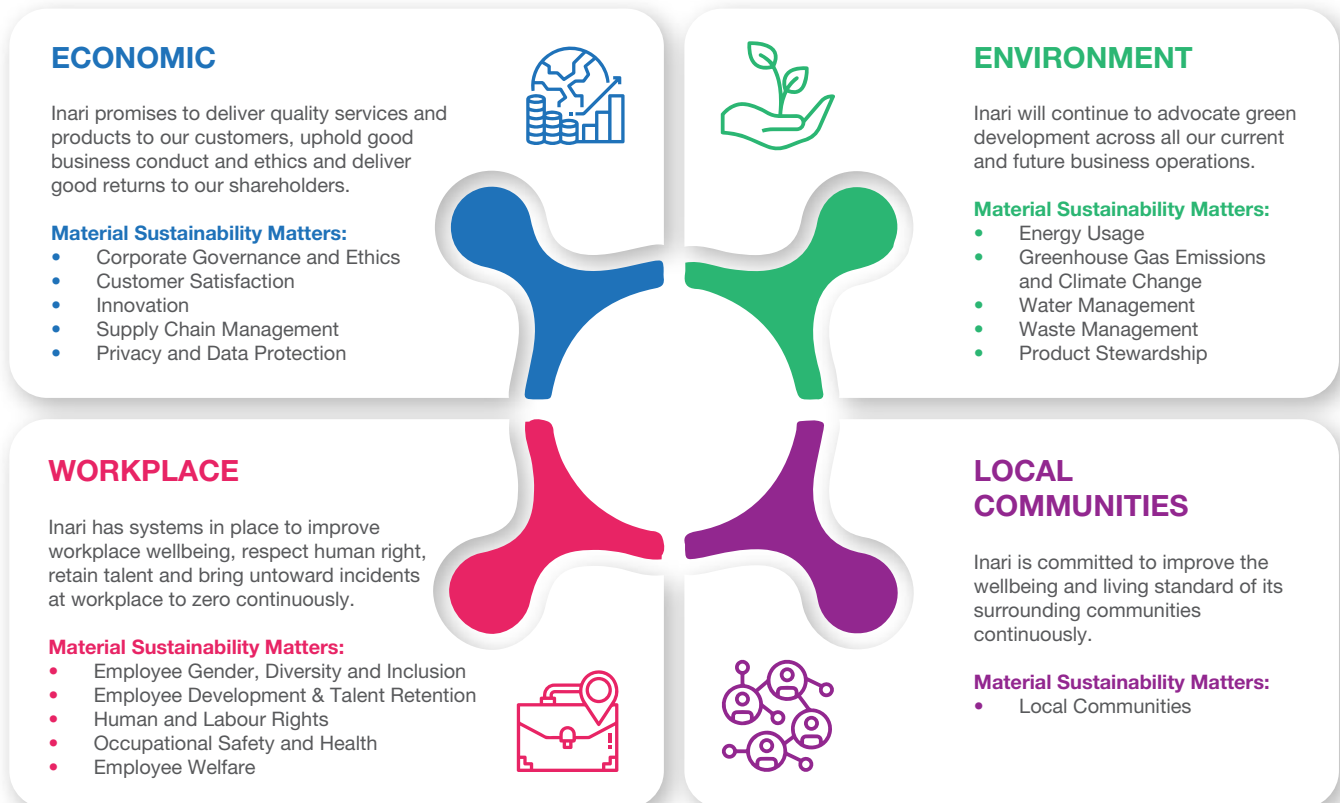


## SUSTAINABILITY STATEMENT

cont'd

### 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.



### CORPORATE MEMBERSHIP AND ASSOCIATION

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 following associations and organisations:

- Clark Investors & Locators Association (“CILA”)
- Climate Governance Malaysia (“CGM”)
- Federation of Malaysian Manufacturers (“FMM”)
- Malaysia Semiconductor Industry Association (“MSIA”)
- Malaysian Employers Federation (“MEF”)
- Malaysian Investor Relations Association (“MIRA”)
- Penang Green Council (“PGC”)
- Personnel Officers Association of the Philippines (POAP), Clark Human Resources Council (“CHRC”) Philippines
- SEMI Global Industry Association (“SEMI”)
- Semiconductor & Electronics Industries in the Philippines, Foundation Inc (“SEIPI”)



## SUSTAINABILITY STATEMENT

cont'd

### CORPORATE MEMBERSHIP AND ASSOCIATION *(cont'd)*

MSIA and SEIPI are industry associations 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.

In 2021, we became a corporate member of Climate Governance Malaysia, the Malaysian chapter of World Economic Forum's Climate Governance Initiative. With this, we have enhanced our Sustainability Policy to show our support on the following:

- Paris agreement 2015's goal to reduce global warming and limit temperature rise to no more than 1.5 degree; and
- Malaysia becoming a carbon-neutral nation by as early as 2050 in line with the 12th Malaysia Plan (2020-2025).

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. Our commitment towards this goal is evidenced by our action plans below:

- Solar panel system at P13 has been installed and in operations since March 2022 to reduce electricity consumption for P13 (target reduction by 5%); plans are in place to roll out progressively similar solar panel systems at other plants
- Conducted awareness training on 3Rs ("Reduce, Reuse & Recycle") to all employees; and
- KPI set to achieve electricity and water reduction by installing indicators on the machines for monitoring for selected plants.



We strongly 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.

In August 2022, Inari became a listed Task Force on Climate-Related Financial Disclosures ("TCFD") supporter, which can be found online at <https://www.fsb-tcfid.org/supporters/>. We believe that the TCFD recommendations provide a useful framework to increase transparency on climate-related risks and opportunities. This also indicates our commitment to align our disclosures to the TCFD recommendations.



## SUSTAINABILITY STATEMENT

cont'd

### CORPORATE MEMBERSHIP AND ASSOCIATION (cont'd)



### 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 FY2022.


Sustainability Strategy	Sustainability Goals	Performance in FY2022
<b>Economic</b> <ul style="list-style-type: none"> <li>Corporate Governance and Ethics</li> <li>Customer Satisfaction</li> <li>Innovation</li> <li>Supply Chain Management</li> <li>Privacy and Data Protection</li> </ul>    	<ul style="list-style-type: none"> <li>Practice good corporate governance and ethics</li> <li>Deliver good returns to our shareholders</li> <li>Meet customers' requirements</li> <li>Deliver quality services and products</li> <li>Zero breaches of privacy and data protection</li> <li>Promote purchases from local suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Zero cases of non-compliance and ethical issue</li> <li>Revenue increased by 8.3%</li> <li>Profit after tax increased by 18.3%</li> <li>Dividend payout ratio: 94.7%</li> <li>Responded to all queries received from customers</li> <li>Zero cases related to breaches of privacy and data protection</li> <li>Our Group's spending for local suppliers has increased over the years</li> </ul>



# SUSTAINABILITY STATEMENT

cont'd

## OUR SUSTAINABILITY GOALS (cont'd)

Sustainability Strategy	Sustainability Goals	Performance in FY2022
<b>Environment</b> <ul style="list-style-type: none"> <li>Energy Usage</li> <li>Greenhouse Gas Emissions and Climate Change</li> <li>Water Management</li> <li>Waste Management</li> <li>Product Stewardship</li> </ul>    	<ul style="list-style-type: none"> <li>Advocate green development to align with the Climate Governance Malaysia target to reduce global warming and the Net ZERO carbon emission by year 2050</li> <li>Zero non-compliance with local regulatory requirements for wastewater discharge</li> </ul>	<ul style="list-style-type: none"> <li>Minor increase in energy intensity from FY2021 (0.0000205 GJ/FOU) to FY2022 (0.0000215 GJ/FOU) due to increase in volume of production/factory output unit. Nevertheless, we achieved lower energy intensity over 3 years</li> <li>Minor increase in GHG emissions intensity from FY2021 (0.00385 tCO<sub>2</sub>e/FOU) to FY2022 (0.00404 tCO<sub>2</sub>e/FOU) due to increase in volume of production/factory output unit. Nevertheless, we achieved a decrease in GHG emissions intensity over 3 years</li> <li>Decrease of 5% in water intensity</li> <li>100% compliance with local regulatory requirements for wastewater discharge</li> </ul>
<b>Workplace</b> <ul style="list-style-type: none"> <li>Employee Gender, Diversity and Inclusion</li> <li>Employee Development and Talent Retention</li> <li>Human and Labour Rights</li> <li>Occupational Safety and Health</li> <li>Employee Welfare</li> </ul>    	<ul style="list-style-type: none"> <li>Employee engagement survey satisfaction score above 90%</li> <li>Promote employee Gender and diversity</li> <li>Continuous development for every employee</li> <li>100% completion rate for employee performance review</li> <li>Respect and achieve 100% compliance to human and labour rights</li> <li>Zero workplace injury case</li> </ul>	<ul style="list-style-type: none"> <li>Achieved an overall satisfaction score of 96% in employee engagement survey</li> <li>60% of female employees in the global workforce</li> <li>Achieved 30,908 of total training hours with an average of 5 hours per employee</li> <li>100% of employees received performance reviews</li> <li>Zero cases reported for forced/child labour, discrimination or grievances on human rights</li> <li>6 minor cases of workplace injuries at operations in Malaysia, Philippines and China</li> </ul>



# SUSTAINABILITY STATEMENT

cont'd

## OUR SUSTAINABILITY GOALS (cont'd)

Sustainability Strategy	Sustainability Goals	Performance in FY2022
<b>Local Communities</b> <ul style="list-style-type: none"> <li>Local Communities</li> </ul>  	<ul style="list-style-type: none"> <li>Contribute to the wellbeing and living standard of surrounding communities</li> </ul>	<ul style="list-style-type: none"> <li>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</li> <li>Launched in-house face mask production line and produced 2.5 million face masks for distribution</li> <li>1,036 interns hired this year with a total of 4,395 interns hired to date</li> <li>Contributed a total of RM282,039 in CSR initiatives in FY2022 and accumulated RM2.79 million both cash and in-kind since FY2018</li> <li>14,990 volunteered hours, contributed by employees on community services</li> </ul>

## OUR COMMITMENT TOWARDS CLIMATE CHANGE

We acknowledged and recognised climate change as a relevant long-term risk and/or opportunity to the business, thus, we have set the following short-term and long-term goals to take part in positive change:

Theme	Indicator	Short term target (up to 5 years) - FY2022 actual as base year	Long term target (more than 5 years) - FY2022 actual as base year
Climate Change	Percentage reduction target (%) - scope 1 (tCO <sub>2</sub> e)	-3%	-5%
Climate Change	Percentage reduction target (%) - scope 2 (tCO <sub>2</sub> e)	-2%	-3%
Climate Change	Percentage reduction target (%) - GHG Intensity (tCO <sub>2</sub> e / FOU)	-2%	-5%
Climate Change	Percentage reduction target (%) - Energy consumption (GJ)	-3%	-5%
Climate Change	Percentage reduction target (%) - Energy Intensity (GJ/ FOU)	-2%	-3%
Water Security	Percentage reduction target (%) - Water consumption (m <sup>3</sup> )	-3%	-5%
Water Security	Percentage reduction target (%) - Water Intensity (m <sup>3</sup> / FOU)	-5%	-5%
Pollution & Resources	Percentage reduction target (%) - waste generation (mt)	-3%	-5%
Pollution & Resources	Percentage target (%) - 3R	90%	90%
Health & Safety	Percentage reduction target (%) - Number of injury incident	Zero injury	Zero injury



# SUSTAINABILITY STATEMENT

cont'd

## OUR COMMITMENT TOWARDS CLIMATE CHANGE (cont'd)





The above target shall be achieved through various on-going and planned energy-efficiency projects and process to improve energy efficiency, reduce greenhouse gas ("GHG") emissions, reduce water consumption, and operational excellence activities to reduce waste generation. The actual performance is being measured against the targets set on monthly basis and reported to the Senior Management to strive for achievement. The details of the actual performance are disclosed under Environment section from Page 66 to Page 78 of this Sustainability Statement.

## 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. Through these engagements, there were no significant stakeholders concerns or issues with our operation.

Stakeholder Group	Type of Engagement	Sustainability Concerns	Frequency
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Customer satisfaction surveys</li> <li>Audit on operations</li> <li>Meetings</li> <li>Real-time production status updates</li> </ul>	<ul style="list-style-type: none"> <li>Building of long-term relationships</li> <li>Product quality, timely delivery, productivity and efficiency</li> <li>Product innovation</li> <li>Demonstration of good economic, environmental, social and governance adherence and practices</li> </ul>	<ul style="list-style-type: none"> <li>As and when needed</li> <li>On-going</li> <li>Annually</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Volunteer programmes</li> <li>Hotline</li> <li>Feedback boxes</li> <li>Annual appraisal</li> <li>Townhall meetings</li> <li>Employee surveys</li> </ul>	<ul style="list-style-type: none"> <li>Safe and healthy working environment</li> <li>Ensure law-abiding operation</li> <li>Fair remuneration and compensation packages</li> <li>Diversity and equal opportunity for career advancement</li> <li>Employee development and talent retention</li> <li>Sustainable growth and development of organisation</li> <li>Human rights</li> <li>Work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>As and when needed</li> <li>On-going</li> <li>Annually</li> </ul>
<b>Senior Management</b> 	<ul style="list-style-type: none"> <li>Management review</li> <li>Operational review</li> <li>Various communications meetings and sessions</li> </ul>	<ul style="list-style-type: none"> <li>Economic, environmental, social and governance matters</li> <li>Achievement of key performance indicators</li> <li>Human resource management</li> <li>Ethics, integrity and regulatory compliance</li> <li>Anti-corruption and bribery</li> </ul>	<ul style="list-style-type: none"> <li>On-going</li> <li>Monthly</li> <li>Quarterly</li> <li>Annually</li> </ul>
<b>Shareholders</b> 	<ul style="list-style-type: none"> <li>Analysis briefing</li> <li>Financial results reporting</li> <li>Annual General Meeting</li> <li>Annual reports</li> <li>Corporate website</li> <li>Regular plant visits for further understanding of our operations</li> </ul>	<ul style="list-style-type: none"> <li>Strong and sustainable financial performance</li> <li>Continuous business growth and expansion plans</li> <li>Demonstration of good economic, environmental, social and governance adherence and practices</li> <li>Ensure transparency in financial reporting</li> <li>Timely and accurate announcements and information on Inari's website</li> </ul>	<ul style="list-style-type: none"> <li>As and when needed</li> <li>On-going</li> <li>Quarterly</li> <li>Annually</li> </ul>






