ADLINK

2023

Sustainability Report

Table of Contents

ADLINK

Sustainability Vision and Goals   Company Overview   Corporate Governance   Sustainable Supply Chain and Innovative Technologies   Environmental Care   Employee Care and Workplace Satisfaction   Social Engagement   Appendix

ESG Highlights in 2023

Environment

Let's Go Green Net-Zero Life Competition
Participated in the Let's Go Green Net-Zero Green Life competition and won a silver medal

Green Procurement Outstanding Enterprise
Recognized as the "2022 Green Procurement Outstanding Enterprise" by the Department of Environmental Protection, Taoyuan City Government

Renewable Energy
Commissioned the installation of a solar power system on the roof of the company's headquarters in the fourth quarter of 2023

Rainwater Harvesting
Adopted rainwater harvesting system

Society

Sports-friendly Company
Received the Taiwan i Sports Accreditation for the 4th consecutive year

Badge of Accredited Healthy Workplace
Awarded the Badge of Accredited Healthy Workplace by the Health Promotion Administration, Ministry of Health and Welfare

Governance

IoT Edge Computing Excellence Award
Received 2023 IoT Edge Computing Excellence Award from the IoT Evolution World

EN ISO 3691-4
Received Taiwan's first EN ISO 3691-4 certification for autonomous mobile robots

ISO 26262
Obtained ISO 26262 certification for vehicle functional safety design processes

Sustainability Engagement

ESG Sustainability Initiative
Joined the E.SUN ESG Sustainability Initiative

CDP Climate Change
Received rating of "Level B-" for CDP Climate Change

CDP Water Security
Received rating of "Level C" for CDP Water Security

EcoVadis
Awarded a commitment badge in the global supply chain sustainability assessment by EcoVadis

3

ADLINK

Sustainability Vision and Goals   Company Overview   Corporate Governance   Sustainable Supply Chain and Innovative Technologies   Environmental Care   Employee Care and Workplace Satisfaction   Social Engagement   Appendix

Chairman and CEO

Message from the Management

Although the impact of the global pandemic gradually eased in 2023, demand for consumer electronics fell sharply due to rising inflationary pressures. Meanwhile, as the trade war between the US and China heated up again, the two countries' inflexible stance on science and technology issues led to economic decoupling and numerous sanctions. In addition, the unresolved war in Europe has escalated geopolitical tensions, all of which has led to volatility in the global economy. In such an environment, ADLINK has to answer several important questions with regard to sustainable business operations.

Building ADLINK's Resilience and Competitiveness in an Uncertain Environment

Due to the trade war between the US and China as well as the war in Europe, mitigating geopolitical risks has become the most important challenge for our clients. Customers are also placing more emphasis on stable vendor integration and customized services to reduce total cost of ownership. ADLINK has a long history of partnerships with major chip manufacturers. The company has accumulated strong technical capabilities in the field of AI-related board and card products and established complete and high-quality product lines to provide system products that meet the needs of various vertical markets. The company has also integrated the display systems of its strategic alliance partner AUO to create more comprehensive edge-system platforms. Moreover, in 2023, ADLINK established a customization team to promote diversified customization services. For customers with custom needs, it not only offers cost-effective products and services, but also strengthens partnerships with customers through multiple collaborations, such as manufacturing quality, supply chain assurance, and design innovation.

ADLINK

Sustainability Vision and Goals   Company Overview   Corporate Governance   Sustainable Supply Chain and Innovative Technologies   Environmental Care   Employee Care and Workplace Satisfaction   Social Engagement   Appendix

Improving the Strategy of Regional Driven to Increase Overall Customer Value and Satisfaction

In 2023, ADLINK shifted its focus from products to regional sales, emphasizing the importance of customer pain points and regional development. In addition to the complete regional operation and management organization to provide localized customer service, the company has also formulated corresponding sales strategies to increase market share by considering the characteristics and needs of different regional markets to achieve more flexible market adaptation. In addition, ADLINK also strengthened its relationships with regional partners, established local sales channels to be closer to the market, and conducted information sharing, consolidation, aggregation, and analysis. These changes allow the company to adapt more flexibly to the ever-changing market and offer customized solutions to meet customers' needs.

Build Solid Ecosystem Partnerships to Share the Benefits of Product Innovation and Integration

In the area of research and development, ADLINK continues to focus on the widespread introduction of 5G, artificial intelligence, edge computing, and the development of AI servers. With edge AI, the company is able to optimize its operations to increase speed, sustainability, and cost efficiency as well as develop AI products that better meet the needs of its customers. In 2023, for example, the company launched Pocket AI, a portable plug-and-play AI accelerator. Pocket AI leverages the high transfer speeds of Thunderbolt™ (up to 40Gb/s) and modern host compatibility to create intuitive plug-and-play U/X in a future-proof way, helping to dramatically increase the productivity of AI development, professional and integrated image processing, as well as data analysis. In addition, ADLINK has more than 25 years of experience in the field of embedded computing and is the industry leader in providing the most comprehensive Smart Mobility Architecture (SMARC) module product line and professional capabilities; from x86 to Arm architecture, ADLINK and Intel, NXP, Qualcomm, MediaTek and Rockchip and other leading processor manufacturers work closely together to fully utilize the capabilities of SMARC in various vertical fields and applications.

Fulfill Corporate Sustainable Development Responsibilities and Achieve International Environmental Carbon Reduction Goals

To strengthen the corporate sustainable management capabilities, ADLINK has officially drawn up a blueprint for the company's sustainable development vision in 2023, and is committed to promoting corporate social responsibility with the concept of "Sustainability and Sharing" to take into account the economy and environment, while adopting a people-oriented approach to gradually implement the company's sustainable development vision. Under the leadership of the ESG Sustainability Committee, ADLINK continues to respond to climate change issues, both in Taiwan and abroad. The company is committed to reducing carbon emissions by 24% by 2030 and achieving net-zero carbon emissions by 2050. To achieve this, ADLINK is actively planning practical measures to reduce carbon emissions and move toward a sustainable transformation.

After conducting the GHG inventory, the company implemented the carbon management platform, ACA Carbon Agent. Through regular management and tracking of carbon emissions, the company aims to systematically understand how it intends to achieve its net-zero emissions trajectory to facilitate the setting of carbon-reduction targets and the implementation of reduction strategies in the future. In addition to the continuous implementation of energy-conservation measures and the gradual replacement of energy-consuming equipment, the company has also included renewable energies in its overall strategy to reduce carbon emissions. In 2022, the company began installing solar-power systems at its headquarters and factories in Taiwan, which were officially put into operation in the fourth quarter of 2023. Solar energy is expected to account for 6% of the company's total electricity generation. By increasing the proportion of renewable energy, ADLINK hopes to reduce carbon emissions from its operations, minimize its impact on the environment, as well as gradually achieve its net-zero and sustainability targets.

In addition to environmental protection measures such as energy conservation, carbon reduction, and wastewater reduction, ADLINK adheres to the philosophy of contributing back to society through the ADLINK Education Foundation. ADLINK continuously strengthens our corporate governance framework to ensure that the interests of all stakeholders are taken into account. By improving our performance, strengthening our business operations and safeguarding shareholders' rights, we aim to enhance our ability to achieve sustainable development for the company.

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

About this Report

The 2023 ADLINK Sustainability Report ("This Report") was prepared by the "ESG and Corporate Governance Center" of ADLINK Technology Inc. ("ADLINK"). The report contains our response to topics of stakeholder concern, presents ADLINK's performance, accomplishments, and management policies in corporate governance and economy, environment, and people sustainability topics, and demonstrates our commitment to the fulfillment of sustainability to society at large.
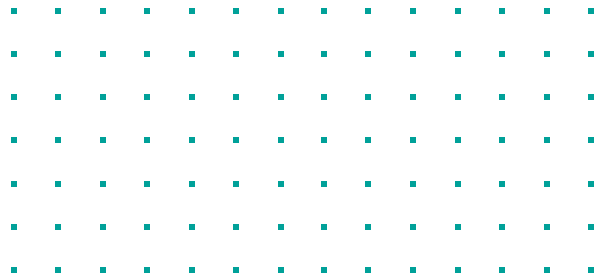
Reporting Scope and Editorial Principles

The disclosure period of this Report is from January 1, 2023, to December 31, 2023. The financial data includes the business performance of the parent company and subsidiaries. For consolidated financial reporting entities, please refer to the 2023 Annual Report ↗ (Page 141-142). The disclosure scope of other metrics is ADLINK and does not cover data from overseas subsidiaries. The reasons for recompiling statistics and revising the data provided in previous reports, as well as the resulting explanations, are presented in each chapter of this report.

The report is compiled in accordance with the GRI Standards issued by the Global Reporting Initiative (GRI). The general standards adopted are based on the 2021 edition. The GRI content index is provided in the appendix. The disclosure is in line with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and United Nations Sustainable Development Goals (SDGs).

Main Unit Responsible for the Report and Quality Management Method

In order to enhance the completeness and credibility of ADLINK's sustainability reporting, the company established procedures for compiling and verifying sustainability reports in accordance with the 'Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", which was submitted to the Board of Directors in July 2023 for approval. The content was provided by respective responsible departments and reviewed by their respective supervisors, it was submitted to the ESG and Corporate Governance Center for compilation, editing, and proofreading, and presented to the Chief Financial Officer of the Global Business Management Office for review and approval. In addition, the content of reports was also verified by an external organization to increase the accuracy and credibility of the company's sustainability reporting.

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

Operating Procedures	Method	Responsible Unit (or Position)
Report Preparation	The report is prepared and planned by the ESG and Corporate Governance Center. The data, strategic goals, performance indicators, and other disclosed information in the report are provided by the respective responsible units. Subsequently, the ESG and Corporate Governance Center integrates, compiles, and reviews the content.	ESG and Corporate Governance Center and related responsible departments
Internal Review	The prepared report is reviewed again by the various responsible units to confirm the completeness and accuracy of the content. The supervisor of the unit is responsible for approval.	Relevant responsible units and the unit supervisors
External Assurance	In order to improve the accuracy and credibility of the information in the report, the company: • Engages the third-party verification organization British Standards Institution (BSI) to conduct the verification. The principles of the preliminary review are based on the AA1000AS v3, and Type 1 Moderate level assurance is used as the review basis to ensure the report is compliant with the GRI Standards and AA1000AP (2018) accountability principles. • The financial data is verified and certified by Deloitte & Touche according to the International Financial Reporting Standards (IFRS). The currency used for the financial data is NTD. • Engages the third-party verification organization British Standards Institution to verify the GHG inventory data in accordance with ISO 14064-1:2018.	British Standards Institution (BSI) Deloitte & Touche British Standards Institution (BSI)
Approval of the Final Draft	The final version of the report is reported to the Board of Directors by the ESG and Corporate Governance Center. It is reviewed and approved by the Board of Directors before publication.	Board of Directors

Time of Release

Starting in 2023, we published annually the "Sustainability Report" for the previous year. The content is published in English and Chinese, and the content and accuracy of the information is reviewed by the ESG Sustainability Committee and various department supervisors. The Report will be uploaded to the ADLINK website after publication.

Current edition: Published in August 2024.

Previous edition: Published in September 2023.

Next release: Expected to be published in August 2025.

Contact Method

If you have any opinions, questions, or suggestions related to the Report or ADLINK's sustainable development, please contact the ESG and Corporate Governance Center.

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ADLINK Sustainability

ADLINK Website

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

Sustainable Development Strategy

▲ ADLINK Sustainable Development Vision Blueprint

ADLINK is committed to promoting corporate social responsibility under the concept of sustainability and sharing, and developing a corporate sustainable development vision blueprint of "joining hands with diverse partners to multiply sustainable value." By strengthening the core business, the company works with its stakeholders to realize and create more profound sustainable values. In response to the growing concerns of stakeholders, ADLINK has formulated three main strategies for sustainable development, namely "operational resilience," "environmental responsibility," and "inclusion and talent cultivation." These three main strategies are further subdivided into eight specific areas to actively plan for short-, medium-, and long-term goals, considering the economy, the environment, and people as well as realizing the company's vision of sustainable operation.

Our Vision

Sustainability and Sharing

Strategic Pillars

Environmental Responsibility

Inclusion & Talent Cultivation

Operational Resilience

Long-term Goals

Reach Net-Zero Emissions by 2050

Together with Employees, Create a Diverse and Friendly Workplace

Collaborative Synergy with Valued Stakeholders

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

ADLINK's Corporate Sustainability Strategy Framework

Vision of Sustainability and Sharing: Multiplying Sustainable Value with Diverse Partners

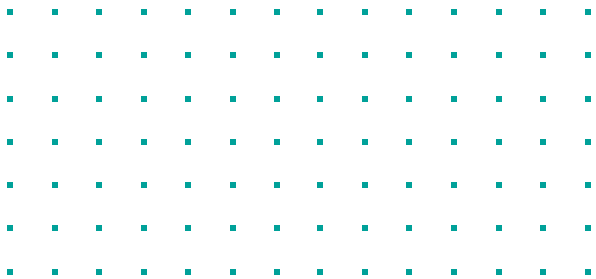| Strategy	Development Aspect	Corresponding SDGs			Short-term Goals (2024)	Mid-term Goal (2025 — 2026)	Long-term Goal (2027 — 2030)
Environmental Responsibility	Climate Change Adaptation	SDG 7: 7.2	SDG 13: 13.2 13.3		• Carbon inventory reduction target: Total carbon reduction of 5% (2023) by 2024 and green electricity use accounting for 3% of total electricity	• With 2023 as the base year, carbon emissions reduction by 8% • Taking 2023 as the base year, renewable energy accounts for 4%	• With 2023 as the base year, carbon emissions reduction by 24% • Taking 2023 as the base year, renewable energy accounts for 6% • Complete the GHG inventories of the company's headquarters and subsidiaries by 2027. • Achieve "Level B" for CDP Climate Change • Establish a dedicated unit for climate change
	Environmental Protection	SDG 9: 9.4	SDG 12: 12.5	SDG 13: 13.2 13.3	• Raise two proposals each year to reduce the company's environmental impact	• Share 80% of packaging materials (such as cardboard boxes) and replace expanded polyethylene with air columns • Optimize heat dissipation designs and reduce the amount of aluminum alloy used in heat sinks	• All-paper packaging, introduced in at least 10 new models • Introduce a heat dissipation design in at least 10 new products and evaluate the use of recycled aluminum

ADLINK

Sustainability Vision and Goals   Company Overview   Corporate Governance   Sustainable Supply Chain and Innovative Technologies   Environmental Care   Employee Care and Workplace Satisfaction   Social Engagement   Appendix

Vision of Sustainability and Sharing: Multiplying Sustainable Value with Diverse Partners					
Strategy	Development Aspect	Corresponding SDGs	Short-term Goals (2024)	Mid-term Goal (2025 — 2026)	Long-term Goal (2027 — 2030)
Inclusion and Talent Cultivation	Talent Cultivation	SDG 4: 4.3 4.4 4.5 SDG 8: 8.2 8.5	• The proportion of intern employees hired (total of all employees) to be more than 3.50% every year • The average training hours for employees exceeds 10 hours	• The proportion of intern employees employed (total of all employees) remains at more than 3.50% every year • The average training hours for employees exceeds 20 hours	• The proportion of intern employees hired (total of all employees) to be more than 3.50% every year • The average training hours for employees exceeds 25 hours

	Diversity and Equity	SDG 3: 3.1 3.8 SDG 5: 5.1 5.5 5.c SDG 8: 8.2 8.5 SDG 10: 10.2 10.3	• Continue Promoting Employee Diversity
			  ‧ Proportion of female directors remains above 30%
			  ‧ Proportion of permanent employees (indefinite contracts) at 40% to 45%
			  ‧ Proportion of employees with disabilities remains between 1% and 1.50%
			• Pregnant employees receive health care consultations at least 6 times a year
				• Continue Promoting Employee Diversity
				  ‧ Proportion of female directors remains above 30%
				  ‧ Maintain the proportion of permanent employees (indefinite contracts) at 40% to 45%
				  ‧ Proportion of employees with disabilities remains between 1% and 1.50%
				• Pregnant employees receive health care consultations at least 6 times a year
					• Continue Promoting Employee Diversity
					  ‧ Proportion of female directors remains above 30%
					  ‧ Maintain the proportion of management at 23% to 26%
					  ‧ Maintain the proportion of permanent employees (indefinite contracts) at 40% to 45%
					  ‧ Proportion of employees with disabilities remains between 1% and 2%
					• Organize 1 to 2 activities per year for middle-aged and senior employees
					• Pregnant employees receive health care consultations at least 6 times a year

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

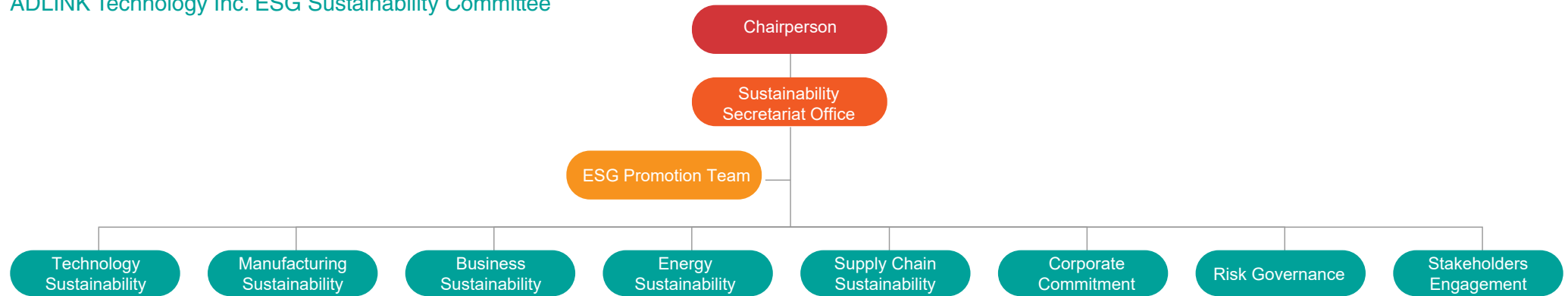|			Vision of Sustainability and Sharing: Multiplying Sustainable Value with Diverse Partners		
Strategy	Development Aspect	Corresponding SDGs	Short-term Goals (2024)	Mid-term Goal (2025 — 2026)	Long-term Goal (2027 — 2030)
Operating Resilience	Smart Innovations	SDG 9: 9.1 9.4	• EMU-200 series expected target: 2,000 units	• EMU-200 series expected target: 4,000 units	• Extend the EMU-200 series to more energy applications
	Strategic Partners	SDG 8: 8.2 8.3 — SDG 17: 17.6 17.17	• Total number of Design Wins: 100 • Turnover from diversified customized services of US$ 12 million	• Continue to maintain more than 100 Design Wins • 15% growth in turnover from diversified customized services	• Maintain growth in Design Wins • More than 15% growth in turnover from diversified customized services
	Sustainable Supply Chain	SDG 8: 8.7 8.8 — SDG 11: 11.6 11.a — SDG 12: 12.5 12.6 — SDG 16: 16.6 — SDG 17: 17.17	• Manufacturers maintain assessment results of 100% • Achieve a collection completion rate (%) of "Full Material Declaration (FMD)" for approved material numbers and achieve 55% by the end of 2024 • Achieve an ADLINK's supplier response rate (%) on the four conflict minerals (3TG) of 92% by the end of 2024	• Promote suppliers' localization, with a local procurement ratio of 89% • Continued requirement for all suppliers to pass ESG and RBA audits in order to become official AVL vendors, with goal of achieving 80% of the entire supply chain • Assess including the voluntary conflict mineral survey of cobalt in ADLINK's Conflict Minerals Policy	• Promote suppliers' localization, with a local procurement ratio of 90% • Continued requirement for all suppliers to pass ESG and RBA audits in order to become official AVL vendors, with goal of achieving 90% of the entire supply chain • Add cobalt to the scope of voluntary due-diligence survey according to the customer`s special demands
	Information Security Defense	SDG 9: 9.1	• Increase overall security and protection	• Enhance the information security and information resilience of the company by transitioning to and obtaining the new ISO/IEC 27001:2022 certification	• The information security framework adheres to the security standards set by the National Institute of Standards and Technology (NIST) as its reference and continuously evaluates and prepares relevant solutions

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

▲ ADLINK Technology Inc. ESG Sustainability Committee

For the vision of corporate sustainable development, the implementation of Corporate Social Responsibility, and the improvement of the economy, the environment, and people to achieve the goal of sustainable development, ADLINK established the Corporate Sustainability Committee in 2013 and is committed to strengthening the operational system of the company, fulfill social responsibility, and the implementation of environmental protection policies. The Corporate Sustainability Committee was transformed into the ESG Sustainability Committee in December 2022. The Committee is chaired by the Chairman and CEO, Jim Liu, who appointed the Global Chief Financial Officer to manage the Sustainability Secretariat Office. He leads the ESG Promotion Team to coordinate and operate the ESG Sustainability Committee. The ESG Sustainability Committee meets at irregular intervals to set short-, medium-, and long-term targets as well as consolidate the departments' results in implementing sustainable development for an annual report to the Board of Directors in order to proactively respond to stakeholder needs and minimize potential operational impacts. As an enterprise that drives the development of technology, ADLINK aims to fulfill its Corporate Social Responsibility through the promotion of Corporate Sustainability and the provision of resources and influence to contribute to the economy, the environment, and people.

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

ADLINK Technology Inc. ESG Sustainability Committee

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                    │   Chairperson    │
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                    │  Sustainability  │
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| Technology Sustainability | Manufacturing Sustainability | Business Sustainability | Energy Sustainability | Supply Chain Sustainability | Corporate Commitment | Risk Governance | Stakeholders Engagement |

Responsibilities of the ADLINK Technology Inc. ESG Sustainability Committee

Committee	Functions
Chairperson	Leads the company on the path towards sustainable development by combining global ESG trends. The Chairperson provides industry policy recommendations and fosters value chain resilience to co-create a sustainable ecosystem and give back to society.
Sustainability Secretariat Office	Leads the ESG Promotion Team to coordinate and operate the ESG Sustainability Committee. The Office integrates sustainable development goals and core operating strategies to seize corporate risks, challenges, and opportunities, utilize social influence, and respond to stakeholder expectations.
Technology Sustainability	Applies core technologies to flexibly innovate, improving the quality life in society. The Team uses the ideas of resource recycling in product life cycles to promote design, manufacturing, and by-product recycling projects.
Manufacturing Sustainability	Actively responds to the opportunities and challenges of climate change, creating the foundation for green and smart manufacturing. The Team deepens the competitiveness of carbon and energy management to enhance low-carbon opportunities.
Business Sustainability	Actively provides innovative products and smart solutions. The Team works with customers on educational, medical, retail, and transportation applications for smart cities, satisfying the diverse needs of the market.
Energy Sustainability	Uses core technologies to popularize renewable energies, making energy use affordable and becoming a professional renewable energy provider (carbon footprint, carbon inventory, and carbon neutrality). In response to climate change issues, the Team formulates green and renewable energy projects.
Supply Chain Sustainability	Creates a CSR ecosystem with suppliers through the ideals of advocacy, sharing, and guidance
Corporate Commitment	Cultivates talent, establishes education, and deepens the ESG DNA of employees to create volunteers. The Team exerts social value with a focus on the environment and culture.
Risk Governance	Establishes a structured risk management process with a focus on global risk trends to effectively reduce operational impacts and discover business opportunities
Stakeholders Engagement	Enhances and manages partnerships through engagement across quantitative and qualitative channels

ADLINK

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
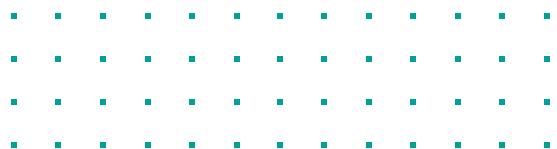Workplace Satisfaction

Social
Engagement

Appendix

Stakeholder Communication

▲ Topics of Stakeholder Concern and Communication Channels

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

ADLINK Topics of Stakeholder Concern and Communication Channels

Stakeholders	Implications for ADLINK	Topics of Concern	Communication Channels and Frequency	Communication Record
Shareholders	Shareholders are owners of the company and participate in the company's decision-making process. They are important supervisors of the company's governance and business development. By communicating with shareholders through various channels, the company can obtain shareholders' expectations and their feedback on the company's business activities and development direction.	• Business performance • Green products • Customer relations management • Social engagement • Energy management • Employee-employer relations	• Shareholder's meeting (Annually) • Market Observation Post System (Permanent) • Publication of financial reports (Quarterly) • Investor Conference (at least 2 times every year) • Company website (as needed)	• 1 shareholders' meeting was held, with an attendance rate of 70.30% and a total of 387 shareholders using electronic voting • 2 investor conferences were held, attended by a total of 57 investors • Published four financial reports
Employees	Employees are an important part of the company's business development and promotion of innovation. The continuous improvement of the company's welfare and retention systems is based on communicating with employees and listening to their feedback.	• Business performance • Employee diversity and inclusiveness • Workplace health and safety • Talent development and cultivation • Employee-employer relations • Information security management	• Labor-Management Council (Quarterly) • Employee mailbox (Permanent) • Environmental Safety and Health Management Committee (Quarterly) • Employee Welfare Committee (Permanent)	• 4 labor-management meetings were held, with 90% attendance rate of representatives from both labor and management, a total of 52 issues raised, and the case closure rate of 100% • A total of 2 complaints and 30 suggestions were received, with a case closure rate of 100% • 4 EHS Committee meetings were established, and a total of 11 plans promoted • 28 Employee Welfare Committee activities were held, with a total of 8,072 participants

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

Stakeholders	Implications for ADLINK	Topics of Concern	Communication Channels and Frequency	Communication Record
Customers	Customers are important partners in the company's ongoing operations. Understanding customer needs and feedback on products and services, supply chains, related policies, or strategic collaboration can help strengthen business partnerships and improve competitiveness.	• Business performance • Customer relations management • Supply chain management • Energy management • Innovative technologies and applications • GHG inventory • Waste management • Workplace health and safety • Employee diversity and inclusiveness • Information security management	• Customer Satisfaction Survey (Annually) • Customer grievance management system (as needed) • Sales meeting (as needed) • Customer feedback (as needed) • Company website - section on corporate sustainability (Permanent)	• A total of 35 companies completed the survey, with a customer satisfaction score of 3.8 • 104 customer visits • Conducted quarterly business wrap-up meetings with key customers • Participated in at least 20 trade shows in Taiwan and abroad, with more than 260,000 visitors and 100 media releases • Social media activity focused primarily on LinkedIn, where the number of fans worldwide has just exceeded 30,000, with an average monthly growth of 800 to more than 1,000 and 1,700 interactions per post • Organized one dealer conference attended by over 150 international industry experts, business decision makers, and key ecosystem partners from Taiwan and abroad, focusing on the latest technologies and applications
Suppliers	The raw materials and services provided by suppliers form the basis of the company's continuing operations. The company communicates with its suppliers at irregular intervals to clearly convey its supply chain management policies, strengthening partnerships and minimizing operational risks.	• Business performance • Supply chain management • Green products • Information security management	• Supplier audit (Annually)	• 100% of key suppliers and 95.12% of new suppliers signed the "Supplier Social Responsibility Risk Assessment and Evaluation Form" and the "Supplier Sustainability and Corporate Social Responsibility Dissemination and Commitment Statement" • 100.00% of parts recognition obtained the "Supplier Declaration" or provided the "Supplier EU RoHS & EU REACH Declaration" • A total of 357 suppliers were examined, and 100% of them disclosed the sources of the minerals used
Non-profit Organizations	Non-profit organizations are important partners in the company's operations and in implementing its social participation initiatives. By working with non-profit organizations, the company can reach a broader range of industries or social issues. This also serves to expand the company's influence.	• Social engagement • Energy management • Waste management • GHG inventory	• ADLINK Education Foundation (Permanent) • Courses and visits (as needed)	• Held 11 sessions of "Mixed Disabled Arts Group" campus life education • Organized a series of German "Kunst ohne Grenzen" opera performance exchange activities: A total of 20 students conducted 5 performances of different sizes and 3 school workshops in 5 cities in Germany, with more than 2,500 participants and 12 news reports in Taiwan and abroad • Supported the Boyo Social Welfare Foundation with NT$1 million to benefit disadvantaged students requiring assistance in 17 locations in Taiwan

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

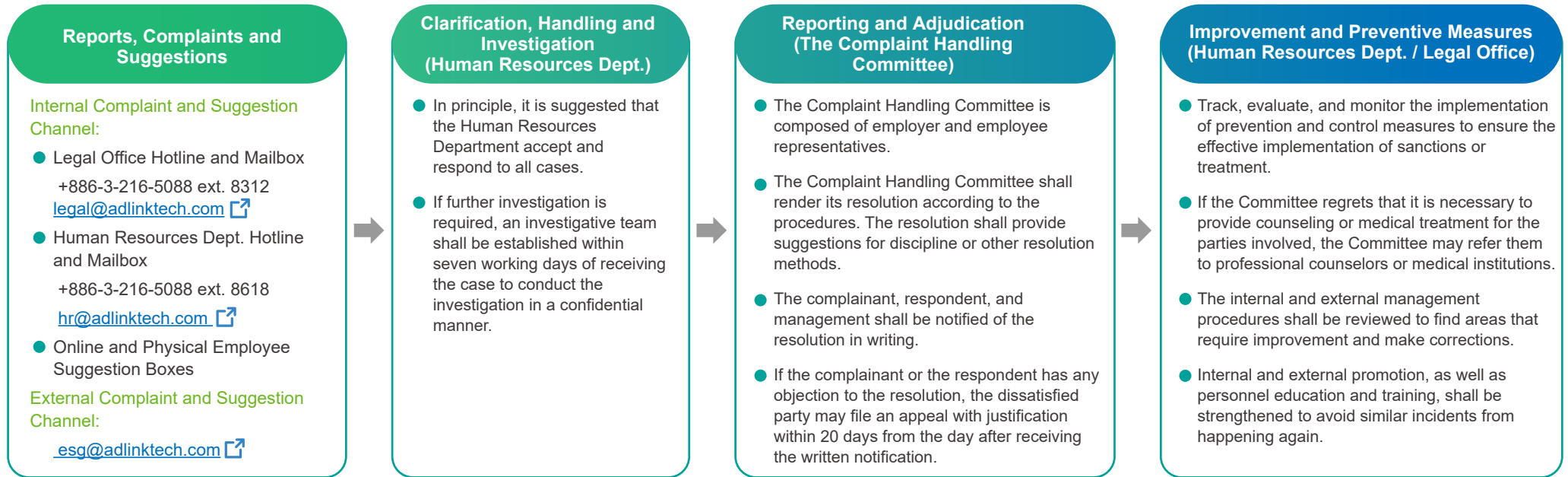| Stakeholders	Implications for ADLINK	Topics of Concern	Communication Channels and Frequency	Communication Record
Communities	Communities are important entities that support the company's operations. The company should support communities in the development of the local economy, people, and the environment and regularly respond to their needs to minimize the negative impacts of its operations.	• Employee diversity and inclusiveness • Social engagement • Energy management • Employee-employer relations • GHG inventory • Green products	• ADLINK Education Foundation (Permanent) • Company website (Permanent) • External contact point of the General Affairs Section (Periodically)	• Organized 4 "Code4Fun 2Gether Little Maker Academy" science education courses in Taoyuan • Organized the "Summer Fun for All Kids" summer camp in Shanghai, attended by a total of 11 young volunteers, 4 children of ADLINK employees, and 18 primary school students from families facing special circumstances from Taiwan and China • Funded NT$600,000 to support the "Taoyuan Gaorong Social Care Association Tutoring", benefiting a total of more than 50 underprivileged remedial students • Participated in the report of the manufacturer joint meeting regularly held every year in Hwa Ya Technology Park
Government Agencies	The company is committed to complying with government regulations and policies, regularly responding to the needs of government agencies, and maintaining smooth communication channels to create a sound business environment.	• Business performance • GHG inventory • Waste management • Workplace health and safety • Energy management • Employee diversity and inclusiveness • Talent development and cultivation	• Official correspondence, Questionnaire Survey, and Market Observation Post System (as needed) • Sustainability Report (Annually)	• All responses and announcements were made within the specified time limits • A GHG inventory of the headquarters was completed in 2023 in accordance with the FSC's "Sustainable Development Guidemap for TWSE- and TPEx-Listed Companies" • The company discloses all relevant information annually in the Sustainability Report

▲ Complaints and Suggestions

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

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

In 2023, ADLINK received 30 suggestions and 2 complaints. The case closure rate was 100%. The 30 suggestions were related to employee meals, commuter buses, office cleaning, WFH issues, and EWC events. Related operation adjustments were made according to the suggestions. The 2 complaints concerned office noise and unlawful infringement. The office noise complaint was resolved through persuasion and the investigation of the unlawful infringement was completed in accordance with the relevant procedures. The perpetrators admitted their wrongdoing and made improvements. No legal action was taken.

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

Handling Procedures for Reports and Complaints

Reports, Complaints and Suggestions

Internal Complaint and Suggestion Channel:
- Legal Office Hotline and Mailbox
  +886-3-216-5088 ext. 8312
  legal@adlinktech.com
- Human Resources Dept. Hotline and Mailbox
  +886-3-216-5088 ext. 8618
  hr@adlinktech.com
- Online and Physical Employee Suggestion Boxes

External Complaint and Suggestion Channel:
  esg@adlinktech.com

Clarification, Handling and Investigation (Human Resources Dept.)

- In principle, it is suggested that the Human Resources Department accept and respond to all cases.
- If further investigation is required, an investigative team shall be established within seven working days of receiving the case to conduct the investigation in a confidential manner.

Reporting and Adjudication (The Complaint Handling Committee)

- The Complaint Handling Committee is composed of employer and employee representatives.
- The Complaint Handling Committee shall render its resolution according to the procedures. The resolution shall provide suggestions for discipline or other resolution methods.
- The complainant, respondent, and management shall be notified of the resolution in writing.
- If the complainant or the respondent has any objection to the resolution, the dissatisfied party may file an appeal with justification within 20 days from the day after receiving the written notification.

Improvement and Preventive Measures (Human Resources Dept. / Legal Office)

- Track, evaluate, and monitor the implementation of prevention and control measures to ensure the effective implementation of sanctions or treatment.
- If the Committee regrets that it is necessary to provide counseling or medical treatment for the parties involved, the Committee may refer them to professional counselors or medical institutions.
- The internal and external management procedures shall be reviewed to find areas that require improvement and make corrections.
- Internal and external promotion, as well as personnel education and training, shall be strengthened to avoid similar incidents from happening again.

