ADLINK

2022

Sustainability Report

5G

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Message from the Management

In the post-pandemic era after 2022, we still face several challenges and risks, such as the impacts of the Russo-Ukrainian War. The raw material and chip shortages brought on by insufficient production capacity of the semiconductor industry have further impacted the production of semiconductor equipment. With the successive strikes in Europe and the United States in the transportation and logistics industries, logistical congestion is becoming more severe. In response to this, ADLINK has been committed to stabilizing the supply chain. We have adopted different measures to ensure the stable supply of products, such as strengthening inventory management, adopting diverse suppliers, and tracking industry trends. Furthermore, ADLINK conducted strategic adjustments in 2022 to ensure the sustainable development of the company. The company has implemented several important changes in terms of strategic planning and execution, corporate collaboration, product safety, and environmental sustainability.

Strategic Planning and Execution

In terms of overall vision and strategy, we are more focused on corporate transformations. In 2022, we implemented the Business Leadership Model (BLM) to enhance strategic planning, target formulation, and strategic execution. In March every year, ADLINK formulates the Core Strategic Vision (CSV) for the next year. In order to formulate a strategic plan that adheres to the CSV and implement its benefits, we first reach consensus with the different business units, and then explore customer needs. We will propose sales strategies that correspond to individual target customer groups in order to make ADLINK's product development strategies closer to market and customer needs.

Corporate Collaboration

ADLINK not only continues to join international organizations in the industry, we actively develop core technology capabilities and provide high quality products that are in line with international standards by working with important partners in the ecosystem. For example, the company has established important partnerships in AIoT solutions with Intel, NVIDIA, and other companies. We have also established a strategic partnership with AUO in the past two years in order to jointly develop Comprehensive Industrial Monitors and Panel PCs Solutions and various vertical applications. In 2022, ZettaScale Technology, a subsidiary of ADLINK, received strategic investment from the well-known autonomous driving software company TTTech Auto. The two companies developed the autonomous driving platform MotionWise Cyclone DDS together, providing vehicles with comprehensive instant communications while ensuring communication security and high quality.

In the future, ADLINK will continue to provide technical solutions for an ever-growing range of applications in pursuit of growth in new markets. In customer service, the Customer Service Center has been in charge of the customer satisfaction survey as well as the follow up for the execution of improvement solutions each year. The ultimate goal of ADLINK is to continuously challenge ourselves through constant progress in pursuing the highest level of professional, high-quality customer service.

Product and Information Security

ADLINK aims for sustainable corporate development and demands the same from its supply chains. In addition to complying to the ISO 9001:2015 and TL9000 management standards, all of the ESG supply chain statements and commitments required from vendors on the Approved Vendor List (AVL) have been completed. We will continue to ensure compliance with ethical and environmental standards in our supply chain and manufacturing practices, and actively promote initiatives such as local purchasing to improve supply efficiency, lower transportation costs, reduce carbon emissions, and diversify risks.

In recent years, ADLINK has been committed to the automotive electronics industry. In order to ensure the safety of automotive electronics systems, ADLINK adopted the ISO 26262 automotive functional safety standard at the end of 2022 to regulate every stage of the manufacturing process, including system architecture design, software development, hardware design, and testing and verification, reducing the risk of automotive electronic system failures and improving the overall safety of automobiles. We aim to pass the IATF 16949 automotive quality management system standard in 2023 to ensure that all products and services in the supply chain can satisfy customer requirements. At the same time, the organization is required to continuously improve quality management systems in the entire manufacturing process.

ADLINK also obtained ISO 27001 international information security standard certification at the end of 2022. We established an information security management system and information security management guidelines. The company complies with relevant laws and regulations to protect our information assets. These measures prevent internal and external threats or improper management and use by personnel leading to unauthorized changes, disclosures, damage, or loss, in order to satisfy the confidentiality, completeness, and availability requirements of information assets. We aim to ensure corporate sustainability and the security of sensitive company, customer, and employee information.

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Promote Environmental Sustainability

Sustainable development is a global issue and the responsibility and duty of commercial enterprises. ADLINK established the ESG and Corporate Governance Center in June, 2022. The purpose of the Center is to strengthen our focus on sustainable development and corporate governance and improve the standard of our management and corporate social responsibilities. By establishing the ESG and Corporate Governance Center, ADLINK is declaring our commitment to promoting corporate sustainability.

In order to proactively respond to the impacts of climate change on business operations and align with international trends and the "Taiwan's Pathway to Net-Zero Emissions in 2050" officially announced by the Taiwanese government in March 2022, ADLINK's Taipei headquarters plans to complete the ISO 14064-1 greenhouse gas inventory for 2022 by 2023. This effort will not only help identify the internal resource consumption within the organization, but also assess the emission intensity of individual products and understand the carbon footprint of the production process. The goal is to develop green products in line with a green supply chain in the future, thereby capitalizing on green business opportunities. In order to further effectively manage our carbon footprint, ADLINK plans to introduce the ACA Carbon Agent platform to integrate carbon emissions data. We hope to implement real-time tracking and management of carbon emissions through data and visual representations, which will improve the formulation of the company's long-term carbon reduction strategies.

Even as we focus our efforts on the AIoT sector, ADLINK will also seek growth and breakthroughs via the promotion of AI Edge Computing technology. To boost environmental protection and social value, we will continue to invest in corporate governance, shareholder rights, product liability, employee care, environmental sustainability, and social welfare because sustainability is our unchanging goal.

Jim Liu, Chairman and CEO

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About the Report

The 2022 Sustainability Report ("This Report") was prepared by the "ESG and Corporate Governance Center" of ADLINK Technology Inc. ("ADLINK"). The report contains our response to topics of stakeholder concern, presents ADLINK's performance, accomplishments, and management policies in corporate governance and economy/environmental/social sustainability topics, and demonstrates our commitment to the fulfillment of sustainability to the society at large.

Editorial Principles and Compliance

The disclosure period of this Report is from January 1, 2022, to December 31, 2022. The financial data includes the business performance of the parent company and subsidiaries. The disclosure scope of other metrics is ADLINK Technology Inc. and does not cover data from overseas subsidiaries. The reasons for recompiling statistics and revising the data provided in the previous report, as well as the resulting explanations, are presented in corresponding chapters of this report.

The report is compiled in accordance with the GRI Standards issued by the Global Reporting Initiative (GRI). The general standards adopted are based on the 2021 edition. The adopted thematic standards, GRI 303 and GRI 403, are from the 2018 edition, GRI 207 is adopted from the 2019 edition, GRI 306 from the 2020 edition, and the remaining thematic standards are based on the 2016 edition. The GRI content index is provided in the appendixes. The disclosure was in line with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and United Nations Sustainable Development Goals (SDGs).

Main Unit Responsible for the Report and Quality Management Method

In order to enhance the completeness and credibility of ADLINK Technology Inc.'s sustainability reporting, the company will establish procedures for compiling and verifying sustainability reports in accordance with the "Taiwan Stock Exchange Corporation Rules Governing Preparation and Filing of Sustainability Reports by TWSE Listed Companies." The content will be provided by respective responsible departments and reviewed by their respective supervisors; it will be submitted to the ESG and Corporate Governance Center for compilation, editing, and proofreading, and presented to the Global Chief Financial Officer of the Global Business Management Office for review and approval. In 2023, the company plans to present a plan that outlines the procedures for compiling and verifying sustainability reports to the Board of Directors for their review and approval of appropriateness. In regard to the report content, it is anticipated that external assurance will be obtained in the future.

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Operating Procedures	Method	Responsible Unit
Report Preparation	The report is prepared and planned by the ESG and Corporate Governance Center. The data, strategic goals, performance indicators, and other disclosed information in the report are provided by the respective responsible units. Subsequently, the ESG and Corporate Governance Center integrates, compiles, and reviews the content.	ESG and Corporate Governance Center and related responsible departments
Internal Review	The prepared report is reviewed again by the various responsible units to confirm the completeness and accuracy of the content. The supervisor of the unit is responsible for approval.	Relevant responsible units and the unit supervisors
External Assurance	In order to improve the accuracy and credibility of the information in the report, the company: • For some of the information, Crowe (TW) CPAs issues a limited assurance report based on the Standard on Assurance Engagements 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information. • The financial data is audited by Deloitte & Touche according to the International Financial Reporting Standards (IFRS). The currency used for the financial data is NTD.	Crowe (TW) CPAs/Deloitte & Touche
Approval of the Final Draft	As the ESG Sustainable Development Committee has not yet named the highest governance body, the Chairman of the ESG Sustainable Development Committee has authorized the Global Business Management Office/Global Chief Financial Officer to review and approve the reported information. The final version of the report is reported to the Global Business Management Office by the ESG and Corporate Governance Center. It is reviewed and approved by the Global Business Management Office/Global Chief Financial Officer before publication.	Global Business Management Office/ Global Chief Financial Officer

Time of Release

ADLINK has maintained one disclosure every two years up to 2021. Starting in 2023, we will publish the "Sustainability Report" for the previous year annually. The content will be published in English and Chinese and the content and accuracy of the information will be reviewed by the ESG Sustainable Development Committee and various department supervisors. The Report will be uploaded to the ADLINK website after publication.

Current edition: September 2023

Previous edition: October 2022

Next release: Expected to be published in June 2024.

Contact Method

If you have any comments, questions, or suggestions related to the Report or ADLINK's sustainable development, please contact us.

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E-mail: esg@adlinktech.com

ADLINK Website: www.adlinktech.com

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ADLINK Technology Inc. ESG Sustainability Committee

For the vision of corporate sustainable development, the implementation of Corporate Social Responsibility, and the improvement of the economy, the environment, and society to achieve the goal of sustainable development, ADLINK Technology Inc. established the Corporate Sustainability Committee in 2013 as a commitment to strengthening the operational system of the company, fulfilling social responsibility, and dedicating the implementation of environmental protection. The Corporate Sustainability Committee was transformed into the ESG Sustainability Committee in December 2022. The Committee is chaired by the CEO, Jim Liu, who appointed the Global Chief Financial Officer, Jeff Chou, to manage the Sustainability Secretariat Office. Mr. Chou leads the ESG Promotion Team to coordinate and operate the ESG Sustainability Committee, establishing the Technology Sustainability, Manufacturing Sustainability, Business Sustainability, Energy Sustainability, Supply Chain Sustainability, Corporate Commitment, Risk Governance, and Stakeholders Engagement functional teams. These teams collect concerned issues of shareholders, employees, suppliers, NGOs, and society, and include the representatives of each department to execute the sustainable projects passed by ADLINK Technology Inc. ESG Sustainable Development Committee as well as the planning, execution, integration, and review of relevant work. We actively respond to the needs of stakeholders to reduce potential operational impacts. As an enterprise that drives the development of technology, ADLINK aims to fulfill its Corporate Social Responsibility through the promotion of Corporate Sustainability and the provision of resources and influence to contribute to the economy, the environment, and society.

Corporate Sustainable Development Policy

The ESG Sustainable Development Policy is built upon three major business cultures, including Learning: development of innovative technology and environmentally friendly and energy conserving green products to enhance the capabilities of corporate sustainable development; Passion: encouragement of employee participation to incite the passion for the promotion of sustainable issues; Communication: responses to the concerned issues of the stakeholders to achieve sustainability. The concept of sustainable management is also gradually internalized to corporate governance. Through the execution of the Policy, the Company shall continue to improve, and also continue to review the relevance and compliance of each action plan with the Corporate Sustainable Development Policy to gradually implement the Policy and achieve corporate sustainable development.

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ADLINK Technology Inc. ESG Sustainability Committee

Chairperson
Leads the company on the path towards sustainable development by combining global ESG trends. The Chairperson provides industry policy recommendations and fosters value chain resilience to co-create a sustainable ecosystem and give back to society.

Sustainability Secretariat Office
Leads the ESG Promotion Team to coordinate and operate the ESG Sustainability Committee. The Office closely integrates sustainable development goals and core operating strategies to seize corporate risks, challenges, and opportunities, utilize social influence, and respond to stakeholder expectations.

Technology Sustainability
Applies core technologies to flexibly innovate, improving the resilience of human life. The Team uses the ideas of resource recycling in product life cycles to promote design, manufacturing, and by-product recycling projects.

Manufacturing Sustainability
Actively responds to the opportunities and challenges of climate change, creating the foundation for green and smart manufacturing. The Team deepens the competitiveness of carbon and energy management to enhance low-carbon opportunities.

Business Sustainability
Actively provides innovative products and smart solutions. The Team works with customers on educational, medical, retail, and transportation applications for smart cities, satisfying the diverse needs of the market.

Energy Sustainability
Uses core technologies to popularize renewable energies, making energy use affordable and promoting the company in becoming a professional renewable energy provider (carbon footprint, carbon inventory, and carbon neutrality). In response to climate change issues, the Team formulates green and renewable energy projects.

Supply Chain Sustainability
Creates a ESG ecosystem with suppliers through the ideals of advocacy, sharing, and guidance.

Corporate Commitment
Cultivates talent, establishes educational programmes, and deepens the ESG DNA of employees to create volunteers. The Team exerts social value with a focus on workplace and culture.

Risk Governance
Establishes a structured risk management process with a focus on global risk trends to effectively reduce operational impacts and discover business opportunities.

Stakeholders Engagement
Enhances and manages partnerships through engagement across quantitative and qualitative channels.

Stakeholder Engagement

Topics of Stakeholder Concern and Communication Channels

Listening to stakeholders is the key to success and sustainability for business. ADLINK engages with stakeholders through a variety of channels and mechanisms to understand the topics that stakeholders are concerned with. The topics of concern are reviewed for the planning of strategic goals. Continued efforts are being made in economic, environmental, and social topics to create value for stakeholders, meet stakeholder expectations, and create new opportunities through sustainability.

ADLINK Topics of Stakeholder Concern and Communication Channels:

Stakeholder	Topics of Concern		Communication Channels and Frequency
Shareholders	• Business performance • Green products • Customer relations management	• Social engagement • Energy management • Employee-employer relations	• Shareholder's meeting (Annual) • Market Observation Post System (Permanent) • Publication of financial reports (Quarterly) • Investor Conference (At least twice every year) • Corporate website (Ad hoc)
Employees	• Business performance • Employee diversity and inclusiveness • Workplace health and safety	• Talent development and cultivation • Employee-employer relations • Information security management	• Labor-Management meeting (Quarterly) • Employee mailbox (Permanent) • Occupational Health and Safety Committee (Quarterly) • Employee Welfare Committee (Permanent)
Customers	• Business performance • Customer relations management • Supply chain management • Energy management • Innovative technologies and applications	• GHG inventory • Waste management • Workplace health and safety • Employee diversity and inclusiveness • Information security management	• Customer Satisfaction Survey (Annual) • Customer Grievance Management System (Ad hoc) • Sales meeting (Ad hoc) • Customer feedback (Ad hoc) • Corporate website: section on corporate sustainability (Permanent)
Suppliers	• Business performance • Supply chain management	• Green products • Information security management	• Supplier audit (Annual)
Non-profit Organizations	• Social engagement • Energy management	• Waste management • GHG inventory	• ADLINK Education Foundation (Permanent) • Courses and tours (Ad hoc)
Communities	• Employee diversity and inclusiveness • Social engagement • Energy management	• Employee-employer relations • GHG inventory • Green products	• ADLINK Education Foundation (Permanent) • Corporate website (Permanent) • External contact point of general administration unit (Ad hoc)

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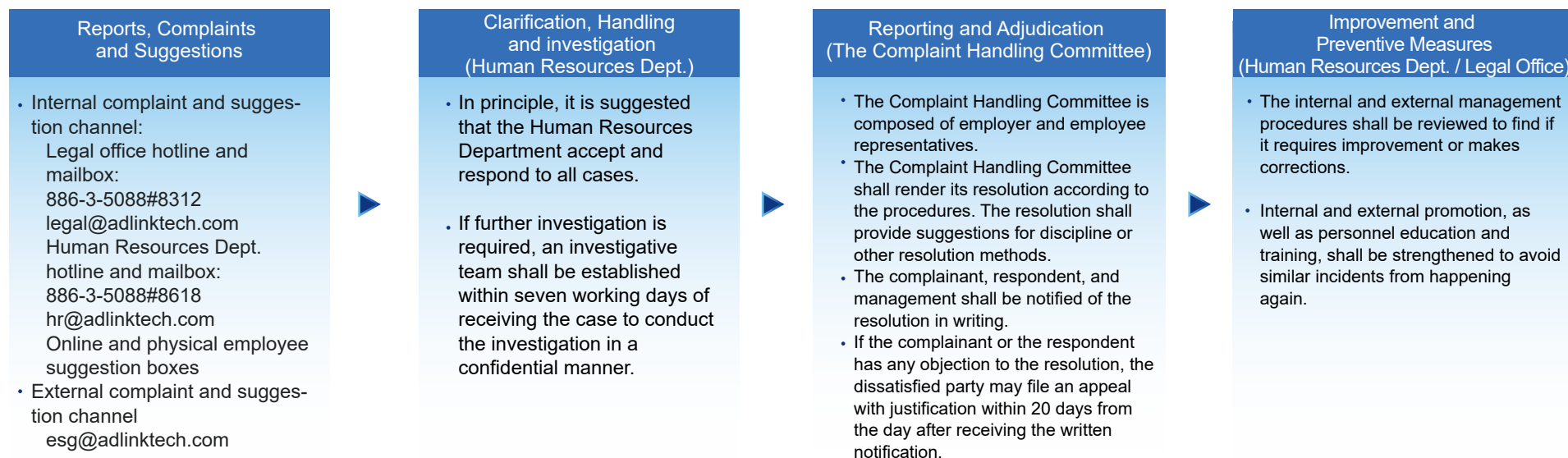
Complaints and Suggestions

Integrity and responsible business practices are the basis of corporate sustainability. Therefore, we have established various complaint and suggestion channels to encourage stakeholders to report, file complaints, or provide suggestions related to environmental, economic, social, and human rights impacts caused by unethical and immoral behavior or any operational activities.

ADLINK has established a whistleblowing channel on its official website, where external individuals can directly report any illegal activities to the company through the public whistleblowing mailbox. Internal employees can make complaints or provide suggestions through the Human Resources Department and Legal Office's emails, hotlines, or online and physical employee suggestion boxes. We also offer the option of anonymous reporting. The receiving units are required to maintain confidentiality regarding the identity of the whistleblower and the reported incidents. Unless necessary for investigative purposes, information will not be disclosed to unrelated third parties to prevent unfair treatment or adverse consequences. The protection systems and procedures for whistleblowers are clearly defined in the "Reports, Complaints, and Suggestions and Employee Participation and Feedback Management Procedures"and the "Whistleblower Protection and Non-retaliation Management Procedure".

Because the company's headquarters was moved in 2021, employees proposed more suggestions in 2021 and 2022. In 2022, ADLINK received 24 suggestions and 1 complaint, with a case closure rate of 100.00%. The 24 suggestions were related to employee meals, commuter buses, group insurance, telecommunication discounts for employees and their families, and office environment cleanliness. Related operation adjustments have been made according to the suggestions. The 1 complaint was related to sexual harassment. The investigation has been completed according to the procedures, and the perpetrator has been disciplined and has undergone sexual equality and illegal harassment training.

Handling Procedures for Reports and Complaints

Reports, Complaints and Suggestions		Clarification, Handling and investigation (Human Resources Dept.)		Reporting and Adjudication (The Complaint Handling Committee)		Improvement and Preventive Measures (Human Resources Dept. / Legal Office)
• Internal complaint and suggestion channel: Legal office hotline and mailbox: 886-3-5088#8312 legal@adlinktech.com Human Resources Dept. hotline and mailbox: 886-3-5088#8618 hr@adlinktech.com Online and physical employee suggestion boxes • External complaint and suggestion channel esg@adlinktech.com	▶	• In principle, it is suggested that the Human Resources Department accept and respond to all cases. • If further investigation is required, an investigative team shall be established within seven working days of receiving the case to conduct the investigation in a confidential manner.	▶	• The Complaint Handling Committee is composed of employer and employee representatives. • The Complaint Handling Committee shall render its resolution according to the procedures. The resolution shall provide suggestions for discipline or other resolution methods. • The complainant, respondent, and management shall be notified of the resolution in writing. • If the complainant or the respondent has any objection to the resolution, the dissatisfied party may file an appeal with justification within 20 days from the day after receiving the written notification.	▶	• The internal and external management procedures shall be reviewed to find if it requires improvement or makes corrections. • Internal and external promotion, as well as personnel education and training, shall be strengthened to avoid similar incidents from happening again.

Statistics on ADLINK's Complaints, Reports, and Suggestions in the Past 3 Years

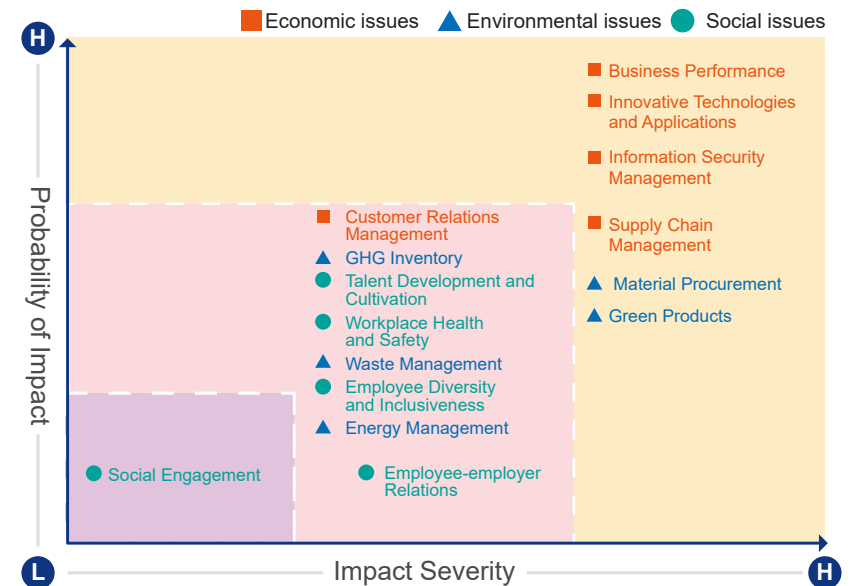| Year	2020		2021		2022	
Channels for Proposing Suggestions and Complaints	Number of Cases	Case Closure Rate	Number of Cases	Case Closure Rate	Number of Cases	Case Closure Rate
Human Resources Dept. Hotline	0	0.00%	0	0.00%	0	0.00%
Human Resources Dept. Complaint E-mail	0	0.00%	0	0.00%	0	0.00%
Online Employee Suggestion Box	0	0.00%	12	100.00%	23	100.00%
Physical Employee Suggestion Box	0	0.00%	0	0.00%	1	100.00%
External Complaint Mailbox					0	0.00%
Legal Office Hotline	This channel is not yet in use.		This channel is not yet in use.		0	0.00%
Legal Office Complaint E-mail					0	0.00%
Other	4	100.00%	3	100.00%	1	100.00%
Total	4	100.00%	15	100.00%	25	100.00%

Material Topics

The ADLINK ESG Sustainability Committee uses diverse communication channels to discuss and identify stakeholders such as shareholders, employees, customers, suppliers, society, and non-profit organizations in a systematic manner. Upon confirmation of the list of stakeholders, a stakeholder communication platform is established based on their influence on ADLINK and their topics of concern. Diverse and systematic communication channels are also established by the relevant internal units to compile and organize the economic, environmental, and social topics of concern to stakeholders. A total of 15 topics of concern to stakeholders were identified based on the sustainability philosophy of ADLINK. A materiality assessment and analysis of each topic is conducted based on the degree of concern and (economic, environmental, and social) impact on the company's sustainability to establish its boundary and level of involvement.

Material Topics Identification Process

Identification	Stakeholder Identification	The ADLINK ESG Sustainability Committee uses diverse communication channels to discuss and identify stakeholders, including Shareholders, employees, customers, suppliers, non-profit organizations, and society.
	Compiling the Topics of Concern	The topics of concern to stakeholders were compiled and a total of 15 topics of concern were determined by the Committee.
Prioritization	Analysis of Influence on Stakeholder Assessment and Significance of Impacts on the Sustainability (Economic, Environmental, and Social) of ADLINK	Regarding the impact assessment of the 15 sustainability issues identified through stakeholder engagement, the company invited 14 senior executives at the level of departmental supervisors or above, 31 managers in general management positions, and 17 employees (i.e., engineers, specialists, administrators) to conduct a more detailed and standardized internal assessment of various issues, including their severity (scale and scope), likelihood of occurrence, and risks of human rights violations, through the Sustainability Issue Materiality Assessment Questionnaire (62 out of 65 questionnaires were collected, resulting in a response rate of 95.38%).
	Determining the Material Topics of Concern	A topic materiality meeting was convened by the ADLINK ESG Sustainability Committee to develop a material topic matrix for "Influence on stakeholder assessment" and "Significance of economic, environmental, and social impacts on ADLINK."
Verification	Comparison of Material Topics	The 2022 material topic matrix contained 15 items with 10 ultimately confirmed to be material topics for disclosure in this report. Appropriate disclosure for topics of secondary importance will also be provided.
	Confirmation and Reporting of Material Topics	The 10 material topics identified in 2022 were reported by the ESG and Corporate Governance Center and approved by the Global Chief Financial Officer of the Global Business Management Office. In the report, we disclose the impact of each material topic, as well as the corresponding policies, commitments, management actions, indicators, and targets implemented by the company.

Impact Intensity of Major Topics/Comparative Analysis of Impact Probability

The 15 Issues in the 2022 Questionnaire Survey

Economic
1. Business performance
2. Innovative technologies and applications
3. Information security management
4. Supply chain management
5. Customer relations management

Environment
6. Material procurement
7. Green products
8. Energy management
9. GHG inventory
10. Waste management

Society
11. Employee diversity and inclusiveness
12. Employee-employer relations
13. Talent development and cultivation
14. Workplace health and safety
15. Social engagement

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Response to UN Sustainable Development Goals

ADLINK responded to the 17 SDGs by following the 5 steps set out in the SDG Compass proposed by the UN: understanding the SDGs, defining priorities, setting goals, integrating and reporting and communicating. 11 out of 17 SDGs were identified as key areas. By developing corresponding action plans and reviewing these SDGs as necessary, the future direction of sustainable development can be set.

SDGs		Goal
Goal 3 Good Health and Well-Being		Ensure healthy lives and promote well-being for all ages
Goal 4 Quality Education		Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
Goal 5 Gender Equality		Achieve gender equality and empower all women and girls
Goal 6 Clean Water and Sanitation		Ensure access to clean water and sanitation for all
Goal 7 Affordable and Clean Energy		Ensure access to affordable, reliable, sustainable, and modern energy
Goal 8 Decent Work and Economic Growth		Promote inclusive and sustainable economic growth, full and productive employment and decent work for all
Goal 11 Sustainable Cities and Communities		Make cities and human settlements inclusive, safe, resilient, and sustainable

SDGs		Goal
Goal 12 Responsible Consumption and Production		Ensure sustainable consumption and production patterns
Goal 12 Responsible Consumption and Production		Take urgent action to combat climate change and its impacts
Goal 16 Peace, Justice and Sound Institutions		Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels
Goal 17 Partnerships for the Goals		Strengthen the means of implementation and revitalize the global partnership for sustainable development

The Final Ranking of ADLINK's 10 Material Topics:

Material Topic Impact Boundaries, Involvement, and Corresponding Chapters

Degree of Involvement: ● Direct Impact ● Contributes to Impact ● Commercial Impact

	Material Topics	Corresponding Chapter	Corresponding GRI Topic	Impact Boundaries and Involvement		
				Suppliers	ADLINK	Customer
1	Business Performance	CH 1	201-1 Direct economic value generated and distributed		●	
2	Information Security Management	CH 2	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		●	●
3	Innovative Technologies and Applications	CH 3	Custom Theme		●	●
4	Supply Chain Management	CH 3	308-1 New suppliers that were screened using environmental criteria 308-2 Negative environmental impacts in the supply chain and actions taken 414-1 New suppliers that were screened using social criteria 414-2 Negative social impacts in the supply chain and actions taken	●	●	●
5	Customer Relations Management	CH 3	Custom Theme		●	●
6	Green Products	CH 3	416-1 Assessment of the health and safety impacts of product and service categories 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	●	●	●
7	Material Procurement	CH 3	204-1 Proportion of spending on local suppliers	●	●	
8	Employee Diversity and Inclusiveness	CH 5	405-1 Diversity of governance bodies and employees		●	
9	Talent Development and Cultivation	CH 5	404-1 Average hours of training per year per employee 404-2 Programs for upgrading employee skills and transition assistance programs 404-3 Percentage of employees receiving regular performance and career development reviews		●	
10	GHG Inventory	CH 4	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions 305-4 GHG emissions intensity		●	●

Commercial Impact

Our assessment of the scope of material topics in 2022 referred to the GRI sustainability issues, as well as the disclosure items required by the SASB guidelines for the industry to which ADLINK belongs. In order to further focus the material topics on key and trending issues, some of the topics have been adjusted and their names have been revised.

Changes to Material Topics in 2022

Prioritization	2021 Material Topics	2022 Material Topics	Changes	Notes on Changes
1	Economic Performance	Business Performance	-	
2	Corporate Governance	Information Security Management	↑	
3	Corporate Risk Management	Innovative Technologies and Applications	↑	
4	Customer Relations Management	Supply Chain Management	↑	
5	Supply Chain Management	Customer Relations Management	↓	
6	Information Security Management	Green Products	↑	
7	Energy Management	Material Procurement	New	Added by referring to the SASB guidelines and considering industry characteristics.
8	Green Products	Employee Diversity and Inclusiveness	New	Added by referring to the SASB guidelines and considering industry characteristics.
9	Talent Development	Talent Development and Cultivation	-	The talent development theme from the previous year was expanded upon.
10	Employee-Employer Relations	GHG Inventory	↑	

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Company Overview

1.1 About ADLINK

Established in August 1995, ADLINK is dedicated to edge computing software and hardware solutions for embedded, distributed, and intelligent computing, as well as AI and edge visualization. The company has over 1,800 employees spread across 20 offices in 12 countries. We work with over 200 partners and over 1,600 customers, who have selected ADLINK as an important partner for their mission-critical success.

ADLINK's products include embedded modules, computer-on-modules, AI modules, industrial motherboards, software (robotic operating systems, middleware, applications, etc.), deep-learning accelerators, platform systems, tablets, industrial PCs, IoT solutions, and smart cameras. We are dedicated to driving innovations in fields such as smart manufacturing, network communications, smart medicine, energy, national defense, smart transportation, and gaming.

ADLINK contributes to open source, robotics, autonomous, IoT and 5G standards initiatives across 24+ consortiums. This includes participating in the Intel Board of Advisors, ROS 2 Technical Steering Committee and Autoware Foundation Board. Additionally, ADLINK holds top-tier edge partnerships with Intel, NVIDIA, Qualcomm, Arm, and AUO. ADLINK continuously innovates in the field of edge computing and provides state-of-the-art software, hardware, and services. Through edge artificial intelligence solutions, ADLINK enables rapid connectivity between people, places, and things, while assisting customers in maintaining their competitiveness.

ADLINK is headquartered in Taiwan and has been listed on the Taiwan Stock Exchange since 2004. Website: http://www.adlinktech.com.

Company Name	ADLINK Technology, Inc.
Date of Incorporation	1995
Headquartered in	Taoyuan, Taiwan
Total Consolidated Revenue in 2022	NTD 11,718,175 (Unit: Thousand)
Earnings Per Share in 2022	NTD 3.71
Total Number of Employees in 2022	>1,800 employees (Global Total)
Stock Code	6166

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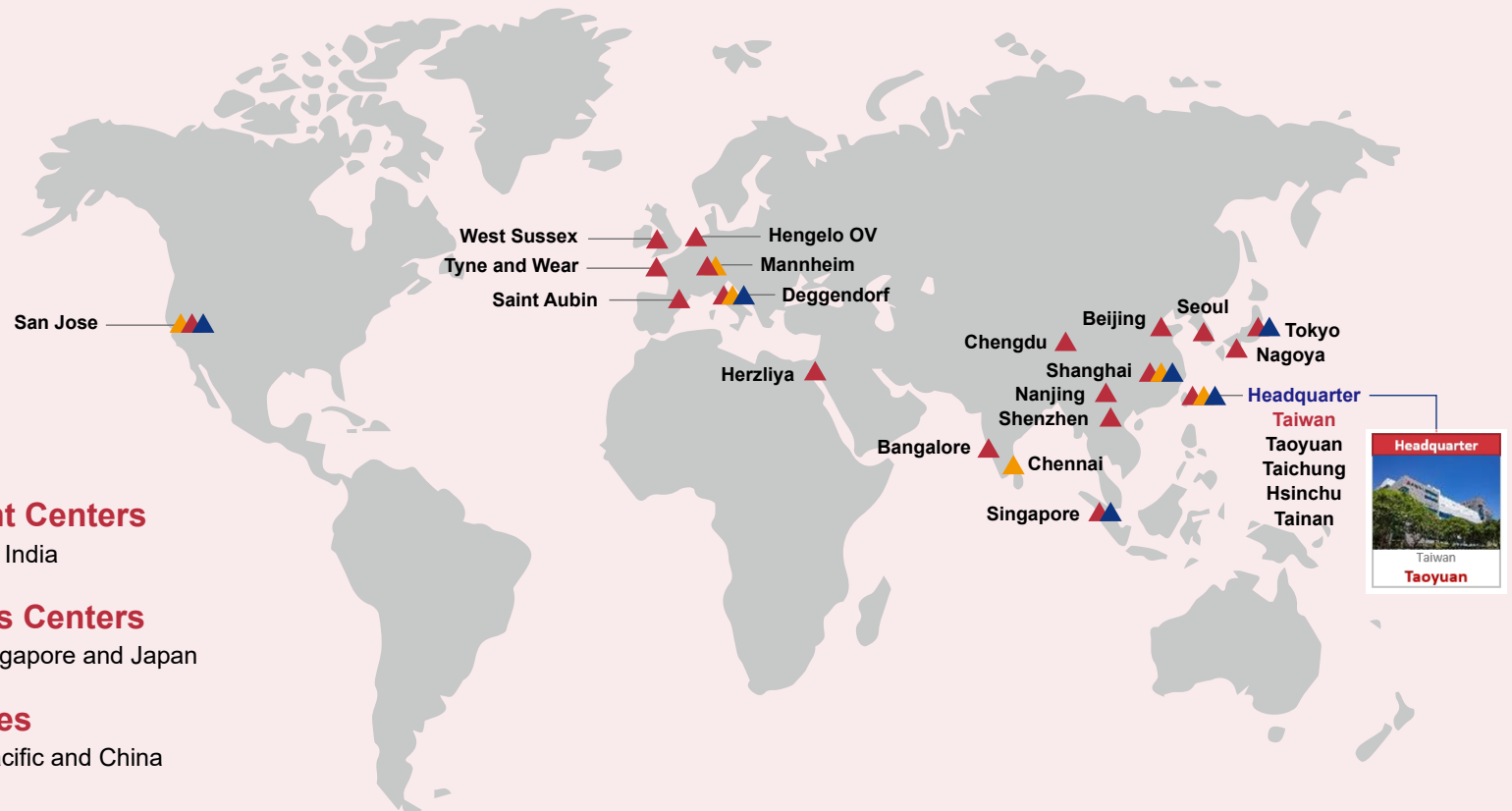
ADLINK's Main Global Locations

ADLINK was established 28 years ago. We now have subsidiaries in the U.S., Singapore, China, Japan, Germany, the U.K, and South Korea. as well as offices in France and India. We work closely with distributors from many countries in the Asia-Pacific region and Europe to provide the most convenient and timely services to local customers.

Global Reach, Local Touch

ADLINK Global Presence

▲ Research & Development Centers
▲ Sales / Support Offices
▲ Operation and Logistics Centers

West Sussex
Tyne and Wear
Saint Aubin
Hengelo OV
Mannheim
Deggendorf
San Jose
Herzliya
Beijing
Chengdu
Shanghai
Nanjing
Shenzhen
Seoul
Tokyo
Nagoya
Headquarter Taiwan
Taoyuan
Taichung
Hsinchu
Tainan
Bangalore
Chennai
Singapore

Headquarter
Taiwan
Taoyuan

6 Research & Development Centers
in USA, Germany, Taiwan, China and India

6 Operations and Logistics Centers
in USA, Germany, Taiwan, China, Singapore and Japan

22 Regional Support Offices
in USA, Europe, Middle East, Asia Pacific and China

18

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1.2 Business Performance and Expectations

Management of ADLINK's Material Topic ''Business Performance'' in 2022

Material Topic	Business Performance	
Impact Assessment	The company's business performance is a key element supporting its sustainable development. Business performance directly impacts various stakeholders, including employees, suppliers, customers, and shareholders, by either increasing or decreasing profits. Poor business performance may even result in losses.	
Corresponding GRI Indicators	• 201-1 Direct economic value generated and distributed	
SDGs	SDG 8 Decent work and economic growth	
Policy or Commitments	The company will continuously enhance operational and management efficiency while exploring customer needs. This approach ensures that the product development strategy aligns closely with market and customer demands, thereby improving revenue and profitability.	
Indicators and Targets	**Short-term Objectives** • By utilizing visualized management, the company facilitates the rapid acquisition of relevant information and streamlines processes to shorten the product development and manufacturing cycle. Continuous cost control measures are implemented to improve efficiency and profitability, aiming to maintain an operating profit margin of over 5.00%. **Mid-term Goal** • In response to customer needs, the company promotes diverse customized services. It not only offers cost-effective products and services but also strengthens partnerships with customers through multiple collaborations, such as manufacturing quality, supply chain assurance, and design innovation. We expect that our annual revenue will be maintained at the industry's average growth rate in the future. **Long-term Goal** • Become a leader in the edge computing market.	

Effectiveness Tracking Mechanism	Understand goal attainment through regular meetings:
	• Quarterly meeting
	  ・ Product strategy meeting
	  ・ Senior manager quarterly meeting
	• Monthly meeting
	  ・ Monthly business group meeting
	  ・ Monthly regional sales meeting
	  ・ Regular monthly department meetings
		Annual Actions and Measures
		• In 2022, the annual turnover grew by 21.14%, reaching NT$11.718 billion.
		• Net operating profit margin reached 5.00% in 2022
		• Net profit before tax grew to NT$970 million in 2022

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During the uncertain global economic recovery after the pandemic, ADLINK achieved excellent operational results in 2022. The annual revenue grew by 21.14%, reaching NT$11.718 billion. The net operating profit margin reached 5.00%, and the net profit before tax significantly increased to NT$970 million. Both revenue and profitability reached all-time highs. In addition to the operating net profit growing over fourfold from the previous year to reach NT$616 million, there was additional income of NT$356 million from the disposal of non-operating assets. This substantial improvement in profitability has led to a robust overall financial structure. Furthermore, the earnings per share (EPS) increased from NT$0.55 in the previous year to NT$3.71. An analysis of financial balance sheets and profitability in 2022 is provided in the table below:

The Balance Sheets and Profitability of ADLINK in the Past 3 Years (Unit: NT$ thousand)

Item	Consolidated Financial Statement	2022	2021	2020
Financial Income	Operating Revenue	11,718,175	9,673,054	9,635,678
	Gross Profit	4,252,006	3,555 ,162	3,814,646
	Gross Margin	36.29%	36.75%	39.59%
	Net Profit Before Tax	970,329	202,910	350,812
	Net Profit	805,396	118,884	241,648
	Net Profit Margin	6.87%	1.23%	2.51%
Profitability	Earnings Per Share (NT$)	3.71	0.55	1.12
Non-operating Earnings	Non-operating Income	353,924	64,412	124,034
Operating Costs	Operating Expenses	3,635,601	3,416,664	3,339,800
Employee Wages and Benefits	Total Employee Remuneration and Benefits	2,991,992	2,801,475	2,723,989
Amount Payable to Investors	Cash Dividend	543,743	65,249	217,497
Amount Payable to the Government	Amount PaidNote	54,727	63,794	64,102

Item	Consolidated Financial Statement	2022	2021	2020
Community Investment	Funds Donated to Foundations	6,000	6,000	6,000
Economic Value Retained	Net Amount	4,840,042	3,384,284	3,408,324

Note: The amount paid includes income tax, land value increment tax, property tax, stamp duty, deed tax, and a 6 thousand penalty in 2022. The payment data for the current period from 2020 to 2021 differs from the previous ESG Sustainability Report because the previous data only accounted for the amount of income tax.

ADLINK R&D Expenditures Ratio (Unit: NT$ thousand)

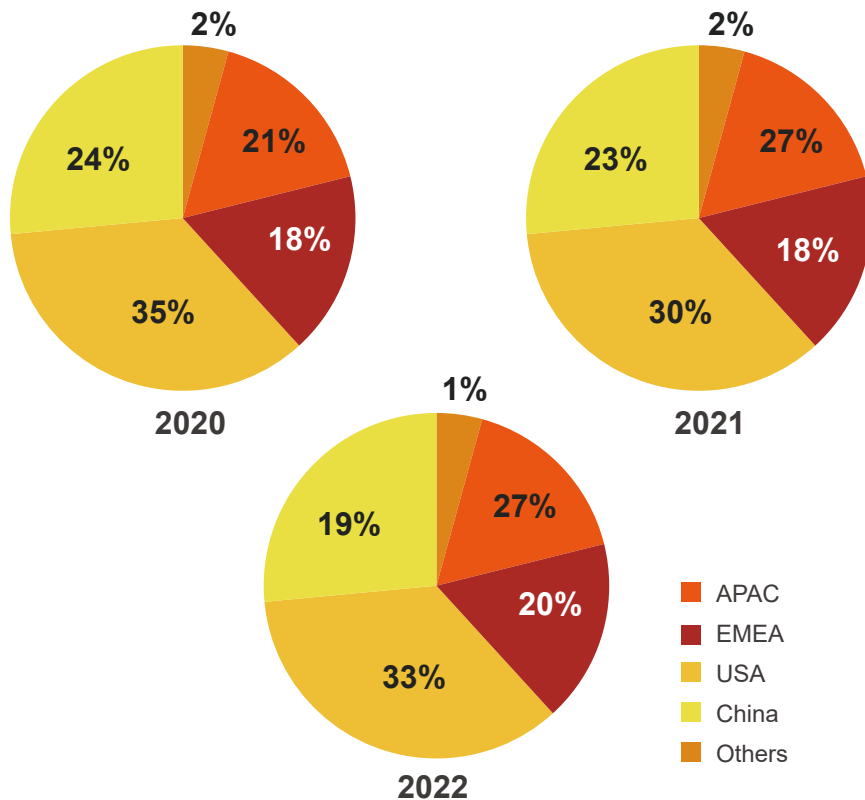| Consolidated Financial Statement	2022	2021	2020
Net Sales Revenue	11,718,175	9,673,054	9,635,678
Research and Development Expenses	1,544,496	1,521,068	1,452,997
R&D Budget / Net Sales (%)	13.18%	15.72%	15.08%

Business Strategy

In terms of operations, in July 2021, we officially relocated ADLINK's corporate headquarters and Taiwan manufacturing center to Hwa Ya Technology Park. We integrated the factories and offices that were located in different areas to improve employee communication and management efficiency, as well as optimize production lines and quality performance, thereby meeting the needs of the Company's future operations. ADLINK focuses on edge computing and is committed to becoming a catalyst for artificial intelligence. In order to focus on facing future challenges, ADLINK has reorganized its internal organization to establish the ''Edge AI'' smart computing group and ''Edge Visualization'' display computing business unit.

