



2021  
Accton Group

CORPORATE  
SUSTAINABILITY  
REPORT

**Accton**  
Making Partnership Work

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## Message from the Chair of the ESG Committee

Since the Industrial Revolution, technology has continued to be innovated and advanced with human beings' knowledge, all the while the resources on Earth have been neglected. As society continues to develop and the quality of life continues to improve, the damage to the Earth's environment is also being intensified. However, with the improved knowledge, human civilization has entered a new stage. With the rising awareness for environmental protection, human beings have begun to regard sustainable development as crucial for social progress. While pursuing a better life, we pay more attention to how to enable the environment and society to develop sustainably.

Enterprises play an indispensable role in this regard. As we migrate from the concept of corporate social responsibility (CSR) to adopting the environmental, social, and governance (ESG) evaluation of a corporation, as global citizens, enterprises should introspect and must take actions to fulfil their social responsibilities. Enterprises are composed of many people, and the value chains connecting enterprises set the foundation for the operations of a society. Therefore, enterprises can leverage their strengths to take ESG actions and promote the important concepts of environmental protection, social responsibility, and corporate governance in a top-down approach within and outside the organizations, thereby gradually transforming their internal culture, decision-making mechanism, and operating procedures. Starting from the original intention of protecting the environment and caring for society, we take ESG actions step by step to, in turn, influence other enterprises, groups, and individuals.

Accton Technology Corporation has cared about society and protected the environment in our own approaches along the way. Without many slogans and advertising

campaigns, we have striven to achieve sustainability quietly in our own way. Over the past few years, we have implemented many charity initiatives, including leopard cat rice, beach cleanup, and care for the disadvantaged, and have also been recognized by the Ministry of Economic Affairs with the Special Award for Environmental Sustainability. Inside the Company, sustainability has become our most critical value in our operations, production, and product development, including sustainable materials and packaging materials as well as reduction of electricity consumption and waste. The improvement of sustainability is the priority of our continuous endeavors.

As for a friendly work environment, the Company has won the Excellence Award for Healthy Workplace from the Ministry of Health and Welfare for three consecutive years, recognizing the Company's long-term care for our employees.

The world has experienced a daunting challenge posed by the pandemic over the past two years. Fortunately, we responded quickly and established a pandemic prevention command center in response to the COVID-19 pandemic at the beginning of the outbreak. In June 2021, when an employee was tested positive for the virus, we launched a rapid test policy and implemented a flextime mechanism immediately to assure employees at work. Meanwhile, we continued to reduce the dormitory capacity for our colleagues and implemented alternate working arrangements, while ensuring smooth communication channels and requiring employees to report on their health status.

Although Accton Technology is only a medium-sized enterprise, our ESG team is committed to work with Accton Group's employees, partners, clients, and all

relevant stakeholders through innovative, collaborative, and enthusiastic actions on the basis of the Company's business philosophy of "Making Partnership Work" to protect the environment and care for society. As an Internet company, Accton Technology adopts "making everything connected" as our mission, and the same concept applies to our ESG initiatives. We will start by taking actions and connecting with individuals, enterprises, and groups in the society to create a sustainable ESG network that continues to grow and develop, thereby allowing more entities to join forces to protect the environment, fulfill social responsibility, and care for the society together. As such, we will create a better future for our children.



Lee, Shun-Te,  
Chair of the ESG Committee

## About This Report

### Accton Technology 2021 Corporate Sustainability Report was prepared in accordance with the GRI Standards

Accton Technology has published its Corporate Social Responsibility Report (renamed as the Corporate Sustainability Report since 2021) since 2017 to realize our corporate vision of sustainable development, bring clarity to abstract issues, and disclose information on the non-financial operating performance. We shall continue to publish the Report each year and continue to achieve sustainable development goals.

### Reporting Period

The reporting period of the 2021 Corporate Sustainability Report is from January 1, 2021 through December 31, 2021. Apart from the relocation of all three production lines at Hsinchu Plant 1 to the Zhunan Plant in Miaoli on September 1, 2021, there were no other material changes in organizational scale, structure, ownership, or supply chain during the reporting period.

### Editorial Principles

On the basis of the material sustainability topics and stakeholders' issues of concern identified in 2021, this report specifies Accton's impact on and response to the economy, environment, and society respectively, and this report was prepared in accordance with the GRI Standards 2018 released by the Global Reporting Initiative (GRI) to present the corporate sustainability actions taken by the Company in 2021 as per the requirements of the Type 1 moderate-level assurance of the AA1000 Assurance Standard v3 (AA1000ASv3) and the Core option. This report contains a GRI Index table and a table of SASB metrics.

### Report Boundaries

This report discloses the relevant measures that Accton has taken and the comprehensive results in various aspects of corporate sustainability from January through December 2021, covering Accton's operating sites in Taiwan (including Hsinchu Plants 1 and 2, and the Zhunan Plant in Miaoli; offices in Taipei, Hsinchu, Taichung, and Tainan), subsidiary Edgecore Networks Corporation (in Hsinchu, Taiwan), and manufacturing plant Joy Technology (Shenzhen) Co., Ltd. (Joytech) (in Shenzhen, China). Among them, Hsinchu Plant 1 has moved all production lines to the Zhunan Plant since September 1, 2021, with only the office remaining at Hsinchu Plant 1.

### Reporting Cycle

The CSR report is released once a year.  
Publication of 2019 Corporate Social Responsibility Report: June 2020  
Publication of 2020 Corporate Social Responsibility Report: June 2021  
Publication of 2021 Corporate Sustainability Report: Scheduled to be published in June 2022  
To support environmental protection and promote paperless operations, the electronic version of the report is published on the company's website.

### Assurance for This Report

This report has been verified by SGS Taiwan, Ltd. in accordance with the Core option of the GRI Standards and the requirements of the Type 1 moderate-level assurance of AA1000 ASv3. The SGS Assurance Statement is attached to the appendix of this report.

### Internal Management Process and Publication of This Report

Responsible units for this Corporate Sustainability Report: The ESG Committee and the ESG Office.

### Internal Audit

- The ESG Committee set strategic targets and monitored the performance for the targets.
- The Corporate Sustainability Office wrote and edited the content of this report, while confirming the correctness of the data sources.
- The director of the ESG Committee reported on material issues of this report to the board of directors.

### External Verification

Financial Data: The annual financial report was audited by Deloitte Taiwan.

External Assurance: Our ISO14064-1: 2018 greenhouse gas inventory, RBA Code of Conduct, ISO 14001: 2015 environmental management system, ISO 50001: 2018 energy management system, ISO 45001: 2018 occupational safety and health management system, IECQ QC080000 hazardous substance process management (HSPM) system, and CNS 27001: 2014 (ISO/IEC 27001:2013) information security management system all passed a third-party verification institution's verification (certification). In addition, Accton's ISO 28001: 2007 supply chain security management system was verified by the end of 2021.

### Contact Information

If you have any suggestions for this report, you are more than welcome to contact us through the methods below. This report will be also published on our website.

### ESG Office, Accton Technology Corporation

Address: No. 1, Creation 3rd Road, Hsinchu Science Park, Hsinchu City 300, Taiwan

Tel.: +886-3-5770270

CSR email: [csr@accton.com](mailto:csr@accton.com)

Website: <https://www.accton.com/>

ESG website: <https://www.accton.com/esg-home/>



## Sustainable Management



### Corporate sustainability vision and commitment

Connect the people and community around the globe with our technology.

“Distance is never a problem as long as we are determined.” Accton has striven to achieve the goal of corporate sustainability through the company’s core network technologies and partnerships. With the corporate strategy of “innovation, cloud convergence, and environmental protection” at the center, we have insisted on the development of high-quality, reliable, sustainable, and resilient network infrastructure and been committed to becoming a critical driving force for promoting global ICT access and equality. Connecting the community and the world through partnerships has always been Accton’s vision of corporate sustainability.

“Making Partnership Work” demonstrates Accton’s commitment to partners. Insistence on our corporate philosophy of integrity and honesty is also our fundamental belief in establishing a long-term partnership, thereby creating the best interests for all our partners.

Our most crucial partners are our employees. Providing everyone with a good job is an indispensable element of corporate sustainability and the foundation for safeguarding labor rights and safety, promoting gender equality, and an equal employment environment for different groups. Enabling everyone to obtain better remuneration and benefits is our promise to ourselves and our employees.

Our clients and suppliers are also important partners who support our continuous improvement and development. We have achieved a higher level of productivity through continuous development and innovation, reduced the correlation between productivity and energy consumption, while having long developed a sustainable supply chain strategy with suppliers to design and manufacture sustainable and responsible products for our clients as an important commitment to achieving our vision.

“Making Partnership Work” is not only a slogan but the spirit of pursuing corporate sustainability. Our internal and external business philosophy can correspond to Accton’s business motto of “trust, passion, courage, collaboration, and perfection.” With a passion for the vision, the courage to realize our commitment, and the mutual trust and collaboration with our partners, we can achieve our goal perfectly, and the motto is our belief in striving toward sustainable management.