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

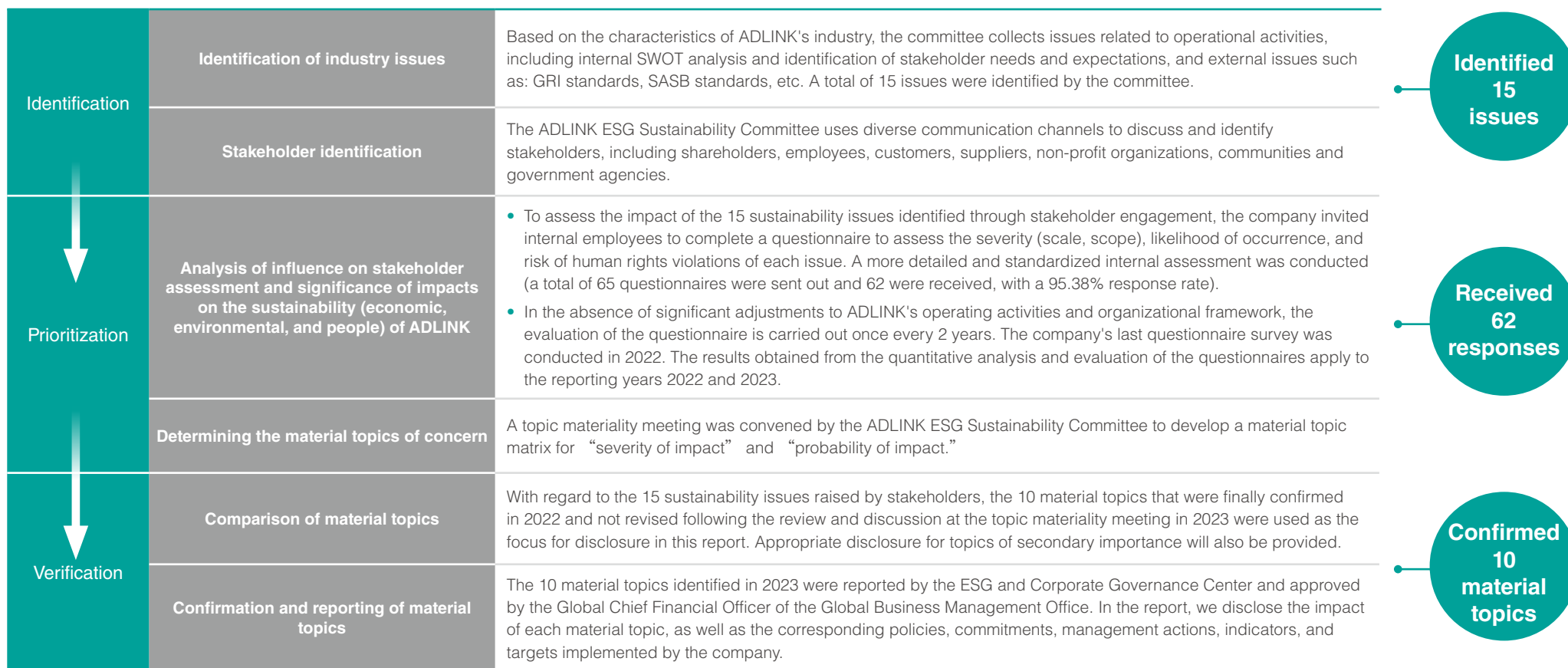| Year	2021		2022		2023	
Channels for Proposing Suggestions and Complaints	Number of Cases	Case Closure Rate	Number of Cases	Case Closure Rate	Number of Cases	Case Closure Rate
Human Resources Hotline	0	0%	0	0%	0	0%
Human Resources Complaint E-mail	0	0%	0	0%	1	100%
Online Employee Suggestion Box	12	100%	23	100%	30	100%
Physical Employee Suggestion Box	0	0%	1	100%	1	100%

Year	2021		2022		2023	
Channels for Proposing Suggestions and Complaints	Number of Cases	Case Closure Rate	Number of Cases	Case Closure Rate	Number of Cases	Case Closure Rate
External Complaint Mailbox	This channel is not yet in use.		0	0%	0	0%
Legal Office Hotline			0	0%	0	0%
Legal Office Complaint E-mail			0	0%	0	0%
Other	3	100%	1	100%	0	0%
Total	15	100%	25	100%	32	100%

ADLINK

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

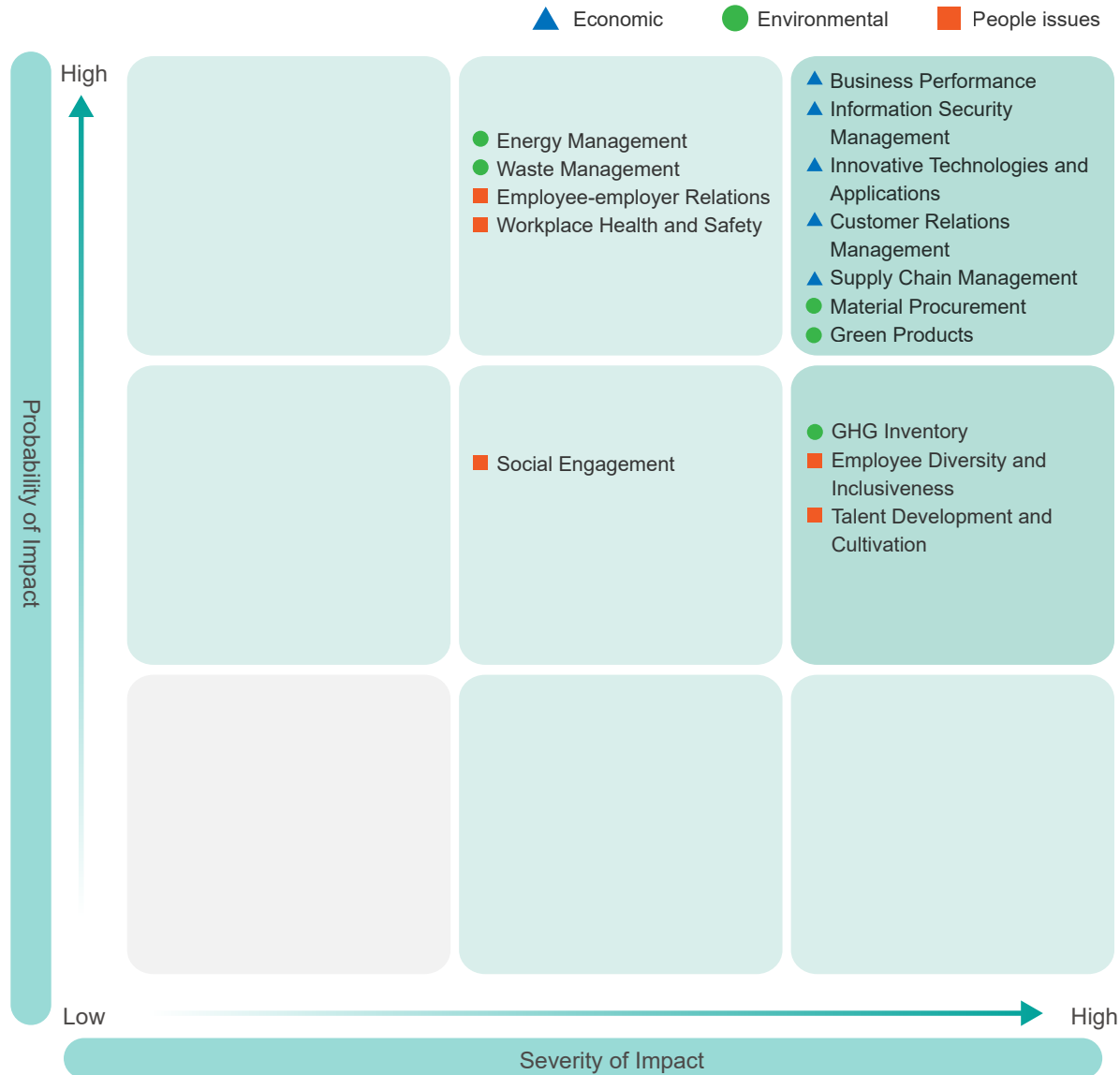Social
Engagement

Appendix

▲ Material Topics

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

Material Topic Identification Process

Identification	Identification of industry issues	Based on the characteristics of ADLINK's industry, the committee collects issues related to operational activities, including internal SWOT analysis and identification of stakeholder needs and expectations, and external issues such as: GRI standards, SASB standards, etc. A total of 15 issues were identified by the committee.	**Identified 15 issues**
	Stakeholder identification	The ADLINK ESG Sustainability Committee uses diverse communication channels to discuss and identify stakeholders, including shareholders, employees, customers, suppliers, non-profit organizations, communities and government agencies.	
Prioritization	Analysis of influence on stakeholder assessment and significance of impacts on the sustainability (economic, environmental, and people) of ADLINK	• To assess the impact of the 15 sustainability issues identified through stakeholder engagement, the company invited internal employees to complete a questionnaire to assess the severity (scale, scope), likelihood of occurrence, and risk of human rights violations of each issue. A more detailed and standardized internal assessment was conducted (a total of 65 questionnaires were sent out and 62 were received, with a 95.38% response rate). • In the absence of significant adjustments to ADLINK's operating activities and organizational framework, the evaluation of the questionnaire is carried out once every 2 years. The company's last questionnaire survey was conducted in 2022. The results obtained from the quantitative analysis and evaluation of the questionnaires apply to the reporting years 2022 and 2023.	**Received 62 responses**
	Determining the material topics of concern	A topic materiality meeting was convened by the ADLINK ESG Sustainability Committee to develop a material topic matrix for "severity of impact" and "probability of impact."	
Verification	Comparison of material topics	With regard to the 15 sustainability issues raised by stakeholders, the 10 material topics that were finally confirmed in 2022 and not revised following the review and discussion at the topic materiality meeting in 2023 were used as the focus for disclosure in this report. Appropriate disclosure for topics of secondary importance will also be provided.	**Confirmed 10 material topics**
	Confirmation and reporting of material topics	The 10 material topics identified in 2023 were reported by the ESG and Corporate Governance Center and approved by the Global Chief Financial Officer of the Global Business Management Office. In the report, we disclose the impact of each material topic, as well as the corresponding policies, commitments, management actions, indicators, and targets implemented by the company.	

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

Impact Intensity of Material Topics/Comparative Analysis of Impact Probability

▲ Economic   ● Environmental   ■ People issues

(Matrix chart — vertical axis: Probability of Impact, from Low to High; horizontal axis: Severity of Impact, from Low to High)

High row, middle cell:
- ● Energy Management
- ● Waste Management
- ■ Employee-employer Relations
- ■ Workplace Health and Safety

High row, right cell:
- ▲ Business Performance
- ▲ Information Security Management
- ▲ Innovative Technologies and Applications
- ▲ Customer Relations Management
- ▲ Supply Chain Management
- ● Material Procurement
- ● Green Products

Middle row, middle cell:
- ■ Social Engagement

Middle row, right cell:
- ● GHG Inventory
- ■ Employee Diversity and Inclusiveness
- ■ Talent Development and Cultivation

The 15 Issues in the 2022 Questionnaire Survey

Economic
1. Business Performance
2. Innovative Technologies and Applications
3. Information Security Management
4. Supply Chain Management
5. Customer Relations Management

Environmental
6. Material Procurement
7. Green Products
8. Energy Management
9. GHG Inventory
10. Waste Management

People
11. Employee Diversity and Inclusiveness
12. Employee-employer Relations
13. Talent Development and Cultivation
14. Workplace Health and Safety
15. Social Engagement

ADLINK

Sustainability Vision and Goals   Company Overview   Corporate Governance   Sustainable Supply Chain and Innovative Technologies   Environmental Care   Employee Care and Workplace Satisfaction   Social Engagement   Appendix

The Final Ranking of ADLINK's 10 Material Topics:

Material Topic Impact Boundaries, Involvement, and Corresponding Chapters

Degree of Involvement: ● Direct Impact / ◎ Contributes to Impact / ○ Commercial Impact

	Material Topic	Corresponding Chapter	Implications for ADLINK	Corresponding GRI Indicators	Impact Boundaries and Involvement		
					Suppliers	ADLINK	Customer
1	Business Performance	CH 1	Company's operating profitability	201-1		●	
2	Information Security Management	CH 2	The operational continuity of the company and the ability to protect its information assets	418-1		●	○
3	Innovative Technologies and Applications	CH 3	The technological strength of R&D and the competitiveness of the brand	Self-defined topics		●	○
4	Supply Chain Management	CH 3	Stable source of raw materials and services for the company	308-1 308-2 414-1 414-2	◎	●	○
5	Customer Relations Management	CH 3	Customer feedback on the company's products and services helps the company make continuous improvements to enhance its operations and build a lasting brand image	Self-defined topics		●	○
6	Green Products	CH 3	The company's commitment to providing environmentally friendly and ethical products	416-1 416-2	◎	●	○
7	Material Procurement	CH 3	The company's commitment to providing environmentally friendly and ethical products	204-1	◎	●	
8	Employee Diversity and Inclusiveness	CH 5	Incorporating the perspectives and feedback of employees from different cultures and backgrounds to facilitate talent retention and further improve the company's ability to innovate	405-1		●	
9	Talent Development and Cultivation	CH 5	In response to the rapid changes in the market and industry, developing and cultivating talent will facilitate the company's operations to meet the demands of the market and industry, and provide employees with more flexible career paths.	404-1 404-2 404-3		●	
10	GHG Inventory	CH 4	Understand the scope of the company's carbon footprint and formulate ways to reduce GHG emissions to enable improvements in product manufacturing processes and identify business opportunities related to a low-carbon transformation	305-1 305-2 305-3 305-4		●	○

Note: The material topics in 2023 remain unchanged from 2022.

1

Company Overview

1.1 About ADLINK

ADLINK was established in August 1995. We are dedicated to providing edge computing hardware and software solutions for embedded and distributed, as well as edge AI and edge visualization. ADLINK's products include embedded modules, computer modules, AI modules, industrial motherboards, software (robotic operating systems, middleware, APIs, etc.), deep-learning accelerators, platform systems, industrial tablets, industrial PCs, IoT solutions, and AI smart cameras. We are dedicated to driving innovations in fields such as smart manufacturing, networking and communications, healthcare, energy, defense and aviation, transportation, smart cities, and gaming.
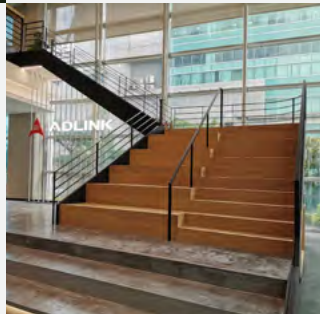
ADLINK actively participates in the development of standards in areas such as open-source technology, robotics, automation, IoT, and 5G. This includes working with the ROS 2 Technical Steering Committee, and the Autoware Foundation. Additionally, ADLINK collaborates closely with Intel, NVIDIA, Qualcomm, Arm, and AUO. ADLINK continues to innovate and offer advanced hardware as well as software services in the field of edge computing. By deploying its edge AI solutions, the company can quickly solve its customers' pain points, help them reduce their total cost of ownership (TCO), and maintain the competitiveness of their business.

ADLINK is headquartered in Taiwan and has been listed on the Taiwan Stock Exchange since 2004.

Please visit our website 🔗 for more information.

Date of Incorporation
1995

Headquartered in
Taoyuan, Taiwan

Total Number of Employees in 2023
> 1,800 (Global Total)

Total Consolidated Revenue in 2023
NT$ 11,414,519
(Unit: Thousand)

Earnings Per Share in 2023
NT$ 1.51

Stock Code
6166

ADLINK's Main Global Locations

ADLINK was founded more than 29 years ago. As of 2024, it has offices in the United States, United Kingdom, Germany, Singapore, China, Japan, South Korea, and India, as well as regional offices in France, the Netherlands, and Israel. With sales in more than 40 countries on five continents and close cooperation with distributors in the United States, Canada, Asia-Pacific, and Europe, the company is able to provide the most convenient and timely services to its local customers.

GLOBAL REACH, LOCAL TOUCH
ADLINK Global Presence

6 Design Centers

In USA, Europe, Taiwan, China and India

7 Operations & Logistics Centers

In USA, Europe and Asia

22 Support Offices

In USA, Europe, Taiwan and China

Note: As of the date of issuance of this report

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

Headquarter

Taiwan
Taoyuan

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

1.2 Business Performance and Expectations

Management of ADLINK's Material Topic "Business Performance" in 2023

Material Topic		Business Performance
Impact Assessment	Positive/ Actual	A strong operational performance of the company will increase profits for stakeholders, including employees, suppliers, customers, and shareholders, as well as promote corporate sustainable development.
	Negative/ Potential	A poor operational performance may result in losses or even bankruptcy.
Corresponding GRI Indicators		• GRI 201-1 Direct economic value generated and distributed
Corresponding SDGs		SDG 8: 8.2, 8.3
Policy or Commitments		The company will continuously enhance operational and managerial efficiency while exploring customer needs. This approach ensures that the product development strategy aligns closely with market and customer demands, thereby improving revenue and profitability.
Indicators and Targets		**Short-term Goals（2024）** • By utilizing visualized management, the company facilitates the rapid acquisition of relevant information and streamlines processes to shorten the product development and manufacturing cycle. Continuous cost control measures are implemented to improve efficiency and profitability, aiming to maintain an operating profit margin of over 5% **Mid-term Goal（2025 to 2026)** • In response to customer needs, the company promotes diverse customized services. It not only offers cost-effective products and services but also strengthens partnerships with customers through multiple collaborations, such as manufacturing quality, supply chain assurance, and design innovation. We expect that our annual revenue will be maintained at the industry's average growth rate in the future. **Long-term Goal（2027 to 2030)** • Become a leader in the edge computing market.

Effectiveness Tracking Mechanism	Understand goal attainment through regular meetings:
	 • Quarterly meeting
	    · Product strategy meeting
	    · Senior manager quarterly meeting
	 • Monthly meeting
	    · Monthly business group meeting
	    · Monthly regional sales meeting
	    · Regular monthly department meetings
		Annual Actions and Measures
		 • The annual turnover reached only NT$11.415 billion in 2023, but will grow in the future as new products gradually mature and their production becomes more effective
		 • The net operating profit margin reached only 3% in 2023; in the future, the company will control operating expenses and improve its product mix in order to achieve the established target

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

In 2023, the global economy was sluggish, and customers continued to clear inventory, resulting in order delays or product replacements. ADLINK's revenue was NT$11.4 billion, which is a decrease of 3% compared to 2022, with net profit before tax of NT$460 million, and EPS of NT$1.51. The main financial revenue, expenditure and profitability analysis in 2023 are as follows:

The Financial Receipts, Expenditures, and Profitability of ADLINK in the Past 3 Years

(Unit: NT$ thousand)

Item	Consolidated Financial Statement	2021	2022	2023
Financial Income	Operating Revenue	9,673,054	11,718,175	11,414,519
	Gross Profit	3,555,162	4,252,006	4,179,009
	Gross Margin	36.75%	36.29%	36.61%
	Net Income Before Tax	202,910	970,329	456,641
	Net Profit	118,884	805,396	293,881
	Net Profit Margin	1.23%	6.87%	2.57%
Profitability	Earnings Per Share (NT$)	0.55	3.71	1.51
Non-operating Income	Non-operating Income	64,412	353,924	133,593
Operating Costs	Operating Expenses	3,416,664	3,635,601	3,855,961
Employee Wages and Benefits	Total Employee Remuneration and Benefits	2,801,475	2,991,992	3,249,904
Amount Payable to Investors	Cash Dividend	65,249	543,743	217,497
Amount Payable to the Government	Amount Payable (Note)	63,794	54,737	153,771
Community Investment	Funds Donated to Foundations	6,000	6,000	6,000
Economic Value Retained	Net Amount	3,384,284	4,840,026	4,064,979

Note: The amount includes income tax, land value increment tax, land value tax, house tax, stamp duties, deed tax, and fines. The 2022 Sustainability Report did not include fines in the amount payable. Therefore, the current report has been updated with the latest data.

ADLINK R&D Expenditures Ratio

(Unit: NT$ thousand)

Consolidated Financial Statement	2021	2022	2023
Operating Revenue	9,673,054	11,718,175	11,414,519
Research and Development Expenses	1,521,068	1,544,496	1,693,220
R&D Budget/Net Sales (%)	15.72%	13.18%	14.83%

Business Strategy

In terms of operations, in July 2021, we officially relocated ADLINK's corporate headquarters and Taiwan manufacturing center to Hwa Ya Technology Park in Guishan. We integrated the factories and offices that were located in different areas to improve employee communication and management efficiency, as well as optimize production lines and quality performance, thereby meeting the needs of the company's future operations. ADLINK focuses on edge computing and aims to become a catalyst for artificial intelligence. In order to focus on the future challenges, ADLINK has carried out an internal organizational restructuring and established the "DMS Rugged Computing Business Unit" in 2023 to promote professional and diversified customized services. The company has also restructured the "Network Communications and Public Sector Business Unit" as the "Network Communications and Automotive Business Unit," which focuses on the markets of smart cockpits and smart transportation.

Proportion of Business Operations and the Overview of Production

ADLINK is a global company. Our customer base, technological capabilities and business partnerships are not tied to a single region or vertical market. In terms of regions, in 2023, the Americas accounted for 31.88% of ADLINK revenues, followed by 26.30% from Asia-Pacific, 24.93% from Europe, and 16.04% from China. We will continue to expand our market share that has been our core business. We are also looking to enter new markets by leveraging new technologies, new products, and partner ecosystems.

As for business units, the Computer-on-Modules Business Unit is the largest contributor to the company in terms of production volume and turnover, and is growing steadily year on year. In 2023, the company founded the DMS Rugged Computing Business Unit to promote diversified customized services and deepen partnerships as well as collaboration with customers. In the future, the wave of AI will drive the demand for edge AI servers. ADLINK has corresponding solutions for smart factories, smart cities, smart transportation, and smart healthcare, which is expected to benefit the company's entire product line.

ADLINK Global Product Sales Ratios by Region

Legend: APAC | Europe | USA | China | Others

Year	APAC	Europe	USA	China	Others
2023	26.30%	24.93%	31.88%	16.04%	0.85%
2022	26.74%	20.09%	33.43%	18.82%	0.92%
2021	27.52%	17.69%	30.04%	22.81%	1.93%

Axis: 0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
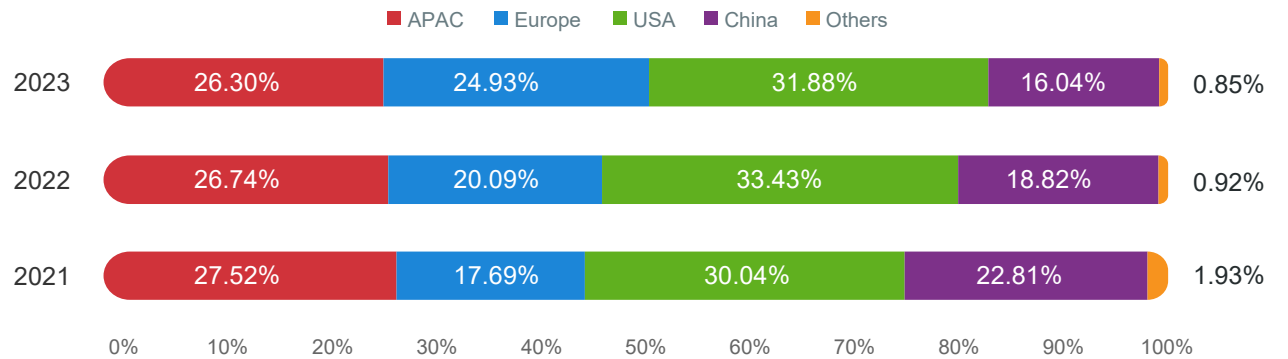
Production Overview of ADLINK Products in the Past 3 years

Key Product Categories	2021		2022		2023	
	Annual Output (pieces/unit)	Proportion	Annual Output (pieces/unit)	Proportion	Annual Output (pieces/unit)	Proportion
IoT Solutions and Technology Business Unit	285,700	36.38%	227,897	29.80%	143,033	17.98%
Computer-on-Modules Business Unit	206,912	26.35%	257,218	33.60%	288,838	36.31%
Edge Computing Platform Business Unit	66,380	8.45%	85,279	11.10%	32,022	4.03%
Edge Visualization Business Unit	78,742	10.03%	63,115	8.30%	82,867	10.42%
DMS Rugged Computing Business Unit (Note)	105,115	13.39%	83,429	10.90%	109,444	13.76%
Network Communications and Automotive Business Unit (Note)	40,625	5.17%	46,345	6.10%	85,343	10.73%
Other	1,750	0.22%	1,562	0.20%	53,889	6.77%
Total	785,224	100%	764,845	100%	795,436	100%

Note: The previous "Network Communications and Public Sector Business Unit" covered rugged computer products. In 2023, due to reorganization, the "Network Communications and Public Sector Business Unit" was reorganized and split into the "Network Communications and Automotive Business Unit" and "DMS Rugged Computing Business Unit".

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

Business Plan and Development Strategies

Short-term Strategic Goals

- Deeply cultivate specific vertical markets, such as industrial automation, smart manufacturing, railway, 5G communication, edge visualization, smart healthcare and other fields
- Based on customer demand, actively accelerate the development of AIoT-related products, including AI inference platforms and industrial display solutions
- Strengthen cooperation with local channel partners by expanding distribution cooperation in Japan, South Korea, New Zealand, and Australia, as well as cultivating industry customers in North America, Europe, and China
- Explore new business opportunities and strengthen marketing activities with strategic partners, including Intel, NVIDIA, Arm, Qualcomm, NXP, and MediaTek
- Strengthen cooperation with AUO to develop new products and market promotion, continue to expand edge visualization product series, and deepen the field of smart healthcare, smart manufacturing, and smart logistics
- Through collaboration with Foxconn, develop more smart manufacturing solutions, such as autonomous mobile robots (AMRs)
- Optimizing the DMS+ design and manufacturing to provide a one-stop solution for key customers
- Continuously improve product quality and cost control
- Promote automation in production and warehousing
- Shorten product design time
- Shorten the order-to-delivery cycle

Mid-term Strategic Goals

- Continue to invest in the research and development of artificial intelligence, autonomous mobile robots, and self-driving vehicle computers, which are applied in manufacturing, warehousing, retail, smart transportation, and healthcare markets
- Support open-source software projects and deepen innovative technologies
- Establish the EdgeOpen™ Consortium co-creation business platform for edge computing and edge AI. This platform aims to provide shared technology and marketing resources, join forces with industry partners to leverage collective strengths, strengthen both the supply chain and value chain, and jointly create business opportunities
- We have implemented localized support for global deployment, with design and R&D teams in Taiwan, China, Germany and the United States to provide expert services for our customers

1.3 Product Highlights of the Year

The Brain for Pioneering AI Mechanical Applications: ADLINK's ROScube-X RQX-59 Series Takes the Spotlight

The ROScube-X RQX-59-series ROS2 robotic controller from ADLINK was honored by IoT Evolution World with the IoT Edge Computing Excellence Award 2023 for its innovations in the field of IoT edge computing. The RQX-59 Series is equipped with the Jetson AGX Orin 32GB module from NVIDIA, which can deliver up to 200 tera operations per second (TOPS; see Note). This is six times the performance of the previous-generation AGX Xavier module and enables autonomous mobile robots to dramatically increase their computational processing power, combining precise control and computational efficiency. From logistics and distribution robots that perform tasks with precision to self-driving cars that provide a safe driving experience, the ROScube robotic controller not only significantly improves the efficiency and safety of autonomous mobile robots, but also optimizes the operational efficiency of companies in a wide range of AI smart automation applications, including smart retail, airport pick-up and delivery, warehousing and logistics, industrial production, urban planning, and traffic management. The robotic controller also plays

an important role in reducing labor dependency and costs, helping companies achieve their goals of efficient and reliable operations.

Note: The NVIDIA Jetson AGX Orin 32GB module can perform 200 tera operations per second or 12,000 tera operations per minute. Compare the speed of the device with that of a high-speed train that can cover 5 kilometers in one minute. The computing power of the RQX-59x Series in one second is equivalent to a high-speed train traveling more than 2.4 million kilometers in the same time, more than six times the distance from the Earth to the Moon.
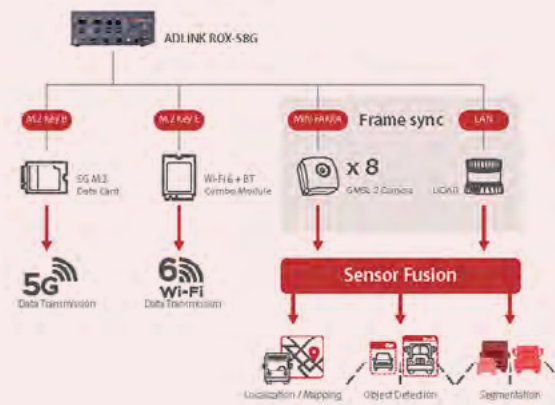
The ROScube-X-Series controllers are equipped with highly synchronized image processing and advanced sensor-integration technology to ensure seamless integration of camera and optical radar data. This is crucial for automated delivery robots, service robots, and autonomous driving systems that perform precisely timed tasks. These technologies significantly improve the ability of robots to recognize and process their environment, making the ROScube-X Series the preferred solution for applications in these areas.

The ROScube-X RQX-59 Series comes with an exclusive customized development board support package (BSP) and supports the latest Ubuntu and Jetpack SDK, providing a one-stop solution that can quickly enter the market. The efficient technical support and continuous service commitment that these systems provide significantly shorten the time it takes customers to bring their products to market, ensure high product reliability, and keep customers' products at the forefront of a highly competitive market.

Learn More

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

ADLINK's Autonomous Mobile Robots are the First in Taiwan to Receive the EN ISO 3691-4 Certification

The manufacturing process is complex and unpredictable, so smooth equipment integration and communication are crucial for smart factories. FARobot Inc., a joint venture between ADLINK and FOXCONN, exclusively develops autonomous mobile robots that integrate software and hardware with safety as the core. The company's SMR series of autonomous mobile robots was the first to receive the EN ISO 3691-4:2020 certificate issued in Taiwan by Rheinland, an international third-party verification agency, and has achieved EU and internationally recognized safety performance, enabling it to work safely in complex dynamic environments. Moreover, the SMR series can carry a payload of up to 1,000 kg. Customers can also choose to lift or integrate upper modules such as robot arms and forks as required. In addition to setting buffer distances and speeds for different operating environments, the data distribution service (DDS), a decentralized machine-to-machine communication technology, enables real-time communication between robots as well as between robots and automation equipment for automatic route planning and scheduling. ADLINK Group's smart master solutions can meet the needs of cross-brand information technology (IT), operational technology (OT), robots and equipment (IoT), improve production efficiency and equipment effectiveness, and support manufacturing, warehousing, retail, and medical industries. Optimizing and upgrading smart logistics has become the next key industry for global smart manufacturing.

Learn More

Energy Monitoring Solution
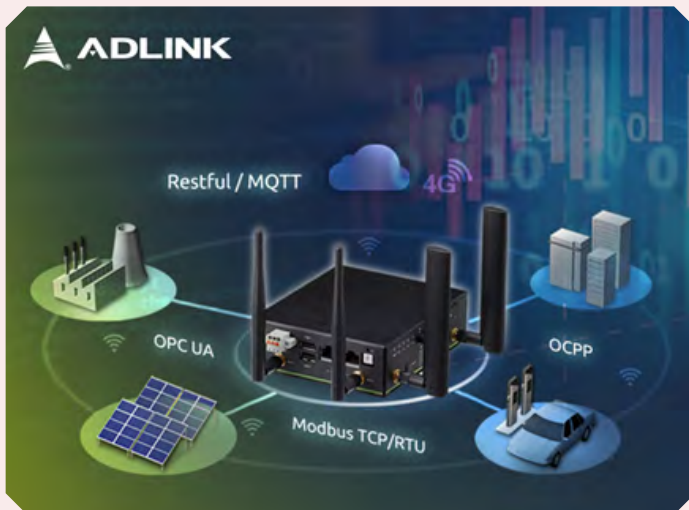
In the modern industrial landscape, data interconnection is the lifeline for the sustainable development of IoT. ADLINK's EMU-200-series industrial IoT (IIoT) gateways are at the heart of the company's efforts to promote the sustainable development of IoT technology. The product series can be used for a variety of energy-related applications and offers a wide range of data transmission and analysis functions, whether for analyzing and managing the energy consumption of factory and building facilities or for energy monitoring of new-energy power plants or EV charging stations. The series not only has extensive wired and wireless communication options, but also integrated software that can be openly programmed in Python to speed up the setup, conversion, and efficient transfer of data. This allows the gateway to be customized for different applications by programming and offers more flexibility. In addition, this IIoT gateway is designed for a wide temperature range from -40 to 70° C, taking into account the temperature differences of the various environments in which it can be used. In 2024, ADLINK will deploy this IIoT gateway in its own factories to automate data collection and analysis, which will not only save time on manual meter reading, but also effectively optimize energy usage. At the same time, ADLINK and AUO Digitech have jointly launched a diagnostic solution to check the health of equipment in real time and avoid the loss of production capacity due to downtime. Compared to the market launch in 2023, the company expects to sell up to 2,000 units in 2024 and expand the use of the product to other energy-monitoring applications. This will help reduce unnecessary energy consumption and increase the utilization rate of existing energy resources, which will greatly support companies in realizing smart monitoring and efficient energy management.

Learn More

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

1.4 Industry Associations

ADLINK continues to apply for and obtain certification in various international standards including ISO 9001, ISO 13485, ISO 14001, ISO/IEC 17025, and TL 9000. In recent years, we have actively expanded into the areas of autonomous driving and smart transportation. Not only have we become a member of the Autoware Foundation and support open-source technologies related to autonomous vehicles, but we have also joined the Information Technology for Public Transport (ITxPT) Association. Moreover, we have received the ISO 26262 certification for vehicle functional safety design processes and the IATF 16949 letter of conformance for global automotive quality management systems.

In keeping with our business philosophy of Advance Technologies, Automate the World, ADLINK plays an active role in international associations in order to contribute to technological progress and cooperation in the industry. The company also works with like-minded stakeholders to bring about sustainable transformation by participating in sustainability initiatives.

ADLINK's Participation in Industry Associations and Advocacy Organizations

Item	Name of Association	Strategic Role	Membership
1	PCI Industrial Computer Manufacturers Group	Play an active and decisive role in the formulation of standards for open-module computing	Executive member
2	PC/104 Consortium	Play an active and decisive role in the formulation of standards for PC/104 products	Executive member
3	Standardization Group for Embedded Technologies	Promote embedded computing technology science and research as well as regulations related to the development of standards, including SMARC® and Qseven®	Founding member
4	VMEbus International Trade Association	Play an active and decisive role in the formulation of open technical standards	Member
5	HDBaseT	Responsible for developing HDBaseT solutions for the medical industry	Contributor member
6	HDCP	Ensure that products support the HDCP digital content encryption mechanism	HDCP 2.x- Licensed Adapter
7	HDMI	Ensure that products are certified by HDMI	HDMI 2.1b Licensee Adapter
8	EtherCAT Technology Group	Participate in advancing and leading in the evaluation, use, and implementation of the EtherCAT technology	Member
9	Sensor Open Systems Architecture ™ (SOSA) Consortium	Develop a non-proprietary open systems architecture based on the latest modular open systems approach (MOSA) of the US Department of Defense and/or commercial open standards	Member
10	PXI Systems Alliance	Participate in setting specifications	Sponsor member
11	Open Data Center Committee	Actively participate in the development and standardization of open data center platforms	Supplier member
12	Eclipse Foundation	Participate in the development of standards for the new-generation data distributed service (DDS)	Contributing member
13	E.SUN ESG Sustainability Initiative	Commit to set a 2050 net-zero target and take practical actions to implement a sustainable transformation	Enterprises

2

Corporate Governance

ADLINK

Sustainability Vision and Goals | Company Overview | **Corporate Governance** | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

Corporate Governance Indicators and Execution Guidelines

ADLINK 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.

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

- More than half of directors and the convener of the Audit Committee attend shareholders' meetings
- Record the shareholders' questions and the company's answers in the minutes of shareholders' meetings
- Release uninterrupted video recordings of shareholders' meetings afterwards

Strengthen the Structure and Function of the Board of Directors

- Auditors are CISA certified
- Increase the frequency of communication with directors to familiarize them with the company's operations as well as effectively improve the quality of the Board of Directors' decision-making
- Risk management is overseen by the Audit Committee, which formulates relevant policies and procedures and reports to the Board of Directors at least once a year

Increase Information Transparency and Disclosure

- Announce changes in insider share ownership before the 10th day of each month
- Held at least 2 investor conferences each year
- Publishing material information in English at the same time

Promote Sustainable Development

- Establish a unit to promote sustainable development and task the Board of Directors with monitoring its progress
- Sustainability report obtained third-party verification
- Disclose governance, strategy, risk management, metrics, and targets for climate-related risks and opportunities in line with TCFD recommendations

ADLINK

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

2.1 Policy Commitments

▲ Core Values and Corporate Culture

ADLINK was established in 1995. The early days were difficult, as they are for many start-up companies, but we still established a complete R&D, manufacturing, marketing, business, and logistics support system in Asia, Europe and the United States. In the embedded computing field, we have continued to innovate for nearly 30 years. With demand being driven by AI, IoT, and 5G in the edge computing market, ADLINK leads in edge computing, promoting edge artificial intelligence and edge visualization. Utilizing cutting-edge hardware, software and services, we rapidly connect people, places, and things through edge AI and IoT solutions. This facilitates the swift connection of cross-industry data to decision-making applications while assisting customers in maintaining their competitiveness. ADLINK received the ISO 26262 certification for automotive functional safety design processes in 2023, underlining our commitment to high standards of functional safety and reliability of our products for the self-driving market.

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

With drastic changes to the external environment and market, the four core values of "Sincere Dedication, Outstanding Professionalism, Respect for Competition, and Pleasure at Work" will always guide ADLINK's development of our competitiveness in external markets and the internal development of our business operations and employees. We developed the three major cultures below through the "entrepreneurial spirit": Learning, Passion, Communication.

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

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

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

LPC Behavior & Competency

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

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

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

Learning · Passion · Communication

Embracing challenges · Work quality · Executive ability · Adapt to change · Assumption of risk · Continuous improvement · Communication & Cooperation · Teamwork (team spirit) · Customer orientation · Fast learning · Innovative thinking

Leadership skills · Strategic thinking

ADLINK

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

▲ 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:

Compliance with Laws and Discipline

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

Faithful Recording and Reporting of Group Status

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

Competition Based on Respect for Ethical Standards

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

Hiring Policy that Respects Employee Diversity and Equality

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

Avoiding Conflicts of Interest

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

Protection of ADLINK Assets

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

Offering or Acceptance of Gifts and Hospitality, and Ban on Bribery

We must not offer or accept gifts or hospitality of high value, or accept bribes or other inappropriate benefits without explanation.

Maximization of Positive Impact

All ADLINK employees are willing to make a personal contribution to ensure the positive growth of the company and all employees.

Code of Sustainable and Ethical Management Conduct

ADLINK's spirit of deeply cultivating ethical management is mainly reflected in the "Code of Ethical Conduct", which was established in 2005 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 been 18 years since the development of the rules and regulations. During this period, we have continued to plan, revise, and implement the corporate sustainability policies and internal management procedures with a positive attitude focused on continuous improvement and regular updates in accordance with regulatory trends. In addition to upholding the highest standards, ADLINK expects that its new business partners, suppliers/subcontractors/wholesalers/distributors/contractors, and other contractual partners or customers will also abide by them.

Sustainability
Vision and Goals

Company
Overview

**Corporate
Governance**

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

	System and Rules	Year (Current Version)	Purpose and Regulatory Focus	Public Link
Declaring the adopted standards and codes	**Ethical Corporate Management Best Practice Principles**	**2019**	Conduct business activities based on the principles of fairness, honesty, trustworthiness and transparency, and avoid the following behaviors: I. Offering and accepting bribes. II. Illegal political donations. III. Improper charitable donations or sponsorship. IV. Offering or acceptance of unreasonable presents, services, hospitality, or other improper benefits. V. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. VI. Engaging in unfair competitive practices. VII. Products and services that directly or indirectly damage the rights, health, and safety of consumers or other stakeholders during development, purchase, production, provision, or sales.	[Corporate Management Approach](#)
	Code of Ethical Conduct	**2019**	Guiding directors and managers (including general manager and equivalents, deputy general managers and equivalents, associate managers and equivalents, financial department heads, accounting department heads, and other persons who have the right to manage affairs and sign for the company) conduct in accordance with ethical standards. Specifically, it includes the prevention of conflicts of interest, the avoidance of opportunities for personal gain, confidentiality obligations, fair dealing, protection and proper use of company assets, compliance with laws and regulations, etc.	
	Corporate Governance Best Practice Principles	**2019**	In order to establish a good corporate governance system, it is formulated with reference to the Code of Practice for Corporate Governance jointly formulated by the stock exchange and the OTC center. The core principles have the following six main items: I. Establish an effective internal control system. II. Protect shareholder equity. III. Strengthen the Roles and Powers of the Board of Directors. IV. Utilize the Audit Committee's functions. V. Respect stakeholder equity. VI. Increase information transparency.	
	Sustainable Operations Best Practice Principles	**2023**	Manage the company's risks and impacts on the economy, environment and people, and practice in accordance with the following principles: I. Implement corporate governance. II. Develop a sustainable environment. III. Safeguarding public welfare. IV. Strengthen sustainable development and information disclosures.	

ADLINK

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

System and Rules	Year (Current Version)	Purpose and Regulatory Focus	Public Link
Management procedures and methods to be followed — **Business Ethics Management Procedures**	**2022**	The company adopts a zero-tolerance policy with respect to various forms of bribery, corruption, extortion, and embezzlement, adheres to the highest integrity management standards, strengthens its internal control mechanisms, and guides management personnel and relevant interest groups (such as customers and suppliers) to act in accordance with the law and be honest and trustworthy.	It is part of the company's internal management procedures and methods; therefore, it is not made public.
Intellectual Property Management Procedures	**2022**	When developing or introducing technologies, the primary obligation of the company is to respect our own intellectual property rights and not infringe the intellectual property rights of others. The plain text specification is as follows: I. The ownership of intellectual property rights is clearly agreed. II. For data with economic value, each unit shall take appropriate confidentiality measures according to its nature. III. The use of illegal computer programs is prohibited. IV. Before resigning from the company, employees shall return trade secrets in their possession for operations.	
Advertisement and Fair Trade Management Procedures	**2022**	Maintain the company's spirit of business ethics, advertising and fair trading order, and at the same time not engage in collusion, joint monopoly, or improper market manipulation, and ensure that all business activities operate in accordance with market mechanisms. The company shall not make false or misleading representations to the public on the price, quality, content, etc., of services on its merchandise, advertisements, or by any other means of public dissemination.	
Privacy and Confidentiality Management Procedures	**2022**	Ensure that the sensitive, private and confidential information, documents, and data of customers, collaborators, suppliers, employees, and other business partners are properly protected. Therefore, it is not allowed to collect or use it beyond the scope of the purpose of use, and should strictly follow the company and laws and regulations. For the use of sensitive information, the relevant information should be properly stored, kept, and managed. No one other than the responsible employee is allowed to use relevant information without consent.	
Compliance Inspection Management Procedures	**2021**	To enable relevant units to obtain correct relevant regulations when they produce medical products, ISO/IEC 80079-34 explosion-proof products, implement environmental safety and health management and comply with social responsibility related issues, and understand the company's relevant operations and regulations. After regulations, synchronously notify and update the company's internal norms.	
Whistleblower Protection and Anti-Retaliation Management Procedures	**2022**	In order to encourage the reporting of illegal or unethical behavior, the protection of supplier and employee whistleblowers shall follow the principles of confidentiality, merits and awards, and inviolability of the legitimate rights and interests of whistleblowers. Whistleblowers can report in person, by letter, over the telephone, or by other means, or they may entrust others to report on their behalf. And if there is a risk of affecting the objective and fair handling of the case, the handling committee should recuse themselves. Retaliation against the whistleblower is strictly prohibited, and disciplinary action will be given to those with less serious circumstances; Those who commit acts that constitute a crime will be held criminally responsible.	