# SUSTAINABILITY STATEMENT

cont'd

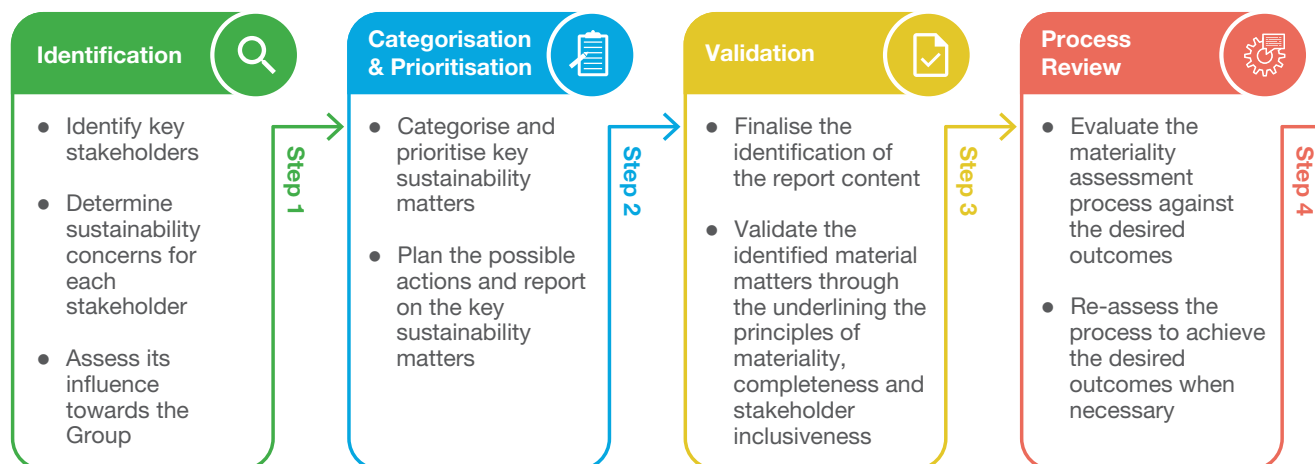
## LISTENING TO OUR STAKEHOLDERS (cont'd)

### Stakeholder Engagement (cont'd)

Stakeholder Group	Type of Engagement	Sustainability Concerns	Frequency
<b>Suppliers/ Business Partners</b> 	<ul style="list-style-type: none"> <li>Supplier selection via pre-qualification and registration</li> <li>Regular supplier performance evaluation</li> <li>Due Diligence</li> </ul>	<ul style="list-style-type: none"> <li>Strategic partnerships</li> <li>Fair tender practices</li> <li>Ethics, integrity and regulatory compliance</li> <li>Environment, health and safety governance matters</li> <li>Social governance matters including human rights, child rights, non-harassment, non-discrimination, compliance with local laws on minimum wages and working hours and etc.</li> </ul>	<ul style="list-style-type: none"> <li>As and when needed</li> <li>On-going</li> <li>Annually</li> </ul>
<b>Regulators</b> 	<ul style="list-style-type: none"> <li>Participation in programmes organised by regulatory bodies</li> <li>Engaging in dialogues with regulators</li> <li>Participation in industry and government interest groups</li> <li>Regular plant visits</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with relevant laws and regulations</li> <li>Good corporate governance practices</li> </ul>	<ul style="list-style-type: none"> <li>As and when needed</li> <li>On-going</li> </ul>
<b>Local Communities</b> 	<ul style="list-style-type: none"> <li>Volunteering programmes</li> <li>Engagement and participation in community and corporate social responsibility ("CSR") events</li> </ul>	<ul style="list-style-type: none"> <li>Financial and non-financial contributions to local communities</li> <li>Good corporate citizenship</li> </ul>	<ul style="list-style-type: none"> <li>As and when needed</li> <li>On-going</li> </ul>

## 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.





# SUSTAINABILITY STATEMENT

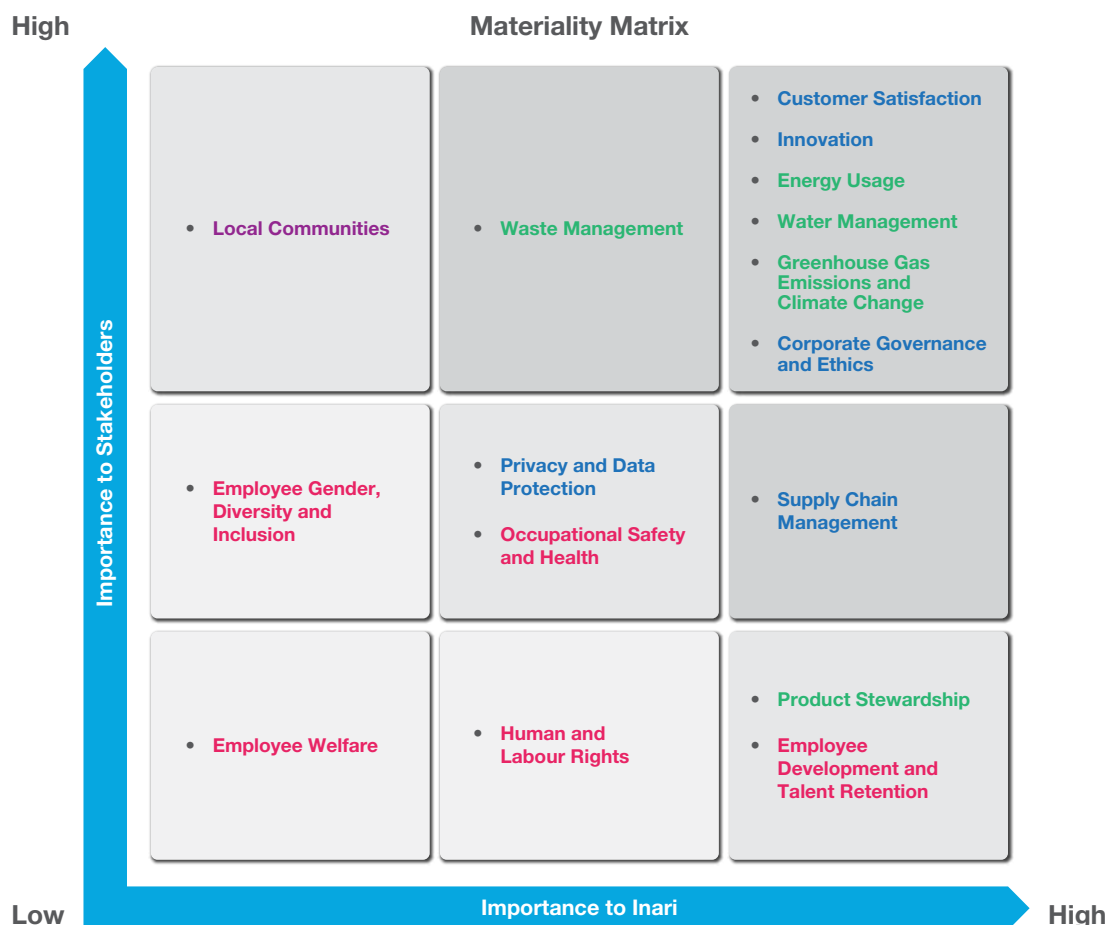
cont'd

## MATERIALITY ASSESSMENT *(cont'd)*

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.

We have increased the importance of Greenhouse Gas Emissions and water management (both related to climate change) to Inari to be a material sustainability matters alongside with previously identified material sustainability matters, namely (i) Customer Satisfaction; (ii) Innovation; (iii) Energy Usage; and (iv) Corporate Governance and Ethics.

The remaining ten (10) material sustainability matters are still important to the Group and are continuously being monitored and reported.



### Legend:

- Economic
- Environment
- Workplace
- Local Communities



# SUSTAINABILITY STATEMENT

cont'd

## MATERIALITY ASSESSMENT (cont'd)

Material Sustainability Matter	Description
<b>Economic</b>	
Corporate Governance and Ethics	Ensuring 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
<b>Environment</b>	
Energy Usage	Efforts to improve energy consumption efficiency to mitigate the impact on climate change, amongst others
Greenhouse Gas ("GHG") Emissions and Climate Change	Implementing internal controls to better manage our carbon footprint
Water Management	Efforts to improve water consumption efficiency to mitigate the impact on climate change, amongst others
Waste Management	Efforts to decrease the generation of waste and to prevent waste from being directed to landfill
Product Stewardship	Efforts to ensure products are safe throughout its lifecycle including proper management of our hazardous waste
<b>Workplace</b>	
Employee Gender, Diversity and Inclusion	Embracing and promoting gender diversity and fostering an inclusive work environment
Employee Development and Talent Retention	Making efforts to retain employees and develop their capabilities through various training programmes
Human and Labour Rights	Protecting 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
<b>Local Communities</b>	
Local Communities	Improving the wellbeing and living standard of its surrounding communities through various CSR programmes for the underserved. Hiring locally where possible to support the local economy and communities.



## SUSTAINABILITY STATEMENT

cont'd

### ECONOMIC

- Better Results from Better Practices

### CORPORATE GOVERNANCE AND ETHICS

#### Code of Business Conduct and Ethics

Inari fully recognises that good corporate culture will help employees comprehend and apply clearly the Group's mission/vision and beliefs alongside policies established within their day-to-day work. Hence, the Board of Directors has established and adopted the Code of Business Conduct and Ethics for directors and employees which reflects the Board's commitment to maintaining the highest standard of ethical conduct and practices expected from the Directors and Employees of the Group.

The Code defines our high expectation on every employee to carry out good business practice and high personal conduct, with 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, 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 are aligned with our ethical standards. Each employee will receive a copy of the Code which forms an integral part of the terms and conditions of employment. Annually, all Directors and employees are required to make declarations to observe strictly 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 FY2022, we did not record any cases of non-compliance and breach of ethical issues.

#### Anti-Corruption and Bribery Policy

Inari Group's businesses and operations are governed under an anti-bribery management system developed in conjunction with the introduction of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 which took effect on 1 June 2020. The system adopts a risk-based management approach and is supported by adequate procedures incorporating top-level commitment, corruption risk assessments, risk-based management measures, monitoring, review and reporting processes, and adequate communication and training with relevant stakeholders to enable the implementation of our group-wide 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 (which may include but not limited to suppliers, contractors, agents, consultants, outsourced personnel, distributors, advisors, government and public bodies including advisors, representatives and officials) 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 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.



## SUSTAINABILITY STATEMENT

cont'd

### 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.

Regular Corruption Risk Management ("CRM") assessment has been carried out across the Group based on the present and potential corruption risk. 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 risk. 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.

For FY2022, 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, shareholders, suppliers, customers 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 types of reportable concerns and misconducts that can be reported through whistleblowing channel and mechanism includes but not limited to corruption and bribery, breach of the provisions in the Group's Code of Business Conduct and Ethics.

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.



## SUSTAINABILITY STATEMENT

cont'd

### ECONOMIC (cont'd)

- Better Results from Better Practices

### CORPORATE GOVERNANCE AND ETHICS (cont'd)

#### Whistleblowing Policy and Procedures (cont'd)

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 FY2022, no non-compliance and breaches of ethical issues was reported 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](http://www.inari-amertron.com).

#### 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 MCGG. 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 pages 116 to 133 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 monitor and manage our Group tax matters. We formulate 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

Customer satisfaction 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 carried out 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 maintain quality within our products and services, we are guided by our Quality Policy that enables us to achieve our quality objectives and re-affirm our commitment to excellence. The 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 variances
- Deliver timely products and services, and consistently with zero defects
- Inculcate a mindset across our processing chain that quality is the responsibility of all and require their total involvement and commitment



## SUSTAINABILITY STATEMENT

cont'd

### 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 in turn drives revenue and our bottom-line growth. Our brand reputation reflects our core values and strengthens confidence in our products and services. Through relentless effort, we strive to maintain 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 received over the years. They are testament to our hard work and effort in delivering quality, technology solutions and operational excellence.

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

- Recognition from the Institution of Engineers Malaysia for contribution in the Engineering Industry (Materials and Production) 2022
- Osram's Supplier Achievement Awards 2022
- 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





## SUSTAINABILITY STATEMENT

cont'd

## ECONOMIC (cont'd)

- Better Results from Better Practices

## INNOVATION



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

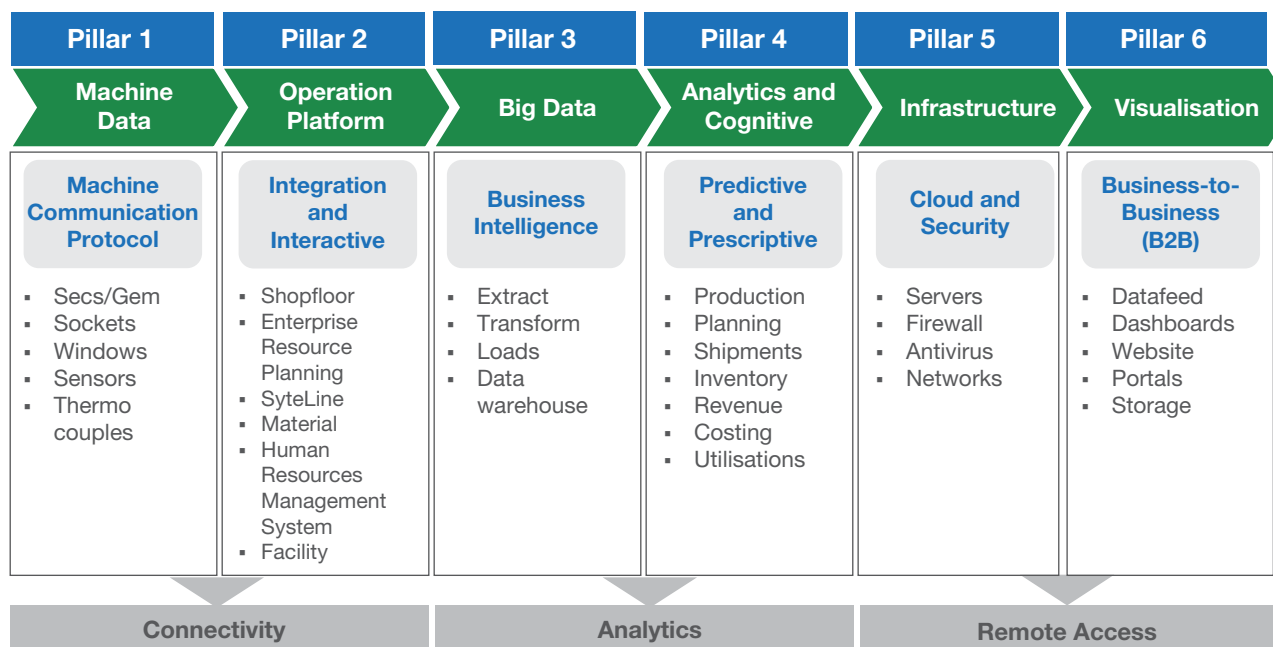
Given the rapid pace of technological change in today's connected and digitalised world, aligning research and development goals to market opportunities is key to growing our business. We place importance on continuous improvement across our organisation and its value chain as we aim to strengthen our competitive advantage and stay ahead of our competitors. As such, innovation is woven deeply into our corporate culture, our 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 customers' 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 acquisition and processing. Companies are integrating and enabling technologies, including those of Internet of Things (IoT), cloud computing & analytics, and artificial intelligence & machine learning into production facilities and throughout their operations. Being one of the top industry players, Inari has embarked on this journey since 2017.

