



Edge Computing



Robotics



5G



AI

EDGE COMPUTING



Autonomous Driving



Visualization



2021 ESG

Environment, Social, Governance

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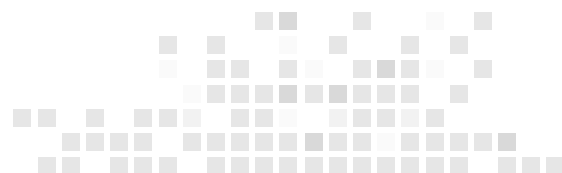
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Message from the Management

In the past two years, ADLINK has actively responded to the development and growth needs in the next phase of the group by planning for the transformation of enterprise functions. In terms of the overall vision and strategy, the company still aims to become the leader in AI Edge Computing. By combining existing industrial embedded computers, AI, and 5G technology, data can be analyzed at the edge. Front-end devices may also have industrial communication and intelligent processing capabilities with high reliability and low latency in order to produce high-quality decision-making to increase operational performance, help customers to predict maintenance, and improve quality. In the era of AI, ADLINK hopes to help vendors improve integration and work processes, increase efficiency, and promote work safety and health, bettering the lives everyone.

Upholding the key concept of improving people's lives in a time when COVID-19 has caused such tremendous impact to the world, ADLINK is dedicated to aiding medical personnel and the general public with hygienic level products by collaborating with AUO to introduce public health computers to National Taiwan University Hospital, helping to increase medical intelligence and provide more quality medical service solutions. In terms of applications that affect human lives or critical human activities, such as railway transportation, autonomous driving, and space exploration, as a response to the extreme environment and needs in the field, ADLINK upholds the core value of contributing back to society and continues to design and develop special products with the highest standard.

ADLINK not only continues to join international industrial organizations but actively develops core technology capabilities and provides high quality products that are in line with international standards by working with key partners in the ecosystem, such as with Intel and NVIDIA on AIoT solutions. In the past two years ADLINK has also built a strategic partnership with AUO on the development of edge visual applications and has joined Open Robotics' ROS2 Technical Steering Committee (TSC) on the establishment of an edge AI task force focusing on the development of Edge AI vision. 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 Care Center has been in charge of the customer satisfaction survey as well as following up on the execution of improvement solutions each year. The ultimate goal of ADLINK is continuous improvement and seeking a higher quality of professional customer service.

ADLINK aims for enterprise-wide sustainable development and demands the same with its supply chains. Aside from complying with ISO 9001:2015 & TL9000 management standards, all of the statements and commitments of AVL vendors on the provision of CSR supply chains have been completed as of 2021. 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. ADLINK has implemented the digitizing of order forms to reduce the use of paper in an effort to reduce carbon emissions each year.

In order to provide the best work environment and care for its employees, ADLINK has moved its corporate headquarters in 2021 to an environment that provides a people-centric quality office experience. Taking both the physical and mental health of employees into consideration, the Comprehensive Benefits Plan for Employees has been implemented to take care of employees and their families in the aspects of life quality, mobility, work satisfaction, education, and health, creating a three-way win for employees, their



劉鈞 Chairman and CEO



families, and the company. In terms of talent development and cultivation, ADLINK not only provides career planning and organizes conferences from time to time to broaden the horizons of employees and satisfy the purpose of key talent development required for corporate sustainable development, but also values corporate social responsibility, joining the RBA and implementing company policies bearing social and environmental responsibilities while complying with business ethics. Internship and cooperative education programs introduce students to the industry and helped them put theory into practice. The programs not only assist students with planning their future careers, but also identify talent for recruitment. ADLINK has also been involved with the participation of social issues such as the "Mixed Disabled Arts Group" campus life education event.

Even as we focus our efforts on the AIoT sector, ADLINK will continue to 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.

Contact Method

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

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Editorial Principles

The 2021 ADLINK ESG Corporate Sustainability Report ("This Report") was prepared by the "ESG Corporate Sustainability Committee" 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 environmental/social sustainability topics, and demonstrates our commitment to the fulfillment of sustainability to society at large.

The disclosure period of this Report is from January 1 to December 31, 2021. The financial data includes the business performance of the parent company and its subsidiaries. Other metrics do not cover data from overseas subsidiaries. This report was prepared in accordance with the GRI Standards: Core option issued by the Global Reporting Initiative ("GRI"). The disclosure was in line with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and United Nations Sustainable Development Goals (UN SDGs).

Time of Release

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

- Current edition : October 2022.
- Previous edition : October 2020.
- Next release : It is expected to be published in June 2023.

ADLINK Technology Inc. ESG Corporate 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 and remains committed to strengthening the operational systems of the company, fulfilling social responsibility, and is dedicated to the implementation of environmental protection. The Committee is led by the Global Chief Financial Officer, Ta-Chih Tsou, and includes teams for Corporate Governance, Employee Care, Environmental Protection and Energy Conservation, External Communication, and Social Care. The five major teams collect issues concerning shareholders, employees, suppliers, NGOs, and society, with representatives of each responsible department joining the committee and executing sustainable projects passed by the ADLINK Technology Inc. ESG Corporate Sustainability Committee for the planning, execution, integration, and review of relevant work. 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; and Communication: responses of the concerned issues of the stakeholders to achieve sustainability. The concept of sustainable management is also gradually being internalized into 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.

ADLINK Technology Inc. ESG Corporate Sustainability Committee



Responsibilities of the ADLINK Technology Inc. ESG Corporate Sustainability Committee

Committee	Functions
Chief Commissioner	Organizes targets and planning of Corporate Social Responsibility and sustainable development for the entire company, and periodically reviews the performance and achievement level of targets.
Secretary-General of ESG Promotion	Organizes management of the corporate sustainable development report for the entire company.
Corporate Governance Committee	Discusses the issues that ADLINK Technology Inc. must consider in order to achieve sustainable development including company system enhancements to help with the decision-making of the ESG Committee and further maintain the relationship between the Company and the aforementioned stakeholders to achieve the expectations of the stakeholders and the governing of the Company in terms of profit and growth. Values the rights and benefits of shareholders, integrates the charters and systems related to corporate governance formulated by relevant departments, assists with the improvement and implementation of internal control systems of the corporation, and ensures information transparency as well as regulatory compliance to implement the core value of the Company and the business philosophy of information transparency, shareholder equity, and fine internal controls.
Employee Care Committee	Improves on the provision of a safe and harmonious work environment, protects the rights of employees, provides training for professional skills, and provides planning for future development to maintain good labor relations, allowing employees to contribute to the sustainable development of the Company.
Environmental Protection and Energy Conservation Committee	Integrates the promotion of environmental protection, health and safety, energy conservation, water conservation, and management of hazardous substances for the entire company. Establishes sustainable supply chains and builds long-term partnerships with suppliers. Expands the R&D of green products to promote competitive sustainability.
External Communication Committee	Promotes communication between the Company, local communities and society. Evaluates and reviews the countermeasures of material issues that receive more attention from the government, shareholders, customers, contractors, suppliers, and ordinary social groups, or material issues with higher levels of impact, and formulates target projects via PDCA (Plan, Do, Check, Act).
Social Care Committee	Focuses on the ADLINK Education Foundation's vision of "turn the world around with love", concentrating on education, arts and literature, and public welfare to promote social welfare events.

Stakeholder Engagement

Stakeholder Topics of 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 and their opinions. 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	<ul style="list-style-type: none"> Business performance Corporate governance Corporate Risk Management Remuneration and benefits Green products 	<ul style="list-style-type: none"> Labor and management relations Customer relations management Social Engagement Energy management Employee-employer relations 	<ul style="list-style-type: none"> Shareholders' meetings (annual) Market Observation Post System (permanent) Publication of financial reports (quarterly) Investor Conference (at least twice a year) Corporate website (ad hoc)
Employees	<ul style="list-style-type: none"> Business performance Corporate governance Risk management Corporate Risk Management Human rights and diverse use of labor 	<ul style="list-style-type: none"> Workplace health and safety Talent development Employee-employer relations Information security management 	<ul style="list-style-type: none"> Labor-management meeting (quarterly) Employee mailbox (permanent) Occupational Health and Safety Committee (quarterly) Employee Welfare Committee (permanent)
Customers	<ul style="list-style-type: none"> Corporate governance Customer relations management Supply Chain Management Energy management 	<ul style="list-style-type: none"> Environmental protection Workplace health and safety Human rights and diverse use of labor Information security management Innovative Technologies and Applications 	<ul style="list-style-type: none"> Customer satisfaction survey (annual) Customer grievance management system (ad hoc) Sales meeting (ad hoc) Customer feedback (ad hoc) CSR section of the corporate website (permanent)
Suppliers	<ul style="list-style-type: none"> Business performance Corporate Risk Management Supply Chain Management 	<ul style="list-style-type: none"> Green products Information security management 	<ul style="list-style-type: none"> Supplier audit (annual)
Non-profit organizations	<ul style="list-style-type: none"> Social engagement Energy management Water resource management 	<ul style="list-style-type: none"> Waste Management GHG inventory 	<ul style="list-style-type: none"> ADLINK Education Foundation (permanent) Courses and tours (ad hoc)
Society	<ul style="list-style-type: none"> Human rights and diverse use of labor Social engagement Energy management 	<ul style="list-style-type: none"> Employee-employer relations GHG inventory Green products 	<ul style="list-style-type: none"> ADLINK Education Foundation (permanent) Corporate website (permanent) External contact point of general administration unit (ad hoc)

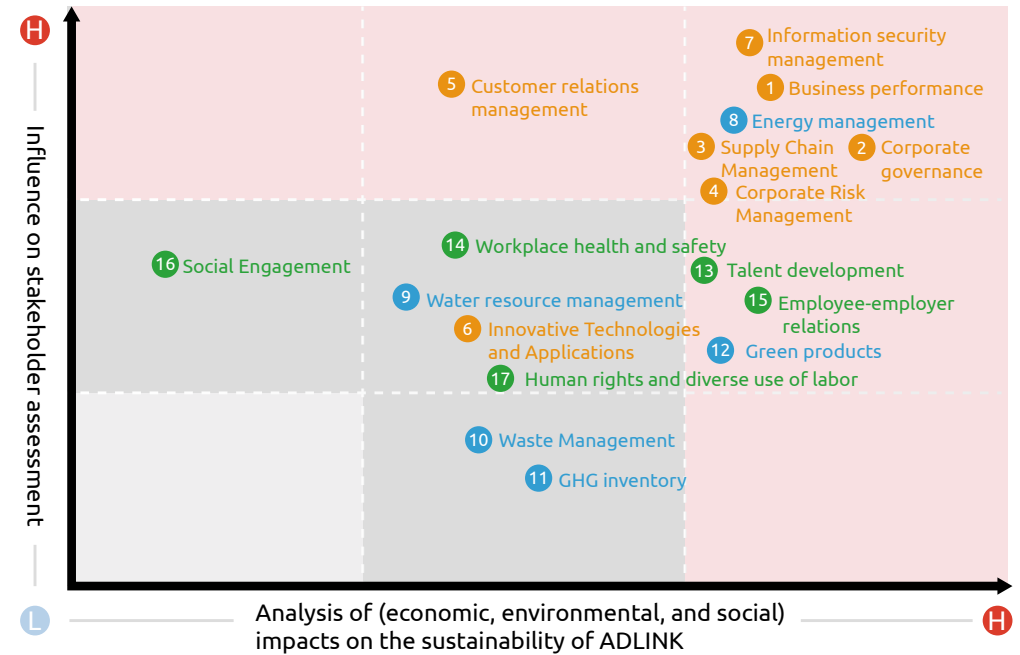
Material Topics

The ADLINK ESG Corporate 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 topics of concern to stakeholders related to the economy, environment, and society. A total of 17 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 Topic Identification Process

Identification	Stakeholder Identification	The ADLINK ESG Corporate 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 17 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	Survey on the degree of stakeholder concern A survey of the 6 key stakeholders was conducted to assess their degree of concern on sustainability topics.
	Determining the Material Topics of Concern	A topic materiality meeting was convened by the ADLINK ESG Corporate 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 2021 material topic matrix contained 17 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.
	Selection of Corresponding SDGs	The 17 UN SDGs were assessed from a value-chain perspective to examine the positive and negative effects of ADLINK operations on the SDGs and establish their relative priority.
	Topic Definition	The value chain was progressively measured against each material topic and SDG in order to identify the scope of its impact.

Material Topic Matrix



Economy	Environment	Environment Society
1 Business performance	8 Energy management	13 Talent development
2 Corporate governance	9 Water resource management	14 Workplace health and safety
3 Supply Chain Management	10 Waste Management	15 Employee-employer relations
4 Corporate Risk Management	11 GHG inventory	16 Social Engagement
5 Customer relations management	12 Green products	17 Human rights and diverse use of labor
6 Innovative Technologies and Applications		
7 Information security management		

■ Correspondence to UN Sustainable Development Goals (SDGs)

ADLINK responded to the 17 SDGs by following the 5 steps set out in the SDG Compass proposed by the UN: understanding, defining priorities, setting goals, reporting & communication, and integrating. 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.

ADLINK has chosen to respond to the following 11 SDGs :

SDGs	Goal	Corresponding Chapter
Goal 3 Good Health and Well-Being 	Ensure healthy lives and promote well-being for all ages	CH5 Employee Care and Happy Workplace
Goal 4 Quality Education 	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	CH5 Employee Care and Happy Workplace
Goal 5 Gender Equality 	Achieve gender equality and empower all women and girls	CH5 Employee Care and Happy Workplace
Goal 6 Clean Water and Sanitation 	Ensure access to water and sanitation for all	CH4 Environmental care
Goal 7 Affordable and Clean Energy 	Ensure access to affordable, reliable, sustainable, and modern energy	CH4 Environmental care

SDGs	Goal	Corresponding Chapter
Goal 8 Decent Work and Economic Growth 	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	CH2 Corporate governance CH5 Employee Care and Happy Workplace
Goal 11 Sustainable Cities and Communities 	Make cities and human settlements inclusive, safe, resilient, and sustainable	CH0 Sustainability vision and goals
Goal 12 Responsible Consumption and Production 	Ensure sustainable consumption and production patterns	CH3 Innovation and Customer Service CH4 Environmental care
Goal 13 Climate Action 	Take urgent action to combat climate change and its impacts	CH4 Environmental care
Goal 16 Peace, Justice, and Strong 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	CH2 Corporate governance CH5 Employee Care and Happy Workplace
Goal 17 Partnerships for the Goals 	Strengthen the means of implementation and revitalize the global partnership for sustainable development	CH0 Sustainability vision and goals CH2 Corporate governance CH4 Environmental care

Material Topic Impact Boundaries, Involvement, and Corresponding Chapters




Material Topics	Corresponding Chapter	Corresponding GRI Topic	Impact Boundaries and Involvement		
			Suppliers	ADLINK	Customers
Business performance	1.1	201	●	●	●
	1.2				
	1.3				
Corporate governance	2.1	204 205 206 307 414 417 418 419	●	●	●
	2.9				
Corporate Risk Management (Risk management) (Financial performance transparency)	2.1	201	●	●	-
	2.2				
	2.3				
	2.4				
	2.5				
Customer relations management (Product quality and service)	3.1	102-2	-	●	●
Supply Chain Management (Due diligence requirements on conflict minerals)	2.7	204 308 414	●	●	-
Information security management	2.10	Self-defined Material Topic	-	-	-




Material Topics	Corresponding Chapter	Corresponding GRI Topic	Impact Boundaries and Involvement		
			Suppliers	ADLINK	Customers
Energy management (environmental protection)	4.2	302 303 305 306 417	-	●	●
Green products (Customer's requirements on hazardous-substance-free products)	2.7	417 307	●	●	●
Talent development	5.4	404	-	●	-
Employee-employer relations (Maternal protection) (Gender equal rights)	5.2	202 402 411	-	●	-




Degree of Involvement : ● Direct impact / ● Facilitates impact / ● Commercial impact






■ Management Approach to Material Topics

Material Topic	Policy	Goal in 2021	Goal Attainment	Targets in 2025	Owner Unit	Corresponding Chapter
 Business Performance	CSR Best Practice Principles	Drive the sound growth of our business and profits through partnerships between our internal product R&D team and industry partners.	Maintain stable growth of the company and continue to be profitable.	<ul style="list-style-type: none"> • Accelerating growth through AI deployment. • Accelerating 5G network transformation through MEC edge computing. • Transformation of railway transportation through AI and IoT technology. • Robotics technology. 	Finance Department	1.1 1.2 1.3
 Corporate Governance	Corporate Governance Best Practice Principles CSR Best Practice Principles Ethical Corporate Management Best Practice Principles.	Continue to participate in corporate governance evaluations.	The evaluation standards for 2021 are one level higher than that of the previous year.	Fulfillment of corporate social responsibility and improving information transparency.	Finance Department	2.1 2.9
 Corporate Governance (Financial Performance Transparency)	CSR Best Practice Principles	Cooperated closely with institutions and hosted 2 institutional investor conferences each year.	Complete two investor conferences every year, and maintain smooth communications between legal person institutions and the company spokesperson.	Provided financial disclosures in English to facilitate access by foreign institutional investors and improve the internationalization of financial transparency.	Finance Department	2.1 2.2 2.3 2.4 2.5

Material Topic	Policy	Goal in 2021	Goal Attainment	Targets in 2025	Owner Unit	Corresponding Chapter
 <p>Corporate Risk Management</p>	<p>Planning and execution of risk identification, analysis, measurement, and processing activities. Developed response and recovery plans that determine initiatives for risk prevention, alleviation, transfer, or acceptance.</p>	<p>Established a risk management organization to assess material risks to the company each year.</p>	<p>The Risk Management office was established in 2020 to strengthen the company's operational value and conduct structured risk assessments and strategy formulation. The Risk Management Office shall make decisions related to continued improvements for the Company's operating goals and management strategies in a timely manner.</p>	<p>Established a Risk Management Committee that meets regularly to examine the appropriateness of response strategies from at-risk units of each level based on the company's strategic development and changes in the environment.</p>	<p>Audit Office</p>	<p>2.6</p>
 <p>Customer Relationship Management (Product Quality and Service)</p>	<p>Quality policy</p>	<p>Meet the QPI of increasing VIP customer satisfaction to over 80 points.</p>	<ul style="list-style-type: none"> Continue to monitor the quality indicator score of VIP customers, and introduce QPI continuous improvements for the parts with poor performance. Taking the VIP customer Fortinet as an example, because the SBR score was not as expected in 2019, the QPI improvement team was established by the CQA, production, engineering, quality control, and MPM departments. The team conducted reviews based on yield improvement, foolproof optimization, procedures, and production processes. The team works together to continuously make improvements to reach customer expectations. Starting 2019, 47 improvement projects have been introduced and the SBR score has increased from 1.65 to 3.4 over the years. 	<ul style="list-style-type: none"> Strive to exceed customer expectations through continuous improvements in product and service quality Zero-defect quality mindset 	<p>Customer Care Center Research and development Quality assurance</p>	<p>3.1</p>
 <p>Supply Chain Management (Due Diligence Requirements on Conflict Minerals)</p>	<p>Continue to carry out due diligence survey by requesting original manufacturers to clarify high-risk smelters and provide a mitigation plan of how to remove high-risk smelters from their supply chain for ADLINK to keep tracking the progress until the issue has been closed.</p>	<p>The total ADLINK's supplier response rate (%) on the four conflict minerals (3TG) achieves 90.5%.</p>	<p>The response rate (%) at the end of 2021 reached 91.7%.</p>	<p>According to the customer's special demands, Cobalt can be added to the scope of voluntary due-diligence survey.</p>	<p>Component Management Department</p>	<p>2.7</p>

Material Topic	Policy	Goal in 2021	Goal Attainment	Targets in 2025	Owner Unit	Corresponding Chapter
 <p>Information Security Management</p>	Information security risk assessments are regularly conducted every year. Short-, mid-, and long-term plans were made and implemented according to the severity of the risks.	Set new goals in 2021 and review their implementation in 2022.	Set new goals in 2021 and review their implementation in 2022.	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. All risks or audit results shall be handled under the framework of the international ISO27001 management standards, and continuous improvements shall be implemented through planning, execution, audits, and action.	Information Security Office	2.10
 <p>Energy Management (Environmental Protection)</p>	Continuous improvement of energy efficiency to reduce energy consumption costs.	Reduce average carbon emissions from electricity use in the office by 1% per person.	In August 2021, the company moved to the Hwa Ya Plant in Linkou. Power usage increased because of the increase in floor and electrical equipment in public areas. The 2021 goal could not be attained and was reset. 2022 will be used as the base year to set the energy conservation goals for 2025.	<ol style="list-style-type: none"> Ratio of renewable energy use > 5% Carbon intensity reduction goal > 5% 	Labor Safety and Hygiene Office	4.2
 <p>Green Products (customer's requirements on hazardous-substance-free products)</p>	Continuous GPMS enhancement to make GPMS friendly for users and easy to search items by users. Suppliers are willing to upload their documents to GPMS.	The collection readiness (%) of "Full Material Declaration (FMD)" achieves 50%.	At the end of 2021, the completion rate was only 46.6%. This was due to the newly added research of templates and supplier research for old materials in batches in order to meet the new requirements of EU WFD & SCIP directives. Because many parts are no longer being traded or produced (end of life), the supplier or original manufacturer is no longer updating the documents.	The concentration of hazardous substances in all shipped products was lower than threshold limits.	Component Management Department	2.7

Material Topic	Policy	Goal in 2021	Goal Attainment	Targets in 2025	Owner Unit	Corresponding Chapter
 Talent Development	<ul style="list-style-type: none"> Worker training and development policy Employee career planning 	<ul style="list-style-type: none"> Exceed 90% execution rate for talent cultivation program Over 3:100 (ratio of interns and industry-academic collaboration students to ordinary employees) 	<ul style="list-style-type: none"> 93.5% execution rate for talent cultivation program. The attainment rate in 2019 to 2020 increased to 2.5%. The latest headcount ratio in 2021 was 1.9:100. The total ratio decreased slightly due to the factory relocation in 2021. The intern ratio remained the same. In the future, the salary and benefits of construction students will be increased. 	<ul style="list-style-type: none"> Achieve a mutually beneficial outcome for both the employee and employer by ensuring that workers possess the basic skills needed for their work and enhance their competency. Provide internship and industry-academia collaboration opportunities while talented personnel are still at school. Mechanisms such as dual track and grade expectations help current employees optimize their performance and continue their career development. 	Human Resources Department	5.4
 Labor Relations (gender equal rights)	Ensure the physical and mental well-being of employees.	Enhance the maternal protection program and achieve a 100% medical consultation rate for pregnant employees.	In 2019 and 2020, the consultation completion rate of pregnant employees was 100%.	Raise employee health awareness and provide employees with a safe, healthy working environment.	Human Resources Department	5.2
 Labor Relations (Equal Gender Rights)	In addition to improving the company environment, occupational nurses regularly check on pregnant employees and provide them with related health education to realize a friendly workplace with gender equality. Increase childcare options for employees by contracting with nearby childcare centers to provide ADLINK employees' children with preferential rates.	The retention rate of employees that remain with the company for more than a year after parental leave without pay reaches 80%.	<ul style="list-style-type: none"> The total reinstatement rate from 2019 to 2021 increased to 86%. Total retention rate was between 60% to 80%. The 3-year retention rate for female employees was 80% to 100%. We will continue to optimize the benefits that satisfy family care needs in the future. 	Enforce equality laws to create a friendly, gender-equal workplace.	Human Resources Department	5.2



About ADLINK

- 1.1 About ADLINK
- 1.2 Business Performance and Expectations
- 1.3 Industry Associations

1.1 About ADLINK

Established in August 1995, ADLINK focuses on the design and manufacture of edge computing products and solutions including but not limited to: embedded modules, computer modules, AI modules, industrial motherboards, software (robotic operating systems, middleware, applications), deep-learning accelerators, platforms, servers, touch computers, industrial display systems, industrial PCs, IoT solutions, smart cameras, and gaming platforms.

ADLINK is a global enterprise with manufacturing, customization, customer support, sales and marketing teams stationed at twenty-one offices in twelve countries. Our customers come from a wide range of vertical industries including telecommunication computing and network security, automotive manufacturing, health, defense, aerospace, transportation, and gaming. Our product development investment is much higher than the industry standard. With the coming of the 5G era, ADLINK is also focused on consolidating its position as the "leader in edge computing." This includes not only 5G connectivity solutions for embedded products but also communications technology, robotic operation system solutions, AI and IoT solutions, as well as the industrial hardware for implementing these systems.

ADLINK is a global enterprise that provides localized services. We are headquartered in Taiwan while our R&D and business centers are located in Taiwan, China, the U.S., and Germany. Products are manufactured in Taiwan and Shanghai, China. We have sales and support locations all over the world. ADLINK has been hosted on the Taiwan Stock Exchange since 2004. Website: <http://www.adlinktech.com>.

ADLINK's Main Global Locations in 2021

ADLINK was established twenty-six years ago. We now have subsidiaries in the U.S., Singapore, China, Japan, Germany, and the U.K. as well as offices in France and India to provide local customers with quick and timely service. Our products are sold in forty countries on five continents worldwide. We work closely with distributors from many countries in the Asia-Pacific region and Europe.