Responsible Business Alliance (RBA)

As a member of the electronics industry, ADLINK conducts its business based on the principles of honesty and integrity. The company strives to comply with the laws and ethical standards of the jurisdictions in which it operates, making full legal compliance an important company policy. In 2021, ADLINK joined the Responsible Business Alliance (RBA) to establish a more robust management system, implement regulatory identification, as well as conduct training and education to strengthen legal compliance and pursue sustainability. The company emphasizes the four aspects of ensuring a safe working environment, respect and dignity of workers, environmental compliance, and ethical practices so that employees are treated in a reasonable and ethical manner in the workplace. The company has also established an executive team, reviews processes, and sets procedural norms to comply with laws and regulations and actively participate in social and environmental responsibility as well as business ethics.

2.2 Organization Structure

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix
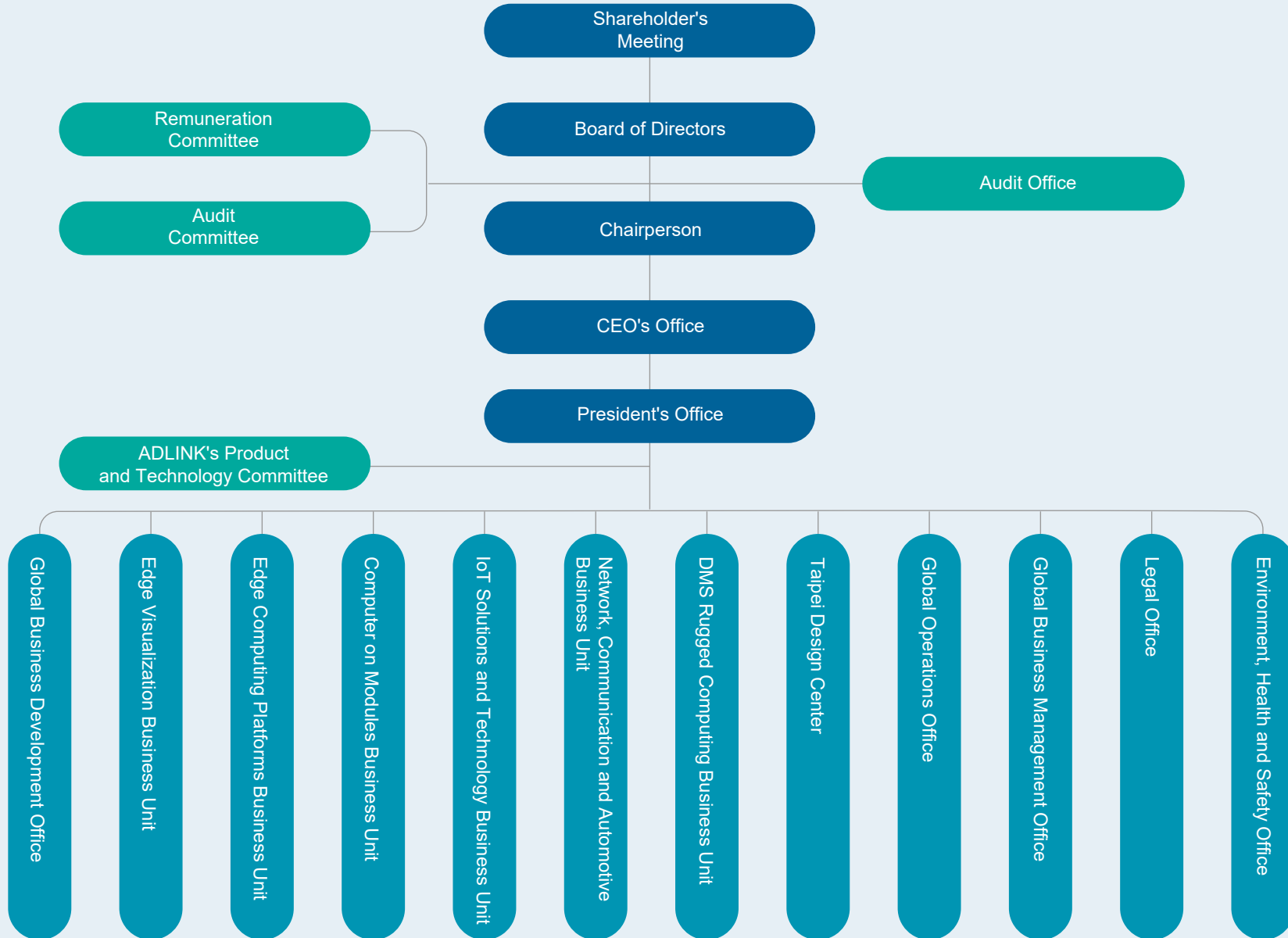
2.3 Board of Directors

To ensure fair, impartial, and open selection of directors, ADLINK has established the "Director Election Regulations" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies".

The Board of Directors is the highest governance body of ADLINK, which consists of 9 directors (including 4 independent directors), of which 66.67% are men and 33.33% are women; those aged 41-50 accounted for 11.11%, those aged 51-60 accounted for 44.45%, those aged 61-70 accounted for 33.33%, and those aged 71 or above accounted for 11.11%. The company relies on the diverse academic and professional backgrounds of its board members, their keen foresight in cutting-edge technologies, and their expertise in understanding the dynamics of international market demands. All Board members have more than five years of experience in business management, legal affairs, finance, accounting, or other areas relevant to the company's needs. This diversity 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, environment and people dimensions. The mission of the Board is the maximization of stakeholder interests.

Board Members of ADLINK

Title	Name	Gender/Age	Main Academic and Professional Experience	Concurrent Positions in Other Companies
Chairperson	Jim Liu	Male / 61-70	• Master's degree, Institute of Computer Management Decision Research, National Tsing Hua University • Institute for Information Industry	• Independent Director, Zenitron Corporation • Director and Chief Sales Officer, AUO Display Plus • Director, AUO Foundation
Director	Yeou-Yih Chou	Male / 81-90	• MDP class, Asia Academy of Management • Department of Electrical Engineering, Tatung Institute of Technology • Director, Electronic Design Department, Tatung Company	• Chairman, Zenitron Corporation (Note 1)
Director	Chroma ATE Inc.	Female / 61-70	• Department of Accounting, Tunghai University • Senior VP of Finance Department of Chroma ATE Inc.	• Director of Finance Division of Chroma ATE Inc. (Note 1)
Director's Representative	Hsiu-Miao Huang			
Director	AUO Corporation	Male / 51-60	• Ph.D., Institute of Electro-Optical Engineering, National Chiao Tung University • Chairman and CEO of E Ink Holdings Inc. • Vice President, Strategic Planning Division, AUO Corporation • Vice President, TV Business Group, AUO Corporation	• CEO and President, AUO Corporation • Chairman, AUO Display Plus • Director, Darwin Precisions Corporation
Director's Representative	Frank Ko			
Director	AUO Corporation	Female / 51-60	• Master's degree in Industrial Management, Waseda University, Japan	• Vice President of AUO Corporation
Director's Representative	Yi-Fang Wu (Note 2)			
Independent Director	Wei-Chin Lee	Female / 51-60	• Master's degree, Graduate Institute of Sociology, National Taiwan University • Director's Representative, Etron Technology, Inc. • Director, Kaijun Investment	• Vice President, Human Resources Department, Coretronic Corporation
Independent Director	Xing-Hai Wei	Male / 61-70	• EMBA, National Chiao Tung University • Accounting Division, Department of Commerce, National Taiwan University • Certified Public Accountant and Consultant, KMPG Taiwan	• Independent Director, Taiwan Kong King Co., Ltd. • Certified Public Accountant, Chuan Zhi Accounting Firm • Member of the Remuneration Committee, Zyxel Group Corporation

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

Title	Name	Gender/Age	Main Academic and Professional Experience	Concurrent Positions in Other Companies
Independent Director	Chih-Guang Tseng	Male / 41-50	• Graduate Institute of Electrical Engineering, National Taiwan University • Department of Mathematics, National Taiwan University • Vice President of Global Sales and Marketing, M2COMM	• President, Arm Taiwan Ltd. • Member, Curriculum Committee, National Taiwan Normal University
Independent Director	Yong-Hao Yu	Male / 51-60	• Master's degree in Industrial Engineering, Northeastern University • Bachelor's degree in Electrical Engineering, Northeastern University • Head of Strategic Partnership and Ecosystem Development, Faurecia • Executive Advisor, Forvia	• Strategy Consultant of Azumo, Inc.

Note 1: See the Annual Report ↗ (Page 9-11) for details on concurrent responsibilities.
Note 2: On July 6, 2023, Daniel Yang, representing AUO Corporation, was replaced by Yi-Fang Wu.

Director Nomination and Election

On May 5, 2022, after reviewing the nominations, the above-mentioned director and independent director candidates were found to possess diversity, independence, as well as qualifications, industry experience, professional background, and expertise relevant to organizational impact, all of which comply with the requirements stated in Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and Article 192-1 of the Company Act. Consequently, their nominations as directors were approved.

Among them, Mr. Jim Liu has served as Chairman of ADLINK Technology Inc. for over 27 years. The reason for his continued nomination as the 11th director is as follows: Mr. Jim Liu has served as the Chairman and CEO of ADLINK for several years. He possesses professional abilities in operational judgment, executive management, leadership and decision-making, and crisis management. During his tenure as Chairman and CEO of the company, he has provided professional and comprehensive guidance and advice regarding operational management and investment decisions, significantly benefiting the company's operations and management. Therefore, he is nominated to continue serving as a director.

At the shareholders' meeting of ADLINK on June 22, 2022, all nine directors (including four independent directors) were completely re-elected. On the same day, a board meeting was held, and Mr. Jim Liu was elected as Chairman by all the directors.

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

Management Target	Achievement Status
Independent directors shall not serve as independent directors for more than 3 companies concurrently	✓
Directors who are part-time managers of the company should not account for more than one-third of the Board of Directors	✓
The ratio of either gender on the Board of Directors reaches one third	✓
Independent Directors should not hold office for three consecutive terms	✓

Please refer to the Annual Report ↗ (Page 14) for more information of the Board diversity.

Board Independence

ADLINK has nine directors, including four independent directors (44%), in compliance with Article 17 of the Articles of Incorporation: "The Company shall appoint five to nine seats of directors, and adopted candidate nomination system for shareholders to elect directors from a list of director candidates. They shall serve for a term of three years and shall be eligible for re-election. Among the seats of Directors, the number of Independent Directors shall not be less than two and shall not be less than one-fifth of the total number of Director seats."

The company regularly reviews the written statements of each independent director to confirm that they continue to meet the independence requirements. There are no circumstances as stipulated in Paragraph 3, Article 26-3 of the Securities and Exchange Act among the directors.

![ADLINK]

Sustainability
Vision and Goals

Company
Overview

**Corporate
Governance**

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix
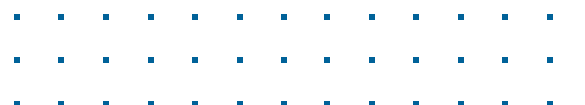
Overview of Board Operations in 2023

In addition to the regular meetings of the Board of Directors, representatives from each department and subsidiary report to the Board of Directors on the results of the current year's operations, as well as the strategic and implementation directions for the upcoming year, prior to the preparation of the next year's business plan. In this way, directors can understand the risks and opportunities facing the company and engage in extensive and insightful discussions and feedback with the heads of the various units.

| **4** meetins were held | Actual attendance rate of directors was **94%** | The Board reviewed and approved **41 proposals** |

Moreover, in 2023, a total of 20 material events that meet the company's definition of "critical material events" and must be disclosed as such, in accordance with laws and regulations, were reported in detail to the Board of Directors prior to their disclosure.

Event	Quantity	Compliance with Article 4 of "Procedures for Verification and Disclosure of Material Information"
Changes in director's representative and financial director	2	Subsection 6, 8
Holding investor conferences	2	Subsection 12
Matters related to dividend distribution	2	Subsection 14
Shareholders' meeting related matters	2	Subsection 17, 18
Permitting managers (or directors) to engage in competitive conduct	2	Subsection 21
Announcements of endorsement/ guarantee or loaning funds	3	Subsection 22, 23
Approval of financial reports by the Board of Directors	4	Subsection 31
Announcements of clarification or information updating	3	Subsection 51

Conflict of Interest

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

▲ Functional Committees

Audit Committee

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

> In 2023, the Audit Committee was convened four times in total, with an 88% actual attendance rate.

Remuneration Committee

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

> In 2023, the Remuneration Committee was convened three times in total, with a 92% actual attendance rate.

ADLINK

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

▲ Continued Enhancement of Governance

Continuing Education for the Board of Directors

To stay ahead of global business management trends and enhance corporate governance and risk management capabilities, ADLINK's Board members are committed to continuously improving their industry expertise and enriching their corporate governance experience. This dedication aims to elevate and unite the highest governing body of the company with collective wisdom and knowledge for sustainable development. To keep the directors informed about company-related information, we periodically send updates on topics related to the Taiwan Stock Exchange and other relevant matters. Furthermore, based on the needs and feedback of each Board member, we continuously enhance information dissemination and professional development planning to ensure they possess the necessary expertise to fulfill their leadership and supervisory roles effectively. In 2023, the total hours of continuing education for directors equaled 69 hours. Each director received an average of 7.67 hours of education, which is more than the 6 hours legal limit. For more information on director training, please refer to the Annual Report ⤤ (Page 35).

Board of Directors and Functional Committee Performance Evaluation

To implement corporate governance and enhance the effectiveness of the Board of Directors, performance targets have been established to strengthen the efficiency of board operations. On January 25, 2017, the company's Board of Directors approved the "Board Performance Evaluation Measures" and conducts internal performance evaluations annually during the fourth quarter. The company has carried out the performance evaluation of the Board of Directors for 2023. The evaluation has shown that the Board of Directors and the members of functional committees adhere to the targeted practices and are aware of their duties and are familiar with the company's operations and environment, effectively improving the overall quality of the Board of Directors' decision-making. The company will continue to implement corporate governance and promote the objectivity of the Board of Directors' performance evaluation results in order to strengthen the effectiveness of the Board of Directors' operation.

In addition to internal self-assessments, we also plan to engage external evaluation agencies every three years to conduct board performance evaluations. In 2022, the company commissioned Chainye Management Consultancy Co., Ltd. to conduct the first external board performance evaluation. The assessment covered five major dimensions, which are company operations and involvement of the board, decision-making quality, composition and structure,

appointment and continuous education, and internal control. The evaluation was carried out using self-assessment questionnaires and on-site visits. The evaluation for this period was conducted through data analysis as well as participating the Board of Directors and the Audit Committee. Additionally, interviews were conducted with independent directors and the corporate governance director.

The external evaluation agency concluded that the company's Board of Directors is composed of members with relevant expertise, and work is allocated based on different specializations and experience. Both the Board of Directors and the members of the various functional committees operate effectively. The result of the evaluation is therefore "excellent."

Remuneration Policies

The articles of incorporation stipulate that 3% to 20% of pre-tax profit shall be allocated as compensation for employees, and a maximum of 3% of pre-tax profit for the respective year shall be allocated as compensation for Directors and Independent Directors. 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 compensation are allocated pursuant to the aforementioned ratios. Employee compensation may be paid in stock or cash. Eligible recipients shall include employees of subsidiaries who meet certain criteria. Relevant criteria shall be determined by the Board of Directors.

In order to establish a competitive and reasonable remuneration system, ADLINK has established a Remuneration Committee which periodically reviews the policies, systems, standards, and structures for evaluating the performance and remuneration of directors and managers. The Board of Directors discusses and adopts the conclusions of the Remuneration Committee. The remuneration of the company's directors consists of a salary, emoluments, and expense allowances (travel expenses); the remuneration of the company's managers comprises a salary, bonuses, and severance payments. In addition, stock option certificates were issued in May 2023 as an employee reward. The relevant information is disclosed in the company's the Annual Report ⤤ (Page 20-21).

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

2.4 Corporate Risk Management

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

Risk Management Policies

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

Risk Management Organization

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

ADLINK

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

Risk Management Procedure

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

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

Risk Management Flow Chart

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

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

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

Risk Identification

Risk Analysis

Risk Assessment

Risk Response

Risk Monitoring and Review

Risk Identification and Analysis

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

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

ADLINK

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

Risk Assessment - Matrix

Identify key risk items according to the "probability of occurrence" and "level of impact" of the risks.
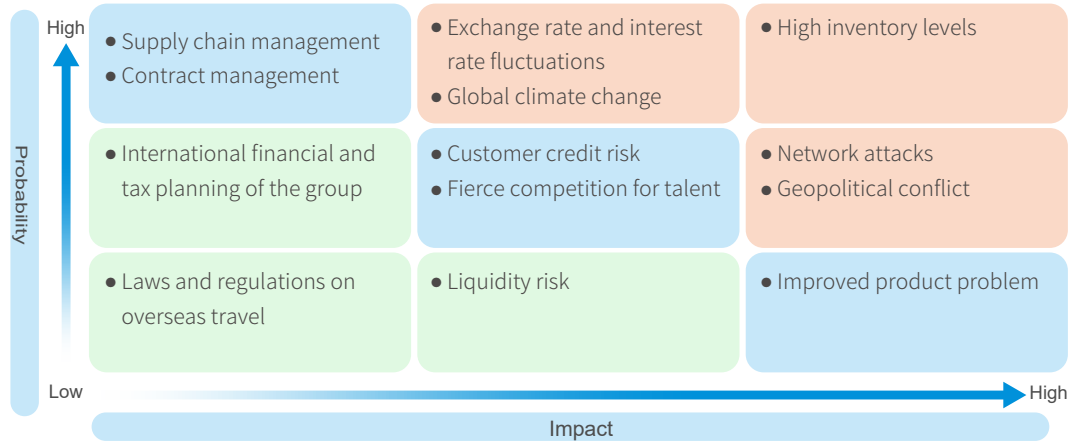
				Risk Level	Description
High	• Supply chain management • Contract management	• Exchange rate and interest rate fluctuations • Global climate change	• High inventory levels	High	Unacceptable level of risk. Control measures must be implemented to reduce risk.
	• International financial and tax planning of the group	• Customer credit risk • Fierce competition for talent	• Network attacks • Geopolitical conflict	Medium	If control measures are in place, the risk is acceptable. Attempt to reduce risk to a minimum.
Low	• Laws and regulations on overseas travel	• Liquidity risk	• Improved product problem	Low	Acceptable level of risk. The company can attempt to eliminate the risk, but risks rated higher should be given priority.

Probability (vertical axis: Low → High)

Impact (horizontal axis: Low → High)

Risk Response and Review

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

Risk Type	Risk Items	Control Measures
Financial Risk	Exchange rate fluctuations	Regarding the foreign currency receivables and payables generated from the operations of the group companies in different countries, we prioritize adjusting them to the corresponding currencies. By offsetting foreign currency assets and liabilities, a natural hedge effect is achieved, reducing the net foreign exchange exposure. For the remaining net exposure, the headquarters will plan and execute forward foreign exchange transactions to moderately mitigate exchange rate risks.
	Interest rate fluctuations	In terms of capital planning, the principle of prudence has been adopted. The first priority is safety and liquidity, and money market interest rates and financial information are regularly evaluated. Due to the increase in capital expenditure for the acquisition of the headquarters of the company in recent years, bank borrowings have increased. It is expected that the future operating cash inflow will gradually repay the loan to reduce the risk of interest rate hikes.
Hazard Risks	Global climate change	See Chapter 4.2 for details.

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

Risk Type	Risk Items	Control Measures
Strategic Risk	High inventory levels	**1** Integrate order forecasts with historical sales data and back orders; implement weekly alerts to provide information about deviations in the order forecast for the next three months. **2** Strictly enforce cancellation and postponement policies for customer orders: In principle, orders for standard products cannot be canceled or postponed four weeks prior to the ship date; orders for original-equipment-manufacturer (OEM), original-design-manufacturer (ODM), and end-of-life (EOL) products cannot be canceled, and postponement of such orders is subject to the same policy as for standard products. **3** Time and materials contracts are required for orders of end-of-life (EOL) products and materials with long lead times; orders over NT$1,000,000 require a deposit. For orders that require more than one year to prepare all materials, an estimate of annual consumption must be submitted at the time of ordering for later review. **4** Maximize the use of leftover material by selecting pin-compatible designs; sell surplus material on a monthly basis.
Information Security Risk	Cyber attacks	**1** A dedicated organization for information security, the "Information Security Office", is established to coordinate, plan, monitor, and implement information security management operations. **2** Obtain ISO/IEC 27001:2013 certification and follow its standards to continuously enhance the confidentiality, integrity, and availability of information systems. **3** Establish a 24/7 "Information Security Monitoring Center" and implement a "Web Application Firewall" to achieve comprehensive and proactive information security risk control.
Hazard Risks	Geopolitical conflict	**1** Diversified Supply Chain: Reduce the impact of geopolitical tensions on the supply chain by diversifying it and reducing dependence on specific regions or countries. Find alternative suppliers and supply channels to be able to react flexibly to emergencies. **2** Political Risk Assessment: Regularly assess and monitor various geopolitical risks, including trade restrictions and customs policies, as well as geopolitical events that could impact the company's business. Establish a risk management unit and processes to promptly respond to potential risks. **3** Business Diversification: Formulate long-term strategic plans, consider geopolitical instabilities, and implement business diversification, including entering new markets and expanding product lines to diversify risks and reduce dependence on specific regional markets. **4** Enhance Compliance and Regulatory Cooperation: Pay attention to information released by local governments and regulators to comply with local laws and regulations, strengthen compliance management, and keep abreast of and respond to legal as well as regulatory changes that may be introduced by local governments.

ADLINK

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

2.5 Regulatory Compliance

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. ADLINK also actively provides guidelines for compliance through plant bulletin boards, our internal web pages, columns and articles for education, etc., so that our employees can easily obtain new information related to the regulations and deepen their understanding of various issues. If he/she is a new employee, the company will grant a course of ethics and they should pass the assessment. By explaining common cases and penalties, employees are alerted and encouraged to integrate self-management into their daily work.

ADLINK's Regulatory Compliance Training Programs in 2023

Course Title	Audience	Contents/Goals	Courses Taught	Number of Participants	Training Completion Rate
Code of Ethics Course	New employees	The course content covered the following core topics, which are closely linked to work discipline and integrity management: Professional ethics and anti-corruption training Avoidance and declaration of conflicts of interest Privacy protection Antitrust Laws (Fair Trade Laws)	8	131	100%
Regulation Identification Courses	Employees of environmental safety office	The personnel of the environmental safety office and related departments can understand the key points of laws and regulations, and can immediately respond to legal requirements.	4	96	-
Intellectual Property Office Patent Search System Utilization	R&D, marketing, and intellectual property colleagues	Providing employees with knowledge of intellectual property rights, enabling them to effectively plan and implement the company's intellectual property strategies.	3	36	-

Note 1: Participation in the Regulations Identification Training for the Environmental Safety Office was not mandatory. Therefore, the completion rate is not indicated.
Note 2: Participation in the Intellectual Property Office Patent Search System Utilization Course was based on an enrollment system. Therefore, the training completion rate is not indicated.

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

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

Since its establishment, ADLINK has not engaged in any anti-competitive practices and has not been involved in any litigation related to violations of antitrust and monopoly laws. Nor have we ever received penalties, warnings, or other non-voluntary orders for improper marketing of products. In order to enhance employees' ethical awareness, ADLINK has spread and deeply rooted the information in ADLINK's essence through internal and external requirements, thereby strengthening and consolidating ADLINK's corporate culture of positive self-discipline. In addition, the company's product development to production stage adopts a high degree of independent standards, so it has never been involved in any infringement or illegal activities, and has never been punished for selling products. If the company experiences any significant compliance violations, it must disclose them in the Sustainability Report to adhere to the principles of transparency and meet the reporting requirements of GRI Standards for balanced reporting. The definition of material compliance violations is the same as Point 26, Article 4 of the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities". It refers to events such as disasters, collective protests, strikes, environmental pollution, information security incidents, or other major incidents that lead to any of the following situations:

1 Those who cause significant losses or impact to the company.

2 Those who have been ordered to suspend work, suspend business, or close by related authorities, as well as those who have had their pollution-related permits abolished or revoked.

3 Those who have been fined over NT$1 million for a single incident.

Number and Amount of Law Violations/Fines of ADLINK between 2021 and 2023

Instances of noncompliance from 2021 to 2023 (including fines and non-monetary sanctions)	2021	2022	2023
Incidents of corruption or bribery	0	0	0
Incidents of discrimination and harassment	0	0	0
Incidents of customer privacy data breaches	0	0	0
Incidents for conflicts of interest	0	0	0
Fraud, money laundering or insider trading	0	0	0
Anti-competitive behavior, antitrust and monopolistic behavior, or market manipulation incidents	0	0	0
Other incidents related to integrity management or any major violations of laws and regulations	0	0	0
Other violations of general administrative laws and regulations	0	1 (For late submission of the "Class B Waste Technician Certificate and Installation Application," with a penalty of NT$ 6,000)	0

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

2.6 Information Security Management

Management of ADLINK's Material Topic "Information Security Management" in 2023

Material Topic		Information Security Management
Impact Assessment	Positive/ Actual	Establish information security management systems to ensure the company's continued operations and meet customer requirements as well as the company's commitment toward employees.
	Negative/ Potential	Failure to meet customer or regulatory requirements may result in business losses and penalties, potentially increasing operational risks and costs.
Corresponding GRI Indicators		• GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data
Corresponding SDGs		SDG 9: 9.1
Policy or Commitments		In order to maintain the sustainable management of the company's operations, the company complies with relevant laws and regulations to protect our information assets. These measures prevent external threats or improper management and use by personnel from leading to unauthorized changes, disclosures, damage, or loss, in order to satisfy the confidentiality, completeness, and availability requirements of information assets.
Indicators and Targets		**Ongoing Objectives** • Conduct social engineering drills at least once a year and organize information security training as well as related promotional activities to increase employees' awareness of information security. • Establish an effective log monitoring mechanism to track and detect abnormal network and system activity. • Continuously maintain information security management system standards and conduct regular audits and drills.

Material Topic	Information Security Management
Indicators and Targets	**Mid- to Long-term Objectives（2025 — 2030)** • Complete the conversion to ISO/IEC 27001:2022 by 2025. • The information security framework adheres to the security standards set by the National Institute of Standards and Technology (NIST) as its reference. • Improve document protection mechanisms and eliminate the risk of confidential information being leaked. • Promote the application of digital identity authentication and password-less identity management technologies that aims to protect the privacy and security of customers and users. • Strengthen a secure development and testing culture to ensure that the design of development frameworks and the deployment environments maintain high security standards, effectively improving the overall software security quality.
Effectiveness Tracking Mechanism	**Information Security Reporting:** The information unit's reporting window will assess and record the event severity level. Based on the severity of material information security incidents or the level of operational impact, the decision to activate the information security incident recovery plan will be made. The Chief Information Security Officer (CISO) will consolidate the determinations and report them to the CEO Office for further action. The information unit must resolve and confirm the root cause of the incident within the target resolution time. It is necessary to conduct analysis and implement corrective actions to prevent the recurrence of similar events. **Tracking Items:** • Information security related audit results • Number of material information security violations leading to customer data leakage and fines • Number of incidents leading to complaints to the company related to customer personal data protection violations or loss of customer data
Annual Actions and Measures	• In 2023, ADLINK passed all information security-related audits without any significant deficiencies • No material information security violations leading to customer data leakage and fines • No incidents leading to complaints to the company related to customer personal data protection violations or loss of customer data • The company completed ISO 27001:2013 Information Security Management international re-certification in 2023

ADLINK

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

ADLINK continues to focus on the information security risks that may arise from the external and internal environments, and has established a number of management policies and procedures to improve the level of information security and reduce possible risks. To improve the company's information security protection capabilities, the "Information Security Office" has been established with dedicated information security supervisors and staff to facilitate the promotion and implementation of information security. In the meantime, ADLINK has obtained the ISO/IEC 27001:2013 certification for information security management systems. To confirm the continued validity of the certification, the company also completed the recertification process in 2023. The conversion to ISO/IEC 27001:2022 is expected to be completed in 2025. By implementing international management certification, we aim to enhance the information infrastructure, information application systems, and related information security levels. This helps us fulfill the core requirements of information management and ensures the sustainable operation of the company as well as data security.

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

With today's increasing digital threats, ADLINK introduced the "Security Operation Center" (SOC) project in 2022 to accelerate the response to the evolving threats. We use year-round 24/7 uninterrupted and effective services to help the company with more comprehensive information security management services including proactive detection the security events, real-time monitoring and response during the security incidents, and post-incident analysis and recovery.

Information Security Monitoring Center

Alert management

Threat intelligence

Root cause analysis

Log collection

SOC

Preventative maintenance

Continuous monitoring

Collect information and logs from the implemented information security solutions/devices to enable the visibility, accelerate the response and handling of the information security incidents, thereby reducing the potential information security risks and eliminating the latent period caused by any information security vulnerabilities. ADLINK will continue to expand the scope of monitoring to achieve comprehensive and proactive information security protection mechanisms.

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 commit to formulating appropriate information security strategies based on the core values and sustainable management direction of the company. Through regular reviews, we will gradually strengthen our information security management, in addition to providing robust and reliable products and services, we also offer our customers and employees a complete and trustworthy information environment.

ADLINK

Sustainability Vision and Goals | Company Overview | **Corporate Governance** | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

Information Security Committee

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                    │     MDO      │
                    └──────┬───────┘
                           │
         ┌─────────────────┴───────────────┐
    ┌────┴─────┐                    ┌───────┴──────────┐
    │   CISO   │────────────────────│   Information     │
    └────┬─────┘                    │  Security Office  │
         │                          └───────────────────┘
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Information Technology | Human Resource | Legal | General Affairs | Engineering | Internal Control & Audit
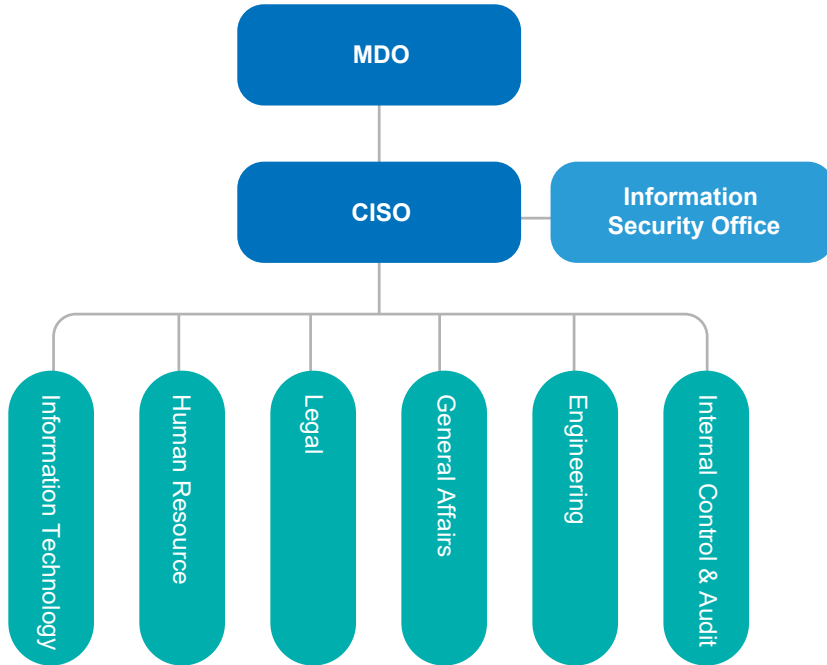
Industry standards and regulations enable our customers to focus on their core competencies, thereby reducing time to market and reducing costs. As a leader in the industry, ADLINK, actively cooperates with the information security audits and requirements from customers around the world. In recent years, we have met global client's information security audit requirements without any major deficiencies. 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.

To continuously strengthen the company's information security and minimize operational obstacles and risks, a significant percentage of the company's budget is allocated annually and implemented as needed to mitigate both known and unknown risks.

Information security budget ratio

■ Cybersecurity Budget   ■ IT Budget

Year	Cybersecurity Budget	IT Budget
2023	21%	79%
2022	24%	76%
2021	21%	79%
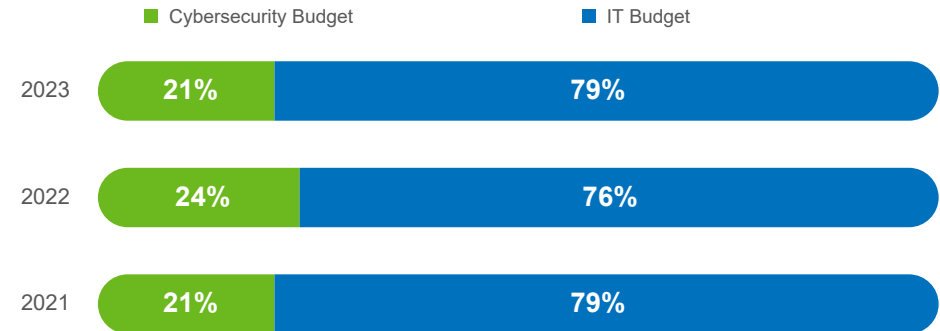
Information Security Risk Management

The control of information security risk management depends on how many information security risks have been visualized and indicated. 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 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. In addition to establishing the "Information Security Committee," ADLINK works with the Risk Management Committee to better understand the organization and its risk management objectives. Both internal and external factors are considered to address information security issues that could affect the company and its business.

Each year, we verify the facts by working with external audits and our internal audit office. We confirm and update the current status of risks according to our information assets and risk assessment forms to ensure that the IT department can provide continued operations when risks occur. All risks or audit results shall be handled under the framework of the ISO 27001 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.

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

Information Security Risk Management and Continued Improvement Framework

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

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

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

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

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.

ADLINK

Sustainability Vision and Goals   Company Overview   **Corporate Governance**   Sustainable Supply Chain and Innovative Technologies   Environmental Care   Employee Care and Workplace Satisfaction   Social Engagement   Appendix

Information Security Risk Management Guidelines

In accordance with the Cybersecurity Framework (CSF) developed by the National Institute of Standards and Technology (NIST) of the Unites States, the company strives to create a comprehensive risk management cycle, establish risk indicators, and assess its overall information security maturity to ensure that its information security requirements meet international standards.

For the practice of digitizing risk indicators, the external Internet service will use non-intrusive information collection technology through a third party, through the collection of public data, network trapping mechanism, threat information integration and combination of vulnerability search engines. All security risk indicators are 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.

NIST Cybersecurity Framework
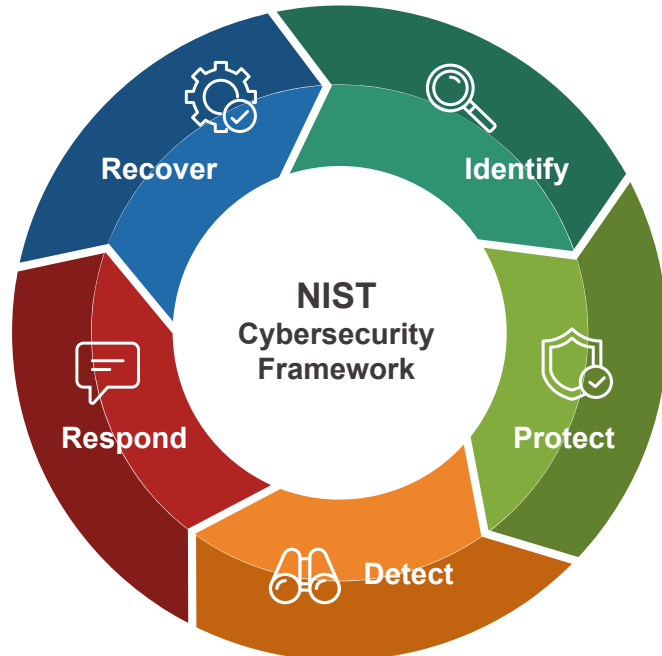
Information Security Management Measures and Results

- We will continue reviewing the latest information security standards and regulations and update the information security policies and procedures to ensure their appropriateness and adequacy.
- Each year, we verify the facts by working with external audits and our internal audit office. We confirm and update the current status of risks according to our information assets and risk assessment forms.

Year	Significant Deficiencies	Secondary Deficiencies	Observed Items	Subtotal
2022	0	1	12	13
2023	0	1	9	10

- Enhanced employees' awareness of information security risks and organized regular social engineering drills, complemented by information security promotional activities, training, and education.

Item	2023
Percentage of employees passing social engineering tests	94%
Information security education and training ratio	90%

Note: All drills, education, and training were conducted for headquarters staff only (excluding direct personnel).

- Implemented the Security Operation Center (SOC) to provide uninterrupted and effective services for information security incident detection, response, forensics, analysis and recovery all year round.
- Conducted annual situational drills based on the information business continuity and drill plan so that IT department can ensure continuous operations when problems arise

Item	2023
Percentage of implementation of the 21 planned projects	100%

- Install antivirus software on each endpoint and set up next-generation firewalls as well as endpoint protection mechanisms to control device security
- Established evaluation procedures for outsourcing vendors and ensure vendors are regularly updated and align ADLINK's latest information security policies

Sustainability
Vision and Goals

Company
Overview

**Corporate
Governance**

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

2.7 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.

ADLINK's Intellectual Property Management Policy

Management Approach	Content
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" one by one 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 Project Manager or marketing 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 portfolio 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 the controls for electronic and paper documents. During the exit interview, the HR unit shall clearly inform the resigned/retired employees of the ownership of intellectual property rights, confidentiality obligations, non-compete restrictions and other relevant legal responsibilities.
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

Sustainability Vision and Goals | Company Overview | **Corporate Governance** | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

ADLINK leverages its rich experience and global presence in the field of industrial computers to provide professional and fast customized services, including hardware and software integration of motion control technologies, AI-vision applications to empower production lines, the SWARM CORE management platform with heterogeneous integration capabilities, SMR-series autonomous mobile robots, the new generation of edge computing platforms, and all-in-one 5G private network solutions to usher in the new era of smart and low-carbon development. As of January 29, 2024, 68 trademarks have been approved worldwide, 60 of which have been effectively maintained, while 20 are still pending. Regarding the overall portfolio of patents, the number of patent applications decreased between 2021 and 2023, particularly in Taiwan. The main reason for the decline in the number of patent applications in Taiwan is that internal patent examination has become more stringent in terms of quality and value in order to better manage patent costs.

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

Region	2021	2022	2023
Taiwan	12	10	7
China	17	14	14
United States/Europe	6	8	6
Total	35	32	27

Source: ADLINK Legal Office
Note: Data from ADLINK Technology (China) Co., Ltd. was not included in the previous Sustainability Report. In 2023, the patents of the branch offices were managed by the global headquarters. Therefore, the current report has been updated with the latest data.

Types of Patent Applications by ADLINK in the Past 3 Years

Product Classification	2021	2022	2023
Motherboard Design	2	6	5
Expansion Components	8	14	11
System Monitoring	14	7	5
Communication Method	11	5	6

Source: ADLINK Legal Office
Note: Data from ADLINK Technology (China) Co., Ltd. was not included in the previous Sustainability Report. In 2023, the patents of the branch offices were managed by the global headquarters. Therefore, the current report has been updated with the latest data.