Proportion of Business Operations

ADLINK is a global company. Our customer base, technological capabilities and business partnerships are not tied to a single region or vertical market. In terms of regions, in 2022, the Americas accounted for 33% of ADLINK revenues, followed by 27% from Asia-Pacific, 20% from Europe, Middle East and Africa (EMEA), and 19% from China. In terms of classification based on technology, 30% of the revenue comes from our traditional domain of "modular" computer products. We will continue to expand our market share in modular computers that have traditionally been our core business. We are also looking to enter new markets by leveraging new technologies, new products, and partner ecosystems.

ADLINK Global Product Sales Ratios by Region

2020

2% • 21% • 18% • 35% • 24%

2021

2% • 27% • 18% • 30% • 23%

2022

1% • 27% • 20% • 33% • 19%

Legend:
- APAC
- EMEA
- USA
- China
- Others

Business Plan and Development Strategies

Short-term Strategic Goals

- Deeply cultivate specific vertical markets, such as industrial automation equipment, smart manufacturing, rail transit, 5G communication, smart displays, smart healthcare and other fields.
- Strengthen product development for industry and customer applications, such as AI inference platforms, industrial display solutions, etc.
- Strengthen cooperation with local partners, such as expanding edge AI distribution cooperation opportunities in Southeast Asia, New Zealand and Australia, and edge AI software solution partners in China.
- Strengthen cooperation with strategic alliance partners, such as Intel, NVIDIA, Arm, Qualcomm, NXP, and AWS to jointly expand business and co-marketing activities.
- Strengthen cooperation with AUO to develop new products and market promotion, continue to expand edge visualization product series through the Edge Visualization Business Unit, and increase market penetration of smart healthcare, smart manufacturing, and smart logistics.
- Through the alliance with Foxconn, develop more smart manufacturing solutions and IoV (Internet of Vehicles) solutions, such as autonomous mobile robots (AMRs).
- Launched the enhanced version of DMS+ customized service to provide one-stop customized service for key customers.
- Continuously improve product quality and cost control
- Promote automation in production and warehousing
- Shorten product design time
- Shorten the order-to-delivery cycle

Long-term Strategic Goals

- Continue to invest technical resources in the research and development of artificial intelligence, autonomous transportation equipment, and self-driving car computers, which are used in manufacturing, warehousing, retail, smart transportation, and healthcare fields.
- Support open-source software projects and cultivate innovative technologies
- Establish the EdgeOpen™ Consortium, recruit Edge AI software and hardware solution partners, strengthen the coherence of hardware products, and facilitate the hardware and software integration in solutions.
- Provide localized services worldwide, with design and R&D teams in Taiwan, China, Germany and the United States to provide expert services for customers.

1.3 Industry Associations

ADLINK continues to apply for and obtain certification in various international standards including ISO 9001, ISO 13485, ISO 14001, ISO/IEC 17025, and TL 9000. In recent years, we have been actively expanding into the autonomous driving and intelligent transportation fields. In addition to becoming a Premium member of the Autoware Foundation and supporting open-source technologies related to autonomous vehicles, we have joined the Information Technology for Public Transport (ITxPT) Association. We are also planning to obtain ISO 26262 automotive functional safety certification and applying for IATF 16949 certification for global automotive quality management systems.

In keeping with our business philosophy of ''Advance Technologies, Automate the World'', ADLINK plays an active role in international associations in order to contribute to technological progress and cooperation in the industry. As of today, the international organizations we have joined include the PICMG, PC/104 Consortium, Standardization Group for Embedded Technologies (SGeT), VMEBus International Trade Association (VITA), HDBaseT, HDCP, HDMI, EtherCAT, SOSA Consortium, PXI Systems Alliance and AXIe Consortium, and the Open Data Center Council (ODCC) as a supplier member. ADLINK is committed to the active promotion of open-source technology platforms, including joining the Eclipse Foundation and promoting the open Eclipse Cyclone DDS, as the sharing of innovative technologies helps accelerate global progress. ADLINK has also established factories in Taiwan and China and set up a global marketing network. We continue to launch new products and explore new markets.

2 Corporate Governance

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2.1 Policy Commitments

Core Values and Corporate Culture

ADLINK was established in 1995. The early days were difficult, as they are for many start-up companies, but we still established a complete R&D, manufacturing, marketing, business, and logistics support system in Asia, Europe and the United States. In the embedded computing field, we have continued to innovate for nearly 30 years. With demand being driven by AI, IoT, and 5G in the edge computing market, ADLINK leads in edge computing, promoting artificial intelligence and edge visualization. Utilizing cutting-edge software, hardware, and services, we rapidly connect people, places, and things through edge AI and Internet of Things solutions. This facilitates the swift application of cross-industry data-driven decision-making processes while assisting customers in maintaining their competitiveness. In 2022, ADLINK began planning for application of ISO 26262 automotive functional safety certification. We expect that the certification will be obtained in 2023, demonstrating ADLINK's commitment to the highest standards of safety and reliability for its products, and allowing us to penetrate the autonomous driving market.

ADLINK has always maintained its enthusiasm for the industry, and the driving force behind our continuous breakthroughs comes from our own "entrepreneurism". "Entrepreneurism" has enabled ADLINK to maintain dissatisfaction with the status quo and enthusiasm for opportunities and growth when facing different challenges during different periods. We are not limited by the lack of resources, and through innovation, continuous learning and effective communication, we aim to create value to meet customer needs.

With drastic changes to the external environment and market, the four core values of "Integrity & Commitment, Excellence & Expertise, Friendly Competition, and Enjoying Work" will always guide ADLINK's development of our competitiveness in external markets and the internal development of our business operations and employees. We developed the three major cultures below through the "entrepreneurial spirit": Learning, Passion, Communication.
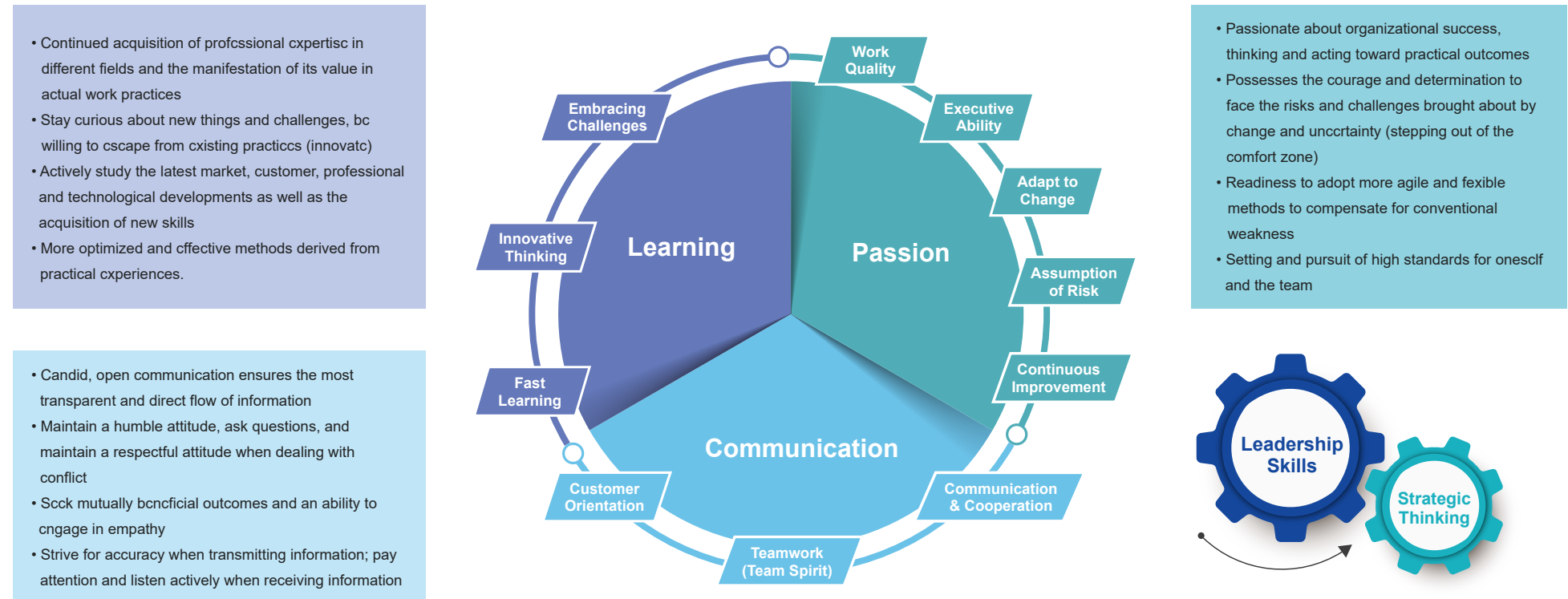
Integrity & Commitment

Enjoying Work

Friendly Competition

Excellence & Expertise

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Passion:High enthusiasm for the industry and cause, have the courage to face uncertainty, focus on organizational success and set high standards for achievement.

Learning:Demonstrate curiosity in the face of the unknown and new fields, willing to try new work practices, and learn better practices from experience.

Communication:We collaborate and communicate with partners and customers to the benefit of both with an open heart. We aim to conduct accurate and effective communications.

Thirteen key competencies were developed from the three pillars of Learning, Passion, and

Communication in ADLINK culture: work quality, executive ability, adaptation to change, assumption of risk, continuous improvement, communication and collaboration, teamwork (team spirit), customer orientation, fast learning, innovative thinking, embracing challenges, leadership skills, and strategic thinking. Different functional requirements are needed for different job positions and duties. The above three corporate cultures and thirteen major competencies are used to support the challenges brought about by various changes, and also include ADLINK's expectations for the core competencies necessary for employees. The requirements are used in recruitment, evaluation, and other human resources activities, in order to gather more like-minded people to join ADLINK.

- Continued acquisition of professional expertise in different fields and the manifestation of its value in actual work practices
- Stay curious about new things and challenges, be willing to escape from existing practices (innovate)
- Actively study the latest market, customer, professional and technological developments as well as the acquisition of new skills
- More optimized and effective methods derived from practical experiences.

- Candid, open communication ensures the most transparent and direct flow of information
- Maintain a humble attitude, ask questions, and maintain a respectful attitude when dealing with conflict
- Seek mutually beneficial outcomes and an ability to engage in empathy
- Strive for accuracy when transmitting information; pay attention and listen actively when receiving information

- Passionate about organizational success, thinking and acting toward practical outcomes
- Possesses the courage and determination to face the risks and challenges brought about by change and uncertainty (stepping out of the comfort zone)
- Readiness to adopt more agile and fexible methods to compensate for conventional weakness
- Setting and pursuit of high standards for oneself and the team

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Code of Ethics and Business Engagement

Corporate Culture and Standards Terms

ADLINK is based on integrity. We believe that the only way to create a healthy, sustainable enterprise and a corporate culture beneficial to the world is through values and beliefs grounded in ethics. Through the Employee Code of Ethics, ADLINK provides the employee code of conduct, so that all employees can work together to maintain a workplace characterized by pragmatism and respect for the law. The ADLINK Employee Code of Ethics includes:

Compliance with Laws and Discipline
ADLINKers respect and abide by all applicable laws and norms. All ADLINKers take pride in compliance and discipline.

Faithful Recording and Reporting of Group Status
ADLINK is eager to provide accurate and complete financial and business records. As members of a listed company, ADLINK executives are willing to fully satisfy all financial reporting requirements stipulated by securities and exchange regulators worldwide.

Competition Based on Respect for Ethical Standards
ADLINK derives its competitive edge from its excellent products, high-quality employees, and rapid and superior services. We oppose and refuse to participate in any unethical or illegal trading activities.

Hiring Policy that Respects Employee Diversity and Equality
At ADLINK, we provide fair and equitable employment and promotion opportunities for every employee based on their qualifications and performance. At ADLINK, any form of sexual harassment or discrimination is strictly forbidden and will not be tolerated. We must provide a safe and equitable working environment.

Avoiding Conflicts of Interest
We must not exploit our position to improperly benefit ourselves or others. We must also avoid actual or potential conflicts between personal and company interests.

Protection of ADLINK Assets
We respect the content of work provided by ADLINK and pledge to protect the assets and information required in our work. Trade secrets provided by ADLINK or other organizations are also kept in the strictest confidence.

Offering or Acceptance of Gifts and Hospitality, and Ban on Bribery
We must not offer or accept gifts or hospitality of high value, or accept bribes or other inappropriate benefits without explanation.

Maximization of Positive Impact
All ADLINK employees are willing to make a personal contribution to ensure the positive growth of the Company and all employees.

Code of Sustainable and Ethical Management Conduct

ADLINK's spirit of deeply cultivating ethical management is mainly reflected in the "Code of Ethical Conduct", which was established in 2006 and is applicable to managers, as well as the ''Ethical Corporate Management Best Practice Principles'' formulated in 2015 to regulate the Company's overall business activities. It has only been 15 years since the development of the rules and regulations. During this period, we have continued to plan, revise, and implement the corporate sustainability policies and internal management procedures with a positive attitude focused on continuous improvement and regular updates in accordance with regulatory trends. In addition to upholding the highest standards, ADLINK expects that its new business partners, suppliers/subcontractors/wholesalers/distributors/contractors, and other contractual partners or customers also abide by them.

Link	System and Rules	Year (Current Version)	Purpose and Regulation Focus	Public Link
Declaring the Adopted Standards and Codes	Ethical Corporate Management Best Practice Principles	2015	Conduct business activities based on the principles of fairness, honesty, trustworthiness and transparency, and avoid the following behaviors: I. Offering and accepting bribes. II. Illegal political donations. III. Improper charitable donations or sponsorship. IV. Offering or acceptance of unreasonable presents, services, hospitality, or other improper benefits. V. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. VI. Engaging in unfair competitive practices. VII. Products and services that directly or indirectly damage the rights, health, and safety of consumers or other stakeholders during development, purchase, production, provision, or sales.	https://www.adlinktech.com/tw/Management-Approach.aspx
	Code of Ethical Conduct	2019	Guiding directors and managers (including general manager and equivalents, deputy general managers and equivalents, associate managers and equivalents, financial department heads, accounting department heads, and other persons who have the right to manage affairs and sign for the Company) conduct in accordance with ethical standards. Specifically, it includes the prevention of conflicts of interest, the avoidance of opportunities for personal gain, confidentiality obligations, fair dealing, protection and proper use of company assets, compliance with laws and regulations, etc.	
	Corporate Governance Best Practice Principles	2019	In order to establish a good corporate governance system, it is formulated with reference to the Code of Practice for Corporate Governance jointly formulated by the stock exchange and the OTC center. The core principles have the following six main items: I. Establish an effective internal control system. II. Protect shareholder equity. III. Strengthen the Roles and Powers of the Board of Directors. IV. Utilize the Audit Committee's functions. V. Respect stakeholder equity. VI. Increase information transparency.	

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	System and Rules	Year (Current Version)	Purpose and Regulation Focus	Public Link
Declaring the Adopted Standards and Codes	Sustainable Operations Best Practice Principles	2015	Manage the Company's risks and impacts on the economy, environment and society, and practice in accordance with the following principles: I. Implement corporate governance. II. Develop a sustainable environment. III. Safeguarding public welfare. IV. Strengthen sustainable management and information disclosures.	https://www.adlinktech.com/tw/Management-Approach
Management Procedures and Methods to be Followed	Business Ethics Management Procedures	2021	The Company adopts a zero-tolerance policy with respect to various forms of bribery, corruption, extortion, and embezzlement, adheres to the highest integrity management standards, strengthens its internal control mechanisms, and guides management personnel and relevant interest groups (such as customers and suppliers) to act in accordance with the law and be honest and trustworthy.	Part of the company's internal management procedures and methods, and therefore not made public.
	Intellectual Property Management Procedures	2021	When developing or introducing technologies, the primary obligation of the Company is to respect our own intellectual property rights and not infringe the intellectual property rights of others. The plain text specification is as follows: I. The ownership of intellectual property rights is clearly agreed. II. For data with economic value, each unit shall take appropriate confidentiality measures according to its nature. III. The use of illegal computer programs is prohibited. IV. Before resigning from the Company, employees shall return trade secrets in their possession for operations.	
	Advertisement and Fair Trade Management Procedures	2021	Maintain the Company's spirit of business ethics, advertising and fair trading order, and at the same time not engage in collusion, joint monopoly, or improper market manipulation, and ensure that all business activities operate in accordance with market mechanisms. The Company shall not make false or misleading representations to the public on the price, quality, content, etc., of services on its merchandise, advertisements, or by any other means of public dissemination.	
	Privacy and Confidentiality Management Procedures	2021	Ensure that the sensitive, private and confidential information, documents, and data of customers, collaborators, suppliers, employees, and other business partners are properly protected. Therefore, it is not allowed to collect or use it beyond the scope of the purpose of use, and should strictly follow the Company and laws and regulations. For the use of sensitive information, the relevant information should be properly stored, kept, and managed. No one other than the responsible employee is allowed to use relevant information without consent.	
	Compliance Inspection Management Procedures	2021	To enable relevant units to obtain correct relevant regulations when they produce medical products, ISO/IEC 80079-34 explosion-proof products, implement environmental safety and health management and comply with social responsibility related issues, and understand the Company's relevant operations and regulations. After regulations, synchronously notify and update the Company's internal norms.	

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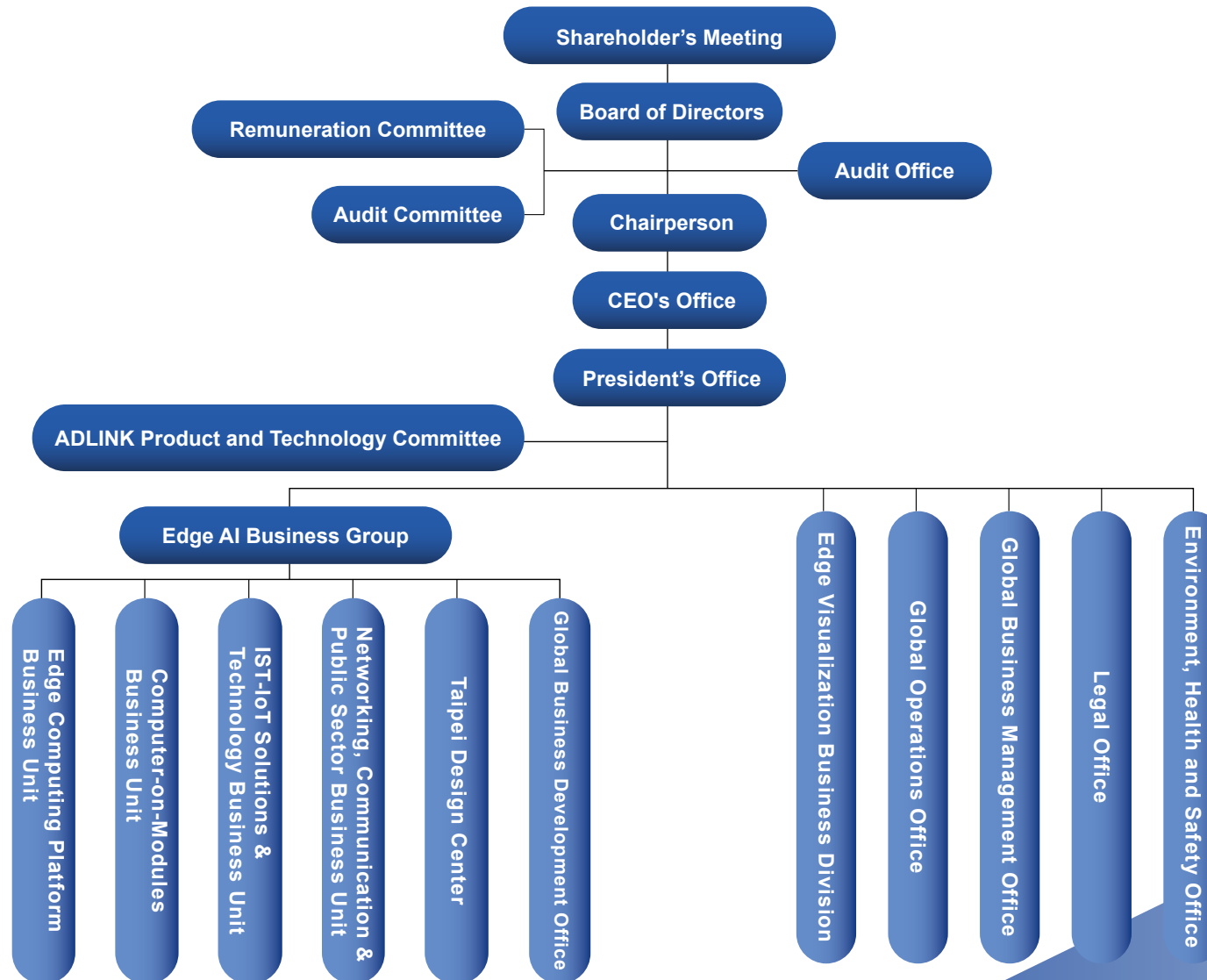|	System and Rules	Year (Current Version)	Purpose and Regulation Focus	Public Link
Management Procedures and Methods to be Followed	Whistleblower Protection and Anti-Retaliation Management Procedures	2021	In order to encourage the reporting of illegal or unethical behavior, the protection of supplier and employee whistleblowers shall follow the principles of confidentiality, merits and awards, and inviolability of the legitimate rights and interests of whistleblowers.Whistleblowers can report in person, by letter, over the telephone, or by other means, or they may entrust others to report on their behalf. And if there is a risk of affecting the objective and fair handling of the case, the handling committee should recuse themselves. Retaliation against the whistleblower is strictly prohibited, and disciplinary action will be given to those with less serious circumstances; Those who commit acts that constitute a crime will be held criminally responsible.	Part of the company's internal management procedures and methods, and therefore not made public.

Responsible Business Alliance (RBA)

In 2021, ADLINK underwent a major change. We moved our operating location to Hwa Ya Technology Park in Guishan District, Taoyuan City, which provides an independent and complete office environment. Therefore, we understand the code of conduct of the Responsible Business Alliance (RBA), formerly known as the Electronic Industry Citizenship Coalition (EICC). The scope of impact on the global electronics supply chain includes ensuring a safe working environment, workers being treated with respect and dignity, operating in compliance with environmental requirements and complying with ethical conduct, ensuring that the company focuses on the importance of these four aspects of impact. We ensure that employees can work in a workplace where they are treated in a reasonable and ethical manner. Following this, we established an executive team to comply with the laws and regulations through process inspection and establishment of procedural norms. We also actively participate in compliance with social and environmental responsibilities and business ethics standards. In 2021, the RBA compliance requirements were introduced, and in April 2022, the VAP inspection process was completed and we attained a score of 196.5, which earned us gold level recognition.
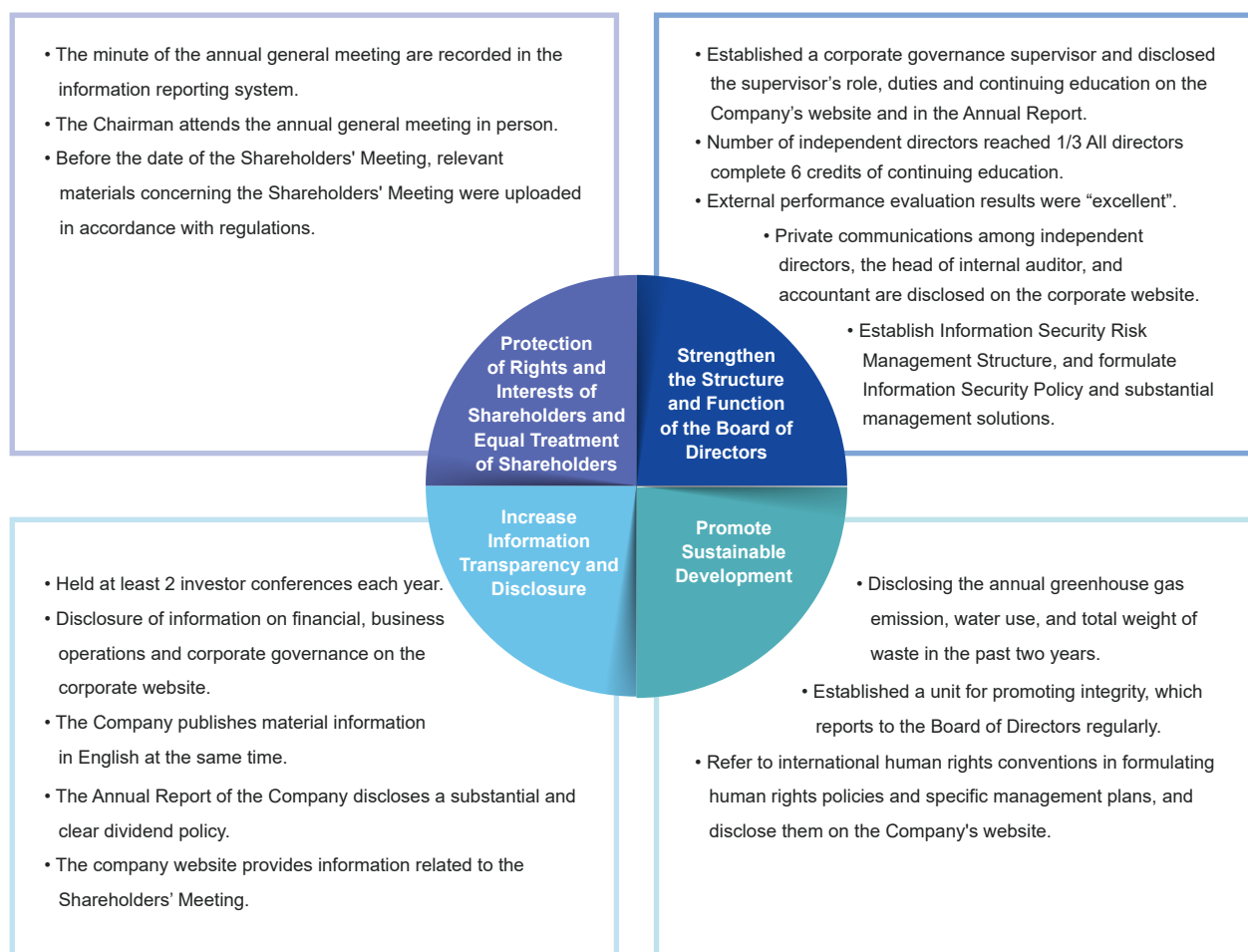

▲ ADLINK was awarded the RBA VAP gold certification

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2.2 Organization Structure


```
Shareholder's Meeting
        │
Board of Directors ────── Audit Office
        │
Remuneration Committee
Audit Committee
        │
    Chairperson
        │
    CEO's Office
        │
  President's Office
        │
ADLINK Product and Technology Committee
        │
        ├── Edge AI Business Group
        │       ├── Edge Computing Platform Business Unit
        │       ├── Computer-on-Modules Business Unit
        │       ├── IST-IoT Solutions & Technology Business Unit
        │       ├── Networking, Communication & Public Sector Business Unit
        │       ├── Taipei Design Center
        │       └── Global Business Development Office
        │
        ├── Edge Visualization Business Division
        ├── Global Operations Office
        ├── Global Business Management Office
        ├── Legal Office
        └── Environment, Health and Safety Office
```

Corporate Governance Indicators and Execution Guidelines

ADLINK Technology Inc. emphasizes corporate governance. Aside from complying to the ''Corporate Governance 3.0 Sustainable Development Blueprint'' announced by the Financial Supervisory Commission, ADLINK also focuses on the four major corporate governance indicators to increase the management efficiency of corporate sustainable responsibility.

- The minute of the annual general meeting are recorded in the information reporting system.
- The Chairman attends the annual general meeting in person.
- Before the date of the Shareholders' Meeting, relevant materials concerning the Shareholders' Meeting were uploaded in accordance with regulations.

- Established a corporate governance supervisor and disclosed the supervisor's role, duties and continuing education on the Company's website and in the Annual Report.
- Number of independent directors reached 1/3 All directors complete 6 credits of continuing education.
- External performance evaluation results were "excellent".
  - Private communications among independent directors, the head of internal auditor, and accountant are disclosed on the corporate website.
  - Establish Information Security Risk Management Structure, and formulate Information Security Policy and substantial management solutions.

Protection of Rights and Interests of Shareholders and Equal Treatment of Shareholders

Strengthen the Structure and Function of the Board of Directors

Increase Information Transparency and Disclosure

Promote Sustainable Development

- Held at least 2 investor conferences each year.
- Disclosure of information on financial, business operations and corporate governance on the corporate website.
- The Company publishes material information in English at the same time.
- The Annual Report of the Company discloses a substantial and clear dividend policy.
- The company website provides information related to the Shareholders' Meeting.

- Disclosing the annual greenhouse gas emission, water use, and total weight of waste in the past two years.
- Established a unit for promoting integrity, which reports to the Board of Directors regularly.
- Refer to international human rights conventions in formulating human rights policies and specific management plans, and disclose them on the Company's website.

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2.3 Board of Directors

Board Diversity

The selection of ADLINK directors is governed by the "Procedures for Election of Directors" to ensure a fair, just, and open process. The procedure was defined by ADLINK in accordance with the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies."

The Board of Directors is the top governance body of ADLINK. The current Board consists of 9 members (including 4 independent directors). One independent director and one director are currently women. All were elected through a vote of shareholders. ADLINK relies on the directors' extensive education and experience in different fields, their keen sense of advanced technologies with potential, and understanding of international market trends. Except for the three corporate directors, all Board members have more than five years of experience in business management, legal affairs, finance, accounting, or other business activities required by the company. The diversified membership is conducive to the establishment of a sound corporate governance system. The directors supervise, appoint, and provide guidance to the company management, strengthen R&D and technical exchange, improve management functions, and guide the effective operation of the company in the economic, social and environmental dimensions. The mission of the Board is the maximization of stakeholder interests.

Nine directors sit on the ADLINK Board. The Chairperson is Mr. Chun (Jim) Liu and the other four directors are Mr. Yeou-Yih Chou (Chairman of Zenitron Corp.), Ms. Hsiu-Miao Huang (representing Chroma ATE Inc.), and Mr. Fu-Jen Ko and Mr. Cheng-I Yang (representing AUO Corporation). The four independent directors are Ms. Wei-Chin Li (Vice President of HR Dept., Coretronic Corp.), Mr. Hsing-Hai Wei (external independent financial specialist), Mr. Chih-Kuang Tseng (President of ARM Taiwan), and Mr. Yung-Hao Yu, who has extensive industry experience; the nine directors each have their particular area of expertise and possess the professional know-how necessary for their position.

Board Members of ADLINK

Title	Name	Gender	Age	Special Status	Number of Attendances during Board of Directors Meetings
Chairperson	Chun (Jim) Liu	Male	61~70 years old	None	7
Directors	Yeou-Yih Chou	Male	71~80 years old	None	7
Directors	Hsiu-Miao Huang, Representative of Chroma ATE Inc.	Female	51~60 years old	None	7
Directors	Fu-Jen Ko, Representative of AUO Corporation	Male	41~50 years old	None	7
Directors	Cheng-I Yang, Representative of AUO Corporation	Male	61~70 years old	None	4[Note]
Independent Director	Wei-Chin Li	Female	51~60 years old	None	7
Independent Director	Hsing-Hai Wei	Male	61~70 years old	None	4[Note]
Independent Director	Chih-Kuang Tseng	Male	41~50 years old	None	4[Note]
Independent Director	Yung-Hao Yu	Male	51~60 years old	None	4[Note]

Note: Newly appointed as director on June 22, 2022

The substantial management target and achievement of the Board Diversity Policy are as follows:

Management Target	Achievement Status
Independent directors shall not serve as independent directors for more than 3 companies concurrently	Achieved
Directors who are part-time managers of the company should not account for more than one-third of the Board of Directors.	Achieved
The Board of Directors should have at least one female Director.	Achieved
Independent Directors should not hold office for three consecutive terms.	Achieved

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Director Nomination and Election

On June 22, 2022, ADLINK's Board of Directors approved a comprehensive re-election of nine directors (including four independent directors) during the 2022 Annual Shareholders' Meeting. The nomination of Mr. Chun (Jim) Liu as the candidate for Chairman of the Board was also unanimously agreed upon by all attending directors. Wei-Chin Li, Hsing-Hai Wei, Chih-Kuang Tseng, and Yung-Hao Yu were independent director candidates.

On May 5, 2022, after reviewing the nominations, Mr. Chun (Jim) Liu and the above-mentioned director and independent director candidates were found to possess diversity, independence, as well as qualifications, industry experience, professional background, and expertise relevant to organizational impact, all of which comply with the requirements stated in Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and Article 192-1 of the Company Act. Consequently, their nominations as directors were approved. Wei-Chin Li, Hsing-Hai Wei, Chih-Kuang Tseng, and Yung-Hao Yu were included in the Company's 2022 Independent Director Candidates List.

Among them, Mr. Chun (Jim) Liu has served as Chairman of ADLINK Technology Inc. for over 27 years. The reason for his continued nomination as the 11th Chairman is as follows: Mr. Chun (Jim) Liu has served as the Chairman and CEO of ADLINK Technology Inc. for several years, and once served as an independent director of Zenitron Corp. He possesses professional abilities in operational judgment, executive management, leadership and decision-making, and crisis management. During his tenure as Chairman and CEO of the Company, he has provided professional and comprehensive guidance and recommendations regarding the company's operational management and investment decisions, significantly benefiting the Company's operational management. Therefore, he is nominated and selected to continue serving as Chairman. Please refer to the Annual Report for more information on the Board of Directors' and its committees' diversified core competency indicators.

Board Independence

The Company set the number of Directors in accordance with the Law and the Articles of Incorporation. A candidate nomination system is adopted, which the Directors are chosen from a list of candidates by the shareholders. Three years per term, and may be re-elected. Independent director seats shall not be less than two and shall not account for less than one-fifth of the Board of Director seats. Directors are nominated in accordance with the Company Act and the Securities and Exchange Act. Based on the requirements of the listing rules, the Company has received the written statement of every Non-Executive Independent Directors to confirm their independence as well as that of their direct relatives from the company. The ethical conduct and leadership reputation of directors is important to ADLINK as well.

Directors' Liability Insurance

The total number of shares held by the entirety of ADLINK directors is 31.17% and complies with the relevant securities regulations. The liability insurance of Directors and Managers have been purchased by ADLINK covering the execution of their business duties. The insured amount of the Directors and Managers are periodically evaluated each year, and the renewal statuses of the liability insurance of Directors are reported to the Board of Directors.

Overview of Board Operations in 2022

7 meetings were held

Average attendance rate of directors was **96**%

The Board reviewed and approved **40** proposals
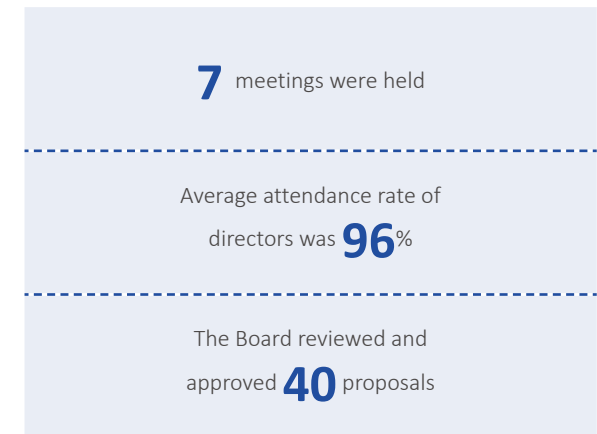
During the reporting year, there were no critical material events that required communication with the Board of Directors. For more information on the operations of the Board of Directors, please refer to the Annual Report.

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Conflict of Interest

The chair of ADLINK's highest governance body is Chairman Jim Liu, who concurrently serves as the CEO. All members of the Company's Board of Directors are appointed through a nomination/selection process. The Board of Directors followed the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" to stipulate the "Rules of Procedure for the Board of Directors' Meetings", which govern the principles of avoiding conflicts of interest among directors. Furthermore, the Board of Directors requires its members to act with a high sense of integrity and caution, fulfilling their ethical obligations and faithfully executing their duties and responsibilities. At the same time, regulations are set in place. Directors must disclose the material content of any conflicts of interest they or their represented legal entities have with the matters under discussion at the board meeting. If there is a risk of harm to the Company's interests, they are prohibited from participating in the discussion and voting on the matter. They should abstain from both discussion and voting, and they must not act as proxies for other directors to exercise their voting rights.

Remuneration Committee

he members of the Remuneration Committee are appointed by the Board of Directors and consists of the four independent directors. All members of the Remuneration Committee satisfy the relevant statutory requirements for independence and professionalism. The terms of the Remuneration Committee coincide with the current session of the Board. The ''Remuneration Committee Charter'' requires the Remuneration Committee to be convened at least twice a year. The Committee may be convened at any time if necessary.

- In 2022

The Remuneration Committee was convened **2**

in total with a **100**% attendance rate.

2.4 Functional Committees

Audit Committee

The members of the Audit Committee are appointed by the Board of Directors and consists of the four independent directors. All members of the Audit Committee satisfy the relevant statutory requirements for independence and professionalism. The terms of the Audit Committee coincide with the current session of the Board. The ''Audit Committee Charter'' requires the Audit Committee to be convened every quarter or as necessary.

- In 2022

The Audit Committee was convened **5** times in total,

with a **92**% attendance rate

2.5 Continued Enhancement of Governance

Continuing Education for the Board of Directors

To stay ahead of global business management trends and enhance corporate governance and risk management capabilities, ADLINK's Board members are committed to continuously improving their industry expertise and enriching their corporate governance experience. This dedication aims to elevate and unite the highest governing body of the company with collective wisdom and knowledge for sustainable development. To keep the directors informed about company-related information, we periodically send updates on topics related to the Taiwan Stock Exchange and other relevant matters. Furthermore, based on the needs and feedback of each Board member, we continuously enhance information dissemination and professional development planning to ensure they possess the necessary expertise to fulfill their leadership and supervisory roles effectively. In 2022, the total hours of continuing education for directors equaled 79 hours. Each director received an average of 8.77 hours of education.

Continuing Education of Directors in 2022

Title	Name	Date	Organizer	Course title	Hours
Chairperson	Chun (Jim) Liu	2022.08.12	Taiwan Corporate Governance Association	How corporations, directors, and supervisors can avoid insider trading	3 hours
		2022.11.11	Taiwan Corporate Governance Association	Trade secret protection and fraud detection and prevention practices	3 hours
Director	Yeou-Yih Chou	2022.08.12	Taiwan Corporate Governance Association	How corporations, directors, and supervisors can avoid insider trading	3 hours
		2022.11.11	Taiwan Corporate Governance Association	Trade secret protection and fraud detection and prevention practices	3 hours
Director	Chroma ATE Inc. Representative: Hsiu-Miao Huang	2022.03.25	Accounting Research and Development Foundation	Financial and tax issues related to overseas investments by Taiwanese businesses and tax governance practices.	3 hours
		2022.04.22	Taiwan Institute for Sustainable Energy	Taishin 2030 Net Zero Summit Forum- Transform to Net Zero	3 hours
		2022.08.12	Accounting Research and Development Foundation	Professional Workshop on Corporate Governance and Securities Laws and Regulations	3 hours

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Title	Name	Date	Organizer	Course title	Hours
Director	AUO Corporation Representative: Fu-Jen Ko	2022.04.30	Taiwan Corporate Governance Association	Talking about corporate director legal responsibilities from the angle of intellectual property rights management	3 hours
		2022.10.26	Taiwan Corporate Governance Association	Group corporate governance	3 hours
Director	AUO Corporation Representative: Cheng-I Yang	2022.12.27~28	Securities & Futures Institute	Practical Workshop for Directors, Supervisors (Including Independents) and Corporate Governance Officer	12 hours
Independent Director	Wei-Chin Li	2022.04.22	Taiwan Institute for Sustainable Energy	Taishin 2030 Net Zero Summit Forum- Transform to Net Zero	3 hours
		2022.10.05	Securities & Futures Institute	2022 Insider Trading Compliance Seminar	3 hours
		2022.11.09	Taiwan Institute for Sustainable Energy	The 5th Global Corporate Sustainability Forum (GCSF) in 2022	1 hour
Independent Director	Hsing-Hai Wei	2022.08.18	Taiwan Investor Relations Institute (TIRI)	Corporate Sustainable Management- Breakdown of Asset Inheritance and Succession Practices	3 hours
		2022.10.05	Securities & Futures Institute	2022 Insider Trading Compliance Seminar	3 hours
		2022.11.09	Corporate Operating and Sustainable Development Association	Discussion on tax and legal risks that should be considered when passing on equity ownership	3 hours
		2022.11.24	Corporate Operating and Sustainable Development Association	Practical operations and case analysis of corporate governance, Board of Directors, and the Remuneration Committee	3 hours
Independent Director	Chih-Kuang Tseng	2022.07.26~27	Securities & Futures Institute	Practical Workshop for Directors and Supervisors (Including Independents) and Corporate Governance Officer	12 hours
Independent Director	Yung-Hao Yu	2022.10.12	Securities & Futures Institute	2022 Insider Trading Compliance Seminar	3 hours
		2022.11.14	Cathay Financial Holdings Co., Ltd.	2022 Cathay Sustainable Finance and Climate Change Summit	6 hours

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Board Performance Evaluation

Board of Directors and Functional Committee Performance Evaluation

To implement corporate governance and enhance the effectiveness of the Company's Board of Directors, performance targets have been established to strengthen the efficiency of board operations. On January 25, 2017, the Company's Board of Directors approved the "Board Performance Evaluation Measures" and conducts internal performance evaluations annually during the fourth quarter. The Company has completed the Board of Directors performance evaluation for 2022, and the results for both the board and functional committees were assessed as "excellent". Board members and committee members demonstrated their understanding of their responsibilities and familiarity with the company's operations and environment, effectively enhancing the overall decision-making quality of the board. This indicates our company's continued efforts in strengthening the effectiveness of the board's operations. We will continue to implement corporate governance and enhance the functionality of the Board to promote objectivity in board evaluations and operational efficiency.

In addition to internal self-assessments, we also plan to engage external evaluation agencies every three years to conduct board performance evaluations. In 2022, the Company commissioned Chainye Management Consultants Co., Ltd. to conduct the first external board performance evaluation. The assessment covered five major dimensions, which are company operations and involvement of the board, decision-making quality, composition and structure, appointment and continuous education, and internal control. The evaluation was carried out using self-assessment questionnaires and on-site visits. The evaluation for this period was conducted through a combination of data analysis, which included information from the Market Observation Post System covering the period from January 1, 2022, to December 31, 2022, as well as self-assessment questionnaires from the Board of Directors, board members, and functional committee members. Additionally, evaluators also participated the Board meeting and the Audit Committee meeting, while interviews were conducted with independent directors and corporate governance officer.

After consolidating the self-evaluation results of each director, the results of the evaluators' participation in the audit committee and Board of Directors, and interviews with two independent directors and the corporate governance officer, the company's Board of Directors has formulated relevant policies and procedures for board operations in accordance with relevant laws and domestic corporate governance indicators. The Board of Directors is composed of directors with relevant professional expertise, and work is allocated based on different specialties and experiences. Both the Board of Directors and various functional committees function effectively. The evaluation result is rated as "excellent''.