Company Name	ADLINK Technology, Inc.
Date of Incorporation	1995
Headquartered In	Taoyuan, Taiwan
Total Consolidated Revenue in 2021	NTD 9,673,054 thousand
Earnings Per Share in 2021	NTD 0.55
Total Number of Employees in 2021	>1,800 employees (global total)
Stock Code	6166

1.2 Business Performance and Expectations

In the face of the continued impacts of the pandemic in 2021, the overall environment has posed a great deal of challenges. Despite these challenges, we never stopped making efforts in our management efficiency, product development, market development, industry cooperation, and corporate social responsibility. For 2021, ADLINK's revenue was NT\$9.67 billion, kept relatively the same as the year before, with a net income of NT\$119 million and an EPS of NT\$0.55, in due to supply chain shortages and the increased prices of raw materials. The financial income and expenses, along with profitability analysis, are detailed in the table below:

■ The Financial Receipts, Expenditures, and Profitability of ADLINK in Recent Years

Unit : Millions of NTD

Item	Consolidated Financial Statement	2021	2020	2019
Financial Receipts and Expenditure	Operating revenue	9,673	9,636	10,497
	Gross Profit	3,555	3,815	4,289
	Gross Margin	37%	40%	41%
	Net Income Before Tax	203	351	616
	Net Profit	119	242	444
	Net Profit Margin	1.2%	2.5%	4.2%
Profitability	Earnings per share after tax (NTD)	0.55	1.12	2.04
Employee Wages and Benefits	Total Payroll	1,764	1,717	1,730
	Total Benefits	1,037	1,007	1,106
Amount Payable to Investors	Cash Dividend	65	217	348
Amount Payable to the Government	Profit-seeking Enterprise Income Tax	51	58	135

■ ADLINK R&D Expenditures Ratio

Unit : NTD million

Consolidated Financial Statement	2021	2020	2019
Net sales revenue	9,673	9,636	10,497
Research and Development Expenses	1,521	1,453	1,437
R&D Budget / Net Sales (%)	16%	15%	14%

Business Strategy

In terms of operations, we have officially relocated ADLINK's corporate headquarters and Taiwan manufacturing center to Hwa Ya Technology Park in July 2021. We have consolidated all our previously leased factories and offices scattered in different locations to elevate employee communication and management efficiency, and optimize the production line and quality performance to meet the needs of our future operations. ADLINK focuses on edge computing and continues to position itself to be the catalyst for artificial intelligence technologies. In zooming in on future potential challenges, we have reorganized our product business units by reconstructing our previous three existing business units into the "Edge AI" Business Unit while establishing the "Edge Visualization" Business Unit and the "Autonomous" Business Unit.

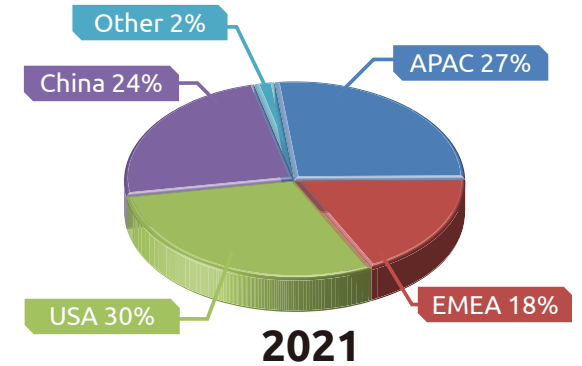
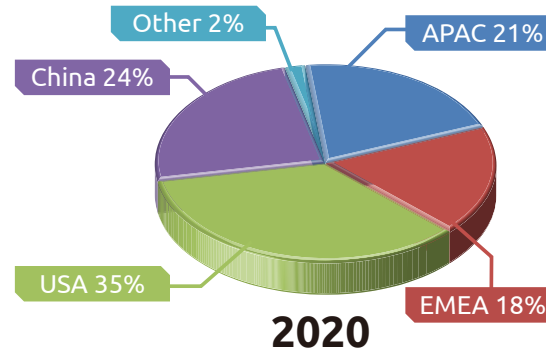


Proportion of Business Operations

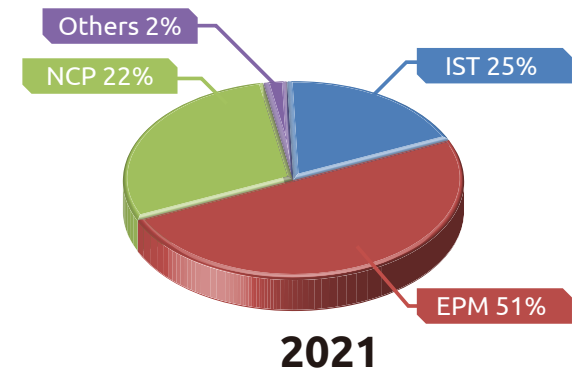
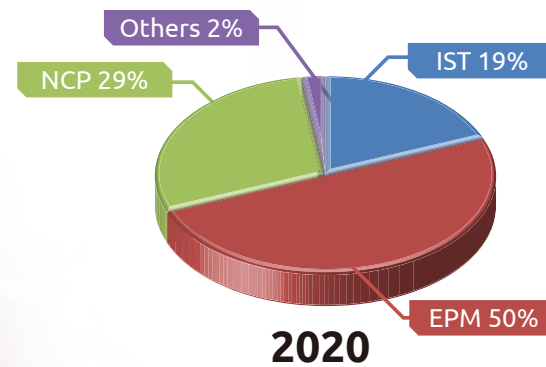
ADLINK is a multinational business with a wide range of customers, technologies, and partnerships that ensure we are not dependent on a single region or vertical. In terms of the different regions in 2021, 30% of ADLINK's revenue came from the Americas, 27% from Asia-Pacific, 18% from EMEA, and 23% from China.

If divided by technologies, 51% of revenue was from the Company's traditional business of Embedded Platforms and Modules BU (EPM), 25% was from IoT Solutions and Technology BU (IST), 22% was from Network Communications and Public Construction BU (NCP), and 2% was from others.

Adlink Global Product Sales Ratios by Region



Adlink Global Product Sales Ratios by Product Lines



Business Plan and Development Strategies

Short-term Business Development Plans

- We are deeply engaged in specific vertical markets, such as industrial automation equipment, smart manufacturing, railway transportation, 5G communications, and smart medical equipment.
- We strengthened our industrial-side and customer-oriented product development, such as for AI inferencing platforms and industrial display solutions.
- We strengthened our cooperation with local partners, such as expanding Edge AI distribution opportunities in Southeast Asia, New Zealand, and Australia, and with marginal AI software solution partners in China.
- We strengthened our business development and co-marketing activities with strategic alliance partners such as Intel, NVIDIA, Arm, Qualcomm, NXP, and Amazon Web Services.
- We strengthened our cooperation with AUO in developing new products and marketing and established the Edge Visualization Business Unit to continue to expand its edge visualization product series and deepen our efforts in the smart medical, smart manufacturing, and smart logistics industries.
- We developed more smart manufacturing solutions and vehicle-to-everything solutions, such as autonomous mobile robots (AMRs), through an alliance with Hon Hai Technology
- We launched the DMSC+ Enhanced Customized Service to provide a one-stop customized service for key customers.
- We continued to refine product quality along with cost control.
- We promoted production and warehousing automation.
- We shortened product design time.
- We shortened the period from order received to delivery made.

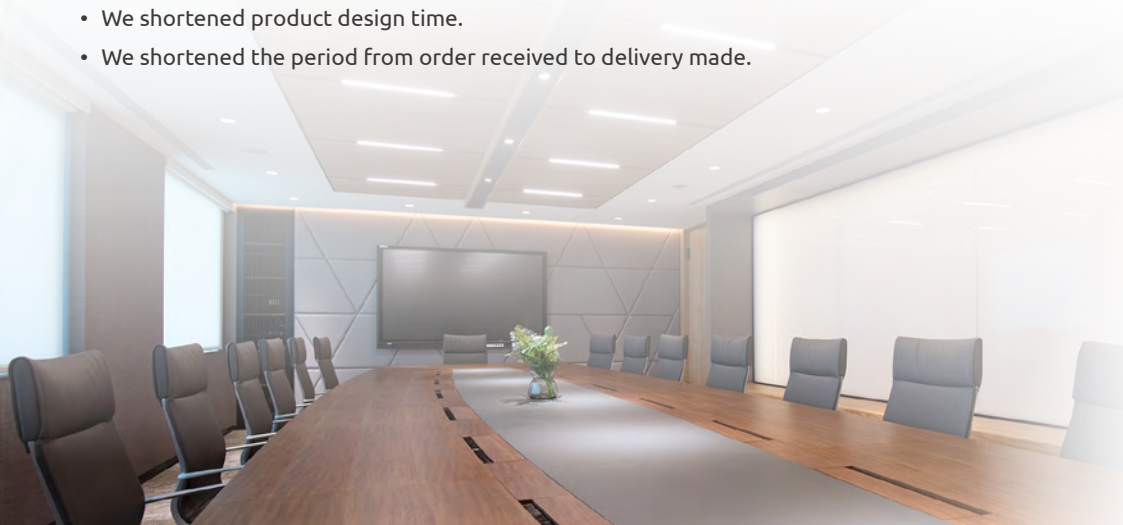
Long-term Business Development Plans

- We continue to invest in R&D and technical resources in the development of artificial intelligence, autonomous mobile devices, and autonomous vehicle computers for manufacturing, warehousing, retail, intelligent transportation, and medical markets.
- We have committed to support open-source software programs and make efforts in innovation technologies.
- We continue to build an EdgeOpen alliance to recruit edge AI software and hardware solution partners in strengthening hardware product adhesion.
- Our global presence is supported locally, with design and R&D teams in Taiwan, China, Germany, and the U.S. to provide expert customer service.

1.3 Industry Associations

ADLINK is continuing to apply for and obtain certifications in various international standards including ISO 9001, ISO 13485, ISO 14001, ISO/IEC 17025, and TL 9000. We have factories in Taiwan and China as well as a globalized marketing network that has continued to launch new products and develop new markets.

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 Association, PC/104 Consortium and Standardization Group for Embedded Technologies (SGeT), VMEBus International Trade Association (VITA), 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 various open source technology platforms as the sharing of innovative technologies helps accelerate global progress. We have become part of the ROS 2 Technical Steering Committee (TSC) at Open Robotics. We joined the Eclipse Foundation to promote the open source Eclipse Cyclone DDS. We became a premium member of the Autoware Foundation to support open source technologies for autonomous driving.



2

Corporate Governance

2.1 Corporate Governance

2.2 Board of Directors

2.3 Audit Committee

2.4 Remuneration Committee

2.5 Employee Profit Sharing and
Directors' Compensation

2.6 Corporate Risk Management

2.7 Supply Chain Management

2.8 Core Values and Corporate
Culture

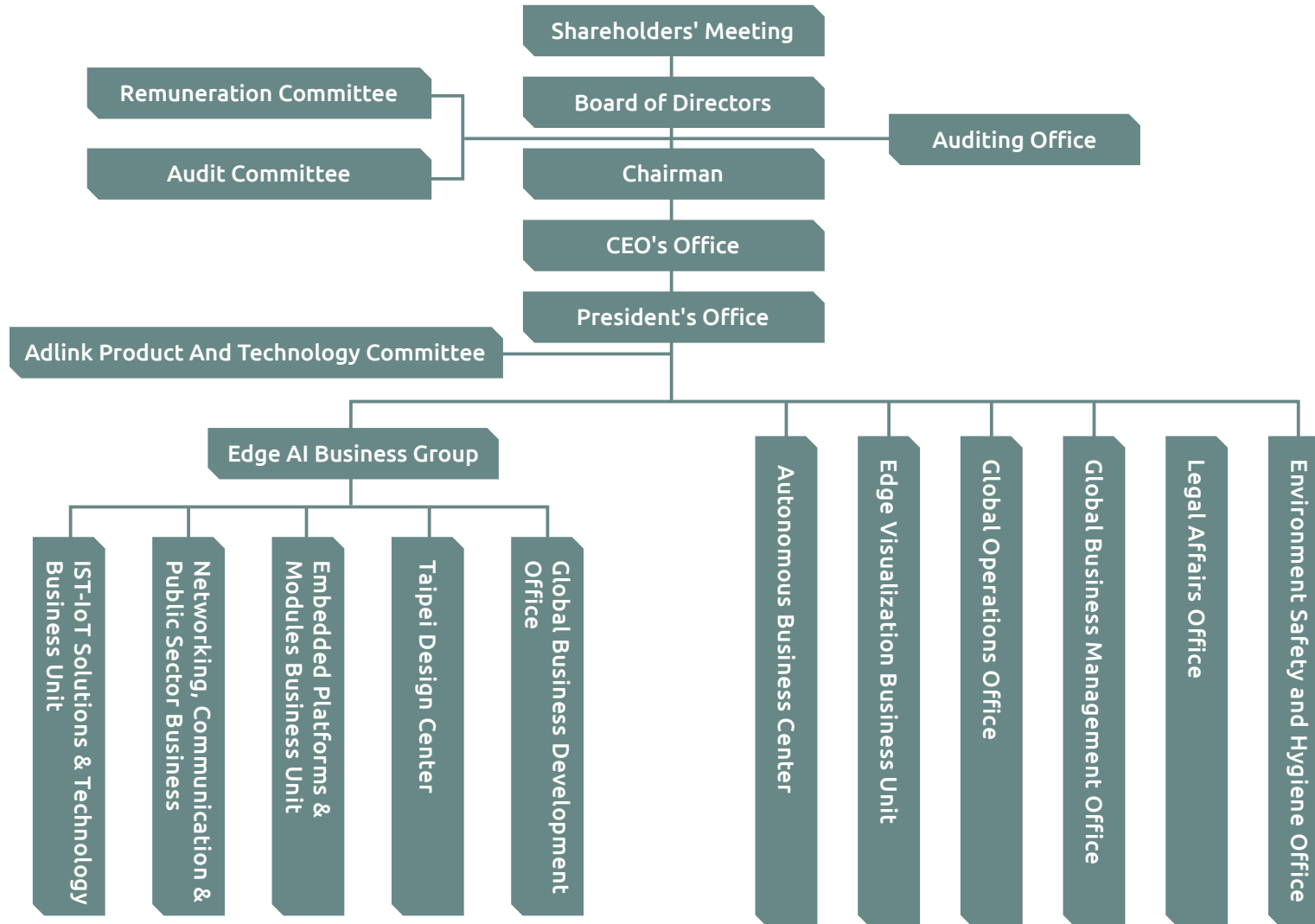
2.9 Code of Ethics and Business
Engagement

2.10 Information Security
Management

2.11 Intellectual Property Rights

2.1 Corporate Governance

Company Organizational Chart



▲ Figure 2.1 Company organizational chart

Business Portfolio of Key Departments

Department	Functions
CEO's Office	To be responsible for planning the development and implementation of the Company's goals, strategy and policy.
Auditing Office	To assist in the updating of the Company's internal control systems; to be responsible for reviewing and evaluating the Company's internal control systems to ensure the continued effective implementation of the system with reasonable confidence.
President's Office	To formulate, promote, execute, communicate and coordinate the Company's overall operational objectives.
ADLINK Product and Technology Committee's	To be responsible for ADLINK's product and technology planning, investment and development of new technologies, application of emerging technologies, and group-wide R&D technology promotion.
Environmental Safety and Hygiene Office	To be in charge of ISO14001 and OHSAS 18001 systems and their maintenance and management. To be responsible for establishing the Company's environmental safety and health policies and systems, ensuring the safety and health of employees, maintaining and auditing the Company's environmental safety and health systems of all departments.
	To determine the occupational hazard prevention plan and guide the relevant departments in the implementation, planning and supervision of labor safety and health management, and inspection of safety and health facilities. To guide and supervise relevant personnel in the implementation of inspections, periodic inspections, key inspections and operational environment determination, planning and labor health inspections, and implement health management.
Legal Affairs Office	To conduct necessary legal risk control and advice, contract review, formulation and management, legal operations planning, litigation control and intelligent property management on the Company's operation.
Taipei Design Center	Software research and development, software testing and validation, hardware specification development, hardware line manufacturing, graphic management, technical information management, component testing and selection, test tool development, product design validation, product development support-related PCB design, green product policy development and process planning, environmental monitoring safety certification and data reporting.

Department	Functions
Global Business Management Office	Information Division: planning, construction, integration and maintenance of information infrastructure and related software and hardware, enterprise application systems and related data management and business analysis systems, establishment and implementation of information technology management processes and systems, and management of information security.
	Human Resources Management Division: human resources strategy and work planning such as talent recruitment and retention, establishment and implementation of administrative personnel management system, reward system, overseas personnel management, global human resources related and corporate culture projects, general procurement, fixed asset management and plant operations.
	Finance Department: Financial statement business analysis, capital planning and banking, long-term and short-term investment evaluation, foreign exchange hedging operations, equity operations. Accounting Department: Accounting and tax processing, budgeting, financial statement preparation.
Autonomous Business Center	To be responsible for planning and implementation of ROS Robots and autonomous related technical programs. In charge of planning and execution of ROS Robots and autonomous product's market strategy and product planning, market strategy development and implementation, market development and marketing strategy development, annual operating policy, autonomous product specification and development, ROI analysis, technical support and services.
Edge Visualization Business Unit	To be responsible for planning market strategy and overall operating performance of the display computing products, the resolution of sales prices, notification and management, advice on new product development matters, market development and marketing expansion, annual operating policies; budgeting, market demand survey analysis, product specification development, product and project development schedule management, design changes, graphic management, technical information management, customer technical support and services, customized project product services, and promotion and implementation of the Group's target strategies and policies.
Edge AI Business Group	To be responsible for the promotion and execution of the overall target strategy planning and policies of the Intelligent Computing Business Group.

Department	Functions
Networking, Communication & Public Sector Business	To be responsible for planning and execution of market strategy and overall operating performance of network communication, rail transit and national defense industry-related products, resolution, notification and management of sales prices, advice on new product development matters, market development and marketing channel expansion, market demand investigation and analysis, product specification formulation, product and project development schedule management, design changes, graphic management, technical information management, customer technical support and services.
Embedded Platforms & Modules Business Unit	To be in charge of market strategy and overall operating performance of the planned products, resolution, notification and management of sales prices, advice on new product development matters, market development and marketing channel expansion, market demand research and analysis, product specification development, product and project development timeline management, design changes, graphic management, technical information management, customer technical support and services, customized products, hard-line manufacturing, institutional design, software development, test tool development and product testing and validation, accelerate and increase the technical evaluation of upcoming business opportunities, and ensure that customers can obtain high-quality technical services with expertise in the field.
IST-IoT Solutions & Technology Business Unit	To be responsible for planning and execution of market strategy and overall operating performance of intelligent industrial products and strategic solutions, resolution and notification of sales prices, advice on new product development matters, expansion of market development and marketing channels, market demand research and analysis, product specification formulation, product and project development process management, design changes, graphic management, technical information management, customer technical support and services.
Global Business Development Office	Asia Pacific Business Area : To be responsible for Asia Pacific (including Taiwan) market operations. European Business Area : To be responsible for European market operations. AATI : To be responsible for US market operations. ADLINK China : To be responsible for China market operations. ATG : To be responsible for European market operations. ZTL : To be responsible for global market operations for DDS (Data Decentralization Software). Global Distribution Center : To be responsible for the enhancing the brand awareness and brand market value of ADLINK for customers at home and abroad.

Department	Functions
Global Operations Office	<p>Taiwan Manufacturing Division :</p> <ul style="list-style-type: none"> ✓ Quality Assurance Department : Supplier management, material inspection, finished product inspection, product quality control and other quality management operations. ✓ Manufacturing Department : Overall production system of the Company. ✓ Engineering Department : To shift R&D technology into production technology, defective production product repair and after-sales maintenance operations. ✓ Production Planning Department : Production scheduling, material planning, planning and management of raw materials and finished product warehousing. ✓ Processing Department : In charge of the formulation and release of work instructions and technical documents for manufacturing operations, to help the production line improve the quality rate and equipment utilization rate. ✓ Advanced Process Technology Center : In charge of process optimization and innovation to enhance manufacturing craftsmanship. <p>Global Operations Quality Assurance Division : To be responsible for the Company's quality strategy planning, quality and environmental safety system management and planning, customer quality project improvement and customer complaint reporting processing.</p> <p>Advanced Process Technology Center : Introduction of new process technology research, and improvement of global technology resource capabilities.</p> <p>Materials Management Division : To be Responsible for supplier and price management, procurement of production components, searching for cooperating manufactures, parts (including environmentally friendly parts) recognition and management.</p> <p>New Product Introduction Process Division : To be responsible for integrating the supply chain and product departments to work together to achieve the Company's operating policy.</p> <p>Customer Care Center : customer support service, customer quality management, after-sales maintenance and order management.</p> <p>Customer Project Management Division : new project activation and transfer, customer interface and first-level upgrade, customer demand satisfaction and customer appeal resolution, customer satisfaction and expectation management, customer business model optimization and continuous improvement, customer quotation and contract management.</p>

Corporate Governance Indicators and Execution Guidelines

ADLINK Technology Inc. emphasizes corporate governance. Aside from complying with 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.



2.2 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 unit of ADLINK. The current Board consists of 8 members (including 3 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 two 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.

Eight directors sit on the ADLINK Board. The Chairperson is Mr. Jim Liu and the other four directors are Mr. Yeou-Yih Chou (Chairman of Zenitron Corp.), Mr. Richard Lin (former Deputy Managing Director of Manufacturing at ADLINK), Ms. Hsiu-Miao Huang (representing Chroma ATE Inc.), and Mr. Frank Ko (representing AUO Corp.). The three independent directors are Ms. Wei-Chien Li (VP of HR, Coretronic Corp.), Mr. Ching-Tsung Lin (external independent financial specialist), and Mr. Hsiang-Yi Lien (President of Strategic Technology Partnership Group, Google Asia); the eight directors each have their particular area of expertise and possess the professional know-how necessary for their position.

The Substantial Management Objectives And Achievement of The Board Diversity Policy Are as Follows :

Management Objectives	Achievement Status
Number of Directors who concurrently serve as Company managers do not exceed one-third of the total director seats	Achieved
The Board of Directors should have at least one female Director.	Achieved
Independent Directors should not hold office for three consecutive terms.	Achieved

Board Independence

The Company set the number of Directors in accordance with the Law and the Company Charter. The Directors are chosen from a list of candidates by the shareholders, with 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 36.47% and complies with the relevant securities regulations. Liability insurance for Directors and Managers has been purchased by ADLINK covering the execution of their business duties. The insured amount of the Directors and Managers is periodically evaluated each year, and the renewal status of the liability insurance of Directors is reported to the Board of Directors.

The Board of Directors is convened at least once a quarter. In 2021, the Board was convened by the Chairperson on 4 occasions.

2.3 Audit Committee

The members of the Audit Committee are appointed by the Board of Directors and consists of the three 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.

The ADLINK Audit Committee was established on June 19, 2019, and the 2021 annual Remuneration Committee has convened 2 times in total with a 92% attendance rate.

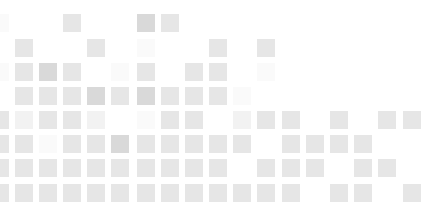
2.4 Remuneration Committee

The members of the Remuneration Committee are appointed by the Board of Directors and consists of the three 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.

In 2021, the Remuneration Committee was convened twice in total with a 100% attendance rate.

2.5 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 Director. Relevant reports shall be submitted to the Shareholders' Meeting. In 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 compensations 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.



2.6 Corporate Risk Management

The Company established a Risk Management office in 2020 to strengthen the organization's response to the needs of risk management. The purpose is to enhance the Company's operating value, ensure asset safety and enhance shareholder value, and expects to control the risks that may arise from various operations to an acceptable level. Within the scope, it can systematically conduct risk assessment and set strategies, and make timely decisions for continuous improvement of the Company's operating goals and business strategies. The highest guiding principle of risk management is to minimize the occurrence and impact of risks, and to carry out continuous management and improvement of the Company.

Risk Management Policy

The Company has a risk management policy, which evaluates and analyzes internal and external risk factors, formulates corresponding control measures based on the probability of occurrence and risk level, and provides strategic management decision-making suggestions.

At present, the Company's risk management mainly focuses on the aspects of strategy, finance, operations, legal compliance and hazards, identifying internal and external factors that may lead to the failure of not achieving business goals, and evaluating the degree and possibility of their impact. Furthermore, based on the evaluation results, the risk management policy is used to assist the Company in setting, correcting and implementing necessary strategies in a timely manner.

In 2020, we assessed the emerging risks related to the COVID-19 pandemic and used a high-risk level to deal with the impact of the development of such risks on the Company and corresponding policies.