Categorized Table of Patents Held by ADLINK

Region	Total Number of Patents Held (Public/Announced)
Taiwan	131
United States	89
China	112
Other Countries	18
Total number of patents	350

Source: Global Patent Search System
Date of Query: January 29, 2024

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix
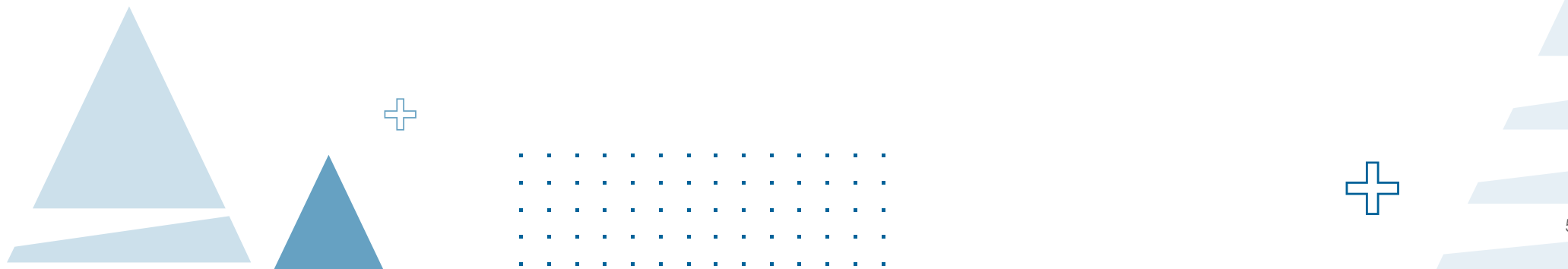
Incentives Plan for Innovation

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 acquisition of patents, in particular, patents obtained in the US will earn the employee additional bonuses. ADLINK has established the Patent Review Committee which 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 publication shall be issued, in order to protect ADLINK's intellectual property.

ADLINK Internal Patent Reward Measures

(Unit: NT$)

Phase	Reward Measures			
	Invention	Utility Model	Design	Trade Secrets
Phase 1 **Submit an internal review to the Legal Office**	1,000			
Phase 2 Bonus **Obtain an official application number**	6,000	3,000	3,000	
Phase 3 Bonus **Obtain TWN patent**	20,000	10,000	8,000	--
Obtain USA Patent	10,000			
Total	37,000	24,000	22,000	8,000 to 30,000 Approval is given on a case-by-case basis

Source: ADLINK Legal Office

Total Amount and the Number of Patent Rewards Awarded by ADLINK in the Past 3 Years

Item	2021	2022	2023
Reward Amount (Unit: NT$1,000)	168	391	407
Number of Patent Applications	14	12	6
Number of Documents Received	8	12	15
Number of Special Rewards	1	3	2

Note: Reward amount is calculated for ADLINK's headquarters only.

3

Sustainable Supply Chain and Innovative Technologies

3.1 Creating a Sustainable Supply Chain

Management of ADLINK's Material Topic "Supply Chain Management" in 2023

Material Topic		Supply Chain Management
Impact Assessment	Positive/ Actual	Increase the efficiency of the entire green-value chain by selecting qualified green suppliers; extend the concept of sustainable management to the supply chain and formulate specific sustainable management methods and targets for suppliers; The new suppliers shall sign the "Suppliers Social Responsibility Risk Assessment and Evaluation Form" and "Suppliers Sustainability and Corporate Social Responsibility Dissemination and Commitment Statement". This allows suppliers to declare their compliance with environmental and social standards and commit to integrity and anti-corruption principles.
	Negative/ Potential	The processes and products within the supply chain can potentially lead to issues such as resource depletion, deforestation, environmental pollution, as well as social risks including labor rights violations and human rights infringements. Existing suppliers are required to participate in annual ESG sustainability assessments and RBA supplier audits, which may increase their liabilities and management costs.
Corresponding GRI Indicators		• GRI 308-1 New suppliers that were screened using environmental criteria • GRI 308-2 Negative environmental impacts in the supply chain and actions taken • GRI 414-1 New suppliers that were screened using social criteria • GRI 414-2 Negative social impacts in the supply chain and actions taken
Corresponding SDGs		SDG 8: 8.7, 8.8 SDG 12: 12.5 SDG 16: 16.5 SDG 17: 17.17
Policy or Commitments		To ensure the quality of its products and fulfill its business principles, ADLINK not only requires its suppliers to meet high standards of quality, cost, delivery, as well as environmental health and safety, but also actively works with them to help them achieve their sustainable development goals, including environmental protection, human rights protection, and resource recycling. ADLINK has extended its sustainability philosophy to the entire supply chain and developed a code of conduct for sustainable behavior. The company looks forward to working with upstream and downstream suppliers to fulfill its social responsibility in terms of environment, society, and governance. This joint commitment contributes to a sustainable supply chain based on positive interactions, allowing the company to cooperate with its suppliers to create a supply chain system that can be developed sustainably. By working together in this way, the company hopes to achieve a situation in which the economy, society, and environment all benefit and realize the common goal of sustainable development.
Indicators and Targets		**Short-term Goals（2024）** • In accordance with the ISO 9001:2015 and TL 9000 standards as well as the Responsible Business Alliance (RBA) Code of Conduct, which prescribes supplier assessment practices, define the Supplier Tracking Plan for formal suppliers to comply with. Request the main suppliers who supplied the company more than 100 times in the previous year to carry out self-assessments and offer them relevant training. Achieve a completion rate of 100% for a total of 82 suppliers on the target list for 2024. **Mid-term Goal（2028）** • As part of the second phase of the program, the completion rate of tracking, assisting, and auditing formal suppliers is expected to reach 90% by 2028. In cases where non-compliance is identified, suppliers are required to provide a review of their practices and implement necessary improvements under monitoring. Failure to address the issues will result in the removal of the supplier from the list of approved vendors. **Long-term Goal（2030）** • The completion rate of tracking, assisting, and auditing formal suppliers is expected to reach 100% by 2030. In cases where non-compliance is identified, suppliers are required to provide a review of their practices and implement necessary improvements under monitoring. Failure to address the issues will result in the removal of the supplier from the list of approved vendors.

ADLINK

Sustainability Vision and Goals   Company Overview   Corporate Governance   **Sustainable Supply Chain and Innovative Technologies**   Environmental Care   Employee Care and Workplace Satisfaction   Social Engagement   Appendix

Material Topic	Supply Chain Management
Effectiveness Tracking Mechanism	• We urge suppliers to understand the concept of social responsibility and cooperate with the management activities of sustainability and social responsibility of the company as well as international standards to achieve green and sustainable supply chains. The suppliers shall undergo regular or periodic audits.
Annual Actions and Measures	• In 2023, 100% of new suppliers completed the screening and review of environmental and social standards • In 2023, 100% of the 44 main suppliers completed RBA review and training • In 2023, 468 formal suppliers signed the Suppliers Social Responsibility Risk Assessment and Review Form, with a response rate of 83.87%. • In 2023, 473 formal suppliers signed the Suppliers Sustainability and Corporate Social Responsibility Dissemination and Commitment Statement, with a response rate of 84.77%. • Following the review, there were no suppliers with significant actual or potential negative impacts on the environment, society, and human rights.

Management of ADLINK's Material Topics "Material Procurement" and "Green Products" in 2023

Material Topic		Material Procurement, Green Products		
Impact Assessment	**Positive/ Actual**	With global markets increasingly concerned about issues such as environmental protection, ethical sourcing, as well as health and safety, complying with or proactively responding to relevant requirements can help expand market opportunities, build a positive brand image, and mitigate potential operational and legal risks.		
	Negative/ Potential	In order to comply with or respond to environmental, ethical, and safety standards, more resources and costs are required to improve the process of procuring components and ensure that products meet regulatory and customer requirements; failure to comply with or respond to relevant requirements could jeopardize product quality and brand reputation, thereby adversely affecting the company's operations.		
Corresponding GRI Indicators	• GRI 204-1 Proportion of spending on local suppliers		• GRI 416-1 Assessment of the health and safety impacts of product and service categories • GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	
Corresponding SDGs	SDG 11: 11.6, 11.a		SDG 12: 12.5, 12.6	SDG 17: 17.17
Policy or Commitments	To provide customers with turn-key solutions that comply with industry standards and help them focus on their core competitive strengths, we will continue to prioritize local suppliers and green materials in the future to shorten time-to-market and lower product costs. We also continue to maintain zero-conflict minerals procurement. During the product design and assembly manufacturing process, we are dedicated to preventing the generation of excessive waste that pollutes the environment and improving our methods, in order to implement environmental protection and realizing our sustainable development goals.			

Material Topic	Material Procurement, Green Products

Indicators and Targets	**Short-term Goals（2024）** • The collection readiness of "Full Material Declaration (FMD)" to achieve 55% • The total ADLINK supplier response rate on the four conflict minerals (3TG) to achieve 92% **Mid-term Goal（2024 － 2026）** • Include the voluntary conflict mineral survey of cobalt in ADLINK's Conflict Minerals Policy • Continue to pay attention to the electronics industry's attitude toward the use of per- and polyfluoroalkyl substances (PFAS) and evaluate the corresponding measures and management standards **Long-term Goal（2027 － 2030）** • Continue to prioritize local suppliers and environmentally friendly materials with the goal of achieving comprehensive system production • Include cobalt in ADLINK's Conflict Minerals Policy and initiate relevant investigations • Include information on per- and polyfluoroalkyl substances (PFAS) into ADLINK's management practices
Effectiveness Tracking Mechanism	• For each material, the supplier is required to sign the "Supplier Declaration" or provide the " EU RoHS & EU REACH Declaration" to ensure that the materials supplied to ADLINK meet environmental laws and regulations • Every year, due diligence investigations are conducted to determine whether suppliers are using conflict minerals. ADLINK also discloses the sources of minerals used in its products.
Annual Actions and Measures	• To support local economic development, the local procurement ratio in 2023 was 82.10% • In 2023, 100% of key suppliers provided the "Supplier Declaration" or "Supplier EU RoHS & EU REACH Declaration" • In 2023, 91.57% of suppliers disclosed the sources of minerals used in their products, and 100% of suppliers confirmed that they do not use conflict minerals • In 2023, the FMD collection and completion rate was 51.59% • There were 0 incidents of non-compliance concerning the health and safety impacts of products and services in 2023 • 100% of the company's products comply with the safety certification requirements applicable in the regions in which they are sold

▲ Supply Chain Management

Industry Value Chain

ADLINK places a strong emphasis on research, development, and manufacturing in the industrial computer industry. In the technology industry value chain, ADLINK operates as a manufacturer involved in the entire process from R&D and design to in-house production. We procure key raw materials such as semiconductor wafers, electronic components, and mechanical boards from upstream suppliers, as well as cases and other materials. After processing and manufacturing the finished products using production equipment, ADLINK ships them to downstream distributors or end customers. In 2023, there were no significant changes observed in the company's supply chain or business relationships with upstream and downstream suppliers and customers.

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

Upstream, Midstream, and Downstream Suppliers of ADLINK

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

Midstream Manufacturers
• Factories owned by ADLINK
• Contractor parts factories

Downstream Distributors
• ADLINK authorized distributors
• End customers

Supplier Sustainability Management

Both social and environmental standards form part of ADLINK's compliance with corporate sustainable development (ESG). We also ensure that ethical and environmental principles are followed during production by our supply chain in accordance with ISO 9001:2015 and TL 9000 management standards. Audits and questionnaire surveys of existing suppliers revealed no significant negative impacts on the environment or society. In addition to the promotion and commitments made to qualified suppliers, starting from 2016, ADLINK has enabled the Green Product Management System (GPMS). This system ensures that the materials used in our products are safe and of high quality for end users. This includes compliance with EU environmental regulations, Supplier Declaration, Material Declaration, and 3rd-Party-Lab RoHS Test Report, all aimed at ensuring the quality of our collaborative efforts.

In order to implement sustainable management, ADLINK requires partners in the supply chain to follow the relevant policies, demonstrating ADLINK's dedication and commitment to sustainability issue management for suppliers. In addition to the existing CSR management guidelines covering human rights management, conflict minerals, social responsibility, quality, and environmental health and safety declarations, the new supplier audit checklist includes these relevant declarations. As of 2023, ADLINK has maintained a 100% achievement rate for comprehensive supplier compliance. Starting from 2022, ADLINK has formally implemented the Responsible Business Alliance (RBA). The purchasing department has modified relevant documents and initiated their execution accordingly. New suppliers are required to sign the "Supplier Sustainability and Corporate Social Responsibility Advocacy and Commitment Statement" as well as the "Supplier Social Responsibility Risk Assessment and Evaluation Form". By signing these documents, suppliers declare their compliance with environmental and social standards and commit to integrity and anti-corruption principles. New suppliers must complete the signing process to be included in the evaluation phase as qualified suppliers. All approved suppliers of ADLINK must issue a written declaration that they will engage in voluntary audits, carry out continuous improvement, and shoulder their corporate sustainable development responsibility.

Responsible Business Alliance Code of Conduct Progress in 2023

Supplier Types	Number of Companies	Suppliers Sustainability and Corporate Social Responsibility Dissemination and Commitment Statement	Suppliers Social Responsibility Risk Assessment and Review Form	The Statements and Evaluation Review Forms Included
All Suppliers	558	83.87%	84.77%	83.33%
Key Suppliers	44	100%	100%	100%
New Suppliers	57	100%	100%	100%

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

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

ISO 9001:2015 & TL 9000

ESG

GPMS

RBA

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | **Sustainable Supply Chain and Innovative Technologies** | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

ADLINK's Four Major Criteria for Supplier Selection

ADLINK's Supply Chain

Implement Green Procurement	Sustainable Supply Chain	Risk Management	Social Responsibility
The Green Product Management System ensures that the materials used in our products are safe and of high quality for end users. This includes compliance with EU environmental regulations, Supplier Declaration, Material Declaration, and 3rd-Party-Lab RoHS Test Report. Annual continuous audits and on-site assessments are conducted for suppliers to ensure the quality of our collaborative efforts. ◦	• Regularly determine the risk level of critical materials and establish a database of interchangeable materials based on the difficulty of material procurement and increase the proportion of interchangeable materials in the list of new products to reduce the risk of single-source materials. • Annual evaluation of suppliers is made every year to ensure continuous supply and stable quality. Based on the results of ongoing evaluations, Level A suppliers will have an increased procurement ratio and will be given priority in selection. Level D suppliers will be listed for observation for improvements and their supplier status will be canceled.	The " Suppliers Sustainability and Corporate Social Responsibility Dissemination and Commitment Statement " and "Suppliers Social Responsibility Risk Assessment and Evaluation Form" allow suppliers to declare their compliance with environmental and social standards and commit to integrity and anti-corruption principles. New suppliers must complete the signing process to be included in the evaluation phase as qualified suppliers.	Suppliers are required to sign the "Supplier Declaration" to commit to the compliance of their supplied products or components. This includes product accessories, packaging materials, and other related attachments associated with product delivery.

Percentage of Continuous Assessment Results of Trading Partners

C=on watchlist 0%
D=unqualified 0%
B=satisfactory 38%
A=excellent 62%
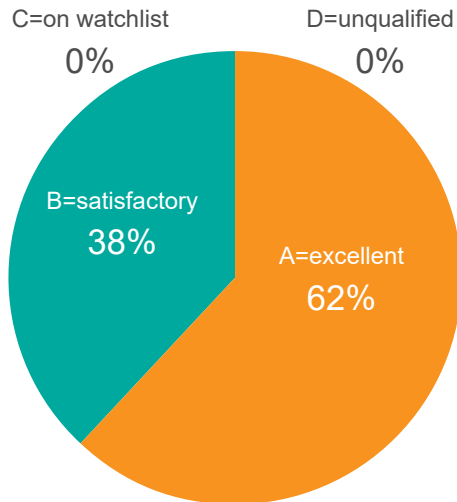
Risk Category	Documents to be Signed/Committed by Suppliers	Response Status in 2023
Environmental Risk	• Supplier Declaration" or "EU RoHS & EU REACH Declaration Suppliers are required to sign the "Supplier Declaration" or provide the "Supplier EU RoHS & EU REACH Declaration" to commit to the compliance of their supplied products or components. This includes product accessories, packaging materials, and other related attachments associated with product delivery. In the event of non-compliance with relevant regulations, ADLINK reserves the right to terminate or dissolve the contract to avoid any negative impact on human health and environmental safety.	100% signature return from key suppliers
Social Risk	• Non-use of Conflict Minerals Suppliers are required not to use conflict minerals to ensure that the minerals used in our products (such as tantalum, tin, tungsten, and gold) do not contribute to profits associated with armed conflicts. If a supplier uses the minerals listed above, the source of the mineral should be disclosed.	100% of key suppliers do not use conflict minerals
	• Suppliers Social Responsibility Risk Assessment and Review Form To avoid social risks related to human rights violations in the supply chain, all formal suppliers must contractually ensure that they meet the company's basic requirements on issues such as labor rights or health and safety, and that effective measures are taken to prevent the occurrence of adverse incidents.	100% signature return from key suppliers
	• Suppliers Sustainability and Corporate Social Responsibility Dissemination and Commitment Statement All formal suppliers must sign a declaration of compliance with environmental and social standards of the company. One main supplier that failed to respond was audited. No significant actual or potential negative environmental and social impacts were identified. The supplier was added to the list of regular observations as a fixed audit subject.	100% signature return from key suppliers
Governance Risk	• Declaration and Undertaking to Integrity and Fiduciary Duty All formal suppliers are required to sign the "Declaration and Undertaking to Integrity and Fiduciary Duty". After evaluation and approval, they are considered qualified suppliers who meet the required standards.	A total of 615 suppliers have completed the signing process

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

▲ Material Procurement

Local and Offshore Procurement and Supply Chain Characteristics

In order to reduce the environmental impact of transportation and achieve carbon reductions, ADLINK gives preference to local suppliers at our production locations. Benefits include improving efficiency and performance as well as reducing environmental damage. Suppliers are important partners for ADLINK's operation. We are working closely together to seek sustainable corporate development and growth. ADLINK's main production and operation base is located in Taipei. Therefore, ADLINK's procurement team has made it a priority to continue to involve local brand manufacturers in the green supply chain and continuously analyze their proportion. The increase in the purchase amount from overseas strategic partner NVIDIA in the past two years has caused the company's proportion of local procurement to decrease, falling to 82.1% in 2023. However, with an average of 86.35% over the last three years, the company remains steadfast and committed to its goal of fully advancing regional procurement.

ADLINK Local Supply Trading Amount Share Rate in the Past 3 Years
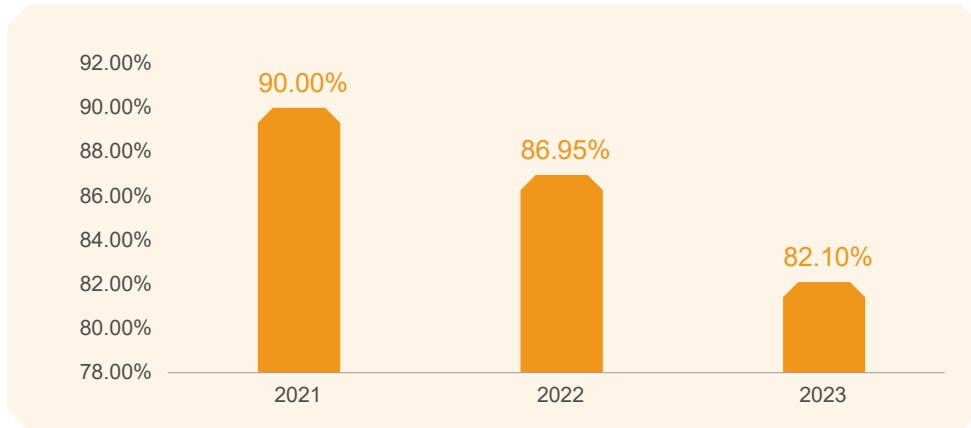
Since 2011, ADLINK has initiated supplier control strategies to reduce carbon emissions. This involves implementing localization and centralized procurement practices. From 2011, when both domestic and international carbon emissions amounted to 965.45 CO2e tons, ADLINK has steadily reduced its carbon footprint each year. As of 2023, the carbon emissions have been significantly reduced to 691.39 CO2e tons.

Analysis of Carbon Emissions from Inbound Material Transportation (Metric Tons CO2e) in the Past 3 Years in Relation to the Quantity of Goods Purchased
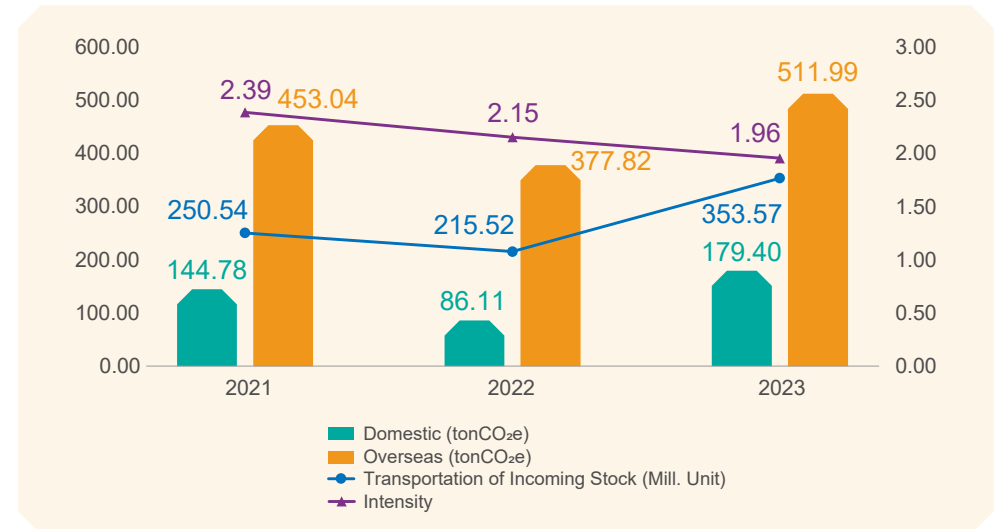
Note 1: Carbon emission calculation method includes: Carbon dioxide emissions for short-haul air travel (within 200 kilometers) = number of kilometers x 0.275; carbon dioxide emissions for medium-haul air travel (200 to 1,000 kilometers) = 55 + 0.105 x (number of kilometers - 200); carbon dioxide emissions for long-haul air travel (1,000 kilometers and more) = number of kilometers x 0.139. Please refer to Calculation Reference Website ⧉ .

Note 2: Intensity ratio calculation method: Domestic and foreign carbon emissions/quantity of goods purchased in the current year

Distribution of Procurement Categories

ADLINK's main products are primarily motherboards and systems. As a result, the majority of its trading vendors belong to the electronic procurement category, accounting for an average of over 70% annually. Electronic components, in particular, constitute an even higher proportion, averaging over 90% annually. In the future, we will continue to focus on the production of comprehensive systems. To provide customers with turn-key solutions that comply with industry standards and help them focus on their core competitive strengths, we will continue to prioritize local suppliers and green materials in the future to shorten time-to-market and lower product costs. As of the end of 2023, ADLINK regularly trades with 660 suppliers. Our supply chain is divided into four main categories as shown below.

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

Distribution of ADLINK's Suppliers in 2023

Mechanical, Non-Metallic
3.04%

Mechanical,
Metallic
20.70%

Packaging Materials
4.87%

Electronics
71.39%
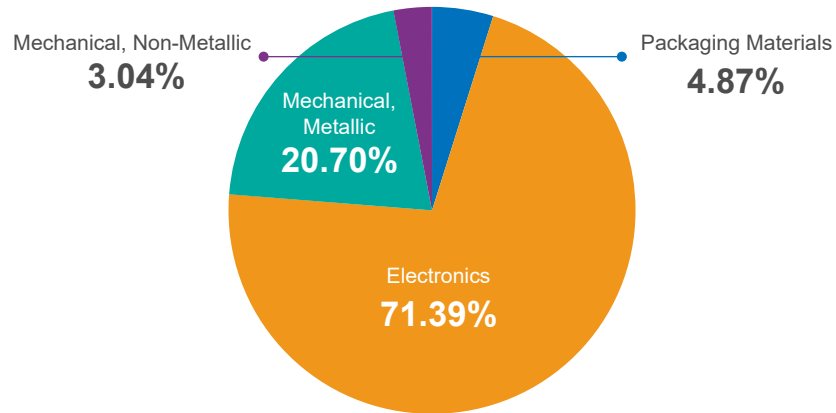
Distribution of Supplied Components to ADLINK in the Past 3 Years

	2021	2022	2023
Package Materials	0.74%	0.64%	0.88%
Mechanical - Metallic	2.41%	1.82%	1.71%
Mechanical - Non-Metallic	0.42%	0.37%	0.34%
Electronics	96.43%	97.17%	97.07%

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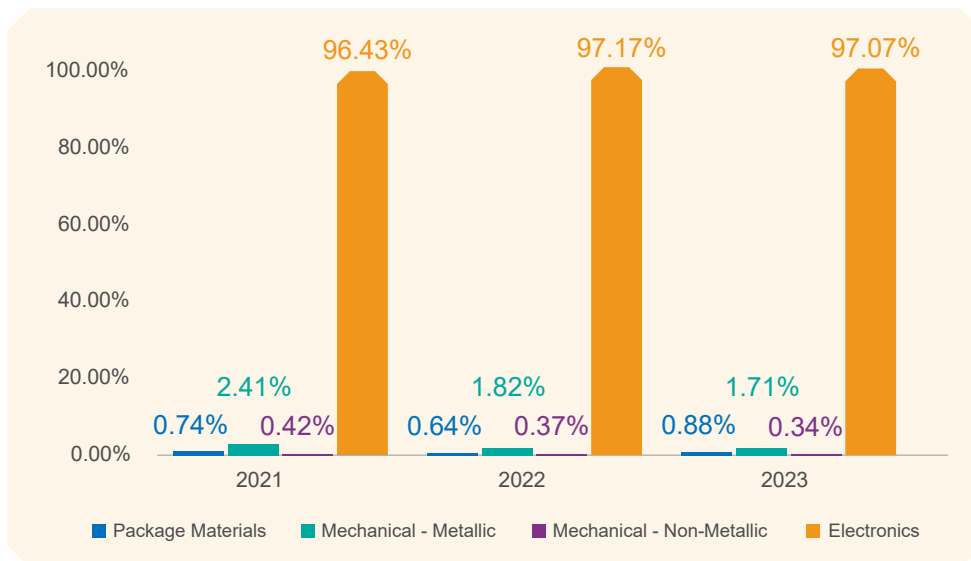
Due Diligence on Conflict Minerals

In the 3 years from 2021 to 2023, the Responsible Minerals Initiative (RMI) published several versions of the Conflict Mineral Report Template (CMRT), which were combined with the different and latest smelter names/alias information announced by RMI, and the updates related to the effective or legal smelters. Following this, ADLINK conducted due diligence on conflict minerals for suppliers. Original manufacturers were asked to identify high-risk smelters and propose gradual improvement plans to facilitate follow up by ADLINK. Because different manufacturers have different considerations related to the business side of high-risk smelters, some responded quickly and some responded slowly. In addition, because of the limited compulsive force of ADLINK on larger manufacturers, we can only collaborate with customers and communicate with uncooperative manufacturers. Therefore, in the three years from 2021 to 2023, there has been relatively minor fluctuation in the response rate for the four conflict minerals (3TG) by ADLINK suppliers. They were maintained at 91.68%, 90.08%, and 91.57%. Since 2022, with the outbreak of regional wars, ADLINK continues to require original manufacturers to identify high-risk smelters and propose improvement plans, in order to meet the requirements of due diligence for conflict minerals.

ADLINK's Supplier Response Rate on Conflict Minerals in the Past 3 Years

2021	2022	2023
91.68%	90.08%	91.57%
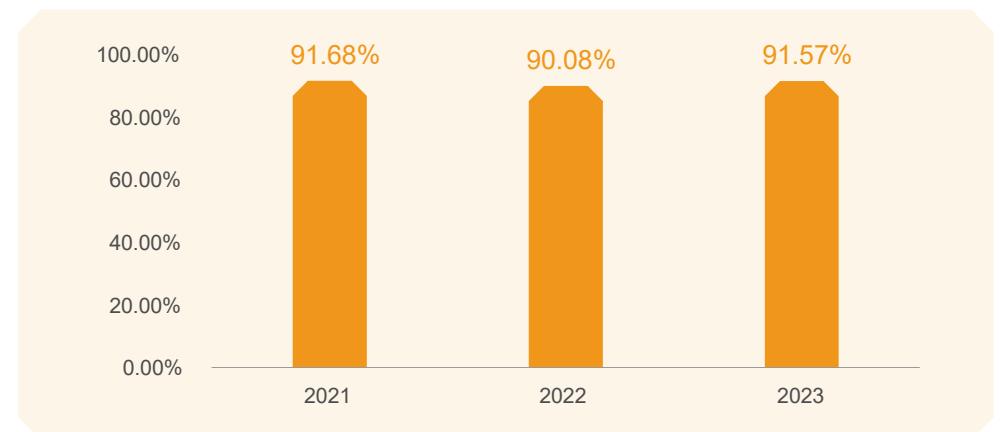
Note 1: ADLINK provides a questionnaire survey to suppliers regarding the 3TG (Tantalum, Tin, Gold, Tungsten) raw material sources.
Note 2: According to the survey responses from suppliers, no conflict minerals were used in the past 3 years.

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

▲ Green Products

Hazardous Substance Management Policies and Regulatory Trends

In accordance with international environmental regulations and customer requirements, ADLINK has formulated the Specifications for Green Part Hazardous Substance Management Specification to restrict the use of hazardous substances in product components, packaging, and production consumables and to ensure the environmental friendliness and safety of its products. At the same time, ADLINK has implemented strict control processes and cooperates with suppliers to ensure compliance by all parties involved. These steps are aimed at creating a production ecosystem that is friendly both to the environment and to human health, fully demonstrating ADLINK's strong commitment to sustainable development and environmental protection.

1 Restriction of Hazardous Substances Directive (EU RoHS)

2 Registration, Evaluation, Authorisation and Restriction of Chemicals (EU REACH)

3 Waste Electrical and Electronic Equipment Directive (WEEE)

4 EU Packaging and Packaging Waste Directive (EU PPWD)

5 EU Batteries Directive and new regulation

6 The latest list of chemical substances and the maximum concentration limit (%) of the material declaration standard IEC-62474, published by the International Electrotechnical Commission

ADLINK continues to monitor the latest regulatory initiatives and developments in Europe and the United States, including the topic on the use of per- and polyfluoroalkyl substances (PFAS) or the Toxic Substances Control Act (TSCA). ADLINK has incorporated these trends into its assessments and is working to develop management protocols and countermeasures.

Green Parts Recognition Operation Guidelines

ADLINK's Green Parts Recognition Operation Guidelines focus on improving methods for assessing health and safety impacts. This includes establishing Green Part Hazardous Substance Management Specification and implementing strict control processes. These measures are intended to ensure that the materials used by the company are free of hazardous substances and comply with international environmental regulations and customer requirements. 100% of the materials used in ADLINK's products abide by these principles.

The Working Instruction of Green Parts Approval Process and Green Part Hazardous Substance Management Specification require suppliers to upload three types of green technical documents to the Green Product Management System (GPMS), including a Supplier Declaration, Material Declaration (Full Material Disclosure), and third-party certified RoHS test report to confirm that all components and packaging materials used in the company's products comply with international environmental regulations as well as the customers' hazardous substance standards.

ADLINK requires and instructs its suppliers to comply with the above regulations. However, not all suppliers are able to provide a complete set of the three green technical documents. Statistics from the Environment Compliance Section show that the number of suppliers able to provide full material disclosure (FMD) is slowly but steadily increasing. The number rose from 46.60% in 2021 to 51% in 2022 and then to 51.59% in 2023. However, collecting all the documents still poses some challenges due to the fact that many components have reached their end of life and are no longer traded or produced. Suppliers or original manufacturers may have ceased updating the documents for these components, making it difficult to collect all the required information. Although the completion rate of document collection has been improved, there is still room for improvement. In addition, since suppliers or agents do not only supply products to ADLINK, when various customers and frontline OEM plants successively require the disclosure policy of FMD, suppliers or agents are more able to understand the demands. We try our best to communicate with the original manufacturer to obtain the declaration of the material composition of the parts sold. At the same time, ADLINK confirmed there were 0 incidents of non-compliance concerning the health and safety impacts of products and services in 2023.

ADLINK

Sustainability Vision and Goals

Company Overview

Corporate Governance

Sustainable Supply Chain and Innovative Technologies

Environmental Care

Employee Care and Workplace Satisfaction

Social Engagement

Appendix

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

70.00%

50.00%

46.60%

51.00%

51.59%

30.00%

10.00%

2021

2022

2023
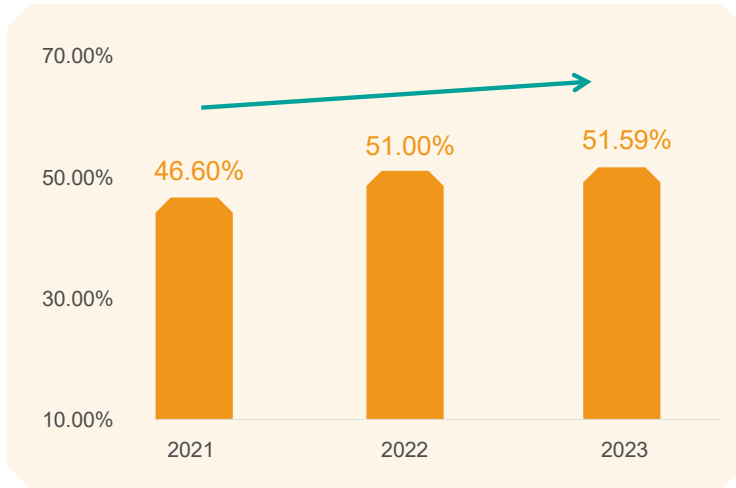
▲ Product Safety

The products provided by ADLINK are all subject to relevant product safety certification in accordance with the product safety regulations and laws of the place of sale required by customers. Currently, ADLINK's products are 100% compliant with product safety regulations to ensure users' safety during use. In the product design and development phase, all products are first tested for compliance with the relevant safety certifications such as UL, NRTL, CCC, and CE to ensure that their design meets all legal requirements. The products are then examined and tested by external certification bodies and given product certification numbers. Finally, factories should be inspected for compliance with controls during the production phase.

ADLINK

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

3.2 Smart Manufacturing

Introducing a Private 5G Smart Factory

With more than 2,000 product models, ADLINK is a flagship company in high-mix, low-volume manufacturing. Over the years, the company has streamlined its internal processes, automated its production facilities, and further developed smart manufacturing to increase the quality of its products, reduce costs, shorten delivery times, and improve its services. In 2023, ADLINK officially launched its private 5G smart factory to help its manufacturing employees improve the quality and efficiency of their work through the introduction of artificial intelligence.

Data-Driven Smart Manufacturing in 5 Phases

Predict ③
Prognostic and health management to maximize uptime

Digital Twin ④
Product recipe simulation and modeling with virtual reality

Insights ②
AI-enabled quality, equipment, and warehouse management

Autonomy ⑤
P5G+AMR enabled Lights-out manufacturing with self-optimizing

Acquire ①
IIoT data collection, storage, and governance
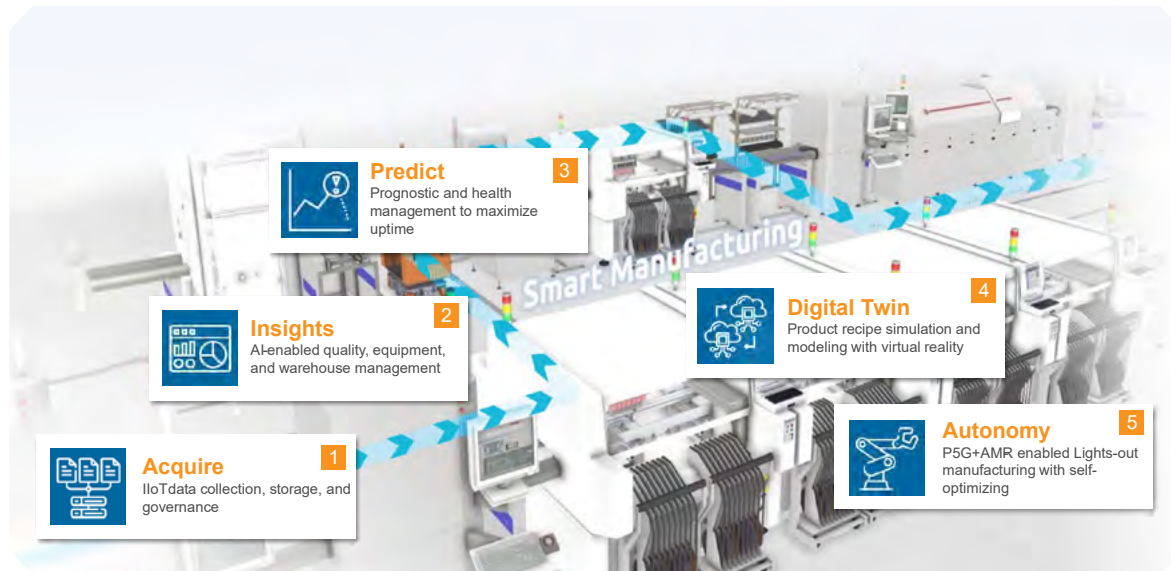
▲ ADLINK's smart manufacturing is data driven and incorporates artificial intelligence. The image illustrates the five phases of smart manufacturing.

Acquire Phase: In recent years, we have used ADLINK products to achieve automation and collect production data. The focus of this phase is to promptly collect production-related data. We utilize a Manufacturing Execution System (MES) to collect data from each individual product manufacturing process and ensure full traceability.

Insights Phase: All collected data is first visualized and displayed on a dashboard, allowing plant managers to review the product and process quality as well as the overall equipment efficiency (OEE) of each SMT line during the daily morning meeting.
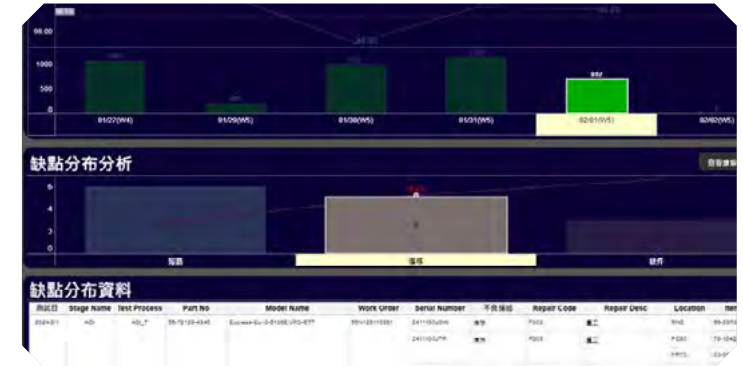
Predict Phase: In order to maintain stable and smooth production, it is necessary to monitor the critical parameters of factory equipment and anticipate possible failures. Compressors, for example, are essential for production and important for processes such as SMT, manual insertion, and testing. Therefore, monitoring compressor vibrations is an important task. With the help of predictive monitoring, anomalies can be detected in advance and inspections can be initiated immediately to prevent possible compressor failures.
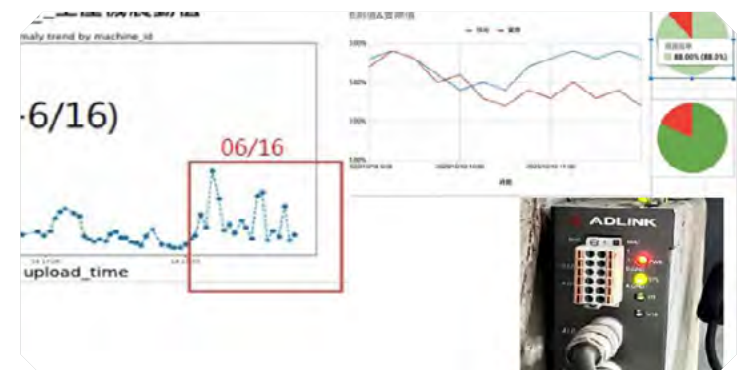
Digital Twin Phase: In 2023, ADLINK completed the proof of concept (POC) of the digital clone, and is expected to use the digital clone to support production line planning and production management in 2024. Simulation and modeling are the two main functions of digital twins. In the past, the planning of production lines was usually carried out by senior engineers who, after conducting detailed calculations to confirm the production line balance, began on-site operations. In practice, however, some factors may be overlooked, leading to problems that require design changes and further delays. Using digital twins, the feasibility of production line planning can be known in advance by entering the production equipment and operation parameters into simulation software. In addition, the planning of production lines can be visualized using digital twin 3D modeling. This makes it possible to use animations to show what future production will actually look like as early as the planning phase, thus providing a convenient basis for management decision-making.