2.6 Employee Profit Sharing and Directors' Compensation

The articles of incorporation stipulate that 3% to 20% of pre-tax profit shall be allocated as compensations for employees, and a maximum of 3% of pre-tax profit of the respective year shall be allocated as compensations for Directors and Independent Directors. Relevant reports shall be submitted to the Shareholders' Meeting. In the case of accumulated losses, a certain amount shall be allotted in advance to make up for such losses before compensations are allocated pursuant to the aforementioned ratios. Employee compensation may be paid in stock or cash. Eligible recipients shall include employees of subsidiaries who meet certain criteria. Relevant criteria shall be determined by the Board of Directors.

Remuneration Policy of Directors and Managers

To establish a competitive and reasonable compensation system, ADLINK has set up a Remuneration Committee, which includes independent directors to provide external diverse perspectives and opinions. The Committee regularly reviews the performance evaluations and compensation policies, systems, standards, and structures for directors and executives. The Committee holds at least two meetings each year, and its conclusions are reported to the Board of Directors for discussion and resolution. The annual remuneration of the company's board members includes Director remuneration. Manager's remuneration includes salary, bonuses, severance pay, etc. It is regularly disclosed in the Company's Annual Report every year.

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2.7 Corporate Risk Management

Generally speaking, the purpose of risk management is to strengthen corporate governance, ensure stable operations, and enhance shareholder value. The highest guiding principle is to minimize the occurrence rate of risks and reduce the impact caused by risks to the lowest possible level. Companies commonly employ systematic and structured risk management processes to control various risks within acceptable limits. Moreover, they can promptly address significant risks by engaging in discussions, making decisions, and implementing appropriate responses.

Risk Management Policies

The Company's risk management policy was formulated in 2020. In 2022, we updated parts of the policy to establish a more comprehensive and effective risk management system. This update includes adjustments to the scope of risks, risk categories, risk management procedures, and responsibilities of relevant units.

Risk Management Organization

The Company established the Risk Management Office in 2020 and formed the Risk Management Committee in 2022. The Risk Management Office personnel forms the Risk Management Team to consolidate and address the organization's risk management needs.
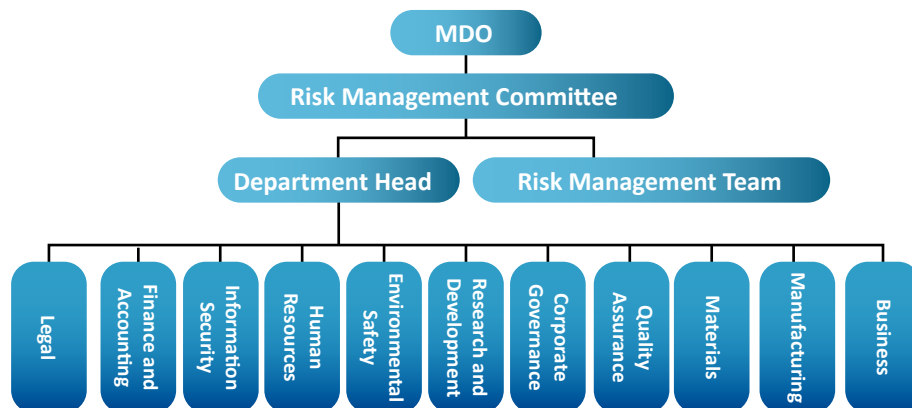
Risk Management Procedure

The main procedures and specific content of risk management include the five following items:

- Risk Identification: Discover the events that may occur and reasons and methods of their occurrence.
- Risk Analysis: We systematically use valid information to determine the likelihood of a specific event and the severity of its impact.
- Risk Assessment: The risk level determined in the risk analysis is compared with the previously established risk standards to create the risk matrix, which is used to decide the priority of risk responses.
- Risk Response: For risks assessed to be higher than the acceptable threshold, the Company has outlined "Risk Response Plans". These plans may include risk avoidance, reducing the likelihood of occurrence, minimizing damage, risk transfer, or accepting residual risk. The company may adopt multiple response plans simultaneously. According to the ''Risk Response Plans'', the resource needs, schedule, and mechanisms are discussed with the executing department to facilitate the implementation of ''action plans'' at the operation level.
- Risk Monitoring and Review: The "Risk Management Committee" is composed of unit managers and members from the "Risk Management Team". They review risk management policies and response measures for various risks and handle risk management-related issues to prevent the recurrence of risks and mitigate their impact. The Committee aims to maintain the Company's continuous operation.

Meet at least once a year for review and convenes ad-hoc meetings as needed.

Initiate major risk assessments and response plans at the end of each year.

Evaluate the "Risk Response Plans" and formulate and execute "action plans".

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Risk Identification and Analysis

The Risk Management Office conducts regular identification of various risks each year and classifies them into the following categories based on common risk sources in the industry:

Risk Category	Description
Operational Risk	Production operations, supply chain, fluctuations in raw material and product prices, human resources, corporate image, credit, finance, changes in management rights, and risks related to customer or supplier performance and other operational elements.
Information Security Risk	Phishing emails, trojan horse programs, data leakage caused by ransomware, hacker attacks, and other information security vulnerabilities.
Hazard Risks	Natural disasters, infectious diseases, disruption of public infrastructure such as water and electricity, climate change, war or terror attacks, social unrest, strikes, occupational accidents, and risks of other major hazards.
Strategic Risk	Technology and innovation trends, changes to the overall economic situation, industry and market changes, changes in technological development, and changes in competitors.
Political and Legal Compliance Risks	Labor laws, safety, health and environment, trade secrets, personal information protection, corporate governance, laws related to operations such as trade laws and fair trade laws, intellectual property rights, legal disputes, and sovereign risk factors.
Financial Risk	Market risks arising from fluctuations in interest rates, exchange rates, taxes, and inflation, credit default risks associated with trading counterparts, and liquidity risks arising from the inability to liquidate assets or obtain sufficient funds due to inadequate market trading volumes.
Other	If there are other risks that could cause losses to the Company, appropriate risk assessment procedures should be established based on the nature of the risks and their potential impact.

Risk Assessment Matrix

Identify key risk items according to the "probability of occurrence" and "level of impact" of the risks.

Description

•	High	Unacceptable level of risk. Control measures must be implemented to reduce risk.
•	Medium	If control measures are in place, the risk is acceptable. Attempt to reduce risk to a minimum.
•	Low	Acceptable level of risk. The company can attempt to eliminate the risk but risks rated higher should be given priority.

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Risk Response and Review

For high-level risks identified in the risk matrix, appropriate response measures are listed, reviewed, and implemented by the Risk Management Committee.

Risk Type	Risk Items	Control Measures
Operational Risk	Raw Material Supply Shortage	1. Establish and expand an interchangeable parts database, enhance the proportion of interchangeable parts in the new product material list, and reduce the risk associated with relying solely on a single source for materials as much as possible. 2. Based on the attributes of material market availability, circulation, cost, brand, and technical support, a Preferred Vendor List is established as a priority list for selecting materials. Conversely, for materials with supply risks, they are marked as NRND (Not Recommended for New Design) or P (Prohibited) to be carefully considered for use in new projects and for future material planning. 3. Stay ahead of market dynamics and regularly establish risk levels for critical materials based on their acquisition lead times (categorized as high (H), medium (M), and low (L) risk). These risk levels are integrated into the system, enabling the Supply Planning Unit to proactively identify potentially affected product units, coordinate future demand, and take early measures such as material planning or increasing alternative materials to prevent shortages. Each year, regular research is conducted on material life cycles to provide advance warning and planning for possible End of Life (EOL) scenarios for materials. This proactive approach also helps to avoid using such materials in new product designs unintentionally. 4. Annual evaluation of suppliers is made every year to ensure continuous supply and stable quality. 5. In situations of limited supply, production plans are adjusted, and limited resources are allocated to fully meet market demand.
Information Security Risk	Network Attacks	1. A dedicated organization for information security, the "Information Security Office", is established to coordinate, plan, monitor, and implement information security management operations. 2. Obtain ISO/IEC 27001:2013 certification and follow its standards to continuously enhance the confidentiality, integrity, and availability of information systems. 3. Establish a 24/7 "Information Security Monitoring Center" and implement a "Web Application Firewall" to achieve comprehensive and proactive information security risk control.
Hazard Risks	Climate Change	See Chapter 4.1 for details.
Strategic Risk	Economic Slowdown (Inflation)	4. Implement price pass-through and cost control measures. 5. Enhance service quality, rapidly respond to customer needs, and proactively release leading and multi-purpose products. 6. Balance investments in technologies with long-term high growth potential and those with short to medium-term cash flow returns. 7. Develop and implement an Industrial Internet of Things vision, actively form strategic alliances, and collaborate with them to explore new markets.
Financial Risk	Liquidity Risk	In terms of the annual budget, we proactively plan for the full-year cash flow, leveraging bank financing facilities to maintain an adequate level of cash and cash equivalents. This approach supports our operations and mitigates the impact of cash flow fluctuations. At the same time, we conduct monthly liquidity reviews and make adjustments accordingly. The management team supervises the utilization of bank financing facilities to ensure compliance with the terms of the loan agreements.
	Interest Rate Risks	In terms of capital planning, the principle of prudence has been adopted. The first priority is safety and liquidity, and money market interest rates and financial information are regularly evaluated. Due to the increase in capital expenditures for the acquisition of the headquarters of the Company in recent years, bank borrowings have increased. It is expected that the future operating cash inflow will gradually repay the loan to reduce the risk of interest rate hikes.
	Exchange Rate Risks	Regarding the foreign currency receivables and payables generated from the operations of the group companies in different countries, we prioritize adjusting them to the corresponding currencies. By offsetting foreign currency assets and liabilities, a natural hedge effect is achieved, reducing the net foreign exchange exposure. For the remaining net exposure, the headquarters will plan and execute forward foreign exchange transactions to moderately mitigate exchange rate risks.
	Credit Risk	To mitigate credit risk, the Company's management allocates a dedicated team responsible for determining and approving credit limits. Additionally, there is a clear mechanism for stopping credit to overdue accounts, limiting the maximum loss extent. This is supplemented by external credit insurance mechanisms and legal recovery procedures, further reducing potential losses from overdue receivables to a manageable level.

2.8 Regulatory Compliance

Dedicated Ethical Management Unit

The Company has established a dedicated unit, the "Legal Affairs Office", to supervise integrity and ethics. In addition to handling general legal or litigation matters, the responsibilities of legal personnel also include clarifying the rights and obligations of stakeholders and the legality of business activities, so that employees can understand the information and reduce legal risks. In addition to being responsible for revisions, execution, explanation, consultation, reporting, and record keeping, the unit shall regularly and irregularly conduct audits on business ethics activities to check whether there are any suspicious activities, confirm whether there are any omissions in relevant operations, and at the same time detect the possibility of risks.

Training and Implementation

In order to enhance employees' awareness of professional ethics and compliance with laws and regulations, the Company provides various forms of training courses according to their professional duties. In 2022, the "Regulations Identification Training" course for the environmental safety office and related personnel was offered, so that the personnel of the environmental safety office and related departments can understand the key points of laws and regulations, and can immediately respond to legal requirements; For employees who are responsible for R&D, marketing and intellectual property business, the annual "Intellectual Property Rights Application Strategy" course is offered, so that they have a general knowledge of intellectual property rights, and can effectively plan and implement the Company's intellectual property layout strategy.

ADLINK also actively provides guidelines for compliance through plant bulletin boards, our internal web pages, columns and articles for education, etc., so that our employees can easily obtain new information related to the regulations and deepen their understanding of various issues.

If it is a new employee, the Company will grant a course of ethics and should pass the assessment. The content of this compulsory course includes: Professional ethics and anti-corruption, conflict of interest avoidance and declaration, privacy protection and antitrust law (fair trade law) and other core issues that are closely related to work discipline and integrity management. By explaining common cases and penalties, employees are alerted and encouraged to integrate self-management into their daily work. In 2022, 194 new employees completed the "employee ethics contract" education and training, and the completion rate reached 100.00%.

Regardless of whether the Company cooperates with upstream component manufacturers or service-oriented suppliers, it is necessary to sign the "Supplier Sustainability and Management Promotion and Commitment Statement" to implement any business exchanges which must comply with integrity and ethics. In addition, the "Supplier Sustainable Management Risk Assessment and Evaluation Review Form" is used for evaluation. If the total score of the supplier evaluation does not reach 70 points, the supplier must implement improvements. Business will be reinstated with ADLINK after the supplier has been reassessed to be meeting the standards. This shows that we attach great importance to our partners' due diligence and legal compliance.

Since its establishment, ADLINK has not engaged in any anti-competitive practices and has not been involved in any litigation related to violations of antitrust and monopoly laws. Nor have we ever received penalties, warnings, or other non-voluntary orders for improper marketing of products. In order to enhance employees' ethical awareness, ADLINK has spread and deeply rooted the information in ADLINK's essence through internal and external requirements, thereby strengthening and consolidating ADLINK's corporate culture of positive self-discipline. In addition, the Company's product development to production stage adopts a high degree of independent standards, so it has never been involved in any infringement or illegal activities, and has never been punished for selling products.

If the Company experiences any significant compliance violations, it must disclose them in the Sustainability Report to adhere to the principles of transparency and meet the reporting requirements of GRI Standards for balanced reporting. The definition of material compliance violations is the same as the Point 26, Article 4 of the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities''. It refers to events such as disasters, collective protests, strikes, environmental pollution, information security incidents, or other major incidents that lead to any of the following situations:

1. Those who cause material losses or impacts to the company.
2. Those who have been ordered to suspend work, suspend business, or close by related authorities, as well as those who have had their pollution-related permits abolished or revoked.
3. Those who have been fined over NT$1 million for a single incident.

From 2020 to 2022, ADLINK did not receive any penalties or punishments due to significant violations of laws or regulations. However, there was one case where a fine was imposed on ADLINK in July 2022 for submitting the "Class B Waste Technician Certificate and Installation Application" after the deadline. The company received a penalty of NT$6,000, which was paid in August 2022, in accordance with the Department of Environmental Protection's ruling. We have tracked and improved upon the issue to prevent similar incidents from happening again.

2.9 Information Security Management

Management of ADLINK's Material Topic "Information Security Management" in 2022

Material topic	Information Security Management
Impact Assessment	With technological advancements, internet attacks continue to evolve, and in the future, businesses will only face even more complex threats. To address the potential impact of these threats, such as operational disruptions or sensitive data breaches, ADLINK has established information security management regulations and systems. By integrating software and hardware security solutions, the Company effectively reduces risks related to human errors, deliberate actions, or natural disasters that may lead to theft, misuse, leakage, alteration, or destruction of information assets. The goal is to minimize operational risks, ensure business continuity, and fulfill commitments to customers and employees.
Corresponding GRI Indicators	• 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data
SDGs	N/A
Policy or Commitments	In order to maintain the sustainable operations, ADLINK complies with relevant laws and regulations to protect our information assets. These measures prevent external threats or improper management and use by personnel from leading to unauthorized changes, disclosures, damage, or loss, in order to satisfy the confidentiality, completeness, and availability requirements of information assets.

| Indicators and Targets | Short-term goals (2023)

• Strengthen employee information security awareness training to enhance employees' awareness of information security measures.

• Regularly review and update information security policies and procedures to ensure the adequacy and compliance with the latest information security standards and regulatory requirements.

Mid-term goals (2024 to 2026)

• Establish a comprehensive risk assessment and risk management plan to better identify and respond to various information security risks.

• The information security framework adheres to the security standards set by the National Institute of Standards and Technology (NIST) as its reference.

Long-term goals (2027 to 2031)

• Promote the application of digital identity authentication and passwordless identity management technologies aimed to protect the privacy and security of customers and users.

• Strengthen a secure development and testing culture to ensure that the design of development frameworks and the deployment of environments maintain high security standards, effectively improving the overall software security quality. | Effectiveness Tracking Mechanism | Information security reporting:

The information unit's reporting window will assess and record the event severity level. Based on the severity of material information security incidents or the level of operational impact, the decision to activate the information security incident recovery plan will be made. The Chief Information Security Officer (CISO) will consolidate the determinations and report them to the CEO Office for further action. The information unit must resolve and confirm the root cause of the incident within the target resolution time. It is necessary to conduct analysis and implement corrective actions to prevent the recurrence of similar events.

Tracking items:

• Information security related audit results

• Number of information security violations leading to customer data leakage and fines

• Number of incidents leading to complaints to the company related to customer personal data protection violations or loss of customer data |

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Material topic	Information Security Management
Annual Actions and Measures	• In 2022, ADLINK passed all information security-related audits without any significant deficiencies. • No material information security violations leading to customer data leakage and fines • No incidents leading to complaints to the company related to customer personal data protection violations or loss of customer data • The Company passed ISO27001 Information Security Management international certification in 2022

ADLINK continues to focus on the information security risks that may arise from the external and internal environments, and has established a number of management policies and procedures to improve the level of information security and reduce possible risks. The "Information Security Office" was established in the first quarter of 2022 and the information security supervisor and personnel were appointed. The international ISO 27001 information management verification introduction project was launched at the same time, and certification was obtained in the fourth quarter of 2022. By implementing international management verification, we aim to enhance the information infrastructure, information application systems, and related information security levels. This helps us fulfill the core requirements of information management and ensures the sustainable operation of the company as well as data security.

According to the requirements of the information security policy, the information security risk assessment is carried out on a regular basis every year, and the risk issues are quantitatively analyzed according to the potential impacts and level of impact. Short-, mid-, and long-term planning and execution is conducted according to the severity of the risk, in order to ensure that the risks are manageable, visible, and that effective resource allocation and deployment can be conducted for the different levels of risk.

With today's increasing digital threats, ADLINK introduced the "Security Operation Center" (SOC) project in 2022 in order to speed up the response to changes in threats with year-round 24/7 uninterrupted and effective services to help enterprises detect information security incidents in advance, monitor and respond to the incidents, and identify and respond after the incident, creating comprehensive information security services.

Information Security Monitoring Center
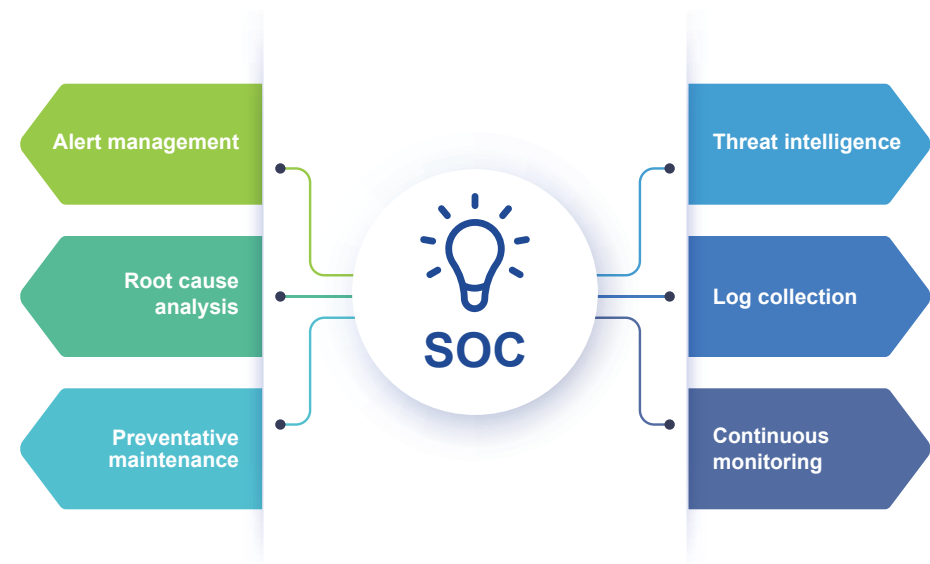
The introduced information security products collect information vertically and horizontally to speed up the response to and processing of information security incidents, thereby greatly reducing the possible information security risks and eliminating the potential risk period caused by any information security vulnerabilities. ADLINK will continue to expand the scope of monitoring to achieve a comprehensive and proactive information security protection mechanism.

Information Security Organization Structure

ADLINK's corporate goal is to provide a robust and reliable hardware platform, data connectivity, and complete Industrial Internet of Things (IIoT) solutions. In order to achieve these corporate goals, the information security governance organization, "Information Security Committee", will focus on the core values of the company and the sustainable management direction to formulate appropriate information security strategies. We will use regular reviews to gradually strengthen corporate information security management, provide stable and reliable software and hardware products, and provide customers and employees with a complete and reliable information environment.

Information Security Committee
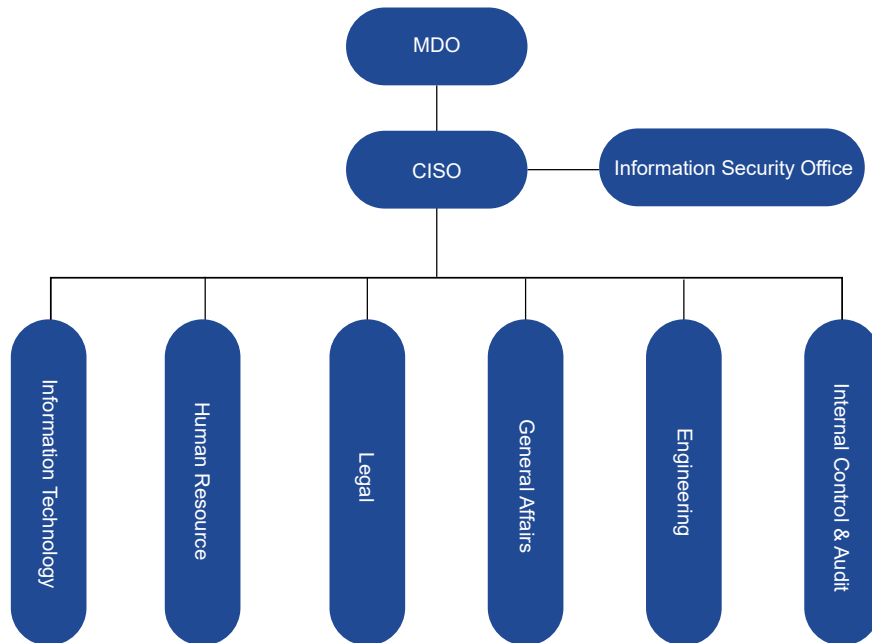
Industry standards enable ADLINK's customers to focus on their core competencies, thereby reducing time to market and reducing costs. ADLINK, who leads the industry standards, also actively cooperates with the information security audits and requirements of customers around the world. In recent years, we have accepted the information security audit requirements of international customers. ADLINK is also committed to the integrity and reliability of the corporate information security environment, ensuring the privacy and rights of employees and customers around the world. We are working with customers to create a reliable information security environment.

In order to continuously improve the operational obstacles and risks arising from information security, through the cooperation of the "Information Security Committee" and the IT department, ADLINK will continue to allocate the budget for information security every year. By understanding the overall situation of the organization with internal and external issues, we can identify all information security related projects that may affect the company, and allocate budgets to reduce known and unknown risks.

Information Security Budget Ratio

Year	Cybersecurity Budget	IT Budget
2022	24%	76%
2021	21%	79%
2020	8%	92%

46
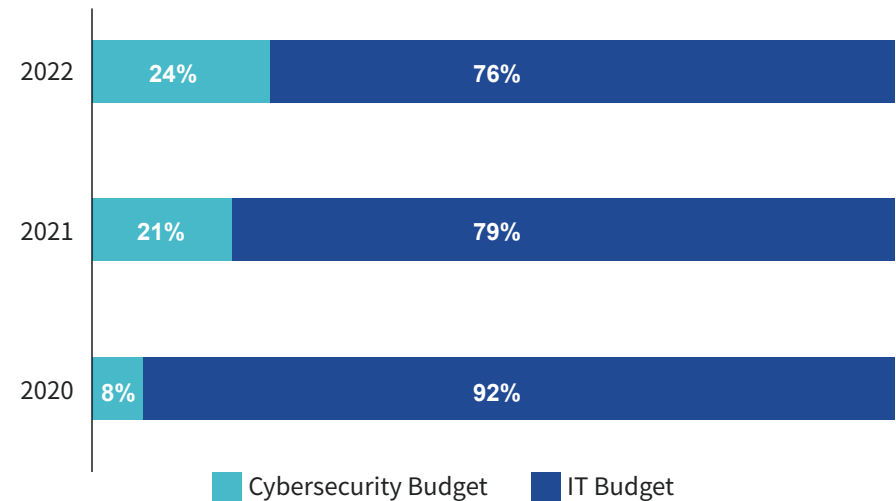
Information Security Risk Management

The control of information security risk management depends on how many information security risks have been visualized and displayed. The risks are ranked and quantified according to their information risk level to reduce or eliminate the risks. ADLINK formulates information security-related policies in accordance with the international ISO27001 standard, and submits annual reports to the "Information Security Committee" to ensure that all policies and information security product deployment can keep pace with the times and be replaced in accordance with the developments or updates of information technology.

Each year, we verify the facts by working with external audits and our internal audit units. We confirm and update the current status of risks according to our information assets and risk assessment forms to ensure that the IT unit can provide continued operations when risks occur. All risks or audit results shall be handled under the framework of the ISO27001 management standards, and continuous improvements shall be implemented through planning, execution, audits, and action. Through this cyclical management approach, we are able to achieve risk identification, protection, detection and provide corresponding response measures and recovery plans.

Information Security Risk Management and Continued Improvement Framework

- Information asset inventory and risk analysis
- Establish and plan information security policy
- Create an information organization

- Identification of information asset risks
- Establish risk control methods
- Continuing operations plan

- Security threats and technological mastery
- Measure review and improvements
- Education, training and promotion

- Internal and external audits
- Confirmed after risk improvement
- Risk monitoring

PLAN   DO   ACTION   CHECK

Corporate Information Security

The definition of information risk levels will be based on quantitative calculations of information asset value identification and risk identification. Information assets with different characteristics will be divided into 7 categories to classify different information assets, including personnel, documents, software, communications, hardware, data, and environment. In addition to considering the confidentiality level of information assets, the value of information assets also needs to consider the availability and integrity of information assets. When information assets of different levels are used or processed in combination, the highest level among them shall prevail.

Risk identification will analyze the information asset items according to the threats and vulnerability items that may be related to the various information assets, and evaluate the risk occurrence probability, impact degree and possibility of being used. During the risk analysis process, the degree of control based on the currently implemented control measures will be taken into consideration, so as to improve the information security risk protections.

Information Security Risk Indicators

For the practice of digitizing risk indicators, the external Internet service will use non-intrusive information collection technology through a third party. Through the collection of public data, network trapping mechanism, threat information integration and combination of vulnerability search engines, all security risk indicators are continuously collected and analyzed to help continuously monitor possible risks arising from information security. ADLINK will continue to improve the scores of each risk indicator, and invest corresponding corporate resources for improvement projects.

The internal assessment will be based on the NIST 800-53 Security and Privacy Controls for Information Systems and Organizations of the National Institute of Standards and Technology (NIST). The establishment of risk indicator items and self-assessments ensures that the information security items can meet international requirements.

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Internal Information Security Assessment Items and Weights

SUPPLY CHAIN RISK MANAGEMENT
SYSTEM AND COMMUNICATIONS PROTECTION
SYSTEM AND SERVICES ACQUISITION
RISK ASSESSMENT
PERSONALLY IDENTIFIABLE INFORMATION PROCESSING AND TRANSPARENCY
PERSONNEL SECURITY
PROGRAM MANAGEMENT
PLANNING
PHYSICAL AND ENVIRONMENTAL PROTECTION
MEDIA PROTECTION
MAINTENANCE

SYSTEM AND INFORMATION INTEGRITY
ACCESS CONTROL
AWARENESS AND TRAINING
AUDIT AND ACCOUNTABILITY
ASSESSMENT, AUTHORIZATION, AND MONITORING
CONFIGURATION MANAGEMENT
CONTINGENCY PLANNING
IDENTIFICATION AND AUTHENTICATION
INCIDENT RESPONSE

Major Improvements and Updates to the Information Security System in Recent Years

Results for 2022:

- Established the 24/7 Security Operation Center (SOC)
- Introduced the Web Application Firewall (WAF) to only allow normal and safe traffic to enter the website, ensuring the normal operation of the website's information security and services
- A dedicated organization for information security, the "Information Security Office", was established to coordinate, plan, monitor, and implement information security management operations
- The headquarters passed the ISO/IEC 27001:2013 Information Security certification

Plan for 2023:

- We will review the latest information security standards and regulations and update the information security policies and procedures to continuously ensure their appropriateness and adequacy.
- Set up an application-layer firewall for the backbone of the production line that can automatically detect and stop malicious code and monitor network traffic, identifying potential threats.
- Implement phishing email detection, assess employees' information security risk awareness, and support it with information security awareness and education training
- Continue to expand backup and recovery mechanisms, shortening recovery time by 30%

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2.10 Intellectual Property Rights

ADLINK has always attached great importance to intellectual property rights, and has formulated the "ADLINK Technology Inc. Patent Rights Management Measures" to specifically regulate the acquisition, maintenance and use of patents and trade secrets. Among which, the intellectual property management system has formulated and implemented its own management policies regarding the four different fields of patents, trademarks, business secrets and copyrights, thereby enhancing ADLINK's market competitiveness and corporate image, safeguarding product quality and customer rights and interests, and avoiding legal violation risks. The management approaches are described below.

Patent Management

1. ADLINK patent engineers conduct patent searches for new R&D directions or technologies to assist R&D personnel in seeking new design solutions, evaluating patentable objects, and providing patent analyses and suggestions for specific technologies.
2. The Patent Review Committee is convened so that the internal review committee members can fill in the "Patent Technology Benefit Evaluation Form" according to a patent's content, and jointly evaluate whether to apply for a patent, as well as the type and country of the applied patent.
3. An external patent firm is entrusted to prepare the submitted documents, and ADLINK patent engineers and inventors jointly proofread or review the patent documents to maintain the document quality. The Legal Office will keep and record the technical disclosure documents and application documents, distribute bonuses according to the incentive policy, and regularly evaluate whether to maintain or abandon the patent rights of each case, in order to enhance ADLINK's competitiveness in the industry.

Trademark Management

ADLINK's trademarks are divided into two categories:

4. At the Company level, according to the Company's top executives propose requirements
5. The needs are identified for the market according to the Product and the Project Manager or the Marketing Department shall submit applications.

After receiving instructions, the Legal Office will entrust an external firm to perform trademark searches and trademark portfolio analysis to find the best deployment plan. Next, the Legal Office will estimate the cost and negotiate with the unit responsible for using the trademark before filing a trademark application. The Legal Office will preserve and record the application documents, and require that the unit using the same trademark in accordance with the approved form of the trademark and retain evidence of use. The Legal Office will regularly evaluate whether to maintain or abandon the rights of each trademark in order to safeguard ADLINK's reputation and protect the rights and interests of customers.

Trade Secret Management

ADLINK employees must sign an employment contract before joining the Company, which stipulates that the trade secrets of their former employers should not be disclosed or used, and it is clearly stipulated that the confidential information of ADLINK should not be disclosed after employment or resignation. The Legal Office will also hold regular education and training, require employees to abide by the Company's rules and regulations, and implement the controls for electronic and paper documents. During the exit interview, the HR unit shall clearly inform the resigned/retired employees of the ownership of intellectual property rights, confidentiality obligations, non-compete restrictions and other relevant legal responsibilities.

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Copyright Management

The Legal Office regularly conducts education and training to enhance employees' awareness of intellectual property rights, and requires employees to never use pirated software. The Marketing Department regularly signs licensing contracts with stock photo companies to ensure that the images used by ADLINK are from legitimate sources.

ADLINK conducts global trademark deployment based on the product names. From 1995 to December 31, 2022, 59 trademarks have been approved worldwide, 51 of which have been effectively maintained, while 4 are still pending. ADLINK's patented technologies can be generally divided into the four categories of motherboard mechanisms, expansion components, system monitoring and communication methods. In view of the complementary partnerships between ADLINK and business partners for applications, and the development of artificial intelligence and robotics applications, we have acquired many software patents in the latter two categories in recent years. Overall, the number of patent applications in 2021 was 1.6 times more than that of 2020, and the number of patent applications in 2022 was close to that of 2021.

Number of Patent Applications Submitted by ADLINK in the Past 3 Years

Year	Taiwan	China	United States	Total
2020	9	8	2	19
2021	12	12	6	30
2022	10	12	7	29

Source:ADLINK Legal Office

Types of Patent Applications by ADLINK in the Past 3 Years

Year	Motherboard design	Expansion components	System monitoring	Communication method
2020	5	4	4	6
2021	2	4	13	11
2022	5	12	7	5

Source:ADLINK Legal Office

Categorized Table of Patents Held by ADLINK

Region	Total Number of Patents Held (Public/Announced)
Taiwan	110
United States	81
China	81
Other countries	7
Total Number of Patents:	279

Source: Global Patent Search System
Date of query:December 31, 2022

Incentives Plan for Innovation

In order to encourage ADLINK employees to produce creations and inventions in their positions that have industrial or commercial value and meet the application requirements stipulated by domestic and foreign patent laws and regulations, incentives are provided for the application and grant of patents, in particular, patents obtained in the US will give the employee additional bonuses. ADLINK has established the Patent Review Committee. The Committee provides opinions on the disclosure documents according to its technical expertise and decides whether the patent application will be submitted, listed as trade secrets, or whether defensive statements shall be issued, in order to protect ADLINK's intellectual property.

ADLINK Internal Patent Reward Measures (Unit: NT$)

Phase	Incentive Policy			
	Invention	Utility model	Design	Trade secrets
Phase 1 Submit an internal review to the Legal Office	1,000			
Phase 2 bonus Obtain an official application number	6,000	3,000	3,000	--
Phase 3 bonus Obtain TWN patent	20,000	10,000	8,000	
Obtain USA patent	10,000			
Total	37,000	24,000	22,000	8,000 to 30,000 Approval is given on a case-by-case basis

Source:ADLINK Legal Office

Total Amount of Patent Rewards Awarded by ADLINK in the Past 3 Years (Unit: NT$)

Year	Incentive Amount
2020	217,000 (10 patent applications; 11 issued)
2021	168,000 (14 patent applications; 8 issued; 1 special reward)
2022	391,000 (12 patent applications; 12 issued; 3 special rewards)

3

Sustainable Supply Chain and Innovative Technologies

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
3.1 Creating a Sustainable Supply Chain

Management of ADLINK's Material Topic "Supply Chain Management" in 2022

Material Topic	Supply Chain Management
Impact Assessment	The processes and products within the supply chain can potentially lead to issues such as resource depletion, deforestation, environmental pollution, as well as social risks including labor rights violations and human rights infringements. By selecting qualified green suppliers, we aim to enhance the overall benefits of the green value chain. During the supplier selection process, we not only consider environmental aspects but also integrate social issues, including occupational health and safety, participation in social welfare initiatives, and employee welfare. Integrating environmental and social issues into supply chain management facilitates sustainable business operations and enables the realization of a sustainable supply chain. This approach aims to achieve positive impacts in terms of environmental, social, and governance (ESG) aspects while minimizing negative impacts. ADLINK's supply chain management includes a continuous drive for supplier localization in the environmental, social, and corporate governance (ESG) areas in order to reduce transportation costs, minimize carbon emissions, and diversify operational risks. Working hand in hand with suppliers, we strive to build a supply chain that values social responsibility, labor rights, safety, and sustainable development in order to mitigate the risks of operational disruptions and ensure business continuity.
Corresponding GRI Indicators	• 308-1 New suppliers that were screened using environmental criteria • 308-2 Negative environmental impacts in the supply chain and actions taken • 414-1 New suppliers that were screened using social criteria • 414-2 Negative social impacts in the supply chain and actions taken
SDGs	SDG 8 Decent work and economic growth SDG 12 Responsible consumption and production SDG 17 Partnerships for the goals
Policy or Commitments	To ensure product quality and implement its business policies, ADLINK not only sets strict requirements for suppliers in terms of quality, cost, delivery, and environmental health and safety but also collaborates with them to guide the implementation of sustainable development policies such as environmental protection, human rights protection, and resource recycling. To expand the sustainability principles of ADLINK to suppliers, we established a code of conduct for sustainable practices, aiming to jointly shoulder social responsibilities related to the environment, society, and governance. We collaborate with upstream and downstream suppliers to create a sustainable supply chain together.
Indicators and Targets	**Short-term goal:** ADLINK follows the ISO 9001:2015 and TL 9000 standards. In accordance with the Responsible Business Alliance (RBA) Code of Conduct for supplier assessment operations, ADLINK has defined the Supplier Tracking Plan for key suppliers to comply with. In the initial phase, self-assessments and guidance were provided to a total of 44 primary suppliers with a purchase volume exceeding 100 transactions. **Mid-term goal:** In the second phase, ADLINK continues to track and audit the identified key suppliers based on the RBA Code of Conduct. This ensures ongoing monitoring and compliance with the defined criteria. **Long-term goal:** The completion rate of tracking, assisting, and auditing all key suppliers is expected to reach 80.00% by 2030. In cases where non-compliance is identified, suppliers are required to provide a review of their practices and implement necessary improvements under monitoring. Failure to address the issues will result in the removal of the supplier from the list of approved vendors.
Effectiveness Tracking Mechanism	We urge suppliers to understand the concept of social responsibility and cooperate with the management activities of sustainability and social responsibility of the company as well as international standards to achieve green and sustainable supply chains. The suppliers shall undergo regular or periodic audits. **Annual Actions and Measures:** • In 2022, 44 key suppliers signed the Suppliers Social Responsibility Risk Assessment and Review Form, with a response rate of 100.00%. • In 2022, 44 key suppliers signed the Suppliers Sustainability and Corporate Social Responsibility Dissemination and Commitment Statement, with a response rate of 100.00%.

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Management of ADLINK's Material Topics "Material Procurement" and "Green Products" in 2022

| Material Topic	Material Procurement & Green Products
Impact Assessment	In response to the increasing global market demand for environmental protection, ethical sourcing, responsible products, and health and safety, ADLINK recognizes the importance of ensuring compliance with ethical, environmental, and safety standards and regulations. This commitment extends throughout the entire procurement process, from component sourcing to early stages of product development and assembly manufacturing. By adhering to these standards, ADLINK aims to mitigate potential operational losses and safeguard its reputation from any negative impacts resulting from non-compliance with relevant issues.
Corresponding GRI Indicators	• 204-1 Proportion of spending on local suppliers • 416-1 Assessment of the health and safety impacts of product and service categories • 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services
SDGs	SDG 12 Responsible consumption and production SDG 17 Partnerships for the goals
Policy or Commitments	To provide customers with turn-key solutions that comply with industry standards and help them focus on their core competitive strengths, we will continue to prioritize local suppliers and green materials in the future to shorten time-to-market and lower product costs. We also continue to maintain zero-conflict minerals procurement. During the product design and assembly manufacturing process, we are dedicated to preventing the generation of excessive waste that pollutes the environment and improving our methods, in order to implement environmental protection and realize our sustainable development goals.
Indicators and Targets	**Short-term objectives** • Achieve a collection completion rate (%) of ''Full Material Declaration (FMD)'' of 50%, and achieve 60.00% by the end of 2024 • Achieve an ADLINK's supplier response rate (%) on the four conflict minerals (3TG) of 92.00% by the end of 2024. **Mid-term goal** • Evaluation: Include the voluntary conflict mineral survey of cobalt in ADLINK's Conflict Minerals Policy. **Long-term goal** • Continue to prioritize local suppliers and environmentally friendly materials with the goal of achieving comprehensive system production. • The concentration of hazardous substances in all shipped products were lower than threshold limits. • According to the customers' special demands, Cobalt can be added to the scope of voluntary due-diligence survey.
Effectiveness Tracking Mechanism	• For each material, the supplier is required to sign the ''Supplier Declaration''or provide the''Supplier EU RoHS & EU REACH Declaration'' to ensure that the materials supplied to ADLINK meet environmental laws and regulations. • Every year, due diligence investigations are conducted to determine whether suppliers are using conflict minerals. ADLINK also discloses the sources of minerals used in its products. **Annual Actions and Measures** • In 2022, 100.00% of key suppliers provided the''Supplier Declaration'' or''Supplier EU RoHS & EU REACH Declaration''. • In 2022, 90.08% of suppliers disclosed the sources of minerals used in their products, and 100.00% of suppliers confirmed that they do not use conflict minerals. • There were 0 incidents of non-compliance concerning the health and safety impacts of products and services in 2022. • To support local economic development, the local procurement ratio in 2022 was 86.95%.

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Supply Chain Management

Industry Value Chain

ADLINK places a strong emphasis on research, development, and manufacturing in the industrial computer industry. In the technology industry value chain, ADLINK operates as a manufacturer involved in the entire process from R&D and design to in-house production. We procure key raw materials such as semiconductor wafers, electronic components, and mechanical boards from upstream suppliers, as well as cases and other materials. After processing and manufacturing the finished machines using production equipment, ADLINK ships them to downstream distributors or end customers. In 2022, there were no significant changes observed in the company's supply chain or business relationships with upstream and downstream suppliers and customers.

To implement supply chain management effectively, we continuously enhance our expertise in industrial computers, automation control, and human-machine interfaces. We strengthen collaboration with upstream, midstream, and downstream partners in the supply chain. Additionally, we foster continuous improvement in ESG aspects among our suppliers and contractors. This is achieved through regular communication at the management level, self-assessments, audits, and sharing of experiences. We strive to collaborate with key suppliers and contractors, strengthen our partnerships, and deliver high-quality products and services. Together, we aim to create significant sustainable value.

Upstream, Midstream, and Downstream Suppliers of ADLINK
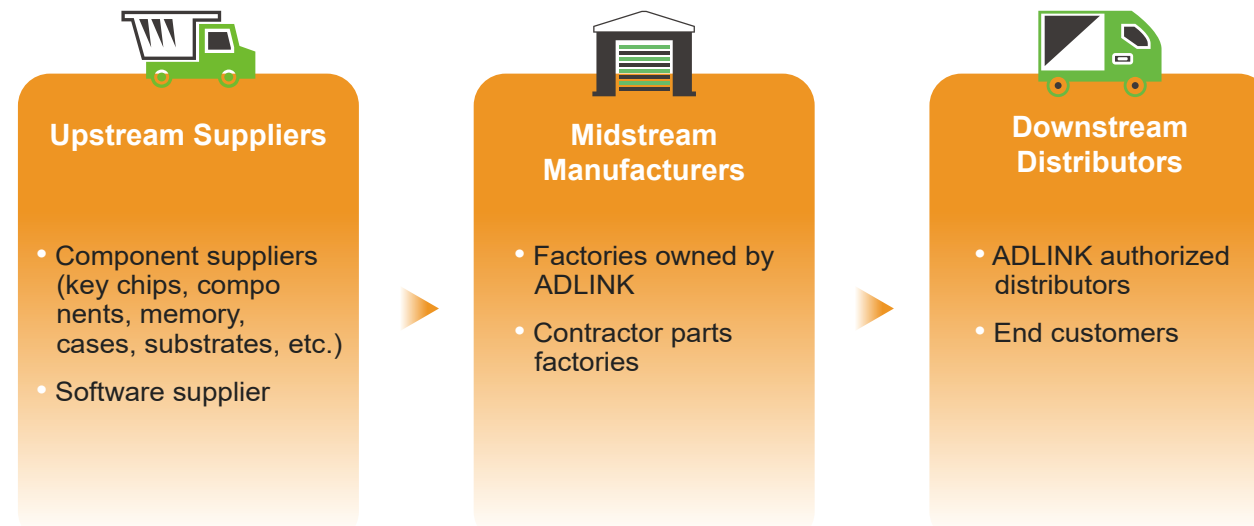
Supplier Sustainability Management

Both social and environmental standards form part of ADLINK's compliance with corporate sustainable development (ESG). We also ensure that ethical and environmental principles are followed during production by our supply chain in accordance with ISO 9001:2015 and TL 9000 management standards. In addition to the promotion and commitments made to qualified suppliers, the Green Product Management System (GPMS) was launched in 2016 to ensure that the materials used in our products are safe and of high quality for end users. This includes compliance with EU environmental green material regulations, supplier declarations, material composition sheets, and EU RoHS (Restriction of Hazardous Substances) testing reports, all aimed at ensuring the quality of our collaborative efforts.