Risk Management Organization



Risk Management Procedure

The main operations of the risk management procedure include :

- 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 evaluation : The risk level determined in the risk analysis is compared with the previously established risk standards to determine the level of risk, and the steps used to determine the sequence of risk management
- Risk communication and consultation : For the risks that are at intolerable levels after the risk assessment, we have listed the countermeasures that can reduce the risk to a tolerable level, evaluated these methods, prepared a risk countermeasure plan, and implemented these risk countermeasures to reduce the probability of the event or the severity of impact.
- Review and monitoring : Regular meetings are held by the risk management team to review and discuss risk management to avoid the recurrence of risks and reduce the impact of risk occurrence, so as to maintain the Company's continuous operation



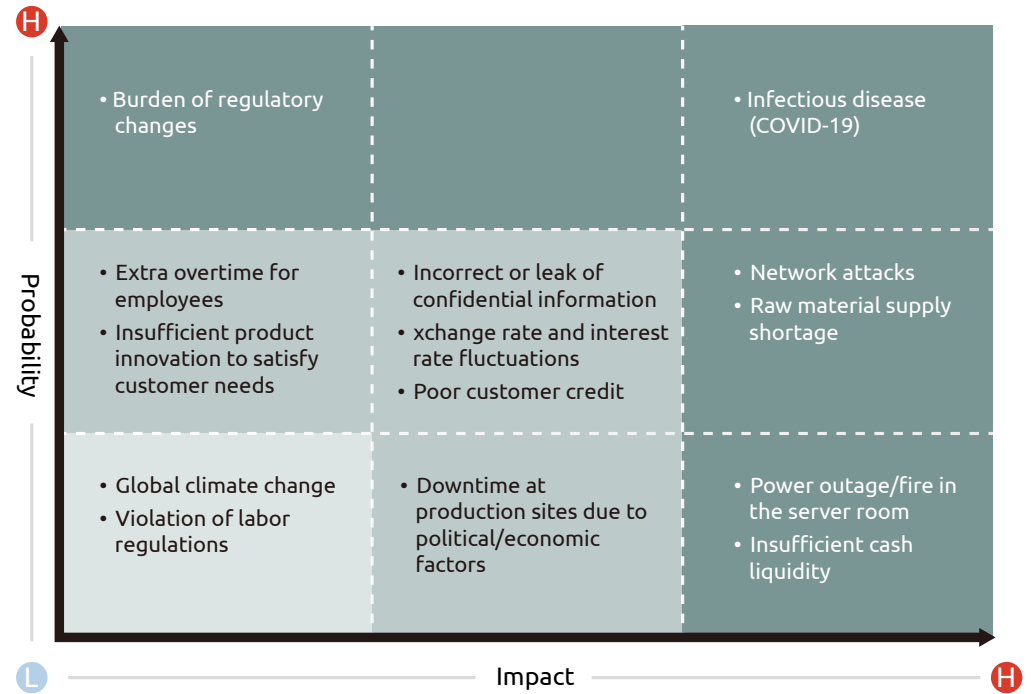
Risk Identification Method

The Company will identify risks based on their sources and impacts and prioritize them to deal with them.

After the Company's analysis, the risks can be classified into the following types :



The Risk Management Office identifies key risk items based on the probability and impact of risk sources, evaluates and selects control measures to confirm that countermeasures can reduce risks, avoid risks, transfer risks, or bear the remaining risks, and continue the process. We evaluate the probability and extent of the loss of residual risk after treatment according to the control measures so as to actually reduce the incidence or the impact of the loss to the expected level.



The Company has identified the risks above and formulated strategies to minimize the risks to tolerable levels according to the risk type and assessment. We have assessed the control measures to respond to risks and formulated countermeasures.

Risk Type	Risk Items	Control Measures
Operational Risk	Raw material supply shortage	<ol style="list-style-type: none"> 1. Find more than two agents for important components and implement them according to the supplier management procedures. For components from a single source with low substitution, the material management division makes a complete plan for its safety stock to reduce risks. 2. The Design Center and product manager shall, when approving the use of new components, try to recognize components that are more highly substitutable and with greater commonality. 3. Keep abreast of market trends at any time. If there is an imminent shortage, it will take the initiative to coordinate future demand with the product or material management division and take preventive measures as soon as possible to avoid shortages. 4. Annual evaluation of suppliers is made every year to ensure continuous supply and stable quality.
Financial Risk	Insufficient liquidity	By managing and maintaining sufficient cash and cash equivalents to support operations and mitigate the impact of cash flow fluctuations, the management supervises the use of bank financing facilities and ensures compliance with the terms of loan contracts.
	Interest rate fluctuations	In terms of capital planning, the principle of conservativeness and prudence have 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 Taiwan, the Company borrowed funds from banks in the form of loans. It is expected that the future operating cash inflow will gradually repay the loan to reduce the risk of interest rate hikes.
	Poor customer credit leads to debt	To mitigate credit risk, the Company's management has assigned a dedicated team to be responsible for the decision of credit limit, credit approval and other monitoring procedures to ensure that appropriate actions have been taken for the recovery of overdue receivables.
	Foreign exchange rate	The Company now also provides quotes and receives payments in non-USD currencies. Prices are also adjusted in response to changes in the exchange rate; transactions with purchasers have also changed from local currency to foreign currency in order to diversify and reduce the risk component in currency exchanges. Forward exchange transactions are also carried out as a hedge against exchange rate risk. Accounts receivable by group businesses are spread across different currencies including RMB, SGD, and EUR. Natural hedging is achieved through the balancing of foreign currency assets and liabilities.
Information Security Risk	Advanced Cyber Attack	<ol style="list-style-type: none"> 1. Implement ISO 27001 information security management system and get certification, support enterprises to continue strengthening information security control through international standards, and improve the confidentiality, integrity and availability of information systems in accordance with the requirements of the standard to reduce the risks of information security. 2. Implement "Security Operation Center" (SOC) and continue expanding the monitoring scope to achieve comprehensive and proactive information security risk control.

Strengthening of Risk Management

Starting from 2020, in addition to regularly assessing major risks, a "risk management policy" will be formulated. The risk management team and the operating department will conduct a risk inventory, assess the possible impact of risks, establish monitoring indicators to manage and identify risks, and set up a "Business Continuity Plan" to conduct education and training on risk management courses for personnel at all levels.

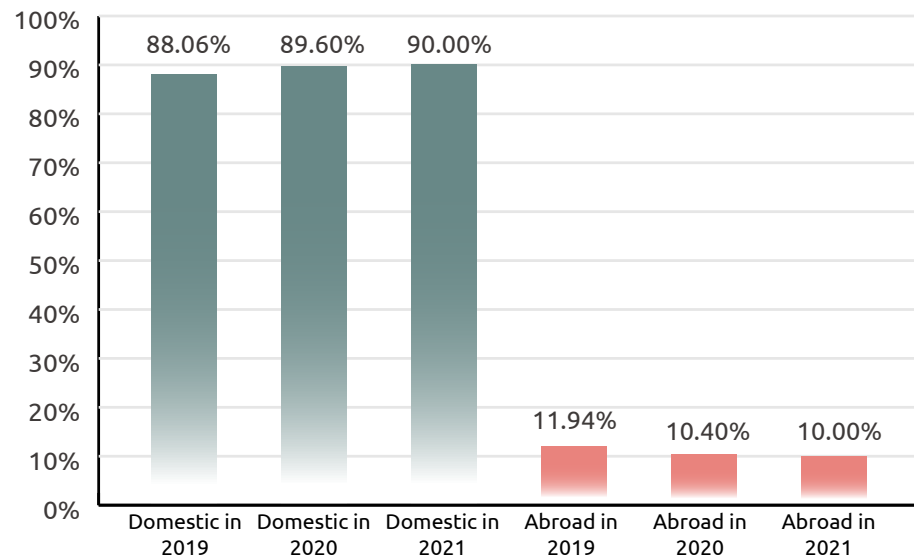
2.7 Supply Chain Management

Local and Offshore Procurement and Supply Chain Characteristics

Disasters caused by global climate change have made environmental topics a cause for concern for people and businesses around the world. Climate anomalies caused by Global Warming are threatening human survival due to the increase in both the severity and frequency of hurricanes, floods, and droughts. ADLINK has long worked with our supply chain to cherish and protect our planet. Our continued push for supplier localization not only aims to lower transportation costs, reduce carbon emissions, and diversify risk, it also seeks to mitigate the environmental impact of transportation operations, including:

1. Air and noise pollution
2. Depletion of natural resources
3. Destruction of natural environments and cultural sites, thereby affecting the ecological balance of the planet

■ Total Trade Volume with Local Suppliers and Overseas Suppliers

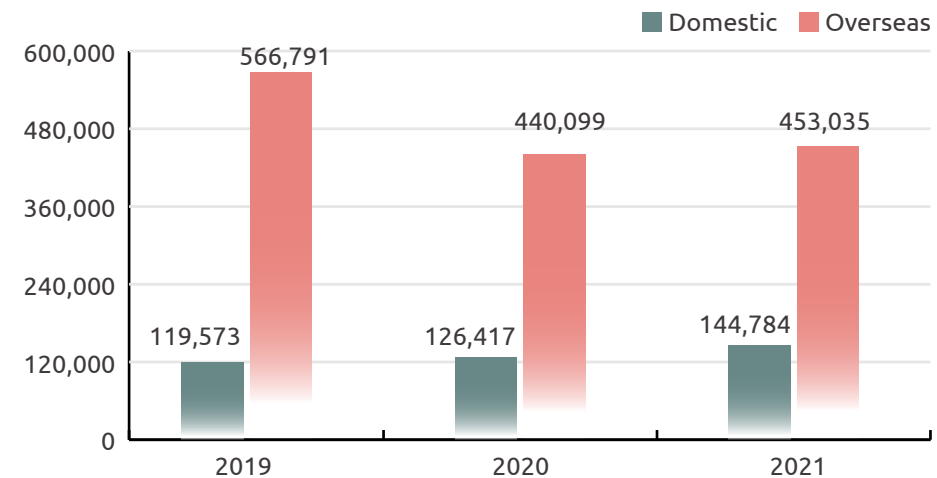


In order to reduce the environmental impact of transportation and achieve carbon reductions, ADLINK gives preference to local suppliers at our production locations. Benefits include improving efficiency and performance as well as reducing environmental damage.

Suppliers are important partners for ADLINK's operation. Together, we work to seek sustainable corporate development and growth. ADLINK's main production and business locations are located in Taipei. Local suppliers are defined as those who engage in domestic transactions with the production location. In 2011, ADLINK's supplier selection strategy began giving preference to local suppliers. The proportion of local procurement has remained steady at 88% even as business sales grew every year. In 2021, it reached 90%. We continue to work towards total localization every year.

■ Analysis of the Carbon Emission (KgCO₂e) Data for Transportation of Incoming Stock Between 2019 and 2021.

Overseas carbon emissions amounted to 965,447 kgCO₂e in 2011 and has been steadily decreasing every year.

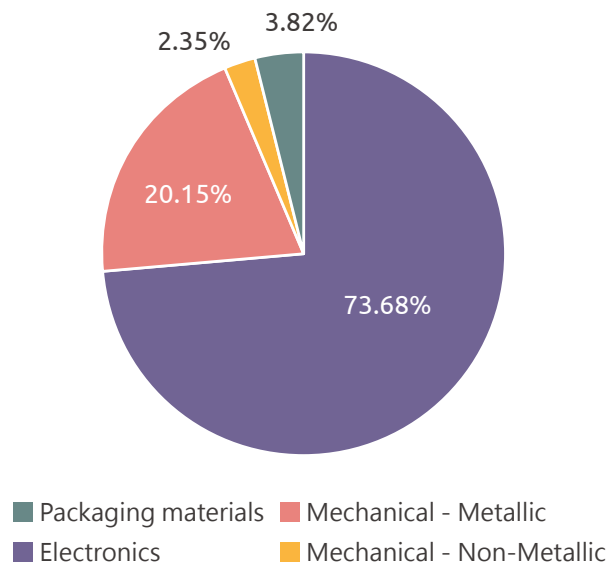


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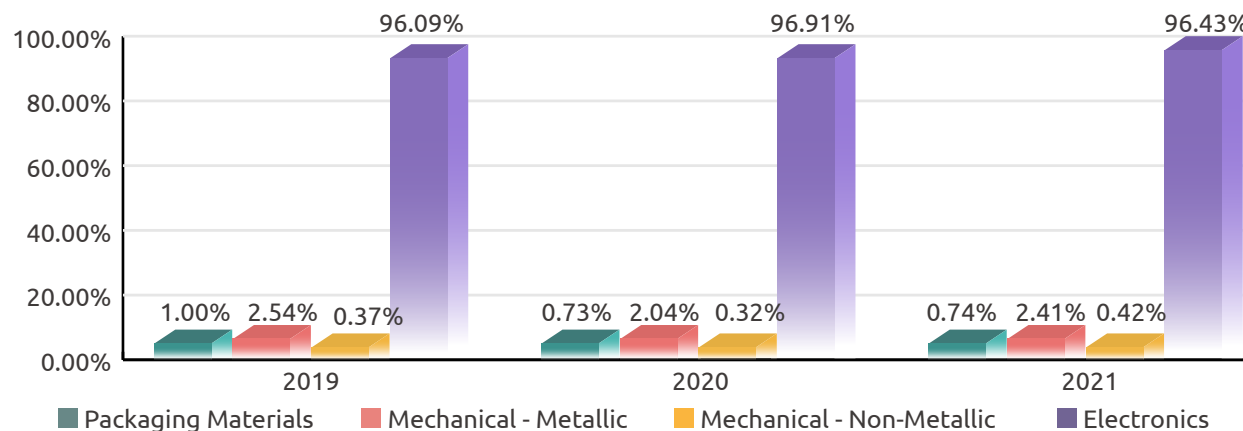
Distribution of Procurement Categories

ADLINK focuses on the production of mainboards and systems. Electronic components on average account for over 70% of total procurement each year. Our goal is to become a supplier of total systems. To provide customers with turnkey 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. ADLINK regularly trades with 680 suppliers. Our supply chain is divided into four main categories as shown below.

■ Distribution of Suppliers :



■ Distribution of Supplied Components :



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 & TL9000 management standards. In addition to promoting EU guidelines for eco-friendly materials for our suppliers, ADLINK also engages in the education and support of qualified suppliers. The Green Product Management System (GPMS) was developed in partnership with IT in 2013 to ensure that all materials in inventory deliver safety and high-quality for end-users. New suppliers undergo a performance evaluation on organizational leadership, production, design, development, cost control, product quality, and delivery service as well as environmental and labor safety. The audit team is made up of representatives from the quality control, purchasing, and design departments. The material approval process requires materials to comply with EU environmental requirements before they can be used. Only suppliers that pass the review can become an ADLINK partner. Existing ADLINK partners undergo regular audits and evaluations as well for quality assurance.

In order to implement sustainable management, ADLINK requires partners in the supply chain to follow the relevant policies. Previous audit methods for suppliers only focused on traditional audit content, which is now insufficient. In order to demonstrate ADLINK's focus and determination related to supplier sustainability management, we began formulating our supply chain plans in 2013, with the goal of exceeding regulatory requirements. The topics covered by the new supplier audits include human rights management, conflict minerals, social responsibilities, quality and environmental health and safety statements, and sustainable management. 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.

Starting 2015, all AVL companies are required to complete the relevant statements and commitment documents. For the suppliers who are unable to provide the information, ADLINK will remove their AVL qualifications. These operations were completed in full in 2019. In the future, we will continue to require all suppliers to conform to ESG specifications before they can become official AVL suppliers.

Due Diligence Requirements on Conflict Free Minerals

Between 2017 and 2021, the Responsible Minerals Initiative (RMI) released eight revisions of the Conflict Minerals Reporting Template (CMRT) on 2017/5/12, 2017/6/21, 2017/12/1, 2018/4/27, 2019/4/26, 2020/5/13, 2020/5/19, and 2021/4/28. Whenever smelter name/smelter identification/Conformant Smelter & Refiner Lists/Active Smelter & Refiner Lists were updated or released by RMI, ADLINK immediately carried out due diligence surveys on original manufacturers through part suppliers regarding conflict minerals. The original manufacturers were requested to clarify high-risk smelters and provide a mitigation plan of how to remove high-risk smelters from their supply chain for ADLINK to keep tracking the progress until the issue has been closed. Because of different original manufacturers' business considerations, some responded quickly, but some responded slowly to the actions towards high-risk smelters. Due to ADLINK not having the influence required to force the large brand-name manufacturers to cooperate fully, ADLINK worked with customers to communicate with non-cooperative manufacturers. In the past five years (2017/E, 2018/E, 2019/E, 2020/E, and 2021/E), the total of ADLINK's supplier response rate on the four conflict minerals (3TG) stayed generally unchanged at 90.0%, 88.1%, 89.9%, 90.8%, and 91.7% (see figure below). In 2022, regional wars occurred. ADLINK continuously requests original manufacturers to clarify high-risk smelters and propose mitigation plans to fulfill the due diligence requirements for conflict free minerals.

Conflict Minerals (3TG)

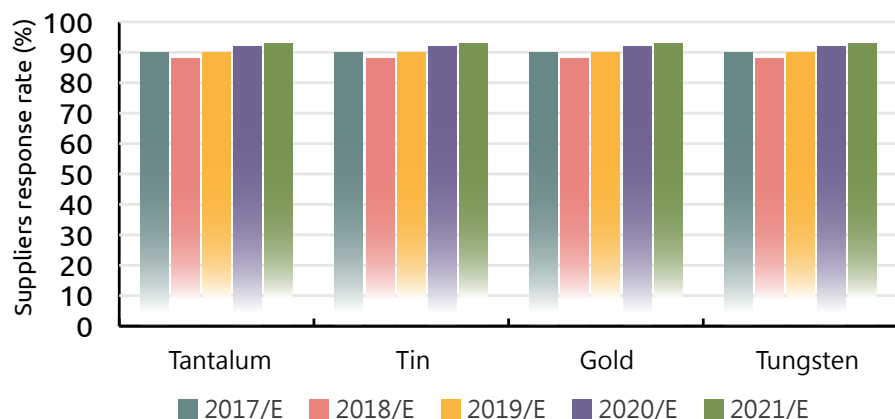


Figure. Cumulative supplier response rate (%) on conflict minerals (3TG) in 2017/E, 2018/E, 2019/E, 2020/E and 2021/E

2.8 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 past 20 years, we have worked hard to achieve the goal of establishing an industrial computer brand. After achieving this goal and seeing the market demand for edge computing driven by AI and 5G, we took the lead in becoming a leader in the field of edge computing and continued to improve key technologies in the industry. We expect to bring the best results to customers.

ADLINK has always maintained its enthusiasm for the industry, and the driving force behind our continuous breakthroughs comes from our own "entrepreneurialism". "Entrepreneurialism" 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, and Communication.



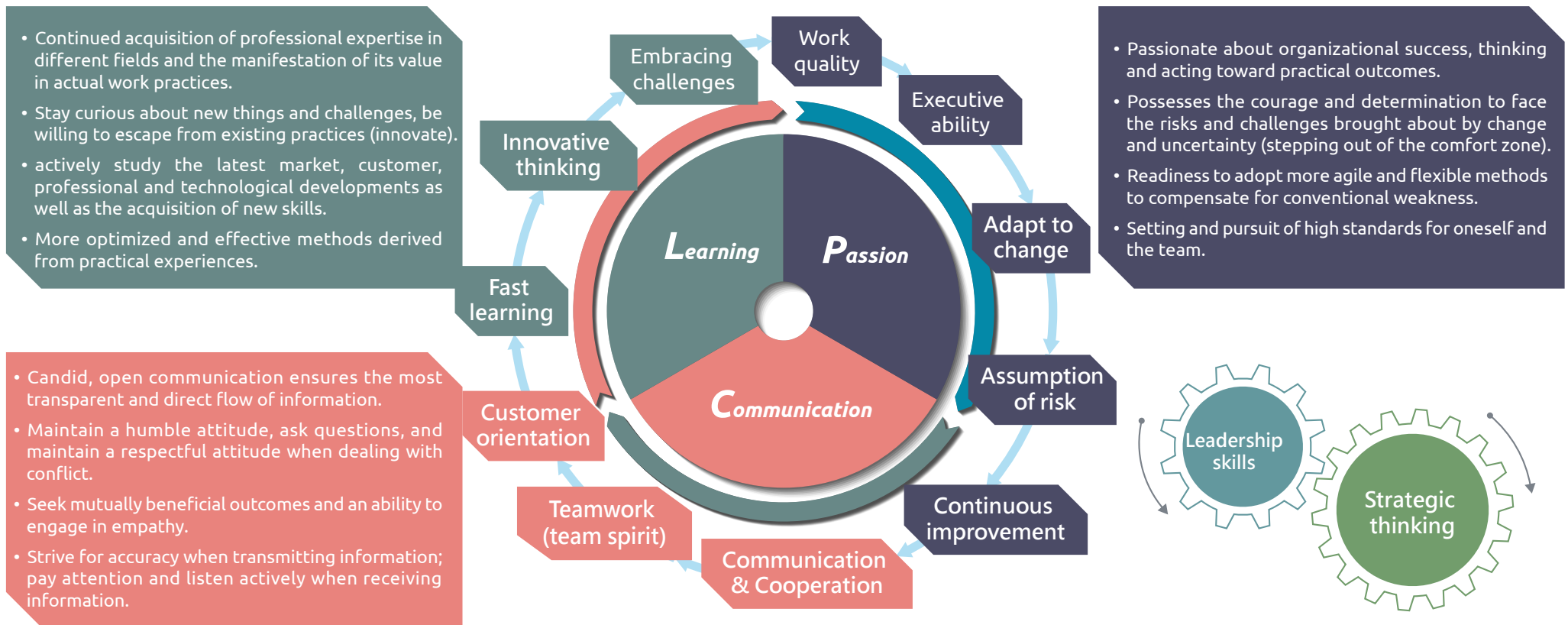
Passion : High enthusiasm for the industry and cause, have the courage to face uncertainty, focus on organizational success and set high standards for achievement.

Learning : Demonstrate positive curiosity in the face of the unknown and new fields, have a willingness 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, these are : Work quality, executive ability, adaptation to change, assumption of risk, continuous improvement, communication and collaboration, teamwork (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.

■ LPC Behavior & Competency



2.9 Code of Ethics and Business Engagement

Corporate Culture and Terms of Standards

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 :

 <p>Compliance with Laws and Discipline</p>	<p>ADLINKers respect and abide by all applicable laws and norms. All ADLINKers take pride in compliance and discipline.</p>
 <p>Faithful Recording and Reporting of Group Status</p>	<p>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.</p>
 <p>Competition Based on Respect for Ethical Standards</p>	<p>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.</p>
 <p>Hiring Policy That Respects Employee Diversity and Equality</p>	<p>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.</p>

 <p>Avoiding Conflicts of Interest</p>	<p>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.</p>
 <p>Protection of ADlink Assets</p>	<p>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.</p>
 <p>Offering or Acceptance of Gifts and Hospitality, and Ban on Bribery</p>	<p>We must not offer or accept gifts or hospitality of high value, or accept bribes or other inappropriate benefits without explanation.</p>
 <p>Maximization of Positive Impact</p>	<p>All ADLINK employees are willing to make a personal contribution to ensure the positive growth of the Company and all employees.</p>

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. Besides upholding the highest standards, ADLINK expects that our new business partners, suppliers, subcontractors, wholesalers, distributors, contractors, and other contractual partners or customers may also abide by them.

	Ethical standards and relevant rules	Year (Current Version)	Purpose and Regulation Focus
Adopted standards and codes	Ethical Corporate Management Best Practice Principles	2015	<p>Conduct business activities based on the principles of fairness, honesty, trustworthy systems and transparency, and shall pay attention to:</p> <ul style="list-style-type: none"> 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, 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.
	Code of Ethical Conduct	2019	<p>Guiding directors' and managers' (including the 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.</p> <p>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, and compliance with laws and regulations.</p>
	Corporate Governance Best Practice Principles	2019	<p>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.</p> <p>The core principles have the following six main items :</p> <ul style="list-style-type: none"> 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 functions of the Audit Committee. V. Respect stakeholder equity. VI. Increase information transparency.
	Environment, Social and Governance Best Practice Principles	2015	<p>Manage the Company's risks and impacts on the economy, environment, and society, practiced in accordance with the following principles :</p> <ul style="list-style-type: none"> I. Implement corporate governance. II. Develop a sustainable environment. III. Safeguarding public welfare. IV. Strengthen ESG information disclosure.

	Ethical Standards and Relevant Rules	Year (Current Version)	Purpose and Regulation Focus
Management Procedures and Methods	Business Ethics Management Procedures	2021	The Company adopts a zero-tolerance policy with respect to various forms of bribery, corruption, extortion, and embezzlement. We adhere to the highest integrity management standards, strengthen our internal control mechanisms, and guide management personnel and relevant interest groups (such as customers and suppliers) to act in accordance with the law and be honest and trustworthy.
	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 procedures are 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 softwares is prohibited. IV. Before resigning from the Company, employees shall return trade secrets in their possession.
	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, or content 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 rules of Company 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.
	Legal Compliance 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, as well as understand the Company's relevant operations and regulations, and after review of the regulations' compliance, synchronously notify and update the Company's internal norms.
	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. If there is a risk of affecting the objective and fair handling of the case, the settlement 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.