Once a digital twin has been created and integrated into a cyber-physical production system (CPPS), production-related information can be displayed in real time above the 3D model, as can be seen in the illustration below. The digital twin represents the actual production scene, creating a virtual reality.

Autonomy Phase: Autonomy is the foundation of lights-out manufacturing. In 2023, ADLINK introduced private 5G and AMRs in its factories, making part of its manufacturing processes completely unmanned. By gradually improving manufacturing processes, reducing workforce, and introducing smart operations, the company is steadily moving toward lights-out manufacturing.

Continuous Improvement of Factory Processes

In 2023, many improvements were made to ADLINK's factories, mainly through the implementation of automated visual inspection (AVI) technology to increase the efficiency and accuracy of visual inspections. The company also continues to cooperate with NVIDIA and adopts its solutions to enhance the efficiency of machine learning.

Below are the visual inspection equipment and solutions developed by ADLINK in 2023:

Six-Sided Visual Inspection Machine

Visual inspection of system products is usually very time consuming and prone to human error, especially due to visual fatigue after long hours of work. To solve this problem, ADLINK has integrated AVI technology with NVIDIA's Omniverse to develop a six-sided visual inspection machine. The machine allows all six sides of a product to be inspected simultaneously, checking for missing screws or labels, correct silkscreen on the product case, or scratches. The machine reduces the time required for visual inspection from approximately 4 minutes to 30 seconds, while meeting all customer quality requirements.

Scratch detection is the highlight of the inspection machine. Traditionally, training a scratch detection system involved the tedious and time-consuming task of collecting enough different scratch patterns. Furthermore, it was impossible to obtain a sufficient number of valid samples under real production conditions, unless the scratches were artificially created, leading to the scrapping of numerous parts and thus high costs. This problem can be solved by NVIDIA's Omniverse. The software can be provided with a limited number of patterns, which are then used to simulate a variety of different scratches from which the inspection system can learn. This can reduce development time and costs while significantly improving inspection results.
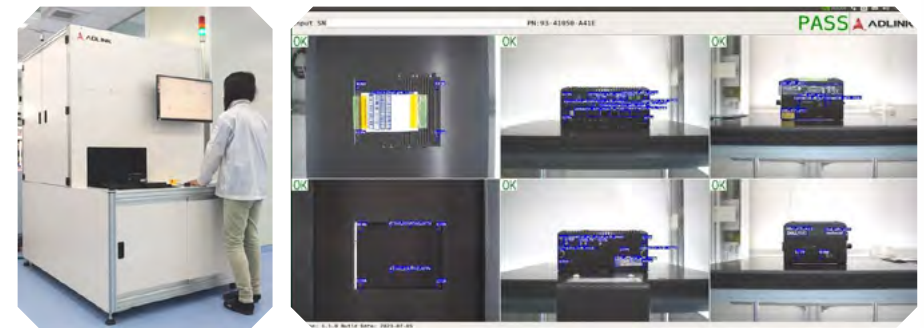
▲ The six-sided visual inspection machine solves the problem of visual fatigue and can detect scratches.

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

Accessory Inspection

The inspection of accessories has always been an important aspect of quality control. Traditionally, each accessory was labeled with a barcode. Later, when the accessories were placed in the packaging, the barcodes were scanned to ensure that none were missing. This method ensures quality but is time consuming. Nowadays, ADLINK uses AVI technology to check the accessories directly in the packaging. This is a very efficient way of inspection that allows photos to be taken to be used as evidence to avoid liability if a customer reports a missing accessory.

▲ The efficiency of accessory inspections has been increased through the use of AVI technology.

Assembly Sequence Inspection System

Operators who do not follow standard operating procedures have always been a management liability, requiring the constant attention of managers and quality controllers. However, even this extra attention does not necessarily lead to convincing results. To solve this problem, ADLINK has developed an assembly sequence inspection system based on NVIDIA's Omniverse. If an operator does not follow the standard operating procedures, the system issues an alert that cannot be dismissed until the operation has been completed correctly. In 2023, the system was only used for processing operations outside the assembly line, but will be introduced at every station in the future. The system ensures the correctness of assembly processes and can take photos for documentation purposes. It offers greater benefits for more complex products and can also measure the quality of individual employees' work. The higher the number of alerts, the poorer the quality of the operator's work, indicating the need for more intensive training.
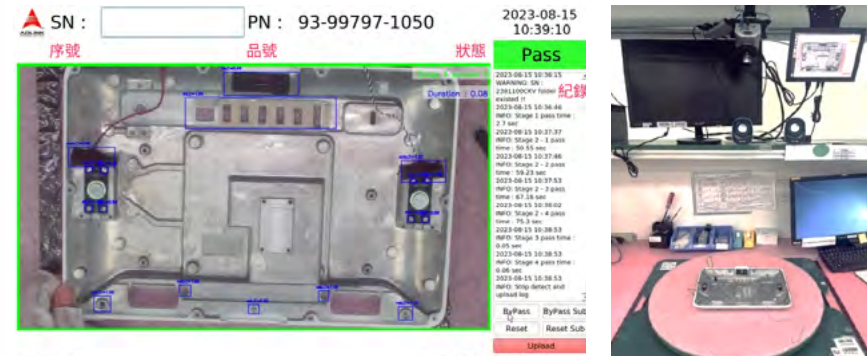
▲ Quality management has been improved by the assembly sequence inspection system.

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix
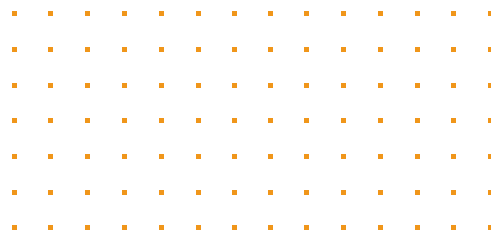
3.3 Innovative Technologies and Applications

Management of ADLINK's Material Topic "Innovative Technologies and Applications" in 2023

Material Topic		Innovative Technologies and Applications
Impact Assessment	Positive/ Actual	Through continuous innovative development and design, strengthen the spirit of innovative research and development and optimize the company's technical design capabilities, so as to meet the needs of customers by providing customized services
	Negative/ Potential	In response to the global trends of reducing carbon emissions and protecting the environment, our partners are increasingly demanding higher levels of research and development and new innovative technologies. Failure to meet these demands and introduce products that keep pace with the times may result in a decline in customer satisfaction and damage to partnerships.
Corresponding GRI Indicators		Self-defined topics
Corresponding SDGs		SDG 9: 9.1, 9.4 SDG 12: 12.5 SDG 13: 13.3
Policy or Commitments		ADLINK is committed to continuously enhancing the competitiveness of product technology applications through independent research and development efforts. We actively establish a strong basis of technology patents. Additionally, in response to sustainable trends, we are gradually increasing the proportion of sustainable product development and design.

Indicators and Goals

Short-term Goals（2024 ）
- Shared use of product packaging cardboard boxes: The sharing rate of cardboard boxes for newly developed standard products reached 75% (previous target for 2023 was 60%)
- Reduction of plastic packaging: Replace expanded polyethylene (EPE) with air columns or use all-paper packaging. Introduce at least 6 new products packaged using one of the above methods (the target for 2023 was 3 new products)
- Optimize heat dissipation designs to reduce the amount of aluminum alloy used in heat sinks. In 2024, the company expects to optimize aluminum alloy heat sinks of at least 5 new products

Mid- to Long-term Objectives (2026)
- Shared use of packaging cardboard boxes: The sharing rate of cardboard boxes for newly developed standard products to reach 80%
- Reduction of plastic packaging: Replace expanded polyethylene (EPE) with air columns or use all-paper packaging for at least 10 new products
- Optimize heat dissipation designs to reduce the aluminum alloy used in heat sinks in at least 10 new products and evaluate the introduction of recycled aluminum
- Continue to offer incentives for innovation
- The number of global patent applications to increase by 30, and 20 patents to be obtained

Effectiveness Tracking Mechanism
- Regular assessments are conducted each year to evaluate the progress and ensure that the implementation details are aligned with the target direction
  - Calculate the sharing rate of packaging cardboard boxes.
  - Count the number of cases in which air columns or all-paper packaging were used.
  - Count the number of cases in which heat sinks made of aluminum alloy were optimized.
- Formulate R&D plans for sustainable technologies and product innovations, and conduct performance reviews every year.

Annual Actions and Measures
- The sharing rate of cardboard boxes for newly developed standard products was 70.50%
- The replacement of expanded polyethylene with air columns and the associated reduction of plastic in packaging was implemented in 4 new products
- Utilizing controllable smart energy-saving fans with a control mechanism. We have achieved a 90% adoption rate of controllable smart fans.
- For details on innovation reward results, please see "2.7 Intellectual Property Rights".

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

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

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

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

Paper Sharing

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

The sharing rate of cardboard boxes for newly developed standard products reached 70.50% in 2023.

Reduction of Plastics

Reduction of Plastics: In the packaging and transportation of industrial computers, internal cushioning materials are required to absorb external impacts and vibrations during transportation. As of 2023, the main cushioning material used was Expanded Polyethylene Foam (EPE), which is derived from petroleum-based materials. The processing of petroleum-based materials generates high carbon emissions, which have a negative impact on environmental friendliness. In 2022, we conducted a search for alternatives and decided to introduce air column bags.

In 2023, air columns replaced expanded polyethylene in the packaging of 4 new products.

Optimization of Heat Dissipation Designs to Reduce the Amount of Aluminum Alloy Used in Heat Sinks

ADLINK's Heat Transfer Research Group uses Flotherm, a heat flow analysis software, to optimize heat sinks under natural convection conditions. This allows system products to both meet heat dissipation requirements and have energy-conservation properties, thereby saving energy and reducing the impact on the Earth. In 2023, a particular system-level product category was analyzed using simulation software. It was found that the volume and weight of the aluminum alloy used for a single system-level product could be reduced by 62% and 134 grams while meeting the system cooling requirements of the product specification. This equates to a reduction in carbon emissions of 1.32 kilograms.

Energy-saving and Carbon-reducing Products/Services of ADLINK

Products/Services	Product/Service Images	Energy-saving Focus
Shared use of product packaging cardboard boxes and reduction of plastic packaging		**Paper Sharing:** Industrial computer products require packaging with cardboard boxes or cartons to prevent damage during transportation. To avoid the need for redesigning new boxes for each new product, ADLINK has established a priority list for using existing cardboard boxes and cartons. This allows for the easy application of suitable packaging during the development of new products and facilitates faster inventory turnover, reducing the likelihood of material obsolescence and waste. • List for using existing cardboard boxes: 50 designs in the Taipei Plant and 29 in the Shanghai Plant. • List for using existing cardboard cartons: 29 designs in the Taipei Plant and 15 in the Shanghai Plant.
		Reduction of Plastics: We have implemented the use of air column cushioning material to reduce the usage of the existing Expanded Polyethylene Foam (EPE) packaging material. The air column cushioning material is also made of plastic but has a smaller volume before inflation. Once inflated, it achieves a similar appearance and volume to EPE. Therefore, with the same final appearance and volume, the air column cushioning material requires less plastic material. If the air column cushioning material is used instead of EPE, the reduction in plastic usage per product will vary depending on the specific designs of the products. The reduction can range from 50% to as much as 90%.
Optimization of heat dissipation designs to reduce the amount of aluminum alloy used in heat sinks		ADLINK's Heat Transfer Research Group uses Flotherm, a heat flow analysis software, to optimize aluminum-alloy heat sinks under natural convection conditions. This allows system products to both meet heat dissipation requirements and have energy-conservation properties. In one particular case, the volume and weight of the aluminum alloy used was reduced by 62% and 134 grams. This equates to a reduction in carbon emissions of 1.32 kilograms.

Note: The total energy-saving and carbon reduction potential of the products/services in the table above cannot be estimated accurately due to various factors, which depends on the types and quantities of new product projects, actual sales figures, and user usage patterns

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

3.4 Customer Service

Management of ADLINK's Material Topic "Customer Relations Management" in 2023

Material Topic		Customer Relations Management
Impact Assessment	Positive/ Actual	Higher customer satisfaction, i.e., greater customer contentment with the company's products or services, helps to build good customer relationships, increase customer loyalty, word-of-mouth, and referrals, and expand the customer base, thereby increasing revenue and attracting more potential customers.
	Negative/ Potential	Improper customer relationship management could result in the loss of customers, potential decrease in long-term revenue, and damage to the company's reputation. Responding to customer complaints requires time and resources for improvement, increasing operating costs.
Corresponding GRI Indicators		Self-defined topics
Corresponding SDGs		SDG 17: 17.6, 17.17
Policy or Commitments		We strive to provide customers with excellent quality, competitive pricing, and timely service to enhance their competitiveness. We uphold the principle of continuous improvement and involve all employees in education and training to strengthen their quality awareness. In product manufacturing, we focus on execution and upholding quality assurance. In research and development, we strive for excellence and technical capability improvements. In business promotion, we are market oriented to meet customer needs.
Indicators and Targets		**Ongoing Objectives** • Maintain a score of 3.3 or above in customer satisfaction **Mid- to Long-term Objectives (2025 to 2030)** • The mid- to long-term objective is to become the most trusted partner for our customers. By continuously improving customer satisfaction, we ensure that customers have the best experience and value in their collaboration with ADLINK. Customer feedback is highly valuable to us as it directly influences our future development direction and strategies. • Considering survey results as opportunities to continuously improve and enhance our product quality, service standards, and customer support. This will help us meet customer needs, provide exceptional products and services, and maintain a leading position in the market.
Effectiveness Tracking Mechanism		• Conduct customer satisfaction surveys once every year
Annual Actions and Measures		• The overall customer satisfaction score in the 2023 survey was 3.8, which is an increase of 0.2 points compared to the previous year.

ADLINK

Sustainability Vision and Goals Company Overview Corporate Governance Sustainable Supply Chain and Innovative Technologies Environmental Care Employee Care and Workplace Satisfaction Social Engagement Appendix

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

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

ADLINK's Three Major Commitments to Customers

Confirmation of delivery dates for standard product orders shall respond within
1 working days upon receipt

Online "Ask an Expert" quality and technical consulting platform shall respond within
2 working days

Products returned for repairs must be serviced within
10 working days of receipt by ADLINK

In order to fulfill our commitments to product quality and customer service, the Customer Care Center conducts annual satisfaction surveys for specific global accounts. The survey 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-around support. The results of the annual satisfaction survey are compiled by the Customer Care Center and published at a designated time to provide relevant departments with a reference for making corresponding improvements; review meetings are convened to consolidate the analyses and actions from team owners, and finally the Customer Care Center integrates the improvement reports feedback to key customers with suggestions, which has also been studied for adding tracking questions, if necessary, in next survey to further realize customers' reaction to the execution of improvements. The updated status of ongoing improvements is provided with the invitation email of the coming survey. ADLINK expects that the increasingly detailed and comprehensive improvements during each survey will make customers feel valued and worthy. The ultimate goal of ADLINK is to continuously challenge ourselves through constant progress for pursuing the top level of professional and high-quality customer service.

Customer Satisfaction Survey Results

In 2023, overall customer satisfaction reached a score of 3.8, an increase of 0.2 points compared to the previous year. Customers were satisfied with the product quality and also felt that the speed of answering questions had improved, leading to an increase in overall satisfaction. However, some customers have reported slow delivery of raw materials. The issue has been reported to the relevant departments and the heads of the responsible units so that they can actively assist in expediting the delivery of the missing materials by the supplier.

ADLINK Key Customer Satisfaction Survey Results from the Past 3 Years

North America **23%** EMEA **26%** China **7%** APAC **44%**

2021: 3.9 (26) 2022: 3.6 (36) 2023: 3.8 (35) KPI 3.3
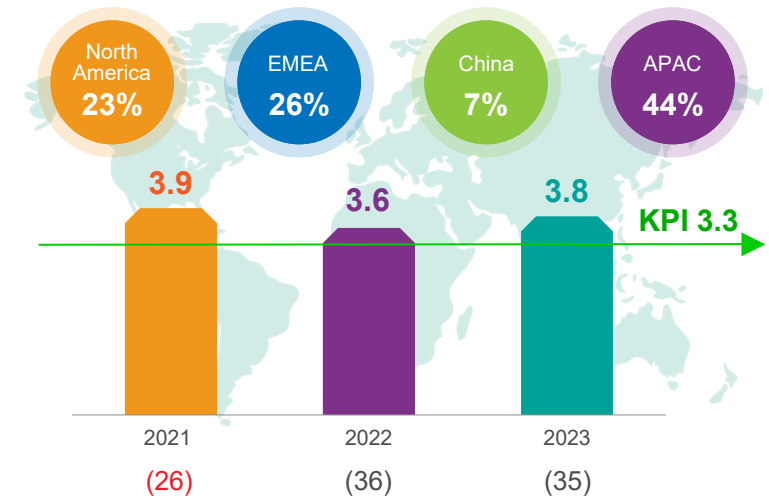
Note 1: The pie chart shows the percentage of recycling points in the four business areas in 2023
Note 2: The bar chart is the total average score of the recovery score in the past 3 years (the number is the number of surveyed customers)
Note 3: 5 = Very satisfied, 1 = Very dissatisfied

Shipping adjustments to meet customer orders include:

- Product lines suffering from severe material shortages will be restructured and start mass production within 2 to 4 months
- Orders for key raw materials that are shared and have long lead times will be placed with suppliers based on estimated demand in order to stabilize product delivery times.

4

Environmental Care

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

4.1 Approaches to Environmental Management

The world will face severe challenges related to environmental impact. How companies respond to climate change, energy and resource use, and conduct impact assessments, risk management and strategy implementation on environmental-related issues will be more crucial in the future. In response to global environmental protection ideals and climate change, we continue to uphold the environmental, health and safety procedures as required by law and provide necessary support for the implementation of EHS operations. We are committed to upholding the highest EHS standards at all times and continual improvement on the following policies:

Occupational accident and pollution prevention

propose the TCFD recommendations developed to address climate change as the basis for the company's risk assessment to identify concrete and transformational risks as well as transformational opportunities.

Energy conservation and resource recycling

in addition to energy-saving equipment, introduce scheduling and solar power generation to reduce energy waste and promote renewable energy sources. Regarding water resource management, in addition to water-saving equipment and measures, introduce rainwater and wastewater recycling. Regarding net-zero green living and green procurement, we proactively comply with and advocate for the requirements of governmental environmental protection-related units.

Commitment to comply with legal requirements regarding environment, health, and safety

on climate change issues, the CDP and RBA advocate the COP net-zero carbon emission target and the government's Financial Supervisory Commission's group carbon emission inventory requirements, as well as the requirements of customers and stakeholders. The relevant environmental issues in ADLINK and all environmental operations within ADLINK's operating boundaries are in compliance.

🔍 For more detailed information on our company's environmental, safety and hygiene management policies, please visit our Official website ↗

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

4.2 Climate Change Response Measures

Due to the frequent disasters caused by climate change in recent years, and customers' concerns about the impact of climate change on company operations, ADLINK, in order to respond to climate disasters in advance and prevent related financial losses, has introduced the climate-related financial disclosure recommendations formulated by the Task Force on Climate-Related Financial Disclosures (TCFD) in accordance with disclosure item in Appendix 2 'Climate-Related Information of TWSE/TPEx Listed Companies' of Article 4-1 under the Taiwan Stock Exchange Corporation's "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies". The company disclosed its response policies and preventive actions when facing climate-related risks, as well as the financial impact caused by such risks. The company is also expected to strengthen its risk avoidance mechanisms and strategic planning for physical risks after proper climate adaptation and disaster recovery, and to identify operational opportunities in adapting to irreversible climate change.

▲ Four Core Elements of TCFD

Core Criteria of Climate Related Financial Disclosures

Core Elements	Action Plans
Governance	**Board of Directors:** • Overseeing the company's GHG inventory and verifying that scheduling complies with government regulations **Risk Management Committee:** • Coordinating relevant departments within the company to jointly review internal and external risks facing the company, including climate change risks, and to develop risk mitigation strategies for significant company-wide risk issues **ESG Sustainability Committee:** • Responsible for systems and policies related to sustainable development, overseeing the company's sustainable development and planning, and regularly monitoring and evaluating the progress and effectiveness of sustainable development implementation
Strategy	• Include the potential impacts of climate change in overall operational considerations, assess the likelihood of occurrence and degree of impact of risks, and formulate risk response plans and mitigation measures • Identify and analyze physical and transformational risks and opportunities in accordance with regulations, scenario analyses, and strategies • Manage the company according to the principles of mitigation and adaptation and set short-, medium-, and long-term goals and initiate measures to adapt to climate change

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

Core Elements	Action Plans
Risk Management	In order to identify and assess significant climate-related impacts or risks, the Risk Management Team initiates an identification process across departments and conducts analyses. After understanding the specific potential financial impacts, the findings are reported to the Risk Management Committee for risk assessment. This serves as the basis for policy development and goal setting. Regular reports are provided to the Board of Directors in order to establish a robust climate management process. The procedure above complies with the company's risk management system, including the steps of identification, analysis, assessment, response, supervision, and review. Please refer to the "Climate-related Risk Identification and Assessment Process Flowchart".

Climate-related Risk Identification and Assessment Process Flowchart

Risk Monitoring → **Board of Directors**

Leadership and Decision-Making ↓ ↑ Reporting

Risk Assessment → **Risk Management Committee**

Confirmation ↓ ↑ Reporting

Risk Identification and Analysis → **Risk Management Team**

Coordination and Implementation ↓ ↑ Reporting

Risk Response → **Relevant Departments**

Indicators and Goals	To mitigate the risks and impacts of climate change and achieve carbon reduction and energy efficiency goals, we employ indicator-based management to address climate-related risks and opportunities: • GHGs: Reduce carbon emissions by 5% by 2024, 24% by 2030, and achieve net zero by 2050 in line with the company's carbon reduction roadmap

▲ Financial Impacts of Climate-Related Risks and Opportunities

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

Climate Related Risks and Opportunities Matrix

Severity of Impact — High / Medium / Low

High – Highly likely:
- ● Climate Change Response Act
- ● Increase in energy expenses

Medium – Possible:
- ● Water and electricity restrictions
- ■ Climate change causes increase in demand for energy resources
- ▲ Development of low-carbon /energy-efficient and smart monitoring products/services
- ▲ Trends in domestic and overseas markets/regulation

Medium – Highly likely:
- ● Trends in domestic and overseas markets / regulation
- ● Domestic and overseas initiatives
- ▲ Innovations in product packaging materials

Low – Unlikely:
- ■ Drought

Low – Possible:
- ■ Increased severity of extreme weather events, such as typhoons and heavy rain
- ▲ Green buildings and production processes

Probability — Unlikely / Possible / Highly likely

Note: ● Transition Risk ■ Physical Risk ▲ Opportunity

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

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

Financial Impacts of Climate-Related Risks and Opportunities

Type	Risk and Opportunity Items	Duration of Impact	Financial Impact	Adaptation Response and Actions
Transition Risk				
Policy and Legal Risks	Climate Change Response Act	Short- and medium-term	• Increase in operating costs • Increase in capital expenditures	• Introduce a carbon management platform to regularly track changes in carbon emissions and formulate short-, medium-, and long-term performance targets to promote net-zero emissions; the cost of implementing the carbon management platform is NT$714,000 • Increase the share of renewable energy use; the cost of electricity from the recently introduced solar energy sources will be around NT$2 million per year • Evaluate the purchase of green electricity or green electricity certificates • Evaluate the introduction of relevant carbon reduction technologies, such as energy storage equipment and smart building monitoring
	Increase in energy expenses	Short- and medium-term	• Increase in capital expenditures	• Promote internal energy saving and carbon reduction by implementing measures such as electricity and water conservation; if no electricity and water conservation measures are implemented in the short term, it is estimated that the cost of water and electricity will increase by approximately NT$3.6 million (Note 2) • Gradually replace energy-inefficient equipment; the water chiller is expected to be replaced in the short term at an estimated cost of NT$9.03 million
	Water and electricity restrictions	Mid- to long-term	• Increase in operating costs • Increase in capital expenditures	• Formulate a business continuity plan and a backup plan and evaluate the feasibility of introducing relevant backup equipment
Markets	Trends in domestic and overseas markets/regulation	Mid- to long-term	• Decrease in revenue • Increase in operating costs	• Promote the reduction of packaging material for products • Evaluate the introduction of the ISO 14067 certification to measure the carbon footprint of products and further assess the feasibility of reducing carbon emissions in manufacturing processes
Goodwill	Domestic and overseas initiatives	Mid-term	• Increase in operating costs • Damage to reputation and image	• Participate in international initiatives evaluations • Formulate relevant strategies and objectives to respond to the development of trends, as promoted by the company's functional committees
Physical Risk				

Scenario Simulations: With reference to the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) future projection model, the future changes in average temperature and precipitation where the company is affected by physical natural disasters are estimated as follows:

Physical Natural Disasters	Emissions Scenario	2021 Observations	Mid Century	End of the Century
High Temperature (Celsius/year)	SSP1-2.6 Low emissions scenario	22.9	24.0	23.5
	SSP5-8.5 Extremely high emissions scenario		24.5	28.1
Precipitation (mm/day)	SSP1-2.6 Low emissions scenario	4.1	3.5	5.3
	SSP5-8.5 Extremely high emissions scenario		6.1	7.3

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

Type	Risk and Opportunity items	Duration of Impact	Financial Impact	Adaptation Response and Actions
Immediate	• Increased severity of extreme weather events, such as typhoons and heavy rain • Drought	Short- and medium-term	• Increase in capital expenditures • Increase in operating costs • Decrease in revenue	• Introduce smart factories to reduce the impact of plant shutdowns due to natural disasters; a one-day shutdown due to a natural disaster reduces daily revenues by approximately NT$21.5 million • Evaluate the feasibility of introducing backup equipment to enhance business continuity and resilience • Evaluate upward adjustments to insurance coverage to address the potential risks of financial loss
Long-term	Climate change causes increase in demand for energy resources	Long-term	• Decrease in revenue • Asset Losses • Increase in operating costs	• Formulate a business continuity plan, including disaster prevention mechanisms and notification procedures, and establish a crisis response team • Evaluate the introduction of disaster prevention and backup equipment to avoid operational disruptions
Opportunity				
Resource Utilization Efficiency	Innovations in product packaging materials	Short-term	• Increase in operating costs • Increase in revenue	• Promote the use of environmentally friendly packaging materials and recyclable designs, including by achieving a 75% sharing rate of cardboard boxes for short-term product packaging, reducing the amount of plastic packaging materials or introducing paper-only packaging for a total of 6 products, and reaching an 11.66% adoption rate of environmentally friendly materials used in packaging linings
	Green buildings and production processes	Long-term	• Decrease in operating costs • Increase in revenue • Increase in assets • Enhancement of reputation and image	• Introduce smart factories, including energy-efficient equipment • Transform the company's smart factory solutions into its key products/services
Products and Services	• Research and development of low-carbon/energy-efficient and smart monitoring products/services • Trends in domestic and overseas markets/regulation	Short- and medium-term	• Increase in revenue • Enhancement of reputation and image	• Cooperate with the carbon management service platform by integrating the company's energy monitoring products and services, with the short-term goal of selling 2,000 units of energy monitoring products • Understand market trends and the needs of strategic partners and create a low-carbon and smart industry

Note 1: Adaptation responses and measures are analyzed based on their short-term financial impacts. The medium- and long-term financial impacts will be included in the analysis on a rolling basis in the future.
Note 2: Electricity is charged at NT$4 per unit and water at NT$13 per unit.

▲ ISO 14064-1 GHG Inventory

Management of ADLINK's Material Topic "GHG Inventory" in 2023

Material Topic		GHG Inventory
Impact Assessment	Positive/ Actual	Satisfy customer needs, comply with government regulations, and respond to global sustainability through the institutionalization of carbon inventory
	Negative/ Potential	Carbon taxes, carbon fees, electricity fees, the company's expenditures for growth, and carbon emissions causing climate change
Corresponding GRI Indicators		• GRI 305-1 Direct (Scope 1) GHG emissions • GRI 305-2 Energy indirect (Scope 2) GHG emissions • GRI 305-3 Other indirect (Scope 3) GHG emissions • GRI 305-4 GHG emissions intensity
Corresponding SDGs		SDG 13: 13.2, 13.3
Policy or Commitments		**1. ADLINK's environmental sustainability planning—Realizing net zero emissions through carbon management:** • GHG Inventory • Establish carbon reduction goals • Introduce the ACA carbon management platform • Introduce the low-carbon smart building platform **2. Climate change policy:** • Mitigate the impacts of climate change • Effectively reduce energy resource waste • Support carbon emission reduction activities • Move towards net zero emissions
Indicators and Targets		**1. Carbon inventory reduction target with 2023 as the base year:** • Short-term Goal: Carbon reduction of 5% by 2024 and green electricity use accounting for 3% of total electricity consumption in 2023 • Mid-term Goal: Carbon reduction of 11% by 2026 and green electricity use accounting for 6% of total electricity consumption in 2023 • Long-term Goal: Carbon reduction of 24% by 2030 and net zero emissions by 2050 **2. Work objectives:** • Use carbon management platforms to understand and manage the carbon emission trends of the company's operating locations through data and visual presentations • Use green electricity, establish solar power generation, reduce electricity waste (scheduling for large equipment and smart controls for small equipment), continue to implement carbon emission monitoring, replace energy-consuming equipment, and purchase green electricity certificates or carbon rights
Effectiveness Tracking Mechanism		• Conduct management solutions combined with the environmental safety and health system. Track the implementation of various targets every quarter • Internal inventory data audits • Annual GHG inventory data verified by an impartial third party • Feedback and complaints: Stakeholder feedback can be provided through the company's official website or the ESG mailbox for addressing any concerns or feedback
Annual Actions and Measures		• The company has set the goal of improving the energy-efficient design of its equipment and achieving total savings in the power consumption of Ethernet ICs in sleep mode of 5%. In 2023, the total savings reached: 6% • The company has set the goal of increasing the adoption rate of environmentally friendly materials used for packaging linings to 10%. In 2023, the adoption rate reached: 11.66% • The electricity savings in 2023 due to energy-efficient non-production equipment at the Hwa Ya Plant amounted to: 3200 kWh • The company has built a photovoltaic system that will generate around 1% of the electricity consumed. Due to the longer contract terms and the resulting impact on long-term planning, the plant was not put into operation until the fourth quarter of 2023. • CDP platform declaration: The 2023 evaluation results are climate change (Level B-) and water (Level C) • The 2023 inventory data has been verified by BSI, an impartial third-party organization. Scope 1 (Category 1) and Scope 2 (Category 2) are rated as reasonable guarantee levels, while Scope 3 (Category 4) is subject to verification and agreement procedures.

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

ADLINK also plans to implement energy-saving lighting, water-saving equipment and other features in the Hwa Ya Plant. We hope this will help keep the increase in average global temperature to within 1.5°C as required by COP29. 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.

ADLINK's Short-, Medium-, and Long-term Carbon Reduction Targets

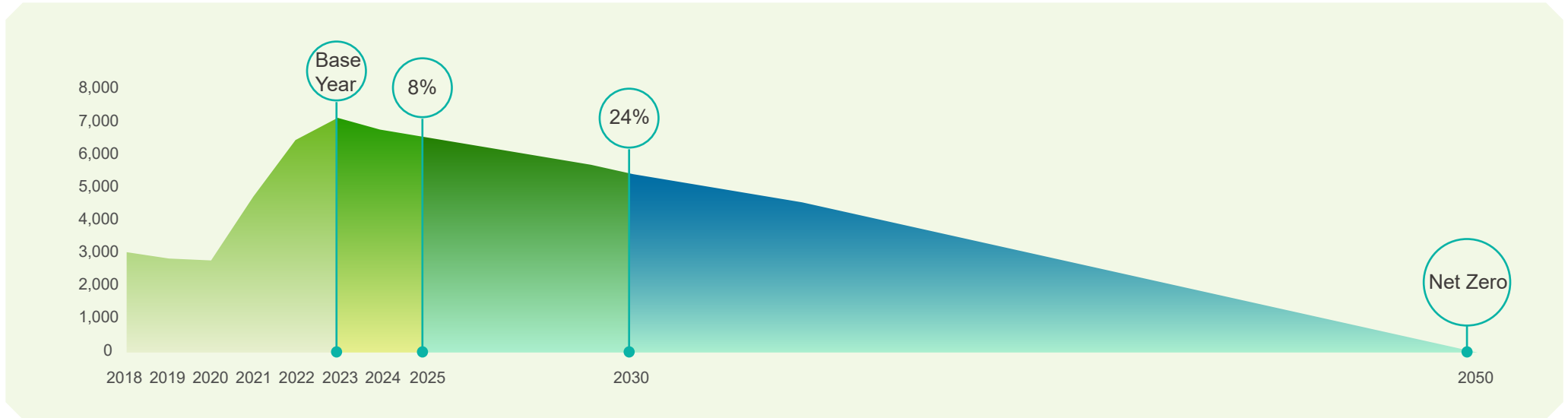| Emissions Reduction Goal	2022	2023 Implementation Status (Base Year)	2023 as Compared to 2022	Targets in 2030	Targets in 2050
Ratio of Renewable Energy Use	0%	0.65%	2%	6%	6%
Total GHG Emissions (Metric tons CO$_2$e)	6,480.32	7,231.12	▲ 11.59%	▼ 24%	▼ 100%

Note 1: The original base year was 2022. However, after carbon emissions in 2023 exceeded the 2022 significance threshold of 3%, 2023 was set as the new base year.

Note 2: The calculation of total greenhouse gas emissions includes Scopes 1, 2, and 3 (category 4).

Note 3: The ratio of renewable energy use in this table was calculated by considering the company's total carbon emissions and dividing the current year's electricity generated from renewable sources by the total amount of electricity used.

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

ADLINK Net-Zero Roadmap

Unit: ton CO_2e

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

According to statistics from January 1, 2023, to December 31, 2023, the types and quantities of the GHG inventory are listed below:

- GRI 305-1   Direct (Scope 1) GHG emissions: 679.86 metric tons/CO_2e
- GRI 305-2   Energy indirect (Scope 2) GHG emissions: 5,081.89 metric tons/CO_2e
- GRI 305-3   Other indirect (Scope 3) GHG emissions: 1,469.37 metric tons/CO_2e
- GRI 305-4   GHG emissions intensity: 0.00073 (metric tons CO_2e/NT$ thousand)
- GRI 305-5   Reduction of GHG emissions: Due to the higher production capacity requirements in 2023, carbon emissions exceeded the 2022 significance threshold of 3%. As a result, 2023 was set as the new base year. Future emission reduction plans will be benchmarked against 2023 and the new emission reduction plans and figures will be described in the 2024 Sustainability Report.

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

ADLINK's Greenhouse Gas Emissions in the Past 3 Years

Type		Inventory Item Descriptions	Reduction of GHG Emissions (metric tons)		
			2021	2022	2023
Scope 1 (Direct) *GRI 305-1	Dissipation of refrigerants	Fugitive emission sources: Septic tank, air conditioning, equipment refrigerants, refrigerators, domestic sewage, and fire-fighting facilities	404.61	555.06	602.38
	Goods transportation	Gasoline used in factory goods transportation	1.54	0.00	0.00
	Fixed combustion	Fixed emission sources: Emergency generator and boiler	-	86.60	77.48
	Total Emissions (metric tons CO$_2$e)		406.15	641.66	679.86
Scope 2 (Indirect Energy) *GRI 305-2	Externally purchased electricity	The total amount of externally purchased electricity used for the company's operations and production	3,103.00	4,780.24	5,081.89
	Total Emissions (metric tons CO$_2$e)		3,103.00	4,780.24	5,081.89
Scope 3 (Other Indirect) *GRI 305-3	Waste disposal	Greenhouse gas emissions of waste disposal	0.01	84.27	55.85
	Business trips (Not included in the disclosure scope of the greenhouse gas inventory report)	Greenhouse gas emissions of employees on business trips abroad through the business travel system	11.19	136.31	404.59
	Outsourced handling of externally purchased electricity (Added in 2022)	Greenhouse gas emissions of outsourced handling of externally purchased electricity	-	828. 32	1,000.94
	Outsourced handling of externally purchased water (Added in 2022)	Greenhouse gas emissions of outsourced handling of externally purchased water	-	9.52	7.99
	Total Emissions (metric tons CO$_2$e)		11.20	1,058.42	1,469.37
Total Annual Emissions (metric tons CO$_2$e)			3,520.35	6,480.32	7,231.12
Turnover (NT$ thousand)			6,506,748	7,997,996	7,847,211
GHG Emissions Intensity *GRI 305-4	(Scope 1 + Scope 2) Emissions and GHG Emissions Intensity	(metric tons CO$_2$e/NT$ thousand)	0.00055	0.00068	0.00073

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

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

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

Note 4: The Global Warming Potential (GWP) ratios are sourced from the IPCC Sixth Assessment Report (AR6) on Climate Change. The refrigerant loss factor ratio is sourced from the IPCC Fourth Assessment Report (AR4) on Climate Change. The emission factors for leaked refrigerants are as follows: 0.003 for domestic refrigerators and freezers, 0.09 for water chillers, 0.03 for residential and commercial air conditioning, and 0.16 for industrial refrigerators and freezers (including food processing and refrigeration). The units are all in kg/kg.

Note 5: The emission factors for Scope 2 electricity were 0.502 kgCO2e/kWh in 2021 (adopted in 2020), 0.509 kgCO2e/kWh in 2022 (adopted in 2021), and 0.494 kgCO2e/kWh in 2023 (adopted in 2023).

Note 6: The calculation of Scope 1 includes the following seven categories of GHGs: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorinated compounds, sulfur hexafluoride, and trifluorides. As the reporting boundary does not include biomass fuels, there are no carbon emissions from biogenic sources.

Note 7: In 2023, carbon emissions from the transportation and recycling of waste (tin and food waste) were added to the calculation.

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

Since ADLINK uses electricity as its main power source, Total relocation to the Hwa Ya Plant in August 2021 increased electrical equipment, which has resulted in a relative increase in total GHG emissions. From the perspective of energy intensity as a ratio of power consumption and production, the energy intensities (power consumption/output) of ADLINK production lines were 35.95778 MJ/pc, 36.52301 MJ/pc, and 42.16590 MJ/pc between 2021 and 2023. Moisture-sensitive components used in the production line require drying before production. The increased drying frequency led to an increase in power consumption for production lines. The introduction of smart factories in 2023 was also a factor in the increase in energy consumption.