To ensure we are driving innovation continuously, 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





## SUSTAINABILITY STATEMENT

cont'd

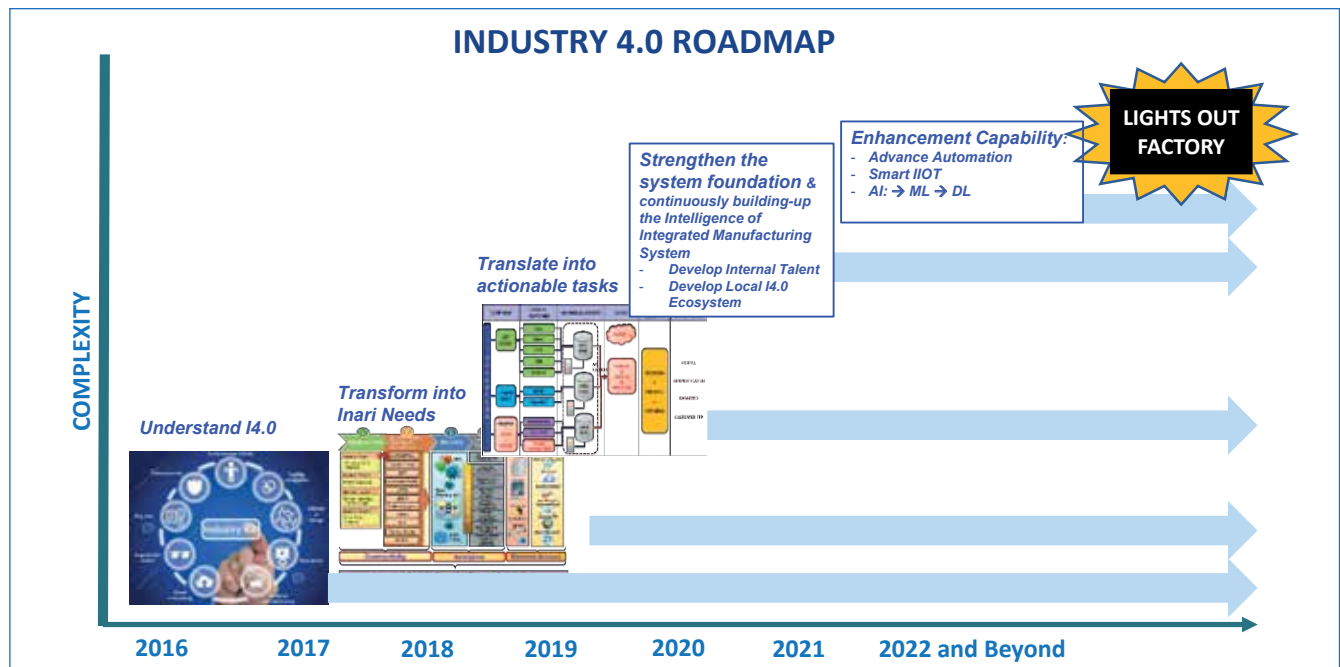
### ECONOMIC (cont'd)

- Better Results from Better Practices

### INNOVATION (cont'd)

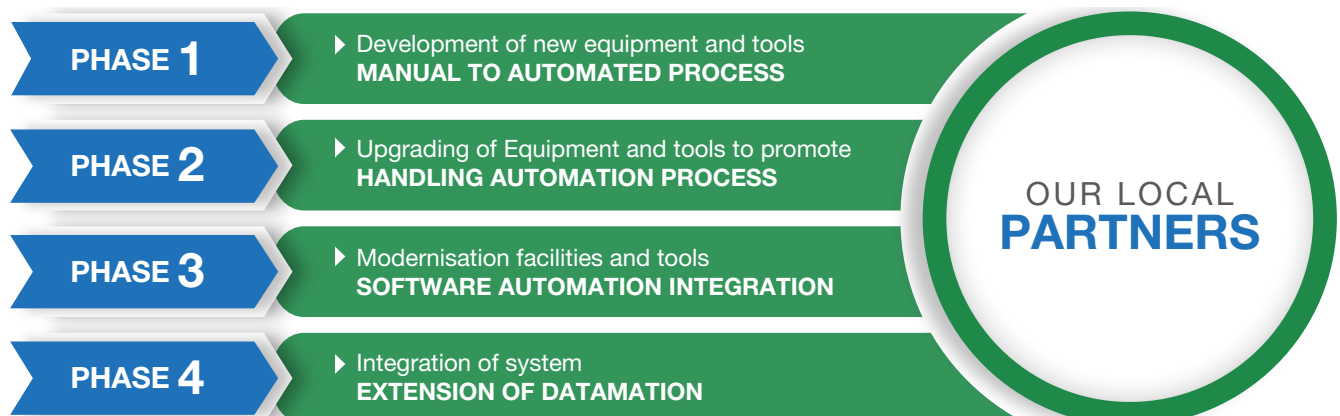
#### Operational Excellence through Innovation

Our Industry 4.0 Roadmap towards lights out factory is illustrated as below:



To support our Industry 4.0 Roadmap, 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. The diagram below presents the summary of our automation strategy with our local partners.





# SUSTAINABILITY STATEMENT

cont'd

## ECONOMIC (cont'd)

- Better Results from Better Practices

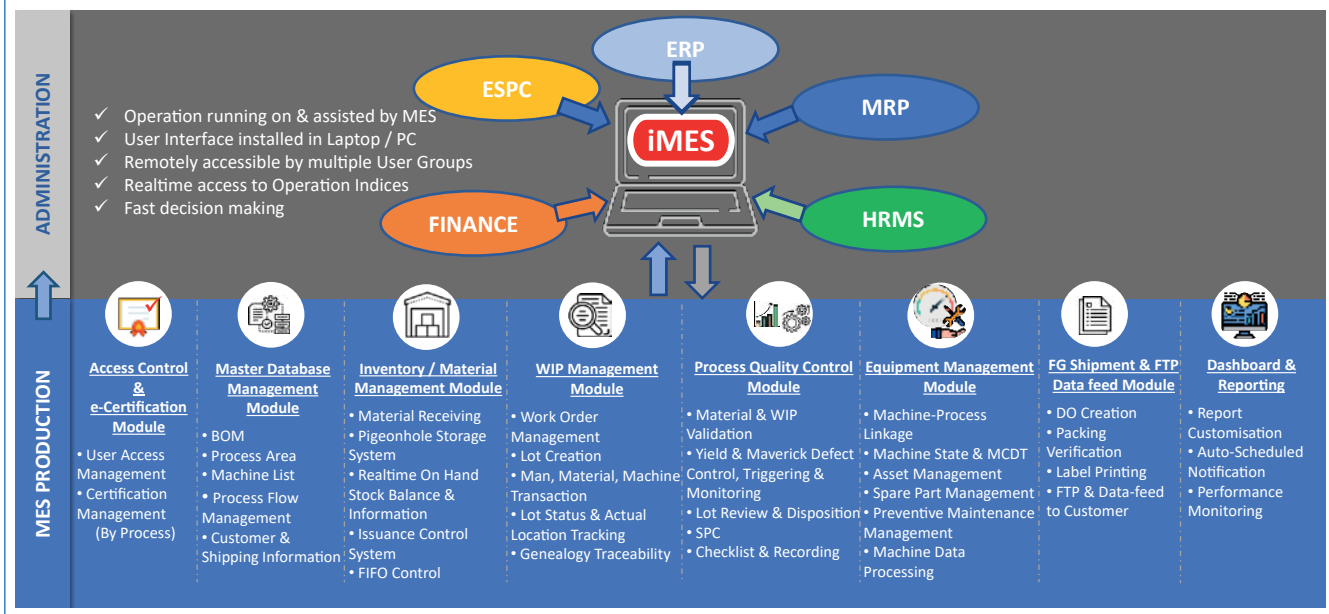
## INNOVATION (cont'd)

### Operational Excellence through Innovation (cont'd)

In addition, we have developed the Inari Manufacturing Execution System ("IMES") to strengthen our real-time operations tracking and triggering. The IMES connectivity allows fully integrated operations at 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.

## INDUSTRY 4.0 BACKBONE & SYSTEM (iMES)

### Inari Manufacturing Execution System





## SUSTAINABILITY STATEMENT

cont'd

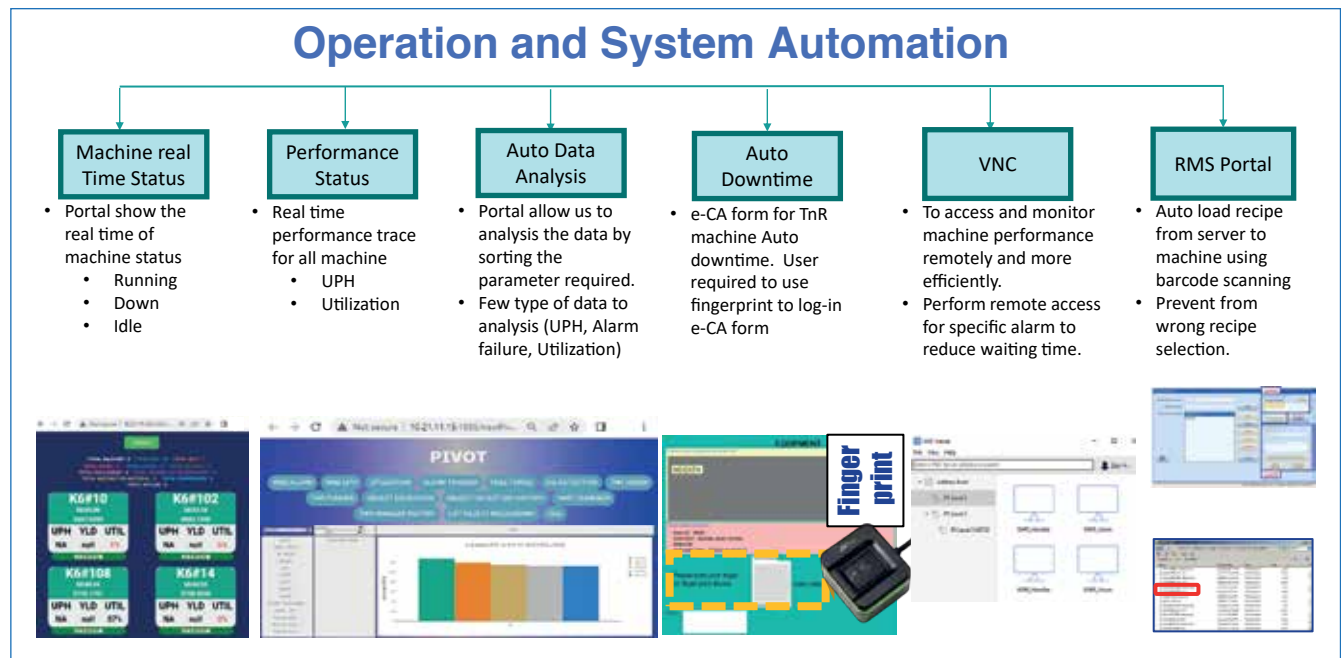
### ECONOMIC (cont'd)

- Better Results from Better Practices

### INNOVATION (cont'd)

#### Operational Excellence through Innovation (cont'd)

System control adopting the Industrial 4.0 approach



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 as at FY2022.

Date	Initiatives/Events
July 2021	<ul style="list-style-type: none"> <li>Joined I-Connect: The committee consisted of Industry, ASM and Crest, to provide funding to SME for projects that leads to disruptive technology, utilising I4.0 element</li> </ul>
August 2021	<ul style="list-style-type: none"> <li>I4.0 and IOT forum organised by MPC: The Convergence of Information and Operations</li> </ul>
September 2021	<ul style="list-style-type: none"> <li>Presentation to MIDA Penang on Vendor Development Program and Inari Waterfall Effect</li> <li>Collaborating with MIMOS and NSW for new NANO material application and new technology dispensing system</li> </ul>
October 2021	<ul style="list-style-type: none"> <li>Attending the I4.0 Approach for EHS Operation System presented by MSTs</li> <li>Developing new Auto Trigger System for operation and process related activities for P13 and P3</li> <li>Elected as Industry Advisory Board for UniMap Perlis under Electrical &amp; Electronic faculty</li> </ul>



## SUSTAINABILITY STATEMENT

cont'd

### ECONOMIC (cont'd)

- Better Results from Better Practices

### INNOVATION (cont'd)

#### Operational Excellence through Innovation (cont'd)

Date	Initiatives/Events
November 2021	■ Webinar: Good Regulatory Practice (GRP) convention on “New Way of Working (WoW) in E&E industries organised by EEPN
	■ Lecture and presentation to Diploma in Mechatronics students of UniMap on Challenges and Skill Expectation & Preparation for working
December 2021	■ Webinar on I4.0: Big Data vs Smart Data for Factory Automation organised by MPC
	■ Study visit and presentation to Tan Sri Dato Seri Wan Azlan from Economics Action Council on Challenges of E&E Industry
January 2022	■ Official I4.0 Readiness Assessment conducted by SIRIM after the launch of Malaysia Industry 4FWD
February 2022	■ Official report of I4.0 Readiness Assessment. Category received - Category: Experience (2nd rank from the top category - Leader)
	■ Collaboration with SME Corp and EEPN on PRESTIGE Program - Program for Enhancement of Strategic Industry and High Growth Enterprises
	■ Presented at Webinar on 50 Years of Excellence - Local Technopreneurship
March 2022	■ Sharing session with Invest Penang of Inari's Technopreneurship Internship program
	■ Collaboration with PSDC on Training and Talent Development
April 2022	■ Presentation and webinar to MPC on Inari Waterfall Effect for Firm Level Productivity Improvement and Industry 4.0
May 2022	■ Presentation of Inari I4.0 Development and Journey to Senior Government Officer organised by MMU
June 2022	■ Elected as Industry Advisory Board for Politeknik Tunku Syed Sirajuddin Perlis

### 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 cognizant 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.



## SUSTAINABILITY STATEMENT

cont'd

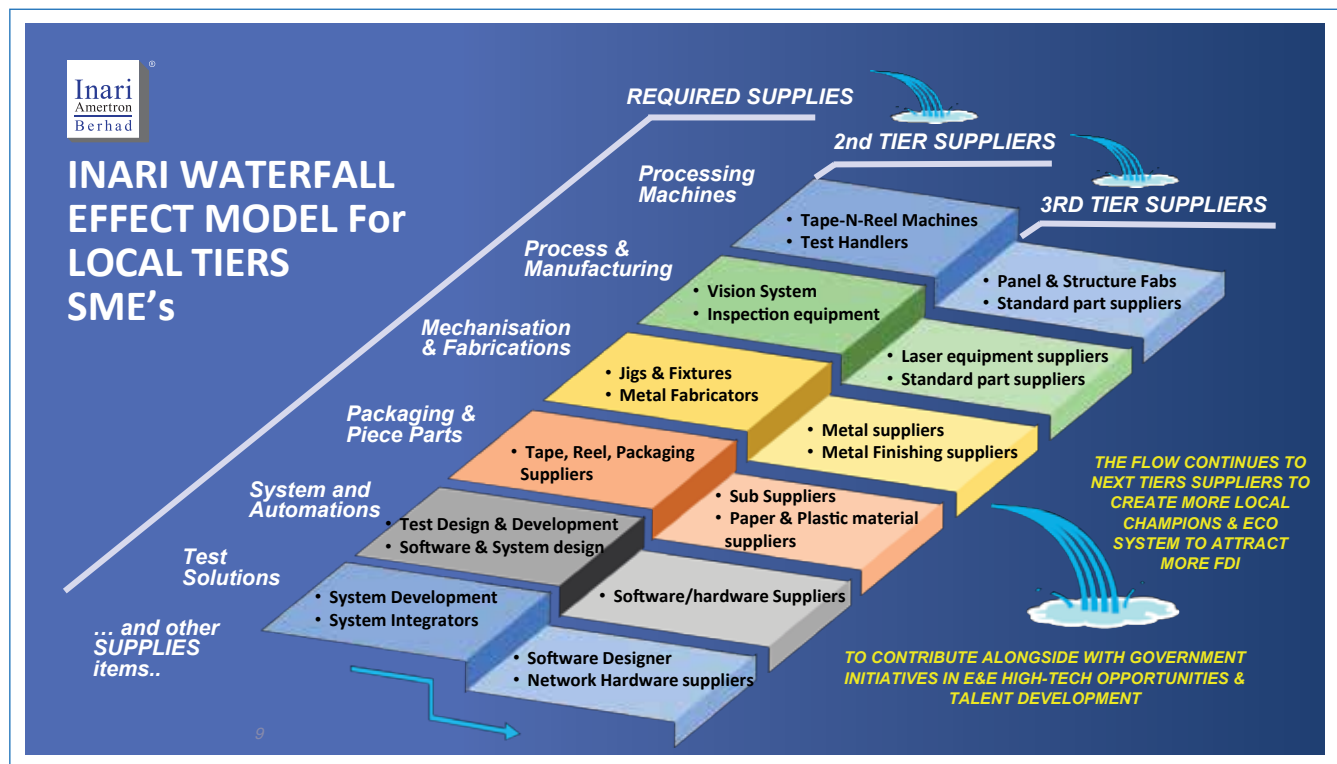
### ECONOMIC (cont'd)