**Accton**  
Making Partnership Work

### Corporate Philosophy

The Accton Group is an enterprise of knowledge shaped by convergent wisdom.

It is committed to grow into a giant tree nourished by the wisdom of its employees and partners.

As it ages and grows into a giant tree, it not only shelters its employees, but also feeds back to the community its sweet fruits.

It’s where the dream begins and rest is offered.

The tree and its shade may serve as the source of innovative ideas, a platform to consolidate consensus.

The harvest of joining together and sharing among one another. The start of service and contribution.

For a tree to grow, it takes time and mandates imagination by those passing by.

The latter enriches the life of the tree, as well as their own journey.

We do believe the tree may grow for centuries and prosper generation by generation.



## Our sustainability commitment and organizational history

Since the Corporate Social Responsibility Committee was established in 2016, we have formulated the Corporate Sustainable Development Policy and Commitment (formerly known as the Corporate Social Responsibility Policy), the Sustainable Development Best Practice Principles (formerly known as the Corporate Social Responsibility Best Practice Principles), and the Complaint and Whistleblowing Management Regulations, while updating them from time to time according to international trends and the Taiwan Stock Exchange’s suggestions and practical operations.

In 2020, the Corporate Social Responsibility Committee was officially renamed the ESG Committee as the highest corporate social responsibility organization within the Accton Group. It is responsible for coordinating and setting the company’s corporate social responsibility and sustainable development directions. The Chairman Mr. Kuo, Fai-Long served as the chair of the committee and the top-level managers of relevant functional units serve as the members of various committees, including the Corporate Governance Committee, Operating Performance and Customer Relations Committee, Innovative Technology Committee, Green Manufacturing Committee, Supply Chain Management Committee, Environment Committee, Information Security Committee, and Employee Safety and Health Committee.

Since December 2021, Senior Vice President Mr. Li, Hsun-Te has served as the new chair of the ESG Committee. To continue the concept of sustainability, the former chair, Mr. Kuo, Fai-Long has served as an advisory member instead and set the committee’s mission and goals with all committee members. We have also announced the establishment of the Corporate Sustainability Office. It confirmed its implementation strategy and implementation status of relevant tasks and goals, set the direction and method of engagement with stakeholders regarding sustainability issues, and regularly reported on the progress of its implementation to the ESG Committee.

The ESG Committee was responsible for planning and implementing the project for this Corporate Sustainability Report, while the Corporate Sustainability Office was responsible for preparing and writing this report in detail. A total of ten meetings on this report were held from 2021 through the beginning of 2022. This Corporate Sustainability Report is scheduled to be released in June 2022 after the chair of the ESG Committee reports on the implementation results and future plans to the board of directors. The members of the ESG Committee include Edgecore and Joytech, the subsidiaries within the report boundaries.

## ESG Committee and stakeholders

	Governance		Environment		Social
ESG Committee	Corporate Governance Committee Information Security Committee Operating Performance and Customer Relations Committee	Innovative Technology Committee	Environment Committee Green Manufacturing Committee	Supply Chain Management Committee	Employee Safety and Health Committee
Goal	Ensure excellent performance and client satisfaction. Reinforce corporate governance and adhere to the principle of integrity.	Pursue sustainable innovative technology	Cherish natural resources and support environmental sustainability	Conduct responsible supply chain management	Develop human capital and improve employee care
Stakeholders	Shareholders/government agencies/clients/employees/suppliers				

## Organizational Chart of ESG Committee (including the ESG Office)



## Accton's sustainable development policy and commitment

**Comply with laws and regulations:** The Company abides by relevant labor, environmental protection, and safety and health regulations of the local government.

**Ensure freedom of employment:** The Company ensures that all labor services are provided voluntarily and does not use oppressive or forced labor.

**Provide humane treatment and prohibit discrimination and harassment:** The Company prohibits child labor and violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, abuse, mental or physical coercion, bullying, public humiliation, or verbal abuse to employees. We do not discriminate against and harass employees in recruitment, remuneration, training opportunities, promotion, dismissal, or retirement due to race, ethnicity, social status, social class, blood lineage, religion, physical disability, gender, sexual orientation, family responsibilities, marital status, union membership, political affiliation, or age. We do not allow employees or prospective employees to participate in discriminatory medical examinations or physical examinations (including pregnancy tests or virginity tests) and manage this issue in accordance with the International Labor Organization's (ILO's) Convention No. 111.

**Provide reasonable salary and benefits:** The Company strictly abides by related regulations of the local government for labor salary and benefits, and we implement management of the employees in an open and clear manner.

**Protect intellectual property rights:** Employees must protect and respect the intellectual property rights of the Company and others. Technologies, professional skills, and related files and information must be used in a manner that protects intellectual property rights.

**Transparency:** The Company must establish related internal and external communication channels. For internal communication, the Company should encourage direct communication and exchange of ideas between employees and the management; for external communication, the Company welcomes all exchange of information through dedicated mailboxes.

**Uphold ethical management:** The Company shall adopt the highest ethical standards for the Company's operations and the management of employee ethics. The Company prohibits any form of bribery, corruption, fraud, or other unlawful behavior.

**Operate and promote social engagement:** The Company shall actively participate in social activities and encourage business partners of the Company to jointly promote and fulfill corporate social responsibilities.

**Responsible mineral sourcing:** In recent years, there have been minerals from the mines in the conflict areas in the Republic of the Congo, including niobium, tantalum, iron ore, cassiterite, wolframite, and gold. These minerals are converted into tantalum (Ta), tin (Sn), tungsten (W), and gold (Au), resulting in social, environmental, and human rights deterioration. The Company will continue to adopt a conflict-free mineral procurement policy for 3TG, cobalt, mica, and other minerals produced in high-risk areas

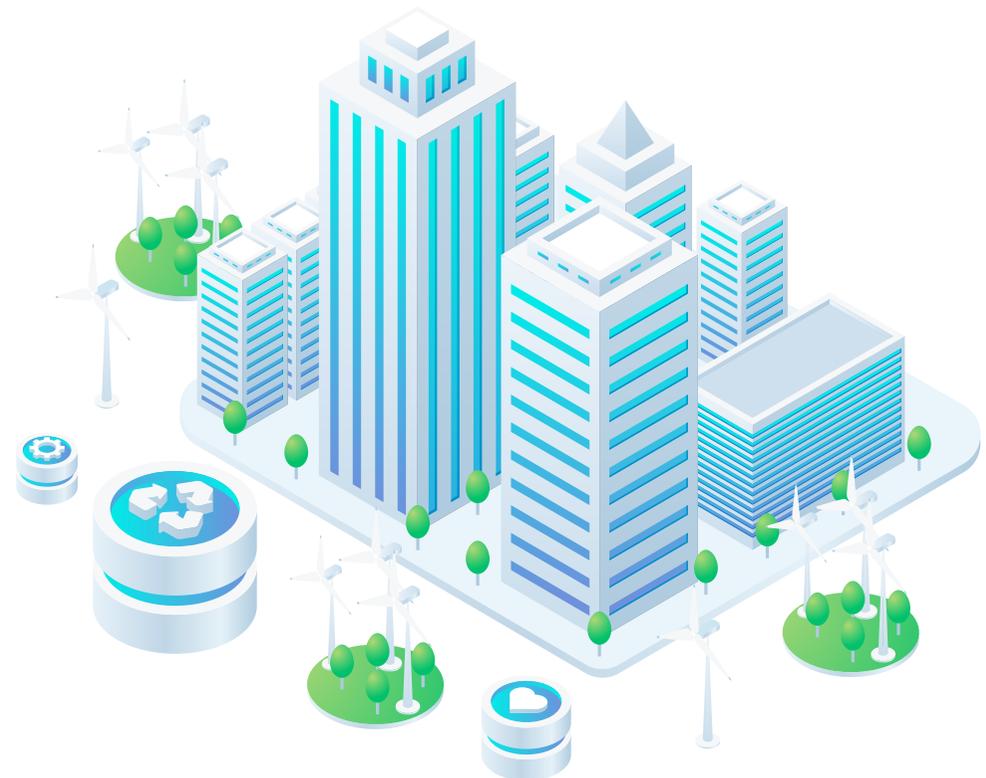
identified by the OECD and perform due diligence actively. Our due diligence method is in alignment with the OECD's approach and the corresponding due diligence framework, and we support the RBA's strategies for and approaches to conflict minerals and have adopted the Conflict Minerals Reporting Template released by RMI to investigate whether our suppliers comply with the above policies as required. For more information on the RBA, please visit: <http://www.responsiblemineralsinitiative.org/>



Policy website:  
<https://www.accton.com/csr-policy/>



For the CSR report and relevant information, please visit:  
<https://www.accton.com/esg-documents/>