ADLINK's Percentages of Each Scope in the Past 3 Years

Year	2021			2022			2023		
Scope	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3
Emission Equivalent	406.15	3,103.00	11.2	641.66	4,780.24	1,058.42	679.86	5,081.89	1,469.37
Percentages	11.54%	88.14%	0.32%	9.90%	73.77%	16.33%	9.40%	70.28%	20.32%

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

Year	2021	2022	2023
Energy Intensity of the Production Line (MJ/pc)	35.95778	36.52301	42.16590

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

GHG Inventory Disclosure History:

2013 — 2013-2017: Supply chain survey for carbon inventory disclosures

2018 — 2018: Carbon inventory disclosure; CDP: Climate Change

2019 — 2019: Carbon inventory and water disclosures; CDP: Climate Change (Scope 1 & 2)

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

2022 — 2022: Introduced ISO 14064-1 for the basis of GHG inventory; CDP: Carbon inventory and water disclosures

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

2027 — 2027: Complete ISO 14064-1 GHG inventory for ADLINK (HQ + group subsidiaries)

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

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

4.3 Energy Conservation and Carbon Reduction

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

▲ Energy Management

Corporate energy consumption can be discussed in terms of internal and external energy consumption. ADLINK uses electricity as the main power source during production and business operations. Therefore, improving energy efficiency and the proportion of renewable energy is ADLINK's energy management policy.

Statistics show that the company's total energy consumption from 2021 to 2023 was 23,532,147.20 MJ, 35,173,813.67 MJ, and 38,762,347.93 MJ. To effectively manage the company's operations, the company's headquarters was consolidated in 2022 and relocated to Hwa Ya Technology Park in Guishan District, Taoyuan City. In 2023, the company expanded its production lines to include new automotive and AIoT products, doubling its total operating area from 6,407 to 12,931 ping. At the same time, ADLINK also purchased new automated production lines and related equipment. All this led to a 10.20% increase in total energy consumption compared to 2022. ADLINK continues to implement various programs to strengthen its energy-conservation efforts. In the fourth quarter of 2023, the company started to generate electricity at its sites using solar panels, introduced scheduling to control the electricity use in production lines, and replaced water chillers. This is expected to reduce energy loss by more than 3% in 2024.

ADLINK's Total Energy Consumption in the Past 3 Years

(Unit: Megajoules; 1 kWh = 3.6 MJ)
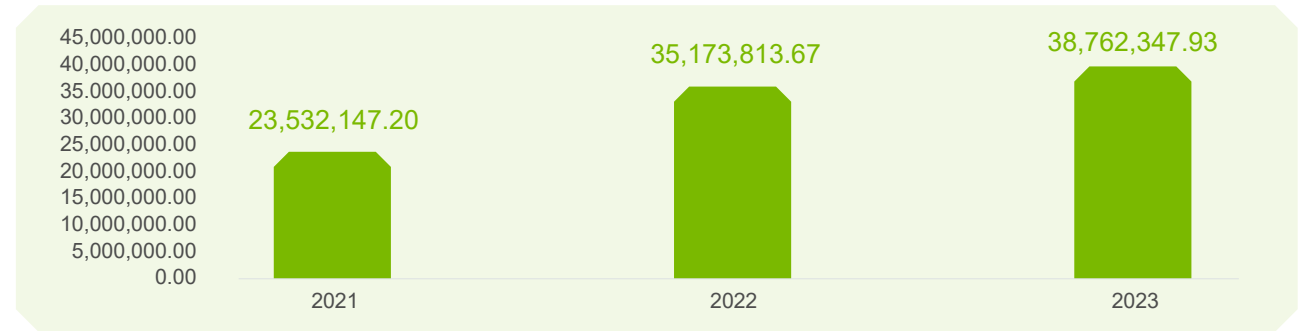
Note: The data for 2021 and 2022 in the previous Sustainability Report was based only on purchased electricity and did not include diesel or natural gas. Therefore, the current report has been updated with the latest data.

ADLINK's Energy Consumption within the Organization in the Past 3 Years

(Unit: Megajoules; 1 kWh = 3.6 MJ)

Energy Type		2021	2022	2023
Non-renewable Energy	Externally purchased electricity	22,943,257.20	33,809,133.67	37,034,026.83
	Diesel	10,620.00	15,750.00	33,395.50
	Natural gas	578,270.00	1,348,930.00	1,367,817.36
Renewable Energy	Photovoltaics	-	-	328,260.24
	Photovoltaic electricity sold	-	-	1,152.00
Total Energy Consumption		23,532,147.20	35,173,813.67	38,762,347.93
Turnover (NT$ thousand)		6,506,748	7,997,996	7,847,211
Energy Intensity (megajoules/NT$ thousand)		3.62	4.40	4.94
Annual Rate of Change of Energy Intensity		44.80%	21.55%	12.27%

Note 1: The source of the energy conversion factors is the Ministry of Environment's announcement of the Greenhouse Gas Emission Coefficient Management Table Version 6.0.4.
Note 2: Formula for calculating energy intensity: Energy consumption/total annual revenue.
Note 3: The energy usage data in the table only includes ADLINK's headquarters building and the Hwa Ya Plant. The revenue data is based on individual financial reports.
Note 4: Electricity generation from photovoltaics officially began in the fourth quarter of 2023.
Note 5: In 2023, only electricity from photovoltaics was sold.
Note 6: The coefficient for converting natural gas into joules is 9,000 and 8,400 for diesel (both in kcal/m³); 1 kcal = 4.186 kilojoules

ADLINK

Sustainability Vision and Goals   Company Overview   Corporate Governance   Sustainable Supply Chain and Innovative Technologies   Environmental Care   Employee Care and Workplace Satisfaction   Social Engagement   Appendix

Energy-saving and Carbon Reduction Action Plans

To conserve energy, ADLINK has promoted behavioral changes in offices, common energy-saving measures, and low-carbon operations. In addition, the company has started to use renewable energy and save energy consumed by non-production equipment at the Hwa Ya Plant in 2023 to gradually reduce GHG emissions. The relevant practices are described below:

Plan I: Behavioral Changes in the Offices

- Ongoing efforts include assigning personnel to switch off power to unused offices during lunch breaks and after-hours
- Sunshades are used to reduce direct sunlight
- Unnecessary power consumption is avoided. The power distribution board is regularly checked and a professional mechanical and electrical consultant company is entrusted to conduct regular inspections of the company's low-voltage distribution board with infrared thermal imaging

Plan II: Common Energy-saving Measures

- Replacement of indicator lights for evacuation signs to more efficient LED lighting
- Set the minimum office temperature to 25 degrees Celsius
- Install energy-saving fans to improve air circulation and reduce the demand on AC
- AC and lighting master switches installed for the office to prevent unnecessary power consumption outside of working hours

Plan III: Low-carbon Operations

- Avoid the use of energy-intensive equipment, replace current OA devices (such as photocopiers) with energy-saving models, and adopt energy savings as a consideration for the procurement of new equipment.
- As of 2021, after the relocation to the Hwa Ya Technology Park in Guishan, Taoyuan, all lighting in the rear office building of the company uses LED lights. The cumulative number of lights until 2023 reduced carbon emissions of scope 2 by 268.66 tons each year. The statistics are shown in the following table:

Building	Quantity (lamps)	Annual Electricity Savings (kWh)	Reduction Scope	Energy Consumption Baseline (megajoules)	Reduction of Energy Consumption (megajoules)	Annual Reductions in Carbon Emissions (metric tons CO_2e)
Building A	4,448	352,281	Scope 2	3,381,903.36	1,268,211.60	174.02
Building B	2,419	191,584	Scope 2	1,839,214.08	689,702.40	94.64

Note 1: Electricity savings are calculated by multiplying the number of bulbs by the wattage saved to obtain the electricity saved. The carbon emissions are then calculated using the 2023 electricity carbon emission factor of 0.494 kg CO_2e/kWh.

Note 2: LED power calculation is based on 10 hours of normal working time (number of days multiplied by the reduction in wattage after the improvement).

Note 3: The difference between the data in the current and previous report is due to the change in factory planning, which resulted in an updated number of LED lamps.

▲ Office lighting is now all LED.

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

Plan IV: Renewable Energy

To proactively reduce carbon emissions and meet its long-term electricity needs, ADLINK started to build its own solar power plant in 2022 to reduce carbon emissions through self-reliance. The company's solar power plant construction schedule was as follows:

2022	Second Quarter of 2023	Fourth Quarter of 2023
Application to the competent authority for a solar photovoltaic power plant	Construction begins	Completion of construction works and commencement of electricity generation statistics

The capacity of the solar power plant is 536.35 kilowatt peaks (kWp). It is estimated that it will generate more than 500,000 kWh of electricity and reduce 250 tons of carbon dioxide emissions per year. The statistical data is as follows:

Power Plant	Solar Power Generated in 2023 (kWh)	Reduction Scope	Reduction of Energy Consumption in 2023 (megajoules)	Annual Reductions in Carbon Emissions in 2023 (metric tons CO_2e)
ADLINK Technology, Inc.	91,183	Scope 2	328,258.80	45.04

▲ Solar photovoltaic power plant installed on the roof of ADLINK headquarters

Plan V: Energy-saving Measures for Non-production Equipment

In July 2023, the company introduced electricity-saving measures for the non-production equipment at the Hwa Ya Plant, including the installation of electricity meters for air conditioning and exhaust systems to measure electricity consumption. The company also set up an overtime reporting mechanism to facilitate centralized monitoring and determination of non-working days so that electricity can be effectively shut down to save energy and ensure effective control. The statistical data is as follows:

Energy Conservation Plan	Electricity Savings in 2023 (kWh)	Reduction Scope	Reduction of Energy Consumption in 2023 (megajoules)	Annual Reductions in Carbon Emissions in 2023 (metric tons CO_2e)
Non-production equipment electricity savings	3,200	Scope 2	11,520	1.58

Note: Comparison of electricity savings in kWh with 2022 as the base year.

▲ Water Resources Management

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

The water used by ADLINK, except for the fire protection system and sprinkler irrigation system which use groundwater, is completely provided by the water company. Groundwater rights have been registered and controlled in accordance with laws and regulations.

ADLINK's Water Intake in the Past 3 Years

(Unit: million liters)

Water Source	2021	2022	2023
Third-party Water (Tap Water)	13.17	40.78	34.27
Groundwater	2.19	4.71	1.52
Total Water Intake	15.36	45.49	35.79

Note 1: The water drawn is fresh water with a total dissolved solids (TDS) content of 1,000 mg/L or less.

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

Rainwater Harvesting System

To maximize the use of water resources, the company officially introduced a rainwater harvesting system on September 1, 2023. Under this new concept of water resource management, rainwater is stored and reused to increase the amount of water and effectively solve the problem of imbalance between supply and demand of water resources. The surplus water resources are used in various ways, including firefighting or irrigation, reducing the amount of water drawn from other sources. Below is a diagram of the rainwater recycling process:
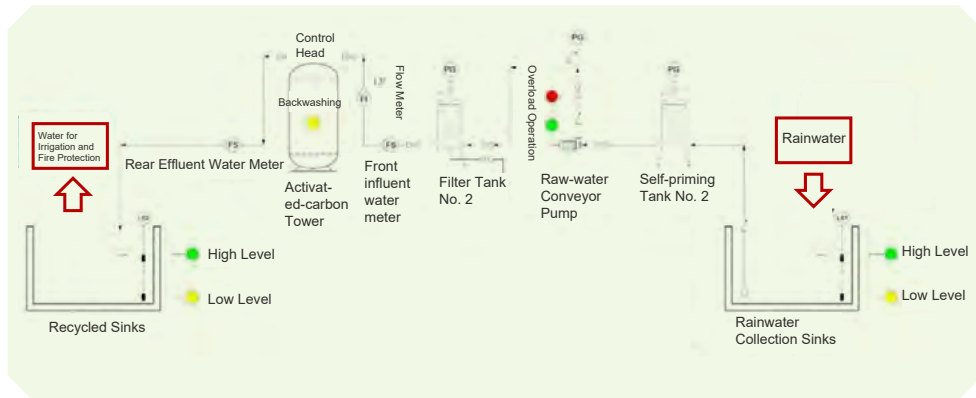
▲ Rainwater Harvesting System Equipment Configuration Diagram

During the 2023 collection period from September 1 to December 31

the amount of rainwater harvested was 15 tons

Wastewater Discharge Management

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

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.

▲ Water Quality Testing Report

ADLINK

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

Promotion of Water-saving Projects

ADLINK's water consumption between 2021 and 2023 was 13.17, 40.78, and 34.27 million liters respectively. Although water consumption has shown an increase in the past two years, the reason is that the company's relocation has changed the floor area from 6,407 ping to 12,931 ping, doubling in size. The increase in public facilities, such as pools, has resulted in an increase in the total water consumption. The year 2022 was therefore set as the base year for monitoring future trends in total water consumption.

If the number of employees is considered in the calculations, the average water consumption per person per day in 2022 and 2023 was 103.93 and 83.14 liters, respectively. The slight decrease in 2023 was due to the effect of implementing water-saving measures on each office floor, as an analysis showed.

ADLINK's Average Water Consumption per Person per Day in the Past 2 Years

(Unit：liter)
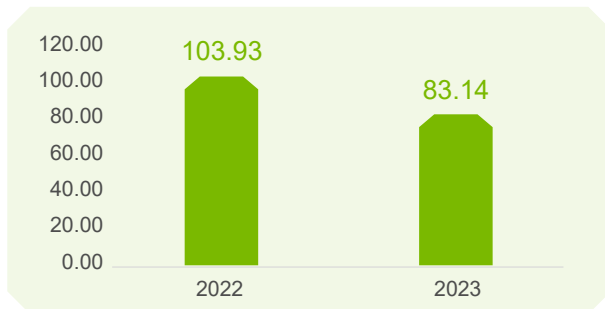
Note: Before moving to Guishan Hwa ya Technology Park in 2021, the Zhonghe Far East Century Plaza Management Committee allocated the water fee calculation method based on the floor area. This differs from the current water fee calculation method, so it is not included in the statistics.

Water conservation concepts have long been promoted and water conservation measures have been implemented by ADLINK to reduce the use of water resources.

Common Water-saving Measures

- There are daily inspections of taps on each floor
- The glass of the office building is all self-cleaning glass, which can reduce the number of cleanings needed. The glass only needs to be cleaned once a year
- The rain sensor of the garden watering system automatically stops watering after sensing rainfall to save water

Replacement of Water Equipment

- Faucets have been changed to sensor-type faucets
- Hwa Ya Plant installed 31 water-saving urinals and 55 water-saving toilets in 2021, saving 54.12% of water consumption every year compared to traditional equipment

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

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

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix
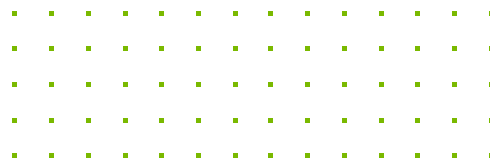
4.4 Waste Management

Waste management involves the centralized collection and sorting of recyclable waste in accordance with the company policy on "Save energy resources, establish resources renewals" (see the Waste and Resource Recycling Management Table for details). Waste is removed by contracted, qualified companies and converted into reusable resources to reduce their environmental impact. The remaining industrial waste is transported by Ministry of Environment-approved contractors to legal waste treatment plants. They are also declared through the Ministry of Environment's online reporting system for tracking. Types of waste include 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), etc. (See the Status of ADLINK's Handling of Waste in the Past 3 Years Table for details.)

Waste and Recycling Management

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

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

Waste Classified by Composition in 2023

(Unit：tons)

Waste Types	Waste Composition and Components	Total Amount of Waste	Total Amount of Waste Diverted from Disposal (Recycling)	Total Amount of Waste Directed to Disposal
(Incineration and Landfilling)	Waste solder dross (R-1305)	0.42	0.42	0.00
	Electrical component scrap (E-0217)	0.02	0.02	0.00
	Scrapped PCBs containing metals (E-0221)	4.26	4.26	0.00
	Scrapped PCBs with parts and components (E-0222)	0.04	0.04	0.00
	Waste liquids with a flashpoint below 60° C (C-0301)	0.76	0.00	0.76
	Waste fibers or other cotton and fabric blends (D-0899)	0.28	0.00	0.28
Total Waste		5.78	4.74	1.04

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

Year				2021		2022		2023	
Category	Major Types of Waste	Processing Site (Note 1)	Handling Method (Note 2)	Output (Ton)	Percentage (%)	Output (Ton)	Percentage (%)	Output (Ton)	Percentage (%)
Hazardous Industrial Waste	Waste solder dross (including lead compounds) (C-0102)	Taken off-site	Reuse	0.20	4.67	-	-	-	-
General Industrial Waste	Waste solder dross	Taken off-site	Reuse	-	-	0.416	9.71	0.416	7.20
	Electrical component scrap (E-0217)	Taken off-site	Recycling and reuse	0.20	4.77	0.017	0.40	0.022	0.38
	Scrapped PCBs containing metals (E-0221)	Taken off-site		1.46	34.83	2.474	57.74	4.256	73.66
	Scrapped PCBs with parts and components (E-0222)	Taken off-site		0.11	2.53	0.148	3.45	0.044	0.76
	Waste liquids with a flashpoint below 60° C (C-0301)	Taken off-site	Incineration	2.23	53.20	0.88	20.54	0.76	13.15
	Waste fibers or other cotton and fabric blends (D-0899)	Taken off-site			-	0.35	8.17	0.28	4.85
Total Waste				4.19		4.29		5.78	
Recycling and Reuse Rate (Note 3)				46.80%		71.30%		82%	

Note 1: Processing site: Onsite (in-house processing) and offsite (outsourced processing).
Note 2: Handling method: Reuse (used again for the same purpose), recycling (processed to create new materials), incineration (with energy recovery), incineration (without energy recovery), landfill, and other.
Note 3: Recycling and reuse rate (%) = Total amount recycled/Total amount of waste * 100%
Note 4: The method of determining hazardous industrial waste and general industrial waste is based on Taiwan's "Waste Disposal Act" and "Hazardous Industrial Waste Determination Standards". According to the standards, ADLINK's class E waste falls into the storage stage and not the treatment stage. In addition, C-0301 is a non-ethanol alcoholic waste with a volume concentration of less than 24%, which is recognized as general industrial waste.
Note 5: In 2022, the waste solder dross number was changed from C-0102 to R-1305. The previous number C-0102 was used for general waste solder and lead-containing waste solder generated in earlier processes. In recent years, the company has transitioned to lead-free processes. After relocating the plant in the second half of 2021, the waste removal letter was updated, and the waste solder number was changed to R-1305.

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

4.5 Net-zero Green Life

ADLINK promotes the concept of "Net-zero Green Life," which includes the five aspects of sustainable food, green tourism, green consumption, green living, and green office. The company also encourages organizational and personal changes based on concrete results of practical tests and supports environmental measures in daily life to raise awareness of green living for all.

Respond to low-carbon travel and understand the local ecologies of island countries

Organize staff tours, eco-lectures, and field study trips

Implement greening and tidying of the environment and optimize the use of local sunlight resources

Maintain a clean environment, promote planting greenery in pots, and improve natural lighting

Building a Green Enterprise

- Green Tourism 5%
- Green Living 5%
- Sustainable Food 5%
- Green Consumption 15%
- Green Office 70%

Five aspects of environmental friendliness, carbon-emission reduction, and green office

Save electricity, water, oil, energy, and paper

Support green consumption by choosing environmentally friendly products and services

Hardware equipment, office supplies, business trips, raw materials, LED lights, and others

Establish an environmentally friendly restaurant to reduce wasting local food

Provide rewashable tableware, adequate meal portions, and promote food waste reuse

Participated in the Let's Go Green Net-zero Green Living Competition and Won a Silver Medal

ADLINK participated in the 2022 Let's Go Green Net-zero Green Living Competition organized by the Environmental Protection Administration by planning, publicizing, and promoting events and behaviors related to sustainable food, green tourism, green consumption, green living, and green office. Following a preliminary audit, on-site inspection, and re-examination, the company was awarded a silver medal in the enterprise category.

Chosen as An Outstanding Excellent Green Procurement Unit

ADLINK was recognized by the Department of Environmental Protection, Taoyuan as an "Excellent Green Procurement Unit (more than NT$5 million)" in 2023. The green procurement amount has reached more than NT$19 million for two consecutive years. The company is committed to corporate social responsibility and environmental protection. Any purchase or lease of products with labels or tags recognized by the Ministry of Environment is considered green procurement. The company regularly reports the amounts of green procurement in the Taoyuan City Government's Civil Green Procurement System.

Total Amount of Green Purchasing by ADLINK in the Past 3 Years

(Unit: NT$ thousand)

Year	2021	2022	2023
Amount of Green Purchasing	-	19,946	19,357

Note 1: Green procurement refers to the purchase of products with environmental labels, certificates from the Ministry of Health and Welfare, or energy-saving, water-saving, and green building material labels. Reference website: Green Lifestyle Information Platform

Note 2: The company began reporting the green procurement amount in 2022.
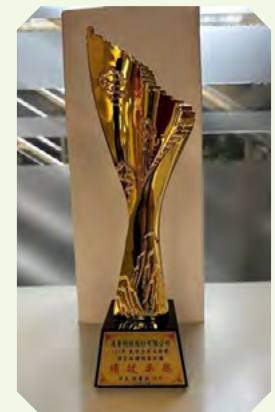
5

Employee Care and Workplace Satisfaction

ADLINK

Sustainability Vision and Goals   Company Overview   Corporate Governance   Sustainable Supply Chain and Innovative Technologies   Environmental Care   Employee Care and Workplace Satisfaction   Social Engagement   Appendix

5.1 Protection of Human Rights

Introduction of RBA

Labor Human Rights Policies

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

Supervision Mechanisms and Execution

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

Risk Assessment	ADLINK has been certified by the Responsible Business Alliance (RBA) in 2022, ensuring that ADLINK's human rights-related policies meet or exceed the RBA Code of Conduct. In the future, ADLINK will annually identify the highest risks in regard to labor,healthcareand safety, environmental, ethical, management system and supplier managementin the relevant systems according to the Self-Assessment Questionnaire (SAQ) designed by the Responsible Business Alliance.
Management	Based on the risk assessment results, ADLINK will conduct comprehensive discussions on high-risk matters, and examine whether relevant rules and measures can protect the rights and interests of employees.
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 decision based upon the resulting action plan.
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

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

5.2 Excellent Workplace

▲ Employee Diversity

Management of ADLINK's Material Topic "Employee Diversity and Inclusiveness" in 2023

Material Topic		Employee Diversity and Inclusiveness
Impact Assessment	Positive/ Actual	Through diversity and inclusion policies, attract outstanding talent, improve corporate image, strengthen talent competitiveness, boost productivity, and create more diverse values.
	Negative/ Potential	Potential cultural frictions and differences between employees may require more time and resources to address.
Corresponding GRI Indicators		• GRI 405-1 Diversity of governance bodies and employees
Corresponding SDGs		SDG 3: 3.1, 3.8 SDG 5: 5.1, 5.5, 5.c SDG 8: 8.2, 8.5, 8.8 SDG 10: 10.2, 10.3
Policy or Commitments		ADLINK's vision is to establish a corporate culture that is diverse and inclusive. We aim to attract and retain employees from different cultures, races, ages, and abilities, forming a diverse team that respects and understands each other. By promoting diverse recruitment, our selection and assessment process will consider the diverse composition of employees and actively seek individuals with different backgrounds and experiences. At the same time, we will also focus on hiring candidates from diverse backgrounds to reflect our commitment to diversity. Lastly, by creating an open, inclusive, and respectful work environment, we will encourage employees to share their experiences and perspectives, and provide equal opportunities and benefits to ensure that everyone can unleash their full potential.
Indicators and Targets		**Short-term Goals（2024)** • Maintain the proportion of permanent female employees (indefinite contracts) at 40% to 45%. Maintain the proportion of female managers at 23% to 26%. • Achieve a 100% medical consultation rate for pregnant employees in 2024 **Mid/long-term Goals (2025 to 2028)** • In 2025, the company will continue to promote workforce diversity, including maintaining the proportion of female directors, managers, and permanent employees (on indefinite contracts) at more than 30%, 23% to 26%, and 40% to 45%, respectively; the proportion of mentally and physically disabled employees will be maintained between 1% and 1.50%. • In 2025, the company will offer at least 6 health checks per person per year for pregnant employees • In 2028, the company will improve employee care by planning one or two activities per year aimed at middle-aged and older employees
Effectiveness Tracking Mechanism		• We review the achievement of the diversity composition ratio goal through internal audits and external client audits conducted on an irregular basis every year
Annual Actions and Measures		**Attainment in 2023:** • The employment of employees with disabilities has increased by 0.06% compared to the previous year (out of all employees). In 2023, there were 16 employees with disabilities, accounting for 1.39% of all employees • The percentage of permanent female employees (indefinite contracts) was 42.20%, and the percentage of female managers was 26.85% • Achieve a 100% medical consultation rate for a total of 14 pregnant employees in 2023 • The company has introduced a flexible commuting system and concluded a contract with a corporate childcare facility to meet the needs of families

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

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.

Our aim is to provide equal opportunities for the appointment and development of talents, eliminate illegal discrimination, pay attention to and respect multi-ethnic groups, and not consider differences due to gender, race, nationality, religion, age, physical disability, political position, marital status and trade unions, including opportunities for hiring, compensation, advancement, etc. At the same time, ADLINK respects the career development of employees and has created a friendly and healthy workplace. For example, we provide sexual harassment prevention measures and grievance channels, and comprehensive family care programs, such as children's education scholarships and special childcare care services to enable employees to balance work and life.

In response to the differences in labor regulations and cultures in various regions, this chapter only presents an overview of the human resources in Taiwan's operational locations. From 2021 to 2023, the number of female permanent employees (with irregular contracts) gradually increased, and the overall male-to-female ratio in the company is 1.3:1. The main age group of the workforce is between 30 and 50 years old.

ADLINK actively cooperates with the government to participate in employment policies for 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 particular needs, and redesign overall duties according to the evaluation results. When necessary, we help employees to apply for assistive devices. In 2023, the number of people with physical and mental disabilities employed increased steadily, exceeding the number required by law and creating more employment opportunities for people with physical and mental disabilities.

Foreign employees accounted for 13.51% of all employees of the company. Among them, the majority are Filipino employees, totaling around 139 individuals. To ensure that Filipino employees feel secure and comfortable while working and living in Taiwan, ADLINK provides the following care measures:

1 Zero payment policy

2 Established prayer rooms for use

3 The dormitory directory assists in handling problems related to the dormitories

4 The company's dedicated foreign managers assist in the communication and resolution of various problems

5 Airport shuttle services (inbound/outbound)

6 Meal allowance and subsidy

7 Onsite physician and psychologist consultation services

8 Shuttle bus to/from work

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

Types of Employees Hired by ADLINK in the Past 3 Years

(Unit：Number of People)

Employee Categories		2021		2022		2023	
		Male	Female	Male	Female	Male	Female
According to Contract	Permanent employees (indefinite contract)	592	434	614	481	606	484
	Contracted employees (fixed-term contract)	28	9	24	8	39	18
According to Work Hours	Full-time employees (full time)	604	442	626	487	620	497
	Part-time employees (part time)	3	1	3	1	3	1
	Non-guaranteed hours employees (temporary workers)	13	0	9	1	22	4

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

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

Worker Type	2021	2022	2023
Employees	1,063	1,127	1,147
Non-employees	33	44	30
Total	1,096	1,171	1,177

Note 1:The number of employees is based on the actual headcount.
Note 2: The data from December 31, 2023 is used.
Note 3: Non-employees refer to workers who are not directly employed by the company but whose work is under the company's control. This includes dispatched workers from labor agencies and contracted workers from contractors. The main types of work include environmental cleaning, catering services, and security.

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

Employment of Employees with Disabilities			
Year	2021	2022	2023
Male	9	11	13
Female	4	4	3
Total	13	15	16
Total Number of Employees	1,063	1,127	1,147
Percentage	1.22%	1.33%	1.39%

2023 Distribution of ADLINK's Employees by Position Type

Position Type/ Diversity Category		Gender		Age			Other	
		Male	Female	Age 30 and under	31-50 Years Old	Age 51 and above	Foreign Employees	People with Disabilities
Technical Track (741 in total)	Number of People	473	268	93	589	59	147	8
	Proportion	63.83%	36.17%	12.55%	79.49%	7.96%	19.84%	1.08%
Sales Track (16 in total)	Number of eople	9	7	0	15	1	0	0
	Proportion	56.25%	43.75%	0%	93.75%	6.25%	0%	0%
Staff Track (241 in total)	Number of People	54	187	59	169	13	6	6
	Proportion	22.41%	77.59%	24.48%	70.12%	5.39%	2.49%	2.49%
Management Track (149 in total)	Number of People	109	40	0	116	33	2	2
	Proportion	73.15%	26.85%	0%	77.85%	22.15%	1.34%	1.34%
Total Number of People in Each Diversity Category		645	502	152	889	106	155	16
Percentage of Total Employees		56.23%	43.77%	13.25%	77.51%	9.24%	13.51%	1.39%

Note: The proportions are calculated by dividing the number of people in each diversity category (gender/age/other) by the total number of people in each position type.

ADLINK

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

▲ Labor-Management Communication and Cooperation— Labor-Management Meetings

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 labor representatives are nominated and voted on by all employees. Each term of office is four years and representatives can be re-elected. From 2021 to 2023, a total of 13 labor-management meetings were held. The attendance rate of representatives from both employers and employees is shown in the table below. A total of 197 issues and opinions were raised by both parties. Through discussion and decision making, the case closure rate was 100%. After meetings, the company also announces 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 agreements for ADLINK, strengthening collective negotiations and effectively establishing labor-management relations and cooperation. ADLINK's employee benefits are also discussed in the labor-management meetings, where the labor representatives proposed and promoted changes. In addition, ADLINK started to organize meetings with foreign workers at least once a year since 2021. Through listening, negotiation and decision-making, we are able to create a better workplace together.

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

Year	2021	2022	2023
Attendance rate of labor-management representatives	80%	73%	90%

Statistics of Employee Opinions Reflected at ADLINK's Labor-management Meetings and Symposiums in the Past 3 Years

Communication Channel	2021		2022		2023		Major Improvements in the Past 3 Years
	Number of Comments	Number of Processed Cases	Number of Comments	Number of Processed Cases	Number of Comments	Number of Processed Cases	
Labor-Management Meeting	50	50	95	95	52	52	• Revising the employee handbook not only ensures that the company's system keeps up with the times, but also responds to changes in the company's benefits, such as the addition of birthday and sick leaves (with full pay). • We have improved the quality supervision of the catering company and adjusted the cost sharing for the meals, aiming to enhance the overall quality of our company's catering services. This ensures that our employees can enjoy tastier and healthier lunches. • Based on the feedback from employees, we have improved the comfort of the office environment by enhancing lighting conditions and maintaining a clean workspace. • In response to changes in regulations, such as an increase in the tax-exempt amount for meal allowances, meetings are held between management and employees to discuss potential problems and the appropriate ways for colleagues to request adjustments.
Foreign Workers Symposium	11	11	6	6	5	5	• Provide a variety of choices such as noodles, buffet, etc. The cafeteria will also change the menu from time to time. • We place importance on the rights of migrant workers. The company has conducted a zero placement fee policy.

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

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

Work
Productive Work Environment
Flexible commuting system
Retirement scheme
Performance evaluation

Education
Support and Love
Scholarships for children

Transportation
Safety and Convenience
Transportation subsidy scheme and free parking
End work 1.5 hours early every Friday or the working day before public holidays to avoid rush hour traffic.

Food
Safe and Healthy
Professional catering companies move in
Irregular pop-up shops

03 04
02 05
01 06

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

Housing
Comfort and Safety
Group insurance for family members

Health
Mental and Physical
ADLINK's leisure facilities are managed by a dedicated team to provide

Housing/Comfort and Safety:

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

Parental Leave Usage and Retention Rate

In recent years, the company paid more attention to the planning of a friendly workplace and strengthened family care benefits. In 2021 and 2022, in response to the different commuting distances of employees due to the relocation of the company's headquarters as well as the renewed outbreak of the COVID-19 pandemic in 2022, leading to concerns about the health and safety of newborns and other family members, the company formulated measures for employees affected by long commutes and work-life balance conflicts and introduced flexible working hours to accommodate family care needs. After a period of adjustment, the overall reinstatement and retention rates improved significantly in 2023.

The company has developed a comprehensive maternity benefits program to increase the reinstatement rate of employees:

1. The company's premises are equipped with three well-designed lactation rooms, each with its own refrigerator, sterilizer, sink, and comfortable sofa chair, so that employees can spend their time in the lactation rooms as relaxed as possible.

2. From pregnancy through the postnatal period to breastfeeding, the company offers professional advice and counseling from its medical staff as well as free pregnancy packages.

3. ADLINK has signed contracts with several excellent corporate childcare providers to reduce the burden of childcare for its employees through preferential discounts.

4. A children's play area has been set up on the company's premises and sports courses for children are also offered by the company's leisure center.

5. For employees who are still breastfeeding one year after giving birth, the period of maternity protection is automatically extended until the end of breastfeeding.
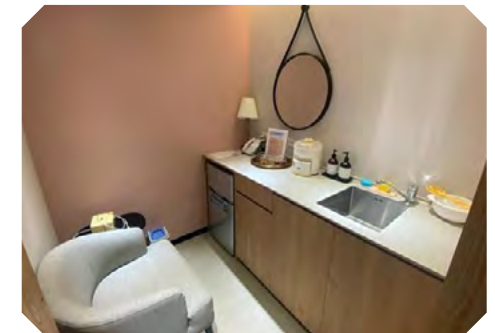
▲ ADLINK's cozy and beautiful lactation room

Number of Mothers Protected by ADLINK in the Past 3 Years

Year	2021	2022	2023
Number of people under maternal protection	8	11	14

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

The details of ADLINK's unpaid parental leave statistics for the last 3 years are shown in the following table:

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

Item	Gender	2021	2022	2023
Number of people eligible for unpaid parental leave during the year	Male	93	70	48
	Female	41	35	30
	Total	134	105	78
Number of people on unpaid parental leave during the year	Male	4	1	3
	Female	6	6	3
	Total	10	7	6
Number of people expected to be reinstated after unpaid parental leave during the year (A)	Male	1	1	0
	Female	6	4	4
	Total	7	5	4
Number of people actually reinstated after unpaid parental leave during the year (B)	Male	1	0	0
	Female	5	3	4
	Total	6	3	4
Number of people still with the company twelve months after being reinstated from unpaid parental leave in the previous year (C)	Male	1	1	0
	Female	5	2	3
	Total	6	3	3
Reinstatement rate (B/A)	Male	100%	-	-
	Female	83.33%	75%	100%
	Total	85.71%	60%	100%
Retention rate in the current year (C/ Actual number of people reinstated after unpaid leave from the previous year)	Male	33.33%	100%	-
	Female	83.33%	40%	100%
	Total	66.67%	50%	100%

Note: The reinstatement rate of 100% in 2023 is due to the fact that one employee from the category of people expected to be reinstated after unpaid parental leave during the year (A) resigned in advance. In addition, the category of people actually reinstated after unpaid parental leave during the year (B) included one employee who was originally due to be reinstated in 2024 but was reinstated earlier than planned.

Group Insurance—Families

In addition to the insurance coverage required by law for each employee, the company also offers group insurance that includes life insurance, critical illness insurance, accident insurance, injury insurance, and cancer insurance. Since 2019, employees' family members can also participate in the company's group insurance at a premium lower than the market rate, so that the care can be extended to the family members of the employees and the employees can obtain sufficient protection and work without worries.

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

Category	2021	2022	2023
Number of Dependents Insured	319	388	408
Number of Dependents Claimed	34	31	12
Total Claim Amount (NT$)	380,275	716,302	124,054

Transportation/Safety and Convenience

The company considered that employees mainly live in the greater Taipei area, and provides four major transportation methods to allow employees to commute with peace of mind. The methods include free parking spaces for cars and motorcycles, commuter buses, half-price discount subsidies for the airport MRT and NTD1,200 monthly transport pass for Northern Taiwan (covers Taipei, New Taipei, Taoyuan, and Keelung). The company has held multiple labor-management meetings and conducted surveys to communicate with employees and actively listen to their feedback. Based on the majority's needs, we have planned commuter routes that meet their requirements. We continuously collect feedback from employees to assess and adjust schedules and parking locations, aiming to provide more convenient commuting options for our colleagues. In addition, a small bus station is added to provide transfers to the Airport MRT A7 National Sports University Station and A8 Chang Gung Hospital Station. Shuttles stop at the outdoor parking lot at the end of the workday to transport employees to the outdoor parking lot. In order to improve the happiness of employees, ADLINK allows employees to leave work 1.5 hours earlier every Friday and the working day before national holidays to avoid peak traffic hours. Commuter buses and shuttle buses also operate 1.5 hours earlier, allowing employees to leave work happily and go home with peace of mind.

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

Four Options for Transportation

Transportation Option Types	Option Content
Parking for Cars	• 115 indoor parking spaces • 193 indoor mechanical parking spaces • 149 outdoor parking spaces
Parking for Motorcycles	• 236 parking spaces • 100 temporary parking spaces
Commuter Bus	15 commuter bus routes are provided. There is also a commuter bus APP to track the location of buses in real time
Airport MRT Subsidy	• Half-price subsidy for 120-day tickets, 1,200 monthly transport pass subsidy for Northern Taiwan (covers Taipei, New Taipei, Taoyuan, and Keelung) • We provide 22 buses between A7 National Sports University Station and 18 buses between A8 Chang Gung Hospital Station to and from the headquarters

Work/Productive Work Environment

Working Hours

ADLINK has introduced a system of flexible working hours to enable employees to avoid peak times with high traffic volumes. Employees can adjust their working hours according to their own preferences, which not only ensures their safety on the way to and from work, but also reduces the time spent commuting. This offers employees a more flexible working model and is an important step toward improving their work-life balance.

Retirement Plan 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 has 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. The amount of ADLINK's contribution to pension accounts and the statistical period are as follows:

Number of Retirees and Amount of ADLINK's Pension Account in the Past 3 Years

Year	2021	2022	2023
Number of Retired Employees	3	0	0
Amount of Contribution (NT$ thousand)	55,476	61,860	64,654

Education/Support

Scholarships for Children

The company takes care of its employees and their families and offers various forms of care. 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.

Children's Education ScholarshipsProvided to Elementary School/Middle School/High School Children

Scholarships for Children	2021	2022	2023
Number of People	584	626	661
Amount (NT$)	645,500	700,500	746,000

ADLINK

Sustainability Vision and Goals　　Company Overview　　Corporate Governance　　Sustainable Supply Chain and Innovative Technologies　　Environmental Care　　Employee Care and Workplace Satisfaction　　Social Engagement　　Appendix

Food/Safey and Health

In order to provide employees with a dining environment that integrates aesthetics and cuisine, ADLINK has carefully designed 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. In 2023, we hosted more than 70 brand pop-up restaurants. In addition, a pop-up recommendation pool was installed. ADLINK employees were invited to recommend excellent vendors and assist in negotiating follow-up operations, in order to increase the bridge of interaction with ADLINK employees.