Upstream Suppliers
- Component suppliers (key chips, components, memory, cases, substrates, etc.)
- Software supplier

Midstream Manufacturers
- Factories owned by ADLINK
- Contractor parts factories

Downstream Distributors
- ADLINK authorized distributors
- End customers

ISO 9001:2015& TL9000

ESG

GPMS

RBA

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In order to implement sustainable management, ADLINK requires partners in the supply chain to follow the relevant policies, demonstrating ADLINK's dedication and commitment to sustainability issue management for suppliers. In addition to the existing CSR management guidelines covering human rights management, conflict minerals, social responsibility, quality, and environmental health and safety declarations, the new supplier audit checklist includes these relevant declarations. As of 2022, ADLINK has maintained a 100.00% achievement rate for comprehensive supplier compliance. Starting from 2022, ADLINK has formally implemented the Responsible Business Alliance (RBA). The purchasing department has modified relevant documents and initiated their execution accordingly. New suppliers are required to sign the "Supplier Sustainability and Corporate Social Responsibility Advocacy and Commitment Statement" as well as the "Supplier Social Responsibility Risk Assessment and Evaluation Form." By signing these documents, suppliers declare their compliance with environmental and social standards and commit to integrity and anti-corruption principles. New suppliers must complete the signing process to be included in the evaluation phase as qualified suppliers. All approved suppliers of ADLINK must issue a written declaration that they will engage in voluntary audits, carry out continuous improvement, and shoulder their corporate sustainable development responsibility.

Responsible Business Alliance Code of Conduct Progress in 2022

Supplier Types	Number of Companies	Supplier Sustainability and Corporate Social Responsibility Dissemination and Commitment Statement	Supplier Social Responsibility Risk Assessment and Review Form	The Statements and Evaluation Review Forms Included
All suppliers	621	50.72%	52.66%	48.15%
Key suppliers	44	100.00%	100.00%	100.00%
New suppliers	23	100.00%	100.00%	100.00%

Note:The key supplier is defined as the annual number of shipments that is greater than or equal to 100.

In the future, it will be a continued requirement for all suppliers to pass ESG and RBA audits in order to become official AVL vendors. The goal is to achieve dual certification in ESG and sustainable development for the entire supply chain.

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ADLINK's Four Major Criteria for Supplier Selection

Percentage of Continuous Assessment Results of All Suppliers

C＝Under Observation 0.56%

D＝Disqualify 0.37%

B＝Satified 44.80%

A＝Excellent 54.28%
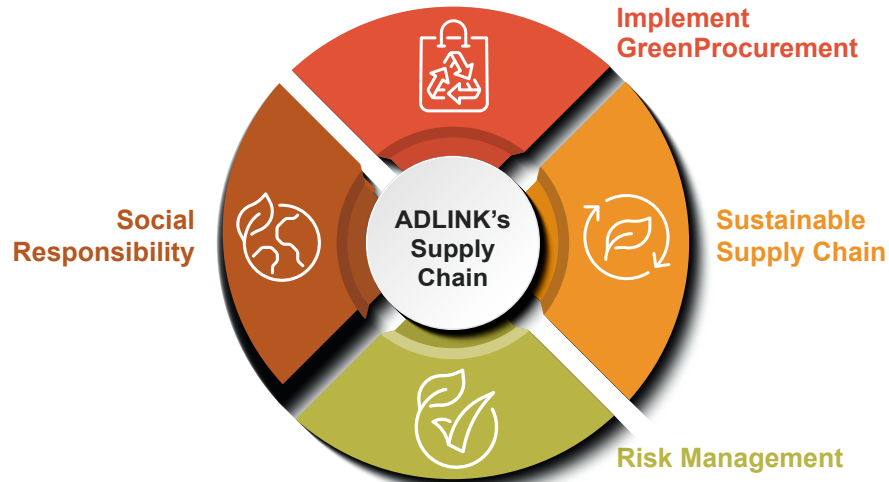
Implement Green Procurement

The Green Product Management System ensures that the materials used in our products are safe and of high quality for end users. This includes compliance with EU environmental regulations, Supplier Declaration, Material Declaration, and 3rd-Party-Lab RoHS Test Report. Annual continuous audits and on-site assessments are conducted for suppliers to ensure the quality of our collaborative efforts.

Risk Management

Through ongoing supplier evaluations, suppliers are categorized into four levels. Suppliers rated as Level A will have an increased procurement ratio and will be given priority in selection. Level D suppliers will be listed for observation for improvements and their supplier status will be canceled.

Sustainable Supply Chain

The "Supplier Sustainability and Corporate Social Responsibility Advocacy and Commitment Statement" and "Supplier Social Responsibility Risk Assessment and Evaluation Form" allow suppliers to declare their compliance with environmental and social standards and commit to integrity and anti-corruption principles. New suppliers must complete the signing process to be included in the evaluation phase as qualified suppliers.

Social Responsibility

Suppliers are required to sign the "Supplier Declaration" to commit to the compliance of their supplied products or components. This includes product accessories, packaging materials, and other related attachments associated with product delivery.

Environmental Risk	• **100.00% of key suppliers provided the "Supplier Declaration" or "Supplier EU RoHS & EU REACH Declaration".** Suppliers are required to sign the "Supplier Declaration" or provide the "Supplier EU RoHS & EU REACH Declaration" to commit to the compliance of their supplied products or components. This includes product accessories, packaging materials, and other related attachments associated with product delivery. In the event of non-compliance with relevant regulations, ADLINK reserves the right to terminate or dissolve the contract to avoid any negative impact on human health and environmental safety. In 2022, the response rate was 100.00%. • **100.00% of key suppliers signed the Suppliers Sustainability and Corporate Social Responsibility Dissemination and Commitment Statement** The company requires the 44 suppliers with whom we have actual transactions to sign the SA8000 Social Responsibility Statement. We have received responses from all 44 suppliers, resulting in a response rate of 100.00%.
Social Risk	• **100.00% of key suppliers do not use conflict minerals** Suppliers are required not to use conflict minerals to ensure that the minerals used in our products (such as tantalum, tin, tungsten, and gold) do not contribute to profits associated with armed conflicts. If a supplier uses the minerals listed above, the source of the mineral should be disclosed. In 2022, the response rate was 90.00%, representing no risk of using conflict minerals. • **100.00% of key suppliers signed the Suppliers Social Responsibility Risk Assessment and Review Form** In order to mitigate social risks and human rights-related issues within the supply chain, a social risk and human rights impact assessment was conducted in 2022 for the top 44 electronic, mechanical, and board material suppliers based on their procurement amounts. All 44 suppliers have signed the "Suppliers Social Responsibility Risk Assessment and Review Form" to ensure that they meet the company's baseline requirements regarding labor rights, health, and safety. Effective measures have been implemented to prevent negative incidents from occurring. • **100.00% of key suppliers signed the Suppliers Sustainability and Corporate Social Responsibility Dissemination and Commitment Statement** The company requires the 44 suppliers with whom we have actual transactions to sign the SA8000 Social Responsibility Statement. We have received responses from all 44 suppliers, resulting in a response rate of 100.00%.
Governance Risk	• **100.00% of key material suppliers signed the Supplier's Letter of Undertaking of Integrity** All formal suppliers are required to sign the "Supplier's Letter of Undertaking of Integrity". As of 2022, a total of 621 suppliers have completed the signing process. After evaluation and approval, they are considered qualified suppliers who meet the required standards.

Material Procurement

Local and Offshore Procurement and Supply Chain Characteristics

In order to reduce the environmental impact of transportation and achieve carbon reductions, ADLINK gives preference to local suppliers at our production locations. Benefits include improving efficiency and performance as well as reducing environmental impact. Suppliers are important partners for ADLINK's operation. We are working closely together to seek sustainable corporate development and growth. As ADLINK's main production and operations base is located in Taipei, the procurement team considers the continuous integration of local brand manufacturers as a primary mission since the implementation of the green supply chain. It involves consistently tracking, analyzing, and categorizing domestic suppliers based on their production location for domestic transactions. In 2011, ADLINK's supplier selection strategy began giving preference to local suppliers. The proportion of local procurement has remained steady at 88% over the past 3 years even as business sales grew every year. Our aim is to achieve total localization.

Regional Distribution of ADLINK's Supplier Trading Volume in the Past 3 Years

Year	Percentage
2020	89.60%
2021	90.00%
2022	86.95%
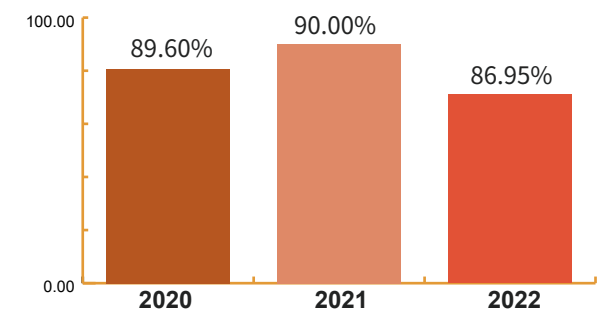
Since 2011, ADLINK has initiated supplier control strategies to reduce carbon emissions. This involves implementing localization and centralized procurement practices. From 2011, when both domestic and international carbon emissions amounted to 965.45 metric tons, ADLINK has steadily reduced its carbon footprint each year. As of 2022, the carbon emissions have been significantly reduced to 463.93 metric tons.

Analysis of Carbon Emissions from Inbound Material Transportation (tonCO2e) in the Past 3 Years in Relation to the Quantity of Goods Purchased
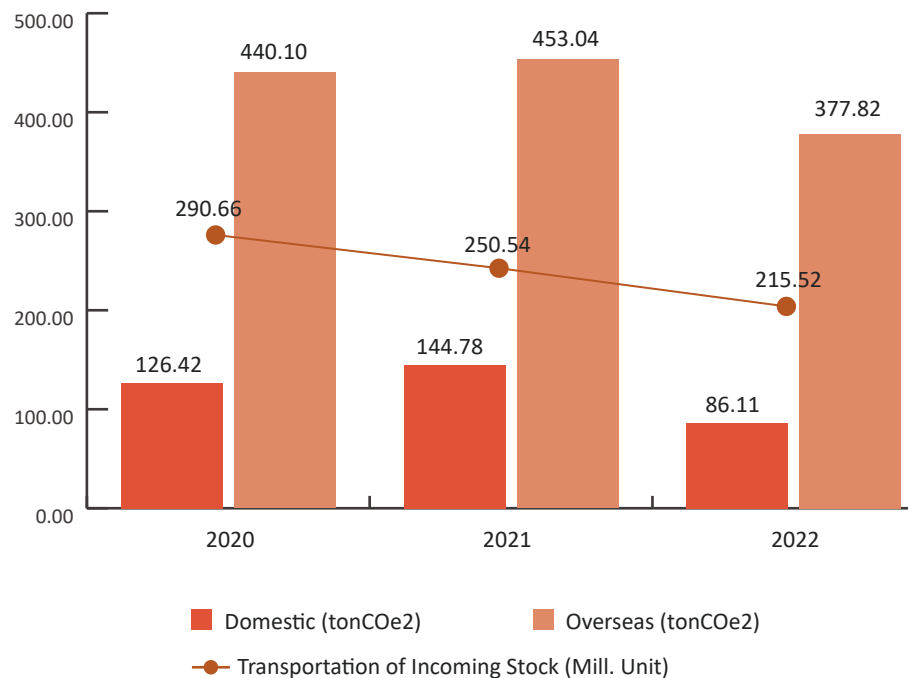
Note:Carbon footprint calculation reference website
http://wiki.mbalib.com/zh-tw/%E7%A2%B3%E8%B6%B3%E8%BF%B9

Distribution of Procurement Categories

ADLINK's main products are primarily motherboards and systems. As a result, the majority of its trading vendors belong to the electronic procurement category, accounting for an average of over 70.00% annually. Electronic components, in particular, constitute an even higher proportion, averaging over 90.00% annually. In the future, we will continue to focus on the production of comprehensive systems. To provide customers with turn-key solutions that comply with industry standards and help them focus on their core competitive strengths, we will continue to prioritize local suppliers and green materials in the future to shorten time-to-market and lower product costs. As of the end of 2022, ADLINK regularly trades with 621 suppliers. Our supply chain is divided into four main categories as shown below.

Distribution of ADLINK's Suppliers in 2022
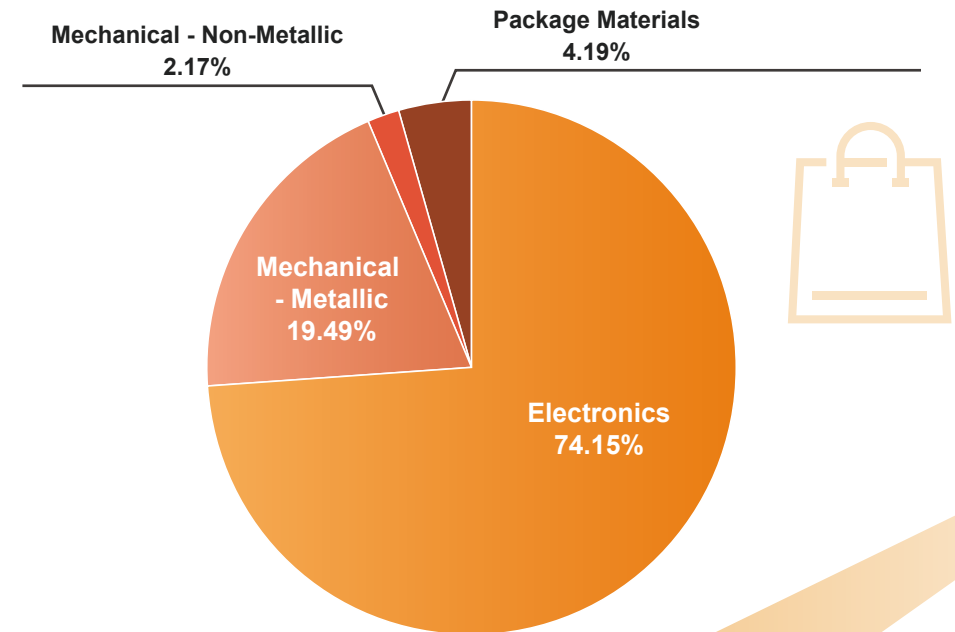
Distribution of Supplied Components to ADLINK in the Past 3 Years

Legend:
- Package Materials
- Mechanical - Metallic
- Mechanical - Non-Metallic
- Electronics
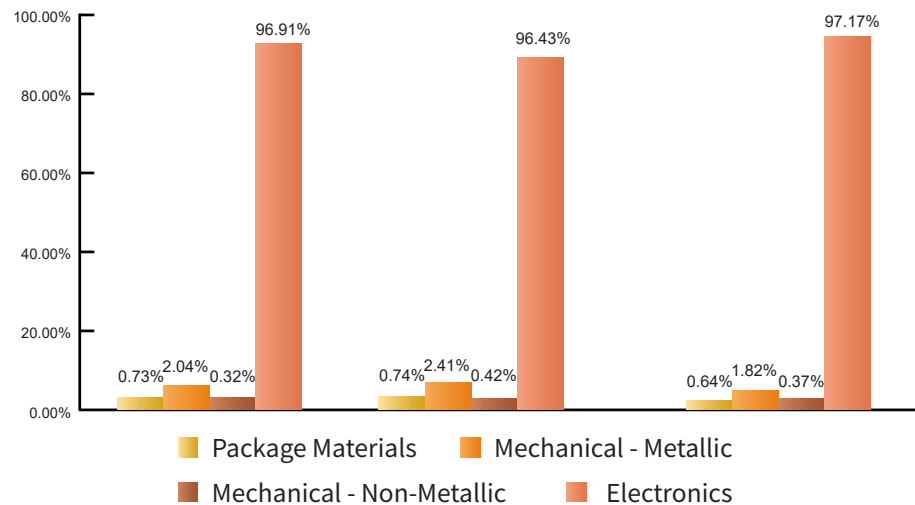
Due Diligence on Conflict Minerals

In the 3 years from 2020 to 2022, the Responsible Minerals Initiative (RMI) published several versions of the Conflict Mineral Report Template (CMRT), which were combined with the different and latest smelter names/alias information announced by RMI, and the updates related to the effective or legal smelters. Following this, ADLINK conducted due diligence on conflict minerals for suppliers. Original manufacturers were asked to identify high-risk smelters and propose gradual improvement plans to facilitate follow up by ADLINK. Because different manufacturers have different considerations related to the business side of high-risk smelters, some responded quickly and some responded slowly. In addition, because of the limited compulsive force of ADLINK on larger manufacturers, we can only collaborate with customers and communicate with uncooperative manufacturers. Therefore, in the three years from 2020 to 2022, there has been relatively minor fluctuation in the response rate for the four conflict minerals (3TG) by ADLINK suppliers. They were maintained at 90.79%, 91.68%, and 90.08%. In 2022, with the outbreak of regional wars, ADLINK continues to require original manufacturers

to identify high-risk smelters and propose gradual improvement plans, in order to meet the requirements of due diligence for conflict minerals.

ADLINK's Supplier Response Rate on Conflict Minerals in the Past 3 Years
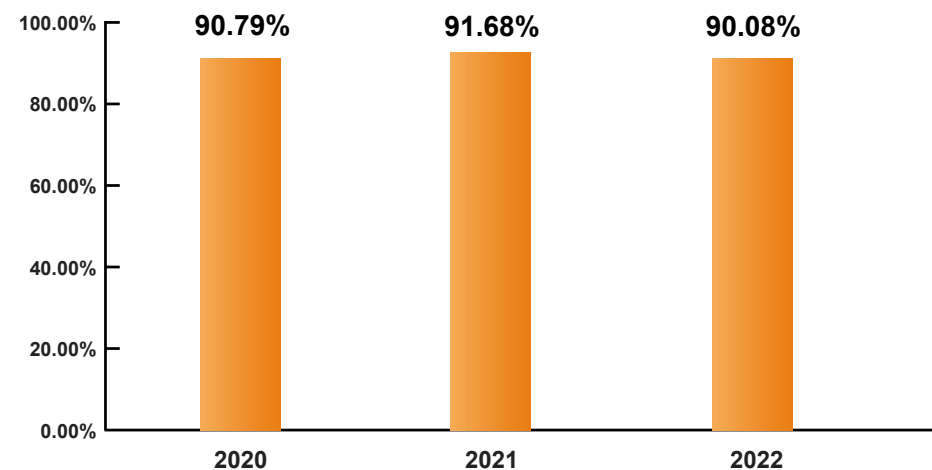
Note 1: ADLINK Technology conducts a questionnaire survey with suppliers regarding the 3TG (Tantalum, Tin, Gold, Tungsten) raw material sources. The response rates from suppliers over the past three years is shown in the figure.
Note 2: According to the survey responses from suppliers, no conflict minerals were used in the past 3 years.

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Green Products

Hazardous Substance Management and Collection of Part's/Component's Material Declaration

Before engaging in large-scale procurement of raw materials, ADLINK strictly follows a part number approval process to ensure that the materials provided by suppliers comply with environmental laws and regulations. Suppliers are required to upload three green technology documents on ADLINK's GPMS. These documents include the Supplier Declaration, Material Declaration (adopting full material disclosure), and a third-party certified RoHS test report. Alternatively, suppliers may provide other substitute documents (such as supplier disclaimers or customer consent letters). These documents are reviewed by the Environmental Regulation Management Section to ensure that the parts and components used by ADLINK do not contain hazardous substances. If customers have more stringent and specific requirements regarding environmental regulations, ADLINK engages in consultations with customers before design and development. This is done to confirm special material selection criteria, conduct evaluations and coordination, and establish dedicated project execution teams to meet the customers' needs.

An increasing number of customers require both the parts and components assembled in the shipped products to be regulatory compliance on the restriction of hazardous substance. ADLINK also gradually request and instruct the suppliers for full cooperation. However, not all suppliers are capable of providing all three technical documents. According to the statistics from the Environment Compliance Section, the completion rate of document collection for Full Material Disclosure (FMD) has gradually increased. It was 45.85% at the end of 2020, 46.60% at the end of 2021, and 51.00% at the end of 2022. This is attributed to ADLINK's efforts to comply with the requirements of the European Union's Waste Framework Directive (WFD) and the new SCIP (Substances of Concern In articles as such or in complex objects (Products)) directive. ADLINK Technology has adopted the FMD template and has been gradually reviewing and updating the material declarations by batches to meet the obligations of these directives. This allows suppliers to provide clear responses in the FMD regarding components containing substances of very high concern (SVHC) with concentrations exceeding 0.10%. However, collecting all the documents still poses some challenges due to the fact that many components have reached their end of life and are no longer traded or produced. Suppliers or original manufacturers may have ceased updating the documents for these components, making it difficult to collect all the required information. Although the completion rate of document collection has been improved, there is still room for improvement.

In addition, since suppliers or agents do not only supply products to ADLINK, when various customers and frontline OEM plants successively require the disclosure policy of FMD, suppliers or agents are more able to understand the demands. We try our best to communicate with the original manufacturer to obtain the declaration of the material composition of the parts sold. At the same time, ADLINK confirmed there were 0 incidents of non-compliance concerning the health and safety impacts of products and services in 2022.

ADLINK's Collection Rate of FMDs for Parts and Components in the Past 3 Years

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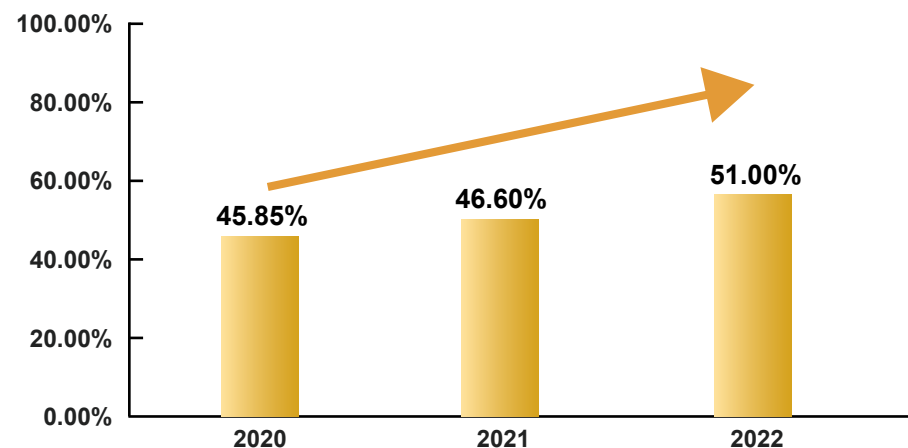
Shipped Products Continuously Comply with EU WFD and SCIP Requirements

From January 5, 2021, products sold in the EU market containing SVHCs with a concentration of more than 0.10% must upload the information of the components exceeding the standard to the official EU SCIP platform.

In accordance with the EU WFD&SCIP requirements, ADLINK continues to comply with the regulations, and upload the information of components that exceed the standard to the EU official SCIP platform to avoid penalties by the EU. However, ADLINK continues to think about how to increase work efficiency. Therefore, the Environment Compliance Section developed its own program in early 2021 to automatically aggregate the information that needs to be uploaded to the EU's official SCIP platform, and to verify the correctness of the data processed by automated tools. Due to the significant benefits of developing automated tools, the manpower required to upload information to the official EU SCIP platform has been reduced from 125.8 people*working days/year to 1.1 people*working days/year, saving a total of 124.7 people*working days per year, which increased the work efficiency by 99.40%, taking into account speed and quality. From January 1, 2021 to December 31, 2022, 8,633 part numbers were shipped, 100.00% completed.

Shipped Products Continuously Comply with Post-Brexit UKCA Requirements

Starting from December 31, 2024, for products entering the UK market, the UK government mandates that products must bear the UK Conformity Assessed (UKCA) logo and cannot use the CE marking as a replacement. If the product has been fully manufactured into stock before January 1, 2021, and has been marked with the CE logo and is planned to be placed on the UK market, the product must be placed on the UK market before December 31, 2024 according to official regulations, otherwise the products must affix the UKCA marking to be considered compliant. For details, refer to the official link （https://www.gov.uk/guidance/using-the-ukca-marking）.

Since UKCA still refers to relevant EU directives such as EU Electromagnetic Compatibility (EMC), Radio Frequency (RF), Low Voltage Directive (LVD), and RoHS, the risk assessment is still in a controllable range. A new process must be established and output the UKCA logo and UKCA DoC of the corresponding products.

In order to respond to the requirements of UKCA after Brexit, ADLINK not only manages whether products comply with EU directive standards by creating tables, but has also prepared a UKCA DoC template to facilitate data transfer. At the same time, in order to meet the special requirement that the information of the authorized representative of the legal person must be listed in the UKCA DoC, ADLINK obtained the authorization for the authorized representative of the legal person of the UK branch through cross-border communication, and entered ADLINK UK's legal representative's contact address and name in the UKCA DoC.

In addition to having a dedicated person responsible for maintaining the above-mentioned Excel summary table in a timely manner, ADLINK developed its own program in the second quarter of 2021 to automate the UKCA DoC workflow for daily product output, reducing repetitive or low-value manual operations. Due to the significant development benefits of automation tools, estimated based on the quantity of products sold to the UK in the past three years, the manpower originally required for cross-departmental input and output of UKCA DoC documents will save 139.0 people* working days per year, approximately reducing the original 92.00% manpower needs to be invested to achieve speed and quality.

United Kingdom UKCA logo

Note: Reference website
https://www.gov.uk/guidance/using-the-ukca-marking

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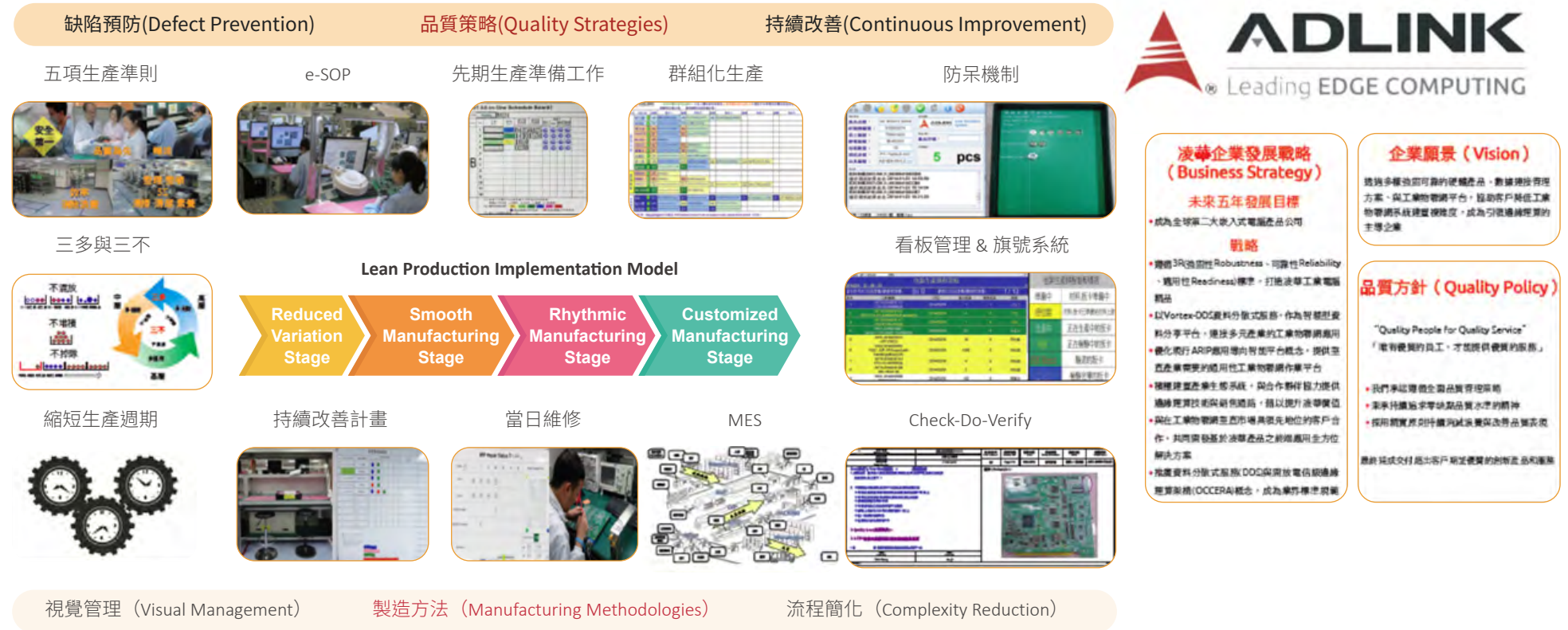
3.2 Smart Manufacturing

Revolution in Manufacturing

ADLINK is a benchmark company in the small quantity, large variety production model. We have over 2000 different products and our Surface Mount Technology (SMT) changes lines more than 10 times every day. The production quantity for 30.00% of our products is less than 50 pcs. In order to achieve the same production efficiency as mass production, ADLINK has been promoting APS (ADLINK Production System) for many years. Through two main directions (quality strategy and manufacturing method), four aspects (defect prevention, continuous improvement, visual management, and streamlined process), and 12 improvement tools, we aim to create the world's best low volume high mix (LVHM) factory production model.

凌華生產體系改善藍圖(ADLINK Production System Improvement Blueprint)

缺陷預防(Defect Prevention) | 品質策略(Quality Strategies) | 持續改善(Continuous Improvement)

五項生產準則 | e-SOP | 先期生產準備工作 | 群組化生產 | 防呆機制

三多與三不

Lean Production Implementation Model

Reduced Variation Stage → Smooth Manufacturing Stage → Rhythmic Manufacturing Stage → Customized Manufacturing Stage

看板管理 & 旗號系統

縮短生產週期 | 持續改善計畫 | 當日維修 | MES | Check-Do-Verify

視覺管理（Visual Management） | 製造方法（Manufacturing Methodologies） | 流程簡化（Complexity Reduction）

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The 4 stages of APS implementation are reduced variation, smooth production, rhythmic production and customized manufacturing.

Lean Production Implementation Model

Reduced Variation Stage → Smooth Manufacturing Stage → Rhythmic Manufacturing Stage → Customized Manufacturing Stage

Reduced variation stage: High process stability is required. Therefore, we must define each process, find the best equipment parameters, conduct regular equipment maintenance, implement standardized personnel training, introduce E-SOP, establish a fool-proof system, and establish an abnormality feedback system. This stage focuses on rationalization and standardization to define all the processes and affairs of the factory.

Smooth manufacturing stage: We must achieve zero waiting time between processes. Therefore, it is necessary to introduce a Manufacturing Execution System (MES), as well as define the optimal production quantity of work orders and the minimum Work in Progress (WIP) quantity between each process. We have adopted grouping technology and shall complete repairs within 24 hours, shortening the cycle time of work orders. This stage focuses on the datafication of production information to provide timely production information and improve production efficiency.

Rhythmic manufacturing stage: We need to achieve optimal scheduling between work orders, Return Material Authorization (RMA), and repair items. Therefore, we need to introduce comprehensive scheduling, better allocation of production resources, accurate production capacity evaluations, and pre-planning of materials. At this stage, the focus is on automation. We must plan different automation solutions for different processes, so that each requirement can be met.

Customized manufacturing stage: We need to achieve the goal of zero inventory, and only manufacture products when there is customer demand. Therefore, we need precise production cycles (the target is one day, currently it is three days), extremely high yield (almost 100.00%), timely maintenance, versatile testing solutions, and the use of multi-skilled workers. The focus of this stage is on smart manufacturing, which is mainly aimed at improving production efficiency, improving product yield, maintaining repair efficiency for defective products and equipment stability.

In 2022, the production stage is in the third stage of APS. The focus of implementation is as follows:

Pursue excellence while maintaining highlights	• Implement competitive highlight execution • Improve the maturity of the APS Maturity Matrix for the entire plant
Complete streamlining to reduce wait time	• Visualized management with W/O Production Flow Status Tracking • Quantity control in waiting areas
Strengthen work culture and utilize tools	• Reinforcement of APS thinking: Training • Group Technology/Fool-proof applications • Implement 1-3-3-3

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To solidify the achievements of APS implementation, the focus was on going back to basics in 2022. This was done to establish a strong foundation for production rhythm and meeting customer demands. In 2022, ADLINK further enhanced the work order flow by transitioning to electronic billboards, making the visual management aspect more real-time. The real-time work order information greatly helps our understanding of work order progress and the quantity control of defective product repairs. Therefore, the three-day work order completion rate reached 99.50%, helping us effectively satisfy customer requirements related to on-time deliveries.

Digital Work Order Flow Billboard
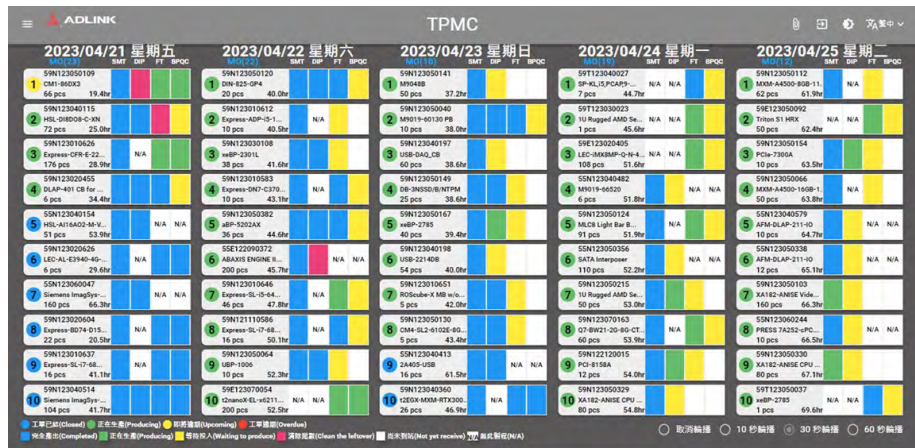
Smart Manufacturing

Industrial computers are produced in low quantities and with high variety. There are often more than 10 work orders on the SMT production line, The frequent line changes result in loss of utilization rate. Moreover, the lack of real-time equipment operational status information during the production process results in the need to spend additional time after the occurrence of downtime or equipment failures to obtain relevant data. This delay in obtaining information hinders the opportunity for timely improvement and impacts productivity. Consequently, this situation can give rise to issues related to product quality and production waste.

To achieve the goals of the third stage of APS for production rhythm and the fourth stage for customer demand manufacturing, ADLINK established a project team in 2017 to independently develop a Cyber Physical Production System (CPPS) for SMT integration. This initiative lays a solid foundation for realizing the vision of smart manufacturing.

ADLINK's smart manufacturing mainly focuses on improving production efficiency, improving product quality and improving the safety of the operating environment for employees.

ADLINK's Self-Developed Virtual Reality Integration System for Smart Manufacturing

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Improved Production Efficiency

In 2022, building upon previous efforts, ADLINK implemented a tri-color lighting solution at the Hwa Ya plant to visualize the status of SMT equipment. It discloses the status of equipment on each SMT production line in real time. Through visualized information, production line managers can have insights into the utilization of each line, whether the downtime is reasonable, the distribution of idle time, and whether the downtime due to equipment failure is excessive. This information provides valuable improvement opportunities for production line managers, enabling them to effectively increase the line's utilization rate and reduce costs.

The Tri-Color Lighting Solution Implemented in 2022

Improved Product Quality

Quality has always been of great importance for ADLINK. In order to address quality issues caused by human error, we have implemented machine vision technology to inspect the appearance of our products. This technology allows us to inspect all six sides of the product, with an inspection time of 2 seconds. This not only improves efficiency, but also minimizes the chances of human error. Furthermore, the key feature of this technology is its utilization of AI-based learning mechanisms. It can operate under natural lighting conditions, eliminating the inconvenience of previous methods that required a black box environment in which to operate.

In addition, some attachments have very similar appearances, making it easy for operators to mix them up. We also use machine vision to assist operators in identifying different attachments, as shown in the figures below, to avoid quality issues.

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Improved Safety in the Work Environment

To enhance the safety of the work environment, ADLINK utilizes smart cameras and AI to establish safety barriers at voltage resistance testing stations. In the voltage resistance testing stations, products are subjected to approximately 1,500 volts. Operators are required to wear insulated gear and stand on insulating mats to ensure their safety. Additionally, it is essential to prevent unauthorized personnel from approaching the area to maintain a safe working environment.

The safety system we have established can detect whether the operators are wearing insulated gloves and are standing on insulating mats. If not, an alarm will sound and the testing machine will be shut down. If someone enters the voltage resistance testing area, the system will issue an alert and shut down the testing machine.

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3.3 Innovative Technologies and Applications

Management of ADLINK's Material Topic ''Innovative Technologies and Applications'' in 2022

Material Topic	Innovative Technologies and Applications		
Impact Assessment	In response to the increasing global demand for responsible products and the requirements from brand customers for packaging, product design, and processes that align with low-carbon and environmental-friendly principles, ADLINK strives to continuously innovate, develop, and optimize research and development technologies. By providing competitive products in the market, we aim to minimize losses caused by the inability to introduce sustainable products in line with evolving trends.		
Corresponding GRI Indicators	Custom theme		
SDGs	**9** 工業、創新基礎建設 — SDGs 9 Industry, innovation and infrastructure	**12** 責任消費與生產 — SDGs 12 Responsible consumption and production	**13** 氣候行動 — SDGs 13 Climate action
Policy or Commitments	ADLINK is committed to continuously enhancing the competitiveness of product technology applications through independent research and development efforts. We actively establish a strong basis of technology patents. Additionally, in response to sustainable trends, we are gradually increasing the proportion of sustainable product development and design.		

Indicators and Goals

- **Short-Term Goals:**
1. Shared use of product packaging cardboard cartons/boxes: The sharing rate of cardboard boxes for newly developed standard products reached 60.00%.
2. Reduction of plastic packaging: EPE is replaced with air column bags, which have been introduced for 3 new product models.
3. Innovative energy-saving designs are introduced in system products to reduce energy consumption: In a new project, which incorporates a fan with a control mechanism, we have achieved an 80.00% adoption rate of controllable smart fans, resulting in a 50.00% reduction in fan power consumption.
- **Mid- to Long-Term Goals:**
1. Shared use of packaging cardboard cartons/boxes: The sharing rate of cardboard boxes for newly developed standard products reached 80.00%.
2. Reduction of plastic packaging: Air column bags have been introduced for 6 new product models.
3. Innovative energy-saving designs are introduced in system products to reduce energy consumption: In a new project, which incorporates a fan with a control mechanism, we have achieved an 100.00% adoption rate of controllable smart fans.
4. Continue to offer incentives for innovation.
5. The number of global patent applications increased by 30, and 20 patents were obtained.

Effectiveness Tracking Mechanism

- Regular assessments are conducted each year to evaluate progress and ensure that the implementation details are aligned with the target direction.
  1. Calculate the sharing rate of packaging cardboard cartons/boxes
  2. Calculate the number of cases of air column bag implementation
  3. Calculate the number of cases of controllable intelligent energy-saving fan implementation
- Formulate R&D plans for sustainable technologies and product innovations, and conduct performance reviews every year.

Annual Actions and Measures

- In 2022, we completed the reduction of paper materials first for product packaging material reduction designs, and a database was established. Considering that the sharing of packaging paper increases the use of plastics, we plan to introduce air column bags to replace plastic EPE, reducing plastic usage.
- By utilizing controllable smart energy-saving fans, we have introduced one innovative energy-saving design in a newly developed system product.

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ADLINK is focused on the development of the electronics and power field. We actively seize the opportunities available in the low-carbon economy. We have established innovation encouragement, active development, and technological optimization at the core of the R&D unit's culture. Advancing energy-saving and carbon-reducing designs is one of ADLINK's important missions. Through internal innovation projects, we examine the results, deepen our technical strengths, provide customers with sustainable and competitive products, and fulfill our corporate social responsibility.

Shared Use of Product Packaging Cardboard Boxes and Reduction of Plastic Packaging

With a focus on environmental friendliness and efficient resource utilization, ADLINK has been engaging in activities to enhance the reusability of packaging materials and reduce the usage of plastics for industrial computers. These efforts aim to promote low-carbon developments.

- Paper cardboard leveraging: The source of packaging cardboard cartons/boxes is trees and pulp. If there is no sharing of cardboard boxes between products, it would result in a significant amount of new packaging materials. Whenever a batch of materials is received, if it cannot be utilized in a timely manner, it will remain idle in the warehouse, leading to material waste. The organization and establishment of the sharing database were completed in 2022.

- Reduction of plastics: In the packaging and transportation of industrial computers, internal cushioning materials are required to absorb external impacts and vibrations during transportation. Currently, the main cushioning material used is Expanded Polyethylene Foam (EPE), which is derived from petroleum-based materials. The processing of petroleum-based materials generates high carbon emissions, which have a negative impact on the environment. In 2022, we conducted a search for alternatives and decided to introduce air column bags.

Controllable Intelligent Energy-Saving Fan

ADLINK optimizes product performance and power consumption models through smart fans to save energy and reduce environmental impact. ADLINK launched the "Smart Fan" for system-level products, which enables products to adjust fan speeds under low operating loads, so that the products can meet the low noise and lower system power consumption requirements.

In 2021, ADLINK integrated communications across different departments, and optimized the fan speed control mechanisms through BIOS/firmware code, providing system products with both efficient heat dissipation designs and energy saving features.

ADLINK system-level products with smart fans use high-efficiency fan speeds to dissipate heat in order to meet the cooling requirements of the system. In addition, in general use situations, with the use of medium-speed fans, the power consumption of the fan body can be reduced by 50.00%. In the case of low power consumption of the system, using a low-speed fan can reduce the power consumption of the fan by 75.00% and achieve an energy-saving and quiet system. In 2022, the establishment of standard formats was completed to enhance cross-department communication efficiency, and 85.00% of the projects were successfully implemented.

Energy Monitoring System

In 2023, one of the core products of ADLINK is the EMU-200 (Arm Gateway System). The product is positioned to serve as an energy monitoring platform with its rich capabilities in both wired and wireless communication. The expected goals for the product are:

1. Reduce energy consumption and improve energy efficiency
2. Reduce carbon emissions

Application Scenarios of the EMU-200

- Energy Monitoring in Office Buildings

Using the EMU-200 and connecting it to sensors, such as a current sensor, allows the monitoring of electrical current and measuring the energy consumption of machines. Temperature sensors can indicate the amount of energy they are generating, and other types of sensors can monitor humidity and CO2 levels. All these activities are then transformed into usable data to reduce carbon emissions.
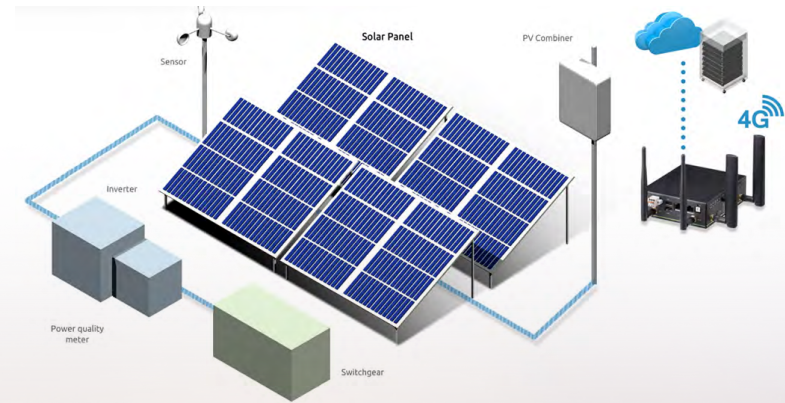
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- Energy Monitoring in Factories

Understanding and monitoring how machines are used and tracking their energy consumption in facilitates energy-saving decision-making.
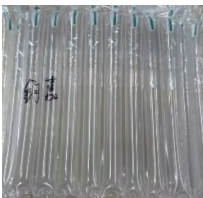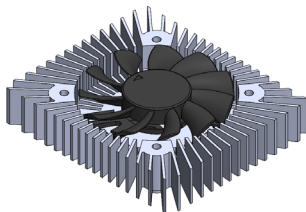

- Monitoring of Solar Power Energy Systems

This scenario monitors the performance of decentralized solar arrays, the battery load in energy storage systems, and environmental sensors, such as panel temperature and system voltage sensors. Utilizing the EMU-200 to gather this data not only helps solar power plants achieve high energy efficiency, but also enables solar service providers to monitor the surplus energy they produce, which can then be supplied to their customers (solar energy rights holders).