Dedicated Ethical Management Unit

The Company has established a dedicated unit, the "Legal 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 2020 and 2021, Legal Office offered the "Regulations Compliance Training" course for the Environmental Safety Office and related personnel, so that the personnel of the environmental safety office and related departments could understand the key points of laws and regulations, and immediately respond to legal requirements; For employees responsible for R&D, marketing and intellectual property business, the annual "Intellectual Property Rights Application Strategy" course is offered, so that they have 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 bulletin boards, our internal web pages, columns and articles so that our employees can easily obtain new information related to the regulations and deepen their understanding of various issues.

If you are a new employee, the Company will offer a course in ethics that requires passing an assessment test. 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 which 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 2020 and 2021, we respectively had 101 and 98 new employees complete the "employee ethics" education and training, with a successful completion rate of 100%.

Regardless of upstream component manufacturers or service-oriented suppliers, it is necessary to sign the "Supplier Environment, Social and Governance Promotion and Commitment Statement" to ensure all business activities comply with integrity and ethics. In addition, the "Supplier Environment, Social and Governance 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. The business operation 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 our inception, ADLINK has never engaged in anti-competitive behavior 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 promoted adherence to our code of ethics through internal and external requirements, thereby strengthening and consolidating ADLINK's corporate culture of positive self-discipline. In addition, from product development to manufacturing, we adopt a high degree of independent standards, so we have never been involved in any infringement or illegal activities, and hence have never been punished for any wrongdoing.



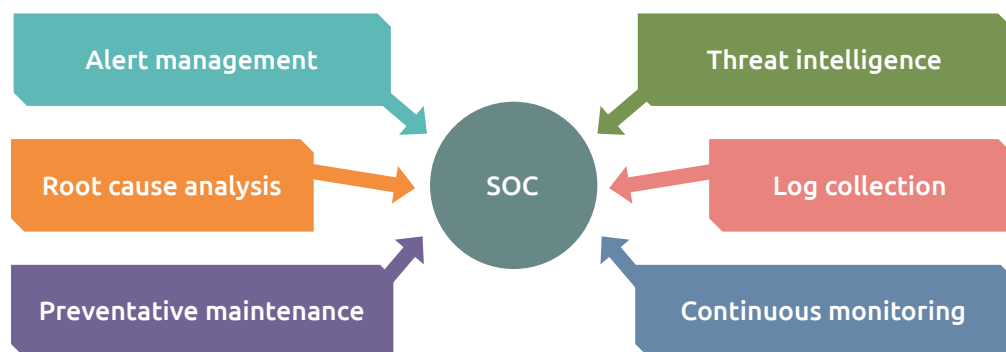
2.10 Information Security Management

ADLINK continues to focus on the information security risks that may arise externally or internally, and has established a number of management policies and procedures to improve the level of information security and reduce possible risks. The Company plans to establish the Information Security Office in 2022, and the international ISO27001 information management verification introduction project will be launched at the same time, to be completed and certified by the end of 2022.

According to the requirements of the information security policy, 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 will introduce the "Security Operations Center" (SOC) project in 2022 in order to speed up the response to changes in threats. We will use year-round, round-the-clock uninterrupted and effective services to help enterprises detect information security incidents in advance, monitor and respond to the incidents, and identify and respond after an incident, creating comprehensive information security services.

Information Security Monitoring Center

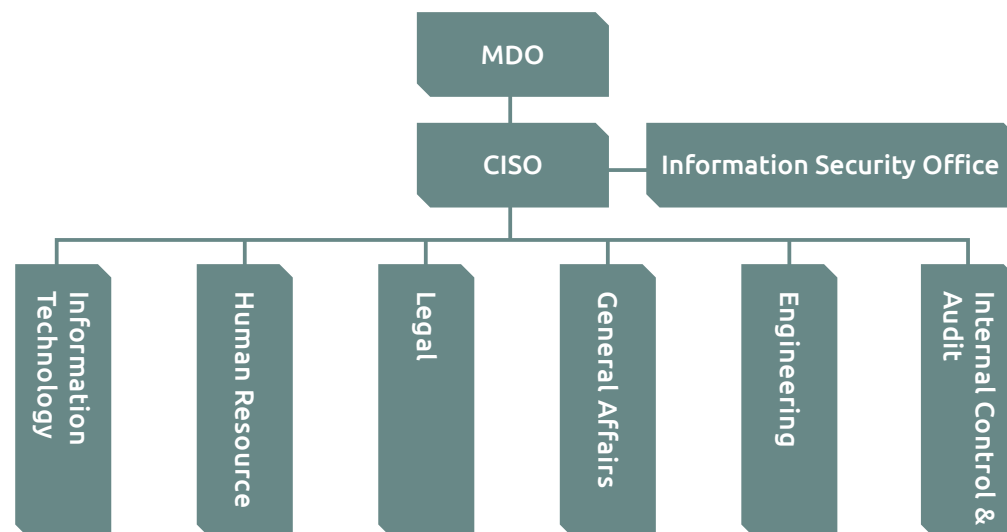


The introduced information security products collect information vertically and horizontally to speed up the response to and processing of information security incidents, thereby greatly reducing the possible information security risks and eliminating the potential risk period caused by any information 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.

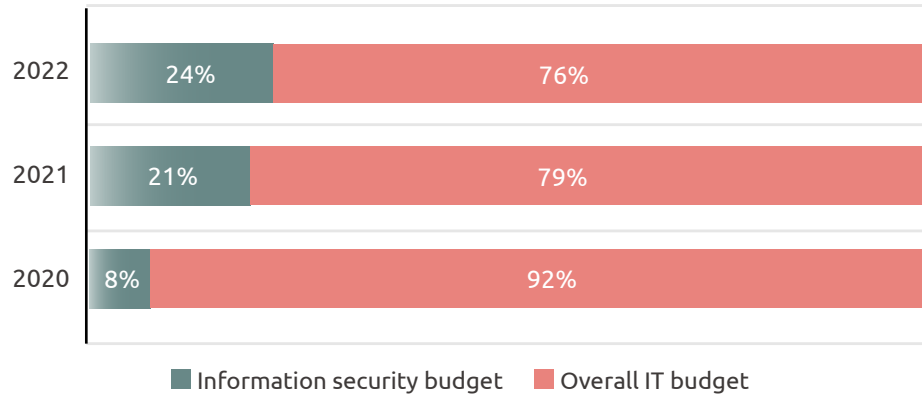
Information Security Committee



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 overcome 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 issues and external issues, we can identify all information security related projects that may affect the organization and company, and allocate budgets to reduce known and unknown risks.

Information Security Budget Ratio

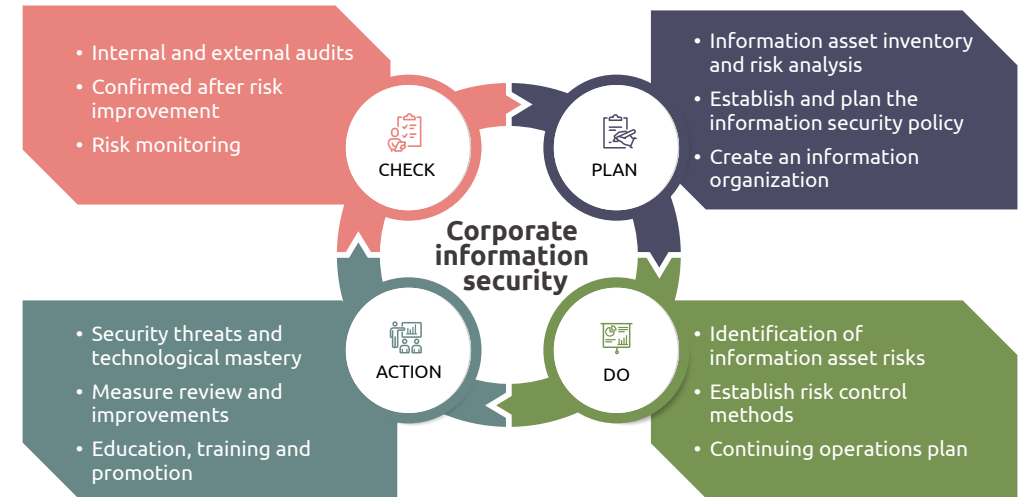


Information Security Risk Management

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 them. 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 international 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



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.

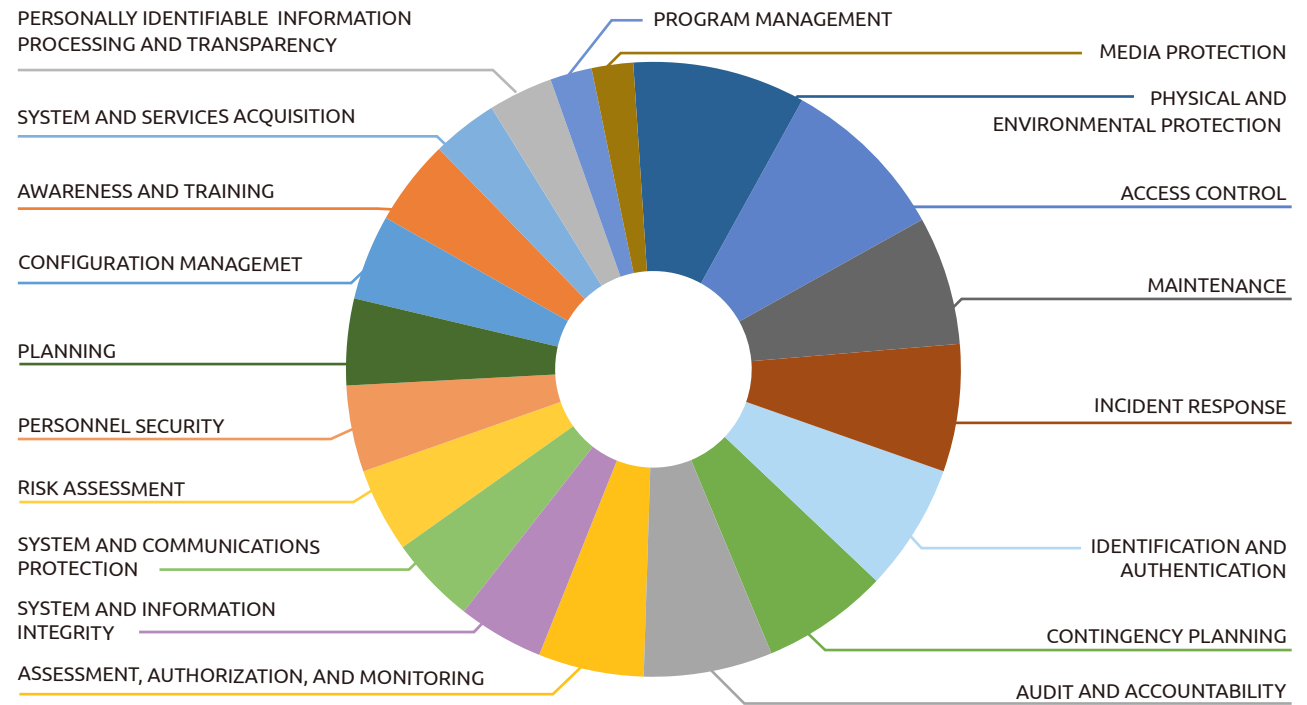
Risk identification will analyze the information asset items according to the threats and vulnerability items that may be related to the various information assets, and evaluate the risk occurrence probability, impact degree and possibility of being used. During the risk analysis process, the degree 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, an 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.

Internal Information Security Assessment Items and Weights



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

2021 - Relocation of Corporate Headquarters

- Zero trust network and system infrastructure configuration.
- Internet and internal backbone backup construction.
- Factory production line use of an independent virtualized architecture platform.
- Off-site backup storage to improve data availability.
- Expanded software-defined storage space and reduced Recovery Time Objective (RTO).

2021 - Introduction of multi-factor authentication (MFA)

- The core system server adopted multi-factor authentication login to increase authentication security.
- Multi-factor authentication login has been introduced in core network equipment to increase authentication security.
- Multi-factor authentication login has been introduced for global remote users to increase authentication security.

2021 - Introduction of Advanced Protection for Server Endpoints

- Advanced antivirus protection implements protection by using existing virus codes and cloud virus codes.
- Intrusion prevention detection consists of behavior monitoring and blocking of attacks.
- Security log management includes a single, visualized management interface.
- Abnormal event monitoring can analyze and block a large number of abnormal operations.
- Virtual patching vulnerability protection can strengthen the protection of vulnerabilities before they are updated.

2.11 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 as follows :

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 the patent 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 reward system, and regularly evaluate the rights protection or elimination of each patent case in order to enhance ADLINK's competitiveness in the industry.

Trademark Management

ADLINK's trademarks are divided into two categories :

1. At the Company level, the Company's top executives propose requirements
2. The needs are identified for the market according to the product and the PM or market personnel shall submit applications.

After receiving instructions, the Legal Office will entrust an external firm to perform trademark searches and deployment analysis to find a better 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 trademark should use it in accordance with the approved form of the trademark and retain evidence of use. The Legal Office will regularly evaluate the rights

protection or elimination of each trademark in order to safeguard ADLINK's reputation and protect the rights and interests of customers.

Trade Secrets 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 controls for electronic and paper documents. During exit interviews, 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.

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 product names. From 1995 to May 3, 2022, 88 trademarks have been approved worldwide, 47 of which have been effectively maintained, while 10 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 2020 was 1.3 times more than that of 2019, and the number of patent applications in 2021 was 1.6 times more than that of 2020, representing an upward trend.



Number of Patent Applications from 2019 to 2021

Year	Taiwan	China	United States	Total
2019	7	4	4	15
2020	9	8	2	19
2021	12	12	6	30

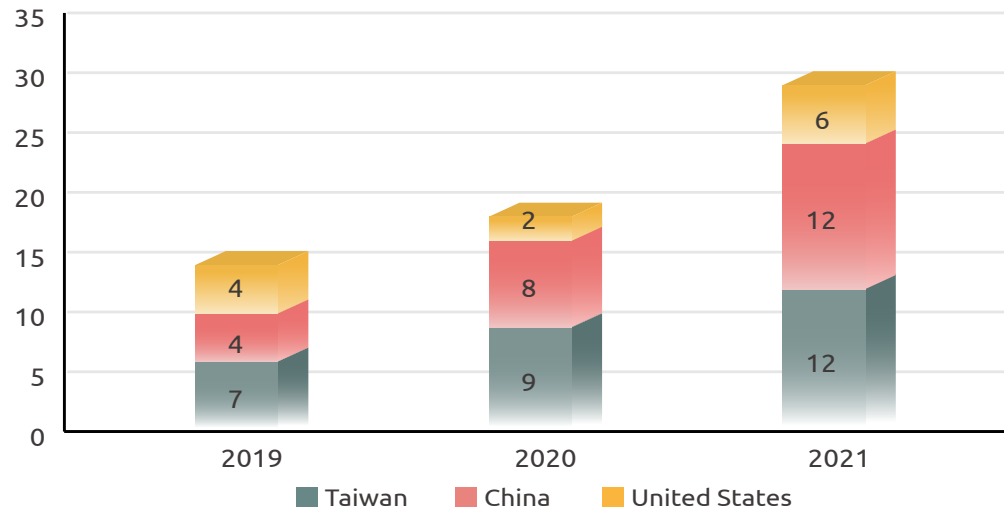
Source : ADLINK Legal Office

Types of Patent Applications by ADLINK from 2019 to 2021

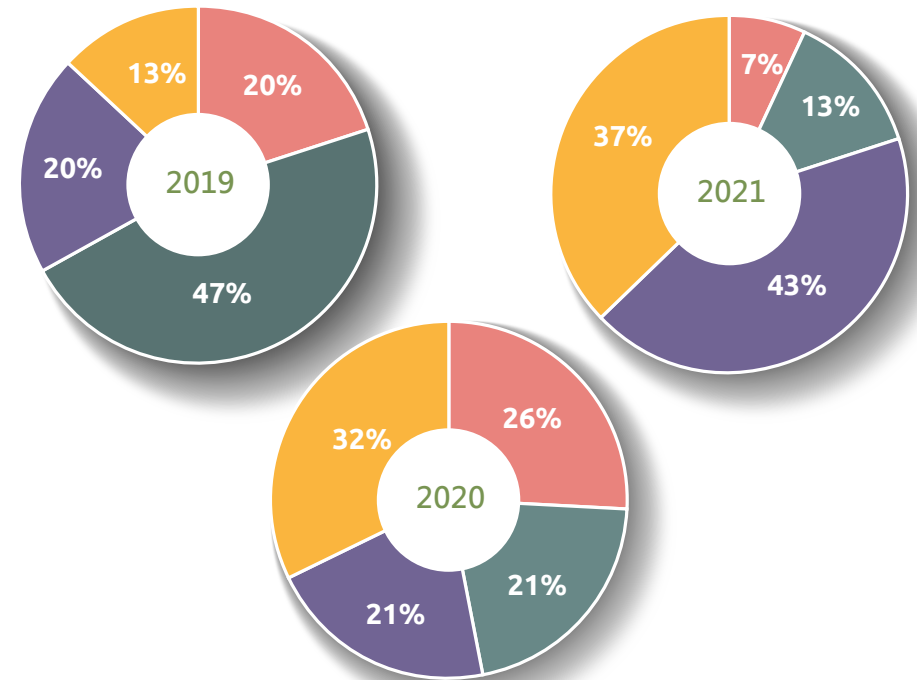
Year	Motherboard Design	Expansion Components	System Monitoring	Communication Method
2019	3	7	3	2
2020	5	4	4	6
2021	2	4	13	11

Source : ADLINK Legal Office

Number of Patent Applications from 2019 to 2021



Source : ADLINK Legal Affairs Office



■ Motherboard design
 ■ Expansion components
 ■ System monitoring
 ■ Communication method

■ Categorized Table of Patents Held by ADLINK

Region	Total Number of Patents held
Taiwan	94
United States	72
China	73
Other Countries	6
Total Number of Patents :	245

Source : Global Patent Search System

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, rewards are provided for the application and allowance of patents, in particular, patents granted in the US will earn 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.



3

Innovation and Customer Service

3.1 Customer Service

3.2 Smart Manufacturing

3.3 Innovative Technologies
and Applications

3.1 Customer Service

ADLINK leads edge computing and is a catalyst for a world powered by artificial intelligence. We manufacture and develop edge hardware and software solutions for embedded, distributed and intelligent computing, and thousands of customers around the world trust us as a key partner for mission-critical success. ADLINK holds top-tier edge partnerships with Intel, NVIDIA, AWS and SAS. ADLINK contributes to open source, robotics, autonomous, IoT and 5G standards initiatives across more than twenty-four consortiums, driving innovation in the manufacturing, telecommunications, healthcare, energy, defense, transportation and infotainment industries. Comprehensive customer service is the core value at ADLINK; our Customer Care Center is dedicated to supporting worldwide customers on product orders, deliveries, and after-sales service. Our mission is to respond to customer expectations and feedback by resolving issues and satisfying their requirements in a swift and precise manner. ADLINK targets to raise service quality before customers ask. We further provide three commitments as below and uphold these standards as strictly as possible.

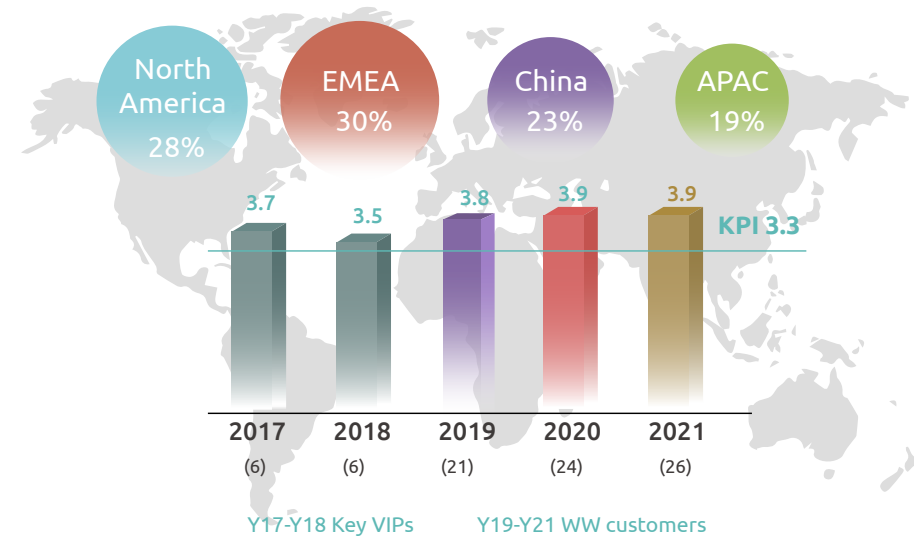
1. Confirmation of delivery dates for standard product orders within one working day upon receipt.
2. Online "Ask an Expert" quality and technical consulting platform shall respond within two working days.
3. Products returned for repair must be completed within 10 working days of receipt by ADLINK.

In response to the extreme challenges such as severe shortage of supply in the global material market and surge in demand in the transportation industry due to the spread of COVID-19 during 2019-2021, we implemented a German SAP ERP enterprise management system in May 2021 to optimize the operating information platform, integrate sales, production, purchasing, warehousing and finance procedures, and further promote efficient data processing, analysis and information flow across departments, greatly accelerating the entire workflow and successfully improving operational efficiency. Furthermore, in order to strengthen supply chain management capabilities and customer-centric service practices, ADLINK formed the "Sales and Operations Planning Office" in December 2021 to align the dynamic balance between the demands of front-end customers and the supply of internal deployment, and to establish the ability to precisely distribute resources for maximizing benefits and risk management.

In order to fulfill our commitments to product quality and customer service, the Customer Care Center conducts annual satisfaction surveys for specific global accounts. Prior to 2014, third-party market research firms were commissioned to collect customer feedback from ADLINK's top 100 accounts through telephone interviews and online questionnaires. In 2015, we decided to listen to our customers' directly and further engage in proactive internal reforms. Holding the service belief of achieving the highest standards, we gave the priority to the most demanding VIP customers being surveyed between 2015 and 2018 and earned gradually increasing ratings from high-end accounts every year. From 2019, we expanded the survey scope to encompass all key and emerging customers with strong potential worldwide. The survey focused 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 the annual satisfaction survey are compiled by the Customer Care Center and published at a designated time to provide the 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 delivers improvement report feedback to key customers with suggestions, and added tracking questions, if necessary, in future surveys to further gauge customers' reaction to the execution of improvements. The updated statuses of ongoing improvements are provided along with the invitation email of the coming survey. ADLINK expects that the increasingly detailed and comprehensive improvements during every survey can make customers feel more valued. The ultimate goal of ADLINK is the continuous improvement to pursue top quality customer service.

ADLINK Satisfaction Survey Result for Global VIP Customers



1. The circles show the percentages of customer scores collected from four sales territories in 2021
2. The bar chart is the total average score for the recent five years (the number under each year indicates the sum of invited customers)
3. Score 5 = Very satisfied, minus 1 = Very dissatisfied

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 the SMT changes lines more than ten times every day. The production quantity for 30% of our products is less than fifty pieces. In order to achieve the same efficiency with mass production, ADLINK has been promoting APS (ADLINK Production System) for many years. The two primary focal points of APS are quality strategy and manufacturing methods, which can be further broken down to include defect prevention, continuous improvement, visual management, and streamlined processes, and an additional twelve improvement tools. With APS, 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



凌華企業發展戰略 (Business Strategy)

未來五年發展目標

- 成為全球第二大嵌入式電腦產品公司

戰略

- 遵循3R(強固性Robustness、可靠性Reliability、適用性Readiness)標準，打造凌華工業電腦精品
- 以Vortex-DDS資料分散式服務，作為智慧型資料分享平台，連接多元產業的工業物聯網應用
- 優化現行ARIP應用導向智能平台概念，提供垂直產業需要的通用性工業物聯網作業平台
- 積極建置產業生態系統，與合作夥伴協力提供邊緣運算技術與銷售通路，藉以提升凌華價值
- 與在工業物聯網垂直市場具領先地位的客戶合作，共同開發基於凌華產品之終端應用全方位解決方案
- 推廣資料分散式服務(DDS)與開放電信級邊緣運算架構(OCCERA)概念，成為業界標準規範

企業願景 (Vision)

透過多樣強固可靠的硬體產品、數據連接管理方案、與工業物聯網平台，協助客戶降低工業物聯網系統建置複雜度，成為引領邊緣運算的主導企業

品質方針 (Quality Policy)

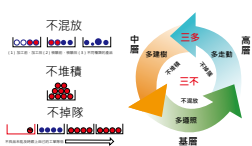
"Quality People for Quality Service"
「唯有優質的員工，才能提供優質的服務」

- 我們承諾遵循全面品質管理策略
 - 秉承持續追求零缺點品質水準的精神
 - 採用精實原則持續消除浪費與改善品質表現
- 最終達成交付超出客戶期望優質的創新產品和服務

精實 (Lean) 生產導入模式



三多與三不



縮短生產週期



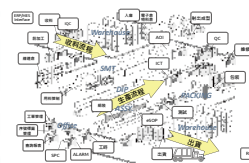
持續改善計畫



當日維修



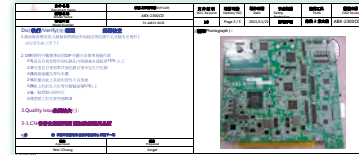
MES



看板管理 & 旗號系統



Check-Do-Verify



視覺管理 (Visual Management)

製造方法 (Manufacturing Methodologies)

流程簡化 (Complexity Reduction)

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

精實 (Lean) 生產導入模式



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 an MES, define the optimal production quantity of work orders, and the minimum 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 dataization of production information to provide timely production information and improve production efficiency.