For group catering, we chose professional caterers with HACCP certification to plan meals. The management unit has formulated and improved restaurant management methods and regularly checks various specifications, in order to provide employees with diversified meals that guarantee food safety. The cafeteria has been awarded the Eco-Friendly Restaurant label and has been designed, built, and operated in line with environmental friendliness and efficient energy use to create an environmentally friendly, low-carbon dining environment.

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 to supply RO purified water for food and beverage use and electrostatic fume removal equipment. Regular repair and maintenance and active carbon filter replacement is implemented to maintain environmental hygiene.

Diverse Meal Options

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

▲ ADLINK's cafeteria has been awarded the Eco-Friendly Restaurant label.

Health/Mental and Physical

Comprehensive Workplace Health

ADLINK strives to promote the overall health and well-being of its employees on a physical, mental, and social level. The company goes beyond the traditional focus on occupational safety and physical health and also focuses on the mental health and work-life balance of its workers. Creating an atmosphere that is conducive to the general health and well-being of employees helps to increase productivity, reduce work stress, and increase employee loyalty.

2023 Comprehensive Workplace Health: Physical Health

Plan/Event	Content	Result
Health examinations	ADLINK organizes biennial company-wide medical checkups, annual medical checkups for employees on special assignments and other specific groups, and executive medical checkups. The company works with healthcare providers to plan special health screening programs not only for its employees, but also for family members and friends. The company goes beyond regulations by subsidizing physical examinations for new employees and implementing report grading and follow-up care.	① Medical consultations and follow-up examinations were arranged for the employees whose condition was graded as level three. The company conducted interviews with 37 individuals, achieving a 100% follow-up rate. ② A company-wide medical checkup was carried out in October, in which 95.43% of employees took part. The overall satisfaction rate with the medical checkup was 4.29 (out of a total of 5 points). ③ A total of 168 new employees underwent a physical examination, with 54 individuals whose condition was graded as level 3 and 4 and 86 individuals whose condition was graded as level 2 offered health education. The follow-up rate was 100%.
Work fitness of upper-middle-aged and senior workers	An assessment of fitness for work was carried out on individuals over 45 years of age who showed serious abnormalities on physical examination, had a medium or higher risk of cardiovascular disease over a 10-year time horizon, or scored 3 or higher on the musculoskeletal pain test.	A total of 21 middle-aged or older employees were tested for their fitness to work. The completion rate was 100%.
Maternal protection	Physical and psychological examinations and work assessments were carried out for pregnant, postpartum, and breastfeeding employees, with individual health advice offered and adjustments made to the work content where necessary. A lactation room has been set up to create a friendly working environment for maternal staff.	① There were 14 employees under maternity protection, achieving a 100% follow-up rate. No employees needed to adjust their work content. ② The results of the maternal occupational exposure assessment were all classified as level 1 (non-hazardous).
Prevention of ergonomic musculoskeletal diseases	For those who scored 3 or higher on the musculoskeletal pain test and were diagnosed with musculoskeletal conditions or required a high level of medical care (often requesting pain patches or frequently attending massages), the company arranged face-to-face consultations with an occupational medicine doctor to follow up and provide health advice. On-site assessments were also carried out when necessary.	① A total of 33 people attended a consultation, with a 100% follow-up rate. ② Two employees were accompanied to the workplace by an occupational physician who carried out an assessment based on key indicator methods (KIM), an ergonomic risk assessment methodology. The work equipment was adjusted and the improvement rate was 100%. ③ Experts were invited to the workplace to teach lifting and carrying techniques using the Romanian deadlift to employees prone to musculoskeletal pain (see Note). The participation rate was 100%.
Physical health seminars/ activities	Based on the five main programs and the analysis of the most common abnormalities in medical examinations over the years, the company conducted physical health seminars and events that best meet the needs of ADLINK's employees, featuring a wide range of exciting topics.	A total of 16 seminars/activities were held with 1,566 participants.

Note: The Romanian Deadlift is a physical exercise that emphasizes correct posture and technique to maximize the use of muscles while reducing the risk of injury.

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

2023 Comprehensive Workplace Health: Mental Health

Plan/Event	Content	Result
Prevention of abnormal workload	Identify employees who are experiencing abnormal workloads based on questionnaire responses and arrange consultations with occupational doctors/psychologists to provide health coaching.	A total of 12 employees attended a consultation, with a completion rate of 100%.
Prevention of wrongful harm in the workplace	The company conducts an annual risk assessment and identifies cases of unlawful infringement in the workplace. In addition, for those who have scored 10 or higher on the brief symptom rating scale and whose psychological symptoms are related to work factors, further counseling by an occupational physician or psychologist has been arranged.	A total of 15 people attended interviews and consultations with psychologists. The completion rate was 100%.
Psychological consultations	Professional psychologists are invited 3 times a month to provide employees with free and private individual psychological counseling.	The psychologists served a total of 36 employees, with an overall satisfaction score of 85 out of 100 points.
Mental health-related seminars	A series of seminars and workshops on mental health were held, focusing on the prevention of violence in the workplace, sexual harassment, and gender equality.	The company organized 2 lectures, 1 interactive board game, and 1 handicraft course on stress relief, with a total of 189 participants.

The Nine Major Highlights of ADLINK's Comprehensive Workplace Health in 2023

Weight loss contest

The company organized the Piggy Loses Fat contest to promote muscle building and fat loss. The event was received with enthusiasm by the employees.

Result A total of 124 participants joined the contest. Together, they achieved a remarkable reduction of 71.90% in body fat and an increase of 12.30 kilograms in muscle mass

Smoking cessation events

Together with its medical center, the company held mobile smoking cessation classes where a team of medical professionals offered individualized smoking cessation support to help employees beat their addiction and not only reduce the number of cigarettes smoked, but even successfully quit smoking.

Result The carbon monoxide concentration decreased by 66.47% on average

Blood drives

The company organized a blood drive together with the Taiwan Blood Services Foundation to offer employees the opportunity to check their health through blood tests and help others, close to their workplace.

Result The total number of participants was 112, and a total of 133 blood bags were donated

Health management system

The company has introduced the H2U Health Management System, which is able to integrate employees' health data and offer personalized health solutions and preventive measures. In addition, the system enables nurses and doctor to run wellness programs and health promotion events in a more comprehensive and compliant way.

Result By 2023, 841 employees are already using the system, corresponding to a utilization rate of 77.87%

Workshop on the prevention of unlawful infringement in the workplace

Unlike in the past, the 2023 workshop was led by professional psychologists. The event focused on cultivating empathy, self-awareness, and interpersonal boundaries and included interactive board games and craft classes. Employees were taught to empathize with others and practice self-awareness to minimize the occurrence of unlawful infringement in the workplace.

Result A total of 189 people participated in the workshop on unlawful infringement in the workplace

Healthy workplace certification/ Shared commitment and response

ADLINK has been taking part in Health Magazine's Healthy Corporate Citizenship Campaign since 2020. In 2021, the company was awarded the Badge of Accredited Healthy Workplace by the Health Promotion Administration.

Result In 2023, the company obtained the National Health Administration Health Promotion Label.

ADLINK

Sustainability Vision and Goals　Company Overview　Corporate Governance　Sustainable Supply Chain and Innovative Technologies　Environmental Care　Employee Care and Workplace Satisfaction　Social Engagement　Appendix

Massage station

ADLINK specially hired four visually impaired masseurs to provide shoulder and neck massages to employees at the factory.

Result
- Overall employee satisfaction averaged 9 points
- The average score for perceived improvement in neck and shoulder pain was 8.8 out of 10
- Appointment rate 100%

Modern and professional infirmary

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

Result A total of 300 consultations with occupational medicine doctorwere conducted

Focus on the prevention and early detection of diseases

In addition to annual cancer screenings and flu vaccinations, the company organized HPV vaccinations and related promotional seminars in 2023.

Result
- A total of 62 people took part in the cancer screenings
- A total of 114 flu shots were administered
- A total of 133 people were administered HPV vaccines in 3 sessions

▲ Awarded the Badge of Accredited Healthy Workplace by the Health Promotion Administration, Ministry of Health and Welfare

▲ Salary Standard

ADLINK offers competitive salaries, and the salary structure is based on an employee's position, professional skills, educational background, and years of experience. We also consider market benchmarks from similar industries to make necessary adjustments. We value the principle of equal pay for equal work, ensuring that there is no gender-based wage gap in the overall remuneration.

According to the 2023 statistics, the ratio of base salary plus bonuses between male and female employees was 1.23:1. The ratio of the median annual total remuneration of the individual with the highest annual total remuneration in the company compared to all employees (excluding that individual) was 11.46:1. In addition, compared to the previous year, the ratio of salary increase between the two categories was 245.1:1. This spread is the result of a restructuring of positions in the company, including the appointment of a general manager and a chief operating officer, whose salary structure was reviewed and who were offered a competitive and appropriate remuneration package.

ADLINK's Ratios of Total Remuneration and Changes in Total Remuneration in the Past 2 Years

Item	2022	2023
Ratio of the annual total remuneration of the highest-paid individual to the annual median	8.35：1	11.46：1
Ratio of the change in the annual total remuneration of the highest-paid individual to the annual median	1.43：1	245.14：1

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

Year	2021		2022		2023	
Employee Category	Male	Female	Male	Female	Male	Female
Technical Track	1.84	1	1.84	1	1.79	1
Sales Track	1.21	1	1.38	1	1.11	1
Management Track	1.62	1	1.62	1	1.38	1
Staff Track	1.15	1	1.12	1	1.10	1

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

Salary Standard of ADLINK's Base Personnel in the Key Operating Location in the Past 3 Years

Category	Average Standard Salary of Base Personnel (NT$)		Average Standard Salary of Base Personnel/Local Minimum Wage	
Year	Male	Female	Male	Female
2021	38,498	28,048	1.60	1.17
2022	36,232	29,837	1.43	1.18
2023	33,659	31,333	1.27	1.19

Note 1: Base personnel: Direct personnel.
Note 2: The standard salary includes base salary, meal allowance, additional work pay, skill wage, shift allowance, online skill bonus, and meal allowance (foreign workers).
Note 3: The local minimum wages from 2021 to 2023 were NT$24,000, NT$25,250, and NT$26,400, respectively.
Note 4: ADLINK's key operating location is its headquarters in Taipei.

ADLINK

Sustainability Vision and Goals　Company Overview　Corporate Governance　Sustainable Supply Chain and Innovative Technologies　Environmental Care　Employee Care and Workplace Satisfaction　Social Engagement　Appendix

5.3 Balance in Work and Life－Employee Welfare Committee

Sports Enterprise

[Responding to the Sports Corporation Certificate by Offering Sports Clubs]

Since the establishment of the Sports Administration of the Ministry of Education in 2016, only 20 companies have received the award certification four times in a row (the certification award is valid for three years from 2019), and ADLINK is one of them. The company encourages its employees to take part in sports and join various sports clubs and continues to sponsor a variety of sports and health promotion events. Moreover, ADLINK's Fitness center offers regular fitness classes to encourage employees to develop exercise habits and give them the opportunity to choose the classes and times that suit them best to maximize their health and well-being. In addition to swimming lessons, the company also offers water aerobics and boat rowing courses to provide employees with a wide range of water sports experiences. The company organizes sports months, weight-loss events, and team competitions at irregular intervals in the hope that employees from different departments can get to know each other, stay healthy, and bond. ADLINK also aims to promote a healthy balance between body and mind.

In 2023, ADLINK had 18 sports clubs, including the aerobics club, hatha yoga club, pilates club, dance club, billiards club, badminton club, swimming club, diving club, outdoor activities club, archery club, basketball club, and others. Employee participation in the sports clubs was 45%, with a total of 448 club members and an average weekly attendance of 127 people. Aerobics classrooms of various sizes are freely available to employees. There are also professional coaches who advise on the correct use of the fitness equipment. Moreover, sports are actively embraced by our senior executives. From the CEO to the staff, everyone participates in various sports clubs and events together. During off-duty hours on weekdays and on Saturdays, the leisure center's facilities are also open to employees' families. In this way, ADLINK hopes to encourage its employees and their family members to attend classes together to improve their physical fitness and lead a balanced life.

EWC Events

The company allocated the highest percentage of welfare funds to establish an Employee Welfare Committee. It employs dedicated personnel to plan various employee welfare activities and services. The Employee Welfare Committee regularly holds 16 communication conferences each year, where they listen to employees' voices and organize various targeted activities to meet their diverse welfare needs, including holiday gifts, year-end raffles and parties, teaching lectures, domestic travel, team competitions, a Christmas gift exchange for a thousand people, and a Lunar New Year bazaar. The number of events and the number of participants in 2023 are listed below:

Events	Number of Events	Number of Participants
Lectures	9	1,011
Domestic tourism	8	692
Overseas tourism	19	216
Team rowing competition	1	111
Children's summer camp	3	101
Holiday events (see Note)	5	4,486
Film events	3	2,356
Baby crawling contest	2	16

Note: Holiday events were held on the Mid-Autumn Festival, Dragon Boat Festival, Spring Festival, Christmas, and Children's Day

Screening of the Environmental Film Good Morni MIT

In view of the enormous impact of climate change on biodiversity, ADLINK organized a screening of the environmental film Good Morni MIT to raise employee awareness of environmental protection. A total of 118 employees and their families attended the screening. Good Morni MIT is a self-produced Taiwanese environmental film documenting the Taiwan salamander (Hynobius formosanus), an endemic species, for 17 years in the mid- to high-altitude mountain regions of Taiwan. The population of this species has been declining year by year due to the effects of global warming, development of mountain forests, and habitat disturbance. ADLINK is responding to the issues of climate change with practical measures. At the same time, the company supports the development of Taiwan's cultural and film industry and hopes to encourage more stakeholders to do their part to preserve the environment and protect Taiwan together.

Team Competition: ADLINK's Bizarre Dragon Boat Race

ADLINK's bizarre dragon boat race took place as part of the Dragon Boat Festival. All the teams practiced intensively before the race and worked hard to show off their well-coordinated moves to reach the finish line first. To make the race a little more fun, each team had to draw a special kind of paddle, including plastic slippers, wok spatulas, rubber chickens, or toilet brushes. Paddling dragon boats in the pool is a classic event organized by ADLINK. Each year, different challenges and elements are added to provide participants with new experiences and a fun atmosphere, while promoting exchange and interaction between the different departments.

Children's Summer Camp: ADLINK BOSS Professional Experience Camp

The children's summer camp in 2023 focused on work experience. Aside from serving as a 7-11 store manager, the highlight of the program was for the children to experience the exploits of the mighty and hardworking heroes who protect Taiwan.

First group:

• Children of ADLINK employees aged 4 to 7 spent a day experiencing what it is like to be a firefighter. They learned cardiopulmonary resuscitation and first aid, simulated an escape from a smoke-filled house, put out fires, and climbed ladders.

Second group:

• Little ADLINKers aged 7 to 10 became police officers to fight criminals. They trained in combat, honed their skills in dismantling weapons, practiced shooting, and rescued hostages. Under the guidance of the instructors, they swore to be good citizens who would never take drugs or commit crimes.

Third group:

• Older children between the ages of 10 and 12 were transformed into marines and put through a grueling three-day training program that included not only climbing the "road to heaven" and firing artillery shells, but also outdoor rock-climbing and fitness training on a rope. Their parents were moved by the footage taken during the training and praised it highly.

The summer camps organized by the Employee Welfare Committee not only allow employees to bring their children to the company to get to know their parents' working environment, but also provide the children with appropriate and educational knowledge through various themes.

ADLINK

Sustainability Vision and Goals   Company Overview   Corporate Governance   Sustainable Supply Chain and Innovative Technologies   Environmental Care   Employee Care and Workplace Satisfaction   Social Engagement   Appendix

Christmas Events: Go-kart Racing on a Closed Racetrack and Christmas Tree Lighting with Ecologically Generated Bicycle Power

In response to efforts to protect the environment, ADLINK added green elements to its Christmas tree lighting in 2023. The event included a Christmas tree made from electronic waste and a Christmas tree lighting ceremony in which ADLINK Chairman and CEO Jim Liu and ADLINK CFO Jeff Chou generated the electricity needed by pedaling on power-generating bicycles. The combination of sport and power generation symbolizes the commitment of everyone at ADLINK, from the chairman to the employees, to protect the environment.

In addition to the 2023 Christmas tree lighting with ecologically generated bicycle power, the Employee Welfare Committee closed the access road to the company premises for the first time and organized a go-kart race. A total of 330 employees signed up to experience the thrill of a high-speed ride on the road. Employees were also encouraged to take part in the race wearing a costume, which made the whole Christmas event even more fun.

Benefits and Subsidies

ADLINK employees are entitled to receive a full range of subsidies, including: cash gifts for birthdays, maternity, weddings, as well as payment for injuries/illness/bereavement 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	2021	2022	2023
Birthday cash gift	1,026	1,050	1,105
Maternity cash gift	25	21	34
Wedding cash gift	9	20	28
Condolence payment for injury or illness	27	25	20
Condolence payment for bereavement	31	54	66
Scholarships for children	584	626	661
Emergency assistance fund	0	2	0

5.4 Talent Cultivation and Career Development

Management of ADLINK's Material Topic "Talent Development and Cultivation" in 2023

Material Topic		Talent Development and Cultivation
Impact Assessment	Positive/Actual	Through its training system and global workforce deployment, the company will be able to quickly develop employees and improve their skills, establish a culture of learning, create a diversified learning environment, support employee growth in all areas, and cultivate international talents.
	Negative/ Potential	Implementing a culture of learning and diversified learning strategies may increase the company's operating costs. Moreover, it may be difficult to recognize the benefits of the resources invested in the short term.
Corresponding GRI Indicators		• GRI 404-1 Average hours of training per year per employee • GRI 404-2 Programs for upgrading employee skills and transition assistance programs • GRI 404-3 Percentage of employees receiving regular performance and career development reviews
Corresponding SDGs		SDG 4: 4.3, 4.4, 4.5 SDG 8: 8.2, 8.5
Policy or Commitments		• Since our establishment, ADLINK has been guided by four core values: "Sincere Dedication, Outstanding Professionalism, Respect for Competition, and Pleasure at Work". These values have shaped the essential abilities and qualities required of the organization and its talent. Furthermore, the company has cultivated a culture of "Learning, Passion, and Communication" and established a resilient and agile organizational structure to nurture talent development. While we cherish every employee, we also place great importance on our commitment to integrity and social responsibility towards our customers and partners. We hope that ADLINK's talent strategy can foster win-wins between employees, their families, the company, and society. • To implement ADLINK's talent strategy, we established internal systems and concrete policies while maintaining a certain level of flexibility for continuous refinement and improvement of the organization. This approach allows us to align with the company's strategic vision and operational policies, including talent attraction, motivation, and retention. Moreover, we aim to transform employee commitment into dedication to the company.
Indicators and Targets		**Short-term Goals（2024）** • Annual departmental training plans achieved an execution rate of 90% or higher in 2024. **Mid/Long-term Goals (2025 to 2026)** • The promotion rate of internal employees to managerial positions at the level of section chief or above was at least 1/3 in 2025. • The average training hours for employees exceeds 20 hours in 2026. • The proportion of elite intern employees hired (total of all employees) to be more than 3.50% every year in 2026
Effectiveness Tracking Mechanism		• Ensure that the execution rate of annual departmental training plans reaches 90.00% or higher every quarter • Confirm the list of acting section chiefs every quarter and provide online courses related to management
Annual Actions and Measures		**Attainment in 2023:** • Seven new compulsory courses have been added to the digital learning platform. • The average annual training hours for male employees was 12.53 hours, and 15.91 hours for female employees. • The percentage of male employees who received evaluations was 98.16%, and 96.51% for female employees. • Annual departmental training plans achieved an execution target rate of 90% or higher. • The promotion rate of internal employees to managerial positions at the level of section chief or above was 66.67%.

ADLINK

Sustainability Vision and Goals　Company Overview　Corporate Governance　Sustainable Supply Chain and Innovative Technologies　Environmental Care　Employee Care and Workplace Satisfaction　Social Engagement　Appendix

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

In addition, we explain the different actions required for different positions according to the Grade Expectations for management track, technical track, and sales track, in order to construct a basis for personnel assignment and development. We also strengthen the integration and standardization of human resource activities, so that employees are also given a clearer picture of their career direction and requirements at ADLINK.

Technical Personnel

New employee seminars, annual general 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 Personnel

The base level supervisors can use the digital learning platform materials on the company's internal management process to help them understand their situation, prepare in advance, and practice risk management. Develop mid-level managers' ability to utilize various resources effectively, achieve cross-departmental communication and coordination, and cultivate the skills necessary for themselves and their subordinates to become future successors for their department and even the company.

In response to the company's strategic goals and annual development direction, and to satisfy the operational goals and strategies, we continue to develop knowledge and skills through training. At the beginning of each year, we collect the training needs of each unit and we review the implementation at the end of the year. In the last 3 years, the annual training execution rate was more than 90%. We hope to train excellent ADLINKers through our internal training systems, in order to pass on our corporate culture and ideals and establish the foundation for sustainability. In 2023, the internal training planned and conducted by ADLINK, along with external professional training requested by employees, amounted to a total of 16,068 hours. The total number of training hours in 2023 was higher than the total number of 11,441 hours in 2021, but slightly lower than the total number of 17,591.5 hours in 2022. The reason for this is that the company organized a series of company-wide master classes in 2022. In the future, the company plans to hold large-scale company-wide seminars conducted by the Employee Welfare Committee or the company's nurses. These will include lectures by expert speakers, seminars on the health of middle-aged and elderly groups, and mandatory courses for new employees offered on our digital learning platform ADLINK ki-pedia on contract management processes and information security policies. The future courses will all be included in the calculation of the total number of training hours, ensuring that the company's records are comprehensive.

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

Year	2021		2022		2023					
Item	Average Hours		Average Hours		Hours		Number of People		Average Hours	
Role	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Technical Track	23.60	16.90	14.02	18.67	6,261.50	4,897	473	268	13.24	18.27
Sales Track	4.00	2.00	7.00	6.00	53	45	9	7	5.89	6.43
Staff Track	5.20	7.70	22.92	13.64	621.50	2,446	54	186	11.51	13.15
Management Track	6.30	11.50	14.21	19.92	1,145	599	109	41	10.50	14.61

Note: Information is based on the total internal and external training hours of ADLINK from 2021 to 2023.

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 work setting 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 workers, and technicalt 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 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 2024 were as shown in the table below.

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

Digital Learning Promotion

ADLINK continued to uphold our clear and agile development direction, implemented digital learning transformations, and established the new digital learning platform, ADLINK ki-pedia. We integrated teaching materials from the different departments 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 Check List" can help employees quickly get up to speed through a step-by-step approach.

Training courses

Mandatory materials for new employees

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

Materials for elective professional classes

Classes with a higher degree of expertise include project management, PLM, and JIRA related classes

Advanced materials for senior manager

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

In order to further optimize the platform and update the materials in real time, we will revise the teaching materials of each department every year. For example, 7 new compulsory courses were added in 2023. We will also collect the opinions of our employees to continue adding new materials to the platform and achieve the goal of diversified training and development.

In addition, when employees submit their resignation or retirement plans, the company will arrange a personal consultation to understand the reasons for their departure and show concern for their future planning. Depending on individual circumstances, the company will also provide appropriate resources and support in a timely manner to help employees make a smooth transition to a new stage in their lives.

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, the process includes feedback from colleagues to fully evaluate the performance of employees throughout the year. Performance communication and interviews further provide feedback on the employee's contributions and areas for improvement, aiming to align personal work with departmental goals more closely and enhance both the sense of belonging and overall work performance. The results of the performance evaluations will be used as the basis for personnel development, promotion and adjustment of salaries. The evaluation process does not differ based on race, gender, religion, age, marital and political status. The summary table of the number of employees who underwent performance evaluation in different types of positions and gender composition in 2023 at ADLINK is as follows:

ADLINK's Evaluation Percentage in 2023

Role	Performance Evaluation					
	Female			Male		
	Number of people to be evaluated	Actual number of people evaluated	Evaluation completion rate (%)	Number of people to be evaluated	Actual number of people evaluated	Evaluation completion rate (%)
Technical Track	127	122	96.06%	440	431	97.95%
Sales Track	7	7	100%	9	9	100%
Staff Track	172	165	95.93%	43	41	95.35%
Management Track	38	38	100%	105	105	100%
Total	344	332	96.51%	597	586	98.16%

Note 1: Evaluation completion rate = Actual number of people evaluated/Number of people to be evaluated x 100%
Note 2: The number of people to be evaluated excludes senior management team members, contracted employees, blue-collar migrant workers, and those who resigned during the assessment period, totaling 206 employees.
Note 3: The number of people who should have been evaluated but were not includes those who have been on duty for less than 3 months, those who were on leave without pay, and those who have been on leave for more than 9 months, totaling 23 employees.

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 annual promotion process, 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.

ADLINK

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

5.5 Safe and Healthy Workplace

All developed countries define a safe and healthy workplace in the same manner. Workers are entitled to a safe workplace and employers must do everything within their means to provide a healthy and safe workplace. Workers also have the right to express any concerns they may have about workplace safety. ADLINK adheres to this principle by striving to work with all employees to create a safe, welcoming, and healthy workplace. This is also ADLINK's mission and commitment. The manufacturing industry that ADLINK belongs to has been designated by the Occupational Safety Act as being at significant risk. In addition to introducing the ISO 45001 occupational health and safety 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 ensures that we effectively implement and adhere to the relevant provisions of the EHS management system, and that company activities comply with local laws and customer requirements. The Environmental Safety and Health Management Committee (EHS Committee) was also established to facilitate effective bilateral communication with stakeholders. The EHS Committee is involved in the definition of EHS policy, the review of results from workplace environmental monitoring, as well as occupational injury investigations and subsequent corrective actions. It can also make EHS proposals to help ADLINK strengthen our EHS mechanisms. Employee participation and feedback can also be used to identify small areas of improvement. The importance of environmental, safety and health is emphasized through this integrated approach so that we can continue to focus on the goal of sustainability.

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

1 Environmental Safety and Health Management Committee

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

2 Document Control Center

Responsible for the authoring and revision of EHS management system documentation

3 EHS Audit Team

Responsible for the authoring and revision of EHS management system documentation

4 EHS Hazard Identification and Preliminary Review Team

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

5 EHS Regulatory Team

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

6 Emergency Response Team

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

ADLINK

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

ADLINK Environmental Safety and Health Management Committee

- Chairperson
- Executive Secretary
  - EHS Regulatory Team
  - EHS Audit Team
  - Document Control Center
  - EHS Hazard Identification and Preliminary Review Team
  - Emergency Response Team

Enforcing Safety and Health Management Practices

To ensure the safety of workers and plant areas, in addition to complying with government regulations and company operating standards and conducting automatic inspections and self-inspections, the staff of the Environmental Safety Office also preforms routine workplace safety checks and occasional spot checks on the safety of contractors' operations. Through monthly inspections by the Environmental Safety Office or on-site visits by physicians, the company strives to make recommendations to improve operational activities and implement safety and health management practices.

Hazard Identification / Risk Assessment
- Regularly identify the hazards associated with the company's various safety and health management-related activities, products, and services, and assess whether the risks are safe
- Non-compliance with procedures will be rectified in accordance with regulatory requirements and improvements will be tracked according to exception handling

Communication Engagement
- Environmental Safety and Health Management Committee
- Internal and external communication, consultations, contact and notification processes

Health Protection
- Regularly implement on workplace environmental monitoring
- For Special operations personnel (ionizing radiation operations), special health examinations are arranged regularly
- Set up medical, nursing, and massage rooms; hire an on-site physician and offer psychological counseling services

Education and Training Promotion
- Conduct health and safety training for new and current employees
- Provide relevant courses or first-aid training according to special operational needs
- Arrange seminars on fire safety and health and invite experts to give speeches and answer colleagues' questions about safety, health, and wellness
- Provide promotional information about environmental safety and health care on the website

Response Drills
- Multi-scenario escape and evacuation simulation drills (simulate escaping during day and night as well as during earthquakes)
- Firefighting, chemical leakage, and other response drills
- First-aid training for employees

Protective Measures
- Establish relevant control and operating procedures for special operations (e.g., use of X-ray equipment, handling of chemicals) and formulate corresponding control plans and measures based on risk assessment results
- Continuous improvement and validation of occupational safety and health management system
- Wearing of personal protective equipment or gas detection devices

Contractors Management
- Require contractors to apply to enter the company's factories, and control the personnel entering and leaving the company's factories
- Run hazard communication campaigns or protocols for contractors to ensure they are aware of factory regulations

Internal Auditing
- Carry out regular monthly inspections and annual internal audits, take improvement measures in the events of non-compliance, and submit reports to the relevant management units

ADLINK

Sustainability Vision and Goals · Company Overview · Corporate Governance · Sustainable Supply Chain and Innovative Technologies · Environmental Care · Employee Care and Workplace Satisfaction · Social Engagement · Appendix

Establishment of EHS System

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

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

2 Chemical Review and Management Operations: All chemicals at ADLINK are recorded and tracked by our environmental safety unit. For any new requirements fromuser units, an application must be submitted for change management through the system. Only when all the relevant measures such as hazard verification, usage conditions, personnel training, and safety data sheet are complete can he 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: The company has set up a holding area for waste per the Waste Disposal Act of the Ministry of Environment. We also contract with Ministry of Environment-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.

▲ Fire prevention and emergency response drills

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 placed 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 environment.

▲ First-aid and AED training drills

Results of Training on Labeling and Hazard Communication of Hazardous Chemicals

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

▲ Hazardous chemical spill drill

Summary Table of ADLINK's Environmental Protection and Health Expenses in the Past 3 Years

(Unit: NT$)

Item	2021	2022	2023
Workplace Testing	116,800	115,300	137,100
Waste Disposal	83,000	180,000	200,000
Occupational Physician Services	405,000	432,000	432,000
On-site Psychologist	0	180,000	216,000
Health Examinations	730,800 (mobile health exams)	470,000 (advanced health exams)	857,270 (mobile and specialized health exams)
Water Quality Testing	26,400	32,100	27,800
Automated External Defibrillator (AED)	71,640	71,640	71,640
ISO 14001 Management System Certification Fee	86,926 (system verification)	86,930 (system verification)	147,000 (system verification renewal)
ISO 45001 Management System Certification Fee	151,473 (system verification renewal)	81,615 (system verification)	86,978 (system verification)
Total	1,672,039	1,649,585	2,175,788

Note: The previous Sustainability Report did not include expenditure on on-site psychologist services. Therefore, the expenses have been added and totaled in the current report.

ADLINK

Sustainability Vision and Goals Company Overview Corporate Governance Sustainable Supply Chain and Innovative Technologies Environmental Care Employee Care and Workplace Satisfaction Social Engagement Appendix

Incident Statistics and Voluntary Reporting System for Near Misses

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

In 2023, there were two recordable occupational injuries at ADLINK, resulting in an incident rate of approximately 0.91%. There were no cases of severe occupational injuries or fatalities caused by occupational accidents. ADLINK formally joined the zero-accident network in August 2012, and zero-accident work hour records are submitted every month. With the joint efforts of the company and employees, we were twice recognized with a certificate of zero-accident work hours presented by the Industrial Safety and Health Association. All employees will continue their efforts to prevent accidents and create a safer working environment.

Occupational Injury Statistics of ADLINK Workers in the Past 3 Years

Year	2021		2022		2023	
Types of workers	Employees	Non-employees	Employees	Non-employees	Employees	Non-employees
Total work hours	2,149,302	38,066	2,128,604	71,303	2,196,029	71,031
Number of fatalities	0	0	0	0	0	0
Fatality rate	0	0	0	0	0	0
Number of serious occupational injuries	0	0	0	0	0	0
Serious occupational injury rate	0	0	0	0	0	0
Number of recordable occupational injuries	1	0	1	0	2	0
Recordable occupational injury rate	0.46	0	0.46	0	0.91	0
Injury type	object falling	-	tripping	-	crushing, tripping	-
Number of injuries related to company vehicles and commuter buses	1	0	3	0	0	0

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

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

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

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

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

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

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

Note 8: Non-employees include cleaning, security, catering, and leisure center staff. In 2023, the total working hours of dispatched workers were added.

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

ADLINK

Sustainability Vision and Goals   Company Overview   Corporate Governance   Sustainable Supply Chain and Innovative Technologies   Environmental Care   Employee Care and Workplace Satisfaction   Social Engagement   Appendix

▲ Ergonomics

Improvement of Ergonomic Hazards

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

Prolonged strenuous and highly repetitive/incorrect carrying of heavy loads: Factors such as workload, posture, scheduling, and repetition may lead to musculoskeletal injuries. In order to prevent musculoskeletal injuries caused by repetitive operations, ADLINK provides more than 800 flatbed vehicles and 2 labor-saving devices for use by production line personnel. At the same time, we provide specific personnel with waist supports and regularly track employee health in order to improve operational ergonomics for personnel conducting related operations.

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

Ergonomic Health Risk Identification and Assessment

In 2023, a total of 43 employees made an appointment with an occupational medicine doctor due to musculoskeletal disorders, and a further 8 employees made an appointment with an occupational physician after frequently requesting massages and pain patches. Through consultations and interviews, the occupational medicine doctor identified and evaluated the main causes of ergonomic risk factors and offered the employees individualized muscle relaxation techniques and follow-up medical care.

▲ Occupational medicine doctor provides personalized assessment of ergonomic risk factors and muscle relaxation techniques

To prevent musculoskeletal injuries associated with repetitive tasks, ADLINK purchased automatic case packers and automatic wrapping machines for production line personnel in 2023. At the same time, occupational medicine doctor and company nurses carried out health and fitness for work examinations on 26 employees who operate order picking machines in order to minimize the risk of falls from elevated positions. In addition, occupational health management specialist and occupational medicine doctor visited the workplace to promote health and safety practices.

Wrapping Machine Operation Safety

When planning for the purchase of automatic wrapping machines, an objective assessment of ergonomic risks was conducted by an occupational medicine doctor using the key indicator methods (KIM) for the relevant workers. During manual wrapping, the KIM risk values (assessment of lifting, holding, and carrying [KIM-LHC] and manual handling operations [KIM-MHO]) were measured at 20 and 17, respectively, which is considered a moderate physical workload. After the introduction of the automatic wrapping machines, the KIM risk values were reduced to a low workload level of 2 and 1.5, respectively. This corresponds to an improvement rate of more than 90%.

ADLINK

Sustainability Vision and Goals   Company Overview   Corporate Governance   Sustainable Supply Chain and Innovative Technologies   Environmental Care   Employee Care and Workplace Satisfaction   Social Engagement   Appendix

Satisfaction Survey of Packaging Operators

Occupational health nurses and medicine doctor jointly conducted a baseline health and satisfaction survey of four employees involved in the automated packaging operations. One of the employees was examined by an occupational medicine doctor and was advised not to move heavy objects due to their medical history. In the satisfaction survey, employees rated the automatic case packer 85 out of 100 points for minimizing repetitive movements when packing goods, relieving muscle pain, and improving work efficiency.

▲ Operators of order picking machines receive health and safety education.

Ergonomic Hazard Control Program for Wrapping Operations

Procedures for On-site Assessment by Occupational Medicine Doctor (Before the Assessment)

- The program consists of a total of three people. Due to the similarity of their tasks, only Mr. Liang demonstrates and explains the wrapping process. The occupational medicine doctor is nearby and observes and evaluates.
- During the manual wrapping, Mr. Liang continues to wrap the foil upward until all four upper four corners are covered (it can be seen that Mr. Liang exercises his shoulders excessively).
- Mr. Liang explains to the occupational medicine doctor that he often suffers from pain and soreness in his wrists, knees, and ankles.
- The occupational medicine doctor conducts an assessment using the KIM form.

▲ Ergonomic risk assessment following the introduction of an automatic wrapping machine

Procedures for On-site Assessment by Occupational Medicine Doctor (After the Assessment)

※ The demonstration was carried out by the same person as before the assessment
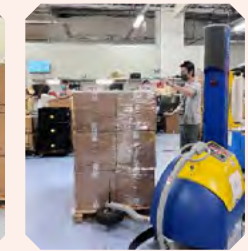
- The pallet is dragged to the designated place.
- After the automatic film-wrapping machine is in place, the film is tied to a corner of the pallet.
- After setting up the machine, wrapping can begin.
- After wrapping, the film is cut.

▲ Ergonomic risk assessment following the introduction of an automatic wrapping machine

Return-to-work Mechanism

To ensure a smooth and safe return to work after an injury or illness, ADLINK has implemented a straightforward and effective injury and illness management process. Moreover, the company initiates return-to-work assessments as early as possible to identify and respond to potential risks and obstacles, minimizing delays and uncertainties when returning to work. From 2021 to 2023, a total of 151 employees with injuries or illnesses were followed up on. Among them, 49 individuals underwent a return-to-work assessment initiated by an occupational physician. The detailed statistics are as shown in the table below:

	2021	2022	2023
Number of people injured or sick	36	57	58
Number of employees who have undergone a return-to-work assessment	2	31	16
Cases closed	36	54	40
Continuous follow up	0	3	18

Note 1: The number of injuries and illnesses includes those caused by commuting accidents, occupational injuries, and non-occupational injuries.

Note 2: The number of employees who have undergone a return-to-work assessment includes employees who have been recovering for more than 7 days, as indicated in the diagnosis of injury or illness, or employees who have undergone a return-to-work assessment following an examination by an occupational medicine doctor (occupational health nurse).

Note 3: Case closure refers to situations where an injured or ill employee successfully recovers and is able to return to their original job following follow-up care by occupational health nurses or return-to-work assessment by an occupational physician. Such an employee is advised to monitor their health on their own and the case is considered closed. Continuous follow-up refers to situations where an injured or ill employee continues to require regular care and assessments by an occupational physician. Such an employee is listed as being under continuous follow-up.

Prevention of Ergonomic Hazards

A company survey of groups susceptible to musculoskeletal disorders revealed a high risk of ergonomic hazards in assembly and warehouse departments. Therefore, in 2023, experts were invited to the workplace to teach employees lifting and carrying techniques using the Romanian Deadlift. The participation rate was 100%. Musculoskeletal problems occur most frequently in the shoulders and neck. Therefore, in 2023, a physical therapist was invited to teach ADLINK employees how to identify muscle tension themselves, how to prevent neck and shoulder problems, and how to perform self-massage and other relaxation techniques. The event was attended by a total of 110 people.

Training of production line employees on lifting and carrying techniques with a participation rate of **100%**

A physical therapist explained the basics of shoulder and neck pain and teaches self-massage techniques for relaxation, with **110** employees participating in the class.

▲ Production line employees are taught lifting and carrying techniques.

▲ A physical therapist explains the basics of shoulder and neck pain and teaches self-massage techniques for relaxation.

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

▲ Onsite Safety Improvements

Improve Work Safety for Employees

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

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

Physical and Mental Safety

Promoting the physical and mental health of employees is the key to building a healthy workplace. ADLINK not only employs full-time workers' health service nurses (occupational health nurses) to provide services such as emergency injury and illness management, health promotion, and disease prevention for employees, but also occupational medicine specialists (occupational medicine doctor) to provide on-site health services on a regular basis. As for mental health, ADLINK's professional psychologists regularly offer psychological counseling, allowing employees to make an appointment for a personal consultation. At the same time, the company occasionally organizes seminars and events on mental health and provides employees with appropriate grievance channels. The company hopes to use these means to improve employees' mental resilience.