- Better Results from Better Practices

### SUPPLY CHAIN MANAGEMENT (cont'd)

#### Supplier Code of Conduct

We aim to establish a mutually beneficial relationships with our suppliers. The below summaries the waterfall effect to our local partners/ suppliers with our Industrial 4.0 Roadmap:



In addition, we developed our Supplier Code of Conduct ("SCOC") as part of our 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 contained within the SCOC 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"> <li>■ Comply with all local and international regulations on environmental, health and safety matters.</li> <li>■ Use resources efficiently, apply energy and water-efficient environmental friendly technologies and reduce waste as well as gas emissions.</li> <li>■ Adopt appropriate management systems to ensure product quality and safety meet the applicable requirements.</li> <li>■ Minimise the negative impact on biodiversity, climate change, pollution and water scarcity.</li> <li>■ Identify the potential safety and health issues, and minimise their impact by implementing occupational safety and health procedure (including emergency reporting, employee notification and evacuation procedures, employees training and drills, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans).</li> </ul>	<ul style="list-style-type: none"> <li>■ Respect personal dignity, privacy and rights of each individual.</li> <li>■ Support the protection of human rights and prohibit any forced labour and child labour.</li> <li>■ Uphold the freedom of association and the right to collective bargaining.</li> <li>■ Provide a workplace free of harassment, harsh and inhumane treatment and discrimination of any kind.</li> <li>■ Ensure the employees are fairly compensated, comply with local laws on minimum wages and working hours.</li> <li>■ Enable all of the stakeholders to report concerns or potentially unlawful practices at the workplace via our whistleblowing channel.</li> </ul>	<ul style="list-style-type: none"> <li>■ Abide by all applicable local and international trade laws and regulations.</li> <li>■ Consider business integrity as the basis of business relationships.</li> <li>■ Prohibit all types of bribery, corruption and money laundering.</li> <li>■ 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.</li> <li>■ Declare any potential or actual conflicts of interest.</li> <li>■ Respect the privacy and confidentiality of information of all the employees and business partners as well as protect data and intellectual property from misuse.</li> </ul>

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.

### Conflict-Free Minerals Policy

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.



## SUSTAINABILITY STATEMENT

cont'd

### ECONOMIC *(cont'd)*

- *Better Results from Better Practices*

#### SUPPLY CHAIN MANAGEMENT *(cont'd)*

##### 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 maintain a comprehensive checklist for new vendor selection request. We 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. On annual basis, supplier's risk assessment was conducted for top suppliers (varies among various operating sites) focusing on the following areas:

- ❖ Environment Protection and Waste Management
- ❖ Safety and Health
- ❖ Legal compliance
- ❖ Human Rights (Anti-discrimination, Fair Treatment and Prevention of forced labour and Human Trafficking)

Notwithstanding, no high-risk suppliers have been noted based on the risk assessment.

##### 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.



## SUSTAINABILITY STATEMENT

cont'd

## ECONOMIC (cont'd)

- Better Results from Better Practices

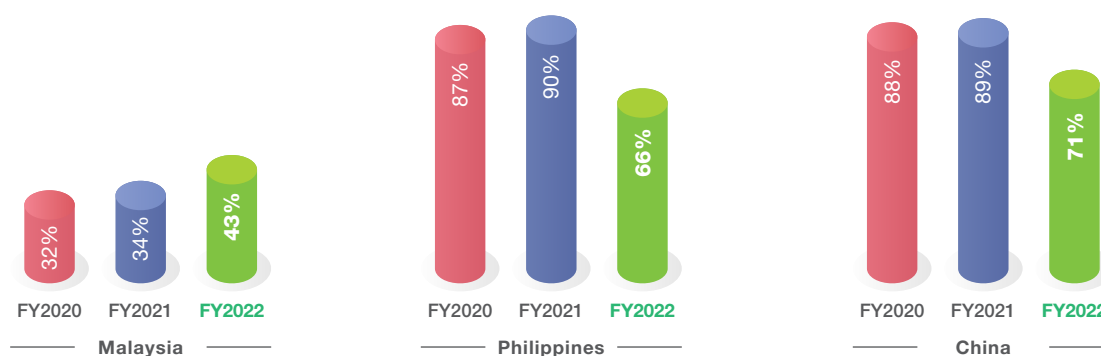
## SUPPLY CHAIN MANAGEMENT (cont'd)

## Supporting Local Ecosystem and Local Procurement (cont'd)

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

Proportion of spending	Unit	FY2020		FY2021		FY2022	
		Local Suppliers	Foreign Suppliers	Local Suppliers	Foreign Suppliers	Local Suppliers	Foreign Suppliers
Malaysia	Percentage (%)	32	68	34	66	43	57
Philippines	Percentage (%)	87	13	90	10	66	34
China	Percentage (%)	88	12	89	11	71	29

Local Spending by Country (%)



For Philippines and China, the increase in overseas spending for FY2022 is mainly due to shortages of critical components from local suppliers post pandemic to support higher demand of our operations. The Group's overall total spending for local suppliers has increased over the years.



## SUSTAINABILITY STATEMENT

cont'd

### ECONOMIC *(cont'd)*

- *Better Results from Better Practices*

### 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 the breaches of data and complaints received from external stakeholders.

### 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 environmental friendly products to our customers and improving practices along our value chain for the efficient and responsible use of all resources. Likewise, our Supplier Code of Conduct includes Environmental guidelines which delineates our expectation towards the suppliers.

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.



## SUSTAINABILITY STATEMENT

cont'd

## ENVIRONMENT (cont'd)

- Caring for our Planet

## Environmental Policy

- 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 strive to mitigate the climate change by reducing greenhouse gas (GHG) emissions and conserve energy and water wherever feasible.
- We always comply with relevant environmental regulations and customer's specific requirements.
- We educate, train and motivate employees to be environmental 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.



## 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, Clark, Philippines; and
- Kunshan Comprehensive Bonded Zones, Jiangsu, China.

## Environmental compliance

We are committed to comply with all applicable environment laws and regulations. In FY2022, we complied with all relevant environmental regulations and no sanctions resulting from non-compliance for our operations in Malaysia, Philippines and China.



# SUSTAINABILITY STATEMENT

cont'd

## ENVIRONMENT *(cont'd)*

- *Caring for our Planet*

### Climate Change Management

The World Economic Forum in 2021 reported that leading threats to businesses today are extreme weather events, climate action failure and human-led environmental damage. Climate action failure ranks second highest both in terms of likelihood and impact in the Global Risks Perception Survey.

Southeast Asia has been identified to be one of the most vulnerable regions in the world to climate change. Climate change has two main impacts: the physical impact from changing climate conditions which affects assets and supply chains; and the economic impact to countries that are transitioning to a net zero carbon future. These present both risks and opportunities to businesses.

In 2022, extraordinary efforts had been carried out to improve energy and water consumption efficiency to mitigate the impact on climate change such as:

- Participated and obtained Green Office certifications by Penang Green Council and Perbadanan Bekalan Air Pulau Pinang ("PBA") (i.e. Aqua Certification).
- Our Sustainability Policy have stated our commitment on Net Zero Policy by 2050, thus, the Sustainability and Integrity Working Group is performing monthly monitoring of carbon emission and quarterly monitoring on Greenhouse Gas ("GHG") emission.

### ENERGY USAGE

The World Economic Forum in 2021 reported that leading threats to businesses today are extreme weather events, climate action failure and human-led environmental damage. Climate action failure ranks second highest both in terms of likelihood and impact in the Global Risks Perception Survey. We are aware of the global concern on the climate change resulting from the increase in energy consumption and GHG emissions. We are committed to implement and enforce energy-efficiency projects. 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 enhance energy consumption efficiency to reduce the GHG emissions, climate change impact and environmental footprint.

Our initiatives on energy-efficiency projects as at FY2022 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	Completed
Installation of solar panel at P21	Green energy	63,747 kWh per month	In-progress
Replacement of perimeter night lights to solar panel lighting type at CK, Philippines	Green Energy, Energy saving & GHG reductions	600 kWh per month	In-progress
Installation of roofing solar farm at CK, Philippines	Green Energy, Energy saving & GHG reductions	50,000 kWh per month	In-progress
Enhancement to machine switch off plan	Energy saving	141 kW per month	Completed
Installation of 56 x 18w LED lighting panel at CK2, Philippines L2 new shop floor	Energy saving	725 kWh per month	Completed
Divert AHU 19 to Test L2 Room 2 (HVAC) at P13	Energy saving	26.4 kW per month	Completed
Installation of 5 units of Booster fan motor at AHU Room 3 and 4 (HVAC) at P21	Energy saving	12.2 kW per month	Completed



# SUSTAINABILITY STATEMENT

cont'd

## ENVIRONMENT (cont'd)

### - Caring for our Planet

## ENERGY USAGE (cont'd)

Energy-efficiency projects	Purpose	Target saving	Status
Direct pipe in PBA water to production raw tank at P3	Energy saving	2.9 kW per month	Completed
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
Electric Purchase contract at Kunshan, China	Energy efficiency	RMB1,666 per month	Completed
Change of 3 air compressors from fixed frequency to frequency conversion at Kunshan, China	Energy efficiency	RMB5,000 per month	In-progress
Upgrade chilled water pump motor to IE3 type motor X 2 set at P3	Energy efficiency	2.8 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.

Our total energy consumption in FY2022 is approximately 421,724 GJ of energy (petrol, diesel and electricity) mainly due to increase in volume of production/ factory output unit. However, we managed to obtain **lower energy intensity over 3 years** which signifies a higher efficiency level within our operations.

Petrol Consumption	Unit	FY2020	FY2021	FY2022
Malaysia	GJ	138	126	98
Philippines	GJ	123	99	82
China	GJ	106	139	141
<b>Total</b>	<b>GJ</b>	<b>367</b>	<b>364</b>	<b>321</b>

Diesel Consumption	Unit	FY2020	FY2021	FY2022
Malaysia	GJ	265	581	647
Philippines	GJ	3,976	7,085	5,307
China	GJ	– (a)	– (a)	– (a)
<b>Total</b>	<b>GJ</b>	<b>4,241</b>	<b>7,666</b>	<b>5,954</b>

#### Note:

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



# SUSTAINABILITY STATEMENT

cont'd

## ENVIRONMENT (cont'd)

- Caring for our Planet

### ENERGY USAGE (cont'd)

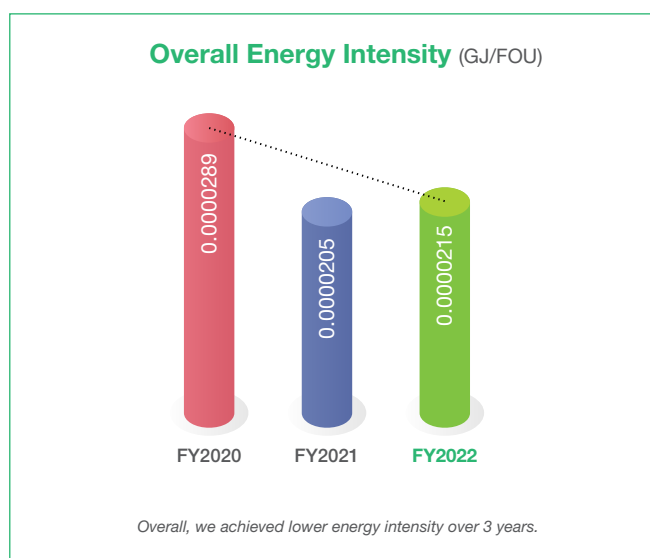
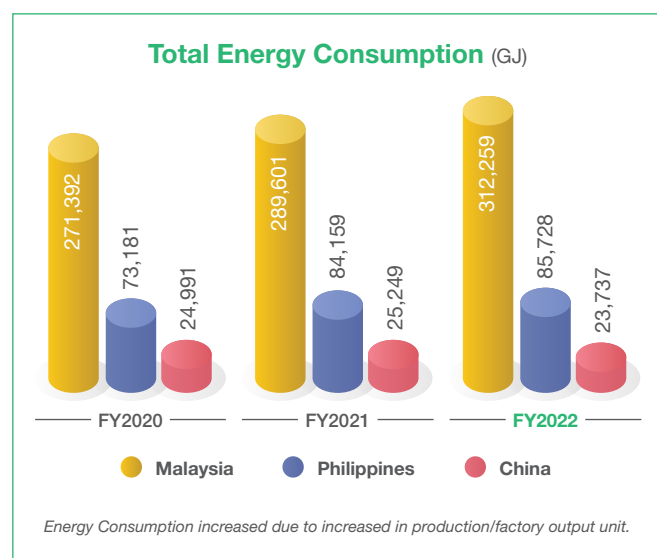
Electricity Consumption	Unit	FY2020	FY2021	FY2022
Malaysia	GJ	270,989	288,894	311,514
Philippines	GJ	69,082	76,975	80,339
China	GJ	24,885	25,110	23,596
<b>Total</b>	<b>GJ</b>	<b>364,956</b>	<b>390,979</b>	<b>415,449</b>

Energy Intensity	Unit	FY2020	FY2021	FY2022
Malaysia	GJ/FOU	0.000022	0.000015	0.000016
Philippines	GJ/FOU	0.000397	0.000295	0.000250
China	GJ/FOU	0.000155	0.000138	0.000124

Overall Energy Intensity	GJ/FOU
FY2020	0.0000289
FY2021	0.0000205
FY2022	0.0000215

#### Note:

(a) FOU stands for Factory Output Unit.





## SUSTAINABILITY STATEMENT

cont'd

## ENVIRONMENT (cont'd)

- Caring for our Planet

## GHG EMISSIONS AND CLIMATE CHANGE

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, such as petrol and diesel consumed by company owned vehicles; and
- GHG emissions Scope 2 refers to indirect GHG emissions from consumption of electricity. The purchased electricity is primarily used to operate production machineries, facility equipment, office equipment and etc.

During the year under review, our GHG emissions generated a total of 79,328 tCO<sub>2</sub>e. In comparison to FY2021, Inari recorded an increase in GHG emissions, which was mainly due to higher volume of production/factory output unit. However, **we managed to achieve a decrease in GHG emissions intensity over 3 years.**

GHG Emissions Scope 1	Unit	FY2020	FY2021	FY2022
Malaysia	tCO <sub>2</sub> e	30	54	62
Philippines	tCO <sub>2</sub> e	321	563	453
China	tCO <sub>2</sub> e	7	9	10
<b>Total</b>	<b>tCO<sub>2</sub>e</b>	<b>358</b>	<b>626</b>	<b>525</b>

**Note:**

- (a) GHG emissions Scope 1 covers consumption of petrol and diesel.  
 (b) Malaysia, Philippines and China: The emission for Scope 1 is calculated using emission factor obtained from IPCC Fifth Assessment Report, while the default emissions factors were based on IPCC Guidelines for National Greenhouse Gas Inventories (2006).