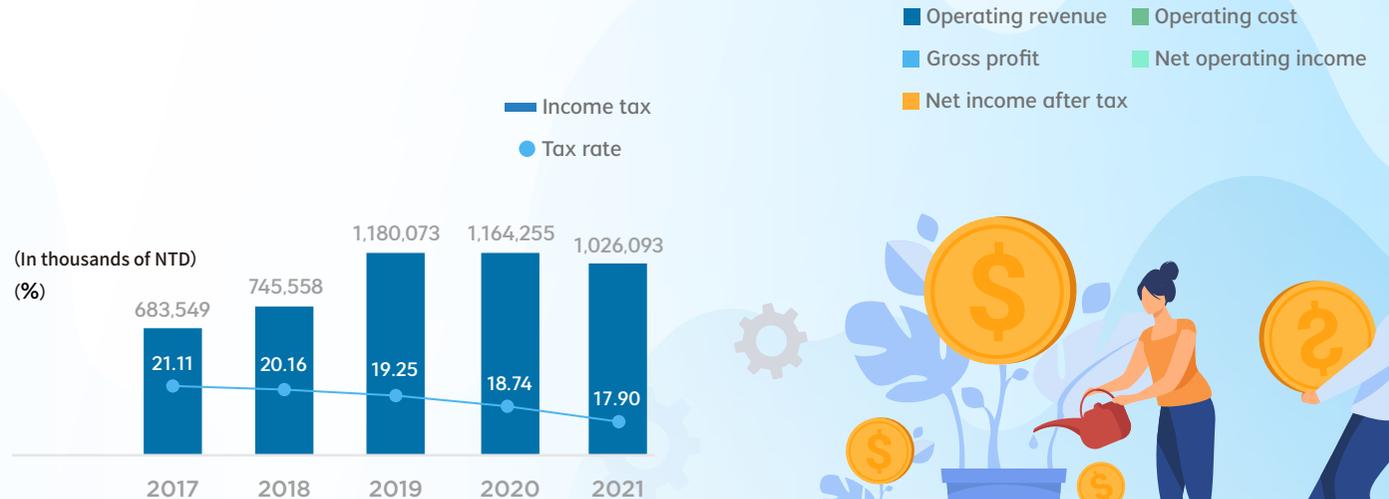
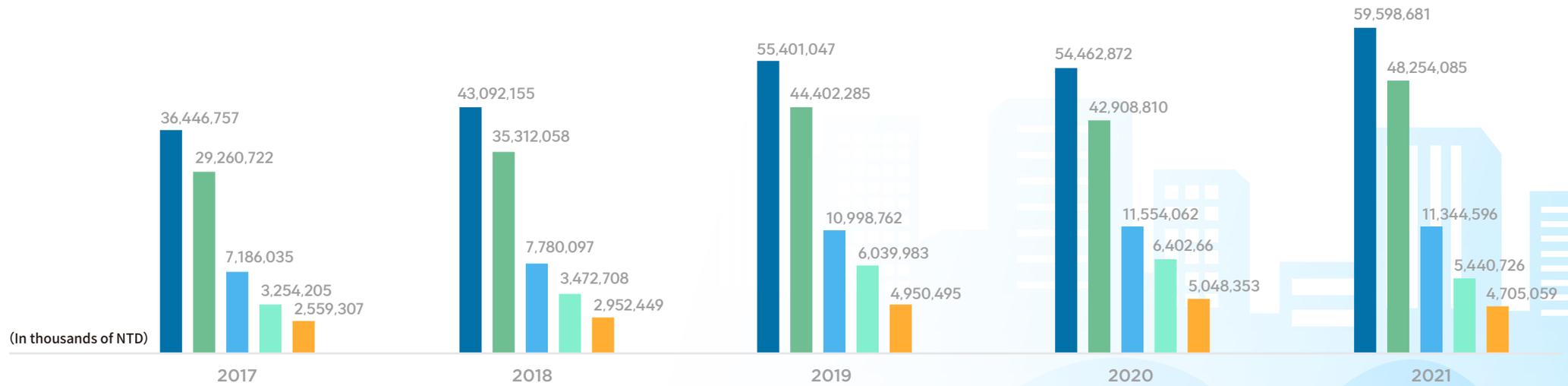


# Sustainability Performance



## Financial Performance

Consolidated revenue has grown for five consecutive years. Our gross profit and profit margin growth chart is as follows:



## Governance

Nine new directors were elected at the shareholders meeting held in July 2021 for the 12th Board, of which six are independent directors, to ensure that our corporate governance is professional and transparent. With all shareholders' interests at the center, we duly implement corporate governance and make sure that more than half of all directors are independent directors.

We implement the clearly defined Code of Ethics for Business and completed relevant training in multiple aspects. There was no corruption complaint in 2021.

After voluntarily joining the Customs-Trade Partnership Against Terrorism in 2007 to ensure the security of our supply chain, we established the ISO28000 supply chain security management system in 2021 and obtained the certificate in January 2022.



ISO28000: 2007certificate

## Environmental

- ✔ We follow the ISO14001 standard to manage the environmental protection work and obtained third-party verification
- ✔ ISO14001: 2015 Environmental Management System
- ✔ ISO14064-1: 2018 Greenhouse Gas Inventories
- ✔ ISO50001: 2018 Energy Management System Certification
- ✔ There was no major violation of environmental laws and regulations in 2021.
- ✔ To achieve environmental sustainability, we launched a waste wood pallet reduction project in September 2021; the reuse rate in the four-month period increased by 5% and waste was reduced.
- ✔ We called on supply partners to participate in a leopard cat rice contract farming project, to expand the area of leopard cat rice and was awarded the Special Award for Environmental Sustainability by the Ministry of Economic Affairs.



Special Award for Environmental Sustainability

Accton and supply partners, Timson enterprise, WT Microelectronics, AcBel Polytech, Yi Lu Fa Painting, Concord Advanced Technology, participating in the contract farming project.



**Social**

✔ Accton has a friendly workplace, in which gender equality is respected. Following the Gender Equality Award - High Distinction Award in 2020, we won the Maternal Health Award in 2021 and have been recognized by the Ministry of Health and Welfare with the Excellent Healthy Workplace Award for three consecutive years.



Maternal Health Award



Accton's preschool at its headquarters allows our employees to bring their children to and from work together and enjoy family bonding time.

- ✔ We attach importance to employee safety and reduce occupational accidents. We offer relevant training and workshops to direct employees five days before they work officially and they can only work officially after obtaining a license. The disabling injury frequency rate in 2021 significantly decreased by 60% compared with 2020.
- ✔ We adopted unmanned pallet trucks and effort elevators to reduce ergonomic injuries in 2021.
- ✔ We follow the ISO45001 standard to implement occupational safety and health management and obtain third-party certification.
- ✔ We actively offer safety and health training based on the PDCA model, and the training completion rate in 2021 reached 100%.
- ✔ In 2021, there was 0 severe occupational injury.

Number of major occupational injury incidents ..... 0

- ✔ In response to the COVID-19 pandemic, we established a Pandemic Prevention Command Center immediately. In June 2021, when employees were infected by the pandemic, we launched a care mechanism, performed rapid tests, and implemented a flextime mechanism to reassure employees.
- ✔ We improved the foreign migrant workers dormitory and reporting, continued to reduce the occupant load in the dormitory, divided occupants into groups, and had all employees to report on health status through Line.

**Anti-pandemic experience shared by employees**

**Share at the right time, do your part**

Since the situation cannot be reversed within a short period of time, then try to peacefully coexist, prefer to do long-term warfare psychological preparation, preparedness and do not leave it to chance gradually will find that after the habit, many fears and anxieties are imagined by themselves, let go of prejudice: all walks of life have unknown sufferings, we all want to return to normal as soon as possible. Aside from the black sheep who deliberately challenge authority, if you see a person outside who takes off his or her mask and eats, tell yourself that he or she is probably just doing it for a little while. There is no urgency to pick up the phone to collect evidence, let your emotions stabilize and give room for possible misunderstandings. Attempt to change the mind: let go of complaints and accusations, not necessarily which link has a break, so that the epidemic has become more serious. Taiwanese are fortunate to have enjoyed one more year of happiness than other countries, and no one is an outsider in the global village era. Division of labor: Give yourself and each other a (private time) to relax with a drink, read or listen to music.

- ✔ After being awarded the Buying Power Award in 2020, we continued to support leopard cat rice in Fengshuwo in 2021. Meanwhile, we worked with Agriforward Co., Ltd. and won the Third Prize of the Buying Power Award from the Ministry of Economic Affairs for supporting two high-quality social enterprises.



Leopard cat rice fields contracted by Accton in Fengshuwo, Miaoli



Buying Power Award

- ✔ To achieve common good, Accton Group (including the Accton Culture and Education Foundation) continued to invest a total of NT\$21,295,147 in social engagement events, including cash donations, supply donations, and volunteer services in 2021.