Rhythmic Manufacturing Stage :

We need to achieve optimal scheduling between work orders, 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%), 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 and product yield, and maintaining repair efficiency for defective products and equipment stability.

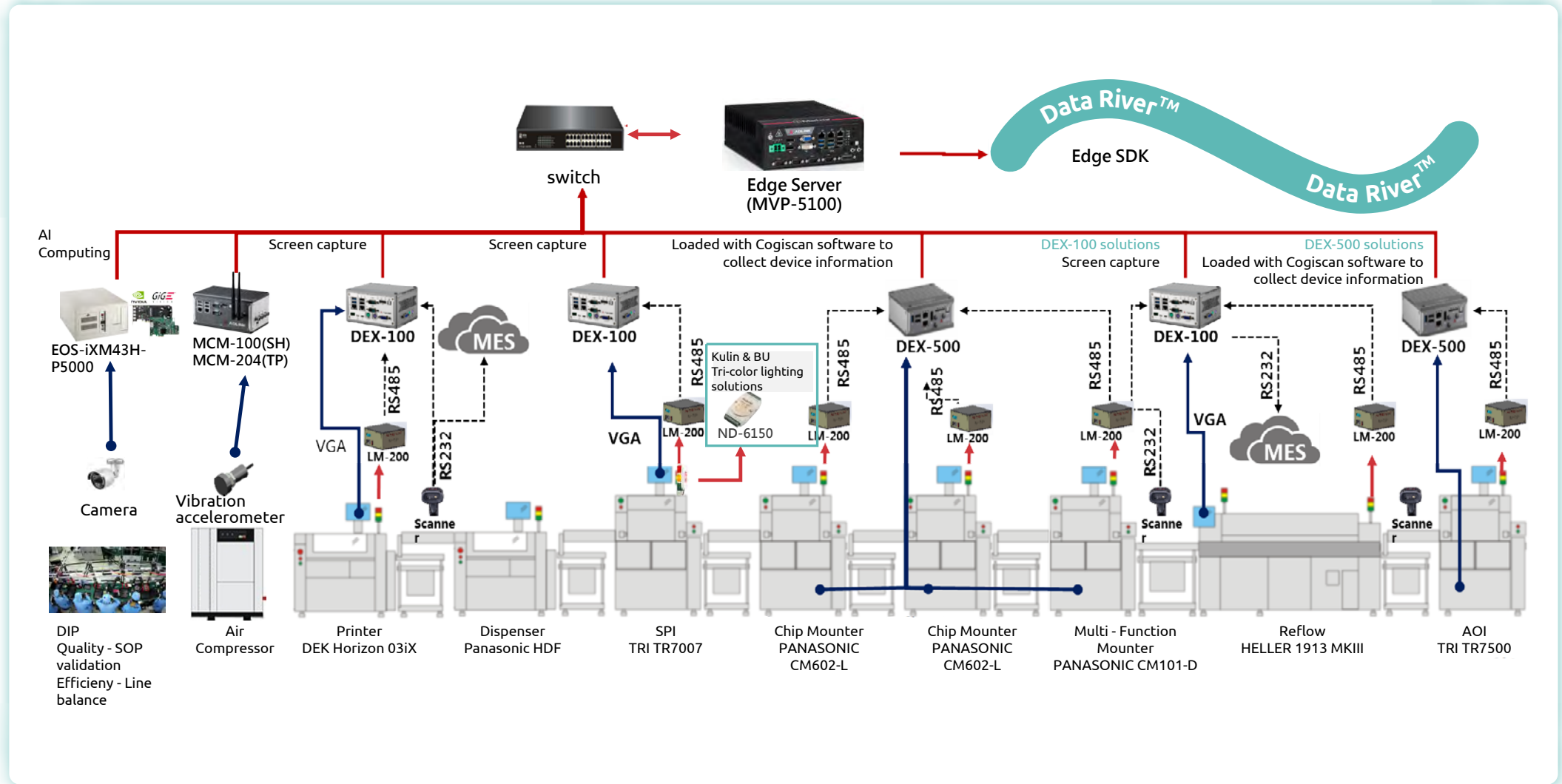
Smart Manufacturing

In order to achieve the third and fourth goals of APS, ADLINK set up a task force in 2017 to develop SMT's CPPS (Cyber Physical Production System), laying a solid foundation for production information data in the future. ADLINK's smart manufacturing mainly focuses on improving production efficiency, improving product quality and improving the safety of the operating environment.



Improved Production Efficiency

Smart manufacturing began yielding results in 2020. ADLINK aims to address many problematic points of the factory: The old equipment can only display equipment status through the three-color lights and cannot conduct digital information collection. ADLINK provides three-color light solutions, so the solution was introduced in the Hwa Ya Plant to display the SMT equipment status.



Improved Product Quality

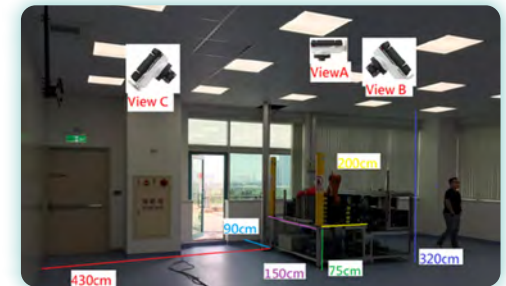
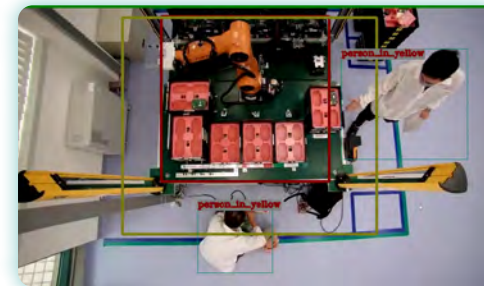
In 2020, ADLINK introduced the IoT data capture solution in the DIP production section of the Shanghai factory. We established an AI analysis model together with our strategic partner PowerArena. Through AI analysis, we are able to obtain information such as cycle time, process time and idle time of the monitoring station, and perform line balance analysis on the DIP line. Through analysis, we can understand the bottleneck processes of the production line, which is beneficial for managers to increase production efficiency. In addition, we compared the actions of the workstations. When the actions/steps of the SOP are not met, an alarm is sounded. We continue to monitor the production behavior and quality in real time .



DIP
Quality - SOP Validation
Efficiency - Line balance

Improved Safety in the Work Environment

In 2021, ADLINK and our strategic partners implemented the following in the Hwa Ya Plant: The Computer Association, Kulin and Deep Wise cooperated to use the company's product (NEON-201A-JNX) for the [Electronic Fence - Kulin] project, which was applied to the safety protection of the robotic arm production on the 5th floor of Building B. The [Wearable Detection-Deep Wise] project was applied to the detection of wearable safety gear in the High Pot test on the 4th floor of Building B. Both projects provide effective early warning and safety protection in the operating environment.



3.3 Innovative Technologies and Applications

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.

Application of Low Energy Consumption and Energy Saving Products

Taking into account the environmentally friendly and highly efficient resource utilization, ADLINK has greatly improved the use efficiency of embedded computer modules and power supplies to reduce power requirements.

The core product in 2020 - the embedded computer module series products (COM module), optimize the firmware technology, after the COM Module enters the standby mode, it can start the ECO mode, use the ADLINK Express-HL product test, and start the ECO mode under S5. The wattage is reduced from 0.7545W to 0.6036W, and the power saving symbol is reduced by 20%. Achieve innovation goals, maintain competitive advantages, and improve product energy-saving applications without replacing hardware.

In 2021, ADLINK realized extremely low-power standby products, which will help us meet the EC energy-saving designs. In the case of no system operation, the energy consumption is reduced. The original Adapter has a No load of 0.21W, and the new Adapter has a power consumption of 0.0528W, which saves 76% of the power consumption.

Under the limited resources of the earth, we cannot exhaust energy without limit, so the requirements for power converters are becoming more and more stringent, and we hope to make the most effective use of resources.

Controllable Intelligent Energy-saving Fan

ADLINK launched the "Controllable 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 system products with controllable smart fans use high-efficiency fan speeds to dissipate heat in energy consumption scenarios, 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 can be reduced by 50%; 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%, and achieve an energy-saving and quiet mode of the system.

ADLINK optimizes product performance and power consumption models through the smart fans to save energy and reduce damage to the earth.



4

Environmental Care

4.1 Climate Change

4.2 Energy Conservation and
Carbon Reduction

4.3 Waste Management

4.4 Green products

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 environmental, health and safety (EHS) procedures as required by law and provide support necessary 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, the introduction of RBA compliance requirements began in 2021. We are expected to complete the ISO 14064-1 standard greenhouse gas emission inventory between 2022 to 2023. ADLINK will continue to promote green procurement and products manufacturing to minimize greenhouse gas emissions and energy consumption. We are committed to our global environmental protection responsibilities and to building a sustainable green industry.

ISO14001

While satisfying the requirements of the 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.

EHS Policy :

1. Save energy resources, increase resource regeneration
2. Use low-emission and environmental-protection requirement compliance materials
3. Establish a safe and hygienic workplace focused on environmental protection with the aim of meet our goal of zero occupational accidents.
4. Comply with all legal requirements regarding the environment and health and safety
5. Commit to continuous improvement while preventing occupational accidents and pollution of the environment.



Responsible Business Alliance (RBA)

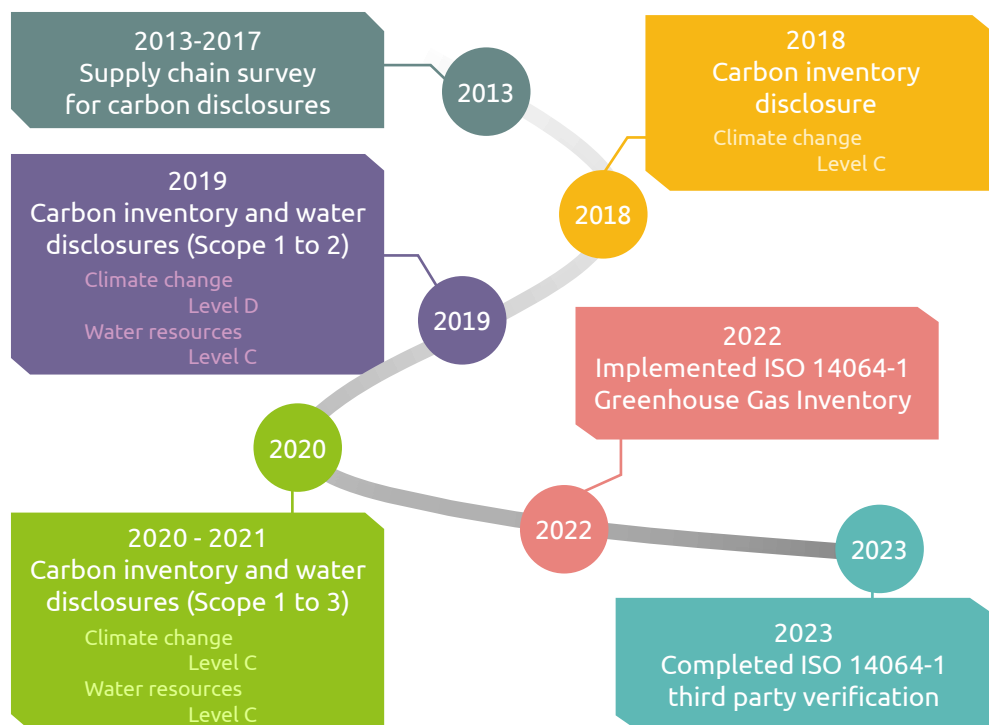
In 2021, ADLINK underwent a major change. We moved our operating location to Hwa ya Technology Park in Guishan District, Taoyuan City, which provides an independent and complete office environment. We understand the code of conduct of the Responsible Business Alliance (RBA), formerly known as the Electronic 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 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. (Figure 1)



▲ Figure 1 : 2022 RBA VAP – Gold Level

ISO 14064-1 Greenhouse Gas Inventory

The global temperature increase due to the greenhouse effect caused by global warming also makes the company understand its sustainable management ideals and obligations related to corporate social responsibility in the global issue of climate change as a member of the global supply change. In 2013, we began to disclose annual carbon emissions with the Carbon Disclosure Project (CDP) platform. We have proposed related improvement and carbon reducing measures by reviewing climate change related laws and regulations and sustainably managing potential risks, in order to reduce the impact of climate change. (Figure 2)



▲ Figure 2 : CDP carbon disclosure process

ADLINK also supports the Paris Agreement by including energy-saving lighting, water-saving equipment and other features into the planning of our future factories. We hope this will help keep the increase in average global temperature to within 2°C. 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	2023 Goals	2025 Goals
Ratio of Renewable Energy Use	>1.5%	>5%
Carbon Intensity Reduction Goal	>1%	>5%

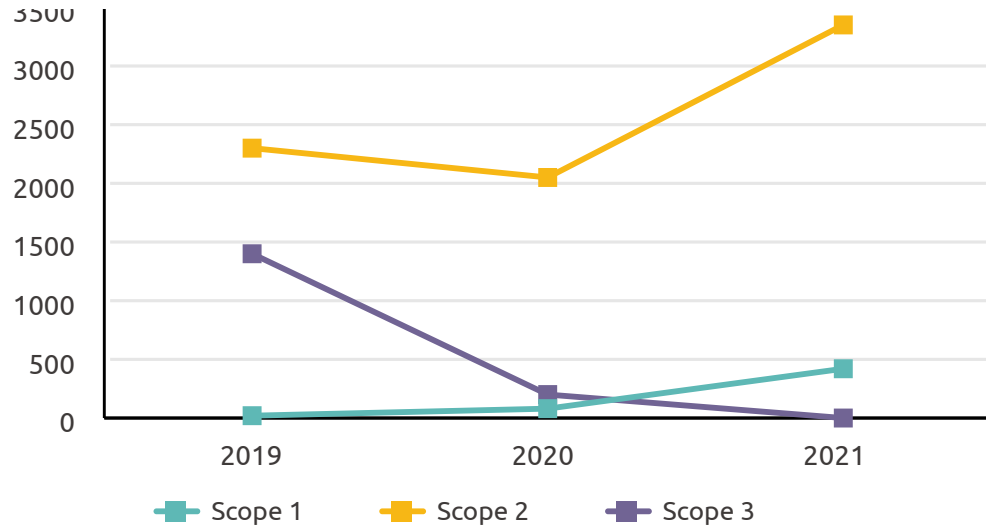
Efforts to control greenhouse gas (GHG) emissions are actively supported by ADLINK. The Environmental Safety and Management Committee also serves as the cross-department platform for implementation and integration of GHG policy. Current efforts at ADLINK are focused on the collection of GHG emission data to provide a baseline for the overall program.

According to statistics up to December 2021, the types and quantities of the GHG inventory are listed below :

General Category		Inventory Item Descriptions	GHG Emissions
(Metric Tons)	Dissipation of Refrigerants	Dissipation of refrigerants used in air conditioners and refrigerators	404.606
	Goods Transportation	Gasoline used in factory goods transportation	0.8569
Scope 2	Externally Purchased Electricity	The total amount of externally purchased electricity used for the company's operations and production	3,199.31
	Indirect Ghg Emission Intensity of the Production Line	The energy intensity of the production line (pieces) is calculated based on the ratio of electricity consumption to production output	0.003640
Scope 3	Waste Disposal	Gasoline used in waste disposal	0.00899
	Business Trips	Greenhouse gas emissions of employees on business trips abroad through the business travel system	11.19

Greenhouse gas inventory process analysis for 2019 to 2021 is as follows :

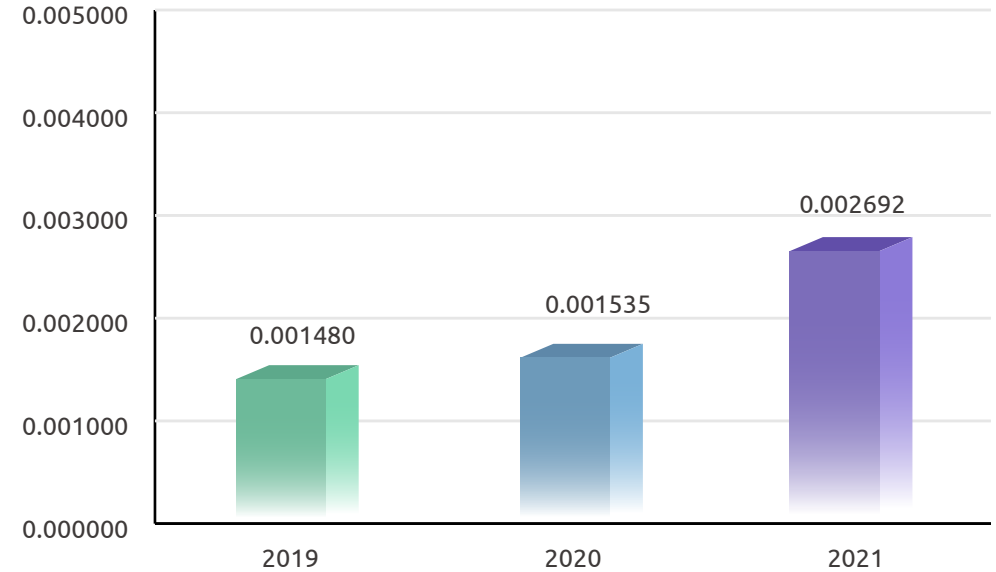
Greenhouse Gas Inventory Process Analysis



Since ADLINK uses electricity as its main power source, the relocation to the Linkou Hwa Ya Plant in August 2021 resulted in an increase in electrical equipment, which has resulted in a relative increase in greenhouse gas emissions.

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 2.5027 kW/pc, 3.0149 kW/pc and 5.2882 kW/pc between 2019 and 2021. Moisture-sensitive components used in the production line required more frequent drying during preparation in the warehouse, leading to an increase in power consumption for production lines.

Indirect GHG Emission Intensity of the Production Line



ADLINK is committed to optimizing energy usage efficiency and engaging in further regulation of greenhouse gases. Therefore, ADLINK is actively planning and expects to complete the ISO 14064-1 standard greenhouse gas emission inventory and control between 2022 to 2023. Through the ISO 14064-1 standards, we are able to effectively manage issues related to climate change, greenhouse gases, and environmental impacts, providing customers, employees, the supply chain, and other stakeholders with greenhouse gas emission inventory information. We consider the related comments and feedback of stakeholders and disclose the greenhouse gas emissions through third-party verification. We hope to formulate mitigation measures within the climate change 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.



4.2 Energy Conservation and Carbon Reduction

In order to achieve the commitment of sustainable development, ADLINK has incorporated activities such as energy and water resources management and 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.

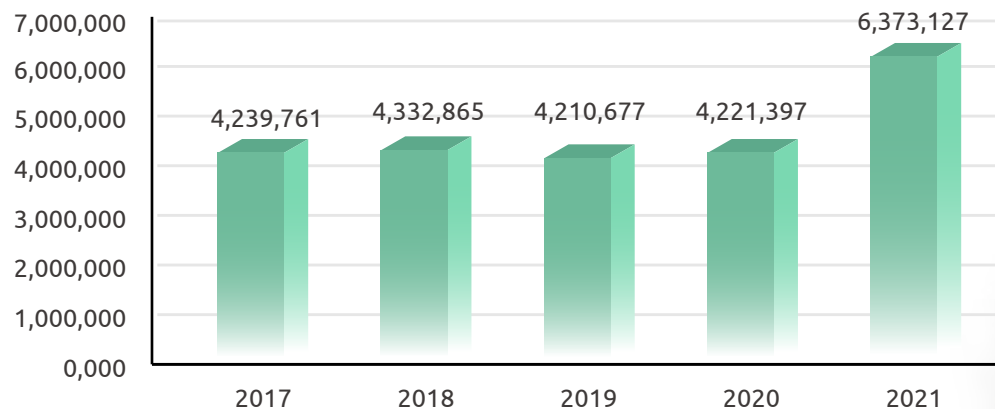
Energy Management

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 increasing the proportion of renewable energy used is ADLINK's energy management policy.

ADLINK uses electricity as its main power source during production and business operations. Statistics show that the company's total power consumption from 2019 to 2021 was 4,210,677 kWh in 2017, 4,221,397 kWh in 2018, and 6,373,127 kWh in 2019.

In the past year, 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 Power Consumption in kWh, 2019-2021



ADLINK has long been implementing energy-saving measures to conserve energy. Key energy-saving measures adopted by ADLINK since 2011 include: emergency evacuation lights that have been replaced with energy-saving LED lights, a minimum office temperature set at 25 degrees Celsius, and the installation of energy-saving fans to improve air circulation, thereby reducing the demand on AC. Master switches for AC and lighting were installed in the office to prevent unnecessary power consumption outside of working hours.

- ※ In 2017, power distribution panel capacitors were increased from a rating of 88% to 95% to improve the power factor of selected floors and recycle energy resources.
- ※ From 2016 to 2018, 623 T8 office light fixtures were replaced with T5 energy-saving lights.
- ※ In 2019, 83 T8 lamps in the office were replaced with LEDs.
- ※ From 2020 to 2021, we installed smart meters to provide real-time smart management services to save energy consumption and improve energy efficiency.
- ※ In 2021, after relocating to the Hwa Ya Technology Park in Guishan, Taoyuan, all lighting in the rear office building of the Company was switched to LED lights, reducing carbon emissions by 317 tons each year.

Building	Quantity (Lamps)	Annual Electricity Savings (Kwh)	Annual Reductions in Carbon Emissions (Tons)
A	4,448	287,484	144.3
B	2,326	344,148	172.7



At present, during lunch breaks and at the end of the work day, designated persons are instructed to turn off the unused equipment in the office. Blinds are used to reduce sun exposure, and avoid unnecessary power consumption. A professional mechanical and electrical consulting company is entrusted to conduct regular inspections of the company's low-voltage distribution board with infrared thermal imaging to avoid high power consumption. Energy-saving equipment should be considered when replacing existing OA machines and purchasing new equipment.



▲ Office lighting is now all LED

Water Resource Management

In August 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.

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 of. The water quality is tested every month with the park and disclosed on the Hwa Ya Technology Park website.

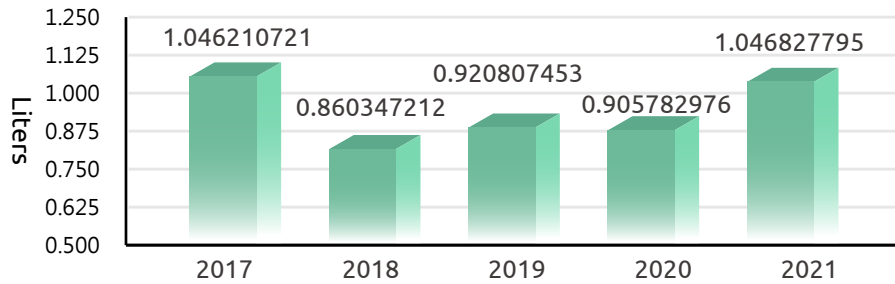
Water Quality Management for the Plant

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 statistics for the last 3 years were: 11,267 KL in 2019, 11,152 KL in 2020, and 13,167 in 2021. Although the water consumption has shown an increase in the past year, the reason is that the company's relocation has changed the floor area from 6,407 ping to 12,931 ping, resulting 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 was 0.9208 L in 2019. This decreased to 0.9058 L in 2020. It was 1.0468 L in 2021.

Average Water Consumption Per Person, 2019-2021



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 types.
- ✧ Hwa Ya Plant installed 31 water-saving urinals and 55 water-saving toilets, saving 54% of water consumption every year compared to traditional equipment.

	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%			

- ✧ There are daily inspections of taps on each floor.
- ✧ The glass of the office building is all self-cleaning, 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.