GHG Emissions Scope 2	Unit	FY2020	FY2021	FY2022
Malaysia	tCO <sub>2</sub> e	50,208	53,526	57,717
Philippines	tCO <sub>2</sub> e	13,667	15,228	15,894
China	tCO <sub>2</sub> e	5,475	5,525	5,192
<b>Total</b>	<b>tCO<sub>2</sub>e</b>	<b>69,350</b>	<b>74,279</b>	<b>78,803</b>

**Note:**

- (a) GHG emissions Scope 2 covers consumption of electricity.  
 (b) Malaysia: The emission for Scope 2 is calculated using the emission factor obtained from 2017 Clean Development Mechanism (CDM) Electricity Baseline for Malaysia, Malaysia Green Tech Corporation.  
 (c) Philippines: The emission for Scope 2 is calculated using emission factor obtained from 2015-2017 National Grid Emission Factor, Department of Energy, Republic of the Philippines.  
 (d) China: The emission for Scope 2 is calculated using emission factor obtained from China's regional power grids for emission reduction projects in 2019.

Total GHG Emissions (Scope 1 and Scope 2)	Unit	FY2020	FY2021	FY2022
Malaysia	tCO <sub>2</sub> e	50,238	53,580	57,779
Philippines	tCO <sub>2</sub> e	13,988	15,791	16,347
China	tCO <sub>2</sub> e	5,482	5,534	5,202
<b>Total</b>	<b>tCO<sub>2</sub>e</b>	<b>69,708</b>	<b>74,905</b>	<b>79,328</b>



# SUSTAINABILITY STATEMENT

cont'd

## ENVIRONMENT (cont'd)

- Caring for our Planet

### GHG EMISSIONS AND CLIMATE CHANGE (cont'd)

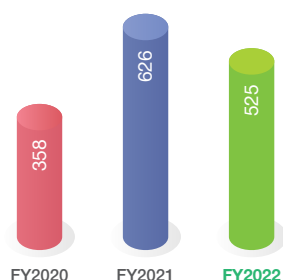
Total GHG Emissions (Scope 1 and Scope 2) Intensity	Unit	FY2020	FY2021	FY2022
Malaysia	tCO <sub>2</sub> e / FOU ('000)	0.00404	0.00282	0.00302
Philippines	tCO <sub>2</sub> e / FOU ('000)	0.07580	0.05533	0.04849
China	tCO <sub>2</sub> e / FOU ('000)	0.03392	0.03020	0.02728

Overall GHG Emissions (Scope 1 and Scope 2) Intensity	(tCO <sub>2</sub> e / FOU ('000))
FY2020	0.00545
FY2021	0.00385
FY2022	0.00404

#### Note:

(a) FOU stands for Factory Output Unit.

#### GHG Emissions Scope 1 (tCO<sub>2</sub>e)

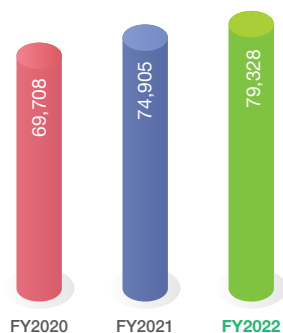


#### GHG Emissions Scope 2 (tCO<sub>2</sub>e)



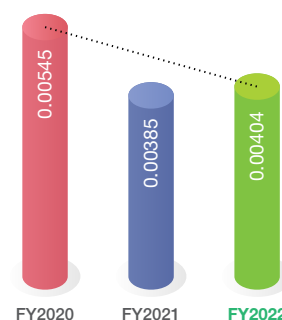
GHG Emissions Scope 2 increased due to increased in production/ factory output unit.

#### Total GHG Emissions (tCO<sub>2</sub>e)



Total GHG Emissions increased due to increased in production/ factory output unit.

#### Overall GHG Emissions Intensity (tCO<sub>2</sub>e/FOU(000))



Overall, we achieved a decrease in GHG Emissions intensity over 3 years.



# SUSTAINABILITY STATEMENT

cont'd

## ENVIRONMENT (cont'd)

### - Caring for our Planet

## GHG EMISSIONS AND CLIMATE CHANGE (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.

## 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 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 FY2022 amounted to a total of 754,491 m<sup>3</sup>. Despite an increase in volume of production/ factory output unit, we managed to record a **lower water intensity by 5%**, compared with the previous year. This signifies the effectiveness of our water saving and consumption efficiency initiatives.

Water Consumption	Unit	FY2020	FY2021	FY2022
Malaysia	m <sup>3</sup>	632,487	666,636	658,944
Philippines	m <sup>3</sup>	68,124	83,248	63,590
China	m <sup>3</sup>	31,887	28,130	31,957
<b>Total</b>	<b>m<sup>3</sup></b>	<b>732,498</b>	<b>778,014</b>	<b>754,491</b>

Water Intensity	Unit	FY2020	FY2021	FY2022
Malaysia	m <sup>3</sup> / FOU	0.000051	0.000035	0.000034
Philippines	m <sup>3</sup> / FOU	0.000369	0.000292	0.000189
China	m <sup>3</sup> / FOU	0.000197	0.000153	0.000168



## SUSTAINABILITY STATEMENT

cont'd

### ENVIRONMENT (cont'd)

- Caring for our Planet

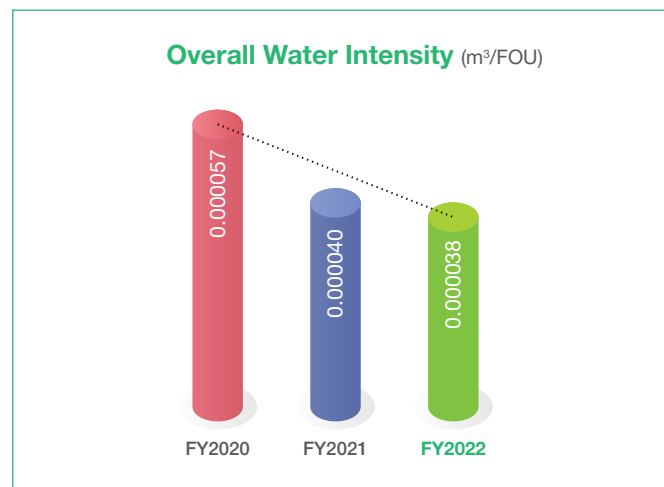
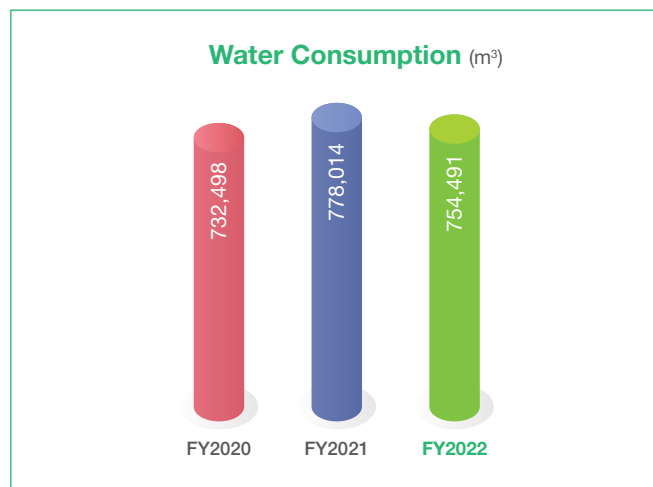
#### WATER MANAGEMENT (cont'd)

##### Water Consumption (cont'd)

Overall Water Intensity	Unit (m <sup>3</sup> / FOU)
FY2020	0.000057
FY2021	0.000040
FY2022	0.000038

**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, Inari as a Group 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 in all sites in Malaysia, Philippines and China.



## SUSTAINABILITY STATEMENT

cont'd

## ENVIRONMENT (cont'd)

- Caring for our Planet

## WATER MANAGEMENT (cont'd)

## Wastewater Discharge Quality (cont'd)

Compliance Status: Full compliance ✓

Wastewater discharge quality	Unit	Malaysia				Philippines			China			
		FY2020	FY2021	FY2022	(a)	FY2020	FY2021 & FY2022	(b)	FY2020	FY2021	FY2022	(c)
Temperature	°C	NA	NA	NA	40.0°C <sup>(e)</sup>	25.0	Waste water discharged is treated by a licensed third party service provider <sup>(d)</sup>	22.0-32.0°C	NA	NA	NA	NA
pH	-	7.9	7.6	7.0	5.5 - 9.0	8.9		6.0 - 9.5	7.2	7.3	7.7	6.0 - 9.0
BOD5	mg/L	NA	NA	NA	NA	1.0		<50.0	86.5	18.9	57.0	<300.0
COD	mg/L	38.4	30.7	16.4	<200.0	NA		<100.0	231.0	37.0	111.0	<500.0
Suspended solids	mg/L	11.5	9.2	7.2	<100.0	2.5		<100.0	89.0	4.0	48.0	<400.0
Oil and grease	mg/L	NA	NA	NA	NA	1.0		<5.0	0.2	0.2	0.4	<20.0
Ammoniacal Nitrogen	mg/L	NA	NA	NA	NA	0.1		<0.5	44.7	8.6	40.0	<45.0

## Note:

- (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 and FY2022, the wastewater discharged for our operation in Philippines is treated by a licensed third party service provider, Clark Water Corporation. No non-compliance case was observed.  
 (e) The Department of Environment assesses that temperature is not critical parameter as Inari does not have any process that will discharge hot water.

## 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 licensed water service providers, namely Perbadanan Bekalan Air Pulau Pinang, Clark Water Corporation, Philippines and Kunshan Water Supply Group Co., Ltd., China. 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. We have taken initiatives to increase the awareness of 3Rs programme among our existing employees via periodic training and we incorporated the 3Rs training into the new hire orientation programme. 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.



## SUSTAINABILITY STATEMENT

cont'd

### ENVIRONMENT (cont'd)

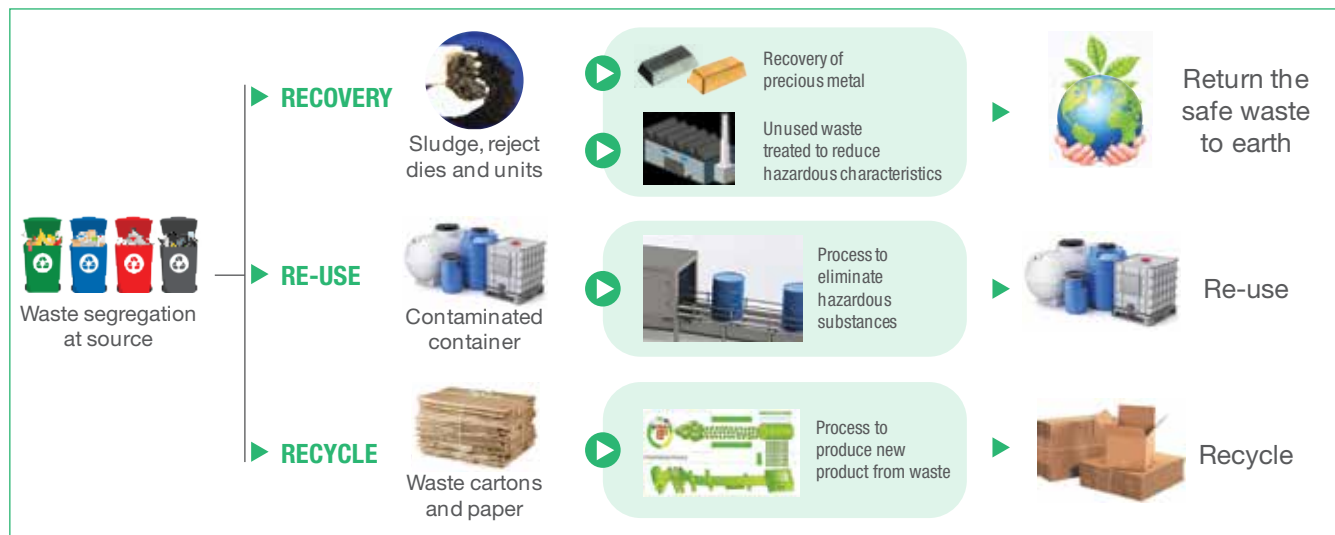
- Caring for our Planet

### WASTE MANAGEMENT (cont'd)

Inari's 3R Programme

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

### 3R Waste Management Approach



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 recovers, re-uses and recycles.



# SUSTAINABILITY STATEMENT

cont'd

## ENVIRONMENT (cont'd)

### - Caring for our Planet

## WASTE MANAGEMENT (cont'd)

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 FY2021, Inari recorded an increase in waste generation, which is mainly due to higher volume of production.

Waste Generation	Unit	Malaysia			Philippines			China		
		FY2020	FY2021	FY2022	FY2020	FY2021	FY2022	FY2020	FY2021	FY2022
Hazardous Waste <sup>(a)</sup>	MT	96.0	109.3	152.8	71.5	78.7	69.6	14.1	24.0	21.7
Non-Hazardous Waste <sup>(b)</sup>	MT	478.2	497.7	545.9	112.2 <sup>(c)</sup>	175.8 <sup>(c)</sup>	179.9 <sup>(c)</sup>	27.7 <sup>(c)</sup>	30.2 <sup>(c)</sup>	48.9 <sup>(c)</sup>
Total Waste Generated	MT	574.2	607.0	698.7	183.7	254.5	249.5	41.8	54.2	70.6

### Note:

(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 and carton box consumption only.