Through the use of EMU-200, ADLINK customers can monitor energy consumption to reduce carbon emissions and greenhouse gas emissions, while assisting energy systems in achieving high energy efficiency. This helps conserve energy and reduce environmental impact.

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Energy-Saving and Carbon-Reducing Products/Services of ADLINK

Products/Services	Product/Service Images	Energy-Saving Focus
Shared use of product packaging cardboard cartons/ boxes and reduction of plastic packaging		Paper cardboard leveraging: Industrial computer products require packaging with cardboard boxes or cartons to prevent damage during transportation. To avoid the need for redesigning new boxes for each new product, ADLINK has established a priority list for using existing cardboard boxes and cartons. This allows for the easy application of suitable packaging during the development of new products and facilitates faster inventory turnover, reducing the likelihood of material obsolescence and waste. • List for using existing cardboard cartons: 50 designs in the Taipei Plant and 29 in the Shanghai Plant. • List for using existing cardboard boxes: 29 designs in the Taipei Plant and 15 in the Shanghai Plant. Reduction of plastics: We have implemented the use of air column cushioning material to reduce the usage of the existing Expanded Polyethylene Foam (EPE) packaging material. The air column cushioning material is also made of plastic but has a smaller volume before inflation. Once inflated, it achieves a similar appearance and volume to EPE. Therefore, with the same final appearance and volume, the air column cushioning material requires less plastic material. If the air column cushioning material is used instead of EPE, the reduction in plastic usage per product will vary depending on the specific designs of the products. The reduction can range from 50.00%, with a decrease from 0.02 grams to 0.01 grams, to as much as 90.00%, with a decrease from 0.2 grams to 0.015 grams.
Controllable intelligent energy-saving fan		ADLINK system-level products with controllable smart fans use high-efficiency fan speeds to dissipate heat in high-energy consumption scenarios in order to meet the cooling requirements of the system. It can reduce the power consumption of the fan by 50.00% to 75.00%. Taking the example of the fan listed on the left, with a maximum power consumption of 3.96W (12V/0.33A). When utilizing Pulse Width Modulation (PWM) technology, PWM control allows for adjusting the fan speed as needed. When the fan operates at low speeds, the power consumption is reduced. According to the fan specification sheet, it is possible to decrease the fan's power consumption from 1.98W to 2.97W. Assuming a scenario where an industrial computer product contains one fan and operates 24 hours a day, 365 days a year without being turned off, the potential energy savings per year by using a smart, energy-efficient fan compared to a traditional fan would be up to 2.97 Watts x 24 hours x 365 days = 26 kWh.
Energy Monitoring System		By leveraging its extensive wired and wireless communication capabilities, such as in office buildings, factories, and solar energy systems, the monitoring system can achieve: 1. Reduced energy consumption and improved energy efficiency 2. Reduced carbon emissions

Note:The total energy-saving and carbon reduction potential of the products/services in the table above cannot be estimated accurately due to various factors depending on the types and quantities of new product projects, actual sales figures, and user usage patterns (including the controllable smart energy-saving fan and energy monitoring system).

3.4 Customer Service

Management of ADLINK's Material Topic "Customer Relationship Management" in 2022

| Material Topic	Customer Relations Management		
Impact Assessment	ADLINK is committed to achieving customer satisfaction and places great importance on customer-centric relationship management. We prioritize providing products and services that meet the needs of our customers and strive to deliver market-competitive products and high-quality services, thereby improving customer loyalty. Neglecting customer relationship management in the long term can result in decreased customer loyalty, lower customer service satisfaction, and reduced customer relationship value. These negative effects can lead to further customer loss and impact business operations.		
Corresponding GRI Indicators	Custom theme		
SDGs	N/A		
Policy or Commitments	We strive to provide customers with excellent quality, competitive pricing, and timely service to enhance their competitiveness. We uphold the principle of continuous improvement and involve all employees in education and training to strengthen their quality awareness. In product manufacturing, we focus on execution and upholding quality assurance. In research and development, we strive for excellence and technical capability improvements. In business promotion, we are market oriented to meet customer needs.		
Indicators and Targets	**Short-Term Objectives** • Maintain a score of 3.3 or above in customer satisfaction **Mid- to Long-Term Objectives** • Our mid- to long-term objective is to become the most trusted partner for our customers. By continuously improving customer satisfaction, we ensure that customers have the best experience and value in their collaboration with ADLINK. Customer feedback is highly valuable to us as it directly influences our future development direction and strategies. • We view survey results as opportunities to continuously improve and enhance our product quality, service standards, and customer support. This will help us meet customer needs, provide exceptional products and services, and maintain a leading position in the market.		
Effectiveness Tracking Mechanism	Conduct customer satisfaction surveys once every year	Annual Actions and Measures	• The overall customer satisfaction score in the 2022 survey was 3.6, which is a decrease of 0.3 points compared to the previous year. The reason for this decrease is attributed to customer dissatisfaction with the delivery process efficiency. The feedback has been reported to the relevant departments, and senior managers are actively coordinating efforts to expedite the supply of the scarce materials from the suppliers. A revision plan has been initiated, with the aim of completing the redesign of the main product lines facing severe shortages between 2 to 4 months. This will enable us to enter mass production and fulfill customer orders. Additionally, we are actively conducting verification of alternative materials to replace the current shortages. For critical raw materials that are shared and have long lead times, ADLINK is collaborating with the Product Division and Global Procurement Department to provide estimated demand to suppliers and stabilize the delivery schedule of ADLINK products. • The customer satisfaction survey for 2022 was carried out by the Corporate Marketing Department. In addition, a website satisfaction survey was included in the questionnaire.

ADLINK leads edge computing and is a catalyst for advancing the world of AI. We manufacture and develop edge computing hardware and software solutions for embedded, distributed and intelligent computing, and thousands of customers around the world trust us as a key partner in their mission-critical success. ADLINK is also an important partner of Intel, NVIDIA, AWS and SAS. We actively participated in the formulation of more than 24 standards and specifications for open-source technologies, robotics, autonomy, IoT, and 5G to drive innovations in the fields of smart manufacturing, network communication, smart healthcare, energy, national defense, smart transportation, and gaming.

Complete customer service is the key value at ADLINK; our Customer Care Center is dedicated to supporting worldwide customers on product orders, deliveries, and after-sales service. Its mission is to respond to customer expectations and feedback by resolving issues and satisfying their requirements in a swift and precise manner. We further provide three customer commitments and uphold these standards as strictly as we can. We hope to complete our work before customers ask. This is the service direction of ADLINK Technology Inc. The three customer commitments are:

1. Confirmation of delivery dates for standard product orders shall respond within one working day upon receipt.
2. Online "Ask an Expert" quality and technical consulting platform shall respond within two working days.
3. Products returned for repairs must be serviced within 10 working days of receipt by ADLINK.

In order to fulfill our commitments to product quality and customer service, the Customer Care Center conducts annual satisfaction surveys for specific global accounts. The survey focuses on two areas of overall product quality (capability/reliability) and customer service (delivery/after-sales/technical support) to obtain a detailed understanding of customer approval on ADLINK's all-round support. The results of annual satisfaction survey are compiled by the Customer Care Center and published at a designated time to provide relevant departments with a reference for making corresponding improvements; review meetings are convened to consolidate the analyses and actions from team owners, and finally, the Customer Care Center integrates the information to create an improvement report for key customers with suggestions, including the addition of tracking questions, if necessary, in next survey to further realize customers' reactions to the execution of improvements. The updated status of ongoing improvements is provided along with the invitation email of future surveys. ADLINK expects that the increasingly detailed and comprehensive improvements during every survey will make customers feel valued. The ultimate goal of ADLINK is to continuously challenge ourselves through constant progress for pursuing the top level professional and high-quality customer service.

ADLINK Key Customer Satisfaction Survey Results from the Past 3 years

North America 28%
EMEA 30%
China 23%
APAC 19%

2020 (24)	2021 (26)	2022 (36)
3.9	3.9	3.6

KPI 3.3
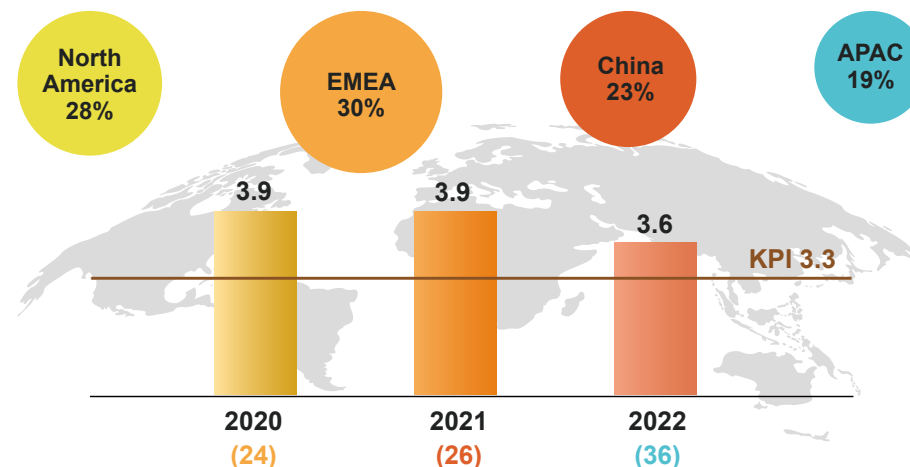
Note 1:The pie chart shows the percentage of recycling points in the four business areas in 2022
Note 2:The bar chart is the total average score of the recovery score in the past three years (number of surveyed customers)
Note 3:5 = Very satisfied, 1 = Very dissatisfied

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Environmental Care

4.1 Climate Change

4.2 Energy Conservation and Carbon Reduction

4.3 Waste Management

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4.1 Climate Change

The world is facing severe challenges related to environmental impact. How companies respond to climate change, energy and resource use, and conduct impact assessments, risk management and strategy implementation on environmental-related issues will be more crucial in the future. In response to global environmental protection ideals and climate change, we continue to uphold the environmental, health and safety (EHS) procedures as required by law, and provide necessary support for the implementation of EHS operations. We are committed to upholding the highest EHS standards at all times. Therefore, after passing the ISO 14001 environmental management system verification in 1999, we obtained RBA VAP GOLD level certification (196.5 points) in 2022. We are expected to complete the ISO 14064-1 standard greenhouse gas emission inventory and verification (for 2022) in 2023 to confirm our organizational emissions inventory calculations and results conform with the verification standards. We will continue to advocate green procurement and product manufacturing and reduce greenhouse gas emissions and energy consumption. We aim to fully commit to global environmental protection and the establishment of a sustainable green industry.

ISO 14001

While satisfying the requirements of ISO 14001 environmental management system, ADLINK also recognizes that environmental protection, as well as the maintenance of EHS, all form a part of sustainability. We are continuing to make improvements to ESH performance and set these as a new baseline for operational EHS. We have also implemented environmental pollution prevention and resource conservation goals.

ADLINK EHS Policy

1. Reduce energy and resource consumption; reuse resources.
2. Use low environmental impact materials and environmental-protection requirement compliant material.
3. Establish a safe, healthy and environmentally friendly workplace; aim for zero occupational accidents.
4. Comply with environmental, safety and health regulations, commit to standing by our customers'requirements.
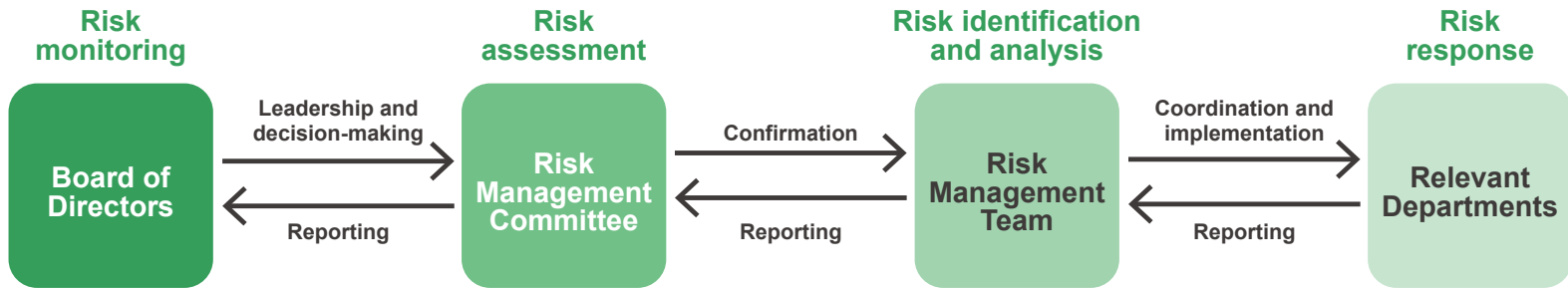5. Continue to make improvements; prevent occupational injuries and environmental pollution.

Reduce waste and pollution

Provide eco-friendly products and services

Demonstrate environmental responsibility

The revised ADLINK green environmental policy

Continuous improvement

Comply with laws and specifcations
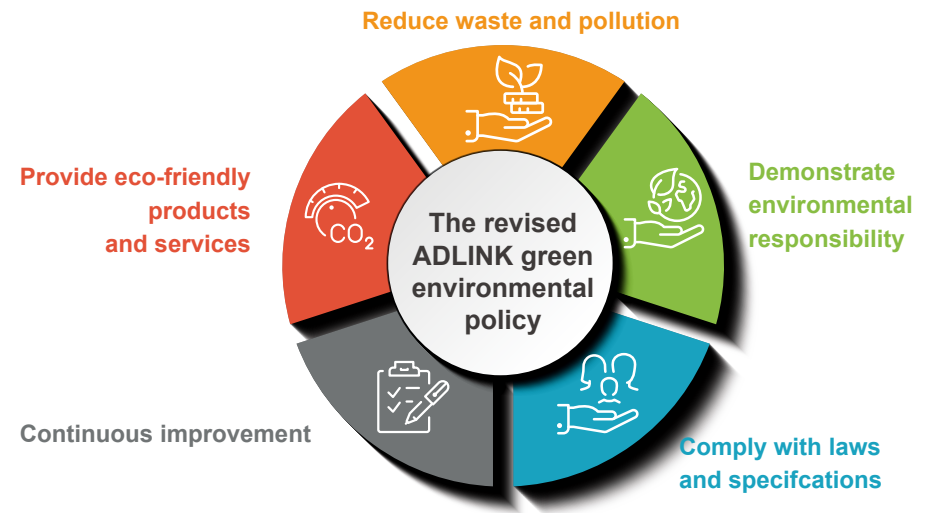
EHS Policy

· **Reduce energy & resource consumption; reuse resources.**
· **Use low environmental impact materials and environmental-protection requirement compliance material.**
· **Establish a safe, healthy and environmentally friendly workplace; aim for zero occupational accidents.**
· **Comply with environmental, safety & health regulations, commit to standing by our customers' requirements.**
· **Continue to make improvements; prevent occupational injuries & environmental pollution.**

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ADLINK's Implementation Status on Climate-Related Information

	Item	Implementation Status
1	Description of the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	The company has planned the schedule for conducting greenhouse gas inventory and verification in accordance with the letter received from the Taiwan Stock Exchange Corporation. The schedule has been submitted to the Board of Directors, and the progress will be reported to the Board on a quarterly basis for monitoring and control.
2	Description of how the identified climate risks and opportunities affect the operations, strategies, and finances of companies (short term, medium term, and long term).	In response to climate change, both domestic and international regulations, limited energy resources, market demands, and the immediate and long-term impacts of climate change, the company anticipates increased operating costs, restricted sales, and potential impacts on its reputation. To mitigate risks or turn them into opportunities, the company will gradually invest in carbon reduction initiatives, introduce low-energy consumption products, and take measures to minimize the impact of climate change on its future operations.
3	Description of the financial impacts of extreme climate events and transitional actions.	To address the risks associated with climate change, the company will gradually propose adaptation and mitigation strategies and implement relevant measures. These will include adopting carbon platforms, obtaining ISO certifications, and purchasing carbon credits, etc. As a result, the company's financial expenditure will expectedly increase.
4	Description of how the identification, evaluation, and management of climate risks are integrated in the overall risk management system.	The "Climate-related Risk Identification and Assessment Process Flowchart" is in compliance with the framework and implementation methods outlined in section 2.7 "Enterprise Risk Management System." It demonstrates the comprehensive control of climate risks.
5	Greenhouse gas inventory and assurance.	In 2023, the verification process covering the reporting period (2022) was completed, confirming that the calculation process and results of organizational emissions inventory were in compliance with the verification criteria of BSI: • Scope 1 and 2 (Category 1 and 2): Reasonable guarantee level • Scope 3 (Category 4): Limited guarantee level

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Four Core Elements of TCFD

Core Criteria of Climate Related Financial Disclosures

| Core Elements	Action Plans
Governance	• The company has planned the schedule for conducting greenhouse gas inventory and verification in accordance with the letter received from the Taiwan Stock Exchange Corporation. The schedule has been submitted to the Board of Directors, and the progress will be reported to the Board on a quarterly basis for monitoring and control. • The Risk Management Committee coordinates relevant departments within the company to jointly review the internal and external risks faced by the company, including climate change risks, and develop risk mitigation strategies for significant company-wide risk issues. • The ESG Sustainability Committee is responsible for defining the company's sustainability vision, mission, policies, and specific action plans, including those related to climate change. It is supported by relevant functional teams for the execution of these initiatives.
Strategy	The company incorporates the potential impacts of climate change into overall operational considerations. It assesses the probability and severity of risks, and develops plans for risk response and mitigation. Based on business type, risk strategies, and financial planning, the company identifies physical and transitional risks and opportunities. Through scenario simulations of potential climate-related financial impacts, it formulates proactive climate actions and establishes plans for risk response, mitigation measures, and crisis management mechanisms. For the company's main short-, mid-, and long-term risks and opportunities, please refer to the the "Financial Impacts of Climate-Related Risks and Opportunities".
Risk Management	In order to identify and assess significant climate-related impacts or risks, the Risk Management Team initiates an identification process across departments and conducts analyses. After understanding the specific potential financial impacts, the findings are reported to the Risk Management Committee for risk assessment. This serves as the basis for policy development and goal setting. Regular reports are provided to the Board of Directors in order to establish a robust climate management process. The procedure above complies with the company's risk management system, including the steps of identification, analysis, assessment, response, supervision, and review. Please refer to the "Climate-related Risk Identification and Assessment Process Flowchart". Climate-Related Risk Identification and Assessment Process Flowchart

Core Elements	Action Plans
Indicators and Goals	To mitigate the risks and impacts of climate change and achieve carbon reduction and energy efficiency goals, we employ indicator-based management to address climate-related risks and opportunities: • **Energy conservation and carbon reduction long-term promotion of the mid- to long-term plan of "energy-saving and carbon reduction measures" to reduce carbon emissions by 5.00% by 2025 (with 2022 as the base year). The main measures are as follows:** The office buildings and plants continue to implement energy-saving and carbon reduction measures: 1. Energy conservation: Energy-saving measures, low-carbon operations, use of renewable energy, and changes to office space behaviors are expected to reduce carbon by 2.00%. 2. Water conservation: Automatic faucets, water-saving toilets, daily inspections of taps on each floor, installation of self-cleaning glass for office buildings, sensors for gardening irrigation systems are expected to reduce carbon by 1.00%. 3. Replacement of high energy-consuming equipment in plants: Expected carbon reduction of 2.00%. • **GHGs: In 2022, the greenhouse gas emissions of Category 1 (Scope 1) were 641.66 metric tons of CO_2e, Category 2 (Scope 2) emissions were 4,780.24 metric tons of CO_2e, and Category 3 (Scope 3) emissions were 1,058.42 metric tons of CO_2e. As there was a change in the operational boundary due to the relocation of ADLINK to Guishan Hwa Ya, 2022 was set as the base year. The company regularly inspects and manages Scope 1, Scope 2, and Scope 3 (Categories 1 to 6) greenhouse gas emissions. In order to establish and plan energy-saving strategies and actions, we advocate for international greenhouse gas and global warming issues.**

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Financial Impacts of Climate-Related Risks and Opportunities

ADLINK conducts risk assessments for climate-related risks and opportunities. The impacts are analyzed and ranked based on their severity and likelihood. The severity is categorized into three levels: low, medium, and high, while the likelihood is categorized into three levels: unlikely, possible, and highly likely. Through this analysis, medium to high-risk projects are identified. Subsequently, appropriate response measures are developed to enhance ADLINK's resilience in addressing climate change risks and opportunities.

Climate-Related Risks and Opportunities Matrix
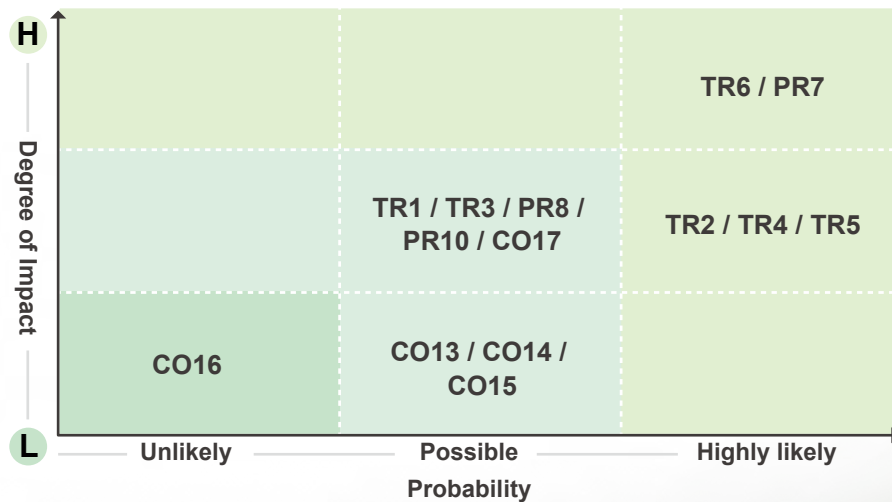
Note:TR denotes transition risk items, PR is physical risk items, and CO is opportunity items

List of Climate-Related Risks and Opportunities

Climate Risk Items	Climate Opportunity Items
TR1. Policy and legal risks (carbon reduction related regulations)	CO13. Market needs
TR2. Policy and legal risks (international initiatives)	CO14. Green product consumption awareness
TR3. Policy and legal risks (renewable energy-related regulations)	CO15. Construction or product manufacturing
TR4. Policy and legal risks (increase in utility bills)	CO16. Emission trading
TR5. Market Risk (changes to market needs)	CO17. Company reputation
TR6. Risk of insufficient energy and resources (limited or insufficient power supply)	
PR7. Long-term risks (increase in demand for energy resources)	
PR8. Short-term risks (severe typhoons and heavy rain)	
PR10. Mid- to long-term risks (water and electricity restrictions)	

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After examining the risks, the company has analyzed the impact of climate change on its financial status and has identified annual adaptation measures. The disclosure of "Financial Impacts of Climate-Related Risks and Opportunities" is as follows:

Financial Impacts of Climate-Related Risks and Opportunities

	Climate Risks		Climate Opportunities		Adaptation Response and Actions
Transition Risk	Carbon tax (TR1)	• Increase in operating costs and limited sales • Penalties and impact on reputation	Emission Trading (CO16)	Decrease in operating costs	• Understand the carbon tax laws and regulations of relevant countries and formulate response measures in advance • Understand the raw materials and origins of products and stipulate procurement strategies • Establish internal carbon management (inventory, reduction, and performance management) processes within the group and integrate it with the carbon trading platform • Plan carbon credits and green electricity certificates purchases in advance to reduce future risks • Publicly disclose carbon emission information and stipulate short- mid-, and long-term goals, as well as net zero targets
	Energy conservation requirements of products (TR5)	Limited sales	Consumer demand for green products (CO14)	Sales increase	• Introduce ISO 14067 to help consumers understand the carbon footprints of products • Stipulate the Eco Design Rule to designate the carbon output target of products during their life spans
	Renewable energy laws and regulations (TR3) Increase in energy-related expenses (TR4)	• Installation of solar energy equipment • Increase in operating costs	Save energy and resources through green buildings and production process (CO15)	Decreased operating costs and reduced risk impacts	• Adoption of an energy management system to analyze energy consumption • Set energy consumption management targets to evaluate the energy savings and recycling benefits of equipment replacement • Reduce waste and improve production efficiency and production quality through APS • Set carbon emission targets for manufactured products and increase the carbon emission intensity of products
	Water and electricity restrictions (TR6)	Impacts on operations lead to increased operating costs			• Formulate a business continuity plan and backup plans to reduce risk
			Monitor the demand for energy-consuming products (CO13)	Increased sales and increased product lines	• Work with carbon management platforms to launch integrated products based on the company's products
	International initiatives (TR2)	• Limited enhancement of reputation • Brand customers lean toward working with suppliers that participate in international initiatives	Favored by brand companies (CO17)	• Sales increase • Increase good reputation	• Participate in international initiatives with brand customers (such as COP26, CDP, RBA) • Establish committees related to the issues of international initiatives to stipulate net zero targets and strategies
Physical Risk	Immediate: Drought, high temperatures, floods, heavy rainfall, and typhoons (PR8) Long-term: Increase in demand for energy resources resulting in water and electricity restrictions (PR7, PR10)	Impacts on operations lead to increased operating costs			• Adoption of an energy management system to analyze energy consumption • Set energy consumption management targets to evaluate the energy savings and recycling benefits of equipment replacement • Formulate a business continuity plan and backup plans to reduce risk

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ISO 14064-1 GHG Inventory

Management of ADLINK's Material Topic "Greenhouse Gas Emissions" in 2022

Material Topic	GHG Emissions
Impact Assessment	• Positive: Satisfy customer needs, comply with government regulations, and respond to global sustainability through the institutionalization of carbon inventory. • Negative: Carbon taxes, carbon fees, electricity fees, the company's expenditures for growth, and carbon emissions causing climate change.
Corresponding GRI Indicators	• 305-1 Direct (Scope 1) GHG emissions • 305-2 Energy indirect (Scope 2) GHG emissions • 305-3 Other indirect (Scope 3) GHG emissions • 305-4 GHG emissions intensity
SDGs	SDGs 13 Climate action

Policy or Commitments

1. ADLINK's environmental sustainability planning- Realizing net zero emissions through carbon management:
   - GHG inventory
   - Establish carbon reduction goals
   - Introduce the ACA carbon management platform
   - Introduce the low-carbon smart building platform
2. Climate change policy:
   - Mitigate the impacts of climate change
   - Effective energy resource waste
   - Support carbon emission reduction activities
   - Move towards net zero emissions

Indicators and Targets

1. Carbon inventory reduction target with 2022 as the base year:
   - Short-term goal: Carbon reduction of 4.00% by 2023 and green electricity use accounting for 2.00% of total electricity consumption in 2022.
   - Mid-term goal: Carbon reduction of 10.00% by 2026 and green electricity use accounting for 6.00% of total electricity consumption in 2022.
   - Long-term goal: Carbon reduction of 20.00% by 2030 and net zero emissions by 2050.
2. Work objectives:
   - Use carbon management platforms to understand and manage the carbon emission trends of the company's operating locations through data and visual presentations.
   - Use green electricity, establish solar power generation, reduce electricity waste (scheduling for large equipment and smart controls for small equipment), continue to implement carbon emission monitoring, replace energy-consuming equipment, and purchase green electricity certificates or carbon rights.

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Material Topic	GHG Emissions
Effectiveness Tracking Mechanism	• Conduct management solutions combined with the environmental safety and health system. Track the implementation of various targets every quarter. • Internal inventory data audits. • Third party verification: The 2022 inventory data has been verified by a third-party impartial organization, BSI. Scope 1 (Category 1) and Scope 2 (Category 2) are rated as reasonable levels, while Scope 3 (Category 4) is rated as limited level. • CDP platform declaration: The 2022 evaluation results are climate change (grade C) and water (grade C). • Feedback and complaints: Stakeholder feedback can be provided through the company's official website or the ESG mailbox for addressing any concerns or feedback.
Annual Actions and Measures	• Replacing the laboratory workbench desk lamps with LED lights resulted in a total electricity savings of 3.09%. Reduce carbon emissions by 185.52 tons. • By establishing a storage area for used pallets and planning the maximum storage capacity, we have reduced the frequency of clearing out waste pallets in the warehouse. As a result, the number of trips by vendors have decreased, leading to savings in transportation costs. The total savings in transportation costs amount to NT$32,500. • Established an independent industrial waste recycling room to effectively manage valuable industrial waste. • By reducing the number of containers for storing contaminated waste textiles and implementing a centralized compression system using space bags, we have effectively reduced the space occupied by contaminated containers. In 2022, the contaminated space was reduced by 27.50%. • We are in the process of setting up a solar photovoltaic system, which is expected to generate enough electricity for approximately 1.00% of our usage. Due to the longer contractual terms involved, it has affected our long-term planning. As a result, we have deferred the implementation of this energy-saving project to 2023 (currently pending approval from the Taiwan Power Company).

Climate change is an important global issue that has garnered international attention. The greenhouse gas effect has resulted in a rise in global temperatures, and the impacts of global warming are becoming increasingly significant. Taiwan follows the principles of the United Nations Framework Convention on Climate Change (UNFCCC), which emphasize the shared but differentiated responsibilities and respective capabilities of nations. In line with global efforts to address climate change, Taiwan released the "Taiwan 2050 Net-Zero Emissions Pathway and Strategy" in March 2022, aligning with the United Nations Climate Change Conference. The strategy includes four major transformational strategies: energy, industry, lifestyle, and society, as well as two governance foundations, technology research and development and climate legislation. The strategy aims to establish a pathway for achieving net-zero emissions and conduct technology assessments while enhancing social communication and expanding public participation. The implementation of greenhouse gas inventory is the foundation for managing carbon risks within an organization. It enables the organization to identify energy-saving opportunities internally and assess the emission intensity of its products. It provides insights into the carbon footprint within the process boundaries and allows for the expansion of green product design opportunities that align with the green supply chain. Furthermore, it enhances the company's social image. Therefore, implementing ISO 14064-1 for organizational greenhouse gas inventory is a starting point that helps the company establish and manage responsibilities and risks associated with greenhouse gases.

ADLINK also plans to implement energy-saving lighting, water-saving equipment and other features in the Hwa Ya Plant. We hope this will help keep the increase in average global temperature to within 1.8 ℃ as required by COP26. We are also providing quantified reports on energy use in order to maintain information transparency for stakeholders. We are adopting effective measures to jointly reduce the drastic changes in the global climate and comply with the requirements of international standards for greenhouse gas management. ADLINK will continue to improve in the future to meet the needs and expectations of society.

Energy Management Goals	2022	Targets in 2023	Targets in 2030	Targets in 2050
Ratio of Renewable Energy Use	Base Year	2.00%	6.00%	6.00%
Carbon Intensity Reduction Goal	Base Year	3.00%	24.00%	100.00%

Note:The Zhonghe Plant was relocated to the Hwa Ya Plant in July 2021, therefore 2022 is set as the base year.

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Efforts to control GHG emissions are actively supported by ADLINK. The ''Greenhouse Gas Inventory Team'' with the ''Environmental Safety and Management Committee'', also serve as the cross-department platform for implementation and integration of GHG policy. Current efforts are focused on the collection of GHG emission data to formulate emission reduction plans and provide a baseline for the overall program.

According to statistics from January 1, 2022, to December 31, 2022, the types and quantities of the GHG inventory are listed as follows:

- GRI 305-1 Direct (Scope 1) GHG emissions: 641.66 tons of carbon

- GRI 305-2 Indirect energy (Scope 2) GHG emissions: 4,780.24 tons of carbon

- GRI 305-3 Other indirect (Scope 3) GHG emissions: 1,058.42 tons of carbon

- GRI 305-4 Greenhouse gas emission intensity: 0.00068 (tCO2e/thousand NTD)

- GRI 305-5 Reduction of GHG emissions: 2022 was the first year of transitioning to the new headquarters and Hwa Ya Plant, so it was set as the baseline year. Going forward, emission reduction plans will be based on the year 2022, and the emission reduction measures and reduction targets will be detailed in the 2023 Sustainability Report.

ADLINK's Greenhouse Gas Emissions in the Past 3 years

Type	Inventory Item Descriptions	GHG Emissions (Metric Tons)		
		2020	2021	2022
Scope 1 (direct) *GRI 305-1	Dissipation of refrigerants	Fugitive emission sources: Septic tank, air conditioning, equipment refrigerants, refrigerators, domestic sewage, and fire-fighting facilities	324.38	404.61	555.06
	Goods transportation	Gasoline used in factory goods transportation	1.76	1.54	0.00
	Fixed combustion	Fixed emission sources: Emergency generator and boiler	-	-	86.60
	Total emissions (tons of carbon)		326.14	406.15	641.66
Scope 2 (Indirect energy) *GRI 305-2	Externally purchased electricity	The total amount of externally purchased electricity used for the company's operations and production	2,148.69	3,103.00	4,780.24
	Total emissions (tons of carbon)		2,148.69	3,103.00	4,780.24

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Type	Inventory Item Descriptions	GHG Emissions (Metric Tons)		
		2020	2021	2022
Scope 3 (Other indirect) *GRI 305-3	Waste disposal / Greenhouse gas emissions of waste disposal	0.01	0.01	84.27
	Business trips *Not included in the disclosure scope of the greenhouse gas inventory report	Greenhouse gas emissions of employees on business trips abroad through the business travel system	230.46	11.19	136.31
	Outsourced handling of externally purchased electricity *Added in 2022	Greenhouse gas emissions of outsourced handling of externally purchased electricity	-	-	828.32
	Outsourced handling of externally purchased water *Added in 2022	Greenhouse gas emissions of outsourced handling of externally purchased water	-	-	9.52
	Total emissions (tons of carbon)		230.47	11.2	1,058.42
Total annual emissions (tons of carbon)		2,705.30	3,520.35	6,480.32
Turnover (NT$ thousand)		6,081,925	6,506,748	7,997,996
GHG emission intensity *GRI 305-4	(Scope 1 + Scope 2) Emissions and greenhouse gas emission intensity	(tCO2e/thousand NTD)	0.00041	0.00055	0.00068

Note 1:The fields with missing values for the years 2020 and 2021 were not filled in due to the absence of independent factory buildings. This was handled by the Office Building Management Committee, and no statistics were collected for those years.

Note 2:The greenhouse gas emissions in the table only cover the ADLINK headquarters building and Hwa Ya Plant. The turnover data is based on the individual financial reports.

Note 3:The method for compiling the amount of greenhouse gases is operational control.

Note 4:The Global Warming Potential (GWP) ratios are sourced from the IPCC Sixth Assessment Report (AR6) on Climate Change. The refrigerant loss factor ratio is sourced from the IPCC Fourth Assessment Report (AR4) on Climate Change.

Note 5:Due to the carbon emission factors for the current year not having been announced by the Bureau of Energy during the implementation of the ISO 14064-1 inventory, the carbon emission factors for electricity from the previous year were used for calculations. The carbon emission factors for electricity used in 2020 to 2022 were based on the coefficients announced by Taiwan Power Company for 2019 to 2021, which are 0.509 kgCO2e/kWh, 0.502 kgCO2e/kWh, and 0.509 kgCO2e/kWh respectively.

Note 6:Due to calculation and cumulative errors, there will be a margin of error of 1.00% in the total inventory data between this report and the 2022 inventory report.

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Since ADLINK uses electricity as its main power source, the relocation to the Hwa Ya Plant in July 2021 resulted in an increase in electrical equipment, which has resulted in a relative increase in greenhouse gas emissions. The ratio of indirect emissions can be seen from the Scope 1 and Scope 2 percentages. In addition, from the perspective of energy intensity as a ratio of power consumption and production output, the energy intensities (power consumption/output) of ADLINK production lines were 20.44794 MJ/pc, 35.95778 MJ/pc and 36.52301 MJ/pc between 2020 and 2022. Moisture-sensitive components used in the production line require drying before production. The increased drying frequency led to an increase in power consumption for production lines.

ADLINK's Individual Percentages of Scope 1 and Scope 2 in the Past 3 years
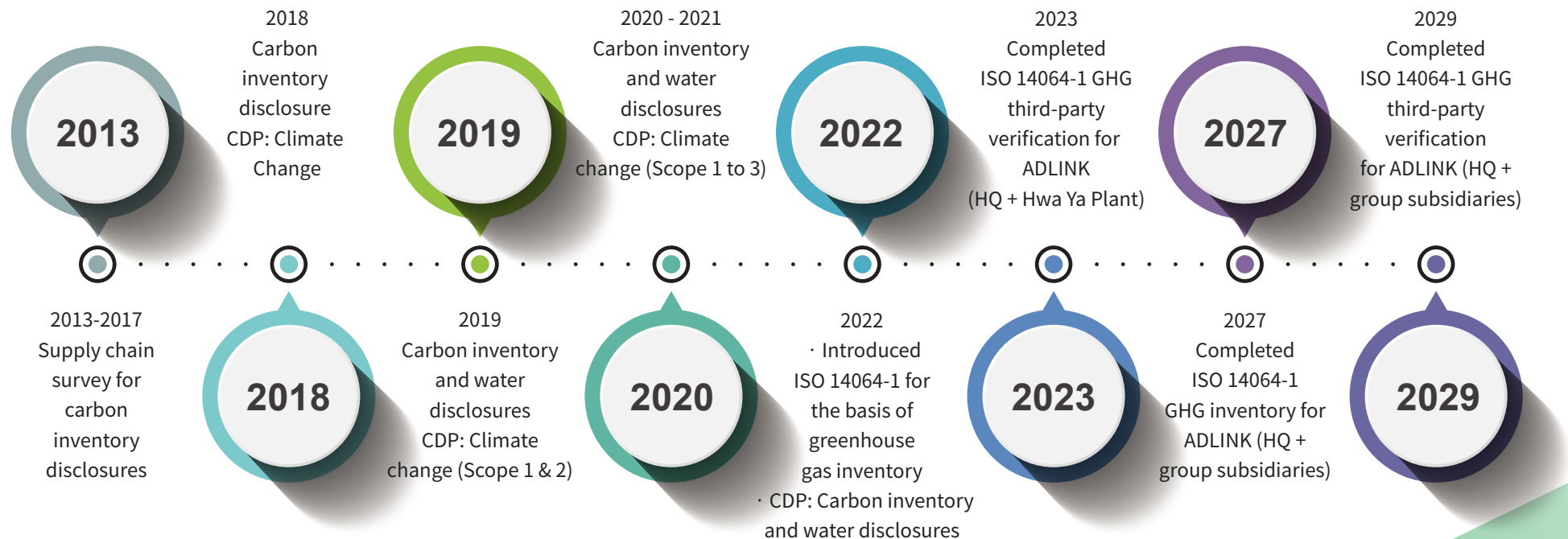
Year	2020		2021		2022	
Scope	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2
Emission Equivalent	326.14	2,148.69	406.15	3,103.00	641.66	4,780.24
Percentages of Scope 1 and Scope 2	13.18%	86.82%	11.57%	88.43%	11.83%	88.17%

ADLINK's Energy Intensity of Production Lines in the Past 3 years

Year	2020	2021	2022
Energy Intensity of the Production Line (MJ/pc)	20.44794	35.95778	36.52301

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ADLINK has proactively completed the greenhouse gas emissions inventory and verification in accordance with ISO 14064-1 standard for 2022, ahead of the requirement from the Financial Supervisory Commission. Through the implementation of effective management systems, ADLINK manages climate change, greenhouse gas, and environmental impact-related issues. The greenhouse gas emissions inventory provides information to government agencies, customers, employees, suppliers, and other stakeholders related to ADLINK's efforts in greenhouse gas emissions management. ADLINK takes into account the relevant opinions and feedback of stakeholders and ensures the conformity of the organizational emissions inventory calculation process and results with verification criteria through third-party verification. We hope to formulate mitigation measures within the greenhouse gas inventory to save energy and reduce the impact of climate change, avoid or reduce the worsening of global warming, and thus maintain the sustainable development of the global ecological environment. Furthermore, ADLINK also responds to the needs and expectations of stakeholders. Since 2013, the company has been disclosing carbon emissions and water resources related to climate change through the Carbon Disclosure Project (CDP).

GHG Inventory Disclosure History:

2013

2018
Carbon inventory disclosure
CDP: Climate Change

2019

2020 - 2021
Carbon inventory and water disclosures
CDP: Climate change (Scope 1 to 3)

2022

2023
Completed ISO 14064-1 GHG third-party verification for ADLINK (HQ + Hwa Ya Plant)

2027

2029
Completed ISO 14064-1 GHG third-party verification for ADLINK (HQ + group subsidiaries)

2013-2017
Supply chain survey for carbon inventory disclosures

2018

2019
Carbon inventory and water disclosures
CDP: Climate change (Scope 1 & 2)

2020

2022
· Introduced ISO 14064-1 for the basis of greenhouse gas inventory
· CDP: Carbon inventory and water disclosures

2023

2027
Completed ISO 14064-1 GHG inventory for ADLINK (HQ + group subsidiaries)

2029

4.2 Energy Conservation and Carbon Reduction

In order to achieve the commitment of sustainable development, ADLINK starts with activities such as energy and water resources management, product design and resource reuse, and is committed to reducing the impact on the overall environment. Through the participation and commitment of all employees, we aim to achieve our environmental protection and corporate sustainable development goals.

Energy Management

Corporate energy consumption can be discussed in terms of internal and external energy consumption. For ADLINK, we only have internal energy consumption, and do not externally consume energy. Therefore, improving energy efficiency and the proportion of renewable energy is ADLINK's energy management policy

ADLINK uses electricity as the main power source during production and business operations. Statistics show that the company's total energy consumption from 2020 to 2022 was 15,197,029.20 MJ, 22,943,257.20 MJ, and 33,809,133.67 MJ.

In the past two years, electricity consumption increased. In August 2021, we relocated to the Hwa Ya Plant. The increase in floor area and electrical equipment in public areas resulted in the increase in electricity consumption (area increased from 6,407 pings to 12,931 pings).