Recycling and Reuse of Various Cushioning Materials

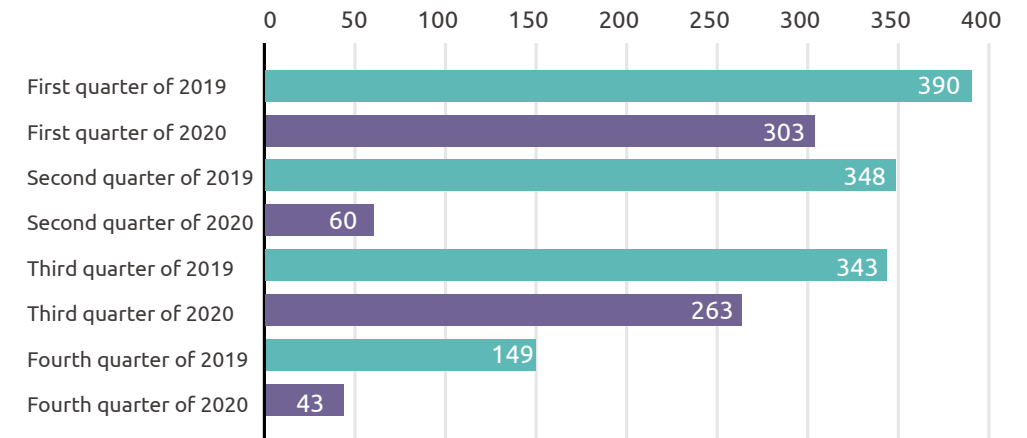
ADLINK also recognizes that environmental protection, as well as the maintenance of EHS, all form a part of sustainability. We are continuing to make improvements to ESH performance and set these as a new baseline for operational EHS. ISO 14001 environmental management system certification was obtained by ADLINK in 1999. According to the requirements of the management system, we have set the 2020 goals for reducing environmental pollution and resource conservation.

Reducing Applications for New Packaging Materials

The packaging materials removed by the production line and from the maintenance products sent back by customers are reused. The empty cartons, empty boxes and cushioning materials are reused to fulfill environmental protection and waste reduction goals.

After introducing the statistics from 2020, the 1230 pcs of packaging that were originally needed have been reduced to 669 pcs in 2020. The cost of the packaging was reduced from NT\$59478 to NT\$7472.

Amount of New Packaging Materials



4.3 Waste Management

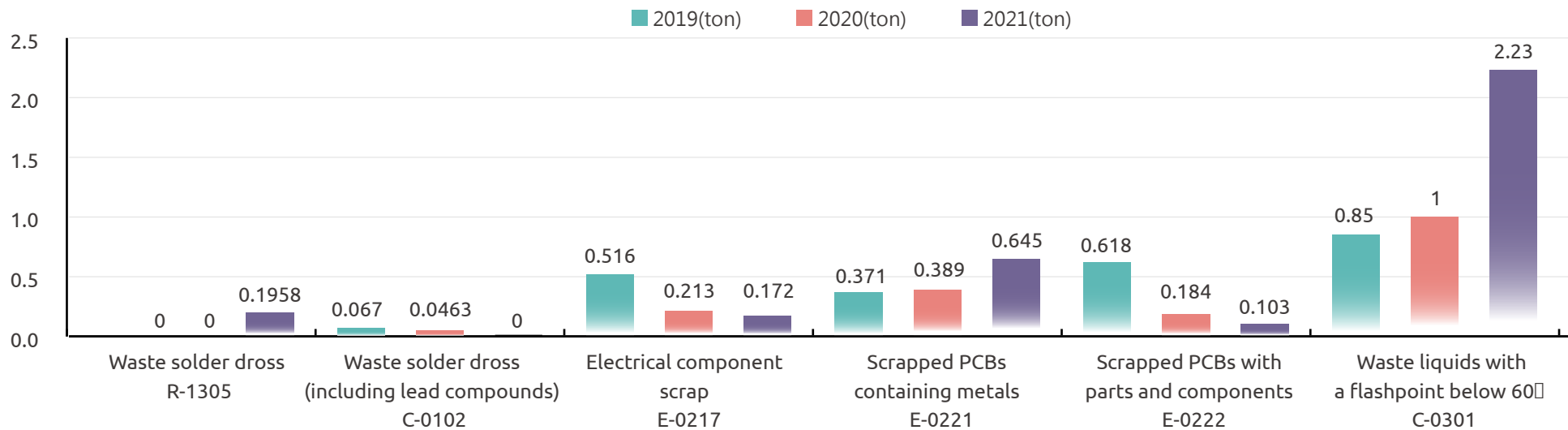
Waste management involves mainly the centralized collection and sorting of recyclable waste in accordance with the company policy of “Save energy resources, establish resources renewals” (as shown in the table, Waste and Resource Recycling Management, below). Waste is removed by contracted, qualified 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 (as shown in the table, Amount of Declared Industrial Waste from 2019 to 2021) include waste solder (C-102), 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 (C-0301), among others.

Waste and Recycling Management Table

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 dust		Physical treatment
		Scrapped PCBs with parts and components		Physical treatment
		Waste fibers or other cotton and fabric blends		Incineration treatment
	Hazardous Industrial Waste	Waste liquid		Incineration treatment

Amount of Declared Industrial Waste from 2019 to 2021

Name	2019(tons)	2020(tons)	2021(tons)
Waste Solder R-1305	0	0	0.1958
Waste Solder (Including Lead Compounds) C-0102	0.067	0.0463	0
Electrical Component Scrap (E-0217)	0.516	0.213	0.172
Scrapped Pcb's Containing Metals E-0221	0.371	0.389	0.645
Scrapped Electronic Parts and Components (E-0222)	0.618	0.184	0.103
Waste Liquids With A Flashpoint Below 60°C (C-0301)	0.850	1	2.23



* In the past, production processes generated waste solder and lead-containing waste solder. Therefore, we used the waste solder including lead compounds) C-0102 code. In recent years, we have moved towards lead-free processes. In 2021, we changed to waste solder R-1305 code on the factory relocation waste removal letter.

* In 2021, the waste liquid removal frequency was increased by two times (early removal) due to the relocation, therefore the number is higher.

4.4 Green Products



Strategy and Policy

- Hazardous substance free management: Product compliance shall be in line with international environmental regulations/directives/standards (such as: International Standard IEC62474, EU RoHS, REACH, WEEE, WFD&SCIP, Battery Directive, Packaging and Packaging Waste Directive, China RoHS 1&2, Taiwan BSMI RoHS, California Proposition 65 Regulations), as well as the certifications required by certain shipping countries (such as: UAE RoHS for the United Arab Emirates, EAEU RoHS for Russia and Eurasian Economic Union, Ukraine RoHS for Ukraine) including product logos.
- Conflict free minerals management: Ensure that the Company's raw materials do not use conflict minerals, avoid indirect funding of armed criminal collectives and support the participation of the supply chain in fulfilling social responsibilities.



Commitments

- Responsibilities for Enterprises to Protect the Environment
- In compliance with laws, directives and requirements to meet customer specifications
- Provide products and services that fulfill our environmental responsibilities
- Avoid excessive waste that pollutes the environment through both product design and manufacturing processes
- Continuous improvement



KPI

Automated Processes

- Automatically generate RoHS & REACH SVHC Declarations
- Insert Reviewing Function in Material Declaration Excel Template
- Cross-departmental integration of both products' EU DoC and UKCA DoC
- Submit REACH SVHC Data to SCIP Database Automatically

Establish a training system of experts

- Establishment of legal Subject Matter Experts (SMEs)

Improvement of System interface

- <New EU regulatory requirements> Shipped products continuously comply with EU WFD & SCIP requirements
- Revision of part documents in GPMS & Clarification of RoHS Exemptions used in parts
- 2021 Suppliers' Training Seminar: GPMS Instructional Curriculum & Regulatory Instructions

Product compliance with EU WFD & SCIP requirements

From January 5, 2021, products sold in the EU market containing substances of very high concern (SVHC) with a concentration of more than 0.1% must upload the information of the product parts exceeding the standard to the official EU SCIP (Substances of Concern In Products) platform. This mandatory EU directive is an ongoing task. If the product content exceeds 0.1% SVHC but does not declare an SCIP, EU distributors, importers, and EMEA/ATG-DEG will be punished by the EU. In order to respond to the requirements of the EU directive in advance, ADLINK's Environmental Compliance Section tried to simulate the process of uploading the required information, but found the process for filling out information to be complicated and included duplicate information. In addition, due to the high repetition (~50%) of the shipping part number list, after the supplier clarified the concentrations of SVHC in the parts, the parts that exceed the standard must be reentered into the EU official SCIP platform.

Therefore, ADLINK set a goal six months before the EU Directive came into force, investigating the products shipped to the EU from January 1, 2018 to December 31, 2021 by suppliers, in order to clarify which parts contained more than 0.1% SVHC. From November 1, 2020, within two months after the official upload of SCIP, the information of product components shipped to the EU in the fourth quarter of 2020 containing more than 0.1% SVHC would be uploaded to the official EU SCIP platform.

Within a limited period of five months before the regulations went into force, the information on product parts shipped to the EU in the fourth quarter of 2020 would be processed at one time and uploaded to the EU's official SCIP platform. After we internally communicated the regulatory requirements and expectations, the establishment of the workflow had met the requirements of the EU directives. By collecting the list of products shipped to the EU in the past two years, and in combination with the dashboard developed by ADLINK, we can maintain the list of completed or incomplete EU shipments, and further download the list of shipments from the system link. At the same time, we communicated with the green product management system (GPMS) vendor to customize the software tool to download the product as well as part information required by SCIP, optimizing the process and improving efficiency. We also communicated with external suppliers to clarify if parts exceed the threshold of SVHC. From October 1, 2020 to the effective date of January 5 in 2021, 1,217 part numbers were shipped and 100% were uploaded completely.

After 2021, in accordance with the EU Water Framework Directive (WFD) and SCIP requirements, ADLINK products continually comply with laws and regulations, uploading information of product parts that exceed the threshold of SVHC to the EU official SCIP platform to avoid violations. ADLINK continues to think of ways to increase work efficiency, and therefore, the Environmental Compliance Section has 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 also verifies the correctness of the data processed by the automated tools. Due to the significant benefits of developing the automated tools, the manpower required to upload information to the official EU SCIP platform has been reduced from 125.8 working days per year to 1.1 working days per year, saving a total of 124.7 working days per year, increasing efficiency by 99.4%, taking both speed and quality into account.

Product compliance with post-Brexit UKCA requirements

Starting from January 1, 2023, The UK government will mandate that products must have affixed the UKCA logo, not the CE logo, for newly manufactured products entering into the UK market. If a product has been manufactured before January 1, 2021, and has been marked with the CE logo and was planned to be placed on the UK market, the product must be placed on the UK market before December 31, 2022 according to official regulations, otherwise the product must have the UKCA logo to be in regulatory compliance. For more 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 Restriction of Hazardous Substances (RoHS2.0), and the risk assessment is in a controllable range, a new process must be established regarding the UKCA logo and UKCA DoC (Declaration of Conformity) of the corresponding products.

In order to respond to the requirements of UKCA after Brexit, ADLINK not only managed whether products comply with EU directive standards, 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 must be listed in the UKCA DoC, ADLINK obtained authorization 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 compliance with EU directive standards, 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, the estimation of which was based on the number of products shipped in 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 working days per year, significantly reducing by 92% the time needed to prepare the information.



Figure. UKCA marking link as follows :
<https://www.gov.uk/guidance/using-the-ukca-marking>

Full Material Disclosure (FMD) of parts and components

An increasing number of customers require both the parts and components assembled in the shipped products to meet regulatory compliance on the restriction of hazardous substances, with ADLINK also requiring its suppliers' cooperation in turn. However, not all suppliers are capable of providing all three technical documents (Supplier Declaration, Material Declaration, 3rd-party-lab RoHS Test Report) or the alternative document (the supplier's liability statement or customer's agreement) as supporting proof. Based on the data of the Environmental Regulation Management Section, the collection readiness (%) of the "Full Material Disclosure" (FMD) has gradually increased from 32.5% in 2017, 38.8% in 2018, 45.9% in 2020, to 46.6% in 2021 (Figure). In order to comply with the requirements of the new EU WFD and SCIP directives, ADLINK updated the material declaration template (adopting FMD) and turned over the old materials in batches to clarify whether the parts have a concentration of more than 0.1% SVHC. Since many parts are no longer traded or produced (End of Life), the supplier or the original factory will no longer update the documents; therefore the corresponding collection completion rate (%) in the past two years has not increased as expected. The ideal target of a rate close to 70.0% (a bottleneck encountered by the electronics industry in general) still has a long way to go.

In addition, since suppliers or agents supply products not only to ADLINK, when various customers and frontline OEM plants successively require FMD, suppliers or agents are more willing to understand the demands. We tried our best to communicate with the original factories to obtain the material composition declarations of the parts (using FMD).

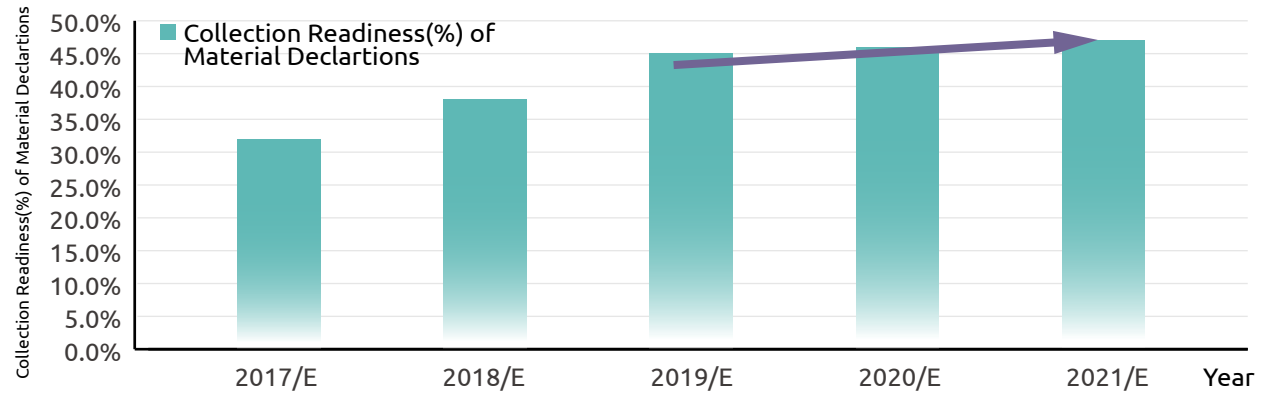


Figure. The collection readiness (%) of FMDs from 2017 to the end of 2021.

SGS collaborated with ADLINK to achieve the ultimate goal of environmental friendliness:

Communicate with suppliers from both sides of the strait to work together on different matters

On November 11, 2021, SGS Taiwan Ltd. (SGS) assisted ADLINK Technology Inc. (ADLINK) in organizing the "2021 Suppliers' Training Seminar: GPMS Instructional Curriculum & Regulatory Instructions". Due to the Covid-19 pandemic, the seminar was held in the form of an online live stream. We built a green information exchange platform for the communications among supplier representatives of ADLINK. A total of 300 ADLINK supplier representatives from both sides of the Taiwan Strait (Taipei, Shanghai, Dongguan) attended the event. ADLINK technical experts explained the environmental protection policies that ADLINK requires suppliers to collaborate with, including ADLINK's development and vision, both introduction and operation of green product management systems, and the instruction of how to fill out the CMRT (Conflict Minerals Reporting Template). SGS technical experts who co-organized the event led participating suppliers to interpret the latest developments of global RoHS, UKCA requirements after Brexit, TSCA (Toxic Substances Control Act), and TPCH (Toxics in Packaging Clearinghouse), implemented in the United States at the beginning of this year. In addition to instructing all suppliers in the meeting to understand the environmental regulations and requirements, we also provided concrete and feasible solutions for companies to move toward the goal of green supply chains and environmental friendliness.

Links to press releases of "2021 Suppliers' Training Seminar : GPMS Instructional Curriculum & Regulatory Instructions" are shown below.

Chinese version : SGS collaborated with ADLINK to achieve the ultimate goal of environmental friendliness, the SGS RSTS Banned and Restriction of Hazardous Substances Management Platform

(https://eecloud.sgs.com/Region_TW/Article.aspx?n=228&view=1)



5 Employee Care and Happy Workplace

5.1 Protection of Human Rights

5.2 Excellent Workplace

5.3 Balance in Work and Life - Employee Welfare
Committee

5.4 Talent Cultivation and Career Development

5.5 Safe and Healthy Workplace

5.1 Protection of Human Rights

5.1.1 Responsible Business Alliance (RBA) Code of Conduct Introduction

Employee Human Rights Policies Are Geared Towards :

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 refers to international standards, such as: The relevant norms of the International Labour Organization (ILO) and the Responsible Business Alliance Code of Conduct set out 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.

5.1.3 Supervision Mechanisms and Execution

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

5.1.2 Comprehensive Protections

Prohibition of Forced Labor

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

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

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 smooth complaint channels and comprehensive supervision mechanisms.

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 birthyear review.

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.

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.

Respect the 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", it does not involve restrictions on employees' association activities, but also supports employees to build relationships and make suggestions through groups.

5.2 Excellent Workplace

5.2.1 Employee Diversity



Risk Assessment

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 social, environmental and ethical risks in the relevant systems according to the Self-Assessment Questionnaire (SAQ) designed by the Responsible Business Alliance.



Management

Management :

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



Reduction

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.
- Through the establishment of relevant systems, such as working hour management and control system, auditing and evaluation, etc., the issues can be digitized and processed at any time to grasp and improve at any time.



Supervision

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 multiple 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 between labor and management.

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.

ADLINK is also committed to providing equal opportunities for the appointment and development of talents, eliminating illegal discrimination, paying attention to and respecting multi-ethnic groups, and placing no emphasis on differences due to gender, race, nationality, religion, age, physical disability, political position, marital status, and trade union affiliation, when considering opportunities for hiring, compensation, and advancement. 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 child education scholarships and special childcare services, enabling employees to balance work and life.

Due to differences in the labor laws and culture of each region, the overview of the human resources situation provided in this chapter is for Taiwan locations only, as shown in Table 1. The ratio of women employed gradually increased from 2020 to mid-2021. The majority of employees are between the ages of 30 and 50. Among this age group, the proportion of women in the past two years has also been growing.

ADLINK actively cooperates with the government by participating in the employment of 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 special needs, and redesign overall duties according to the evaluation results. When necessary, we help employees apply for assistive devices. Therefore, in the past three years, we have continued to employ people with disabilities at a steady growth rate of 0.3% to provide more balanced employment opportunities.

As for the employment of foreign nationals, as shown in Table 1, the ratio is maintained at a steady rate of 10% to 11% every year. Among the foreign employees, Filipino employees are the majority (±105). In order to help Filipino employees work and live in Taiwan with peace of mind, ADLINK provides the following care measures:

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

■ Table 1. Employee Age, Occupation, Identity and Gender Ratios

Category		Age				Occupation					Identity	
Gender	Assignment	Under 30	30-50	51 and Above	Subtotal	Technical	Business	Administration	Management	Subtotal	Local National	Foreign National
2019												
Male	Number of people	32	497	44	573	412	11	35	115	573	566	7
	Ratio	3.2%	50.1%	4.4%	57.8%	41.5%	1.1%	3.5%	11.6%	57.8%	57.0%	0.7%
Female	Number of people	58	326	35	419	238	8	138	35	419	315	104
	Ratio	5.8%	32.9%	3.5%	42.2%	24.0%	0.8%	13.9%	3.5%	42.2%	31.8%	10.5%
2020												
Male	Number of people	58	520	47	625	455	10	49	111	625	615	10
	Ratio	5.5%	49.0%	4.4%	58.9%	42.9%	0.9%	4.6%	10.5%	58.9%	58.0%	0.9%
Female	Number of people	65	336	35	436	243	7	147	39	436	326	110
	Ratio	6.1%	31.7%	3.3%	41.1%	22.9%	0.7%	13.9%	3.7%	41.1%	30.7%	10.4%
2021												
Male	Number of people	49	519	52	620	441	10	58	111	620	608	12
	Ratio	4.6%	48.8%	4.9%	58.3%	41.5%	0.9%	5.5%	10.4%	58.3%	57.2%	1.1%
Female	Number of people	57	353	33	443	242	6	161	34	443	335	108
	Ratio	5.4%	33.2%	3.1%	41.7%	22.8%	0.6%	15.1%	3.2%	41.7%	31.5%	10.2%

Table 2 Employees with disabilities

Employees with Disabilities			
	2019	2020	2021
Male	4	5	9
Female	2	5	4
Total	6	10	13
Total Number of Employees	992	1061	1063
Ratio	0.6%	0.9%	1.2%

5.2.2 Labor-Management Communication and Cooperation - Labor-Management meeting

ADLINK holds Labor-Management meetings 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 2019 to 2021, 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 88 issues and opinions were raised by both parties. 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. Through listening, negotiation and decision-making, we are able to create a better workplace together.

Table 2 Attendance Rate of Both Representatives from 2019 to 2021

Year	2019	2020	2021
Attendance rate of both representatives	85%	93%	80%

Table 3 Statistics of Employee Opinions Reflected in Labor-Management Meetings and Symposiums

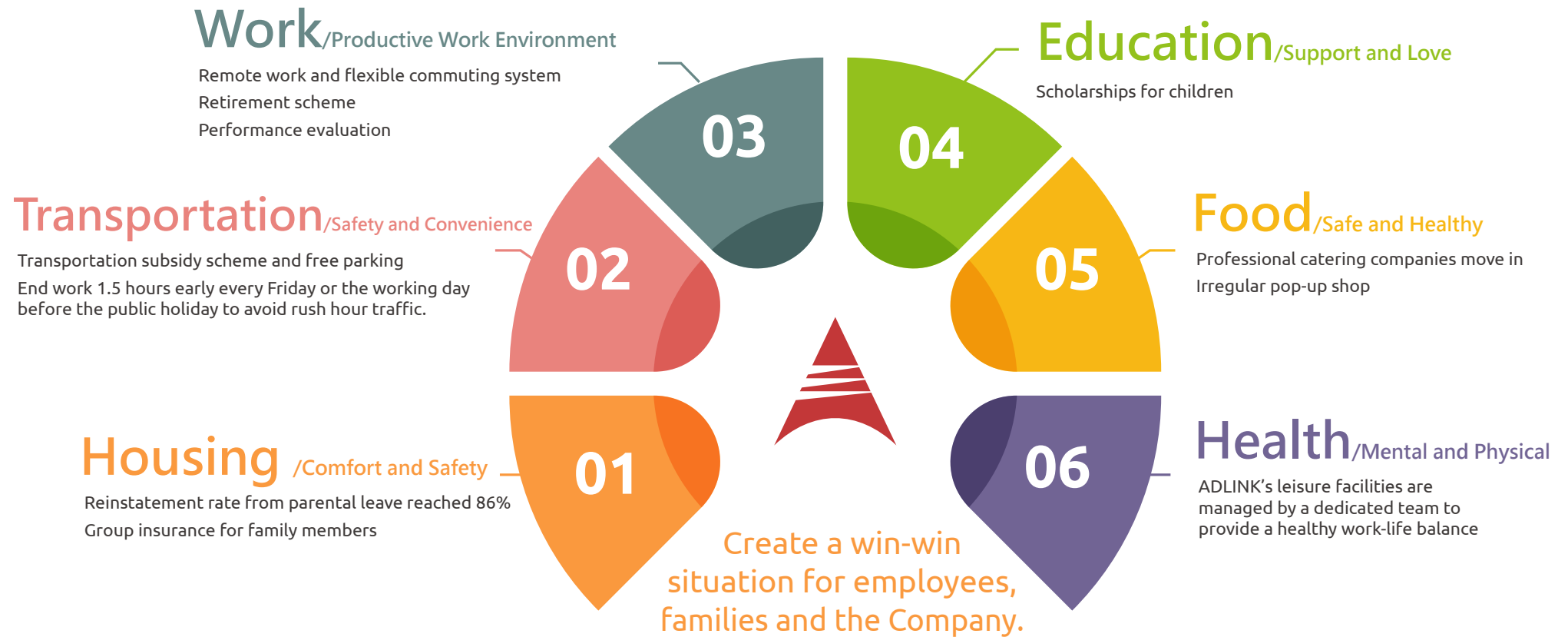
Communication Channel	Number of Comments	Number of Processed Cases	Major Improvements
Labor-Management Meeting	88	88	<ol style="list-style-type: none"> If employees go to the Company's contracted medical institution for a health checkup, they can apply for one-day paid health checkup leave. Employees covered by group insurance can choose to insure their family members as dependents, which not only protects the employees but also protects their family members. The time for dinner breaks has been adjusted to make the leave and attendance policy more in line with the needs of employees.
Foreign Workers Symposium	11	11	<ol style="list-style-type: none"> Foreign workers shall be provide a variety of food 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 Recruitment Fee Policy



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

The company is composed of the interaction among employees, company systems and working environment, of which "people" account for a considerable 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 a good working environment for employees, ADLINK's Caring Plan focuses on six aspects and strives to create a win-win situation for employees, families and the Company.

ADLINK Comprehensive Benefits Plan for Employees



5.2.3.1 Housing / Comfort and Safety :

Home is the foundation for all people. In order to help employees develop their careers in ADLINK with more confidence, we provide a flexible workplace, so that employees have more choices to promote work-life balance.