## SUSTAINABILITY STATEMENT

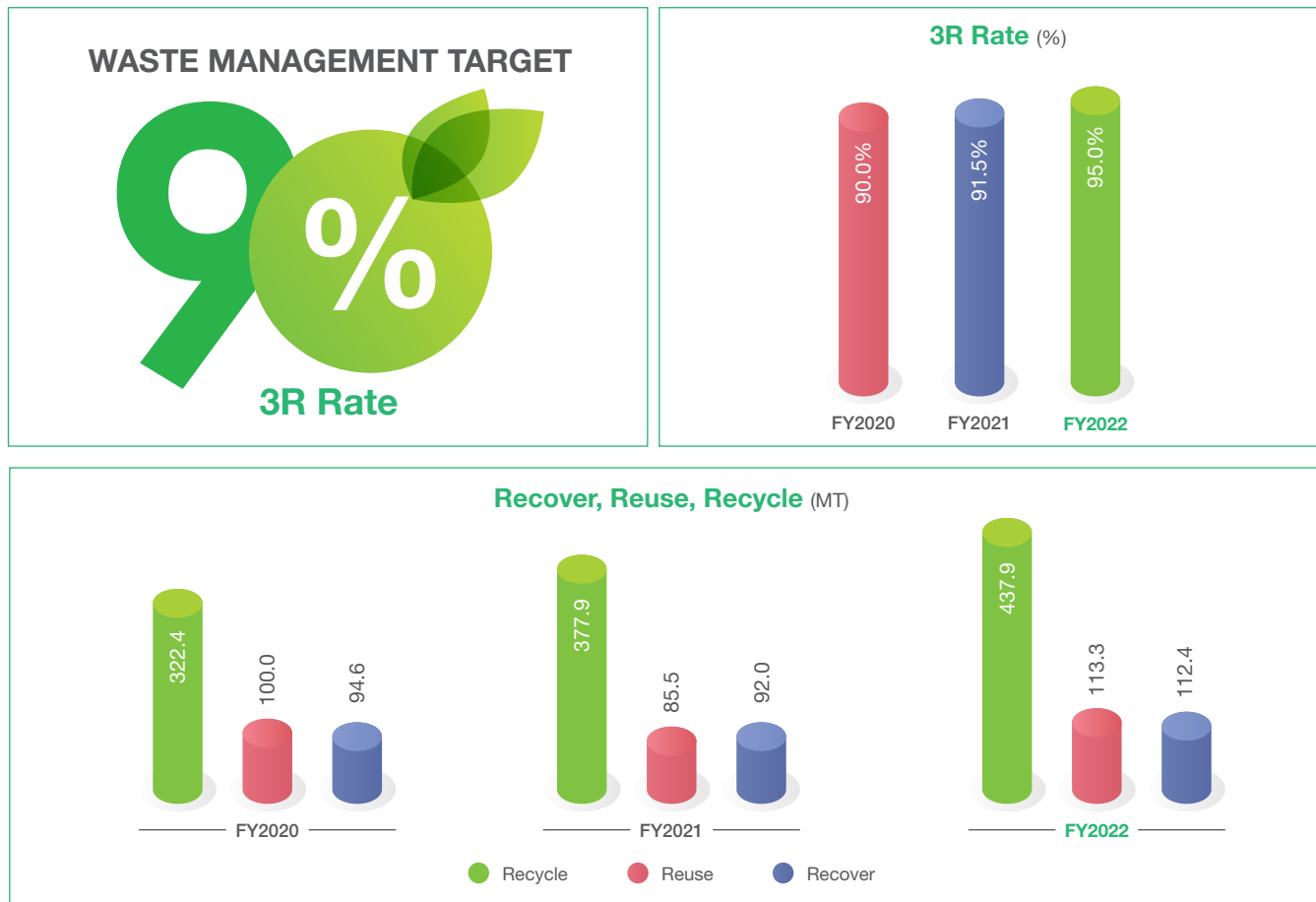
cont'd

### 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

cont'd

## WORKPLACE

– Caring for our People

## EMPLOYEE GENDER, DIVERSITY AND INCLUSION

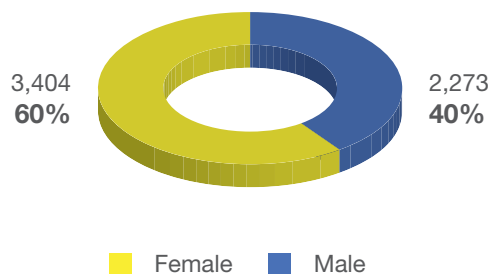
We recognise the strength in having a diverse workforce and inclusive environment. As a part of our strategic priorities and corporate DNA, we build a fair culture of inclusiveness where employees are treated and valued equally regardless of age, race, gender, disability, nationality, religion, or sexual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

It is our policy that recruitment decisions are conducted based on the equal opportunity, we are not allowed to practise any discrimination or discriminatory business in recruitment whereby all job applicants, job advertisements, job descriptions do not require, publish or state any information on race, color, age, gender, sexual orientation, gender identity, ethnicity, disability and/or special needs, religion, political affiliation, union membership, national origin, marital status. Additionally, we are committed to ensuring employees with disabilities and/or special needs are accommodated with special programs and accessibility mechanisms ensuring their safety and health remains to be the ultimate consideration during their employment terms.

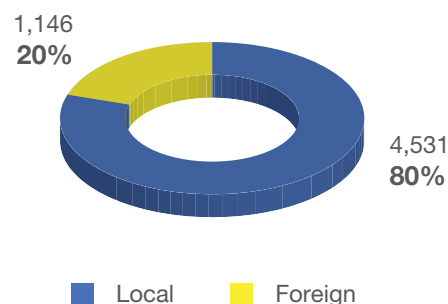
We remain committed to offering equal opportunities and providing a working environment that is free of discrimination or harassment. This is translated in our Code of Business Conduct and Ethics where we prohibit our directors and employees to engage in any form of sedition, discrimination and harassment, including those which are made based on age, race, gender, disability, nationality, religion or sexual orientation. Our Policy is supporting the community by employment of under-privileged groups, including those from deprived backgrounds, having poor social status and with no formal education or qualifications.

In addition, we are committed in ensuring that no employees shall be paid of remuneration, whether payable in cash or in kind, at rates less favourable than those at which remuneration is to the employees of the opposite sex for performing the same work or work of a similar nature. In adhering to equality in remuneration without any discrimination, we had never made any deductions of the rate of remuneration for any employees.

Distribution by Gender (%)



Distribution by Local and Foreign Employment (%)



**Note:** Total number of employees: 5,677



# SUSTAINABILITY STATEMENT

cont'd

## WORKPLACE (cont'd)

– Caring for our People

### EMPLOYEE GENDER, DIVERSITY AND INCLUSION (cont'd)

Employee Distribution	Percentage (%)		
	FY2020	FY2021	FY2022
<b>By Gender</b>			
Male	31.0	36.0	40.0
Female	69.0	64.0	60.0
<b>By Nationality</b>			
Local	70.0	78.0	80.0
Foreign	30.0	22.0	20.0
<b>Contractors or Temporary Staff</b>			
Malaysia	0.0	0.0	0.0
Philippines	15.4	23.9	18.7
China	42.0	51.0	54.0
<b>Disabilities</b>			
Malaysia	0.2	0.1	0.1
Philippines	0.0	0.0	0.0
China	0.5	0.5	0.4

Turnover Rate	Percentage (%)		
	FY2020	FY2021	FY2022
<b>By Gender</b>			
Male	17.5	12.8	6.1
Female	13.7	20.9	17.5
<b>By Age Group</b>			
< 30 years old	25.3	26.8	16.7
30-50 years old	5.5	6.4	6.5
> 50 years old	0.4	0.4	0.4
<b>By Region</b>			
Malaysia	18.0	31.8	25.4
Philippines	21.3	20.5	22.6
China	31.3	31.9	15.3

Overall Turnover Rate*	Percentage (%)
FY2020	20.2
FY2021	28.3
FY2022	18.1

\* excluding interns and short-term contract workers



## SUSTAINABILITY STATEMENT

cont'd

**WORKPLACE** (cont'd)

– Caring for our People

**EMPLOYEE GENDER, DIVERSITY AND INCLUSION** (cont'd)

New Hire Rate	Percentage (%)		
	FY2020	FY2021	FY2022
<b>By Gender</b>			
Male	17.5	17.1	15.7
Female	13.6	17.9	14.1
<b>By Age Group</b>			
< 30 years old	23.0	30.7	24.9
30-50 years old	8.0	4.1	4.6
> 50 years old	0.1	0.2	0.2
<b>By Region</b>			
Malaysia	24.0	47.2	39.8
Philippines	3.8	14.6	11.9
China	23.1	24.0	17.9

Overall New Hire Rate*	Percentage (%)
FY2020	17.1
FY2021	35.0
FY2022	29.7

\* excluding interns and short-term contract workers

Out of 5,677 employees, 60% of which comprises of women. We are committed to local employment and therefore have decreased our dependency on foreign workers to 20% from last year's 22%. The foreign workers at our operations comprise Indonesians, Burmese, Nepalese, and Vietnamese. For our operations in China and Philippines, 99.6% of our employees comprise of local hires.

With our commitments and continuous employee development and talent retention programme, we saw a decrease in turnover rate from 28.3% (2021) to 18.1% (2022). We have also managed to increase our hire rate for this reporting period to support higher production levels in our operations. We continue to see the under 30 years old age category as consistently our largest group for both turnover and new hires as they are in the early stages of their career journey and are always looking out for new opportunities.

**EMPLOYEE DEVELOPMENT AND TALENT RETENTION**

We believe that continuous learning is important for our employees' personal and professional growth. By providing various professional development, training sessions, and other programmes, we also 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



## SUSTAINABILITY STATEMENT

cont'd

### WORKPLACE (cont'd)

– Caring for our People

#### EMPLOYEE DEVELOPMENT AND TALENT RETENTION (cont'd)

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 corporate governance, anti-bribery and corruption training, 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 training is conducted regularly based on the latest industry developments to ensure employees knowledge and skill set 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 skill, communication skill, leadership skill, 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 30,908 hours of training, with an average of 5 training hours per employee.

Average number of training hours per employee	FY2020*	FY2021*	FY2022
<b>By Gender</b>			
Female	2	4	7
Male	12	13	16
<b>By Employee Category</b>			
Manager and above	25	18	18
Executive	16	19	24
Non-executive	1	2	3

Average training hours per employee	No. of hours
FY2020*	3
FY2021*	4
FY2022	5

\* FY2020 & FY2021 data updated due to change in calculation method for better data presentation.

Male employees have recorded higher training hour than female employees mainly due to majority of the engineer teams are male, thus, technical training hours recorded are higher.

## 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 Option 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.



## SUSTAINABILITY STATEMENT

cont'd




### WORKPLACE (cont'd)

– Caring for our People

#### EMPLOYEE DEVELOPMENT AND TALENT RETENTION (cont'd)

##### Compensation and Benefits (cont'd)

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

Insurance/Medical Coverage 	In-house Facilities 	Employees with Special Needs 
<ul style="list-style-type: none"> <li>■ Executive health screening</li> <li>■ Free medical attention and treatment by medical practitioner duly appointed by Inari</li> <li>■ Hospitalisation scheme extended to the employees' family or dependents</li> <li>■ Outpatient medical benefits extended to employees' family or dependents</li> <li>■ Personal accident, hospitalisation and term life insurance coverage to permanent employees</li> <li>■ Social insurance</li> </ul>	<ul style="list-style-type: none"> <li>■ Car parking space</li> <li>■ Hostel for operators</li> <li>■ Personal lockers</li> <li>■ Prayer rooms</li> <li>■ Transport services</li> <li>■ 24-hour canteen</li> </ul>	<ul style="list-style-type: none"> <li>■ Dedicated mother's nursing room</li> <li>■ Dedicated parking spaces for disabled employees</li> <li>■ An office space at ground floor to cater for health issues and disabled employees</li> <li>■ Sickbay for sick employees</li> </ul>

#### HUMAN AND LABOUR RIGHTS

Inari are committed to respect and support the protection of internationally proclaimed human rights by adopting our key customer's Code of Conduct and Human Rights Policy that is based on internationally recognised human rights as set out in the United Nations' International Bill of Human Rights, the International Labour Organisation's Declaration on the Fundamental Principles and Rights at work as well as the UN Guiding Principles for Business and Human Rights (UNGPs).

In line with this, 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. Similarly, our Supplier Code of Conduct also requires our suppliers to support the protection of human rights and prohibits any forced labour and child labour.

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. Our Company policy on labour standards is translated into relevant languages such as Bahasa Malaysia, Bahasa Indonesia and Chinese to promote better understanding.



## SUSTAINABILITY STATEMENT

cont'd

### WORKPLACE (cont'd)

– Caring for our People

### HUMAN AND LABOUR RIGHTS (cont'd)

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 television room, security, mini-mart, common surau, among others.



*Dormitory building dedicated to employees (Penang)*



*Spacious dormitory rooms*



*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)



*Dormitory unit dedicated for employees (China)*



*Spacious and modern design dormitory rooms (China)*

In June 2022, the Penang State Labour Office has conducted an audit at the dormitory building and has certified our compliance on Section 24D(2) Akta Standard Minimum Perumahan, Penginapan dan Kemudahan Pekerja 1990.

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 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
- Occupational Safety and Health (“OSH”)
- Anti-Corruption and Bribery

The Board of the Group has the oversight responsibility to ensure respect for human rights. In addition, the day-to-day responsibilities and resources to ensure respect for human rights have been clearly allocated to Human Resource (“HR”) department. Annually, minimum two training sessions pertaining to social responsibilities including human rights are conducted in February and August respectively with the support from in-house Training department. For Direct Labour, training is conducted physically and for Indirect Direct Labour & above, it was conducted online. At the end of the training, employees will undertake an assessment to ensure that they are effectively trained on human rights policy.

Risk Assessment regarding any potential labour issues is included in the due diligence checklist to be carried out for potential new operations or projects. In addition, we proactively assess the impact of human rights risk to the Company on an on-going basis, as part of core business processes via our CSR committee on a quarterly basis.

To promote inclusion, we created an office space at ground floor to cater for those who had health issues and had difficulties climbing the staircase as one of the actions implemented for avoidance, prevention and mitigation of human rights issues.



**SUSTAINABILITY STATEMENT**

cont'd

**WORKPLACE** (cont'd)*– Caring for our People***HUMAN AND LABOUR RIGHTS** (cont'd)**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.

We are committed to have regular stakeholder engagement and consultant with regulators on human rights issue. On 10th March 2022, our Malaysia Plant's HR head of department attended National Forum Series on National Action Plan on Forced Labour. The forum was organised by HRD Corp National Forum Series which is a platform that brings together government representatives, industry players and subject matter experts to discuss a wide range of pressing issues around human resources and human capital development in Malaysia.

Consequently, our Code of Business Conduct and Ethics prohibits the use of forced labour, human trafficking and exploitative child labour and we expect suppliers and/or vendors to respect this principle as well. As stipulated in the Supplier Code of Conduct, Inari reserves the right to terminate its trading agreement if the supplier is unable to demonstrate his commitment to this policy. Additionally, it is our Policy that we will verify a copy of valid and appropriate age verification documentation to avoid hiring of underage labours. All Human Resource staffs were also being briefed on the minimum age for hiring, appropriate age documentation and verification systems. In addition, we also established an anonymous reporting flow for all employees to report the existence of underage workers, if any, at the facility.

We have established whistleblowing mechanism, feedback channel and grievances systems to allow employees to report genuine cases of child labour, forced labour, discrimination, bullying and harassment. 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.

**Freedom of Association and Collective Bargaining**

It is our Policy that we shall respect workers' lawful rights and freely allow workers to form or participate in organisations of their choosing, including but not limited to unions, worker committees, or other worker associations, and bargain collectively without interference, discrimination, retaliation, or harassment.



## SUSTAINABILITY STATEMENT

cont'd

### WORKPLACE (cont'd)

– Caring for our People

### HUMAN AND LABOUR RIGHTS (cont'd)

#### Working Hours and Rest Period

We are committed to offering reasonable working hours and rest period to employees in compliance with local regulatory requirements. In addition, employees are also entitled to annual leave, sick leave, marriage leave, bereavement leave and maternity leave.



### OCCUPATIONAL SAFETY AND HEALTH (“OSH”)

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.

#### 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.



## SUSTAINABILITY STATEMENT

cont'd

### WORKPLACE (cont'd)

– Caring for our People

### OCCUPATIONAL SAFETY AND HEALTH (“OSH”) (cont'd)

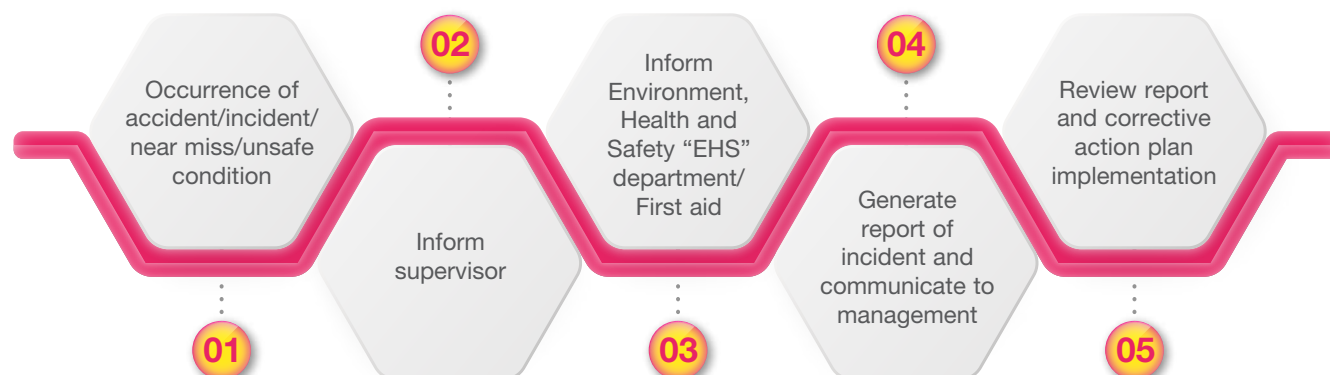
#### OSH Policy (cont'd)

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.