ADLINK's Total Energy Consumption in the Past 3 years (Unit: Megajoules; 1 kWh = 3.6 MJ)
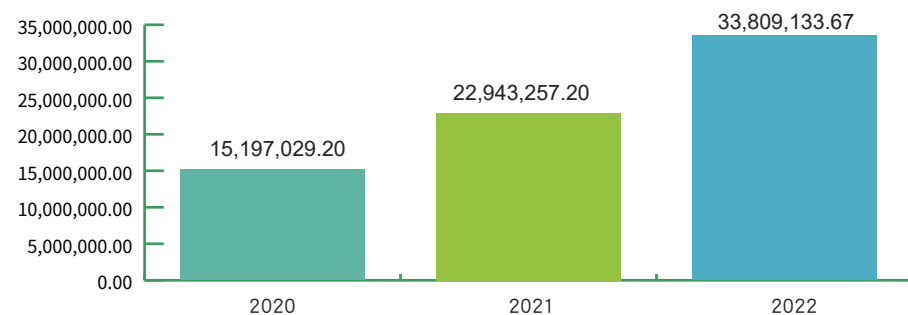
ADLINK's Energy Consumption within the Organization in the Past 3 years (Unit: Megajoules; 1 kWh = 3.6 MJ)

Energy Type		2020	2021	2022
Non-renewable Energy	Externally Purchased Electricity	15,197,029.20	22,943,257.20	33,809,133.67
	Diesel	-	10,620.00	15,750.00
	Natural Gas	-	578,270.00	1,348,930.00
Total Energy Consumption		15,197,029.20	23,532,147.20	35,173,813.67
Turnover		(NT$ thousand)	6,506,748	7,997,996
Energy Intensity		2.50	3.62	4.40
Annual Rate of Change of Energy Intensity (%)		0.22	0.45	0.22

Note 1: The source of the energy conversion factors is the Environmental Protection Administration's announcement of the Greenhouse Gas Emission Coefficient Management Table Version 6.0.4.
Note 2: Formula for calculating energy intensity: Energy consumption/total annual revenue.
Note 3: In 2020, the company was located in Far East Century Plaza in Zhonghe. The company did not have its own generators or restaurant kitchens, as all public facilities were managed by the park management committee. In July 2021, the company relocated to Hwa Ya Science Park in Taoyuan.
Note 4: The energy usage data in the table only includes the ADLINK's headquarters building and the Hwa Ya Plant. The revenue data is based on individual financial reports.

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Energy-Saving and Carbon Reduction Action Plans

In order to save energy, ADLINK has been implementing various measures, such as promoting energy-saving practices, replacing old equipment with energy-saving products, increasing the use of renewable energy, and implementing behavioral changes in the office, all aimed at reducing greenhouse gas emissions. The relevant practices include:

- Key energy-saving measures adopted since 2011:
  * Replacement of indicator lights for evacuation signs to more efficient LED lighting
  * Setting of the minimum office temperature to 25 degrees celsius
  * Installation of energy-saving fans to improve air circulation and reduce the AC demand
  * AC and lighting master switches installed for the office to prevent unnecessary power consumption outside of working hours
- Low-carbon operations:
  - In 2021, after the relocation to the Hwa Ya Technology Park in Guishan, Taoyuan, all lighting in the rear office building of the Company uses LED lights, and can reduce carbon emissions by 321.49 tons each year. The statistics are as shown in the following table:

Building	Quantity (Lamps)	Annual Electricity Savings (kWh)	Reduction Scope	Reduction of Energy Consumption (Megajoules)	Annual Reductions in Carbon Emissions (Tons of Carbon)
Building A	4,448	287,484	Scope 2	1,034,942.40	146.32
Building B	2,326	344,148	Scope 2	1,238,932.80	175.17

Note 1:In the previous ESG Sustainability Report, there was an error in the total sum of carbon emission reductions. Therefore, in this current report, the figure has been corrected to 321.49 metric tons.
Note 2:Electricity savings are calculated by multiplying the number of bulbs by the wattage saved to obtain the electricity saved. The carbon emissions are then calculated using the 2021 electricity carbon emission factor of 0.509 kg CO2e/kWh.

  * Avoiding the use of energy-intensive equipment, replacing current OA devices (such as photocopiers) with energy-saving models, and adopting energy savings as a consideration for the procurement of new equipment
- In 2022, an application was submitted to the relevant authority for the construction of a solar photovoltaic power plant. The construction is scheduled to begin in the second quarter of 2023, and it is scheduled to begin operations in the fourth quarter of the same year.
- Behavioral changes in the offices:
  * Ongoing efforts include assigning personnel to switch off power to unused offices during lunch breaks and after-hours.
  * Sunshades are used to reduce direct sunlight.
  * Unnecessary power consumption is avoided. The power distribution board is regularly checked and a professional

mechanical and electrical consultant company is entrusted to conduct regular inspections of the company's low-voltage distribution board with infrared thermal imaging.

Office lighting is now all LED

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Water Resources Management

In July 2021, the company was relocated to Guishan Hwa Ya Technology Park in Taoyuan. Since no water is required in the production process, the water consumption of ADLINK consists of water for air conditioning and daily water use by employees. The objective environmental limitations above mean that ADLINK's current water resource policy focuses on conservation.

The water used by ADLINK, except for the fire protection system and sprinkler irrigation system which use groundwater, is completely provided by the water company. Based on an assessment, it has been determined that there are currently no regions in Taiwan facing water resource constraints or scarcity (based on the State of Global Water Resources Report of the World Meteorological Organization). Groundwater rights have been registered and controlled in accordance with laws and regulations.

ADLINK's Water Intake in the Past 3 Years (Unit: Million Liters)

Water Source	2020	2021	2022
Third-party Water (Tap Water)	11.15	13.17	40.78
Ground Water	-	2.19	4.71
Total Water Intake	11.15	15.36	45.49

Note 1:The water drawn is fresh water with a total dissolved solids (TDS) content of 1,000 mg/L or less.
Note 2:In 2020, the company did not use groundwater when based in the Far East Century Plaza in Zhonghe. All public facilities were managed by the park management committee. In July 2021, the company relocated to Hwa Ya Science Park in Taoyuan.

Waste Water Discharge Management

Because ADLINK does not create production waste water, all waste water is from general daily use. The wastewater discharge is coordinated with the wastewater drainage system of Hwa Ya Technology Park. It is piped to the wastewater collection system or sewage system, and shall be properly disposed. The wastewater (sewage) is discharged to the receptive body of water or recycled. ADLINK conducts monthly water quality inspections with the park and discloses the results on the Hwa Ya Technology Park website.

Best Testing & Analysis Co., Ltd.
Taiwan EPA Certified Lab. (Accreditation No. 019)

Address:14F., No.716, Zhongzheng Rd., Zhonghe Dist., New Taipei City, Taiwan, R.O.C. 235
Website:http://www.best-lab.com.tw
Tel：886-2-8228-0770
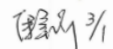Fax：886-2-8228-0760

Test Report

Test Delegator：Adlink Technology Inc
Sampling location：As remarked
Sample No.：As remarked
Sampler：Best Testing & Analysis Co., Ltd.
Place：No. 66, Huaya 1st Rd., Guishan Dist.,Taoyuan City 333411, Taiwan(R.O.C.)

Report NO.：ES220F0761
Sampling time：2022/2/14
Lab. Received：2022/2/14 16:28
Report Date：2022/3/1

Approved	Items	Test Value	Method	Remark
☆	Coliform	<1 CFU/100mL	NIEA E230.55B	22F003001 B1 bulding A 14:44-14:47
☆	Coliform	<1 CFU/100mL	NIEA E230.55B	22F003002 1F-1 bulding A 14:38-14:42
☆	Coliform	<1 CFU/100mL	NIEA E230.55B	22F003003 1F-2 bulding A 14:34-14:37
	*～*the end*～*			

page 1 of 1

Supervisor：

Note：
1.Test items are labeled as "☆" by means testing the capacity of the test items the company has been approved by the EPA, according to their test methods and analysis of the announcement, not labeled "☆" said unaccredited.
2.Drinking water standard：6

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Water Quality Management for the Plant

The water quality of drinking fountains, the cafeteria, and swimming pool in the leisure center are regularly tested on a quarterly basis. The water quality is disclosed at the site and on the intranet, and bilingual reports are provided for the convenience of local and foreign employees.

Promotion of Water Saving Projects

ADLINK's water consumption in the past 3 years was 11.15 million liters in 2020, 13.17 million liters in 2021, and 40.78 million liters in 2022. Although the water consumption has shown an increase in the past two years, the reason is that the company's relocation has changed the floor area from 6,407 pings to 12,931 pings, doubling in size. The increase in public facilities, such as pools, has resulted in an increase in the total water consumption. If the number of employees is considered in the calculations, then the average water consumption per person per day was 0.91 L in 2020. This increased to 1.05 L in 2021 and 1.26 L in 2022.

Due to water usage being associated with personnel use for office and personal purposes, starting from the second half of 2021, it also includes the water usage for employee meal preparation (employees would previously order meals from outside the office). Prior to the relocation, the water usage for purposes other than daily use was covered by the property management committee of Far East Century Plaza. After the relocation, additional water usage was added for cooling towers, external wall cleaning, and the installation of a swimming pool and fixed water supply for promoting employee health at the new site in Hwa Ya Plant headquarters. Furthermore, reverse osmosis filtered water is provided to employees to enhance water hygiene. Therefore, water consumption per person has been reset for 2022 (including related activities and process water usage).

In 2021, the water usage per unit site area was 13,167 kL/6,407 pings = 2.06

In 2022, the water usage per unit site area was 40,878 kL/12,931 pings = 3.16

Water usage increased greatly by 1.11 kL per ping, therefore water-saving plans have been implemented.

ADLINK's Average Water Consumption Per Person Per Day in the Past 3 years (Unit: Liter)
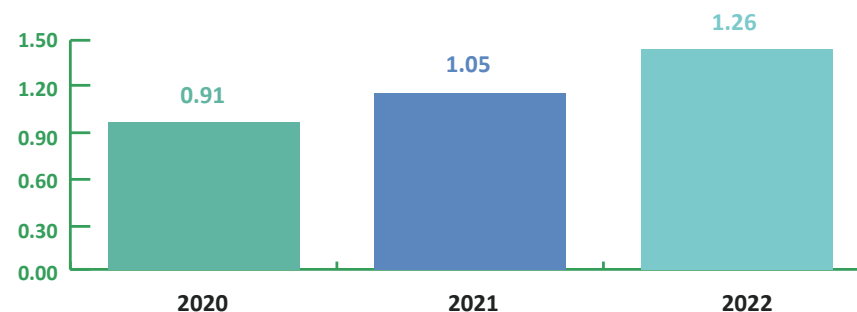
Water conservation concepts have long been promoted and water conservation measures have been implemented by ADLINK to reduce the use of water resources.

- Faucets have been changed to sensor-type faucets.

- Hwa Ya Plant installed 31 water-saving urinals and 55 water-saving toilets, saving 54.12% of water consumption every year compared to traditional equipment.

Difference in Water Usage of Traditional and Water-Saving Toilets and Urinals

	Traditional Toilet	Traditional Urinal	Gold-level Water-saving Toilet	Water Saving Urinal
Amount of Water Per Flush (Liters)	12	5	4.8	3
Amount of Water Used Per Person Per Day (Liters)	60	25	24	15
Amount of Water Used per Person Every Year (Liters)	21,900	9,125	8,760	5,475
Amount of Water Saved Per Person Every Year (Liters)	16,790			
Water Conservation Ratio	54.12%			

- There are daily inspections of taps on each floor.

- The glass of the office building is all self-cleaning glass, which can reduce the number of cleanings needed. The glass only needs to be cleaned once a year.

- The rain sensor of the garden watering system automatically stops watering after sensing rainfall to save water.

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4.3 Waste Management

Waste management involves mainly the centralized collection and sorting of recyclable waste in accordance with the company policy on "Reduce energy & resource consumption; reuse resources." (see the Waste and Resource Recycling Management Table for details). Waste is removed by contracted, qualified companies and converted into reusable resources to reduce their environmental impact. The remaining industrial waste is transported by EPA-approved contractors to legal waste treatment plants. They are also declared through the EPA's online reporting system for tracking. Types of waste include (see the Status of ADLINK's Handling of Waste in the Past 3 Years Table for details) scrapped electronic parts and components (E-0217), scrapped metal-containing PCBs (E-0221), scrapped PCBs containing parts and components (E-0222), waste liquids with a flashpoint below 60℃ (C-0301), etc.

Waste and Recycling Management

Types of Waste		Content	Handling Method	Final Handling Method
General Waste	Paper	Photocopy paper/magazines/cartons/cardboard boxes	Recycling by dedicated persons	Recycle and reuse
	Aluminum Foil	Drink bottles		
	Plastic Bottles			
	Aluminum and Tin Cans			
	Other Recyclables	Scrap metal/light tubes/batteries/glass	Commission qualified removal companies	
	General Waste	Office waste	Commission qualified removal companies	Incineration treatment
	Food Waste	Employee cafeteria food waste	Contracted livestock farms	For pig feed
Business Waste	General Industrial Waste	Solder dross	Commission qualified removal companies	Reuse
		Waste electronic components, scraps, and defective products		Physical treatment
		Scrapped PCBs containing metals and its dust		Physical treatment
		Scrapped PCBs with parts and components		Physical treatment
		Waste fibers or other cotton and fabric blends		Incineration treatment
		Waste liquid		Incineration treatment

Waste Classified by Composition in 2022 (Unit: tons)

Waste Types	Waste Composition and Components	Total Amount of Waste	Total Amount of Waste Disposed and Transferred (Recycling)	Total Amount of Waste Directly Disposed (Incineration and Landfilling)
Non-Hazardous Waste	Waste solder dross (R-1305)	0.42	0.42	0.00
	Electrical component scrap (E-0217)	0.02	0.02	0.00
	Scrapped PCBs containing metals (E-0221)	2.47	2.47	0.00
	Scrapped electronic parts and components (E-0222)	0.15	0.15	0.00
	Waste liquids with a flashpoint below 60℃ (C-0301)	0.88	0.00	0.88
	Waste fibers or other cotton and fabric blends (D-0899)	0.35	0.00	0.35
Total Waste		4.29	3.06	1.23

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Status of ADLINK's Handling of Waste in the Past 3 years

Year				2020		2021		2022	
Category	Major Types of Waste	Processing Site[Note 1]	Handling Method[Note 2]	Output (Ton)	Percentage (%)	Output (Ton)	Percentage (%)	Output (Ton)	Percentage (%)
Hazardous Industrial Waste	Waste solder dross (including lead compounds) (C-0102)	Taken off-site	Reuse	0.05	2.53	0.20	4.67	-	-
General Industrial Waste	Waste solder dross (R-1305)	Taken off-site	Reuse	-	-	-	-	0.416	9.71
	Electrical component scrap (E-0217)	Taken off-site	Recycling and reuse	0.21	11.62	0.20[Note 6]	4.77	0.017	0.40
	Scrapped PCBs containing metals (E-0221)	Taken off-site		0.39	21.23	1.46[Note 6]	34.83	2.474	57.74
	Scrapped electronic parts and components (E-0222)	Taken off-site		0.18	10.04	0.11[Note 6]	2.53	0.148	3.45
	Waste liquids with a flashpoint below 60℃ (C-0301)	Taken off-site	Incineration	1.00	54.58	2.23	53.20	0.88	20.54
	Waste fibers or other cotton and fabric blends (D-0899)	Taken off-site		-	-	-	-	0.35	8.17
Total Waste				1.83		4.19		4.29	
Recycling and Reuse Rate[Note 3]				45.42%		46.80%		71.30%	

Note 1: Processing site: On-site (in-house processing) and off-site (outsourced processing).

Note 2: Handling method: Reuse (used again for the same purpose), recycling (processed to create new materials), incineration (with energy recovery), incineration (without energy recovery), landfill, and other.

Note 3: Recycling and reuse rate (%) = Total amount recycled/Total amount of waste * 100%

Note 4: The method of determining hazardous industrial waste and general industrial waste is based on Taiwan's "Waste Disposal Act" and "Hazardous Industrial Waste Determination Standards".

Note 5: In 2022, the waste solder dross number was changed from C-0102 to R-1305. The previous number C-0102 was used for general waste solder and lead-containing waste solder generated in earlier processes. In recent years, the company has transitioned to lead-free processes. After relocating the plant in the second half of 2021, the waste removal letter was updated, and the waste solder number was changed to R-1305.

Note 6: The previous ESG Sustainability Report did not include the weight of class E waste from December 2021 and weight of waste processed in January 2022. Therefore, the current report has been updated with the latest data.

5 Employee Care and Workplace Satisfaction

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5.1 Protection of Human Rights

Introduction of RBA

Labor Human Rights Policies

ADLINK has long been committed to safeguarding employees' human rights and complying with relevant labor laws and regulations. In order to create a friendly workplace, ADLINK comprehensively refers to international standards, such as the relevant norms of the International Labour Organization (ILO) and the Responsible Business Alliance Code of Conduct, to develop a human rights management system that complies with various legal requirements such as free choice of occupation, humane treatment, prohibition of undue discrimination, and maintenance of employee health and safety. We have established a variety of channels for communication and employee submission to protect the rights and interests of employees. In addition, we provide a sound remuneration system and employee benefits that are superior to legal requirements, as well as a variety of training and development courses to choose from, in order to protect the rights and interests of employees and fulfill our social responsibilities.

Supervision Mechanisms and Execution

Through the human rights management mechanism, ADLINK implements our labor and human rights policies, and regularly reviews their implementation. We strive to fully protect labor rights and fulfill our social responsibilities.

Comprehensive Protections

Prohibition of Forced Labor

No penalties, deductions, or other measures that restrict or disadvantage workers from leaving the Company.

Promote a "zero payment" policy, so that migrant workers do not need to pay employment-related expenses.

Prohibition of Child Labor

The hiring of child laborers under the minimum working age is strictly prohibited.

Establish mechanisms to verify the age of workers in accordance with the Responsible Business Alliance Code of Conduct and the Prohibition of Child Labor and Misuse Remedy Procedures, such as: ID card birth year review.

Work Hour Management

The internal "attendance management method" and "employee handbook" ensure that employees' working hours and rest time are in compliance with laws and regulations.

Establish a control mechanism for overtime hours, regularly review employees' overtime hours and working days, and balance employees' overtime hours with production plans.

Provide a Safe and Healthy Work Environment

All new ADLINK employees must receive education and training on workplace violence and sexual harassment prevention.

We have stipulated the ADLINK Technology Inc. Guidelines for Workplace Violence Prevention and Remedial Measures, Complaints, and Punishment to provide effective complaint channels and comprehensive supervision mechanisms.

Prohibit Discrimination

Promote "anti-discrimination management procedures" to strictly prohibit employee discrimination.

In recruiting and hiring, the traditional resume fields are changed, and the gender, birthday, marital status, family status, etc. of job seekers are no longer asked.

Respect Workers' Freedom of Association

In the employer-employee meetings, all employees have the right to put forward relevant proposals and receive due responses.

Through the "Freedom of Association Management Procedures", there shall be no restrictions on employees' association activities, and support for employees to build relationships and make suggestions through groups shall be respected.

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5.2 Excellent Workplace

Supervision:

· Audit system: Based on the auditing standards of the "RBA Code of Conduct", ADLINK's systems and environment are comprehensively inspected through on-site audits, document reviews and employee interviews.

· Complaint channel: Establish muliple internal and external grievance channels for real-time supervision, and through regular meetings, such as employer-employee meetings, welfare committee meetings, and migrant workers' forums, protect employees' rights to organize and collectively bargain, and achieve harmonious communication betwcen labor and management.

Reduction:

· Through regular annual education and training, we ensure that all employees have a clear understanding of relevant regulations and rights.

· Through publicity and communication, understand employee problems at the grassroots level, discuss the issues and make decisions based upon the resulting action plan.

Risk Assessment:

ADLINK has been certified by the Responsible Business Alliance (RBA) in 2022, ensuring that ADLINK's human rights-related policies meet or exceed the RBA Code of Conduct. In the future, ADLINK will annually identify the highest risks ini regard to labor, healthcare and safety, environmental, ethical, management system and supplier management in the relevant systems according to the Self-Assessment Questionnaire (SAQ) designed by the Responsible Business Alliance.

Management:

Based on the risk assessment results, ADLINK will conduct comprebensive discussions on high-risk matters, and examine whether relevant rules and measures can protect the rights and interests of cmployecs.

Employee Diversity

Management of ADLINK's Material Topic ''Employee Diversity and Inclusiveness'' in 2022

Material Topic	Employee Diversity and Inclusiveness
Impact Assessment	• ADLINK is open to embrace a diverse structure with considerations for development. We are committed to enhancing talent competitiveness, increasing productivity, and creating more diverse economic value. Through actively promoting diversity and inclusive values, ADLINK aims to foster an equitable and respectful work environment, attract outstanding talents, and enhance corporate image. The Company evaluates investing more resources to support initiatives in training, employee benefits, diverse recruitment, and other areas that promote diversity and inclusivity. • ADLINK is committed to supporting and respecting the needs of employees from different races, genders, cultures, and religious beliefs, thereby promoting workplace equality and upholding human rights. However, companies may also encounter challenges, such as cultural friction and differences among employees, which require investing more time and resources to address.
Corresponding GRI Indicators	• 405-1 Diversity of governance bodies and employees
SDGs	SDGs 5 Gender equality SDGs 8 Decent work and economic growth
Policy or Commitments	ADLINK's vision is to establish a corporate culture that is diverse and inclusive. We aim to attract and retain employees from different cultures, races, ages, and abilities, forming a diverse team that respects and understands each other. By promoting diverse recruitment, our selection and assessment will consider the diverse composition of employees and actively seek individuals with different backgrounds and experiences. At the same time, we will also focus on hiring candidates from diverse backgrounds to reflect our commitment to diversity. Lastly, by creating an open, inclusive, and respectful work environment, we will encourage employees to share their experiences and perspectives. We also provide equal opportunities and benefits to ensure that everyone can unleash their full potential.
Indicators and Targets	**Short-Term Goals** • Maintain the proportion of permanent female employees (indefinite contracts) at 40.00% to 45.00% • Achieve a 100% medical consultation rate for pregnant employees **Mid- to Long-Term Goals** • Maintain the proportion of female managers at 23.00% to 26.00%. Enforce equality laws to create a friendly and gender-equal workplace • For middle-aged and senior employees, every year, we organize 1 to 2 activities or seminars to provide health management and care support, creating an age-friendly workplace.
Effectiveness Tracking Mechanism	We review the achievement of the diversity composition ratio goal through internal audits and external client audits conducted on an irregular basis every year.

	Annual Actions and Measures	**Attainment in 2022:** • Stipulated flexible working hours and provided child care services to care for family needs. • The employment of employees with disabilities has increased by 0.10% compared to the previous year (out of all employees). In 2022, there were 15 employees with disabilities, accounting for 1.33% of all employees. • The percentage of permanent female employees (indefinite contracts) was 42.68%, and the percentage of female managers was 25.49%. • Achieved a 100% medical consultation rate for pregnant employees.

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ADLINK is committed to creating an equal, inclusive, diverse and friendly working environment. With an open and inclusive atmosphere, we encourage employees to respect differences, learn together, and enhance team cohesion.
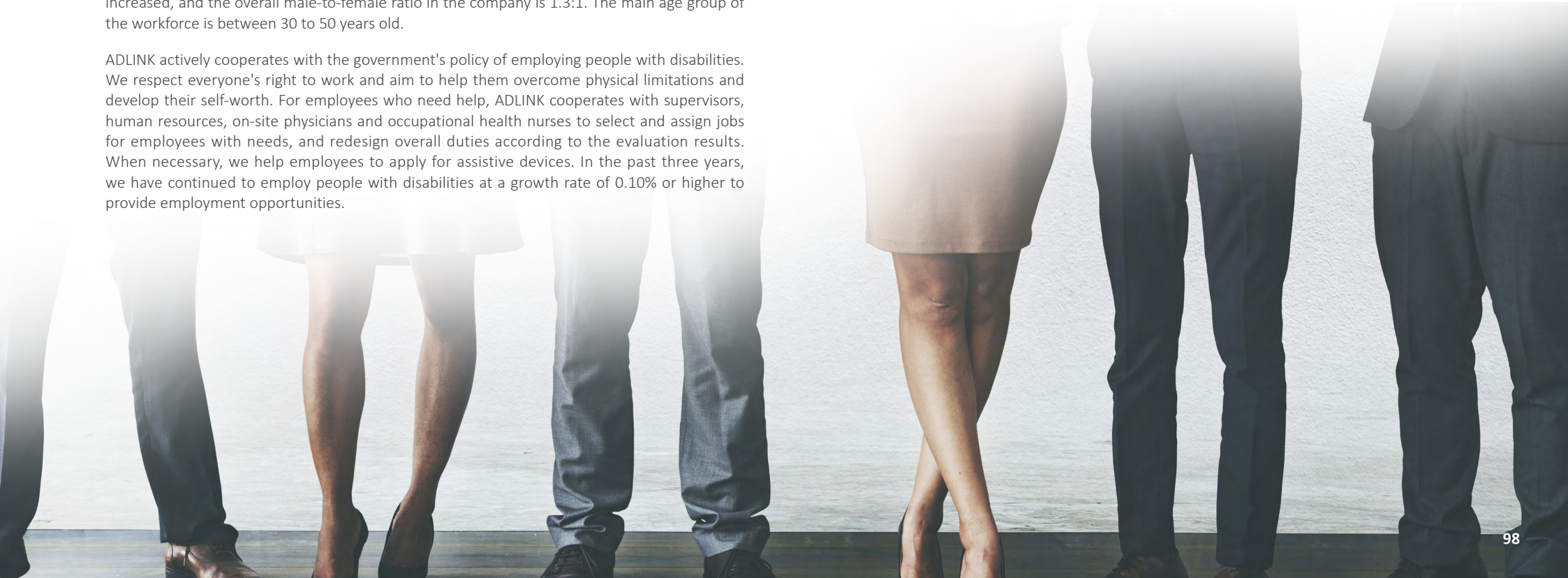
We provide equal opportunities of employment and development for talents, eliminate illegal discrimination, respect multi-ethnic groups, and not affecting their opportunities for hiring, compensation, promotion, etc. due to their differences such as gender, race, nationality, religion, age, physical disability, political position, marital status, and membership in unions. At the same time, ADLINK respects the career development of employees and has created a friendly and healthy workplace. For example: We provide sexual harassment prevention measures and grievance channels, and comprehensive family care programs, such as children's education scholarships and special childcare services to enable employees to balance work and life.

In response to the differences in labor regulations and cultures in various regions, this chapter only presents an overview of the human resources in Taiwan operating base. From 2020 to 2022, the number of female permanent employees (with irregular contracts) gradually increased, and the overall male-to-female ratio in the company is 1.3:1. The main age group of the workforce is between 30 to 50 years old.

ADLINK actively cooperates with the government's policy of employing people with disabilities. We respect everyone's right to work and aim to help them overcome physical limitations and develop their self-worth. For employees who need help, ADLINK cooperates with supervisors, human resources, on-site physicians and occupational health nurses to select and assign jobs for employees with needs, and redesign overall duties according to the evaluation results. When necessary, we help employees to apply for assistive devices. In the past three years, we have continued to employ people with disabilities at a growth rate of 0.10% or higher to provide employment opportunities.

Foreign employees accounted for 13.30% of all employees of the Company. Among them, the majority are Filipino employees, totaling around 140 individuals. To ensure that Filipino employees feel secure and comfortable while working and living in Taiwan, ADLINK provides the following care measures:

1. Zero payment policy
2. Established prayer rooms for use
3. The dormitory directory assists in handling problems related to the dormitories
4. The Company's dedicated foreign managers assist in the communication and resolution of various problems
5. Airport shuttle services (inbound/outbound)
6. Meal allowance and subsidy
7. Onsite physician and psychotherapist consultation services
8. Shuttle bus to/from work

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Types of Employees Hired by ADLINK in the Past 3 Years (Unit: Number of people)

Employee Categories		2020		2021		2022	
		Male	Female	Male	Female	Male	Female
According to Contract	Permanent Employees (Indefinite Contract)	593	420	592	434	614	481
	Contracted Employees (Fixed-term Contract)	32	16	28	9	24	8
According to Work Hours	Full-time Employees (Full Time)	611	431	604	442	626	487
	Part-time Employee (Part Time)	1	3	3	1	3	1
	Non-guaranteed Hours Employees (Temporary Workers)	13	2	13	0	9	1

Note 1:Full-time employees: Employees who work 40 hours a week according to the definition in Taiwan's Labor Standards Act.
Note 2:Part-time employees: Employees who work less than 40 hours a week.
Note 3:Non-guaranteed hours employees: Employees who do not have minimum or fixed working hours, such as temporary workers and on-call employees.

Employment of Employees with Disabilities by ADLINK in the Past 3 Years

Employment of Employees with Disabilities			
Year	2020	2021	2022
Male	5	9	11
Female	5	4	4
Total	10	13	15
Total Number of Employees	1,061	1,063	1,127
Percentage	0.90%	1.22%	1.33%

Changes to the Number of ADLINK's Workers in the Past 3 Years

Worker Type	2020	2021	2022
Employees	1,061	1,063	1,127
Non-employees	3	33	44
Total	1,064	1,096	1,171

Note 1:The number of employees is calculated by headcount (or Full-Time Equivalent (FTE)).
Note 2:The data is from December 31, 2022.
Note 3:Non-employees refer to workers who are not directly employed by the company but whose work is under the company's control. This includes dispatched workers from labor agencies and contracted workers from contractors. The main types of work include environmental cleaning, catering services, and security.

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Distribution of ADLINK's Employees by Position Type

Position Type/Multiple Categories		Gender		Age			Other	
		Male	Female	Age 30 and under	31--50 Years Old	Age 51 and above	Foreign Employees	People with Disabilities
Technical Track (730 in total)	Number of People	461	269	78	595	57	146	7
	Proportion	63.29%	36.85%	10.68%	81.51%	7.81%	20.00%	0.96%
Sales Track (16 in total)	Number of People	10	6	0	15	1	0	0
	Proportion	62.50%	37.50%	0.00%	93.75%	6.25%	0.00%	0.00%
Staff Track (228 in total)	Number of People	53	175	53	166	9	1	7
	Proportion	23.25%	76.75%	23.25%	72.81%	3.95%	0.44%	3.07%
Managerial Track (153 in total)	Number of people	114	39	0	116	37	2	1
	Proportion	74.51%	25.49%	0.00%	75.82%	24.18%	1.31%	0.65%
Number of People in the Multiple Categories		638	489	131	892	104	149	15
Percentage of Total Employees		56.70%	43.39%	11.62%	79.15%	9.23%	13.22%	1.33%

Labor-Management Communication and Cooperation - Labor-Management Meeting

ADLINK holds labor-management meeting on a quarterly basis in accordance with the law, and formulates relevant management procedures. At the same time, we assist labor representatives to negotiate with management representatives on labor, safety and health and other related issues, and supervise the rationality and impartiality of the meetings, in order to ensure the rights and interests of all employees. The labor-management meeting is composed of five representatives representing management and employees. The employee representatives are nominated and voted on by all employees. Each term of office is four years and representatives can be re-elected. From 2020 to 2022, a total of 13 labor-management meetings were held. The attendance rate of representatives from both employers and employees is shown in Table 2. A total of 169 issues and opinions were raised by both parties. Through discussion and decision making, the case closure rate was 100.00%. After the meeting, the Company also announced the results of the meeting on the public platform to all employees for review. The labor-management meetings play an important role in the collective agreement for ADLINK, strengthening collective negotiations and effectively establishing labor-management relations and cooperation. ADLINK's employee benefits are also discussed in the labor-management meetings, where the labor representatives proposed and promoted changes. In addition, ADLINK started to organize meetings with foreign workers at least once a year since 2022. Through listening, negotiation and decision-making, we are able to create a better workplace together.

Attendance Rate of Labor-management Representatives in the Past 3 Years

Year	2020	2021	2022
Attendance Rate of Labor-management Representatives	93.00%	80.00%	73.00%

Statistics of Employee Opinions Reflected in Employer-Employee Meetings and Symposiums

Communication Channel	Number of Comments	Number of Processed Cases	Major Improvements
Labor-Management Meeting	169	169	• If employees go to the Company's contracted medical institution for a health checkup, they can apply for one-day paid health checkup leave. • The time for dinner breaks has been adjusted to make the leave and attendance policy more in line with the needs of employees. • We have improved the quality supervision of the catering company and adjusted the cost sharing for the meals, aiming to enhance the overall quality of our company's catering services. This ensures that our employees can enjoy tastier and healthier lunches. • Based on the feedback from employees, we have improved the comfort of the office environment by enhancing lighting conditions and maintaining a clean workspace.
Foreign Workers Symposium	11	11	• Provide a variety of choices such as noodles, buffet, etc. The cafeteria will also change the menu from time to time. • We place importance on the rights of migrant workers. The Company has started a zero-placement fee policy.

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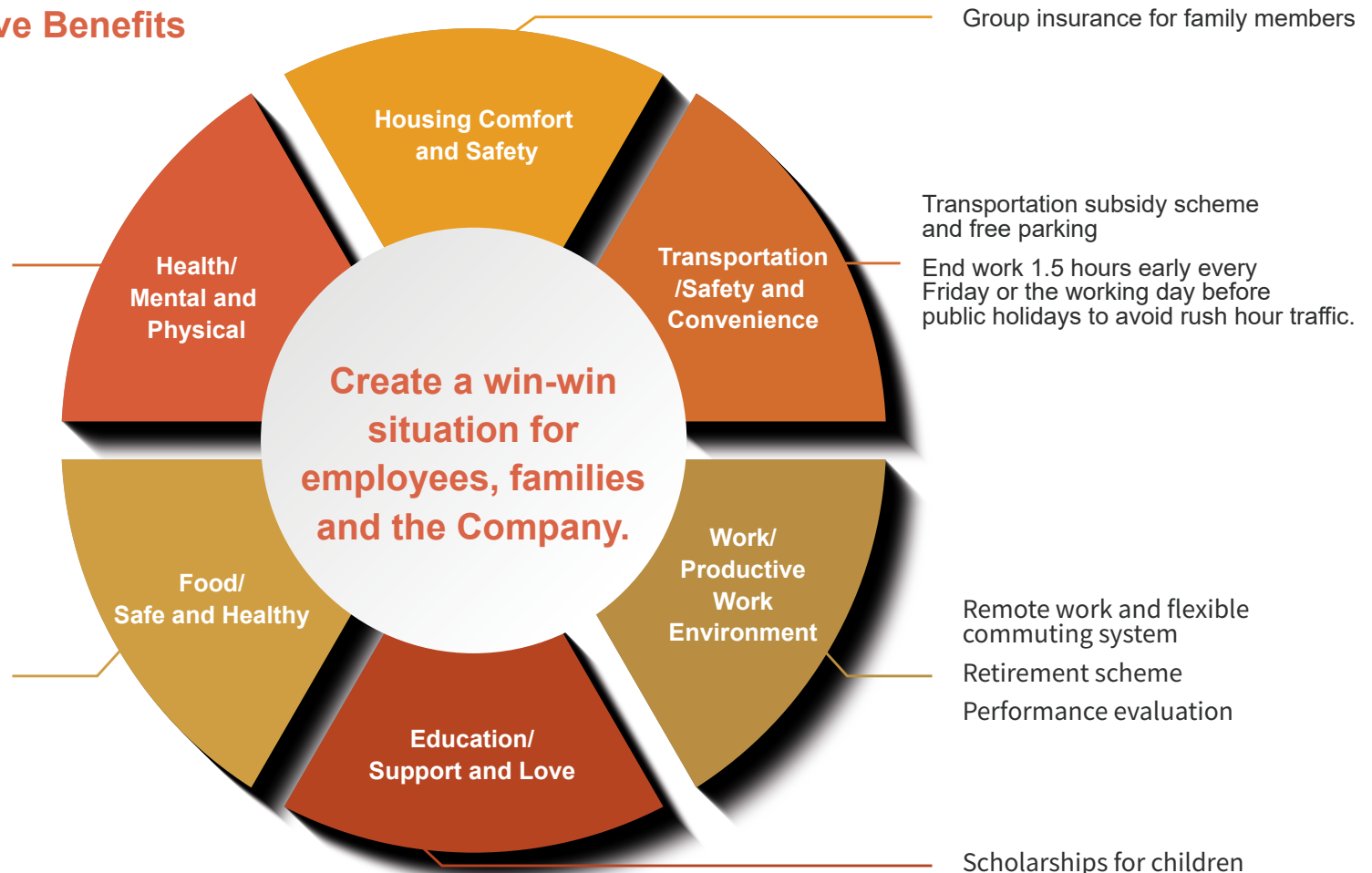
Comprehensive Benefit Plan for Employees: Helping Employees, Their Families, and the Company to Thrive

The Company is composed of employees, the Company systems and the interactions within and between working environments, of which "people" account for a substantial proportion. Only the cooperation of employees and their dedication to the Company can create a sustainable working environment and let the systems fulfill their roles and create the best results. In order to provide employees with a good working environment, ADLINK's care plan starts from six aspects, and strives to create a win-win situation for employees, families and the Company.

ADLINK Comprehensive Benefits Plan for Employees

ADLINK's leisure facilities are managed by a dedicated team to provide a healthy work-life balance

Professional catering companies move in irregular pop-up shops

Housing Comfort and Safety

Health/ Mental and Physical

Transportation /Safety and Convenience

Create a win-win situation for employees, families and the Company.

Food/ Safe and Healthy

Work/ Productive Work Environment

Education/ Support and Love

Group insurance for family members

Transportation subsidy scheme and free parking

End work 1.5 hours early every Friday or the working day before public holidays to avoid rush hour traffic.

Remote work and flexible commuting system

Retirement scheme

Performance evaluation

Scholarships for children

Housing/Comfort and Safety

Home is the foundation for all people. In order to allow employees to develop their careers in ADLINK with more confidence, we provide a more flexible workplace, so that employees have more choices, in order to create a win-win situation for family and career.

Parental leave usage and retention rate:

From 2020 to 2022, the Company paid more attention to the planning of a friendly workplace and strengthened family care benefits, so that the reinstatement rate of all employees increased to 85.71% in 2021. The overall retention rate has been slightly affected since 2020 due to the preparation of the plant relocation, taking into account employees' concerns about commuting distances. However, in 2022, the global pandemic outbreak had a significant impact on the overall retention and reinstatement rates as employees considered factors such as the health and safety of newborns and family members, as well as care giving challenges. In the future, as the pandemic subsides, we will continue to provide support measures for employees affected by commuting distance and work-family conflicts. We will implement flexible commuting arrangements to accommodate the needs of family care. The details of ADLINK's unpaid parental leave statistics for the last three years are shown in the following table.

ADLINK's Unpaid Parental Leave Statistics for the Past 3 Years

Item	Gender	2020	2021	2022
Number of People Eligible for Unpaid Parental Leave During the Year	Male	100	93	70
	Female	46	41	35
	Total	146	134	105
Number of People on Unpaid Parental Leave During the Year	Male	1	4	1
	Female	8	6	6
	Total	9	10	7
Number of People Expected to be Reinstated after Unpaid Parental Leave During the Year (A)	Male	3	1	1
	Female	9	6	4
	Total	12	7	5
Number of People Actually Reinstated after Unpaid Parental Leave During the Year (B)	Male	3	1	0
	Female	6	5	3
	Total	9	6	3
Number of People Still with the Company Twelve Months after Being Reinstated from Unpaid Parental Leave in the Previous Year (C)	Male	1	1	1
	Female	4	5	2
	Total	5	6	3
Reinstatement Rate (B/A)	Male	100.00%	100.00%	0%
	Female	66.67%	83.33%	75.00%
	Total	75.00%	85.71%	60.00%
Retention Rate in the Current Year (C/Actual Number of People Reinstated after Unpaid Leave from the Previous Year)	Male	25.00%	33.33%	100.00%
	Female	100.00%	83.33%	40.00%
	Total	62.50%	66.67%	50.00%

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Group Insurance - Families

In addition to providing the insurance to employees required by law, additional group insurance for employees has been planned covering life insurance, critical illness insurance, medical insurance for accidents, accidental injury insurance, and cancer insurance. Since 2019, employees' family members can also participate in the Company's group insurance at a premium lower than the market rate, so that the care can be extended to the family members of the employees and the employees can obtain sufficient protection and work without worries.

ADLINK's Statistics on the Number of People Insured and the Number of Claimants in Family Group Insurance in the Past 3 Years

Year	Number of Dependents Insured	Number of Dependents Claimed	Total Claim Amount (NT$)
2020	253	36	195,736
2021	319	34	380,275
2022	388	31	716,302

Transportation/Safety and Convenience

The Company considered that employees mainly live in the greater Taipei area, and provides four major transportation methods to allow employees to commute with peace of mind. The methods include free parking spaces for cars and motorcycles, commuter buses and half-price discount subsidies for the airport MRT. The Company has held multiple labor-management meetings and conducted surveys to communicate with employees and actively listen to their feedback. Based on the majority's needs, we have planned commuter routes that meet their requirements. We continuously collect feedback from employees to assess and adjust schedules and parking locations, aiming to provide more convenient commuting options for our colleagues. In addition, a small bus station is added to provide transfers to the Airport MRT A7 National Sports University Station and A8 Chang Gung Hospital Station that stops at the outdoor parking lot at the end of the workday to transport employees. In order to improve the happiness of employees, ADLINK allows employees to leave work 1.5 hours earlier every Friday and the working day before national holidays to avoid peak traffic hours. Commuter buses and shuttle buses are also operated 1.5 hours earlier, allowing employees to leave work and go home with peace of mind.

Four Options for Transportation

Transportation Option Types	Option Content
Automobile Parking	• 115 indoor spaces • 193 indoor automated spaces • 149 outdoor spaces
Motorcycle Parking	• 236 permanent spaces • 100 spaces for temporary parking
Commuter Bus	15 commuter bus routes are provided. There is also a commuter bus APP to track the location of buses in real time.
Airport MRT Subsidy	• Half-price subsidy for 120-day tickets. • We provide 21 buses between A7 National Sports University Station and 18 buses between A8 Chang Gung Hospital Station to and from the head office.

Work/Productive Work Environment

Flexible Working Hours and Remote Work

In order to allow employees to avoid peak traffic times when traffic is congested, ADLINK has implement a flexible commuting system. Employees can adjust their commute time according to their own situations, which not only ensures the safety of employees on the way to and from work, but also shortens the time required for commuting. If employees have special needs, they can also apply for remote work, providing employees with a more flexible work mode, taking into account family and work at the same time, and realizing good work-life balance.

Retirement Scheme and Implementation Status

In order to provide a stable life to employees after retirement, the Company has formulated labor retirement measures according to the law. According to the ratio of 2.00% of the total salary and expenses, the Company regularly allocates retirement reserves and deposits them in the special account of the Central Trust of China to protect the rights and interests of employees. Since July 1, 2005, the government's new retirement policy has been adopted. Based on the total wages of laborers, 6.00% will be allocated to the employee's individual pension account; For those who voluntarily contribute to the retirement pension, according

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to the voluntary contribution rate, the contribution will be deducted from the employee's monthly salary and deposited in the individual retirement pension account of the Bureau of Labor Insurance.

Education/Support

Scholarships for Children

The Company takes care of our employees and their families. We provide different forms of care to allow employees with children to work without worry. The Employee Welfare Committee of the Company allocates a budget every year to encourage the academic performance of children of ADLINK employees. Those who perform excellently will be offered NTD1,000 for elementary school, NTD1,500 for middle school, and NTD2,000 for high school. Applications can be submitted for each semester during the year. On average, 580 applications have been received every year.