Health Examinations

ADLINK regularly carries out comprehensive health check-ups for all employees. This includes a general health examination every two years and an annual special health check-up program planned in cooperation with medical facilities, in which not only employees but also their family members can be examined. The results of the examinations are managed and classified by occupational health nurses, and appropriate measures are taken depending on the risk level. Employees identified as being at high risk are targeted for health promotion events.

▲ A company-wide medical check-up held in October 2023

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

The Number of People in ADLINK Who Received Physical Examinations in the Past 3 Years is Shown in the Table Below

(Unit：Number of People)

	2021	2022	2023
General Physical Examination	828	-	941
Contracted Physical Examination Plan	30	72	52
Number of People	858	72	993

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

Health Management Classification and Provided Measures Standards of ADLINK are as Shown in the Table Below

(Unit：Number of People)

Year	First-level Health Managers No measures required currently	Second-level Health Managers Health education materials or doctor consultations	Third-level Health Managers Arrange doctor consultations and complete follow up within six months	Fourth-level Health Managers Arrange doctor consultations and complete follow up within three months
2021	122	281	329	126
2022	14	18	26	9
2023	97	329	468	99

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

Special health examinations are held annually for personnel involved in special operations and a graded health management system is implemented in accordance with the law. According to the results of the examinations, health education and follow-ups are organized by occupational health nurses and occupational medicine doctor. In addition, on-site check-ups for work-related illnesses are carried out as required. Employees who are classified as level three or higher under the graded health management system are re-examined by occupational medicine doctor depending on the severity of their condition and may even have their work adjusted. The company helps to organize special physical examinations for new employees or those transferring to special operations and conducts fitness-for-work evaluations by occupational medicine doctor.

2 employees
were examined for their fitness for work in 2023.

Graded Health Management for the Special Physical Examinations in the Past 3 Years

(Unit：Number of People)

Year	Total Number of People Examined	First-level Health Managers	Second-level Health Managers	Third-level Health Managers	Fourth-level Health Managers
2021	14	5	9	0	0
2022	45	22	23	0	0
2023	37	29	8	0	0

Note 1: First-level management: Those who are found with no abnormalities according to the examination results.
Note 2: Second-level management: Those who are found with abnormalities that are unrelated to work.
Note 3: Third-level management: Those who are found with abnormalities which cannot be determined to be related to work, and who need further assessment by an occupational specialist physician.
Note 4: Fourth-level management: Those who are found with abnormalities that are related to work.
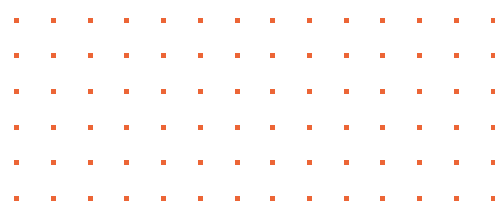
6

Social Engagement
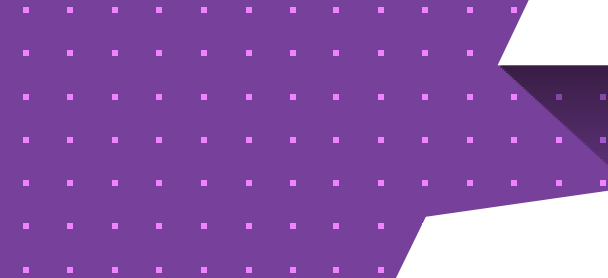
About ADLINK Education Foundation

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

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

Refer to the official website ADLINK Education Foundation for more details.
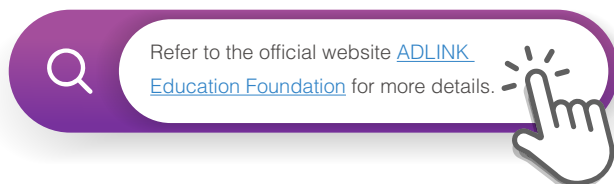
Four Main Themes of ADLINK Education Foundation's Service

01 Science Education
- Science Education Courses
- Development Courses
- Co-creation Summer Camps

02 Caring for the Disadvantaged
- Life Education
- Tutoring for the Disadvantaged
- Good Deeds Train

03 Arts and Culture
- International Art and Cultural Exchanges
- Cultural Corridor
- Lectures on Art and Culture

04 Scholarships
- Education Scholarship (children of employees)
- Zhong-xian Scholarship (Taiwan Police College)
- Arts Scholarship (Taiwan College of Performing Arts)

The Actual Results of ADLINK Education Foundation's Public Welfare Investment in the Past 3 Years

(Unit: NT$ thousand)

Main theme	Item	Corresponding SDGs	2021 Actual Outcome	2022 Actual Outcome	2023 Actual Outcome
Science Education	Youth Development Program		136	94	357
	Co-Creation Summer Camp		222	654	674
	micro:bit science education courses		-	-	123
Caring for the Disadvantaged	"Mixed Disabled Arts Group" life education		800	800	630
	Good Deeds Train		0	22	19
	"Boyo Social Welfare Foundation" comprehensive tutoring		1,030	1,000	1,000
	"Gaorong Social Care Association" tutoring for the disadvantaged		600	600	600
Arts and Culture	Cultural Corridor		61	104	138
	"Art Unlimited" Chinese opera performances and workshops in Germany		-	-	2,558
Scholarships	Education Scholarship		410	350	310
	Zhong-xian Scholarship		400	400	400
	Arts Scholarship		300	300	300
Annual amount of public welfare investment			3,959	4,324	7,109

Note: micro:bit science education courses and the "Art Unlimited" Chinese opera performances and workshops in Germany were introduced in 2023.

6.1 Science Education

▲ Science Education Courses

ADLINK's "Code4Fun 2Gether Little Maker Academy" Introduces Children from Rural Areas to the Fun of Programming

In 2023, the ADLINK Education Foundation worked with Odin Shen, Principal Field Application Engineer at Arm, an industry partner of ADLINK, to invite individuals interested in STEAM (science, technology, engineering, arts, and mathematics) to participate in a volunteer recruitment seminar in March. To this end, Shen utilized the educational resources he had acquired during his time as a promotional ambassador for the Micro:bit Educational Foundation. At the seminar, Shen explained the rationale and results of introducing science education courses in remote villages. A total of 66 employees attended the seminar and 20 of them signed up for the volunteer training in April. To encourage employees to participate in public service, ADLINK's Human Resources Department agreed to grant special leave for volunteer activities. In the end, 17 ADLINK employees volunteered. In the second half of the year, 8 more Arm employees joined to further diversify the range of science education courses on offer.

The ADLINK Education Foundation selected elementary schools in remote areas or areas with few resources for science education, including Jin-Xing Elementary School, Chung Ping Elementary School, Wulai Elementary School, and Ruifang Elementary School, to organize four science education courses. A total of 83 elementary school students have benefited from the program. In addition to the micro:bit pocket computers, the schools were given the DIY micro:bit digital watch kits. The schools were also asked to invite their computer science teachers to the courses to ensure that the teaching resources are passed on. In this way, the ADLINK Education Foundation hopes to help more students, narrow the gap between urban and rural areas in the development of digital technologies, and give children the opportunity to learn through play to stimulate their interest in technological exploration, while enabling ADLINK employees to use what they have learned to contribute back to society.

17 ADLINK employees volunteered at 4 elementary schools and benefited 83 elementary school students

▲ Enrichment Courses

ADLINK Hai-Chieh Ceremony: Team Building for Young ADLINK Black Easy Card Holders

There are currently 52 young holders of ADLINK Black Easy Cards. Organized by former youth volunteers, the "ADLINK Hai Chieh Ceremony: Team Building for Young ADLINK Black Easy Card Holders" event was held to not only update with each other and meet newcomers, but also to elect the first team leader and deputy leader of the young ADLINK Black Easy Card holders. Over the years, the cardholders have come back again and again to take part in the foundation's activities. ADLINK is a refuge for them where they can support each other whenever they come together.

A total of 15 young people in possession of ADLINK Black Easy Cards took part in the event and visited their adoptive home.

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

ADLINK's One-Day Dale Carnegie-style Master Class

The ADLINK Education Foundation organized a one-day Dale Carnegie-style master class and invited its partner organizations, schools, and ADLINK employees to participate. The event focused on deepening the positive image of ADLINK leadership, fostering enthusiasm and effective behavior control, building consensus and creating win-win situations through trust and communication, as well as articulating the organization's vision while gathering the strength to implement it. Through communication and collaboration during the master class, participants formed a consensus to implement the organization's vision together and to continue to apply their knowledge both in life and at work, hoping that positive changes will gradually emerge.

A total of 23 students participated in the event.

Weekend Workshops

With the aim of promoting arts and culture, the ADLINK Education Foundation collaborated with the National Taiwan College of Performing Arts to organize a series of workshops on Chinese opera, where participants could experience the beauty of traditional Chinese opera culture. In 2023, the ADLINK Education Foundation utilized ADLINK's excellent facilities to offer a series of courses in Peking opera, acrobatics, language, and other arts-related topics. The instructors were former volunteers with specialized skills and students who had participated in "Art Unlimited" in Germany in August. The courses were open to children of ADLINK employees and students from the ADLINK Education Foundation's partner organizations. The series of events was designed to show that the company is not just an office, but also a place for the whole family to have fun and bring the arts closer to everyone.

[Drama Workshop]	In 2023, Peking opera posture, circus ball juggling, and brick juggling classes were held. **A total of 5 young Chinese opera performers served as instructors and 32 children of ADLINK employees aged 6 to 12 participated in the event.**	
[English Workshop]	Filipino tutor Jeza De La Cruz led an interactive English course, using everyday conversations to help students speak English naturally and in a relaxed environment. **A total of 4 lessons were organized on days off for 12 children of ADLINK employees aged between 7 and 9 years old.**	

ADLINK

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

▲ Co-Creation Summer Camp

Every summer since 2011 the ADLINK Education Foundation has organized a summer camp for children from China and Taiwan at the facilities of the ADLINK branch in Shanghai. During the three years of the COVID-19 pandemic, the summer camps were held in Taiwan, but returned to Shanghai in 2023. The original intention was to help young volunteers and students cultivate team spirit, positive thinking, and problem solving. Through different lesson plans, we give children the opportunity to be exposed to different areas such as technology education, arts and aesthetics, environmental protection, and local culture to broaden their horizons, nurture their creativity, discover their talent, and inherit the ADLINK spirit.

2023 ADLINK "Summer Fun for All Kids" Children's Summer Camp in Shanghai

In 2023, the ADLINK children's summer camp "Summer Fun for All Kids" was held for the 13th time in Shanghai, involving young volunteers and underprivileged students between the fourth and sixth grades from both sides of the Taiwan Strait. So far, the summer camp has attracted more than 250 elementary school students and more than 110 young volunteers. In 2023, the young volunteers consisted of children of ADLINK employees and college students from different schools, including the Taiwan Police College and the National Taiwan College of Performing Arts. From administrative preparation, lesson planning, and designing activities to preparing for the summer camp, teaching, conducting the activities, and leading the children during the camp, everyone was engaged and actively participated.

The company not only wanted the young volunteers to expand and sharpen their skills, but also for the children to learn about science and technology, culture and arts, and other fields through play. The most important thing for the children was to develop self-confidence, self-discipline, and a sense of responsibility by following the example of the young instructors. The company hopes that this new opportunity for exchange has broadened everyone's horizons and led to a more diverse, friendly, and tolerant view of the world.

A total of 11 young volunteers and 18 elementary school students from both sides of the Taiwan Strait participated in the summer camp in 2023.

6.2 Caring for the Disadvantaged

▲ Life Education

The "Mixed Disabled Arts Group" is a performance art group for the disabled that has been supported by the ADLINK Education Foundation since its inception. Members include people with visual impairments, physical disabilities, speech and hearing impairments, amputees, and rare diseases. Over the years, the art group has dedicated itself to life education in schools and embodies the concept of "never giving up and cherishing life". The head of the group, Ming Liu, and several others have received outstanding awards, including the Broadcasting Golden Bell Award, the Ten Outstanding Young People, and the Golden Eagle Award. The members of the group are all endowed with unique abilities and are not limited by physical obstacles in their lives.

The ADLINK Education Foundation has supported the "Mixed Disabled Arts Group" to promote life education in schools 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.

ADLINK's "Open Your Heart and Love Life" Life Education in Schools

In addition to the usual performances and life stories of the "Mixed Disabled Arts Group," special visits were arranged before classes in 2023 to integrate advocacy goals into interviews and incorporate the young Chinese opera artists' performances into life education. The young artists not only enriched the program from the stage, but were also able to help the group members with mobility issues.

ADLINK Education Foundation's budget in 2023 was NT$600 thousand

School	Performance Schools	Sessions
Elementary	Guangrong Elementary School, Linkou Elementary School, Jinlong Elementary School, Sanxia Elementary School, Dafeng Elementary School, Ruigan Elementary School, Shihmen Elementary School, Puqian Elementary School, and Fu Sing Elementary School	9
Senior High	New Taipei Senior High School	1
University	National Cheng Kung University	1

A total of 11 life education events were held in 2023, with a total of 8 ADLINK youths participating in the performances

Number of people reached: More than 6,000 students

ADLINK

Sustainability Vision and Goals　Company Overview　Corporate Governance　Sustainable Supply Chain and Innovative Technologies　Environmental Care　Employee Care and Workplace Satisfaction　Social Engagement　Appendix

▲ After-school Tutoring for the Disadvantaged

Boyo Social Welfare Benefits Foundation Comprehensive Tutoring

From 2013 to 2023, the ADLINK Education Foundation continued its funding.

Established in 2002, the Boyo Foundation adheres to the philosophy of "not letting poor children fall into eternal poverty". Through the two major service methods of social work and education, it 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 achieving the vision of "bringing knowledge home".

Taoyuan Gaorong Social Care Association Tutoring for the Disadvantaged

From 2015 to 2023, the ADLINK Education Foundation continued its funding.

Gaorong Social Care Association is located at the intersection of Zhongli, Pingzhen, and Yangmei districts in Taoyuan, a remote area where most residents are blue-collar workers, new immigrants, or from disadvantaged backgrounds. In November 2015 and February 2016, the association set up tutoring classes at Guoling Junior High School and Zhongping Elementary School. The classes have been offered without interruption since their inception. Owing to long-term donations from the ADLINK Education Foundation since 2015, the association has been able to provide a suitable learning environment for children from disadvantaged families. Thanks to the tutoring, the children can learn and grow with enough care and love.

▲ Good Deeds Train

The "Good Deeds Train" event organized by the ADLINK Education Foundation and the ADLINK Employee Welfare Committee enabled 12 disadvantaged children from the Boyo Social Welfare Foundation Zhudong Tutoring Center to spend a happy and unforgettable day together. The company hopes that through positive and compassionate influences, small seeds of good will germinate and flourish.

24 ADLINK employees volunteered for the event.

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix
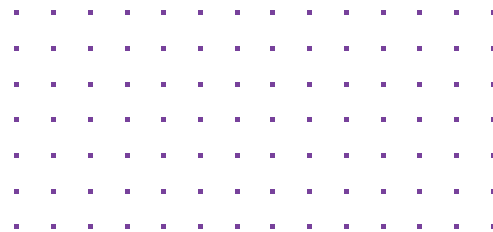
6.3 Arts and Culture

▲ International Art and Cultural Exchanges

Cultural Exchange Through Chinese Opera: "Art Unlimited" in Germany

With the aim of promoting arts and culture, the ADLINK Education Foundation has long supported the students of the National Taiwan College of Performing Arts. In 2016, for the first time, the foundation organized "ADLINK Art in Germany," a cultural exchange event focusing on the performing arts. In 2023, the ADLINK Education Foundation, the National Taiwan College of Performing Arts, Knoten der Kultur ("Knots of Culture"), and Agenda 21 (a community foundation based in the city of Diepholz) jointly organized the event "Art Unlimited", which once again brought the students of the National Taiwan College of Performing Arts to the international stage.

"Art Unlimited" took the form of a two-week cultural exchange program in Germany, with two large performances and three small performances as well as workshops in schools in the cities of Düsseldorf, Diepholz, Neuss, Grefrath, and Grevenbroich. The event was well received by the public and was picked up by the German and Taiwanese media. WDR television in Düsseldorf featured a report on the event in its evening news.

Among the 20 artists were 15 recipients of the ADLINK Arts Scholarship and volunteers. Three of them had already performed at "ADLINK Art in Germany" in 2016 and returned to the German stage after 8 years with even more exquisite performances. The performances, a collaboration between the Department of Jing Ju, the Department of Acrobatics, and the Department of Xi Qu Music, conveyed the spirit of "cultural exchange without borders, the integration of Chinese and Western arts without restrictions, and the potential of young Chinese opera artists without limits".

- A total of 5 teachers from the National Taiwan College of Performing Arts led 20 students in the performance
- 2 large performances and 3 small performances as well as workshops on Chinese opera were held, with a total audience of about 2,000 people
- 4 German media covered the event and 12 press releases were published in Taiwan and abroad

ADLINK

Sustainability Vision and Goals Company Overview Corporate Governance Sustainable Supply Chain and Innovative Technologies Environmental Care Employee Care and Workplace Satisfaction Social Engagement Appendix

▲ Cultural Corridor

The ADLINK Education Foundation has installed a cultural exhibition wall in the corridor of the ADLINK employee cafeteria to present multimedia art exhibitions at irregular intervals. In 2023, students from the Department of Graphic Communication Arts of National Taiwan University of Arts joined the curatorial team and used their creativity to contribute even more diverse themes, including:

[Bring it on! Embark on a fantastic journey of FOCA!]	Formosa Circus Art (FOCA) was founded in 2011. Most of the members of FOCA are graduates of the National Taiwan College of Performing Arts, whose students have been supported by the ADLINK Education Foundation for many years. As an important supporter of the performing arts, the foundation decided to invite FOCA and "turn ADLINK into a circus".
[Wu Wei-Chieh ｜ FLOW-ER] **[Wu Wei-Chieh ｜ UNIVASE]**	Wu Wei-Chieh is currently pursuing a bachelor's degree at National Tsing Hua University's College of Arts. The young artist's exhibition series included the "FLOW-ER" charity sale, with proceeds going to World Vision International. The ADLINK Education Foundation uses its own platform to collaborate with student artists to give young people the opportunity to express their creativity and skills and bring their work to a wider audience.
[Wang Hsun-Ta ｜ Theatre of the Body]	Wang Hsun-Ta holds a master's degree in visual journalism and documentary photography from De Montfort College in the United Kingdom. Wang has been photographing Taiwanese theater and performing arts for a long time. This time, the ADLINK Education Foundation presented a solo exhibition of photographs.
[Art Unlimited/Kunst ohne Grenzen Retrospective Exhibition]	"The art of Chinese opera is not only a form of performance, but also a form of cultural heritage, an aesthetics of life, and a form of social responsibility." In August 2023, the ADLINK Education Foundation brought 20 students from the National Taiwan College of Performing Arts to Germany for a cultural exchange program. The exquisite performances of the students who shone on stage and their interaction with the German people at the Chinese opera workshops were enjoyed by ADLINK employees in their original form thanks to the Cultural Corridor.

▲ Art Lectures

The lectures in 2023 included "Bars: A Rhapsody of Aesthetic Paradise" by Chang Zhi-Wei and "Poetry, Language, and Life" by Chiang Hsun, both of which aimed to bridge the gap between science, technology, and art.

A total of 2 master lectures were held, attended by 300 ADLINK employees.

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

6.4 Scholarships

In order to encourage young students who strive to learn and specialize in art, the ADLINK Education Foundation has successfully established the Education Scholarship, Zhong-xian Scholarship and Arts Scholarship since 2008. The scholarships are offered to the children of ADLINK employees and students of the Taiwan Police College and Taiwan College of Performing Arts. Application measures were planned and begin in September of every year. A joint scholarship award ceremony is held in December.

Education Scholarship: Provided from 2008 to 2023

Arts Scholarship: Provided from 2014 to 2023

Zhong-xian Scholarship: Provided from 2016 to 2023

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

(Unit: NT$ thousand)

Item	Amount in 2021	Number of People	Amount in 2022	Number of People	Amount in 2023	Number of People
Education Scholarship	410	24	350	21	310	17
Arts Scholarship	300	28	300	28	300	27
Zhong-xian Scholarship	400	20	400	20	400	20
Total Amount/ Total Number of People	1,110	72	1,050	69	1,010	64

Appendix

GRI Index

General Disclosures

GRI Standard	Disclosure	Corresponding Chapter	Page Number	Remarks
GRI 1: ADLINK has reported the information from January 1, 2023, to December 31, 2023, according to the GRI 2021 Standards				
GRI 2: General Disclosures 2021				
GRI 2-1	Organizational details	1.1 About ADLINK	22-23	
GRI 2-2	Entities included in the organization's sustainability reporting	0 About this report – Reporting scope and editorial principles	6	
GRI 2-3	Reporting period, frequency and contact point	0 About this report – Contact method	7	
GRI 2-4	Restatements of information	1.2 Business performance and expectations - The financial receipts, expenditures, and profitability of ADLINK in the Past 3 Years	25	
		2.7 Intellectual Property Rights - Number of patent applications submitted by ADLINK in the past 3 years	55	
		2.7 Intellectual Property Rights - Types of patent applications by ADLINK in the past 3 years		
		4.3 Energy conservation – Energy management - ADLINK's total energy consumption in the past 3 years	86	
		4.3 Energy conservation – Energy management – Energy-saving and carbon reduction action plans	87	
		5.5 Safe and healthy workplace – Summary table of ADLINK's environmental protection and health expenses in the past 3 years	118	
GRI 2-5	External assurance	0 About this report – Main unit responsible for the report and quality management method	6-7	
GRI 2-6	Activities, value chain and other business relationships	1.1 About ADLINK	22	
		3.1 Supply chain management – Industry value chain	60	
GRI 2-7	Employees	5.2 Excellent workplace – Employee diversity	98	
GRI 2-8	Workers who are not employees	5.2 Excellent workplace – Employee diversity	98	
GRI 2-9	Governance structure and composition	2.3 Board of Directors	39-42	
		2.3 Board of Directors – Functional committees	41	

ADLINK

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

GRI Standard	Disclosure	Corresponding Chapter	Page Number	Remarks
GRI 2-10	Nomination and selection of the highest governance body	2.3 Board of Directors – Director nomination and election	40	
GRI 2-11	Chair of the highest governance body	2.3 Board of Directors – Conflict of interest	41	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	0 ADLINK Technology Inc. ESG Sustainability Committee	12-13	
GRI 2-13	Delegation of responsibility for managing impacts	0 ADLINK Technology Inc. ESG Sustainability Committee	12-13	
		2.4 Corporate risk management – Risk Management Organization	43	
GRI 2-14	Role of the highest governance body in sustainability reporting	0 About this report - Main unit responsible for the report and quality management method	6-7	
GRI 2-15	Conflicts of interest	2.3 Board of Directors – Conflict of interest	41	
GRI 2-16	Communication of critical concerns	2.3 Board of Directors – Overview of Board operations in 2023	41	
GRI 2-17	Collective knowledge of the highest governance body	2.3 Board of Directors – Continuing education for the Board of Directors	42	
GRI 2-18	Evaluation of the performance of the highest governance body	2.3 Board of Directors – Continued enhancement of governance – Board of Directors performance evaluation	42	
GRI 2-19	Remuneration policies	2.3 Board of Directors – Continued enhancement of governance – Remuneration policies	42	
GRI 2-20	Process to determine remuneration	2.3 Board of Directors – Continued enhancement of governance – Remuneration policies	42	
GRI 2-21	Annual total compensation ratio	5.2 Excellent workplace – Salary standard	107	
GRI 2-22	Statement on sustainable development strategy	0 Message from the management	4-5	
		0 Sustainable development strategy – ADLINK sustainable development vision blueprint	8-11	
GRI 2-23	Policy commitments	2.1 Policy commitments – Core values and corporate culture	33-34	
		5.1 Protection of human rights – Introduction of RBA	95	
GRI 2-24	Embedding policy commitments	0 Sustainable development strategy – ADLINK sustainable development vision blueprint	8-11	
		2.1 Policy commitments – Core values and corporate culture	33-34	
GRI 2-25	Processes to remediate negative impacts	0 Complaints and suggestions	16-17	

GRI Standard	Disclosure	Corresponding Chapter	Page Number	Remarks
GRI 2-26	Mechanisms for seeking advice and raising concerns	0 Complaints and suggestions	16-17	
GRI 2-27	Compliance with laws and regulations	2.5 Regulatory compliance – Training and implementation	47-48	
GRI 2-28	Membership associations	1.4 Industry associations	30	
GRI 2-29	Approach to stakeholder engagement	0 Stakeholder communication – Topics of stakeholder concern and communication channels	14-16	
GRI 2-30	Collective bargaining agreements	5.2 Excellent workplace – Labor-management communication and cooperation – Labor-management meetings	99	No labor union

Disclosures on Material Topics

GRI Standard	Disclosure	Corresponding Chapter	Page Number	Remarks
GRI 3：Material Topic 2021				
GRI 3-1	Process to determine material topics	0 Material topics	18-19	
GRI 3-2	List of material topics	0 Material topics – Material topic impact boundaries, involvement, and corresponding chapters	20	
1. Business Performance				
GRI 3-3	Management of material topics	1.2 Business performance and expectations	24	
GRI 201-1	Direct economic value generated and distributed	1.2 Business performance and expectations – The financial receipts, expenditures, and profitability of ADLINK in the past 3 years	25	
2. Information Security Management				
GRI 3-3	Management of material topics	2.6 Information Security Management	49	
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.6 Information Security Management	49	

ADLINK

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

GRI Standard	Disclosure	Corresponding Chapter	Page Number	Remarks
3. Innovative Technologies and Applications				
GRI 3-3	Management of material topics	3.3 Innovative technologies and applications	70	
Self-defined topics	-	-	-	
4. Supply Chain Management				
GRI 3-3	Management of material topics	3.1 Creating a sustainable supply chain	58-59	
GRI 308-1	New suppliers that were screened using environmental criteria	3.1 Creating a sustainable supply chain – Supply chain management – Supplier sustainability management	61-62	
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	3.1 Creating a sustainable supply chain – Supply chain management – Supplier sustainability management	61-62	
GRI 414-1	New suppliers that were screened using social criteria	3.1 Creating a sustainable supply chain – Supply chain management – Supplier sustainability management	61-62	
GRI 414-2	Negative social impacts in the supply chain and actions taken	3.1 Creating a sustainable supply chain – Supply chain management – Supplier sustainability management	61-62	
5. Customer Relations Management				
GRI 3-3	Management of material topics	3.4 Customer Service	73	
Self-defined topics	-	-	-	
6. Green Products				
GRI 3-3	Management of material topics	3.1 Creating a sustainable supply chain	59-60	
GRI 416-1	Assessment of the health and safety impacts of product and service categories	3.1 Creating a sustainable supply chain – Green products	65-66	
		3.1 Creating a sustainable supply chain – Product safety	66	
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.1 Green products – Green parts recognition operation guidelines	65	

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

GRI Standard	Disclosure	Corresponding Chapter	Page Number	Remarks
7. Material Procurement				
GRI 3-3	Management of material topics	3.1 Creating a Sustainable Supply Chain	59-60	
GRI 204-1	Proportion of spending on local suppliers	3.1 Material procurement - Local and offshore procurement and supply chain characteristics	63	
8. Employee Diversity and Inclusiveness				
GRI 3-3	Management of material topics	5.2 Excellent workplace – Employee diversity	96	
GRI 405-1	Diversity of governance bodies and employees	2.3 Board of Directors	39-40	
		5.2 Excellent workplace – Employee diversity	98	
9. Talent Development and Cultivation				
GRI 3-3	Management of material topics	5.4 Talent cultivation and career development	111	
GRI 404-1	Average hours of training per year per employee	5.4 Talent cultivation and career development - Average hours of training per year per employee of ADLINK in the past 3 years	112	
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	5.4 Talent cultivation and career development	113-114	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	5.4 Talent cultivation and career development – Clear and complete performance evaluations and promotion pipelines	114	
10. GHG Inventory				
GRI 3-3	Management of material topics	4.2 Climate change response measures – ISO 14064-1 GHG Inventory	81	
GRI 305-1	Direct (Scope 1) GHG emissions	4.2 Climate change response measures – ISO 14064-1 GHG Inventory	84	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	4.2 Climate change response measures – ISO 14064-1 GHG Inventory	84	
GRI 305-3	Other indirect (Scope 3) GHG emissions	4.2 Climate change response measures – ISO 14064-1 GHG Inventory	84	
GRI 305-4	GHG emissions intensity	4.2 Climate change response measures – ISO 14064-1 GHG Inventory	84	

ADLINK

Sustainability Vision and Goals | Company Overview | Corporate Governance | Sustainable Supply Chain and Innovative Technologies | Environmental Care | Employee Care and Workplace Satisfaction | Social Engagement | Appendix

Sustainability Disclosure Indicators - Computer and Peripheral Equipment Industry

In accordance with Article 4 of the Taiwan Stock Exchange's Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, ADLINK has strengthened the disclosure of sustainability indicators corresponding to the industry sector to which the company belongs (Appendix 1-9 - Sustainability Disclosure Indicators - Computer and Peripheral Equipment Industry).

No.	Indicator	Indicator Type	Annual Disclosure	Corresponding Chapter	Page Number
1	Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy)	Quantitative	• Total energy consumption: 38,762.34 GJ • Percentage of purchased electricity: 95.54% • Percentage of utilization rate (renewable energy): 0.85%	4.3 Energy Conservation	86
2	Total water withdrawn, total water consumption	Quantitative	• Total water withdrawn: 35.79 million liters • Total water consumption: N/A	4.3 Energy Conservation	88
3	Total hazardous waste generated and percentage recycled	Quantitative	No hazardous waste generated in 2023	4.4 Waste Management	92
4	Types of, number of employees in and rate of occupational accidents	Quantitative	• Types of occupational accidents: crushing, tripping • Number of employees in occupational accidents: 2 • Rate of occupational accidents: 0.91	5.5 Safe and Healthy Workplace	119
5	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled (Note 1)	Quantitative	• Weights of scraps and electronic waste: 5.78 tons • Percentage of recycling and reuse: 82%	4.4 Waste Management	92
6	Description of the management of risks associated with the use of critical materials	Qualitative description	To minimize the risk of shortages of critical materials, the company has expanded its database of interchangeable materials, created a list of preferred vendors, and established risk levels based on the difficulty of sourcing different materials to ensure stable supply and quality.	3.1 Creating a Sustainable Supply Chain	62
7	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Quantitative	NT$ 0	2.5 Regulatory Compliance	48
8	Production by product category	Quantitative	• IoT Solutions and Technology Business Unit: 143,033 (pieces/unit) • Computer-on-Modules Business Unit: 288,838 (pieces/unit) • Edge Computing Platform Business Unit: 32,022 (pieces/unit) • Edge Visualization Business Unit: 82,867 (pieces/unit) • DMS Rugged Computing Business Unit: 109,444 (pieces/unit) • Network Communications and Automotive Business Unit: 85,343 (pieces/unit) • Other: 53,889 (pieces/unit)	1.2 Business Performance and Expectations	26

Note 1: Descriptions including the sale of scraps and the recycling and processing of waste shall be provided.

AA1000 Assurance Statement

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INDEPENDENT ASSURANCE OPINION STATEMENT

ADLINK 2023 Sustainability Report

The British Standards Institution is independent to ADLINK Technology Inc. (hereafter referred to as ADLINK in this statement) and has no financial interest in the operation of ADLINK other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of ADLINK only for the purpose of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by ADLINK. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to ADLINK only.

Scope

The scope of engagement agreed upon with ADLINK includes the followings:
1. The assurance scope is consistent with the description of ADLINK 2023 Sustainability Report.
2. The evaluation of the nature and extent of the ADLINK's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.
This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the ADLINK 2023 Sustainability Report provides a fair view of the ADLINK sustainability programmes and performances during 2023. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the ADLINK and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate ADLINK's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that ADLINK's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:
— a review of issues raised by external parties that could be relevant to ADLINK's policies to provide a check on the appropriateness of statements made in the report.
— discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
— 21 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
— review of key organizational developments.
— review of the findings of internal audits.
— review of supporting evidence for claims made in the reports.
— an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that ADLINK has sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been initiated in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the ADLINK's inclusivity issues.

Materiality

ADLINK publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of ADLINK and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the ADLINK's management and performance. In our professional opinion the report covers the ADLINK's material issues.

Responsiveness

ADLINK has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for ADLINK is developed and continually provides the opportunity to further enhance ADLINK's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the ADLINK's responsiveness issues.

Impact

ADLINK has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. ADLINK has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the ADLINK's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

ADLINK provided us with their self-declaration in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the ADLINK's sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

The sustainability report is the responsibility of the ADLINK's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan

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Statement No: SRA-TW-792255
2024-06-05

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.

BSI Taiwan is a subsidiary of British Standards Institution.

ISO 14064-1 Verification Statement

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Opinion Statement

Greenhouse Gas Emissions
Verification Opinion Statement

This is to verify that: ADLINK Technology, Inc.
No. 66, Huaya 1st Rd.
Guishan Dist.
Taoyuan City
333411
Taiwan

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

Holds Statement No: GHGEV 785941

__Verification opinion statement__

As a result of carrying out verification and validation procedures in accordance with ISO 14064-3:2019, it is the statement for mixed engagement including reasonable assurance for verification activity, validation and agreed-upon procedures (AUP) contains the following:

- The Greenhouse Gas Emissions with ADLINK Technology, Inc. for the period from 2023-01-01 to 2023-12-31 was verified and validated.

- The verified organization-level greenhouse gas emissions include direct greenhouse gas emissions 679.8668 tonnes of CO_2 equivalent and indirect greenhouse gas emissions from imported energy 5,081.8915 tonnes of CO_2 equivalent.

- ADLINK Technology, Inc. has defined and explained its own process and pre-determined criteria for significance of indirect Greenhouse Gas Emissions and quantify and report these identified significant emissions accordingly.

For and on behalf of BSI:

Managing Director BSI Taiwan, Peter Pu

Originally Issue: 2024-05-13   Latest Issue: 2024-05-13

Page: 1 of 4

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Statement No: GHGEV 785941

The Greenhouse Gas Emissions Verification activities are based on reasonable level of assurance:

- The data and information of greenhouse gas emissions are based on historical in nature, and no material misstatements for the period from 2023-01-01 to 2023-12-31 Greenhouse Gas Emissions calculation were revealed.

- Data quality was considered acceptable in meeting the principles as set out in ISO 14064-1:2018.

- The emission factor for electricity of year 2023 is 0.494 $kgCO_2$ per kWh.

EMISSIONS	Notes	tonnes CO_2e
Category 1: Direct GHG emissions and removals		679.8668
1.1 Stationary combustion		77.4787
1.2 Mobile combustion		0.0000
1.3 Industrial processes (anthropogenic systems)		0.0000
1.4 Fugitive (anthropogenic systems)		602.3881
1.5 Land use, land use change and forestry		0.0000
Direct emissions in tonnes of CO_2e from biomass		0.0000
Category 2: Indirect GHG emissions from imported energy		5,081.8915
2.1 Indirect emissions from imported electricity	location-based approach	5,081.8915
2.2 Indirect emissions from imported energy (steam, heating, cooling and compressed air)		0.0000

Originally Issue: 2024-05-13   Latest Issue: 2024-05-13

Page: 2 of 4

ADLINK

Sustainability Vision and Goals   Company Overview   Corporate Governance   Sustainable Supply Chain and Innovative Technologies   Environmental Care   Employee Care and Workplace Satisfaction   Social Engagement   Appendix

ISO 14064-1 Verification Statement

Statement No: GHGEV 785941

Agreed upon procedures (AUP)

- AUP are specific types of verification activities, BSI have performed the evidence-gathering procedures for the period from 2023-01-01 to 2023-12-31

- BSI do not express any assurance on the GHG emissions, removals and storage in listed below.

EMISSIONS		Notes	AUP Item(s)	tonnes CO₂e
Category 4: indirect GHG emissions from products used by organization				1,064.7760
4.1	Emissions from Purchased goods	Goods: Use the supplier-specific method Energy & Fuel: Use the Average-data method	Imported energy: 10,287,229.6751 kWh Taiwan tap water: 34,224.8455 m³	1,008.9218
4.3	Emissions from the disposal of solid and liquid waste	Use the waste-type-specific method	Industrial Waste: 164.922Tonnes Transportation: 5,254.0162 tkm	55.8542

Originally Issue: 2024-05-13   Latest Issue: 2024-05-13

Page: 3 of 4

Statement No: GHGEV 785941

The direct GHG emissions and removals(cat.1) and indirect GHG emissions from imported energy emissions(cat.2) were verified in selected branches and representative offices, including but not limited to the following:

Location	Verification Information
ADLINK Technology, Inc . No. 66, Huaya 1st Rd . Guishan Dist. Taoyuan City 333411 Taiwan 凌華科技股份有限公司 臺灣 桃園市 龜山區 華亞一路 66 號 333411	The Greenhouse Gas Emissions with ADLINK Technology, Inc. for the period from 2023-01-01 to 2023-12-31 was verified, including direct greenhouse gas emissions 679.8668 tonnes of CO₂ equivalent and indirect greenhouse gas emissions from imported energy 5,081.8915 tonnes of CO₂ equivalent.

Originally Issue: 2024-05-13   Latest Issue: 2024-05-13

Page: 4 of 4

ADLINK

Sustainability
Vision and Goals

Company
Overview

Corporate
Governance

Sustainable Supply Chain and
Innovative Technologies

Environmental
Care

Employee Care and
Workplace Satisfaction

Social
Engagement

Appendix

ADLINK's Implementation on Climate-Related Information

Disclosure item in Appendix 2 'Climate-Related Information of TWSE/TPEx Listed Companies' of Article 4-1 under 'Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies'

Item	Implementation
Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities	The company has planned the schedule for conducting greenhouse gas inventory and verification in accordance with the letter received from the Taiwan Stock Exchange Corporation. The schedule has been submitted to the Board of Directors, and the progress will be reported to the Board on a quarterly basis for monitoring and control.
Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The risks and opportunities expected to arise from climate change, the timing of impacts, and the financial implications have been identified and described.
Describe the financial impact of extreme weather events and transformative actions	To address the risks associated with climate change, the company has proposed adaptation and mitigation strategies and has started implementing relevant measures. These include adopting carbon platforms, obtaining ISO certifications, introducing renewable energy, and purchasing green electricity certificates. As a result, the company's financial expenditure has increased.
Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The "Climate-related Risk Identification and Assessment Process Flowchart" is in compliance with the framework and implementation methods outlined in section 2.2 'Enterprise Risk Management System'. It demonstrates the comprehensive control of climate risks.
If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The TCCIP's future forecast model was used to simulate changes in average temperature and precipitation caused by natural disasters at the company's location.
If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	No planning yet
If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	No planning yet
If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The company launches various energy-saving programs and increases the efficiency of energy consumption of its equipment (through maintenance or replacement) according to its carbon reduction roadmap. The company is also gradually increasing the share of renewable energy generation (solar energy) to reach 6% of its total electricity consumption. In addition, the company will purchase renewable energy certificates to offset carbon emissions from 2032, when the carbon reduction program will have reached its peak.
Greenhouse gas inventory and assurance status.	• In 2024, the verification process covering the reporting period (2023) was completed, confirming that the calculation process and results of organizational emissions inventory were in compliance with the verification criteria of BSI: • Scope 1 and 2 (Category 1 and 2): Reasonable guarantee level • Scope 3 (Category 4): Verification and agreement procedures

ADLINK

ADLINK Technology Inc.