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.



## SUSTAINABILITY STATEMENT

cont'd

### WORKPLACE (cont'd)









– Caring for our People

### OCCUPATIONAL SAFETY AND HEALTH (“OSH”) (cont'd)

#### 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:

	Hazard Prevention and Control Awareness		Basic Occupational First Aid
	Safety of Equipment Handling		Fire Safety Training and Drills
	Chemical Safety Training		Lift Truck/Forklift Safety Training
	Electrical Safety Awareness		Incident Management

Number of staffs trained on health and safety standards for the past 3 years as shown below:

Year	Malaysia	China	Philippines
FY2020	672	184	234
FY2021	910	427	70
FY2022	1451	480	868



# SUSTAINABILITY STATEMENT

cont'd

## WORKPLACE (cont'd)

– Caring for our People

## OCCUPATIONAL SAFETY AND HEALTH (“OSH”) (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 case of occupational fatality or work-related illnesses within the Group. OSH committee is responsible for Risk Assessment regarding health and safety for existing operations and plants as well as potential new operations or projects as part of due diligence process.

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	FY2020	FY2021	FY2022
<b>Malaysia</b>				
Number of injury incidents	no.	2	– (b)	1
Number of fatalities	no.	– (b)	– (b)	– (b)
Number of work-related illness	no.	– (b)	– (b)	– (b)
Number of worked days lost	days	9	– (b)	2
Incident rate	rate	0.63	– (b)	0.27
Frequency rate	rate	0.25	– (b)	0.10
Severity rate	rate	1.14	– (b)	0.20
Fatality rate	rate	– (b)	– (b)	– (b)
Lost Time Injury Frequency (LTIF) <sup>(a)</sup>	Percentage (%)	0.25	– (b)	0.10
<b>Philippines</b>				
Number of injury incidents	no.	4	13	4
Number of fatalities	no.	– (b)	– (b)	– (b)
Number of work-related illness	no.	– (b)	– (b)	– (b)
Number of worked days lost	days	11	53	4
Incident rate	rate	2.73	7.28	2.24
Frequency rate	rate	1.1	2.92	0.81
Severity rate	rate	3.03	11.9	0.81
Fatality rate	rate	– (b)	– (b)	– (b)
Lost Time Injury Frequency (LTIF) <sup>(a)</sup>	Percentage (%)	1.10	2.92	0.81



# SUSTAINABILITY STATEMENT

cont'd

## WORKPLACE (cont'd)

– Caring for our People

## OCCUPATIONAL SAFETY AND HEALTH (“OSH”) (cont'd)

### Managing OSH Performance (cont'd)

Injury Type/Rate	Units	FY2020	FY2021	FY2022
<b>China</b>				
Number of injury incidents	no.	– (b)	– (b)	1
Number of fatalities	no.	– (b)	– (b)	– (b)
Number of work-related illness	no.	– (b)	– (b)	– (b)
Number of worked days lost	days	– (b)	– (b)	5
Incident rate	rate	– (b)	– (b)	2.1
Frequency rate	rate	– (b)	– (b)	0.80
Severity rate	rate	– (b)	– (b)	4.0
Fatality rate	rate	– (b)	– (b)	– (b)
Lost Time Injury Frequency (LTIF) <sup>(a)</sup>	Percentage (%)	– (b)	– (b)	0.80

#### Note:

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

Incident Rate	$\text{No. of accidents} / \text{average no. of employees} \times 1000$
Frequency Rate	$\text{No. of accidents} / \text{total man-hours worked} \times 1,000,000$
Severity Rate	$\text{No. of worked days lost} / \text{total man-hours worked} \times 1,000,000$
Fatality Rate	$\text{No. of fatalities} / \text{average no. of employees} \times 1000$
Lost Time Injury Frequency	$\text{No. lost time injuries} / \text{total man-hours} \times 1,000,000$

(b) No cases reported.



## SUSTAINABILITY STATEMENT

cont'd

**WORKPLACE** (cont'd)

– Caring for our People

**OCCUPATIONAL SAFETY AND HEALTH (“OSH”)** (cont'd)**Managing OSH Performance** (cont'd)

Below is the summary of 6 minor injuries and corrective measures at our operations:

Type of Injury	Causes	Corrective Action	Preventative Action
<b>Malaysia</b>			
Minor laceration of finger (Malaysia)	<ul style="list-style-type: none"> <li>Tester still moving to home position after pushing the stop button</li> <li>Unaware of moving part</li> </ul>	<ul style="list-style-type: none"> <li>Re-brief on handling tester and more aware of machine movement</li> </ul>	<ul style="list-style-type: none"> <li>Improve tester software to immediately stop after pushing stop button</li> <li>Install additional area sensor to stop movement when hand or fingers near to moving parts</li> </ul>
<b>Philippines</b>			
Laceration of right-hand palm (Philippines)	<ul style="list-style-type: none"> <li>Carrier magazine exposed sharp edge</li> </ul>	<ul style="list-style-type: none"> <li>Carriers are sort and remove all that has expose sharp edges</li> </ul>	<ul style="list-style-type: none"> <li>Replace all carriers that has expose sharp edges</li> </ul>
Contusion in the upper lips (Philippines)	<ul style="list-style-type: none"> <li>Plasma machine vacuum hose was detached from the vacuum</li> </ul>	<ul style="list-style-type: none"> <li>Isolate the machine for engineering verification for the correct connection of hose to the vacuum</li> </ul>	<ul style="list-style-type: none"> <li>Put direction label in the machine connection nozzle for visualisation of input and output direction of the vacuum</li> </ul>
Abrasion in the forehead (Philippines)	<ul style="list-style-type: none"> <li>Edge corner of handler tower light</li> </ul>	<ul style="list-style-type: none"> <li>Relocate all the handler expose tower light</li> </ul>	<ul style="list-style-type: none"> <li>Install rubber in all the corner of the tower light</li> </ul>
Avulsed wound in the right thumb (Philippines)	<ul style="list-style-type: none"> <li>Sharp edges of divider inside the desiccator cabinet</li> </ul>	<ul style="list-style-type: none"> <li>Inspect all the desiccator cabinet and temporary remove the divider with sharp edges</li> </ul>	<ul style="list-style-type: none"> <li>Install hose tube in all sharp corner of the desiccator divider</li> </ul>
<b>China</b>			
Minor Lumbar Sprain	<ul style="list-style-type: none"> <li>Cargo handling in the warehouse</li> </ul>	<ul style="list-style-type: none"> <li>Pay attention to the handling posture</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen Safety awareness training</li> </ul>

For 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.

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 risk identified.



## SUSTAINABILITY STATEMENT

cont'd

### WORKPLACE

– Caring for our People

#### OCCUPATIONAL SAFETY AND HEALTH (“OSH”) (cont'd)

##### Our COVID-19 Response

In the past year, the Covid-19 virus has continued to heavily impact operations of businesses around the world. We, at Inari also 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 prevent and 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 was 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 2.5 million pieces of 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.



## SUSTAINABILITY STATEMENT

cont'd

### WORKPLACE

– Caring for our People

#### OCCUPATIONAL SAFETY AND HEALTH (“OSH”) (cont'd)

##### Our COVID-19 Response (cont'd)

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 from 22 July 2021 to 2 September 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.



### 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 identify any major concerns that our employees may have and how to address them accordingly.

For this reporting period, our engagement survey's overall scores recorded at 94%. The components of this year's survey focus on four (4) key aspects of employees' satisfaction with respect towards human rights, safe workplace, EHS and work-life balance, with 80% response rate as below:

Survey Questions	Score (%)
<b>Human Rights</b>	
Do you agree that Inari complies with the Minimum Wage Order and other statutory provisions in relation to salary and benefits?	100%
Do you agree that Inari does not employ any persons who are below 18 years of age?	100%
Do you agree that Inari is practising non-discrimination policies against race, religion, gender, age, sexual orientation, disabilities & nationalities at all times?	100%
<b>Safe Workplace</b>	
Do you agree that Inari is providing face masks to all employees?	100%
Do you agree that Inari is emphasising on wearing face mask in the company premises?	100%
Do you agree that Inari is performing swab test?	100%
<b>EHS</b>	
During any emergency situation, are you aware of your respective Department's assembly point located at?	93%
In the situation of an emergency in your workplace, are you aware of the actions needed to be taken?	96%
<b>Work-life Balance</b>	
Do you generally feel that you are able to balance your work life?	80%
Are you satisfy with the flexible working hour's arrangement in Inari?	88%
Do you agree that Inari is promoting work-life balance culture?	82%
<b>Overall results</b>	<b>94%</b>

Apart from employee engagement survey, we provide various mechanisms such as Round Table Session, Town Hall Session to allow employee representatives to engage with Company's Senior Management.



## SUSTAINABILITY STATEMENT

cont'd

## 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 Corporate Social Responsibility (“CSR”) initiatives including our internship programmes, we utilise our knowledge and experience to give back to communities.

## 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.

Proportion of Local Hires (%)

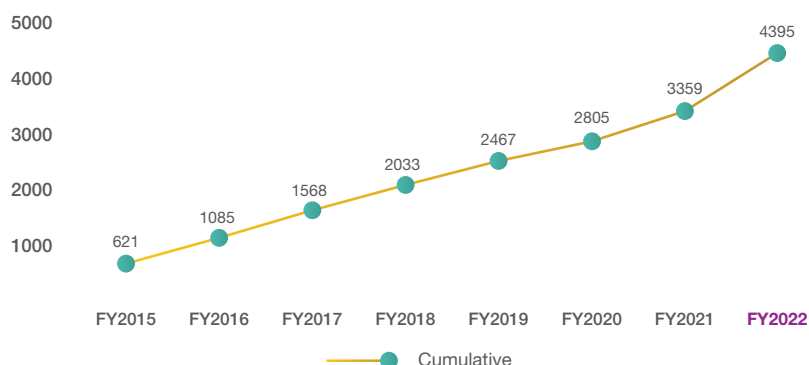


## Internship Programme

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 4,395 interns.



Total Number of Intern To-date





## SUSTAINABILITY STATEMENT

cont'd

### 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 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.

In FY2022, we have contributed approximately RM282,000 in cash and in-kind to more than 10 charities, non-profit organisation and education institutions across the region. We have contributed a total of RM2.79 million both cash and in-kind since FY2018. Below summaries some of our contributions this year for our CSR activities.



#### Community investment made to Non-Profit Organisation

In year 2022, we continue to support for climate governance through community investment to Climate Governance Malaysia.

#### Penang E-Learning PC Distribution and Handover

On 1st July 2021, Computers worth RM 64,950 were handover to SK Batu Maung, SMK Kampong Selamat and SMK Dato' Haji Ahmad Said to support E-Learning for students.



#### Handover Ceremony of Multi-Purpose Patrol Car Proton X70

On 14 October 2021, Handover of Proton X70 Patrol Car for Polis Diraja Malaysia ("PDRM") to facilitate their security patrolling in Batu Kawan Industrial Zone.



## SUSTAINABILITY STATEMENT

cont'd

## LOCAL COMMUNITIES (cont'd)

## – Giving Back

## Local Communities Development (cont'd)

**Blood Donation Campaign**

Inari encourages all its employees to participate in blood donation campaigns. In June 2022, our employees joined the blood donation campaign held at P21 organised by Penang Adventist Hospital.

**Kelab MITI Donation for Flood**

In December 2021, Inari supported the event which organised by MITI to help the victims of the flood which happened in Selangor. Inari donated in total amount of RM50,000 to show our commitment towards the society.

**Malaysia E&E 50th Anniversary Celebration 2022**

In May 2022, Inari attended Malaysia E&E Anniversary Celebration which organised by Malaysia Semiconductor Industry Association to show appreciation on contribution of Malaysia E&E industry to Malaysia's economy.





## SUSTAINABILITY STATEMENT

cont'd

### LOCAL COMMUNITIES (cont'd)

– Giving Back

#### Local Communities Development (cont'd)



#### Donation of Personal Protective Equipment to local schools

Since the outbreak of Covid-19, the Group and its employees have taken initiatives to donate necessary personal protective equipment (“PPE”) to support local schools who were in preparation of face-to-face class. The Group has contributed PPEs to San Manuel High School, Tarlac City (in March 2022) and Tinajero National High School, Philippines (in May 2022).

#### Inari Amertron Booster Shot for Employees

In February 2022, to safeguard our employees’ health, Inari collaborated with local authority to provide the booster shot for the employees in Philippines.



#### Inari Amertron supports Brigada Eskwela for school maintenance programme

In September 2021, we supported the Brigada Eskwela which is school maintenance programme in Philippines to engage all educational stakeholders by contributing used racks, filing cabinets, face mask and cleaning alcohol.



**SUSTAINABILITY STATEMENT**

cont'd

**LOCAL COMMUNITIES** (cont'd)*– Giving Back***Local Communities Development** (cont'd)**Amertron Technology Kunshan ("ATK") employees participated in the training of epidemic control**

On 13 May 2022, ATK employees participated in the voluntary training on pandemic controls and received certificate issued by Kunshan, China government.