Parental Leave Usage and Retention Rate

From 2019 to 2021, 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 up to 86% in 2021. In addition, the reinstatement rate of women reached 83% in the latest year. The female employee retention rate reached 100% in 2020 and maintained at a level of over 80% in the latest year. Due to the preparations for the office relocation in 2020, the overall retention rate was slightly affected by factors related to the commute distance. In the future, we will continue to propose support measures and formulate more flexible commuting options for employees affected by the greater travel distance, which is conducive to the needs of family care. Unpaid parental leave statistics for the last three years are shown in Table 4.

Group Insurance - families

In addition to providing insurance to employees as 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 coverage can be extended to the family members of the employees and the employees can obtain sufficient protection without worries.

Statistics On The Number of People Insured and The Number of Claimants In Family Group Insurance :

Year	Number of Dependents Insured	Number of Dependents Claimed	Total Claim Amount
2019	204	13	90,710
2020	253	36	195,736
2021	319	34	380,275

Table 4 Unpaid Parental Leave Statistics for the Last Three Years

Item	Gender	2019	2020	2021
Number of People Eligible for Unpaid Parental Leave During The Year	Male	83	100	93
	Female	29	46	41
	Total	112	146	134
Number of People Who Applied for Unpaid Parental Leave During The Year	Male	5	1	4
	Female	5	8	6
	Total	10	9	10
Number of People Expected to Be Reinstated after Unpaid Parental Leave During the Year (A)	Male	3	3	1
	Female	7	9	6
	Total	10	12	7
Number of People Actually Reinstated after Unpaid Parental Leave During the Year (B)	Male	2	3	1
	Female	6	6	5
	Total	8	9	6
Number of People Still with the Company Twelve Months after Being Reinstated from Unpaid Parental Leave (C)	Male	2	1	1
	Female	8	4	5
	Total	10	5	6
Reinstatement Rate (B/A)	Male	66.7%	100%	100%
	Female	85.7%	67%	83%
	Total	76.2%	75%	86%
Retention Rate of the Year (C/Actual Number of People Reinstated after Unpaid Leave from the Previous Year)	Male	50%	25%	33%
	Female	88.9%	100%	83%
	Total	76.9%	63%	67%

5.2.3.2 Transportation/Safety and Convenience

On July 26, 2021, ADLINK's headquarters was officially relocated from the Zhonghe Far East Century Plaza Park to the Hwa Ya Technology Park in Linkou. The Company considered that employees mainly live in the greater Taipei area and provides four major transportation methods to allow employees to transfer to the new headquarters more comfortably. The methods include free automobile parking spaces, free motorcycle parking spaces, commuter buses, and a half-price subsidy for the airport MRT. Before the relocation, the Company communicated with employees through Labor Management meetings and questionnaires many times. We listened to the opinions of employees and planned transportation routes that conform with the commuting methods of most employees. After official operations began, we continued to collect feedback from employees, evaluated and adjusted the timetable and parking location of commuter buses to meet the needs of employees. In addition, a 9-seat shuttle bus was added to provide transfers to the Airport MRT A7 National Sports University Station and A8 Chang Gung Hospital Station. In order to improve employee morale, 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 also operate 1.5 hours earlier on these days.

Four options for Transportation :

Automobile parking : Includes 115 indoor spaces, 193 indoor automated spaces, and 149 outdoor spaces.

Motorcycle parking : Includes 236 permanent spaces and 100 spaces for temporary parking

Commuter bus : 15 commuter bus routes. There is also a commuter bus APP to track the location of the vehicle 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.

5.2.3.3 Work/Productive Work Environment

Flexible Working Hours and Remote Work

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

Retirement Scheme and the Status of Implementation

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% 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 method had been adopted. Based on the total wages of laborers, 6% will be allocated to the employee's individual pension account; for those who voluntarily contribute to the retirement pension, according 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.

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 key work partners 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 are used as the basis for personnel development, promotion and adjustment of salaries, and the evaluation process does not differ based on race, gender, religion, age, and marital and political status. Evaluations were not conducted for employees with less than 3 months of service, those that have left the Company during the evaluation period, or who were on unpaid leave. The number of employees in each role and gender that underwent performance evaluations in 2020 and 2021 are summarized in the following table :



Evaluation Percentage In 2020

Performance Evaluation						
Role	Male			Female		
	Number of people to be evaluated	Number of people evaluated	Evaluation completion rate (%)	Number of people to be evaluated	Number of people evaluated	Evaluation completion rate (%)
Technical Track	411	404	98.30%	123	121	98.37%
Sales Track	10	10	100.00%	7	7	100.00%
Staff Track	33	33	100.00%	132	128	96.97%
Management Track	97	96	98.97%	39	38	97.44%
Total	551	543	98.55%	301	294	97.67%

*Evaluation rate (Actual number of people evaluated/Number of people to be evaluated x 100%)

Evaluation Percentage In 2021

Performance Evaluation						
Role	Male			Female		
	Number of people to be evaluated	Number of people evaluated	Evaluation completion rate (%)	Number of people to be evaluated	Number of people evaluated	Evaluation completion rate (%)
Technical Track	404	394	97.52%	121	116	95.87%
Sales Track	10	9	90.00%	6	6	100.00%
Staff Track	36	35	97.22%	143	131	91.61%
Management Track	95	83	87.37%	34	27	79.41%
Total	545	521	95.60%	304	280	92.11%

*Evaluation 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.



5.2.3.4 Education/Support and Love

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, 657 applications have been received every year.

Scholarships for Children	2019	2020	2021
Number of Persons	468	528	584
Amount	504,500	577,500	645,500

*Children's education scholarships are provided to elementary school/high school/high school children and a total of NTD1,223,000 was allocated from 2020 to 2021

5.2.3.5 Food/Safe and Healthy

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 the 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, enriching the different tastes of employees with novel and delicious flavors. At present, we have hosted more than 30 brand pop-up restaurants. In addition, a pop-up wish pool was installed. ADLINK employees were invited to recommend unique vendors and assist in negotiating follow-up operations.



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. Convenience stores have also been invited to set up spaces in the Company 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 RO purified water system for food and beverage use and electrostatic oil fume removal equipment. Regular 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.



5.2.3.6 Health/Mental and Physical

Total 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. ADLINK actively promotes a full range of occupational health and safety activities. From 2020 to 2022, a total of 14 health promotion lectures were held, and the participation rate of each event was 100%. In 2020, we responded to Health Magazine's healthy corporate citizenship activities by becoming a Committed Enterprise. In 2021, we passed the Health Activation Label of the National Health Administration's Healthy Workplace Certification, and plan to obtain the Health Promotion Label by 2023.



▲ 2020 Health Magazine CHR Promise Enterprise



▲ 2021 Healthy Workplace Certification - Activation Label

On-site Physician Services

The on-site physician cooperating with ADLINK does not only have the qualifications of a professional specialist, but also is the deputy director of the Family Medicine Department of Linkou Chang Gung Memorial Hospital. From 2020 to 2021, a total of around 500 people had completed medical consultation or received health education guidance.

Female Employee Protection

ADLINK not only attaches importance to the health of female employees during and after pregnancy, but is also committed to providing a more friendly environment for nursing and nursing-related resources.

- (1) In the motherhood protection plan for 2019 and 2020, the consultation completion rate of employees was 100%.
- (2) The Company provides employees with pregnancy-related information and health education on the Company's intranet and through email.
- (3) The Company has 3 nursing rooms in each building, equipped refrigerators for breast milk, chairs, sinks, and vanity mirrors, giving employees a private and comfortable nursing space.
- (4) ADLINK has signed special contracts with two childcare centers and YoYo Kindergarten, expanding the childcare locations around Taiwan.
- (5) Children's play areas have been created in the Company so that employees can work with peace of mind.

Weight Loss Contest

With the goal of reducing body fat, a weight loss competition was held in 2020, called [Refuse to Be Overweight]. In addition to asking fitness coaches to plan a series of exercise courses, professional lecturers were also asked to give health guidance on nutrition and stress relief. The total number of participants was 107 people, with a combined weight loss of 101 kg and a fat loss of 111.8%.

Massage from People with Visual Impairment

ADLINK hired 4 visually impaired masseurs to provide massage services for company employees in 2020. They provide massages to relieve shoulder and neck pain that are common among office workers. In 2021, the overall massage satisfaction score averaged 85 points, and the score for shoulder and neck pain improvement was 81 points. Employee appointment rates exceeded 98%.

5.3 Balance in Work and Life - Employee Welfare Committee

5.3.1 Sports Enterprise

ADLINK upholds the establishment of a healthy workplace and encourages all employees to exercise. Only 48 companies in Taiwan have received Sports Enterprise Certification three consecutive times and ADLINK is one of these companies.

Since relocating to the new headquarters in 2021, we have created the new sports and leisure center. The Company has hired professional trainers with fitness, first-aid, and lifeguard certification, provided comprehensive facilities, and regularly organized fitness courses and running training classes, while aerobics classrooms are provided for use by clubs for free. Each week, yoga, dance, aerobics, and Pilates classes are held, achieving 100% utilization of the aerobics classrooms.



5.3.2 EWC Events

Increasing happiness in a friendly workplace - During two years of the pandemic, the EWC has been continuously transforming to help ADLINK employees find happiness.

In addition to setting up an Employee Welfare Committee with the highest proportion of welfare funds and hiring full-time staff to plan various employee welfare activities and services, the Employee Welfare Committee regularly holds a total of 16 communication meetings every year. At the meetings, events and related activities are discussed that protect the health of employees. Online events are used to provide employees with a variety of leisure and welfare options, and maintain the same conditions through various club activities, festivals, and year-end lottery draws. Parties, various informational lectures and short trips are organized to create balance between life and work, enhance the employees' sense of identity with the Company, and practice the ADLINK spirit of "happy work".

25th Anniversary of ADLINK

2020 marked the 25th anniversary of ADLINK. The EWC planned the "Online 25 Talents Credit Classes" to maintain a platform for interaction, learning, recognition, exchange, and teamwork for the employees. The courses remained online for six months and 534 people were registered. Each course had up to 1203 participants and 101 participants completed all 25 credits. Among the credits offered was the Christmas party celebration. The attendance rate of the participants reached 96%. Furthermore, NTD1,261,252 was allocated from the 25th anniversary budget to provide departments with party funds. The Company launched the "Fifth Friday" event, which offered NTD25 massages and NTD25 healthy bento boxes. In 2020, employees were allowed to leave work at 3PM on the fifth Friday of the month to encourage departments to plan "Happy Hour" activities, resulting in enthusiastic employee participation.



Welcoming the New Plant

In June 2021, at the peak of the pandemic, all Taiwan employees were relocated to the new global headquarters, when many employees were working from home. The EWC launched the “Seeds of Good” event and sent seeds to employees working from home. The employees could plant the seeds while at home and discuss their care for the plants with other employees. They cared for the plants until the opening day of the new office, when they brought hundreds of plants into the office to create a “greener” office space. ADLINK also organized the “Office AR Puzzle Solving Event” with 270 employees participating and looking for clues in AR, which allowed them to familiarize themselves with the new plant. All employees participated in the plant relocation events. The friendly competition between floors successfully created buzz over the new environment.

遷廠系列活動 -8~11 月這裡有益苗



[Benefits and Subsidies]

ADLINK employees are entitled to receive a full range of subsidies including cash gifts for birthdays, pregnancy, weddings, as well as payment for injuries/illness/bereavement condolence, 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	2019	2020	2021
Birthday Cash Gift	987	1006	1026
Maternity Cash Gift	29	26	25
Wedding Cash Gift	22	29	9
Condolence Payment for Injury or Illness	20	21	27
Condolence Payment for Bereavement	31	26	31
Scholarships for Children	468	528	584
Emergency Assistance Fund	2	2	0

<https://www.youtube.com/watch?v=-YEM24uWlw> Plant relocation documentary



5.4 Talent Cultivation and Career Development

ADLINK has established a comprehensive training system to improve the knowledge and skills of employees, not only improving work efficiency and quality, but also adhering to employee growth and corporate development goals. From the day they start at the Company, employees are provided with comprehensive learning channels and training resources. The Company provides these resources to employees in different positions and at different levels and adapts specific training plans to conduct systematic learning and development, including new employee training, on-the-job training, and self-learning. The training courses cover diverse topics, including legal knowledge, technological trends, leadership management, professional skills, culture and art, and healthy families. 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 with the costs covered by the Company.

Each position requires specialized training based on the specific expectations for management, specialists, and sales, in order to construct a basis for personnel assignment and development. We have also strengthened the integration and standardization of human resource activities so that employees are also given a clearer picture of their career objectives and requirements at ADLINK.

- **Specialists:** 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.
- **Management:** Basic management skills of junior managers are cultivated in real-world management courses. These are supplemented by digital learning platform materials in 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, and to satisfy 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 review the implementation at the end of the year. In the last three years, the annual education and training execution rate was more than 90%.

We hope to train excellent ADLINK employees through our internal training mechanisms and systems, in order to pass on our corporate culture and ideals and establish a foundation for sustainability.

In 2020, internal training planned and organized by ADLINK as well as employee attendance of professional external training totaled 11,441 hours.

2020	Hours		Number of People		Average Hours	
	Male	Female	Male	Female	Male	Female
Role						
Technology	4856	2866	401	252	12.1	11.4
Business	12	15	4	5	3	3
Staff	387	1177	50	134	7.7	8.8
Management	1052	429	92	34	11.4	12.6

Note: Information is based on the total internal and external training hours from ADLINK Taipei in 2020.

In 2021, internal training planned and organized by ADLINK as well as employee attendance of professional external training totaled 12,240 hours.

2021	Hours		Number of People		Average Hours	
	Male	Female	Male	Female	Male	Female
Role						
Technology	6444	3546	272	209	23.6	16.9
Business	8	2	2	1	4	2
Staff	179	899	34	116	5.2	7.7
Management	375	197	59	17	6.3	11.5

Note: Information is based on the total internal and external training hours from ADLINK Taipei in 2021.

5.4.1 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.

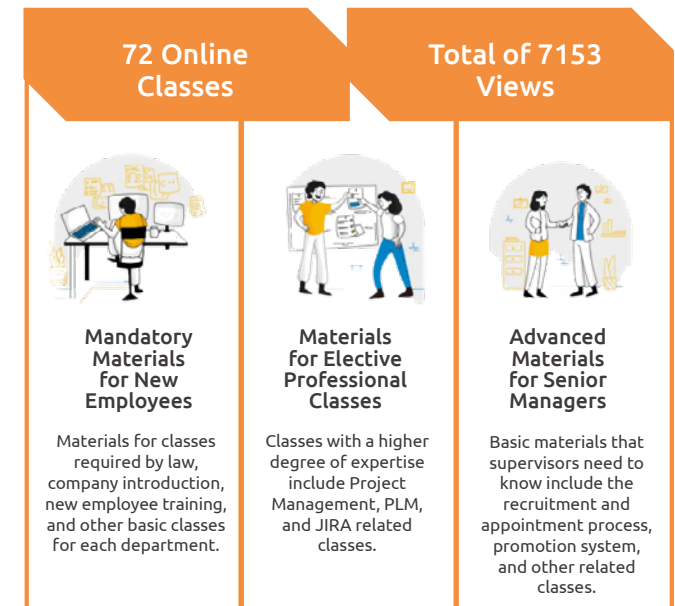
In order to achieve the goals of continued growth and sustainable management, we have organized diverse internal courses, which include new external issues. At the same time, we subsidize employees who apply for professional training programs held by external, professional units, in order to satisfy the requirements for employee and company growth. Training courses organized for different categories of personnel in 2020 and 2021 are 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 health and safety training, failure mode and effect analysis, ethics clauses for employees, workplace violence and sexual harassment prevention information.
Management 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 processes, 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 departmental goals, and education and training courses are organized according to the future developmental direction of the Company. For example, artificial intelligence, 5GxAMR smart vehicle technology, and business opportunities.
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. For example, explosion-proof product training, chemical operations training, and forklift operator training.

5.4.2 Digital Learning Promotion

2021 was a year filled with challenges. ADLINK continued to uphold our clear and agile development direction, implemented digital learning transformations, and established the new digital learning platform, ADLINK wiki. 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 materials for new employees, materials for elective professional classes, and advanced materials for senior managers. Meanwhile, the “ADLINK Learning Table Checklist” provided by supervisors can help employees quickly come 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 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.



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 might 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 and Health Act as being at significant risk. In addition to introducing the ISO 45001 occupational health and safety 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 ESH management system, and that company activities comply with local laws and customer requirements. The Environmental Safety and Health Management Committee (ESH Committee) was also established to facilitate effective bilateral communication with stakeholders. The ESH Committee is involved in the definition of ESH policy, the review of results from workplace environmental monitoring, as well as occupational injury investigations and subsequent corrective actions. It can also make ESH proposals to help ADLINK strengthen our ESH mechanisms. Employee participation and feedback can also be used to identify 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:

- a. Responsible for the promotion of ESH policy
- b. Planning and implementation of ESH management plan
- c. Approval of ESH-related education and training
- d. Approval of ESH-related operating standards, inspection standards, and control standards

- e. Coordinate solutions for problems encountered during ESH management
- f. Evaluate the actual performance of the ESH management system and review any divergences from the implementation plan
- g. Study of improvements to ESH management plan
- h. Planning of ESH management subjects and targets

2. Document Control Center

Responsible for the authoring and revision of ESH management system documentation.

3. ESH Audit Team

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

4. ESH Hazard Identification and Preliminary Review Team

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

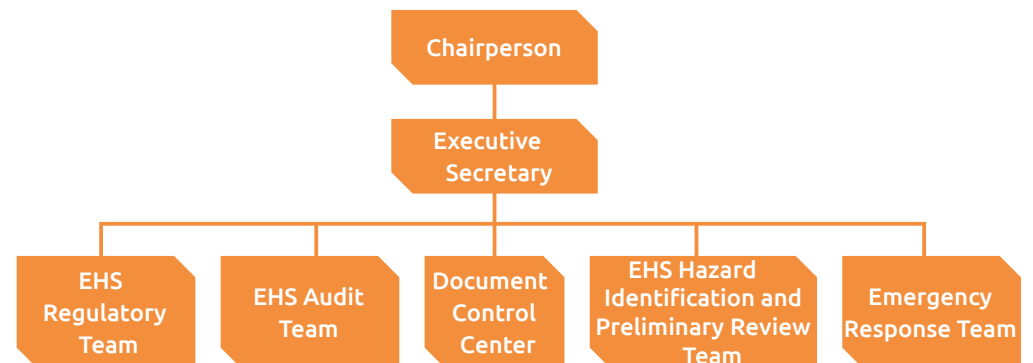
5. ESH Regulatory Team

Responsible for the compilation of relevant ESH 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



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, as of June 2021, we had accumulated 4.85 million accident-free work hours. The achievement was recognized with a certificate of zero-accident work hours presented by the Industrial Safety and Health Association.

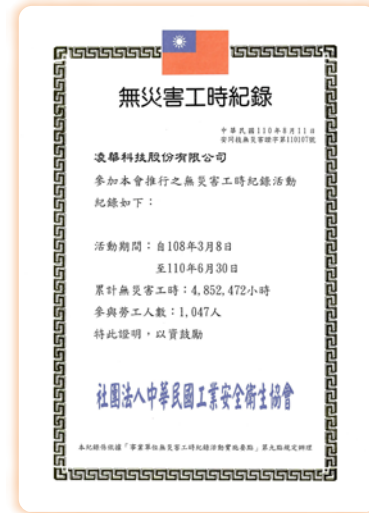
Establishment of EHS System

The Company has established an ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety management system to effectively promote environmental safety 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 material 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 a 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.



ADLINK Investments and Expenditures on Environmental Protection and Health, 2019-2021

(Unit: NTD)

Item	2019	2020	2021
Workplace Testing	89,500	85,135	116,800
Waste Disposal	83,000	83,000	83,000
Factory Physician	378,000	378,000	405,000
Health Exam	714,200 (Mobile health exam)	460,000 (Advanced health exam)	730,800 (Mobile health exam)
Water Quality Testing	11,340	10,800	26,400
ISO 14001 Management System Certification Cost	83,223	144,100	86,926
ISO 45001 Management System Certification Cost	138,947 (Revised ISO 45001)	112,162 (Surveillance)	151,473 (Re-certification)

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.

5.5.1 COVID-19 Response

Upon the outbreak of COVID-19, ADLINK immediately formed an emergency response team to jointly formulate company-wide response measures, allocate resources, and establish a comprehensive management framework, including reporting mechanisms, workplace management, gathering controls, split operations, and different response measures according to epidemic severity to ensure the Company is fully prepared for epidemic prevention, however long it may last.

Epidemic prevention measures	<ol style="list-style-type: none"> 1. Implement epidemic prevention and social distancing. Employees measure their body temperatures daily. 2. Mealtimes for employees are staggered and assigned seating is adopted in the cafeteria 3. Deliver epidemic prevention announcements and vaccination information through the Company's intranet, electronic signage, and email 4. Collect vaccination data and encourage employees to complete the vaccination process 5. Avoid unnecessary business trips and use remote conferencing 6. Stipulate visitor rules, fill out health declarations, and restrict movement between areas
Strengthen Communication	<ol style="list-style-type: none"> 1. Stipulate 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	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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 masks, wet wipes, and hand sanitizer to employees on business trips 3. Provide free rapid test kits to employees who apply 4. Organized the corporate screening event with medical institutions in May 2021
Psychological Support	<ol style="list-style-type: none"> 1. The plant nurses provide epidemic prevention and health education to confirmed and quarantined employees. They assist in contacting the healthcare unit and arranging epidemic prevention taxes, 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 psychologist to be stationed in the plant to provide psychological counseling to employees

5.5.2 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 1100 “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.



Prolonged strenuous and highly repetitive tasks/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 300 flatbed vehicles (also known as turtle cars) and two 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.

5.5.3 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, three overhead fall protection systems 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 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 concept of total health must include mental health, which deeply affects the quality of life. If we can learn to recognize our own emotions and learn to manage them while working, we may be able to increase our achievements with the same effort. In order to care for the mental health of all employees, ADLINK established the “ADLINK Counseling Station” in March 2022, where a psychologist provides one-on-one counseling to employees in need. The psychologist works in the plant three times a month and provides 50 minute sessions to each employee. The service is appointment based. Occasional mental health talks are held and related grievance channels are provided to employees. We hope to use these resources to improve the psychological wellbeing of employees.



6

Social Prosperity

- 6.1 Youth Education
- 6.2 Caring for the Disadvantaged
- 6.3 Arts Promotion
- 6.4 Scholarships

Four Main Themes of Foundation Service

01 Youth Education

Technical talent cultivation, youth development courses, volunteer training, and co-creation of summer camps

02 Caring for the Disadvantaged

Life education for the disabled, after-school tutoring for the disadvantaged, and emergency assistance for schoolchildren

03 Arts Promotion

Protecting traditional opera culture, supporting performance groups, arts exhibition events, and publications

04 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 in 2020 to 2021

Item	2020 Goals	Actual Outcomes	Achievement Rate	Targets in 2021	Actual Outcomes	Achievement Rate
"Mixed Disabled Arts Group" Life Education	800 thousand	800 thousand	100%	800 thousand	800 thousand	100%
ADLINK Education Scholarship	200 thousand	220 thousand	110%	200 thousand	410 thousand	205%
ADLINK Zhong-xian Scholarship	400 thousand	400 thousand	100%	400 thousand	400 thousand	100%
ADLINK Arts Scholarship	NT\$300,000	305 thousand	102%	NT\$300,000	NT\$300,000	100%
"Boyo Social Welfare Foundation" Comprehensive Tutoring	1 million	1 million	100%	1 million	1.03 million	103%
"Gaorong Social Care Association" Tutoring for the Disadvantaged	600 thousand	600 thousand	100%	600 thousand	600 thousand	100%
Beijing Opera Workshop	100 thousand	106.8 thousand	106%	120 thousand	100 thousand	83%
Photography Exhibition	100 thousand	177.55 thousand	177%	100 thousand	66.37 thousand	60%
ADLINK Youth Development Program	200 thousand	171.693 thousand	85%	NT\$500 thousand	135.939 thousand	27%
ADLINK Co-creation Summer Camp	NT\$500 thousand	682.181 thousand	136%	600 thousand	222.305 thousand	37%
Technical Talent Cultivation	NT\$1.5 million	1.077795 million	71%	1 million	NT\$500 thousand	50%
Annual Amount/Achievement Rate	5.7 million	5.541019 million	97%	5.62 million	4.62881 million	82%

ADLINK 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 Foundation promotes technology education, 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.

6.1 Youth Education

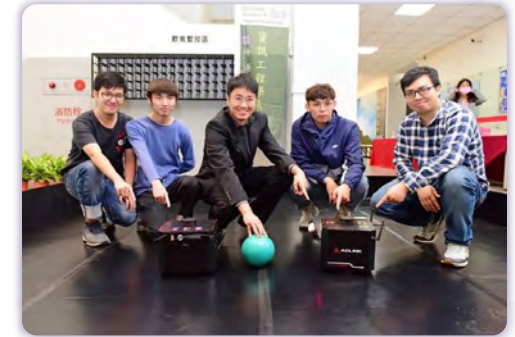
/Technical Talent Cultivation/

2020 Chung Yuan Christian University ROS+AI Talent Development Program

Through donations from the foundation, ADLINK cooperated with Chung Yuan Christian University, Foxconn and Intel to jointly set up an AI robot 5G network laboratory and launched the first robot operating system and AI course in Taiwan in the Department of Computer Science at Chung Yuan University College of Electrical Engineering and Computer Science. The teachers and equipment were provided by ADLINK, and Foxconn donated a 5G mmWave network equipment worth millions. The aim of the project was to cultivate high-level technical talents who are experts of 5G networks and autonomous mobile robots (AMR).