## Response to the United Nations Sustainable Development Goals (SDGs)

Responding the 17 UN SDGs, Accton has identified and compiled our actions into seven goals with the description as follows:

Response to SDGs	Action plan	Implementation results	Corresponding chapter
	<ul style="list-style-type: none"> <li>● Believe that employees are the Company's most important assets and organize health examination, health management, and health promotion activities under the framework of the three levels and five stages of preventive medicine to take care of employee physical and psychological health in all aspects.</li> <li>● Reinforce the concept of pandemic prevention, reduce occupant load in the dormitory, and provide anti-pandemic supplies to reduce the risk of COVID-19 pandemic infection.</li> </ul>	<ul style="list-style-type: none"> <li>✔ <b>Maternity Protection Program</b> Implemented health protection program for female employees of childbearing age, during pregnancy, and in the postpartum period, and the employee satisfaction scores were 91.86% during pregnancy and 93.05% in the postpartum period. Awarded the Maternal Health Award at the Excellent Healthy Workplace Certification organized by the Health Promotion Administration in 2021, the Health Management Award in 2019, and the Health Care Award in 2020. (SDG3.4)</li> <li>✔ <b>Employee injury and illness care</b> Checked on every employee on sick leave by phone and email to provide health education for their early recovery; analyze and plan health management and health promotion activities as per the International Statistical Classification of Diseases and Related Health Problems 10th Revision; checked upon a total of 4,608 people. (SDG3.4)</li> <li>✔ <b>Anti-pandemic new lifestyles</b> Responded to the pandemic and held a series of health promotion activities for anti-pandemic new lifestyles, with a total of 1,269 participants; employee satisfaction reached 95%.</li> <li>✔ <b>Continuous reduction in occupant load in migrant workers' dormitory and division of occupants into groups</b> Each room is limited to four to five people, each with their own bathroom. Rearranged dormitory rooms according to the work area, department, and floor. People with the same job in the same department are arranged in the same dorm room and must not live together with other foreign migrant workers from other companies to reduce the risk of COVID-19 infection. (SDG3.3)</li> <li>✔ <b>Provision of pandemic prevention materials</b> Donated 2,000 pieces of protective suits to the Hsin-Chu Branch, National Taiwan University Hospital; 1,500 one-piece face shields to the Hsinchu City Government; 975 pieces of protective suits to the South-Link Medical Foundation; 120 partitions to the Beunen Foundation.</li> </ul>	<p>3.3 Safeguarding Employee safety and health</p>

Response to SDGs	Action plan	Implementation results	Corresponding chapter
	<ul style="list-style-type: none"> <li>Invest in software and hardware of educational resources to bridge the gap between urban and rural areas in education.</li> <li>Adopt inclusive education to provide an excellent learning environment for children with special needs.</li> </ul>	<ul style="list-style-type: none"> <li><b>Reading promotion in remote areas</b> Donated 1,377 books to 1,214 beneficiaries</li> <li><b>Recruitment of teachers for remote areas</b> Offered 540 hours of courses</li> <li><b>Environmental sustainability education promotion</b> Organized environmental sustainability lectures and workshops at National Tsin Hua University</li> <li><b>Art education promotion</b> <ul style="list-style-type: none"> <li>Planned and held 14 art-related exhibitions and six events</li> <li>Developed eight classes of Accton X National Palace Museum Art Lesson Plan Development Project</li> <li>Supported the Pompidou 913 Art Promotion Project at a total of five schools, with 450 teachers and students completing this course</li> </ul> </li> <li><b>Inclusive education promotion</b> Implemented an inclusive education project in 20 schools across Taiwan, benefiting 14,636 people</li> </ul>	<p>5. Social charity</p>
	<ul style="list-style-type: none"> <li>Employee recruitment, appointment, development, and remuneration are all based on their work skills regardless of gender.</li> </ul>	<ul style="list-style-type: none"> <li>In Accton, male employees account for 47.9% of all full-time employees, and female employees 52.1%. The proportion of women is relatively higher than that of men. Accton's female managerial personnel account for 27.7% of all managerial personnel, an increase of 1.3% compared to 2020.</li> <li>Edgecore's male employees account for 66.7% of all full-time employees, while female employees account for 33.3%, an increase of 4.2% compared with 2020. Female managerial personnel in Edgecore account for 26.9% of all managerial personnel, an increase of 9.7% compared with 2020.</li> <li>Joytech's male employees account for 62.2% of all full-time employees, while female employees account for 37.8%, an increase of 0.4% compared with 2020. Female managerial personnel at Joytech account for 32.1% of all managerial personnel.</li> <li>The wage gap between men and women at Accton is not greater than 0.23%. (SDG5.5)</li> </ul>	<p>3.1 Talent attraction and retention</p>

Response to SDGs	Action plan	Implementation results	Corresponding chapter
	<ul style="list-style-type: none"> <li>● Protect labor rights and interests, strengthen risk assessment, offer education and training, expand the scope of audit, and promote workplace safety.</li> <li>● Enhance contractor management efficiency and supervise construction safety.</li> </ul>	<ul style="list-style-type: none"> <li>✔ <b>Enhanced workplace safety (SDG8.8)</b> The disabling injury frequency rate in 2021 decreased by 60% compared with 2020, and the disabling injury severity rate decreased by 36.6%. The number of severe occupational accident was zero.  Identified risks in the work environment, adopted a hierarchical management mechanism, to prevent or reduce hazards or risks. In 2021, we conducted a total of 1,309 risk identifications and assessments.</li> <li>✔ <b>Optimized emergency response training (SDG8.8)</b> In 2021, we held response exercises attended by a total of 5,047 participants, improved evacuation and roll call mechanism, and increased the number of groups with the number of people per group reduced, to effectively shorten the roll call time.</li> <li>✔ <b>The foreign migrant worker dormitory included in the regular safety and health audit (SDG8.8)</b> The Occupational Safety and Health Department performed monthly audits of the foreign migrant worker dormitory in the six aspects of construction safety, electricity safety, fire evacuation, food health, environmental cleanliness, and anti-pandemic measures, identified 58 defects, kept them on records to follow up on improvement.</li> <li>✔ <b>Improved contractors' construction management efficiency</b> Adopted an electronic contractor management system; the contractors' personnel performed a total of 628 tasks in the plants; the achievement rate of site surveys and operational hazard notification reached 100%.</li> </ul>	<p>3.3 Safeguarding Employee safety and health</p>
	<ul style="list-style-type: none"> <li>● Develop high-quality, reliable, sustainable, and resilient network infrastructure and equipment and promote global "equal access to ICT"</li> </ul>	<ul style="list-style-type: none"> <li>✔ Actively promoted the open network platform as the pioneer of Taiwan telecommunication companies.</li> <li>✔ As the founding member of open network organizations, including OCP, TIP, DENT, SONIC, and ONF, contributed designs to accelerate the innovation of basic core network and reduce network construction costs, expanded network coverage through the popularization of network technology, and developed an affordable network. (SDG9.1)</li> </ul>	<p>0.4 Sustainability Performance</p>

Response to SDGs	Action plan	Implementation results	Corresponding chapter
	<ul style="list-style-type: none"> <li>● Significantly reduce waste through prevention, reduction, recycling, and reuse</li> <li>● Formulate QMS documents, including the Accton Group Quality Manual (QMC-QA) and the Product Hazardous Substances Criteria Management Procedure (QPC-CE05), as the criteria for implementing a green product system.</li> <li>● Collect clients' hazardous substance requirements and international laws and regulations and adopt Accton's eGreen system to assist with the management of hazardous substances in materials.</li> <li>● Purchase products in alignment with environmental sustainability criteria to spare no effort to protect the environment.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Adopted a waste wood pallet reduction project; the reuse rate in the four-month period increased by 5% and waste was reduced.</li> <li>✓ Waste recycling rate reached 77.08%.</li> <li>✓ There was zero violation of major environmental laws and regulations.</li> <li>✓ Green product system: Regularly undergo IECQ QC080000 system certification; completed and successfully passed IECQ QC080000 system certification in December 2021.</li> <li>✓ Reduced and controlled raw materials/hazardous substances in the processes, completed the survey of 325 product models in 2021, and all models were 100% compliant with international laws regulations/directives on hazardous substances and clients' requirements.</li> <li>✓ Called on suppliers to participate in the leopard cat rice contract farming project to expand the habitat area for leopard cats and was, thus, awarded the Special Award for Environmental Sustainability at Buying Power Awards.</li> </ul>	<p>4.1 Energy conservation and carbon reduction</p> <p>4.2 Green products</p> <p>4.3 Eco-friendly contract farming of leopard cat rice</p>
	<ul style="list-style-type: none"> <li>● Mitigate the impact of climate change, regularly perform greenhouse gas inventory, and continue to conserve energy and reduce carbon emissions.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Accton's Hsinchu Plant 1, Plant 2, and Zhunan Plant and Joytech completed the organizational greenhouse gas inventory.</li> <li>✓ Energy conservation and carbon reduction measures: Installed inverters for the air conditioning/ventilation system, reduced operation time for the toilet ventilation system, and continued to replace old lights with LED energy efficient lights.</li> <li>✓ Developed a detailed extreme climate response mechanism (typhoon warning and response preparation) and incorporated it into the business continuity plan (SDG13.3)</li> </ul>	<p>4.1 Energy conservation and carbon reduction</p>