# SUSTAINABILITY STATEMENT

cont'd

## 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 Shareholdings	247-249
102-6	Markets served	Management Discussion and Analysis	22-35
102-7	Scale of the organisation	Corporate Structure and Audited Financial Statements	3/150-244
102-8	Information on employees and other workers	Sustainability Statement - Employee Gender, Diversity and Inclusion, Employee statistics	79-81
102-9	Supply chain	Sustainability Statement - Supply Chain Management	61-65
102-10	Significant changes to the organisation and its supply chain	Management Discussion and Analysis Sustainability Statement - Supply Chain Management	22-35 61-65
102-11	Precautionary principles or approach	Statement on Risk Management and Internal Control	138-144
102-12	External initiatives	Sustainability Statement – Our Sustainability Goals	46-48
102-13	Membership of associations	Sustainability Statement – Corporate Membership	44-46
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	40 116-133
102-18	Governance structure	Profile of Directors, Profile of Key Senior Management Corporate Governance Overview Statement Sustainability Statement – Sustainability Governance	12-17 116-133 41-42
102-40	List of stakeholder groups	Sustainability Statement - Stakeholder Engagement	49-50
102-41	Collective bargaining agreements	Inari does not have collective bargaining agreement. However, it is stated in our Human Resource Policy that all employees have the rights to form and join organisation of their choice. Sustainability Statement - Human and Labour Rights	86 84-88
102-42	Identifying and selecting stakeholders	Sustainability Statement - Stakeholder Engagement	49-50
102-43	Approach to stakeholder engagement	Sustainability Statement - Stakeholder Engagement	49-50



## SUSTAINABILITY STATEMENT

cont'd

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

GRI CONTENT index			
GRI Indicator	Disclosure	Response	Page Number
102-44	Key topics and concerns raised	Sustainability Statement - Stakeholder Engagement, Materiality Assessment, Our Sustainability Strategy	44 49-52
102-45	Entities included in the consolidated financial statements	Audited Financial Statements	150-244
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 46-49 50-52
102-48	Restatements of information	In this Sustainability Statement FY2022, 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 2021, was published in October 2021. The online version of the Annual Report 2021 can be found online at <a href="https://www.inari-amertron.com/annual-reports.asp/">https://www.inari-amertron.com/annual-reports.asp/</a>	-
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	39
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Statement – Reporting Framework and Standards	39
102-55	GRI content index	GRI Content Index	102-113
102-56	External assurance	To be applied in the future	-
<b>GRI 201: Economic Performance</b>			
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.	-



# SUSTAINABILITY STATEMENT

cont'd

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

GRI CONTENT index			
GRI Indicator	Disclosure	Response	Page Number
<b>GRI 201: Economic Performance</b> (cont'd)			
201-1	Direct economic value generated and distributed	Audited Financial Statements	150-244
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 Statements	150-244
201-4	Financial assistance received from government	Audited Financial Statements	150-244
<b>GRI 202: Market Presence</b>			
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.	83
202-2	Proportion of senior management hired from the local community	Sustainability Statement - Local Communities Employments Employee Statistics	97
<b>GRI 203: Indirect Economic Impacts</b>			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Innovation, Process Innovation and Industry 4.0, Operational Excellence through Innovation	57-61
103-2	The management approach and its components	Sustainability Statement - Innovation, Process Innovation and Industry 4.0, Operational Excellence through Innovation	57-61
103-3	Evaluation of the management approach	Sustainability Statement - Innovation, Process Innovation and Industry 4.0, Operational Excellence through Innovation	57-61
203-1	Infrastructure investments and services supported	Sustainability Statement - Innovation, Process Innovation and Industry 4.0, Operational Excellence through Innovation	57-61



## SUSTAINABILITY STATEMENT

cont'd

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

GRI CONTENT index			
GRI Indicator	Disclosure	Response	Page Number
<b>GRI 203: Indirect Economic Impacts</b> (cont'd)			
203-2	Significant indirect economic impacts	Sustainability Statement - Innovation, Process Innovation and Industry 4.0, Operational Excellence through Innovation	57-61
<b>204: Procurement Practices</b>			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Supply Chain Management	61-65
103-2	The management approach and its components	Sustainability Statement - Supply Chain Management	61-65
103-3	Evaluation of the management approach	Sustainability Statement - Supply Chain Management	61-65
204-1	Proportion of spending on local supplies	Sustainability Statement - Supply Chain Management	61-65
<b>GRI 205: Anti-corruption</b>			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Corporate Governance and Ethics, Anti-Corruption and Bribery Policy, Whistleblowing Policy and Procedures	53-55
		Statement on Risk Management and Internal Control - Internal Audit Function	138-144
		Corporate Governance Overview Statement	116-133
103-2	The management approach and its components	Sustainability Statement - Corporate Governance and Ethics, Anti-Corruption and Bribery Policy, Whistleblowing Policy and Procedures	53-55
		Statement on Risk Management and Internal Control - Internal Audit Function	138-144
		Corporate Governance Overview Statement	116-133
103-3	Evaluation of the management approach	Sustainability Statement - Corporate Governance and Ethics, Anti-Corruption and Bribery Policy, Whistleblowing Policy and Procedures	53-55
		Statement on Risk Management and Internal Control - Internal Audit Function	138-144
		Corporate Governance Overview Statement	116-133
205-1	Operations assessed for risks related to corruption	Sustainability Statement - Corporate Governance and Ethics	53-55
		Corporate Governance Overview Statement	116-133
205-1	Communication and training about anticorruption policies and procedures	Sustainability Statement - Corporate Governance and Ethics, Anti-Corruption and Bribery Policy, Whistleblowing Policy and Procedures	53-55
		Statement on Risk Management and Internal Control - Internal Audit Function	138-144



# SUSTAINABILITY STATEMENT

cont'd

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

GRI CONTENT index			
GRI Indicator	Disclosure	Response	Page Number
<b>GRI 205: Anti-corruption</b> (cont'd)			
205-3	Confirmed incidents of corruption and actions taken	Sustainability Statement - Corporate Governance and Ethics, Anti-Corruption and Bribery Policy, Whistleblowing Policy and Procedures Statement on Risk Management and Internal Control - Internal Audit Function	53-55 138-144
<b>302: Energy</b>			
103-1	Explanation of the material topic and its boundary	Our Commitment Towards Climate Change Sustainability Statement – Environment	48-49 66-68
103-2	The management approach and its components	Our Commitment Towards Climate Change Sustainability Statement – Environment	48-49 66-68
103-3	Evaluation of the management approach	Our Commitment Towards Climate Change Sustainability Statement – Environment	48-49 66-68
302-1	Energy consumption within the organisation	Sustainability Statement - Energy Usage	68-70
302-2	Energy consumption outside the organisation	To be applied in the future	-
302-3	Energy intensity	Sustainability Statement - Energy Usage	68-70
302-4	Reduction of energy consumption	Sustainability Statement - Energy Usage	68-70
302-5	Reductions in energy requirements of products and services	To be applied in the future	-
<b>303: Water and Effluents</b>			
103-1	Explanation of the material topic and its boundary	Our Commitment Towards Climate Change Sustainability Statement – Environment	48-49 66-68
103-2	The management approach and its components	Our Commitment Towards Climate Change Sustainability Statement – Environment	48-49 66-68
103-3	Evaluation of the management approach	Our Commitment Towards Climate Change Sustainability Statement – Environment	48-49 66-68
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	73-75



## SUSTAINABILITY STATEMENT

cont'd

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

GRI CONTENT index			
GRI Indicator	Disclosure	Response	Page Number
<b>305: Emissions</b>			
103-1	Explanation of the material topic and its boundary	Our Commitment Towards Climate Change Sustainability Statement – Environment	48-49 66-68
103-2	The management approach and its components	Our Commitment Towards Climate Change Sustainability Statement – Environment	48-49 66-68
103-3	Evaluation of the management approach	Our Commitment Towards Climate Change Sustainability Statement – Environment	48-49 66-68
305-1	Direct (Scope 1) GHG emissions	Sustainability Statement - GHG Emissions and Climate Change	71-73
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Statement - GHG Emissions and Climate Change	71-73
305-3	Other indirect (Scope 3) GHG emissions	Sustainability Statement - GHG Emissions and Climate Change	71-73
305-4	GHG emissions intensity	Sustainability Statement - GHG Emissions and Climate Change	71-73
305-5	Reduction of GHG emissions	Sustainability Statement - GHG Emissions and Climate Change	71-73
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	Sustainability Statement - GHG Emissions and Climate Change	71-73
<b>306: Effluents and Waste</b>			
103-1	Explanation of the material topic and its boundary	Our Commitment Towards Climate Change Sustainability Statement – Environment	48-49 66-68
103-2	The management approach and its components	Our Commitment Towards Climate Change Sustainability Statement – Environment	48-49 66-68
103-3	Evaluation of the management approach	Our Commitment Towards Climate Change Sustainability Statement – Environment	48-49 66-68
306-1	Water discharge by quality and destination	To be applied in the future	-
306-2	Waste by type and disposal method	Sustainability Statement – Waste Management	75-78
306-3	Significant spills	No significant spills as of FY2022	-
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	-



# SUSTAINABILITY STATEMENT

cont'd

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

GRI CONTENT index			
GRI Indicator	Disclosure	Response	Page Number
<b>307: Environmental Compliance</b>			
103-1	Explanation of the material topic and its boundary	Our Commitment Towards Climate Change Sustainability Statement – Environment	48-49 66-68
103-2	The management approach and its components	Our Commitment Towards Climate Change Sustainability Statement – Environment	48-49 66-68
103-3	Evaluation of the management approach	Our Commitment Towards Climate Change Sustainability Statement – Environment	48-49 66-68
307-1	Non-compliance with environmental laws and regulations	We have not identified any non-compliance with environmental laws and regulations as of FY2022	67
<b>308: Supplier Environmental Assessment</b>			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Supply Chain Management	61-65
103-2	The management approach and its components	Sustainability Statement - Supply Chain Management	61-65
103-3	Evaluation of the management approach	Sustainability Statement - Supply Chain Management	61-65
308-1	New suppliers that were screened using environmental criteria	Sustainability Statement - Supply Chain Management	61-65
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainability Statement - Supply Chain Management	61-65
<b>401: Employment</b>			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Employee Gender, Diversity and Inclusion, Employee Statistics	79-81
103-2	The management approach and its components	Sustainability Statement - Employee Gender, Diversity and Inclusion, Employee Statistics	79-81
103-3	Evaluation of the management approach	Sustainability Statement - Employee Gender, Diversity and Inclusion, Employee Statistics	79-81
401-1	New employee hires and employee turnover	Sustainability Statement - Employee Gender, Diversity and Inclusion, Employee Statistics	79-81
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Statement - Employee Gender, Diversity and Inclusion, Employee Statistics	79-81



## SUSTAINABILITY STATEMENT

cont'd

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

GRI CONTENT index			
GRI Indicator	Disclosure	Response	Page Number
<b>GRI 402: Labour/Management Relations</b>			
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.	-
<b>403: Occupational Health and Safety</b>			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Occupational Safety and Health	88-95
103-2	The management approach and its components	Sustainability Statement - Occupational Safety and Health	88-95
103-3	Evaluation of the management approach	Sustainability Statement - Occupational Safety and Health	88-95
403-1	Occupational health and safety management system	Sustainability Statement - Occupational Safety and Health	88-95
403-2	Hazard identification, risk assessment and incident investigation	Sustainability Statement - Occupational Safety and Health	88-95
403-3	Occupational health services	Sustainability Statement - Occupational Safety and Health	88-95
403-4	Worker participation, consultation and communication on occupational health and safety	Sustainability Statement - Occupational Safety and Health	88-95
403-5	Worker training on occupational health and safety	Sustainability Statement - Occupational Safety and Health	88-95
403-6	Promotion of worker health	Sustainability Statement - Occupational Safety and Health	88-95
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Statement - Occupational Safety and Health	88-95



# SUSTAINABILITY STATEMENT

cont'd

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

GRI CONTENT index			
GRI Indicator	Disclosure	Response	Page Number
<b>403: Occupational Health and Safety</b> (cont'd)			
403-8	Workers covered by an occupational health and safety management system	Sustainability Statement - Occupational Safety and Health	88-95
403-9	Work-related injuries	Sustainability Statement - Occupational Safety and Health	88-95
403-10	Work-related injuries	Sustainability Statement - Occupational Safety and Health	88-95
<b>404: Training and Education</b>			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Employee Development and Talent Retention	81-84
103-2	The management approach and its components	Sustainability Statement - Employee Development and Talent Retention	81-84
103-3	Evaluation of the management approach	Sustainability Statement - Employee Development and Talent Retention	81-84
404-1	Average hours of training per year per employee	Sustainability Statement - Employee Development and Talent Retention	81-84
404-2	Programmes for upgrading employee skills and transition assistance programmes	Sustainability Statement - Employee Development and Talent Retention	81-84
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Statement - Employee Development and Talent Retention	81-84
<b>405: Diversity and Equal Opportunity</b>			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Employee Gender, Diversity and Inclusion	79-81
103-2	The management approach and its components	Sustainability Statement - Employee Gender, Diversity and Inclusion	79-81
103-3	Evaluation of the management approach	Sustainability Statement - Employee Gender, Diversity and Inclusion	79-81
405-1	Diversity of governance bodies and employees	Profile of Board of Directors, Profile of Key Senior Management, Sustainability Statement - Employee Gender, Diversity and Inclusion, Employees Statistics	12-17 79-81
405-2	Ratio of basic salary and remuneration of women to men	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
<b>406: Non-discrimination</b>			
103-1	Explanation of the material topic and its boundary	Sustainability Statement – Human and Labour Rights	84-88
103-2	The management approach and its components	Sustainability Statement – Human and Labour Rights	84-88
103-3	Evaluation of the management approach	Sustainability Statement – Human and Labour Rights	84-88
406-1	Incidents of discrimination and corrective actions taken	No incidents of discrimination in FY2022, Sustainability Statement - Human and Labour Rights	84-88
<b>408: Child Labour</b>			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-65 84-88
103-2	The management approach and its components	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-65 84-88
103-3	Evaluation of the management approach	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-65 84-88
408-1	Operations and suppliers at significant risk for incidents of child labour	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-65 84-88
<b>409: Forced or Compulsory Labour</b>			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-65 84-88
103-2	The management approach and its components	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-65 84-88
103-3	Evaluation of the management approach	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-65 84-88
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-65 84-88
<b>412: Human Rights Assessment</b>			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-65 84-88
103-2	The management approach and its components	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-65 84-88



# SUSTAINABILITY STATEMENT

cont'd

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

GRI CONTENT index			
GRI Indicator	Disclosure	Response	Page Number
<b>412: Human Rights Assessment</b> (cont'd)			
103-3	Evaluation of the management approach	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-65 84-88
412-1	Operations that have been subject to human rights reviews or impact assessments	Sustainability Statement - Supply Chain Management, Human and Labour Rights	61-65 84-88
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	61-65 84-88
<b>413: Local Communities</b>			
103-1	Explanation of the material topic and its boundary	Sustainability Statement – Local Communities	97-101
103-2	The management approach and its components	Sustainability Statement – Local Communities	97-101
103-3	Evaluation of the management approach	Sustainability Statement – Local Communities	97-101
<b>414: Supplier Social Assessment</b>			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Supply Chain Management	61-65
103-2	The management approach and its components	Sustainability Statement - Supply Chain Management	61-65
103-3	Evaluation of the management approach	Sustainability Statement - Supply Chain Management	61-65
414-1	New suppliers that were screened using social criteria	Sustainability Statement - Supply Chain Management	61-65
414-2	Negative social impacts in the supply chain and actions taken	Sustainability Statement - Supply Chain Management	61-65
<b>415: Public Policy</b>			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Corporate Governance and Ethics, Anti-Corruption and Bribery Policy, Whistleblowing Policy and Procedures and Supply Chain Management	53-55 61-65
103-2	The management approach and its components	Sustainability Statement - Corporate Governance and Ethics, Anti-Corruption and Bribery Policy, Whistleblowing Policy and Procedures and Supply Chain Management	53-55 61-65



# SUSTAINABILITY STATEMENT

cont'd

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

GRI CONTENT index			
GRI Indicator	Disclosure	Response	Page Number
<b>415: Public Policy</b> (cont'd)			
103-3	Evaluation of the management approach	Sustainability Statement - Corporate Governance and Ethics, Anti-Corruption and Bribery Policy, Whistleblowing Policy and Procedures and Supply Chain Management	53-55 61-65
415-1	Political contributions	Sustainability Statement - Corporate Governance and Ethics, Anti-Corruption and Bribery Policy	53-54 61-65
<b>418: Customer Privacy</b>			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Privacy and Data Protection	66
103-2	The management approach and its components	Sustainability Statement - Privacy and Data Protection	66
103-3	Evaluation of the management approach	Sustainability Statement - Privacy and Data Protection	66
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Statement - Privacy and Data Protection	66
<b>419: Socioeconomic Compliance</b>			
103-1	Explanation of the material topic and its boundary	Sustainability Statement - Corporate Governance and Ethics	53-55
103-2	The management approach and its components	Sustainability Statement - Corporate Governance and Ethics	53-55
103-3	Evaluation of the management approach	Sustainability Statement - Corporate Governance and Ethics	53-55
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 FY2022	53-55