Children's Education Scholarships Provided to Elementary School/Middle School/High School Children

Scholarships for Children	2020	2021	2022
Number of Persons	528	584	626
Amount (NT$)	577,500	645,500	700,500

Food/Safety and Health

In order to provide employees with a dining environment that integrates aesthetics and cuisine, ADLINK has carefully designed every corner of the staff cafeteria. In addition to planning a variety of meals and setting up a noodle counter, the light food bar also plans to invite different brands, well-known Internet celebrity stores, and local stores to set up in the pop-up store from time to time, providing employees with novel and delicious foods. At present, we have hosted more than 50 brand pop-up restaurants. In addition, a pop-up wishing pool was installed. ADLINK employees were invited to recommend excellent vendors and assist in negotiating follow-up operations, in order to increase interaction with ADLINK employees.

For group catering, we chose professional caterers with HACCP certification to plan meals. The management unit has formulated and improved restaurant management methods and regularly checks various specifications, in order to provide employees with diversified meals that guarantee food safety. At the same time, convenience stores have also been invited to set up stores in the Company, in order to provide more meal options for employees.

Management of the Cafeteria Environment

Clearly stipulate the Cafeteria Management Rules and Environmental Sanitation Standards, regularly follow up on the physical examination reports of catering staff in the plant, and implement sanitation talks and training.

Food Safety Review Mechanism

Conduct daily sampling and regular third-party sample audits and water quality testing to ensure food hygiene and safety.

Equipment Repair and Maintenance

The kitchen is equipped with a dedicated pipe to supply RO purified water for food and beverage use and electrostatic fume removal equipment. Regular repair and maintenance and active carbon filter replacement is implemented to maintain environmental hygiene.

Diverse Meal Options

In addition to buffets, vegetarian meals, and regional meals, an independent noodle counter has been specially set up to provide various types of noodles and dumplings to increase the diversity of choices.

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Health/Mental and Physical

An All-Rounded Healthy Workplace

ADLINK believes that only healthy and happy employees can be more creative with improved employee productivity and efficiency, and achieve the goals of steady growth and sustainable development. Therefore, ADLINK actively promotes diverse occupational safety and health promotion activities that encompass physical and mental well-be5ing.

Comprehensive Workplace Health - Physical

Plan/Event	Content	Result
Health examination	We provide physical examinations that are superior to legal requirements. The company's physical examinations for all employees are held every two years, as well as annual special operation health examinations, executive health examinations, and contracted physical examinations.	Doctor consultations and follow-ups will be arranged for employees whose physical health exam results are graded at level three and above. We have conducted interviews with 196 individuals, achieving a 100% follow-up rate.
Work fitness of upper-middle-aged workers	A total of 84 individuals experienced severe abnormality in health examinations, were at moderate risk and above of cardiovascular diseases, and musculoskeletal pain scores had exceeding three points.	The completion rate for work suitability assessments of upper-middle-aged workers has achieved 100%.
Maternal protection	Perform physical and mental assessments and work environment assessments for maternity employees, and adjust the work if necessary.	In 2022, there were 11 maternity employees under the protection, achieving a 100% interview rate, and no employees needed to adjust their work.
Prevention of ergonomic musculoskeletal disease	Occupational doctor consultations and follow-ups and health coaching will be arranged for employees whose musculoskeletal pain scores exceeding three points. On-site assessments of work-related illnesses may be conducted if necessary.	In 2022, we have conducted interviews with 57 individuals, achieving a 100% interview rate.
Physical health seminars/activities	Seminars for aromatherapy massage, ergonomic spondylalgia, nutrition, backache, vision, and parenting.	In 2022, a total of 10 seminars/activities were held with 665 participants.

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Topics of ADLINK's Health-Related Seminars/Activities and Number of Participants in the Past 3 Years

Year	2020	2021	2022
	8 events	8 events	10 events
Number of Events/ Item	• Silent killer- Lung cancer • Say goodbye to the three highs- Metabolic syndrome • Don't be a "fat" tiger- Weight loss activity • Boosting nutrition- Basic nutrition and weight loss concepts • Preparing for the perfect physique- Busting exercise myths • Sleeping solutions for stiff necks • Technological fitness • Basic wound care	• Vision care seminar for office workers • Modern diseases- Autonomic disorders • What to do for lower back pain • Technological fitness test • Who stole my sleep- Common sleep problems • Silent killer during sleep- Apnea • Vision check-up- Free vision test • Physical examination report explanation • Handling of common injuries and illnesses	• Blood pressure measurement activity • 2022 Quit & Health • Maintaining fitness- Fat loss activity • Aromatherapy lecture • Sit healthily, lose weight easily • Preventing bad vision • ADLINK parents classroom • Technological fitness • Sports and massage public welfare activities • Handling of common office injuries
Total Number of Participants	736	564	665

Comprehensive Workplace Health - Mental

Plan/Event	Content	Result
Prevention of abnormal workload	Identify employees who are experiencing abnormal workloads based on questionnaire responses and arrange consultations with occupational doctors/psychotherapist to provide health coaching.	The risk of developing cardiovascular diseases within ten years is moderate to high for 60 individuals, while 67 individuals experienced severe risk of abnormal workload. The follow-up rate has reached 100%.
Wrongful harm prevention	Conduct wrongful harm risk evaluation, hazard identification every year. Additionally, occupational doctor consultations and follow-ups will be arranged for individuals whose score on Brief Symptom Rating Scale exceeds 10 points.	In 2022, a total of 6 individuals underwent consultations and follow-ups, achieving a completion rate of 100%.
On-site psychotherapist	Starting in 2022, we have employed on-site professional psychotherapist to provide employees with free and confidential psychological counseling services three times a month.	In 2022, the psychotherapist served 36 employees, achieving a completion rate of 100%.
Mental health related seminars	Employed professional psychotherapist to conduct seminars on occupational psychology and wrongful harm issues, and to promote the company's internal complaint process.	In 2022, a total of 2 seminars were held with 239 participants.

Topics of ADLINK's Mental Health Promotion/Psychological Counseling Activities in the Past 3 Years and Number of Participants

Year	2020	2021	2022
Number of Events/Topic	4 events • Harmonious workplace and interpersonal relations Part-1 • Harmonious workplace and interpersonal relations Part-2	Suspended due to the pandemic • Workplace Violence Prevention Seminar Part-1 • Workplace Violence Prevention Seminar Part-2	2 events • Workplace ideology • Creating harmony in the workplace to become happy workers together
Total Number of Participants	343	Suspended due to the pandemic	239

In 2022, we established the "ADLINK Counseling Center" and invited professional psychotherapist to provide monthly on-site counseling services. Employees can freely schedule one-on-one sessions with the psychotherapist in a comfortable, safe, and private environment. The content of the conversations is strictly confidential, and as a result, employee appointments have been very active.

Appointment Rate of Counseling in 2022

Year	2022
Total Number of People who Made Appointments (People)	56
Number of Psychotherapist Available to Serve (Times)	33
Appointment Rate > 100%	

The Seven Major Highlights of ADLINK's All-Rounded Healthy Workplace

1. Weight Loss Contest: In 2022, a total of 124 participants joined the muscle-building and fat-reduction activity. Together, they achieved a remarkable reduction of 81.60% in body fat and an increase of 17.60 kilograms in muscle mass.

2. Quit Smoking Contest: In 2022, we collaborated with Far Eastern Memorial Hospital to organize a quit smoking program. With the assistance of medication, we helped employees overcome their smoking addiction, leading to a significant average decrease of 37.80% in CO levels, indicating a remarkable success in the program.

3. Healthy Workplace Certification/Shared Commitment and Response: In 2020, we responded to Health Magazine's healthy corporate citizenship activities. We obtained the National Health Administration Health Promotion Label in 2022.

▲ 2022 Health Magazine CHR Promise Enterprise

▲ 2022 Healthy Workplace Certification- Promotion Label

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4. ADLINK Massage Station: Since 2020, we have hired 4 visually impaired massage therapists to provide on-site massage services for the Company's employees. The average score for the improvement of shoulder and neck discomfort among employees has reached 8.37 points (out of a maximum of 10 points).

5. Modern and Professional Infirmary: ADLINK not only complies with regulations by having dedicated occupational nurses and hiring medical center physicians for on-site consultations, but we also provide additional facilities in our infirmary, which is equipped with a comfortable sofa resting area and advanced motorized beds, ensuring that our employees receive professional and comfortable medical assistance right within the infirmary.

Number of Interviews with Occupational Doctors in ADLINK in the Past 3 Years

Year	2020	2021	2022
Number of Interviews with Occupational Doctors	277	243	316

6. Complete Maternity Employee Benefits: Besides setting up 3 well-designed nursing rooms and giving good luck gifts, we have signed child care contracts with several childcare institutions and established a children's play area in the plant.

Number of Participants in Maternity Protection Program by ADLINK in the Past 3 Years

Year	2020	2021	2022
Number of People under Maternal Protection	9	8	11

7. Focus on the Prevention and Early Detection of Diseases: Organize cancer screening and flu vaccination events every year.

The Number of ADLINK's Flu Vaccination Events in the Past 3 Years and Number of Participants are Shown in the Table Below

Year	2020	2021	2022
Number of Events	2 events	2 events	1 event
Total Number of Participants	66	93	145

The Number of ADLINK's Cancer Screening Events in the Past 3 Years and Number of Participants are Shown in the Table Below

Year	2020	2021	2022
Number of Events	1 event	Suspended due to the pandemic	1 event
Total Number of Participants	88	Suspended due to the pandemic	50

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Salary Standard

ADLINK offers competitive salaries, and the salary structure is based on an employee's position, professional skills, educational background, and years of experience. We also take into account market benchmarks from similar industries to make necessary adjustments. We value the principle of equal pay for equal work, ensuring that there is no gender-based wage gap in the overall remuneration. In 2022, the ratio of basic salary increase between male and female employees was 1.49:1. The ratio of median total annual remuneration of the individual with the highest total annual remuneration in the company compared to all employees (excluding that individual) was 7.74:1. Additionally, when compared to the previous year, the ratio of salary increase between the two categories was 1.44:1.

Ratio of Remuneration of Male and Female ADLINK Employees by Types of Employee in the Past 3 Years

Year	2020		2021		2022	
Employee Category	Male	Female	Male	Female	Male	Female
Technical Track	1.85	1	1.84	1	1.84	1
Sales Track	1.21	1	1.21	1	1.38	1
Management Track	1.61	1	1.62	1	1.62	1
Staff Track	1.23	1	1.15	1	1.12	1

Note:Remuneration includes base salary, meal allowance, year-end bonus, additional work pay, skill wage, shift allowance, online skill bonus, meal allowance (foreign workers), employee bonus, performance bonus, target bonus, and special position bonus.

Salary standard of ADLINK's base personnel in important operating locations in the past 3 years

Category	Average Standard Salary of Base Personnel (NT$)		Average Standard Salary of Base Personnel/Local Minimum Wage	
Year	Male	Female	Male	Female
2020	37,827	26,353	1.59	1.11
2021	38,498	28,048	1.60	1.17
2022	36,232	29,837	1.43	1.18

Note 1:Base personnel: Direct personnel
Note 2:The standard salary includes base salary, meal allowance, additional work pay, skill wage, shift allowance, online skill bonus, and meal allowance (foreign workers)
Note 3:The local minimum wages from 2020 to 2022 were NT$23,800, NT$24,000, and NT$25,250, respectively.

5.3 Balance in Work and Life - Employee Welfare Committee

Sports

【Responding to the Sports Corporation Certificate by Offering Sports Clubs】

Since the Sports Corporation Certificate was introduced by the Sports Administration, Ministry of Education, in 2016, ADLINK has received the Sports Corporation Certificate for three consecutive years. Moreover, the Company has been invited to participate in the 8th launch press conference to share its experience as a sports-oriented enterprise.

We value the physical health of our employees, and sports culture has been actively embraced by our senior executives. From managers to employees, everyone participates in various sports clubs together. Currently, ADLINK has 18 sports clubs, including the active aerobics club, Hatha yoga club, Pilates club, dance club, pool club, badminton club, power yoga club, swimming club, diving club, outdoor activities club, archery club, and more.

The leisure center regularly offers fitness classes to cultivate employees' exercise habits. The comprehensive sports facilities are available for use by the clubs. On weekends, these facilities are open for employees' family members to enjoy. This encourages ADLINK employees and their families to exercise together, promoting a healthy lifestyle and work-life balance.
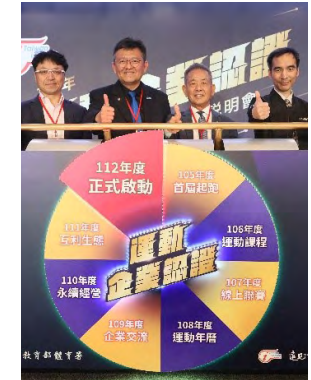
EWC Events

The company allocated the highest percentage of welfare funds to establish an Employee Welfare Committee. It employs dedicated personnel to plan various employee welfare activities and services. The Employee Welfare Committee regularly holds 16 communication conferences each year, where they listen to employees' feedback and organize various targeted activities to meet their diverse welfare needs, including holiday gifts, year-end raffles and parties, teaching lectures, domestic travel, team competitions, a Christmas gift exchange for a thousand people, and a Lunar New Year bazaar. In the first half of 2022, compared to the previous period, the pandemic slightly improved. The Company continued to implement measures such as staggered shifts and splitting teams to reduce gatherings among employees. The Employee Welfare Committee organized online activities to promote unrestricted interaction and facilitate personal connections among employees, fostering a sense of belonging and loyalty to the company. Furthermore, taking care of our employees' families is an important part of establishing a happy enterprise. In the second half of 2022, the company held its first-ever children's summer camp, allowing employees to bring their children to experience the working atmosphere and office environment of their parents. The camp was divided into three sessions, totaling 9 days and providing children with character education and physical training. The incorporation of company facilities and corporate resources received positive feedback from employees.

Online Singing Contest - "The Voice of ADLINK"

From 55 online competitors to the physical finals, a total of over 300 employees engaged in interactive exchanges. Each department sent their best singers to compete, making the event highly talked about throughout the six-month duration. Furthermore, the champion was sent to a professional recording studio to record a personal single, providing them with a lasting memory and showcasing the diverse benefits offered by ADLINK.

Online Photography Contest - "Defining the Beauty of ADLINK"

ADLINK employees captured precious moments through photographs, allowing us to rediscover the warmth and emotions between people in the post-pandemic era. ADLINK presents different perspectives of beauty through the eyes of each employee. We initiated a series of activities starting with a photography seminar. Among numerous outstanding works, professional photography instructors selected the best works, which were gathered to form a photography exhibition for ADLINK employees to enjoy together.

Children's Summer Camp - ''ADLINK KIDS Fun Camp''

We organized three sessions of the children's summer camp for different age groups. We collaborated with 7-11 convenience stores located at ADLINK campuses to give children the experience of being a store manager for a day. In one of the sessions, we even brought in a BMW electric car for the kids to interact with and learn about electric vehicle safety. Throughout the camp, children experienced various aspects of their parents' work lives, including having lunch at the company, attending classes in training rooms, and participating in sports activities at the leisure center. In the first year of the event, 90 children were given the opportunity to know their parents' work better, realizing our goal to show our employees' families that we are a happy enterprise.

Team Competition - Laser Tag

At the end of the year, we organized a team laser tag competition, transforming the company into a jungle battlefield. Different departments formed teams to engage in attack, defense, and survival battles. They discussed tactics, developed strategies, and strengthened their relationships. The long-awaited large-scale competition allowed each department to strengthen their cohesion and improve their teamwork. The event exercised the employees physically, as well as mentally. They engaged in strenuous exercise without realizing it under the thrill of battle, achieving the goal of strengthening body and mind.

Benefits and Subsidies

ADLINK employees are entitled to receive a full range of subsidies, including cash gifts for birthdays, maternity, weddings, as well as payment for injuries/illness/bereavement, an emergency assistance fund, and scholarships for their children. The number of applications for benefits is listed in the table below.

Number of Applicants for Benefits	2020	2021	2022
Birthday Cash Gift	1,006	1,026	1,050
Maternity Cash Gift	26	25	21
Wedding Cash Gift	29	9	20
Condolence Payment for Injury or Illness	21	27	25
Condolence Payment for Bereavement	26	31	54
Scholarships for Children	528	584	626
Emergency Assistance Fund	2	0	2

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5.4 Talent Cultivation and Career Development

Management of ADLINK's Material Topic "Talent Development and Cultivation" in 2022

Material Topic	Talent Development and Cultivation
Impact Assessment	• In terms of the economic aspects, ADLINK has established a training and development system to ensure that new employees quickly adapt and excel in their roles. Existing employees are encouraged to continuously enhance their knowledge and skills to keep up with the latest developments. This ensures that ADLINK remains agile and contributes to economic growth. • In terms of the social aspects, ADLINK focuses on talent development beyond education and training. We have implemented a global talent deployment strategy, fostering a diverse talent pool. The company encourages employees to explore internal job rotations, international transfers, overseas seminars, research visits, and assignments to subsidiary companies. By nurturing talent at various stages and promoting cultural exchange, ADLINK enhances employees' international perspectives and cultivates a workforce with global competencies. • ADLINK fosters a learning culture and embraces diverse learning approaches. Apart from traditional educational training and physical courses, the company emphasizes the importance of knowledge sharing and feedback from experienced colleagues. Employees are encouraged to learn by doing and explore opportunities for job rotations, which further enriches their learning experiences.
Corresponding GRI Indicators	• 404-1 Average hours of training per year per employee • 404-2 Programs for upgrading employee skills and transition assistance programs • 404-3 Percentage of employees receiving regular performance and career development reviews
SDGs	SDGs 4 Quality education　　　SDGs 8 Decent work and economic growth
Policy or Commitments	• Since our establishment, ADLINK has been guided by four core values: "Integrity & Commitment, Excellence & Expertise, Friendly Competition, and Enjoying Work". These values have shaped the essential abilities and qualities required of the organization and its talent. Furthermore, the company has cultivated a culture of "Learning, Passion, and Communication" and established a resilient and agile organizational structure to nurture talent development. While we cherish each and every employee, we also place great importance on our commitment to integrity and social responsibility towards our customers and partners. We hope that ADLINK's talent strategy can foster win-wins between employees, their families, the company, and society. • To implement ADLINK's talent strategy, we established internal systems and concrete policies while maintaining a certain level of flexibility for continuous refinement and improvement of the organization. This approach allows us to align with the company's strategic vision and operational policies, including talent attraction, motivation, and retention. Moreover, we aim to transform employee commitment into dedication to the company.
Indicators and Targets	**Short-Term Goals** • Annual departmental training plans achieved an execution rate of 90.00% or higher. **Mid/Long-Term Goals** • The promotion rate of internal employees to managerial positions at the level of section manager or above was more than 33%.

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Material Topic	Talent Development and Cultivation	
Effectiveness Tracking Mechanism	• Ensure that the execution rate of annual departmental training plans reaches 90.00% or higher every quarter. • Confirm the list of acting section managers every quarter and provide online courses related to management.	**Annual Actions and Measures**

Attainment in 2022:

• Establish the digital learning platform and launch 71 online education and training courses.

• The average annual training hours for male employees was 14.68 hours, and 16.82 hours for female employees.

• The percentage of male employees who received evaluations was 93.36%, and 95.56% for female employees.

• Annual departmental training plans achieved an execution rate of 100.00%.

• The promotion rate of internal employees to managerial positions at the level of section manager or above was 64.00%.

ADLINK has established a comprehensive training system to improve the knowledge and skills of employees, which does not only improve work efficiency and quality, but also adheres to the employee growth and corporate development goals. From the day they start their job in the Company, employees are provided with comprehensive learning channels and training resources. The Company provides these resources to employees in different positions and levels, and adopts different training plans for different stages to conduct systematic learning and development; for example, new employee training, on-the-job training, self-learning, etc. The training courses cover a diverse range, including regulatory knowledge, technology trends, leadership and management, professional skills, culture and arts, and health and family. In addition to the internal training courses described above, the Company also encourages employees to participate in external training. Employees can apply for external institution or group training to improve their own competency according to the needs of their job or career development. The costs will be covered by the Company.

In addition, we explain the different actions required for different positions according to the different grade expectations for Managerial Track, Professional Track, and Sales Track, in order to construct a basis for personnel assignment and development. We also strengthen the integration and standardization of human resource activities, so that employees are also given a clearer picture of their career direction and requirements at ADLINK.

• Professional personnel: New employee seminars, annual company-wide general knowledge courses, and internal professional training courses and digital platforms for each department are used to cultivate basic professional and general knowledge. Annual performance evaluations together with annual goals, grade expectations and other tools are used to review and improve personal skills.

• Managerial personnel: The base level supervisors can use the digital learning platform materials on the company's internal management process to help them understand their situation, prepare in advance, and practice risk management. Cultivation of mid-level managers involves the use of resources, effective communication and coordination with other units, as well as the cultivation of subordinates and managers to take over the unit or even the company in the future.

In response to the Company's strategic goals and annual development direction, and to satisfy the operational goals and strategies, we continue to develop knowledge and skills through education and training. At the beginning of each year, we collect the training needs of each unit and we review the implementation at the end of the year. In the most recent 3 years, the annual education and training execution rate was more than 90.00% We hope to train excellent ADLINKers through our internal training mechanisms and systems, in order to pass on our corporate culture and ideals and establish the foundation for sustainability. In 2022, internal training planned and organized by ADLINK as well as employee attendance of professional external training totaled 17,591.5 hours. The total hours in 2022 were higher than the 11,441 hours in 2021. The main reason for the increase was the promotion of new courses, such as Responsible Business Alliance (RBA) and Business Leadership Model Workshop, or the periodic training related courses, such as intellectual property rights application and explanation, occupational health and safety education and training, etc.

Average Hours of Training Per Year Per Employee of ADLINK in the Past 3 Years

Year	2022						2021		2020	
Item	Hours		Number of People		Average Hours		Average Hours		Average Hours	
Role	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Technical Track	6,463.50	5,023.00	461	269	14.02	18.67	23.60	16.90	12.10	11.40
Sales Track	70.00	36.00	10	6	7.00	6.00	4.00	2.00	3.00	3.00
Staff Track	1,215.00	2,387.00	53	175	22.92	13.64	5.20	7.70	7.70	8.80
Managerial Track	1,620.00	777.00	114	39	14.21	19.92	6.30	11.50	11.40	12.60

Note: Information is based on the total internal and external training hours of ADLINK from 2020 to 2022.

Comprehensive Training Courses

ADLINK provides diverse learning channels and training courses, including classroom courses, online courses, and on-the-job training, allowing employees to learn in the workplace and refine their job performance. Senior employees in each department are trained to serve as a "buddy" for new employees to strengthen peer-based learning. The buddy leads and guides the new employee through their familiarization of the environment and their work. Different types of courses are designed to satisfy the learning requirements of different positions and functions, including: new employees, general knowledge, management, technical skills, production line worker, and specialist personnel. Mandatory professional courses are also set by each department for the year based on their requirements.

In order to achieve the goals of continued growth and sustainable management, we have organized diverse internal courses, which include new external issues. At the same time, we subsidize employees who apply for professional training programs held by external, professional units, in order to satisfy the requirements for employee and company growth. Training courses organized for different categories of personnel in 2022 were as shown in the table below.

Group	Content
New Employee	Structured course to introduce new employees to the company and help them adapt to their work. For example, company overview, new employee seminar, and new employee orientation plan.
General Knowledge	Education, training, and learning activities at each level implemented in accordance with regulatory requirements as well as the corresponding quality requirements in R&D and manufacturing. For example, occupational safety and health training, failure mode and effect analysis, ethics clauses for employees, workplace violence and sexual harassment prevention information.
Managerial Personnel	We plan management competency training given by internal and external speakers according to the annual management function gaps identified, such as for human resources management knowledge and process, performance evaluation operations, and negative feedback techniques. Training on labor management laws and policies are also conducted in response to changes in labor law. The basic teaching materials for managers are uploaded to the digital learning platform so that information on management basics and the internal management system can be viewed by management personnel at any time.
Technical Skills	Units implement technical skill training according to the departmental goals, and education and training courses are organized according to the future developmental direction of the Company.
Production Line Workers	Production line workers receive skills training and certification based on their job requirements. Only those who pass may operate the corresponding processes and machines. Annual refresher training and skills certifications are also included.
Specialist Personnel	Education and training for specialists as determined through hazard identification. Example: Explosion-proof product training, chemical operations training, forklift operator training, etc.

Digital Learning Promotion

2022 was a year filled with challenge. ADLINK continued to uphold our clear and agile development direction, implemented digital learning transformations, and established the new digital learning platform, ADLINK ki-pedia. We integrated teaching materials from the different departments of the Company to help employees quickly access the knowledge they need. We classified the materials into three major categories to satisfy different learning needs, for example: Mandatory material for new employees, materials for elective professional classes, and advanced materials for senior managers. Meanwhile, the "ADLINK Learning Table Check List" provided by supervisors can help employees quickly get up to speed through a step-by-step approach.

In order to continue optimizing the platform and updating the materials in real time, we will re-review the teaching materials of each department every year. We will collect the opinions of the employees to continue adding new materials to the platform and achieve the goal of diversified training and development.

71 Online Classes

Mandatory Materials for New Employees

Materials for classes required by law, company introduction, new employee training, and other basic classes for each department.
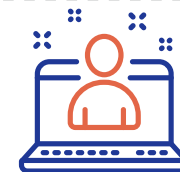
Materials for Elective Professional Classes

Classes with a higher degree of expertise include Project Management, PLM, and JIRA related classes.

Advanced Materials for Senior Managers

Basic materials that supervisors need to know include the recruitment and appointment process, promotion system, and other related classes.

Clear and Complete Performance Evaluations and Promotion Pipelines

ADLINK conducts performance evaluations every year to understand the work performance of employees in the past year, and to set expectations and goals for the next year. In addition to employee self-assessments and supervisor assessments, it also includes feedback from cooperating staff to fully assess the performance of employees throughout the year. Further feedback on the employee's work contributions and areas for improvement through performance communication and interviews is also provided, in order to connect the employee's personal work with departmental goals more closely and increase the sense of belonging and work performance.

The results of the performance evaluations will be used as the basis for personnel development, promotion and adjustment of salaries. The evaluation process is not influenced by race, gender, religion, age, marital status or political ideology. Senior management team members, contracted employees, blue-collar migrant workers, and those who resigned during the assessment period, totaling 187 individuals, will not undergo the assessment process and will not be included in the total number of assessable employees. However, employees who are within their first three months of employment, on unpaid leave, or on extended leave of more than 9 months, totaling 55 individuals, will still be included in the total number of assessable employees as they are expected to participate in the company's annual performance assessment. However, as they were either not employed or had a relatively short tenure in 2022, their performance was not fully evaluated. Therefore, no performance assessments were conducted for them in 2022. The summary table of the number of employees who underwent performance evaluation in different types of positions and gender composition in 2022 at ADLINK is listed in the following table.

ADLINK's Evaluation Percentage in 2022

Role	Performance Evaluation					
	Male			Female		
	Number of People to be Evaluated	Actual Number of People Evaluated	Completion Rate of the Evaluation (%)	Number of People to be Evaluated	Actual Number of People Evaluated	Completion Rate of the Evaluation (%)
Technical Track	445	414	93.03%	127	120	94.49%
Sales Track	10	9	90.00%	6	6	100.00%
Staff Track	41	39	95.12%	167	160	95.81%
Managerial Track	106	100	94.34%	38	37	97.37%
Total	602	562	93.36%	338	323	95.56%

Note: Evaluation completion rate = Actual number of people evaluated/Number of people to be evaluated x 100%

ADLINK also uses annual performance evaluations to verify employee performance. Performance communications and interviews are employed as well to establish employee requirements on career development and weaknesses in related skills. Through the promotion operations conducted twice a year (once each in the first and second halves of the year), we provide the opportunity to assess the career growth and development of outstanding internal employees, and at the same time meet the ultimate goal of retaining key talents needed for the sustainable operation of the Company.

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5.5 Safe and Healthy Workplace

All developed countries define a safe and healthy workplace in the same manner. Workers are entitled to a safe workplace and employers must do everything within their means to provide a healthy and safe workplace. Workers also have the right to express any concerns they may have about workplace safety. ADLINK adheres to this principle by striving to work with all employees to create a safe, welcoming, and healthy workplace. This is also ADLINK's mission and commitment. The manufacturing industry that ADLINK belongs to has been designated by the Occupational Safety Act as being at significant risk. In addition to introducing the ISO 45001 occupational health and safety (OH&S) management system into our routine operations, employee education and training are also held at various times to ensure employee peace of mind, safety, and comfort at work.

Dedicated Unit for the Promotion of Environmental Safety Activities

An environmental safety unit responsible for the promotion of system operations as well as coordination with internal-external groups was established by ADLINK to ensure that we effectively implement and adhere to the relevant provisions of the EHS management system, and that company activities comply with local laws and customer requirements. The Environmental Safety and Health Management Committee (EHS Committee) was also established to facilitate effective bilateral communication with stakeholders. The EHS Committee is involved in the definition of EHS policy, the review of results from workplace environmental monitoring, as well as occupational injury investigations and subsequent corrective actions. It can also make EHS proposals to help ADLINK strengthen our EHS mechanisms. Employee participation and feedback can also be used to identify small areas of improvement. The importance of environmental, safety and health is emphasized through this integrated approach so that we can continue to focus on the goal of sustainability.

The Occupational Safety and Health Committee was established by ADLINK as required by law and a meeting of the Committee is convened every quarter. By law, labor representatives make up more than one-third of the Committee.

1. Environmental Safety and Health Management Committee

   - Responsible for the promotion of EHS policy.
   - Planning and implementation of EHS management plan.
   - Approval of EHS-related education and training.
   - Approval of EHS-related operating standards, inspection standards, and control standards.
   - Coordinate solutions for problems encountered during EHS management.
   - Evaluate the actual performance of the EHS management system and review any divergences from the implementation plan.
   - Study of improvements to EHS management plan
   - Planning of EHS management subjects and targets

2. Document Control Center

   - Responsible for the authoring and revision of EHS management system documentation.

3. EHS Audit Team

   - Responsible for regular or random audits of the EHS management system and the suggestion of improvements.

4. EHS Hazard Identification and Preliminary Review Team

   - Responsible for preliminary EHS reviews and the assessment of EHS impact to identify material EHS considerations.

5. EHS Regulatory Team

   - Responsible for the compilation of relevant EHS laws and regulations, conducting compliance reviews, and periodic update of regulations.

6. Emergency Response Team

   - Responsible for the planning of emergency response plans and post-incident recovery.