## Participation in external associations to ensure equal access to the Internet

With the vision of adopting technology to bridge the gap between urban and rural areas and connect communities and the world, Accton has been committed to promoting the global equal access to ICT since the Company was incorporated, actively participating in associations in the industry and technology alliances at home and abroad, and establishing long-term partnerships with upstream and downstream partners. In 2013, we joined the Open Compute Project (OCP) initiated by Facebook. Edgecore has contributed a number of hardware platform designs and become one of the pioneers in creating an open network architecture. The external organizations in which Accton Group participates are as follows:

	Name of Association	Method of Participation
<b>Accton</b>	Taiwan Association of Information and Communication Standards	Member
	Peripheral Component Interconnect Special Interest Group (PCI-SIG)	Member
	Taiwan Thermal Management Association	Member
	Voluntary Control Council for Interference by Information Technology Equipment (VCCI Council Japan)	Member
	WI-FI Alliance	Member
	Optical Internetworking Forum	Member
	National Quality and Sustainable Excellence Alliance	Member
	The PCI Industrial Computer Manufacturers Group (PICMG)	Member
	Institute of Printed Circuit (IPC)	Member
The Allied Association for Science Park Industries	Member	
<b>Edgecore</b>	Open Compute Project (OCP) Platinum Member	<ol style="list-style-type: none"> <li>1. First contributor in the Project with 17 designs certified by the Project</li> <li>2. Provide brand-new hardware designs for telecom companies</li> <li>3. Support all OCP online software</li> <li>4. Co-chair of the Incubation Committee</li> </ol>
	Telecom Infra Project(TIP)	<ol style="list-style-type: none"> <li>1. First contributor for the design of the mobile base station routers</li> <li>2. Designed the Cassini - 100G optical switch</li> </ol>
	Distributed Enterprise (DENT)Linux	<ol style="list-style-type: none"> <li>1. Founding member</li> <li>2. Contributed the Edge – Enterprise solution</li> </ol>
	Software for Open Networking in the Cloud(SONiC)	<ol style="list-style-type: none"> <li>1. One of the top five contributors in the association</li> <li>2. Provide technical contributions to most SONiC platforms</li> </ol>
	Open Networking Foundation (ONF)	<ol style="list-style-type: none"> <li>1. Member</li> <li>2. Contributed to the setup of the virtual optical line terminal (OLT) for the VOLTHA™ (open-source broadband access project) and the SDN enabled broadband access (SEBA) projects</li> <li>3. Contributed Cassini - 100G optical switch for the Stratum (open source switch operating system) and the Trellis (SDN/NFV development architecture) projects</li> </ol>
	WI-FI Alliance	Member
	Taipei Computer Association member	Member
Taiwan External Trade Development Council	Member	

# Stakeholder Engagement and Materiality Analysis

## Stakeholder engagement, identification, and selection

Accton's ESG Committee scored stakeholders as per the five principles of the AA1000 (Stakeholder Engagement Standards (SES), namely dependency, responsibility, influence, and diverse perspective), and tension, with domestic and international development trends, operational needs, and stakeholders interacted with or influenced

by each department and identified five main categories of stakeholders from eight stakeholders, namely clients, employees, suppliers, government agencies and shareholders/investors.

## Stakeholder Engagement Standards

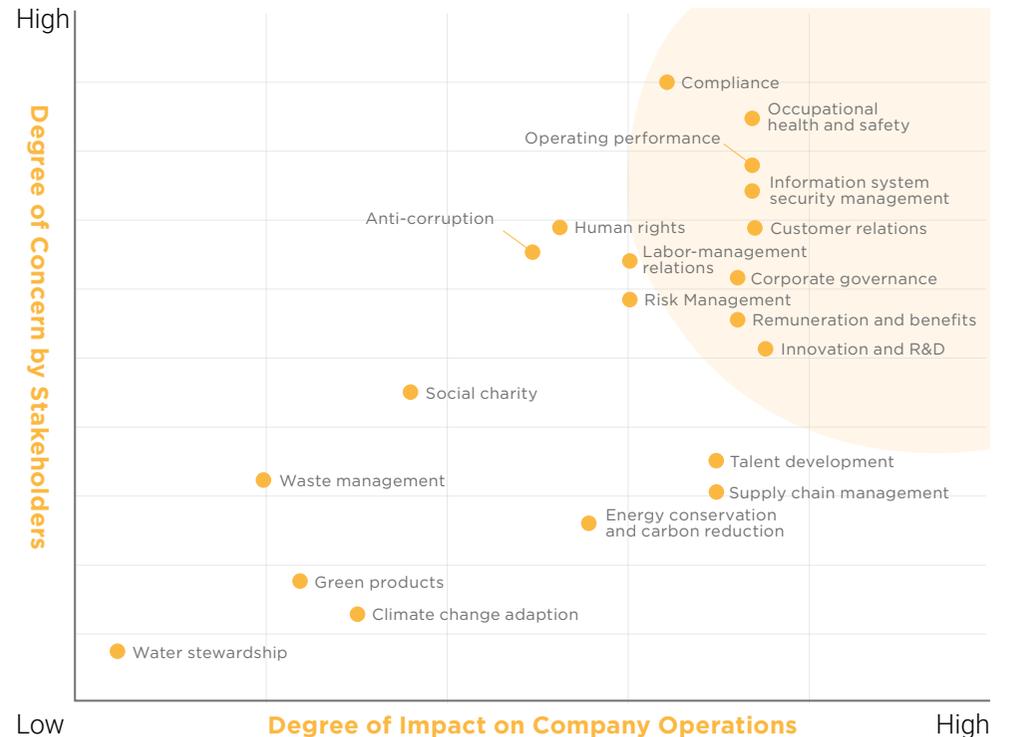




The Corporate Sustainability Office reviewed the sustainability disclosures in the past and compiled the issues into 20 suitable ESG issues with reference to international sustainability regulations (GRI Standards, SDGs, RBA Code of Conduct, and SASB), sustainability evaluations, stakeholders' expectations and communication, and

company business goals. We learned about stakeholders' level of concern about relevant issues through the online questionnaires and invited the major stakeholders to fill out the questionnaires about stakeholders' level of concern about relevant issues, including employees at subsidiary Edgecore and Joytech. We received a total of 412 copies of valid questionnaires returned and averaged the value of each issue by stakeholder category. A total of 23 members of the ESG Committee, including the chairs and members of eight ESG Committees, measured the impact of each issue on the Company's operations, discussed and scored each issue in the aspects of revenue growth, client satisfaction, supply chain management, risk management, and employee care. As per the results of the questionnaire responses and the analysis of operational impact, we drew a matrix of material issues of Accton in 2021 (as shown in the figure below) and selected eight material topics:

**Material Issue Matrix**



Governance	Environmental	Social
● Operating performance	Energy conservation and carbon reduction	● Occupational health and safety
● Information system security management	Climate change adaptation	● Remuneration and benefits
● Customer relations	Green products	Labor-management relations
● Innovation and R&D	Waste management	Human rights
● Compliance	Water stewardship	Talent development
● Corporate governance		Social charity
Risk management		
Supply chain management		
Anti-corruption		

### Accton's material ESG issues and value chain

Through materiality analysis, we have confirmed that the eight issues are material. Accton evaluated the scope of impact of these eight issues on the value chain operations, suppliers, clients, investors, and government agencies one by one and identified six specific topics according to GRI Standards. We adopted the reporting requirements for and management approaches to each topic as the basis for reported data collection and disclosures. We described the importance and significance of the material issues to Accton in the table below and detailed the management approaches and short-, medium-, and long-term indicators of the material issues in the corresponding chapters.

Material issues	Importance to operations	Operations	Suppliers	Clients	Investors	Government agencies	GRI topic	Response Chapter
<b>Governance</b>								
Operating performance	Creating the maximum profit is Accton's goal, which can bolster our stakeholders' confidence in the Company. It is the method for us to move toward sustainable management.	●	●	●	●		201 Economic Performance	1.2 Operating performance
Information system security management	Methods and status of safeguarding customer privacy and transaction security and the status of compliance with applicable laws and regulations	●		●		●	Customized topics	2.3 Privacy and transaction security
Customer relations	Maintain customer relations, collect clients' opinions, and improve product and service quality	●		●			Customized topics	1.4 Exceeding customer expectations
Innovation and R&D	Invest in innovation and R&D, keep abreast of new-generation network technologies, expand emerging technology fields, and maintain market leadership through early deployment	●	●	●	●		Customized topics	1.5 Innovative Technology Research and Development
Compliance	Formulate ethical and integrity policies, manage regulations and consult with experts, and set up a reporting mechanism to prevent violations from occurring	●	●	●	●	●	205 Anti-corruption 419-1 Socioeconomic compliance	2.2 Ethical management
Corporate governance	Establish a sound corporate governance structure, an effective communication and supervision mechanism, and plan a risk management mechanism	●		●	●	●	102-18 Governance structure 102-25 Conflicts of interest 102-36 Process for determining remuneration	2.1 Corporate governance
<b>Social</b>								
Occupational health and safety	Improve policies and management mechanisms for workers' occupational health and safety	●				●	403 Occupational Health and Safety	3.3 Employee safety and health protection
Remuneration and benefits	As employees are the foundation of the Company's revenue, it is to reinforce our employees' commitment, improve their work efficiency, and create a win-win outcome for the Company's business growth and employees' personal wealth	●					401 Employment 405 Diversity and Equal Opportunity	3.1 Talent attraction and retention

## Stakeholder engagement and response

We communicate with clients, employees, suppliers, government agencies, shareholders/investors, and non-profit organizations (NPO) through a variety of channels. As per the results of the questionnaire survey on ESG issues, we have listed the major ESG issues, about which the six major stakeholders are most concerned, the engagement methods, and the methods adopted to respond to each issue below, with a description of the actions we have taken in sustainability management and outcome.