▲ The hardware provided by ADLINK is based on the Intel® Distribution of OpenVINO™ framework and provides deep learning capabilities for machine vision.



At present, there are still few institutes around the world that offer Robot OS (ROS 2) courses, and Chung Yuan Christian University is also the first in Taiwan to offer the course. Chung Yuan Christian University is focused on the demand for robotics talent and technologies used in automotive factories and large technology companies. The Department of Computer Science of Chung Yuan University voted and decided to commit one-third of its teachers to accept ADLINK's ROS 2 course and use it to guide students to meet the needs of cutting-edge industries.

Talent Foundation

A smart AMR laboratory was established to be responsible for the three major tasks of teaching, promotion and research, and the ROS pilot run teaching materials were introduced in the Department of Computer Science courses.

On-campus Promotion

College-level elective courses were established for students from the College of Electrical Engineering and Computer Science. The college worked with the on-campus robotics club to hold club-level study activities and school-level robotics competitions. Short-term study courses during the winter and summer vacations were organized for the public to promote the ROS platform.

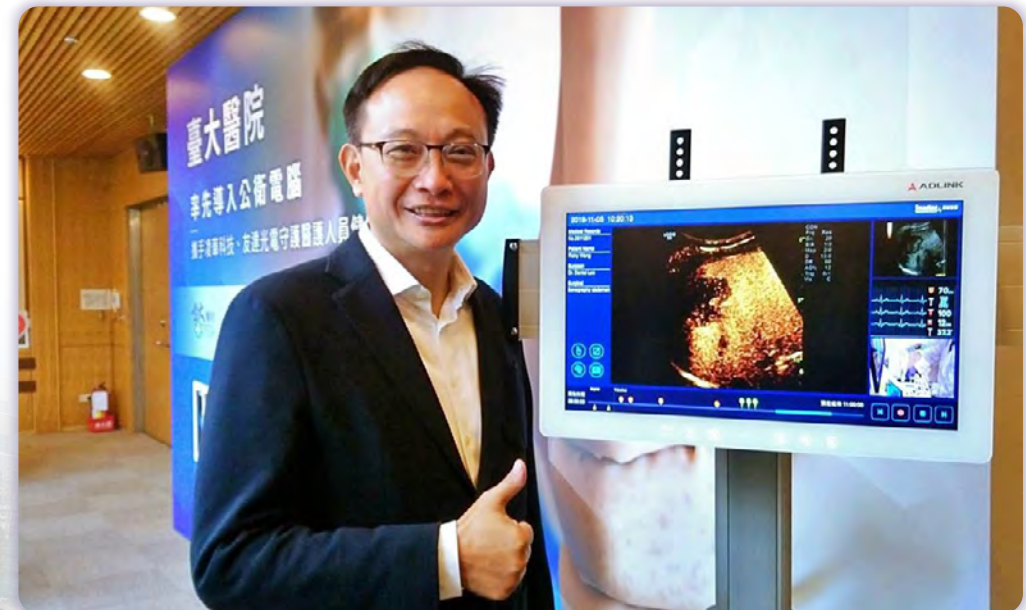


Epidemic Prevention Public Health Computers Donated to National Taiwan University Hospital in 2021

ADLINK and AUO jointly donated twenty epidemic prevention and public health computers to National Taiwan University Hospital to respond to the nation's epidemic health crisis and promote Taiwan's smart medical care. We aimed to protect the health of medical personnel and the public, and comprehensively start the digital transformation of smart medical care, allowing test sites and medical health education information to be conveyed with confidence.

Jim Liu, Chairman of ADLINK, said, "The company has been operating in the smart healthcare industry for many years, focusing on critical application environments such as intensive care units and operating rooms, which have no room for error. This time, we are honored to assist in the donation of twenty high-end public health computers to National Taiwan University Hospital. We hope to shorten the cleaning and maintenance time of equipment for medical staff with products and equipment that meet the required hygiene standards. We are more focused on personal protection equipment (PPE) and patient treatment."

When the SARS epidemic ravaged Taiwan many years ago, the emergency department of National Taiwan University Hospital was forced to close for the first time. The results of environmental inspection at the time showed that not only the doorknobs, but also the keyboards of computers were covered by the virus. In cooperation with AUO, we have developed a "Public Health Computer" that can be quickly cleaned and is fully antibacterial. The entire computer uses a screwless design. It has no grooves, no keyboard, and the case is completely sealed. The bezel-free touchscreen has no physical buttons and the smooth surface is easy to clean. When cleaning, users can temporarily lock the touchscreen functions. After cleaning, use can be continued by unlocking the screen. In this instance, a total of twenty public health computers were installed in high-risk areas, such as the Department of Emergency Medicine, Pandemic Clinic, Epidemic Prevention Ward, and Children's Hospital of National Taiwan University.



/Youth Development Program/

The ADLINK Foundation has accumulated many young volunteers and students due to its more than ten years of organizing camps. At this point, some of the elementary school fifth and sixth graders have grown into college students, and some have already graduated from college and entered the workforce. The foundation's goal is to continue long-term communication with the children involved with the program. We hope that through the youth development courses we can become a foundation of perpetual support for every ADLINK child returning home every year, and help provide the means for self-growth and career development. What is most important is understanding the children's needs and providing the appropriate assistance in a timely manner.

2020 ADLINK Youth Program - The Expressive Charm of Image Marketing

🕒 November 28 to November 29, 2020 (two days and one night)

📍 Mabuville -Yingshan Building, Classroom M33

Speakers :

Fei-Tong Li — Founder of ThinQSTalk Brand Course, internationally registered ACMC meta-coach

Hui-Fang Ni — IEPT International Business Etiquette Chartered Teacher, China Airlines Cabin Manager

This program's focus was on shaping the image of ADLINK youth, creating the temperament and characteristics that ADLINK youth should have from the inside out, with the intent of them inheriting the ADLINK spirit. Many ADLINK youths have already entered the workforce and we can expect they will improve their soft skills, communication and professionalism in the workplace.



We started by having them learn the key points of PIS for the first time, helping them overcome tensions by building confidence and understanding TOP principles, appropriate workplace attire, and even table manners. Practicing the general skills of ThinQSTalk helped them learn new experiences they can carry into the future.



2021 ADLINK Youth Program - [Narrative Power] of the Growth Dictionary

🕒 9:00 am to 17:00 pm on August 28 (Saturday) and August 29 (Sunday), 2021

📍 ADLINK Technology Inc. Education and Training Classroom

Speakers :

Yu-Lin Xue — Deputy Secretary General of Chinese Recreation Guidance Association, ATD Talent Development Association Training Master Certification

Ping-Xiu Kao — Lecturer of Chinese Recreation Guidance Association, Lecturer of HMT Hello Tomorrow Youth Association

#NarrativePowerIsCommunication

#APresentationTellsAStory, #ASlideTellsAConcept

#TranformingIdeasIntoConcreteActions

#LearnOnePageProposalPlanningFromScratch

By discussing the "Mixed Disability Variety Art Troupe" as the main topic, the lecturer will use real life examples to lead the students to understand the background of individuals with disabilities, including which specific issues need to be addressed, and then guiding the students through the process of planning, presenting, expressing, and selecting the best form of expression that can help them communicate with others in their future studies or work. "Narrative power" is a basic but important ability that is useful when cooperating and communicating with others.



2021 ADLINK Youth Program - [Leadership] of the Growth Dictionary

An appointment with Success - 7 habits of Highly Effective People

🕒 9 :00 am to 17 :00 pm on December 4 (Saturday) and December 5 (Sunday), 2021

📍 ADLINK Technology Inc. Education and Training Classroom

Speaker :

Fei-Tong Li — Founder of ThinQSTalk Brand Course, Gallup Global Advantage Coach



This program focused on the following :

- Actively helping you expand your influence
- Start with the end in mind to help you clarify your direction in life
- Prioritize matters and help you find your goals and methods
- Win-win thinking helps you create maximum value
- Knowing others and understanding yourself helps you maintain interpersonal harmony
- Synergy helps you resolve conflicts and find a way out of problems
- Constant updates help you change your own and others' lives



/Co-creation Summer Camp/

Since 2011, ADLINK Foundation has held summer camps every year, both abroad and in Taiwan. The original intent was to help young volunteers and students cultivate team spirit, positive thinking and problem-solving skills. Through different teaching plans, we allow children to have the opportunity to come in contact with diverse fields, such as technology education, the arts, environmental protection, and local culture, so as to expand their horizons, stimulate creativity, explore their strengths, and inherit the ADLINK spirit.

2020 ADLINK Youth Gongliao Longmen Growth Camp

🕒 June 6 (Saturday) and June 7 (Sunday), 2020, totaling two days and one night



2020 ADLINK Lugang Children's Camp

- 🕒 Volunteer Pre-trip Training on July 26 (Sunday), Children's Camp from August 9 (Sunday) to August 12 (Wednesday)
- 👤 Camp members : 11 youth volunteers and 23 elementary school children from the Zhudong Tutoring Center



2021 ADLINK FUN Camp

🕒 9:00-17:00, August 15 (Sunday) to August 18 (Wednesday), 2021

Participant age : elementary school third grade to junior high school first grade.

"Appreciate art with your heart", "Hands-on technology", and "Fun heart to learn characters", let ADLINK children not only have fun, but also learn more.

The summer of 2021 coincided with ADLINK's relocation of our offices. In order to reduce the burden on employees who are parents and achieve the idea of "parents can work with peace of mind, children can learn with fun", in addition to letting ADLINK's children study in the new office space, they can also get to know the company their parents work for. Parents were invited to participate in the opening ceremonies of the events for their children and the presentations of the results, so that the parents and children can develop closer relationships.

Under the leadership of the training teachers, ADLINK youth participated in the whole process from pre-preparation, curriculum planning, cultural and promotional video production, lesson plan execution, to the leadership of the students during the camp. We hope that they can inspire the infinite possibilities within each other.



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 since its establishment by the ADLINK Foundation. The members include people with visual impairment, physical disabilities, speech and hearing impairments, amputations, and rare diseases. Over the years, campus life education has continued to embody the spirit of "never give up and cherish life". The head of the group, Ming Liu, and several members of the group also have achieved outstanding accolades such as winning 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, the amputees can dance and play the piano, and even climb to the top of Yushan. The successful climb to the top of Yushan by members of the group goes to show that life need not be limited by physical disabilities.



The ADLINK 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 in 2020 and 2021, invitations from various units have been cancelled, which has greatly affected the members of the group who make a living by performing. Ming Liu expressed his great gratitude to the ADLINK Foundation for its uninterrupted support during the pandemic, so that members of the group still have basic income from the show.

Budget from 2020 to 2021 was NT\$1,600,000

School	Session	Performance dates and schools (In Order of Dates)
Elementary School	14	Hualien Ruimei Elementary School, New Taipei City Shenkeng Elementary School, Keelung Dongxin Elementary School, Sanzhi Xinghua Elementary School, New Taipei City Luzhou Elementary School, Sanchong Jimei Elementary School, Nantou Tongfu Elementary School, Nantou Jiumei Elementary School, New Taipei City Erqiao Elementary School, Hualien Xikou Elementary School, New Taipei City Jiufen Elementary School, New Taipei City Zhonghu Elementary School, New Taipei City Fulong Elementary School, and New Taipei City Heping Elementary School
Junior High School	10	Hualien Fuyuan Junior High School, Penghu Peng Nan Junior High School (including beach cleaning), Penghu Zhenhai Junior High School, Yunlin Shulin Junior High School, Yunlin Jianguo Junior High School, New Taipei City Banqiao Junior High School, New Taipei City Sanduo Junior High School, Taitung Guanshan Junior High School, Hsinchu Zhudong Junior High School, and Hualien Shoufeng Junior High School
Senior High School to University	5	Taiwan Police College, Changhua Tianzhong Senior High School, 2 events at NCKU, and New Taipei City Shuangxi Senior High School

A total of 29 Life Education Events Were Held from 2020 to 2021

/After-school Tutoring for the Disadvantaged/

Boyo Social Welfare Benefits Foundation Comprehensive Tutoring from 2020 to 2021

From 2013 to 2021, the ADLINK Foundation continued to donate funds for the promotion of Boyo comprehensive tutoring.

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 foundation cultivates community teachers, develops learning materials and lays a solid foundation, and uses social resources to keep children healthy, expand their horizons, and continue cooperation with all fields.

It is hoped that the innate inequality of poverty 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 2020 to 2021

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 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 at 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 2021. With long-term donations from the ADLINK

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.



/Emergency Assistance for Schoolchildren/

2021 Boyo Zhudong Tutoring Center - Donation of Epidemic Prevention Materials (Canned Goods, Rice, and Noodles)

In May 2021, when the epidemic alert level was increased to level 3 in Taiwan, many families of children in the Zhudong Tutoring Center suddenly lost many odd job opportunities. Some even had problems providing for their daily meals. The center supervisor implored the foundation to help donate epidemic prevention materials to help the urgent needs of these children's families. A total of NT\$30,000 was donated.



6.3 Arts Promotion

/Protecting Traditional Opera Culture/

Beijing Opera Workshop

🕒 July 18 (Saturday) and July 19 (Sunday), 2020

📍 Taiwan College of Performing Arts Neihu Campus

With the main purpose of caring for and cultivating artistic and cultural enhancement, we hope to build cooperation between the industry and educational institutions through traditional art platforms in order to establish a cohesive and caring platform. We have invited the employees of ADLINK and their children, ADLINK volunteers, and students of the Shanghai summer camp to participate in the opera workshops and experience the cultural beauty of traditional opera.



▲ Folk Arts — Walking on a big ball, straw hat skills, and hula hooping



▲ Peking Opera — Laosheng, Wusheng, Danjiao, Jingjiao group teaching



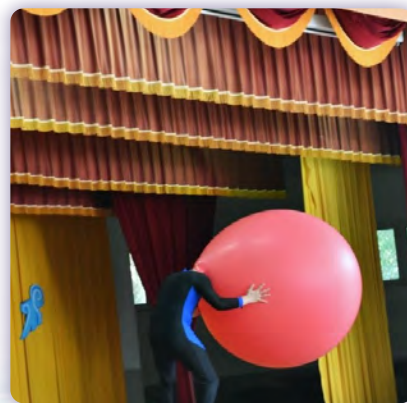
▲ Stage time — Experience the costumes of the Peking Opera and actually perform on stage

/Supporting Performance Groups/

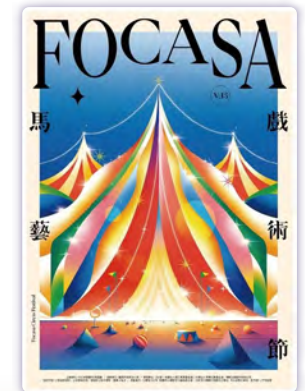
ADLINK Youth Life Education Performances from 2020 to 2021

Life education combines with 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.

- Performers: Department of Peking Opera— Bao-Xin Chang/Department of Folk Arts, Taiwan College of Performing Arts — Zheng-Hong Hsieh, Bo-Neng Kang, Yi-Ting Wu, Yi-Chen Lin,
- Department of Hakka Opera — Yi-Xuan Zheng, Jia-Wei Lin, Bo-Yuan Lin



Sponsorship of the FOCA Formosa Circus in 2021



/Art Exhibition Events/

"Yushu Lingfeng" ADLINK Qinghai-Tibet Exploration Photography Exhibition from 2020 to 2021

📍 Exhibition venue : Dadaocheng Olympus Plaza Taipei 1st Floor Art Gallery, ADLINK Staff Cafeteria Exhibition Wall

Since 2017, the ADLINK Education Foundation has led young Taiwanese students to the Qinghai-Tibet Plateau for three consecutive summers to learn from the magnificent nature and ancient Tibetan people. After each year's exploration, the rich texts recorded by ADLINK youths are collected and published in the Qinghai-Tibet tour books: "Ascension to the Mountain - Touched by Beauty", "Ascension to the Mountain Part Two - Tibetan", and "Ascension to the Mountain Part 3 - The Origin of the Light". In 2020, the ADLINK Qinghai-Tibet Exploration Photography Exhibition was held at the 1st Floor Gallery of Olympus Plaza Taipei in Dadaocheng from October 17th to October 26th. Through the photographs, videos and other images, 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.

ADLINKers must not miss such a rare and beautiful opportunity to admire the beauty of Qinghai-Tibet, so the concept of the ADLINK Cultural Corridor was born. The Foundation divided all the exhibits in Dadaocheng into quarterly exhibitions starting from August 12, 2021, in the corridor of the B1 staff cafeteria in Building B of ADLINK's factory.



/Publications/

In 2020, the ADLINK Foundation sponsored the Shu Mei Culture and Arts Foundation "Taoyuan City COVID-19 Quarantine Book Donation Project" and "Flying Farther Than Butterflies - 43 Kinds of Life Created by the Wuhan Effect"

In 2020 as the COVID-19 pandemic ravaged the world, many travelers from abroad were quarantined in order to prevent the spread of the virus in Taiwan. Take Taoyuan City as an example; at the time, about 2,000 quarantine kits were needed for those in quarantine. However, the quarantine packages provided by the city government only contained quarantine-related information, masks, snacks, and instant noodles.

Through the ADLINK Foundation, the Shu Mei Culture Foundation sponsored the purchase of the book "Flying Farther Than Butterflies - 43 Kinds of Life Created by the Wuhan Effect". The books were donated to the Taoyuan City Government, so that while taking care of the health of the quarantined, we were also able to care for their spirits.



In 2021, the ADLINK Foundation sponsored books and seminars by Zi-Zhen Chu, Captain of the Women's and Children's Police Force, and author of "The Desire of Youth: 10 Years of Experience as the Captain of the Youth, Women's and Children's Police Force, Keeping Children From Harm"

In view of the diverse channels for children and teenagers to obtain information in modern times, many children have gone astray under the influence of the Internet and their peers, resulting in juvenile drug use, becoming drivers for scam groups, online prostitution, sexual assault, sexual harassment, domestic violence and other problems. Parents often feel helpless and are unable to provide proper guidance.

As Captain of the Youth, Women's and Children's Police Force, Zi-Zhen CHU has handled countless cases in the past ten years. She compiled these personal experiences and published "The Desire of Youth: 10 Years of Experience as the Captain of the Youth, Women's and Children's Police Force, Keeping Children From Harm". The ADLINK Foundation especially worked with the author and donated the book, as well as holding two lectures on 8/27 and 9/2 for parents of elementary school and middle school children. We invited Captain Zi-Zhen Chu to talk about the book and to discuss the problems faced by ADLINK employees and teenagers in schools, and to help parents lead their adolescent children away from the harm that may be caused by growing up in modern society.



6.4 Scholarships

/ Educational Scholarships (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, since 2008 the ADLINK Education Foundation established the ADLINK Educational Scholarship, ADLINK Zhong-xian Scholarship and ADLINK Arts Scholarship. The scholarships are offered to the children of ADLINK employees and students of the Taiwan Police College and Taiwan College of Performing Arts. Application measures were planned and begin in September of every year. A joint scholarship award ceremony is held in December.



■ Number of Awarded Scholarships and Recipients From 2020 To 2021

Item	2020	Number of People	2021	Number of People
ADLINK Education Scholarship	NT\$220,000	14	NT\$410,000	24
ADLINK Zhong-xian Scholarship	NT\$400,000	20	NT\$400,000	20
ADLINK Arts Scholarship	NT\$305,000	25	NT\$300,000	28
Total amount/ Number of People	NT\$925,000	59	NT\$1,110,000	72





7

Appendixes

GRI Content Index

GRI Content Index

GRI Standards Disclosures			Corresponding Chapter	Page Number	Remarks
GRI 102 General Disclosures (2016)					
Organizational Profile	102-1	Name of organization	1.1	3-4	
	102-2	Activities, brands, products, and services	1.1	3-4	No products or services banned in certain markets
	102-3	Location of headquarters	1.1	15	
	102-4	Location of operations	1.1	15	
	102-5	Ownership and legal form	1.1	15	
	102-6	Markets served	1.1	15	
	102-7	Scale of the organization	1.1	15	
	102-8	Information on employees and other workers	5.2	63	
	102-9	Supply chain	2.7	28	
	102-10	Significant changes to the organization and its supply chain	2.7	-	None
	102-11	Precautionary principle or approach	2.6	25	
	102-12	External initiatives	1.3	18	No external initiatives signed
	102-13	Membership of associations	1.3	18	
Strategy	102-14	Statement from the senior decision-maker	Message from the Management/0.2	3	
	102-15	Key Impacts, Risks, and Opportunities	2.6	25-27	
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	2.8/2.9	30-35	
Governance	102-18	Governance structure	2.1/0.3	20-23	
	102-24	Nominating and selecting the highest governance body	0.3	5	
	102-36	Process for determining remuneration	2.4	24	

GRI Standards Disclosures			Corresponding Chapter	Page Number	Remarks
Stakeholder Engagement	102-40	List of stakeholder groups	0.4	6	
	102-41	Collective bargaining agreements	-	65	None
	102-42	Identifying and selecting stakeholders	0.4	6	
	102-43	Approach to stakeholder engagement	0.4	6	
	102-44	Key topics and concerns raised	0.4	7	
Reporting Practice	102-45	Entities included in the consolidated financial statements	1.2	16	
	102-46	Defining report content and topic Boundaries	0.4	9	
	102-47	List of material topics	0.4	10-13	
	102-48	Restatements of information	Editorial Principles	4	None
	102-49	Changes in reporting	Editorial Principles	4	
	102-50	Reporting period	Editorial Principles	4	
	102-51	Date of the most recent report	Editorial Principles	4	
	102-52	Reporting cycle	Editorial Principles	4	
	102-53	Contact point for questions regarding the report	Editorial Principles	4	
	102-54	Claims of reporting in accordance with the GRI Standards	Editorial Principles	4	
	102-55	GRI content index	7	101	
	102-56	External assurance/verification	-	-	External assurance/ verification was not carried out for this report
GRI 103 Management Approach (2016)					
Management Approach	103-1	Explanation of the material topic and its boundary	0.4	9	
	103-2	The management approach and its components	0.4	8-9	
	103-3	Evaluation of the management approach	0.4	8-9	

GRI Standards Disclosures			Corresponding Chapter	Page Number	Remarks
GRI 200 Economic (2016)					
Economic Performance	201-1	Direct economic value generated and distributed	1.2	16	
	201-3	Defined benefit plan obligations and other retirement plans	5.2	68	
Market Presence	202-2	Proportion of senior management hired from the local community	5.2	63-64	
Procurement Practices	204-1	Proportion of spending on local suppliers	2.7	28	
Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	2.9	34	No incidents of corruption
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopolistic practices	2.9	33	None
GRI 300 Environmental (2016)					
Energy	302-1	Energy consumption within the organization	4.2	53	
	302-2	Energy consumption outside of the organization	4.2/4.3	28 53-55	
	302-3	Energy intensity	4.2	53	
	302-4	Reduction of energy consumption	4.2/4.3	53 56	
Water	303-1	Total water withdrawal by source	4.2	53	
Emissions	305-1	Direct (Scope 1) GHG emissions	4.1	50	
	305-2	Energy indirect (Scope 2) GHG emissions	4.1	50	
	305-3	Other indirect (Scope 3) GHG emissions	4.1	50	
	305-4	GHG emissions intensity	4.1	50	
Effluents and Waste	306-1	Water discharge by quality and destination	4.2	53	
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	2.9/4.3	32 53	None
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	4.4	28	

GRI Standards Disclosures			Corresponding Chapter	Page Number	Remarks
GRI 400 Social (2016)					
Employment	401-1	New employee hires and employee turnover	5.2	-	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2	66-71	
	401-3	Parental leave	5.2	67	
Occupational Health and Safety	403-1	Workers' representation in formal joint management-worker health and safety committees	5.5	76	
	403-2	Types and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	5.5	78	
Training and Education	404-1	Average hours of training per year per employee	5.4	74	
	404-3	Percentage of employees receiving regular performance and career development reviews	5.2	68	
Diversity of Governance Bodies and Employees	405-1	Diversity of governance bodies and employees	5.2	63	
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	5.1	62	No incidents of discrimination
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	5.1	62	None
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.1	62	None
Indigenous Rights	411-1	No violations of indigenous rights	5.1	62	None
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	2.7	29	
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	4.4	58	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.4	58	None
Marketing and Labeling	417-1	Requirements for product and service information and labeling	4.4	58	
	417-2	Incidents of non-compliance concerning product and service information and labeling	4.4	58	None
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.9	32	None
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in social and economic areas	2.9	32	None