ADLINK Environmental Safety and Health Management Committee

```
                  Chairperson
                       |
              Executive Secretary
                       |
  ┌──────────┬──────────┬──────────┬──────────┐
 EHS        EHS       Document   EHS Hazard   Emergency
Regulatory  Audit     Control    Identification Response
Team        Team      Center     and Preliminary Team
                                 Review Team
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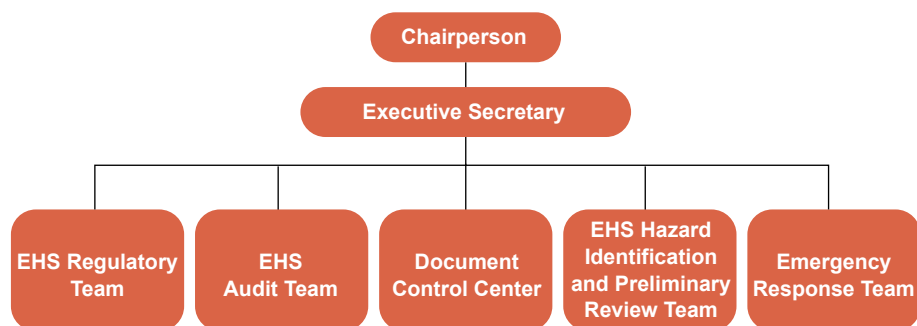
Enforcing Safety and Health Management Practices

Accident-free Performance in Labor Safety and Health

ADLINK formally joined the zero-accident network in August 2012, and zero-accident work hour records are submitted every month. With the joint efforts of the Company and employees, we were recognized with a certificate of zero-accident work hours presented by the Industrial Safety and Health Association twice. From January 1, 2022, to December 2022, there have been a total of 2.1 million hours of accident-free work hours recorded.

Establishment of EHS System

The ISO 14001 environmental management system and ISO 45001 occupational safety and health management system were deployed by the company to ensure the effectiveness of our EHS operations. A dedicated unit was also established to conduct regular inspections and audits on process safety, equipment operation, working with chemicals, workplace environmental monitoring, and waste collection and disposal. Employee education and training are also conducted to ensure that employees fully understand the company's EHS policy. An outline of the key aspects is provided below.

1. Contract site safety management: Before contractors may enter the site to begin engineering work, they must undergo company education and training on on-site hazards, emergency response and other measures. Written records are also maintained for reference.

2. Chemical review and management operations: All chemicals at ADLINK are recorded and

tracked by our environmental safety unit. For any new requirements from user units, an application must be submitted for change management through the system. Only when all the relevant measures such as hazard verification, usage conditions, personnel training, and safety data sheet are complete can the chemical be used.

3. Workplace environmental monitoring: Chemical compositions are regularly reviewed by the company and a monitoring plan devised. Testing is arranged through testing organizations approved by the Ministry of Labor in accordance with the law and the results announced to employees.

4. Management of waste operations: A holding area for waste has been set up by the company in accordance with the EPA regulations on waste disposal. We also contract with EPA-approved contractors for the legal disposal and reporting of waste.

Emergency Response and Rescue

Fire Prevention and Emergency Response Results

An emergency response preparation and response procedure has been put into place to identify potential disasters and select those with a higher probability for disaster drills. The person in charge serves as the commander of the emergency response organization made up of command, communication, safety, evacuation, first-aid, firefighting, chemical spill response and other teams. Regular drills are also conducted for chemical spills, fire and other disasters for loss and impact mitigation.

First-aid and AED Training Results

The Automated External Defibrillator (AED) is a device that automatically detects a patient's cardiac rhythm and uses electric shocks to restore normal heart functions. In order to maximize the time for rescue, ADLINK has implemented 3 AEDs in the Hwa Ya Plant in 2021. The local fire department was also invited to instruct employees on AED operation and CPR techniques to prepare them for emergencies. To ensure that help can be given if there is an accident on any floor, the Company also arranges for personnel to attend safety and health training for first-aid personnel. Employees in each area and shift can then help themselves and each other. ADLINK hopes to work together with employees to create a healthy and safe living environment for all.

Results of Training on Labeling and Hazard Communication of Hazardous Chemicals

Education and training were implemented to establish an understanding of chemical hazards. These equipped chemical operators with a full understanding of the chemical's properties, the meaning of related labels, preventive operating procedures, and how to respond to spills. Training employees in the proper use and understanding of chemicals prevents fire, explosion, poisoning, and other hazards caused by improper operation. In the event of a leak, swift and effective emergency response can be adopted immediately to contain the disaster, prevent the loss of life and property, and ensure the safety of workers, the workplace, and the surrounding environment.

Summary Table of ADLINK's Environmental Protection and Health Expenses in the Past 3 Years (Unit: NT$)

Item	2020	2021	2022
Workplace Testing	85,135	116,800	115,300
Waste Disposal	83,000	83,000	180,000
Factory Physician	378,000	405,000	432,000
Health Exam	460,000 (Advanced health exam)	730,800 (Mobile health exam)	470,000 (Advanced health exam)
Water Quality Testing	10,800	26,400	32,100
Automated External Defibrillator (AED)	23,880	71,640	71,640
ISO 14001 Management System Certification Fee	144,100	86,926	86,930 (Surveillance)
ISO 45001 Management System Certification Fee	112,162 (Surveillance)	151,473 (Re-certification)	81,615 (Surveillance)
Total	1,297,077	1,672,039	1,469,585

Incident Statistics and Voluntary Reporting System for Near Misses

The Environmental Safety Office is responsible for tracking all industrial safety incident statistics and records. Fatalities, disabling injuries, minor injuries, or medical treatments are all recorded in detail in the occupational injury summary for the year. The data is then compiled and analyzed at the end of the year. To strengthen the reporting of industrial safety incidents, employees are required to report near misses when they happen. A dedicated reporting system was also added to the corporate website for voluntary reporting of near misses. ADLINK provides employees with a safe and comfortable workplace. All cases of occupational injury are also analyzed and corrective action carried out. Occupational injury metrics are analyzed regularly and proposed during all company EHS meetings. Education and training are also strengthened to avoid a recurrence of similar incidents and minimize the impact of disabling injuries.

In 2022, the total work hours of employees at ADLINK was 2.12 million hours. Throughout the year, there was one recordable occupational injury, resulting in an incident rate of approximately 0.46%. There were no cases of severe occupational injuries or fatalities caused by occupational accidents. Starting from August 2021, we have arranged company vehicles and commuter buses to transport employees to and from the Hwa Ya Plant. Currently, there have been a total of 4 cases of injury. After analyzing the causes, it was found that the incidents occurred due to not paying attention and tripping when getting off the vehicle. In response to this, there will be awareness campaigns and education for employees who use the commuter buses.

Occupational Injury Statistics of ADLINK Workers in the Past 3 Years

Year	2020		2021		2022	
Types of Workers	Employees	Non-Employees	Employees	Non-Employees	Employees	Non-Employees
Total Work Hours	2,085,725	0	2,149,302	38,066	2,128,604	71,303
Number of Fatalities	0	0	0	0	0	0
Fatality Rate	0	0	0	0	0	0
Number of Serious Occupational Injuries	0	0	0	0	0	0
Serious Occupational Injury Rate	0	0	0	0	0	0
Number of Recordable Occupational Injuries	0	0	1	0	1	0
Recordable Occupational Injury Rate	0	-	0.46	0	0.46	0
Injury Type	-	-	falling object	-	tripping	-
Number of Injuries Related to Company Vehicles and Commuter Buses	0	0	1	0	3	0

Note 1: Occupational injuries refer to accidental injuries that occur while workers are performing their duties or within the workplace. The statistical criteria do not include "commuting accidents" that happen during the daily commute to and from work.

Note 2: Total work hours: Calculates the total working hours of all workers during the year. The actual working hours and overtime hours of employees are added to or deducted from the total. For non-employees (contractors and dispatch workers), the annual data estimation is calculated based on 8 hours per day x (the number of workers entering the company per month x number of working days per month).

Note 3: Serious occupational injury: Refers to injuries caused by occupational accidents that result in disability or the inability to recover to the pre-injury health condition within 6 months (excluding fatalities).

Note 4: Fatality rate = Number of fatalities due to occupational injuries x 1,000,000 ÷ Total work hours

Note 5: Serious occupational injury rate = Number of serious occupational injuries x 1,000,000 ÷ Total work hours

Note 6: Total Recordable Injury Frequency Rate (TRIFR) = Number of recordable occupational injuries (including serious occupational injuries, number of fatalities, and other recordable occupational injuries) x 1,000,000 ÷ Total work hours

Note 7: 4~6 point ratio calculation method: Calculated to 2 decimal places without rounding.

Note 8: In July 2021, we relocated to the Hwa Ya Plant, and in August 2021, we began providing commuter buses and hired non-employees (cleaning, security, restaurant, and leisure center).

Note 9: The company vehicle and commuter bus injuries are classified as traffic accidents outside the plant. The injury type is falls.

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COVID-19 Response

In response to the global COVID-19 pandemic, ADLINK's emergency response team has been continuously adapting and adjusting epidemic prevention measures based on the changing situation. We have been disseminating educational information through the company's intranet, digital bulletin boards, and email, while also closely monitoring the health status of our employees to ensure the smooth operation of the company.

Epidemic Prevention Lifestyle	1. Meal times for employees are staggered and assigned seating is adopted in the cafeteria 2. Deliver epidemic prevention announcements and vaccination information through the Company's intranet, electronic signage, and email 3. Collect vaccination data and encourage employees to complete the vaccination process 4. Avoid unnecessary business trips and use remote conferencing 5. Stipulate visitor rules, fill out health declarations, and restrict movement between areas
Strengthen Communication	1. Simplify employee reporting mechanisms and channels 2. The epidemic prevention team records the number of confirmed cases in the company every day and holds meetings to formulate responses at any time according to changes in the epidemic
Flexible Work	1. Establish staff separation systems 2. Comprehensive remote working system 3. Provide employees with paid sick leave and paid epidemic prevention leave according to their situation to encourage employees to implement self-epidemic prevention measures
Epidemic Prevention Supplies	1. Install alcohol-based hand sanitizers on every floor, in public areas, and the cafeteria. Hand soap has been provided in toilets and recreational areas on each floor 2. Provide epidemic prevention kits, which include masks, soap paper, and hand sanitizer, to employees on business trips 3. We provided free rapid screening test kits for employees to apply for and use. In 2022, a total of 5,337 test kits were distributed to employees, with a total cost of NT$1,230,100.
Psychological Support	1. The occupational nurses provide health education to confirmed and quarantined employees. They assist in contacting the healthcare unit and arranging epidemic prevention taxies, as well as making appointments for PCR testing. The nurses also provide psychological support and care to employees. 2. HR works with unit supervisors to adjust the work of quarantined employees, in order to maintain production line operations of the Company 3. Starting in 2022, we have hired a psychotherapist to be stationed in the plant to provide psychological counseling to employees

Ergonomics

Improvement of Ergonomic Hazards

Prolonged/Incorrect Posture while Sitting: Sitting continuously for more than 6 hours is called being "sedentary". In recent years, musculoskeletal-related diseases caused by prolonged/incorrect sitting have become matters of importance. In order to reduce and eliminate discomfort felt by employees who are sedentary, ADLINK has purchased more than 1,100 "ergonomic chairs" for office personnel in the Hwa Ya Plant starting from 2021. We organize at least 1 ergonomic hazards talk every year to teach employees about correct posture.

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Prolonged Strenuous and Highly Repetitive/Incorrect Carrying of Heavy Loads: Factors such as workload, posture, scheduling, and repetition may lead to musculoskeletal injuries. In order to prevent musculoskeletal injuries caused by repetitive operations, ADLINK currently provides more than 800 flatbed vehicles (colloquially known as turtle cars) and 2 labor-saving devices for use by production line personnel. At the same time, we provide specific personnel with waist supports and regularly track employee health, in order to improve operational ergonomics for personnel conducting related operations.

Furthermore, a massage station run by visually impaired persons has been added in the Hwa Ya Plant, allowing employees to have a relaxing space while working. The massages can relieve neck pains and soreness, as well as improve the stability of small joints and the strength of neck muscles.

Ergonomic Health Risk Identification and Assessment

From 2020 to 2022, a total of 898 individuals completed a musculoskeletal health survey. Through this health assessment, we analyzed similar exposed populations and common affected areas. Based on the findings, we planned relevant health promotion lectures and improvement strategies. By organizing these lectures, we not only increased health knowledge but also provided correct healthcare concepts and core strengthening exercises to effectively alleviate back pain and promote preventive care. Regarding management interventions, we engaged in discussions and evaluations with occupational specialists, environmental health personnel, and department managers to provide protective equipment and educational training, aiming to improve employees' musculoskeletal discomfort and prevent potential risks.

Ergonomic Improvement of Warehouse Packing Operation — Satisfaction Survey

Improve Repetitive Work Posture

Agree 33.33%
Strongly agree 66.67%
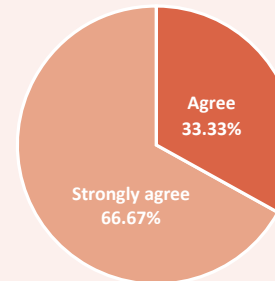
Noticeably Reduced Operating Time

Agree 33.33%
Strongly agree 66.67%
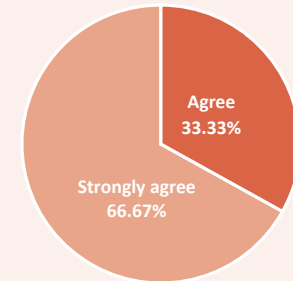
Ergonomic Improvement of Warehouse Packing Operation

Before- Hand Baling Press
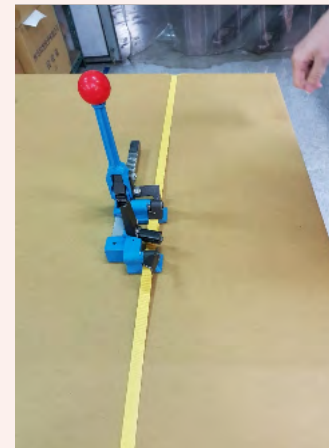
After- Power Operated Baling Press

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Injury and Illness Survey Statistics and Return-to-Work Follow Up Mechanism

Legend:
- Commuting Accidents
- General Disease or Injury
- Work-Related Injuries
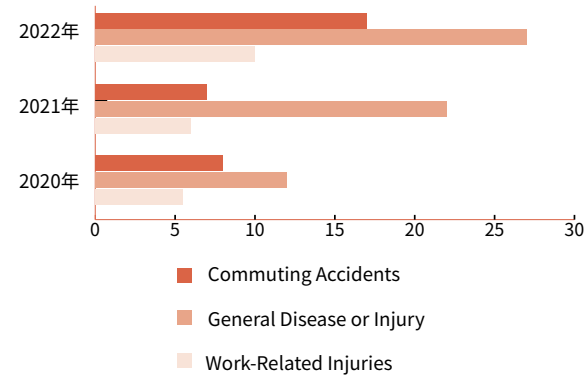
From 2020 to 2022, a total of 119 employees with injuries or illnesses were followed up on (classified and recorded as shown in the chart above). Among them, 33 individuals underwent a return-to-work assessment initiated by the plant doctor. The detailed statistics are as shown in the table below.

	2020	2021	2022
Number of People Injured or Sick	26	36	57
Number of Employees who Returned to Work	0	2	31
Case Closed	26	36	54
Continuous Follow Up	0	0	3

Prevention of Ergonomic Hazards

The main cause of most lower back pain is weak "core muscles". Strengthening the core muscles can improve and even prevent lower back pain. From 2020 to 2022, we organized multiple related lectures with a total of 492 participants. In 2022, during the sports massage charity event, professional sports massage therapists provided assistance in improving the musculoskeletal issues of our employees. All the funds raised during this event were donated in full to the "Warm Breeze Caring Association", helping the underprivileged improve their physical comfort.

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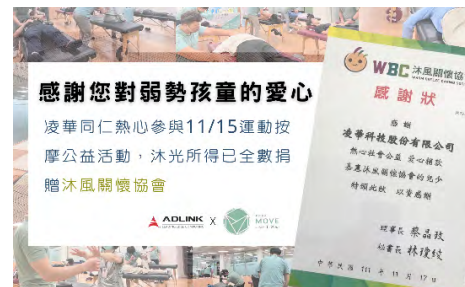
Onsite Safety Improvements

Improve Work Safety for Employees

Purchase Overhead Reclaimers: In order to improve operational safety for employees, and to prevent operators from falling from heights, 4 overhead reclaimers have been purchased for the Hwa Ya Plant and pre-operation safety and health courses have been provided to operators. Employees were taught standard operating procedures. At the same time, personal protection equipment has been provided.

Nitrogen Dispersion Protection: In order to prevent occupational hazards due to the dispersion of nitrogen gas, after the plant relocation, risk assessments have been re-conducted for nitrogen usage spaces and liquid nitrogen storage areas of the Hwa Ya Plant. In addition to basic steel bottle locks and area access control, oxygen detection equipment and ventilation equipment have been installed in the enclosed space. The gas pipelines have been clearly marked with the names of gases. The implementation of multiple protections aims to improve operational safety for workers.

Physical and Mental Safety

Workplace Bullying and Psychological Stress: The true concept of health must include "mental" health, which deeply affects quality of life. If we can learn to recognize our own emotions and learn to manage them while working, we may be able to double our achievements while putting in the same amount of effort in the long run. In order to care for the mental health of all employees, ADLINK established the "ADLINK Counseling Station" in March 2022, where a psychotherapist provides one-on-one counseling to employees in need. The psychotherapist work in the plant three times a month and provides 50-minute sessions to each employee. The service is appointment based. At the same, irregular mental health talks are held and related grievance channels are provided to employees. We hope to use these resources to improve the psychological well-being of employees.

Health Exam

Over the years, ADLINK has been actively committed to promoting and emphasizing a healthy work environment. To protect the physical and mental health of our employees, the company regularly conducts comprehensive health check-ups for all staff. This includes a general physical examination every two years and an annual contracted physical examination planned in collaboration with medical institutions, which allows our employees to undergo health check-ups at hospitals. The results of the examinations are managed and graded by the occupational nurses, and relevant measures are provided based on the risk level. Employees identified as high-risk individuals will be included in the target group for health promotion activities.

The Number of People in ADLINK who Received Physical Examinations in the Past 3 Years is Shown in the Table Below (Unit: Number of People):

	2020	2021	2022
General Physical Examination	-	828	–
Contracted Physical Examination	76	30	72
Number of People	76	858	72

Note: The frequency of general physical examinations is once every two years. The contracted physical examination provides appointments for examinations to employees and their families every year.

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Health Management Classification and Provided Measures Standards of ADLINK are as Shown in the Table Below (Unit: Number of People):

	First-Level Health Management	Second-Level Health Management	Third-Level Health Management	Fourth-Level Health Management
	No measures required currently	Health education materials or doctor consultations	Arrange doctor consultations and complete follow up within six months	Arrange doctor consultations and complete follow up within three months
2020	1	1	53	21
2021	122	281	329	126
2022	14	18	26	9

Note:Third and fourth levels are listed as the target groups for health promotion activities.

For personnel engaged in special operations, special health examinations are arranged annually to assess health hazards, and graded health management is implemented in accordance with the law. The examination results will be followed up with health education and health monitoring by the occupational nurses and occupational specialist physician. If necessary, on-site assessments of work-related illnesses may be conducted. Personnel classified as third level or above in the graded health management will be followed up on according to severity. Occupational specialist physicians will provide health consultations and guidance to fourth level managers.

Graded Health Management for the Special Physical Examinations in the Past 3 Years (Unit: Number of People)

Year	Total Number of People Examined	First-Level Health Management	Second-Level Health Management	Third-Level Health Management	Fourth-Level Health Management
2020	12	6	6	0	0
2021	14	5	9	0	0
2022	45	22	23	0	0

Note 1:First-level management: Those who are found with no abnormalities according to the examination results.
Note 2:Second-level management: Those who are found with abnormalities that are unrelated to work.
Note 3:Third-level management: Those who are found with abnormalities which cannot be determined to be related to work, and who need further assessment by an occupational specialist physician.
Note 4:Fourth-level management: Those who are found with abnormalities that are related to work.

6

Social Engagement

Four Main Themes of Foundation Service

Youth Education

Youth development courses and co-creation summer camps

Caring for the Disadvantaged

Life education for the disabled and tutoring for the disadvantaged
Good Deeds Train and emergency assistance

Arts Promotion

Cultural Corridor and support for performing arts

Scholarships

Educational scholarships (children of employees),
Zhong-xian Scholarship (Taiwan Police College),
and Arts Scholarship (Taiwan College of Performing Arts)

Results of Social Welfare Investments from 2020 to 2022 (Unit: NT$ thousand)

Item	2020 Actual Outcomes	2021 Actual Outcomes	2022 Goal	2022 Actual Outcomes	Achievement Rate
"Mixed Disabled Arts Group" Life Education	800	800	800	800	100%
ADLINK Education Scholarship	220	410	300	350	116.66%
ADLINK Zhong-xian Scholarship	400	400	400	400	100%
ADLINK Arts Scholarship	305	300	300	300	100%
"Boyo Social Welfare Foundation" Comprehensive Tutoring	1,000	1,030	1,000	1,000	100%
"Gaorong Social Care Association" Tutoring for the Disadvantaged	600	600	600	600	100%
ADLINK Youth Development Program	172	136	200	94	46.82%
ADLINK Co-creation Summer Camp	682	222	500	654	130.73%
ADLINK Cultural Corridor	178	61	120	104	86.87%
ADLINK Good Deeds Train	0	0	40	22	56.06%
Annual Amount/Achievement Rate	4,357	3,959	4,260	4,324	101.50%

Note 1:In 2021, the Co-creation Summer Camp was originally planned to be held abroad and a corresponding budget was allocated. However, due to the pandemic, the camp was held in Taiwan and there was no accommodation fee, therefore the actual cost of execution was lower.

Note 2:In 2022, due to the pandemic, most classes in the Youth Development Program could not be held as scheduled.

Note 3:In 2020 and 2021, due to the pandemic, the ADLINK Good Deeds Train could not be held.

ADLINK

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ADLINK Education Foundation

ADLINK Technology Inc. was established in 1995. The Company was listed on the OTC in 2002 and listed on the stock market in 2004. In December of the same year, the Company established the ADLINK Education Foundation, which is based on the idea of taking from society and giving back to society.

The ADLINK Education Foundation promotes technological education, the arts and humanities, social welfare, and the building of a harmonious, progressive society under the ADLINK vision of "Advance technologies, automate the world." We hope to teach people the true meaning of love and advance society with the power of love.

🔍 **Browse the ADLINK Education Foundation website for more details.**

ADLINK

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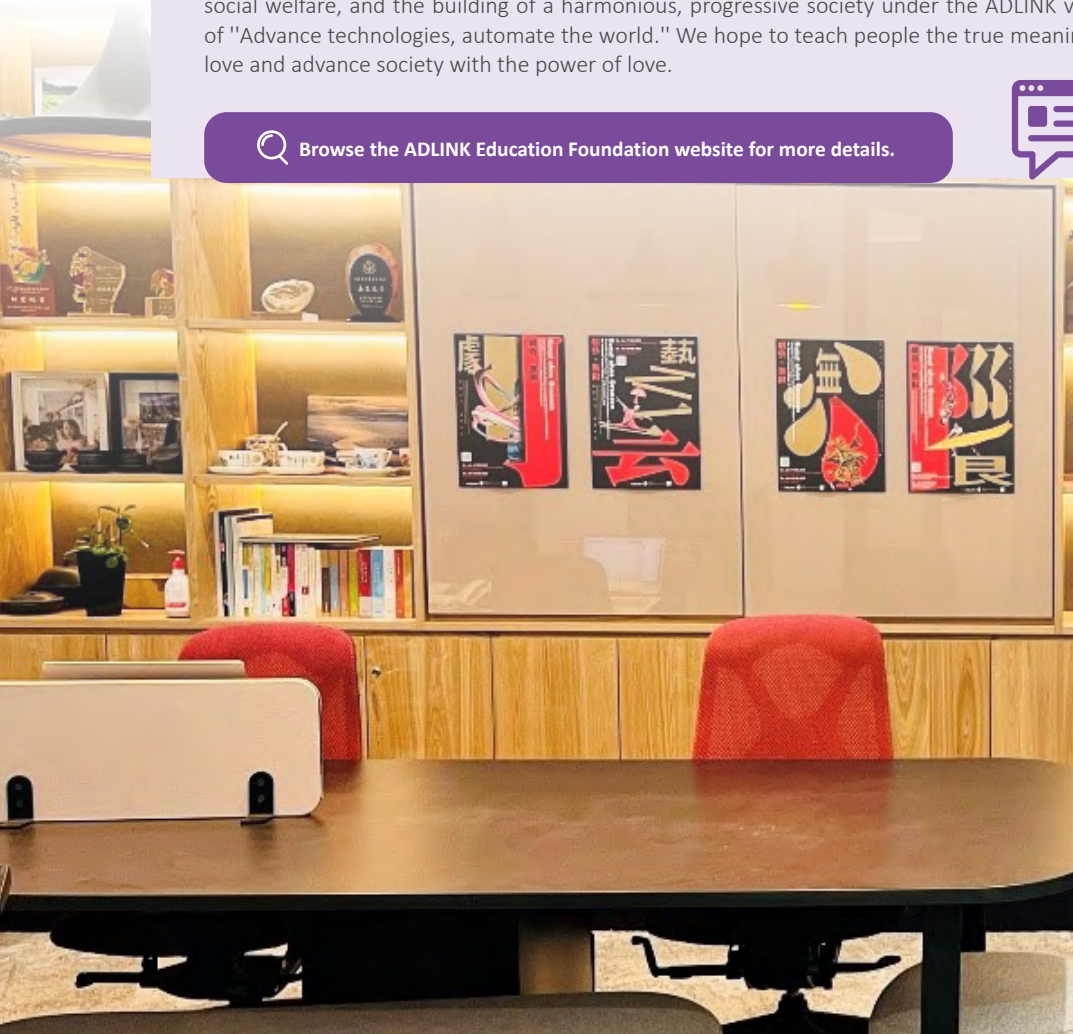
6.1 Youth Education

Youth Development Program

The ADLINK Education Foundation has encouraged many young volunteers and students due to its more than ten years of organizing camps. At this point, some of the fifth and sixth graders of elementary schools have grown into college-age students, while some have just graduated from college and entered the workforce. The goal of the foundation is to provide continuing care for the participating children through long-term communication. We hope that, through the organization of youth development courses, we can become a site of perpetual support for every child year after year. Personal development is a continuous process of self-growth and improvement, which involves understanding individual needs and providing timely assistance to foster career development and personal growth.

Gallup Strengths Online Course - Fulfilling Potential and Creating Individual Value

- Speaker: Fei-Tong Li/Founder of ThinQSTalk Brand Course
- Course date:

  ✳ Online guided course for all employees on May 28, 2022 (Saturday)
  ✳ Online group learning and discussion from 10:30 to 16:30 on June 11, 2022 (Saturday) and June 12 (Sunday)

- Participating students: 20 students, including children of ADLINK employees, College of Performing Arts students, and Taiwan Police College graduates.
- Course content: The course is based on the results of Gallup's over 50 years of research in positive psychology. It can help students consciously use their talents and advantages to increase their performance. The learning journey allows students to understand their unique talent combinations, learn how to utilize their talents and advantages, and appreciate their gifts to making considerable contributions to the team. The course content goes beyond basic understandings of personal talent and strengths. It helps students consciously identify, invest, and focus their gifts and goals, and apply them in work and life to achieve greater success.

- Course benefits:

  ✳ 34-item assessment and complete report of Gallup Strengths Finder
  ✳ Guidance and discovery of the exploration tools
  ✳ Understand talents and weaknesses, and create mutually supportive partnerships with others

Online Cultural Lecture【Old London - Starting from the Pub】

- Speaker: Zhi-Wei Chang/UK blue card tour guide and owner of Lupton B&B in London
- Lecture date: 12:00 to 13:30 on May 30, 2022 (Monday)
- Lecture details:

  ✳ Experienced UK tour guide presents authentic British pub culture
  ✳ Explores the richness of British pub culture
  ✳ Introduces British food culture in a down-to-earth way
  ✳ Covers multiple aspects of culture, such as film, music, and art

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The British biographer, Samuel Pepys, once said, ''The pub is the heart of England.''

The richness of British culture can only be experienced by stepping into a pub. Zhi-Wei Chang leads the audience through British pub culture, fascinating the crowd with historical anecdotes. Each historic pub is actually filled with historical information.

Co-creation Summer Camp

Starting in 2011, the ADLINK Education Foundation has been organizing the cross-strait children's summer camp at ADLINK's Shanghai subsidiary every year. Even during the pandemic, ADLINK continued to run the camp in Taiwan. We believe that learning and growth should not stop because of the pandemic. 2022 was the 12th year of the summer camp. The original intention is to help young volunteers and students cultivate team spirit, positive thinking and problem-solving. Through different teaching plans, we allow children to have the opportunity to come in contact with diverse fields, such as technology education, arts and aesthetics, environmental protection, and local culture, so as to expand their horizons, stimulate creativity, explore their strengths, and acquire the ADLINK spirit.

2022 ADLINK Kenting Children's Camp

- Camp date: July 24 to 27, 2022, totaling 4 days and 3 nights
- Camp venue: Kenting Youth Activity Center (No. 17, Kenting Road, Hengchun Township, Pingtung County)
- Participating students: 20 grade 4 to grade 6 elementary schoolchildren from disadvantaged families
- Youth volunteers: 13 youth volunteers (from the College of Performing Arts, Taiwan Police College, children of ADLINK employees, and international students)
- Youth volunteer preparation and training dates: April 16, May 7, June 26, July 9, and July 21 to 23

- Services provided by youth volunteers: The volunteers are required to participate in the preparatory work before the camp, lesson planning and implementation, leading students and activities, present results and ideas, and produce videos.
- Camp lesson plans:

  ✴ Tidal treasure hunters- Exploring the intertidal zone

  ✴ Little circus – Folk art carpet spinning

  ✴ Junior martial arts- Self-defense and sexual harassment prevention

  ✴ Learning sign language

6.2 Caring for the Disadvantaged

Life Education for the Disabled

"Mixed Disabled Arts Group" Campus Life Education

The "Mixed Disability Variety Art Troupe" is a performance art group for the disabled that has been supported by the ADLINK Education Foundation since its establishment. The members include people with visual impairment, physical disabilities, speech and hearing impairments, amputations, and rare diseases. Over the years, the campus life education embodies the concept of "never give up and cherish life". The head of the group, Ming Liu, and several members of the group also have accomplishments such as the Broadcasting Golden Bell Award, the Ten Outstanding Young People, and the Golden Eagle Award. The visually impaired can play musical instruments, the limb impaired can dance with crutches, amputees can dance and play the piano, and even climb to the top of Jade Mountain. Successfully climbing to the top of Jade Mountain proves that life is not necessarily limited by physical challenges.

The ADLINK Education Foundation has supported the "Mixed Disability Variety Art Troupe" to promote life education on campus for many years. Through performances interspersed with interviews, and the life stories of team members overcoming obstacles with their tenacity and bravery, children can learn to love, appreciate, and respect differences. At the same time, we aim to open up new career paths for friends with disabilities.

The "Mixed Disability Variety Art Troupe" holds almost 100 performances every year. Due to the impact of the pandemic from 2020 and 2022, invitations from various units have declined, which has greatly affected the members of the group who make a living by performing. Ming Liu expressed his great gratitude to the ADLINK Education Foundation for its uninterrupted support even during the pandemic, so that members of the group can still maintain their livelihood.

ADLINK Education Foundation's Budget in 2022 was NT$800 Thousand

School	Session	Performance Dates and Schools
Elementary School	8	New Taipei City Shih-fen Elementary School, New Taipei City Beigang Elementary School, New Taipei City Hemei Elementary School, New Taipei City Sanguang Elementary School, New Taipei City Xindian Elementary School, New Taipei City Gengliao Elementary School, New Taipei City Bihua Elementary School, New Taipei City Hangshan Elementary School
Junior High School	2	Hsinchu Zhudong Junior High School, New Taipei City Sanmin Senior High School (Junior High Section)
Senior High School to University	3	Tainan Houbi High School, Taiwan Police College, and National Cheng Kung University
A total of 13 life education events were held in 2022		
Number of attendees: More than 6,000 students		

After-School Tutoring for the Disadvantaged

Boyo Social Welfare Benefits Foundation Comprehensive Tutoring

From 2013 to 2022, the ADLINK Education Foundation continued to provide funding.

Established in 2002, the Boyo Foundation adheres to the philosophy of "not letting poor children fall into eternal poverty". Through social work and education, the goal is to cultivate community teachers, develop learning materials, and lay a solid foundation. This is done by using social resources to keep children healthy, expand their horizons, and continue cooperation with all fields.

It is hoped that inequality will be eliminated, so that children in remote areas will have sufficient learning resources and opportunities, and enhance their future competitiveness, achieving the vision of ''bringing knowledge home''. It is hoped that in the near future, the children can truly lift themselves out of poverty, have a home full of hope, and no longer fall into the cycle of poverty.

Taoyuan Gaorong Social Care Association Tutoring for the Disadvantaged

From 2015 to 2022, the ADLINK Education Foundation continued to provide funding.

Taoyuan Gaorong Social Care Association is located at the junction of Zhongli, Pingzhen and Yangmei districts in Taoyuan. The residents of the communities are mostly blue-collar workers and from immigrant or disadvantaged backgrounds. Association Chairman Mr. Xi-Nian Yang, an honorary professor at Tsinghua University School of Computer Science, and his wife, Ms. Yu-Hui Chen, who is a distinguished professor in the Department of Chemistry of Chung Yuan University, have spared no effort in helping community residents and providing diverse knowledge learning and educational resources.

Tutoring classes were established by Gaorong Social Care Association at Guoling Junior High School in November 2015 and at Zhongping Elementary School in February 2016. The service has been provided without interruption to 2022. With the long-term donations of ADLINK Education Foundation starting in 2015, the Association was able to provide an environment suitable for studying to children from disadvantaged families. These children are able to learn and grow with enough care and love.

ADLINK Good Deeds Train

Organized by the ADLINK Education Foundation and the ADLINK Employee Welfare Committee. ADLINK employees are invited to board the Good Deeds Train with 12 disadvantaged children from the Boyo Social Welfare Foundation Zhudong Tutoring Center and spend a happy and memory-filled day together.

Children from disadvantaged backgrounds might not have the opportunity to travel domestically, let alone overseas. We hope to use the Good Deeds Train and the participation of ADLINK employees to provide enriching experiences and opportunities for the children. We hope to leverage our positive influence to help these children fulfill their potential, becoming a role model for children's growth and progress.

- Main organizers: ADLINK Education Foundation, ADLINK Staff Welfare Committee
- Event date: December 17, 2022 (Saturday)
- Event location: Flower Home, Flying Cow Ranch
- Participating students: 12 grade 1 to grade 2 elementary schoolchildren from disadvantaged families
- Volunteers: 24 ADLINK employees

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Emergency Assistance

Bo-Neng Kang (graduated from the Department of Folk Arts, Taiwan College of Performing Arts/member of the 2019 Qinghai-Tibet Exploration Camp), was diagnosed with ameloblastoma in his face, nose, and mouth in 2022, and had to undergo surgery, which included facial reconstruction with bones and skin from his arms and legs. Although the surgery was a success, the beloved folk art cube performance had to be put on hold. Just as he was about to give up, the ADLINK Education Foundation provided NT$10 thousand in emergency assistance to encourage him. The foundation also invited him to perform in the life education events, providing him with a platform and income, helping him overcome his physical and psychological difficulties.

6.3 Arts Promotion

ADLINK Cultural Corridor

The ADLINK Education Foundation has installed a cultural exhibition wall in the ADLINK employee cafeteria corridor where multimedia art exhibitions are exhibited. The works exhibited in 2022 included:

- "Yushu Lingfeng" ADLINK Qinghai-Tibet Exploration Photography Exhibition - Third and fourth season: Through the photographs, videos and other images of the Qinghai Tibet Exhibition, the impressions and achievements of ADLINK's youth's exploration were shared with the audience, conveying the great love and respect Tibetans have for the land and life.
- Ming-Lun Lin ''Beauty of Taiwan'' photography exhibition
- ''Beauty of ADLINK'' photography contest award-winning works exhibition: The Ming-Lun Lin photography lecture, ''Beauty of Taiwan'' photography exhibition, and ADLINK ''Beauty of ADLINK'' photography competition and exhibition encouraged ADLINK employees to record their daily lives through a photographic lens.
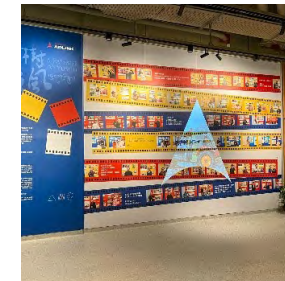
Support for Performing Arts

ADLINK Youth Life Education Performances

Life education combines ADLINK's youth opera performance expertise to convey the ideals of education and cultural heritage, increases the stage for self-expression, so that performance can also be a form of service, and participants can learn the spirit of the "Mixed Disabled Arts Group" to overcome obstacles.

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6.4 Scholarships

Education Scholarship (Children of Employees)

Zhong-Xian Scholarship (Taiwan Police College)

Arts Scholarship (Taiwan College of Performing Arts)

In order to encourage young students who strive to learn and specialize in art, the ADLINK Education Foundation has successively established the "ADLINK Educational Scholarship", "ADLINK Zhong-Xian Scholarship" and "ADLINK Arts Scholarship" since 2008. The scholarships are offered to the children of ADLINK employees and students of the Taiwan Police College and Taiwan College of Performing Arts. Applications begin in September of every year and a joint scholarship award ceremony is held in December.

We have continued provide the following scholarships:

- ADLINK Education Scholarship from 2008 to 2022
- ADLINK Zhong-Xian Scholarship from 2014 to 2022
- ADLINK Arts Scholarship from 2016 to 2022

Amount of Scholarships Awarded by ADLINK Education Foundation and Number of Recipients in the Past 3 Years

Item	2020 (Unit: NT$ thousand)	Number of People	2021 (Unit: NT$ thousand)	Number of People	2022 (Unit: NT$ thousand)	Number of People
ADLINK Education Scholarship	220	14	410	24	350	21
ADLINK Zhong-Xian Scholarship	400	20	400	20	400	20
ADLINK Arts Scholarship	305	25	300	28	300	28
Total Amount/ Total Number of People	925	59	1,110	72	1,050	69

Appendix

GRI Index

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Assurance Statement

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GRI Index

General Disclosures

GRI Standard	Disclosure	Corresponding Chapter	Page Number	Remarks
GRI 1: ADLINK has reported the information from January 1, 2022, to December 31, 2022, according to the GRI 2021 Standards.				
GRI 2: General Disclosures 2021				
GRI 2-1	Organizational details	1.1 About ADLINK	17	
GRI 2-2	Entities included in the organization's sustainability reporting	0 About the Report- Editorial principles and compliance	5	
GRI 2-3	Reporting period, frequency and contact point	0 About the Report- Contact method	6	
GRI 2-4	Restatements of information	1.2 Business performance and expectations - Table of the balance sheets and profitability of ADLINK in the past 3 years	20	
		4.2 Energy management- Energy-saving and carbon-reducing action plans	88	
		4.3 Waste management – Table of Status of ADLINK's handling of waste in the past 3 years	93	
GRI 2-5	External assurance	0 About the Report- Main unit responsible for the report and quality management method	5	
GRI 2-6	Activities, value chain and other business relationships	1.1 About ADLINK	17	
		3.1 Supply chain management- Industry value chain	55	
GRI 2-7	Employees	5.2 Excellent workplace- Employee diversity	99	
GRI 2-8	Workers who are not employees	5.2 Excellent workplace- Employee diversity	99	
GRI 2-9	Governance structure and composition	2.3 Board of Directors – Board diversity	32	
GRI 2-10	Nomination and selection of the highest governance body	2.3 Board of Directors- Director nomination and election	34	
GRI 2-11	Chair of the highest governance body	2.3 Board of Directors- Conflict of interest	35	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	0 ADLINK Technology Inc. ESG Sustainability Committee	7	Not applicable. The ESG Sustainability Committee has not yet reported to the highest governance unit.

GRI Standard	Disclosure	Corresponding Chapter	Page Number	Remarks
GRI 2-13	Delegation of responsibility for managing impacts	0 ADLINK Technology Inc. ESG Sustainability Committee 2.7 Corporate risk management- Risk management organization	7 40	
GRI 2-14	Role of the highest governance body in sustainability reporting	0 About the Report- Main unit responsible for the report and quality management method	5	
GRI 2-15	Conflicts of interest	2.3 Board of Directors- Conflict of interest	35	
GRI 2-16	Communication of critical concerns	2.3 Board of Directors- Overview of Board operations in 2022	34	
GRI 2-17	Collective knowledge of the highest governance body	2.5 Continued enhancement of governance- Continuing education for the Board of Directors	36	
GRI 2-18	Evaluation of the performance of the highest governance body	2.5 Continued enhancement of governance- Board performance evaluation	38	
GRI 2-19	Remuneration policies	2.6 Employee profit sharing and directors' compensation	39	
GRI 2-20	Process to determine remuneration	2.6 Employee profit sharing and directors' compensation	39	
GRI 2-21	Annual total compensation ratio	5.2 Excellent workplace- Salary standard	110	
GRI 2-22	Statement on sustainable development strategy	0 Message from the management 0 ADLINK Technology Inc. ESG Sustainability Committee - Corporate sustainable development policy	3 7	
GRI 2-23	Policy commitments	2.1 Policy commitments- Core values and corporate culture 5.1 Protection of human rights- Labor human rights policies	24 95	
GRI 2-24	Embedding policy commitments	0 ADLINK Technology Inc. ESG Sustainability Committee - Corporate sustainable development policy 2.1 Policy commitments- Core values and corporate culture	7 24	
GRI 2-25	Processes to remediate negative impacts	0 Complaints and suggestions	10	
GRI 2-26	Mechanisms for seeking advice and raising concerns	0 Complaints and suggestions	10	
GRI 2-27	Compliance with laws and regulations	2.8 Regulatory compliance- Training and implementation	43	
GRI 2-28	Membership associations	1.3 Industry Associations	22	
GRI 2-29	Approach to stakeholder engagement	0 Stakeholder engagement - Topics of stakeholder concern and communication channels	9	
GRI 2-30	Collective bargaining agreements	5.2 Excellent workplace- Labor-management communication and cooperation – No labor union-management meeting	101	No Labor Union

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Disclosures on Material Topics

GRI Standard	Disclosure	Corresponding Chapter	Page Number	Remarks
GRI 3: Material Topics 2021				
GRI 3-1	Process to determine material topics	0 Material topics	12	
GRI 3-2	List of material topics	0 Material topics- Material topic impact boundaries, involvement, and corresponding chapters	14	
1. Business Performance				
GRI 3-3	Management of material topics	1.2 Business performance and expectations	19	
GRI 201-1	Direct economic value generated and distributed	1.2 Business performance and expectations- Table of the balance sheets and profitability of ADLINK in the past 3 years	20	
2. Information Security Management				
GRI 3-3	Management of material topics	2.9 Information security management	44	
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.9 Information security management	45	
3. Innovative Technologies and Applications				
GRI 3-3	Management of material topics	3.3 Innovative technologies and applications	68	
Custom theme	-	-	-	
4. Supply Chain Management				
GRI 3-3	Management of material topics	3.1 Creating a sustainable supply chain- Supply chain management	53	
GRI 308-1	New suppliers that were screened using environmental criteria	3.1 Creating a sustainable supply chain- Supply chain management- Supplier sustainability management	58	
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	3.1 Creating a sustainable supply chain- Supply chain management- Supplier sustainability management	58	
GRI 414-1	New suppliers that were screened using social criteria	3.1 Creating a sustainable supply chain- Supply chain management- Supplier sustainability management	58	
GRI 414-2	Negative social impacts in the supply chain and actions taken	3.1 Creating a sustainable supply chain- Supply chain management- Supplier sustainability management	58	

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5. Customer Relations Management				
GRI 3-3	Management of material topics	3.4 Customer Service	72	
Custom theme	-	-	-	
6. Green Products				
GRI 3-3	Management of material topics	3.1 Material procurement, Green products	54	
GRI 416-1	Assessment of the health and safety impacts of product and service categories	3.1 Green products- Hazardous substance management and collection of part's/component's material declaration	61	
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.1 Green products- Hazardous substance management and collection of part's/component's material declaration	61	
7. Material Procurement				
GRI 3-3	Management of material topics	3.1 Material procurement, Green products	54	
GRI 204-1	Proportion of spending on local suppliers	3.1 Material procurement- Local and offshore procurement and supply chain characteristics	58	
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GRI 3-3	Management of material topics	5.2 Excellent workplace- Employee diversity	97	
GRI 405-1	Diversity of governance bodies and employees	2.3 Board of Directors – Board diversity 5.2 Excellent workplace- Employee diversity	32 98	
9. Talent Development and Cultivation				
GRI 3-3	Management of material topics	5.4 Talent cultivation and career development	114	
GRI 404-1	Average hours of training per year per employee	5.4 Talent cultivation and career development- Table of the average hours of training per year per employee of ADLINK in the past 3 years	116	
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	5.4 Talent Cultivation and Career Development	115	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	5.4 Talent cultivation and career development- Clear and complete performance evaluations and promotion pipelines	118	

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GRI Standard	Disclosure	Corresponding Chapter	Page Number	Remarks
		10. GHG Inventory		
GRI 3-3	Management of material topics	4.1 Climate change- ISO 14064-1 Greenhouse Gas Inventory	81	
GRI 305-1	Direct (Scope 1) GHG emissions	4.1 Climate change- ISO 14064-1 Greenhouse Gas Inventory	83	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	4.1 Climate change- ISO 14064-1 Greenhouse Gas Inventory	83	
GRI 305-3	Other indirect (Scope 3) GHG emissions	4.1 Climate change- ISO 14064-1 Greenhouse Gas Inventory	83	
GRI 305-4	GHG emissions intensity	4.1 Climate change- ISO 14064-1 Greenhouse Gas Inventory	83	

Disclosure on Other Topics

GRI Standard	Disclosure	Corresponding Chapter	Page Number	Remarks
		GRI 201: Economic Performance 2016		
GRI 201-2	Financial implications and other risks and opportunities due to climate change	4.1 Climate change- Financial impacts of climate-related risks and opportunities	80	
GRI 201-3	Defined benefit plan obligations and other retirement plans	5.2 Excellent workplace- Comprehensive benefit plan for employees- Retirement scheme and implementation status	104	
		GRI 202: Market Presence 2016		
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.2 Excellent workplace- Salary standard	110	
		GRI 203: Indirect Economic Impacts 2016		
GRI 203-1	Infrastructure investments and services supported	6 Social engagement – Table of the results of social welfare investments from 2020 to 2022	129	
		GRI 206: Anti-competitive Behavior 2016		
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.8 Regulatory compliance- Training and implementation	43	

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GRI Standard	Disclosure	Corresponding Chapter	Page Number	Remarks
GRI 302: Energy 2016				
GRI 302-1	Energy consumption within the organization	4.2 Energy conservation and carbon reduction- Energy management	87	
GRI 302-3	Energy intensity	4.2 Energy conservation and carbon reduction- Energy management	87	
GRI 302-4	Reduction of energy consumption	4.2 Energy conservation and carbon reduction- Energy management- Energy-saving and carbon reduction action plans	88	
GRI 303: Water and Effluents 2018				
GRI 303-3	Water withdrawal	4.2 Energy conservation and carbon reduction- Water resources management	89	
GRI 305: Emissions 2016				
GRI 305-5	Reduction of GHG emissions	4.2 Energy conservation and carbon reduction- Energy management- Energy-saving and carbon reduction action plans	88	
GRI 306: Effluents and Waste 2016				
GRI 306-3	Significant spills	4.3 Waste Management	91	
GRI 306-4	Waste diverted from disposal	4.3 Waste Management	92	
GRI 306-5	Waste directed to disposal	4.3 Waste Management	92	
GRI 401: Employment 2016				
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2 Excellent workplace- Comprehensive benefit plan for employees	102	
GRI 401-3	Parental leave	5.2 Excellent workplace- Comprehensive benefit plan for employees- Housing/comfort and safety	103	
GRI 403: Occupational Health and Safety 2018				
GRI 403-1	Occupational health and safety management system	5.5 Safe and healthy workplace	119	

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GRI Standard	Disclosure	Corresponding Chapter	Page Number	Remarks
GRI 403-2	Hazard identification, risk assessment, and incident investigation	5.5 Safety and healthy workplace- Ergonomics- Ergonomic health risk identification and assessment	124	
GRI 403-3	Occupational health services	5.5 Safe and healthy workplace- Onsite safety improvements- Health exam	126	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	5.5 Safe and healthy workplace- Dedicated unit for the promotion of environmental safety activities	119	
GRI 403-5	Worker training on occupational health and safety	5.5 Safe and healthy workplace- Emergency response and rescue	120	
GRI 403-6	Promotion of worker health	5.2 Excellent workplace- Comprehensive benefit plan for employees- Health/mental and physical	106	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.5 Safe and healthy workplace- Results of training on labeling and hazard communication of hazardous chemicals	121	
GRI 403-9	Work-related injuries	5.5 Safe and healthy workplace- Incident statistics and voluntary reporting system for near misses	122	
GRI 405: Diversity and Equal Opportunity 2016				
GRI 405-2	Ratio of basic salary and remuneration of women to men	5.2 Excellent workplace- Salary standard	110	

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bsi.

Opinion Statement

Greenhouse Gas Emissions
Verification Opinion Statement

This is to verify that:

ADLINK Technology, Inc .
No. 66, Huaya 1st Rd .
Guishan Dist.
Taoyuan City
333411
Taiwan

凌華科技股份有限公司
臺灣
桃園市
龜山區
華亞一路 66 號
333411

Holds Statement Number   GHGEV 785936

Verification opinion statement

As a result of carrying out verification procedures in accordance with ISO 14064-3:2006, it is the opinion of BSI with reasonable assurance that:

- The Greenhouse Gas Emissions with ADLINK Technology, Inc. for the period from 2022-01-01 to 2022-12-31 was verified, including direct greenhouse gas emissions 641.654 tonnes of CO_2 equivalent and indirect greenhouse gas emissions from imported energy 4,738.661 tonnes of CO_2 equivalent.
- No material misstatements for the period from 2022-01-01 to 2022-12-31 Greenhouse Gas Emissions calculation were revealed.
- Data quality was considered acceptable in meeting the principles as set out in ISO 14064-1:2018.
- The emission factor for electricity for the year 2022 is not published by Taiwan government so far, the emission factor used for electricity is 0.509 kilograms of Carbon Dioxide equivalent per kWh instead which may potentially result in different Greenhouse Gas Emission estimates.

The other selected indirect GHG emissions listed in the attached table on the next page were also reported and thus verified with limited assurance, and data quality was not considered unacceptable in meeting the principles as set out in ISO 14064-1: 2018.

For and on behalf of BSI:

Managing Director BSI Taiwan, Peter Pu

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The greenhouse gas emissions information reported by the organization for the period from 2022-01-01 to 2022-12-31 is as follows:

EMISSIONS	Notes	tonnes CO_2e
Category 1: Direct GHG emissions and removals		**641.654**
1.1 Stationary combustion		86.5975
1.2 Mobile combustion		0.0000
1.3 Industrial processes(anthropogenic systems)		0.0000
1.4 Fugitive(anthropogenic systems)		555.0568
1.5 Land use, land use change and forestry	N/A	-
Direct emissions in tonnes of CO_2e from biomass		0.0000
Category 2: Indirect GHG emissions from imported energy		**4,738.661**
2.1 Indirect emissions from imported electricity	location-based approach	4,738.6608
2.2 Indirect emissions from imported energy (steam, heating, cooling and compressed air)		0.0000
Category 4: indirect GHG emissions from products used by organization		**914.917**
4.1 Emissions from Purchased goods	Include the electricity, tap water	830.6444
4.2 Emissions from Capital goods	NS	
4.3 Emissions from the disposal of solid and liquid waste	Solid and liquid waste handed over to a third party for disposal	84.2721
4.4 Emissions from the use of assets	NS	
4.5 Emissions from the use of services that are not described in the above subcategories	NS	

* NS: Non significant; N/A: Non available.

The total emissions were verified in selected branches and representative offices, including but not limited to the following:

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Location:

ADLINK Technology, Inc.
(Global Headquarter)
No. 66, Huaya 1st Rd.
Guishan Dist.
Taoyuan City
333411
Taiwan

凌華科技股份有限公司(總部)
臺灣
桃園市
龜山區
華亞一路 66 號
333411

ADLINK Technology, Inc.
(Huaya)
B1, 4F-5F.
No. 68, Huaya 1st Rd.
Guishan Dist.
Taoyuan City
333411
Taiwan

凌華科技股份有限公司(華亞廠)
臺灣
桃園市
龜山區
華亞一路 68 號
B1, 4F-5F
333411

Registered activities:

The Greenhouse Gas Emissions with ADLINK Technology, Inc. for the period from 2022-01-01 to 2022-12-31 was verified, including direct greenhouse gas emissions 641.654 tonnes of CO_2 equivalent and indirect greenhouse gas emissions from imported energy 4,738.661 tonnes of CO_2 equivalent.

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Assurance Statement

Crowe

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INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

To ADLINK Technology, Inc.

We have been engaged by ADLINK Technology, Inc. ("the Company") to perform assurance procedures on the sustainability performance information identified by the Company (see Appendix 1) and reported in the 2022 ADLINK ESG Report ("the Report"), and have issued a limited assurance report based on the result of our work performed.

Management's Responsibilities
Management is responsible for the preparation of the sustainability performance information disclosed in the ESG report in accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and the GRI Standards published by the Global Reporting Initiative (GRI), and for such internal control as management determines is necessary to enable the preparation of the sustainability performance information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities
We planned and conducted our work on the sustainability performance information in the Report in accordance with the International Standard on Assurance Engagement 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board to issue a limited assurance report on the preparation, with no material misstatement in all material respects, of the Report. The nature, timing and extent of procedures performed in a limited assurance engagement are different from and more limited than a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

Limited Assurance Procedures
We applied professional judgment in the planning and conduct of our work to obtain evidence supporting the limited assurance. Because of' the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:
· Obtaining and reading the Report in 2022;
· Inquiring management and personnel involved in the preparation of the Report to understand the policies and procedures for the preparation of the Report;
· Analyzing and examining, on a test basis, the documents and records supporting the sustainability performance information.

Independence and Quality Controls
We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which contains integrity, objectivity, professorial competence and due care, confidentiality and professional behavior as the fundamental principles. In addition, the firm applies Statement of Quality Management Standard 1 "Quality Management for Public Accounting Firms" issued by the Accounting Research and Development Foundation of the Republic of China, and accordingly requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements: professional standards, and applicable legal and regulatory requirements.

Inherent Limitations
The subject intonation included non-financial information, which was under more inherent limitations than financial information. The information may involve significant judgment, assumption and interpretations by the management, and the different stakeholders may have different interpretations of such information.

Conclusion
Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the sustainability performance information in the Report in 2022 is in all material respects, not prepared in accordance with the above mentioned reporting criteria.

Other Matters
The maintenance of the Company's website is the responsibility of the management. We shall not be responsible for conducting any further assurance work for any change of the sustainability performance information or the criteria applied after the issuance date of this report.

Crowe (TW) CPAs
Taipei, Taiwan
Republic of China

August 25, 2023

APPENDIX 1

SUMMARY OF SUSTAINABILITY PERFORMANCE INFORMATION

#	Description of Indicators	Corresponding Section	Applicable Criteria
1	Total energy consumption, percentage of purchased electricity, and renewable energy utilization rate	4.2 Energy Efficiency	Summary of total energy consumption in 2022
2	Total weight of hazardous waste generated and the percentage of recycling	4.3 Wastes Management	The weight of hazardous waste generated in 2022
3	Description of occupational accident categories, number of people, and rates	5.5 Workplace Health and Safety	The categories, number of people, and rates of occupational accidents in 2022
4	Description of risk management related to the use of key materials	2.7 Risk Management	Evaluation for risk management of key materials in 2022
5	Total monetary losses incurred due to legal lawsuits related to anti-competitive behavior regulations	2.8 Regulatory compliance	No monetary losses due to lawsuits related to the Antitrust and Anti-Competition Regulations in 2022

ADLINK