Stakeholder	Communication method/frequency	Issue of concern	Accton's response and results
<b>Clients</b>	<ul style="list-style-type: none"> <li>● The Company's ESG Website and ESG Report (annually)</li> <li>● QBR audit and ESG ratings (quarterly or semi-annually)</li> <li>● Regular communication and discussion meetings (as per clients' needs)</li> <li>● Distributor satisfaction survey (Edgecore/annually)</li> <li>● Brand newsletter (Edgecore/Monthly)</li> <li>● International physical exhibitions/seminars (from time to time)</li> <li>● Webinar (from time to time)</li> <li>● The Company's website, LinkedIn, and YouTube (from time to time)</li> </ul> <p>✉ Email: sales@accton.com</p>	<ul style="list-style-type: none"> <li>● Occupational health and safety</li> <li>● Risk management</li> <li>● Human rights</li> <li>● Waste management</li> <li>● Operating performance</li> <li>● Social charity</li> <li>● Labor-management relations</li> </ul>	<ul style="list-style-type: none"> <li>● Daily update the plants' operating status during the COVID-19 pandemic period</li> <li>● Hold video conferences with clients at least once a week to maintain smooth communication during the pandemic period</li> <li>● Comply with the RBA Code of Conduct and audit the labor, ethics, health and safety, as well as environment and management aspects</li> <li>● Held a seminar in at the Mobile World Congress (MWC) Shanghai</li> <li>● Participated in the international physical exhibition of the Open Compute Project (OCP) (initiated by Facebook)</li> <li>● Introduced the latest solution through webinar: Nine sessions (Edgecore)</li> </ul>
<b>Employee</b>	<ul style="list-style-type: none"> <li>● Labor-management meeting (quarterly)</li> <li>● Occupational Safety and Health Committee meeting (quarterly)</li> <li>● Employee Welfare Committee meeting (quarterly)</li> <li>● Labor Pension Reserve Committee (quarterly)</li> <li>● Employee briefing session (from time to time)</li> <li>● Accton Portal (from time to time)</li> <li>● Accton whisper physical mailbox</li> <li>● Accton whisper e-mail (from time to time)</li> <li>● Sexual harassment complaint hotline and email</li> <li>● Care for employees' injury or illness</li> </ul> <p>✉ Email: hr@accton.com</p>	<ul style="list-style-type: none"> <li>● Occupational health and safety</li> <li>● Remuneration and benefits</li> <li>● Innovation and R&amp;D</li> <li>● Customer relations</li> <li>● Social charity</li> <li>● Compliance</li> </ul>	<ul style="list-style-type: none"> <li>● Hold supervisor or departmental meetings from time to time every month to facilitate communication of ideas and reach a consensus</li> <li>● Reported last quarter's follow-up matters and event information to committee members at the quarterly Welfare Committee meetings for the committee members to inform various departments of relevant information</li> <li>● Held labor-management meetings every quarter, with a 100% completion rate</li> <li>● Set up diverse communication channels and mechanisms, such as physical mailboxes, HR emails, and complaint hotlines. In 2021, we launched an official Line account to announce company policies and receive employee feedback, while encouraging them to make suggestions on operations or management measures, thereby conveying entry-level employees' opinions and expectations directly to top-level managers as a reference for continuous improvement and corporate governance. There were a total of six pieces of feedback from all employees, with 100% of cases closed</li> <li>● Comply with labor laws and regulations and international human rights standards, establish positive labor-management relations, and review the number of violations of ethical standards every month</li> <li>● For employees suffering from severe injuries or undergoing major surgeries, we check upon them by phone or in person, grant them leave, provide them with a subsidy for the injuries and illness and medical resources to support them physically and psychologically and let them feel the warmth of the care during the distress period.</li> <li>● Reduced the risk of occupational injuries: In 2021, we adopted autonomous guided vehicles (AGV) and powered pallet trucks to effectively reduce the risk of personnel injuries, reduce the time for them to move the goods and walk, and improve production efficiency</li> <li>● Strengthened evacuation exercises based on the PDCA concept. The time required to complete an evacuation in 2021 was 12 minutes less than that in 2020</li> <li>● Foreign migrant workers' dormitory was included in monthly occupational safety inspections</li> </ul>

Stakeholder	Communication method/frequency	Issue of concern	Accton's response and results
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>● Supplier conference (annually)</li> <li>● Supplier audit: As per the annual list of suppliers to be audited (from time to time)</li> <li>● Phone/Email (daily)</li> </ul> <p>✉ Email: damon@accton.com</p>	<ul style="list-style-type: none"> <li>● Anti-corruption</li> <li>● Compliance</li> <li>● Operating performance</li> <li>● Customer relations</li> <li>● Human rights</li> <li>● Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>● Adopted the ISO28000 supply chain safety management system in 2021 to reinforce supply chain security control, gain client trust, and meet client requirements for product safety in component procurement, product manufacturing, as well as storage and transportation</li> <li>● Changed the audit of ESG suppliers to questionnaire surveys due to the pandemic</li> <li>● Audited suppliers to meet the RoHS/REACH requirements for hazardous substances; a total of 196 suppliers completed the surveys and provided reports</li> <li>● Completed a survey of 325 product models in 2021 through the control and reduction of hazardous substances in raw materials and processes; 100% of all models were in compliance with international regulations/directives on hazardous substances</li> <li>● Suppliers signed the Integrity Commitment Statement: 257 signed the statement</li> </ul>
<b>Government agencies</b>	<ul style="list-style-type: none"> <li>● Official document correspondence and visit (from time to time)</li> <li>● MOPS (from time to time)</li> <li>● Company website (from time to time)</li> <li>● Press releases (from time to time)</li> </ul> <p>✉ Email: IR@accton.com</p>	<ul style="list-style-type: none"> <li>● Anti-corruption</li> <li>● Energy conservation and carbon reduction</li> <li>● Labor-management relations</li> <li>● Corporate governance</li> <li>● Compliance</li> <li>● Climate change</li> </ul>	<ul style="list-style-type: none"> <li>● Announce the latest information at any time to keep stakeholders informed about the Company's operations as a whole</li> <li>● Update Accton's on the industry value chain information platform</li> <li>● Respond promptly to relevant information as required by competent authorities</li> </ul>
<b>Shareholders /Investors</b>	<ul style="list-style-type: none"> <li>● The Company's ESG Website and ESG Report (annually)</li> <li>● Shareholders' meeting (annually)</li> <li>● Investor conference (annually)</li> <li>● Annual financial report (monthly and quarterly)</li> <li>● Investor questionnaire survey (from time to time)</li> </ul> <p>✉ Financial information: IR@accton.com ✉ Non-financial information: csr@accton.com</p>	<ul style="list-style-type: none"> <li>● Innovation and R&amp;D</li> <li>● Operating performance</li> <li>● Corporate governance</li> <li>● Compliance</li> <li>● Customer relations</li> <li>● Risk management</li> </ul>	<ul style="list-style-type: none"> <li>● Release the latest information in real time for shareholders and investors to be informed of the Company's situation as a whole</li> <li>● Cooperated with the FSC to complete the corporate governance evaluation</li> <li>● Instantly respond to investors' concerns</li> </ul>

Stakeholder	Communication method/frequency	Issue of concern	Accton's response and results
NPO	<ul style="list-style-type: none"> <li>The Company's ESG Website and ESG Report (annually)</li> <li>Accton E-Charity (from time to time)</li> <li>The Accton Arts Foundation website (from time to time)</li> <li>Facebook fan page (from time to time)</li> <li>Phone (from time to time)</li> <li>Project collaboration and visits (from time to time)</li> </ul> <p>✉ Accton E-Charity: service@17885.url.tw ✉ Accton Arts Foundation: acctongallery@gmail.com</p>	<ul style="list-style-type: none"> <li>Social charity</li> <li>Human rights</li> <li>Information system security management</li> <li>Compliance</li> <li>Customer relations</li> </ul>	<ul style="list-style-type: none"> <li>Revised Accton E-Charity to provide a secure online fundraising platform and functions</li> <li>Number of group members of Accton E-Charity: 328</li> <li>Engaged in project collaboration with 48 charity groups in 2021</li> <li>The Accton Arts Foundation website (including the website) served 25,279 members in 2021</li> <li>Accton Arts Foundation's Facebook fan page continued to interact with 2,893 followers online in 2021</li> <li>Operating site: Hsin Chu City Art Site of Railway Warehouse visited by 24,736 people in 2021</li> </ul>

The contact points for all stakeholders in 2021 are as shown in the table above. To facilitate the communication between stakeholders and the Company's highest governing body, as stakeholders may still have questions about the response by each contact point, the corporate governance officer, the representative appointed by the highest governing body, will compile relevant stakeholders' important ESG issues and report them to the highest governing body from 2022 onwards, and the highest governing body will discuss each issue, to fully communicate with stakeholders.

**Accton**

Making Partnership Work

01

About Accton

## 1.1 Company profile

### Accton Technology Corporation

Established Date: 1988/2/9

Headquarters: Taiwan-Hsinchu Science Park

IPO: Publicly listed on the TWSE in 1995 Stock Code: 2345

Total Capital: NTD 8,800,000,000

### A leader in advanced technologies of hyperscale data centers, AI, 5G, and edge computing

We have been committed to the research, design, and production of comprehensive Ethernet networks and wireless equipment. Our diverse and comprehensive product lines, outstanding communication R&D technologies, and close upstream and downstream partnerships in the global communications industry enable us to provide top network, IT, and telecommunications operators with diverse network communications equipment and solutions. Accton is a major OEM/ODM supplier for top global companies and is famous for innovative technologies and manufacturing quality. Since the Internet boom led to the Company's success, our operating sites have been established at 13 locations in North America, Europe, and Asia. Our major operating sites are located in Taiwan and China, including R&D centers and production centers.

- 📍 North America: The United States - Sunnyvale (California), Carson, Irvine.
- 📍 Asia: Taiwan – Taipei, Hsinchu, Zhunan, Taichung; Mainland China – Shenzhen, Shanghai, Nanjing, Xi'an, Wuhan.

## GLOBAL SERVICE

📍 Manufacturing Sites    📍 R&D Centers    📍 Technical Support    📍 RMA Repair    📍 Warehouse



With 34 years of experience in the design and development of network products, Accton's professional international team is committed to developing advanced, affordable, and reliable products. As a leader in the design of open hardware platforms, including data centers, 5G networks, Metro Ethernet, telecommunication networks, school/enterprise networks, and software-defined wide area network (SD-WAN), the Accton group satisfies clients' needs for next-generation designs through close long-term partnerships around the world. We provide services to users, hyperscale data centers, and national telecom agencies. Our product lines cover data center switches, metro area and enterprise switches, server switches, smart network interface cards, 5G cell site gateways, aggregation routers, core routers, core routers, edge computing servers, enterprise wireless access, broadband access and gateways, and smart sensors. We continue to provide efficient and complete services to the world's top clients and strive to bridge the gap between urban and rural areas, thereby connecting all communities around the world.

As Accton Technology expands into Accton Group with multiple affiliate companies, our strong sense of mission and social responsibility ensures that the Group actively participates in activities for giving back to society. We have instilled environmental protection awareness in all our designs and manufacturing processes.

**Overview in 2021**



Number of employees worldwide  
**5501**



Consolidated revenue  
**NT\$59.6 billion**  
(+9.44% YoY)



Total shipments  
**7.41 million units**

Paid-in capital **NT\$5,599,203,970**



Watch Accton corporate video:  
<https://youtu.be/7L3H0X2ARHI>



Accton Technology Headquarters

# 1.2 Operating performance

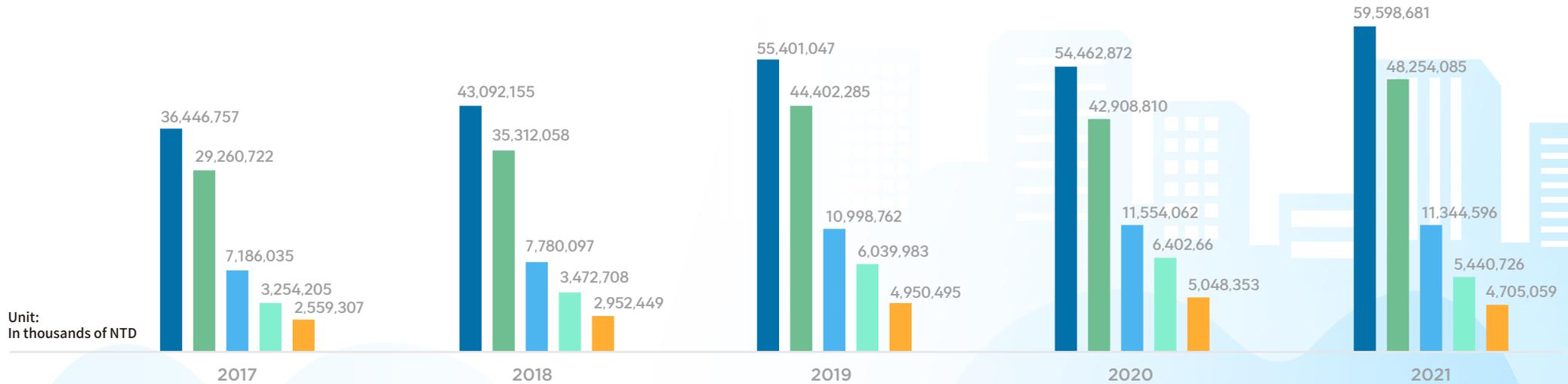
Annual Report of Accton: [https://www.accton.com/dc\\_annual\\_report/](https://www.accton.com/dc_annual_report/)



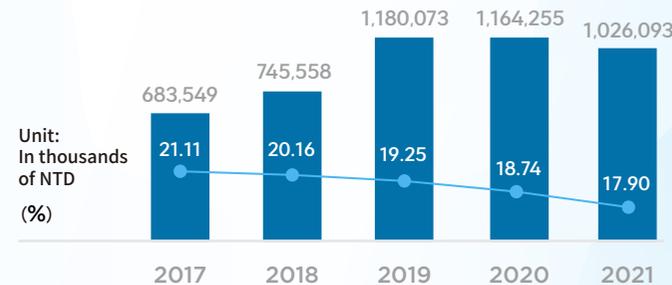
**Boundaries: The manufacturing plants: Hsinchu Plant 1, Hsinchu Plant 2, and Zhunan Plant in Miaoli; offices in Taipei, Hsinchu, Taichung (new), and Tainan; subsidiary Edgecore Networks Corporation, and Joy Technology (Shenzhen) Co., Ltd. (manufacturing plant).**

In respect of operating results in 2021, Accton's operating income has continued to grow steadily for five consecutive years. However, due to the COVID-19 pandemic, net operating income was revised downward for the first time after four consecutive years of growth. Accton's 2021 revenue accounted for 69% of the 2021 consolidated revenue.

Please refer to the 2021 Annual Report of Accton for details of financial performance.



Unit:  
In thousands of NTD



Unit:  
In thousands  
of NTD  
(%)

## Consolidated financial information

- Operating revenue
- Gross profit
- Operating costs
- Net operating income
- Net income after tax
- Gross margin
- Income tax
- Profit margin
- Tax rate

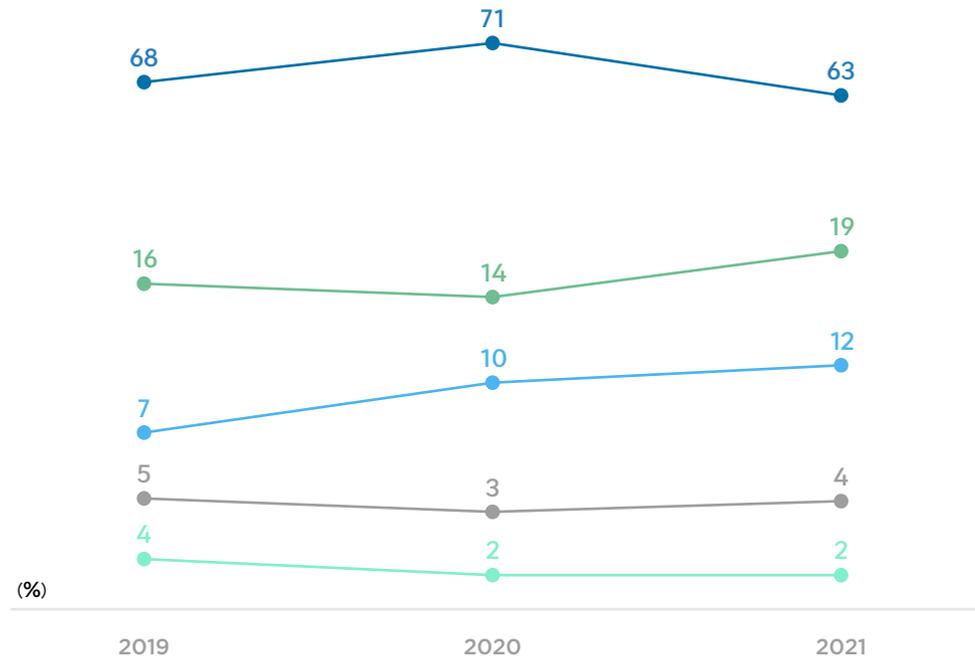


### Sales regions of major products

The Company's main products include high-speed ethernet switches, network access equipment (network appliances including SmartNIC), and wireless network products/broadband internet. Please see the figure below for the sales of products in the last three years.

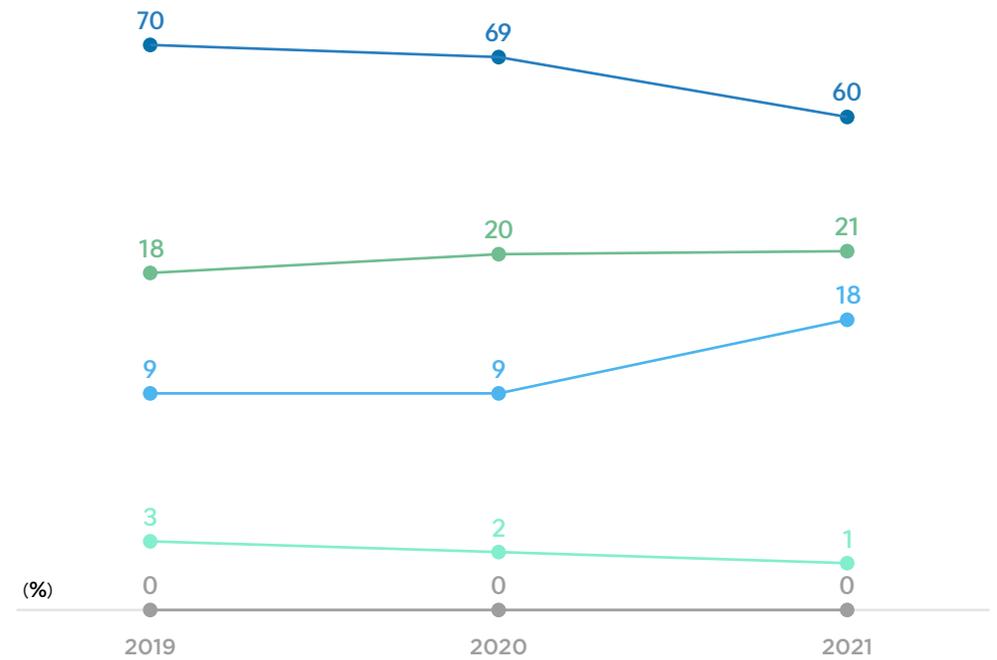
Export sales accounted for 99% of total sales, and the main sales regions were the Americas, Asia Pacific, and Europe. Please refer to the Statistics of Main Sales Regions in 2021 for the distribution of main regions for product sales in the most recent three years.

### Sales of products in the last three years.



- Network switch
- Network application equipment
- Network access equipment
- Other network equipment
- Wireless network equipment

### Statistics of Main Sales Regions in 2021



- Americas
- Europe
- Asia Pacific
- Taiwan
- Other countries

## Government grants

Exchange rate: 1 RMB to 4.344 NTD on December 31, 2021

Government grant	Nature of grant	Amount (in thousands of NTD)
<b>Subsidy for investment in technological makeover</b>	Shenzhen municipal subsidy for general technological makeover and AI technology improvement	44,545
<b>Subsidy for employee skill enhancement and job allowance</b>	Subsidy for employee skill enhancement and job allowance	2,424
<b>Subsidy for disadvantaged workers</b>	Subsidy for disadvantaged workers	1,325

## Employee benefits by region

Unit: In thousands of NTD

	2019	2020	2021
<b>Taiwan</b>	3,069,638	3,600,805	3,905,666
<b>China</b>	887,478	862,199	1,024,053
<b>Other regions</b>	259,751	300,954	234,815
<b>Total</b>	<b>4,216,867</b>	<b>4,763,957</b>	<b>5,164,535</b>

## Income tax paid by region

Unit: In thousands of NTD

	2019	2020	2021
<b>Taiwan</b>	942,369	1,067,402	921,446
<b>China</b>	225,545	74,760	82,978
<b>Other regions</b>	12,159	22,092	21,668
<b>Total</b>	<b>1,180,073</b>	<b>1,164,255</b>	<b>1,026,092</b>

## Dividends paid out over the years

Unit: In thousands of NTD

	2019	2020	2021
<b>Cash dividends</b>	3,462,733	3,636,538	3,359,576

Note: The 2021 earnings distribution proposal is pending resolution by the annual general meeting of shareholders to be held on June 16, 2022.

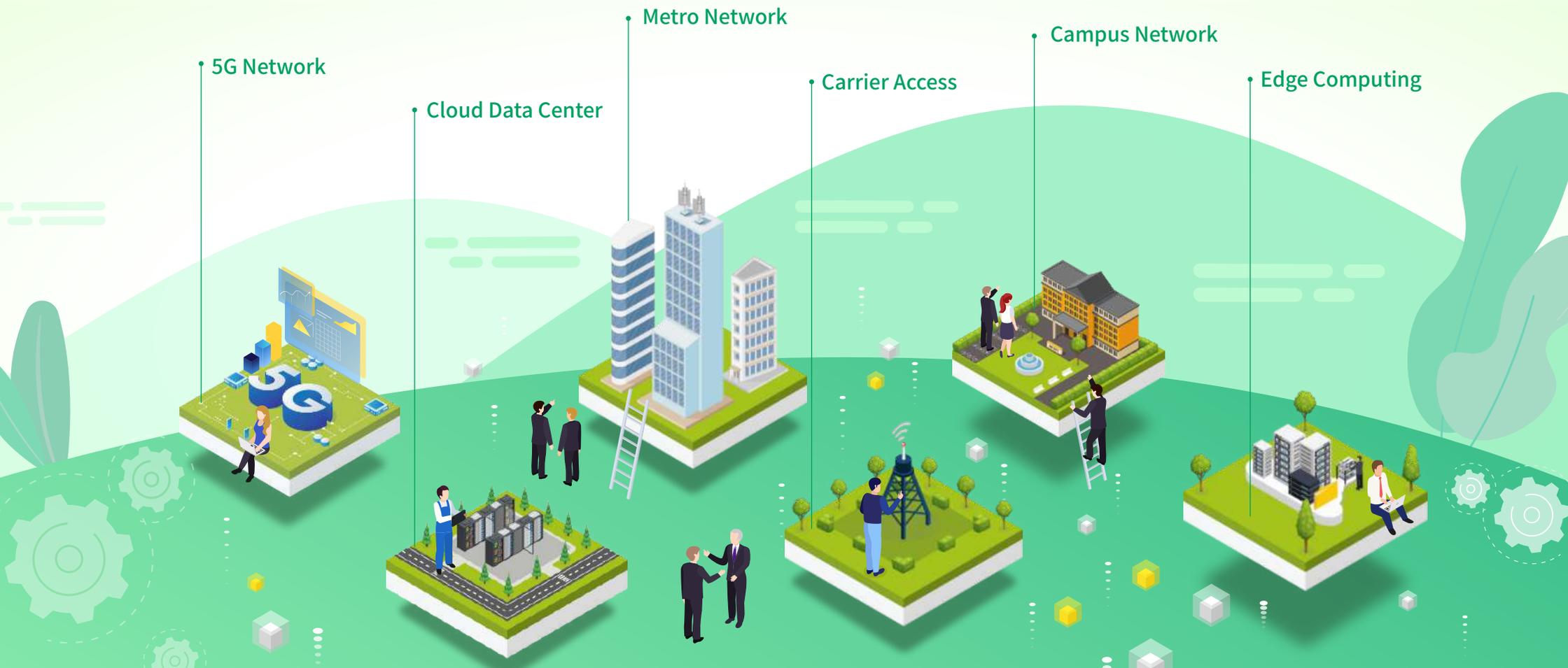
The Company's shares are mainly held by foreign investors, natural persons, legal persons, and financial institutions. The shareholding of government agencies is less than 2%. The detailed shareholder structure is disclosed in the annual report.

## 1.3 Products and services

Accton's R&D team has more than 30 years of experience in R&D and design of Ethernet hardware and software, and we leverage our core capabilities to provide cost-effective ODM solutions to renowned network businesses, telecom operators, and network service providers around the world. With advanced technology development and optimized manufacturing processes, we enable clients to access more energy efficient,

sustainable, and innovative products in alignment with the 5G application trends and continue to reduce the carbon footprint of products. Accton provides complete infrastructure solutions to cloud data centers, telecom/metro area networks, school/enterprise networks, SD-WAN, and the Internet of Things (IoT) for users, data centers, and telecom rooms.

### COMPLETE NETWORK SOLUTIONS



**Accton Group researches and develops, designs, manufactures, and sells the high-quality products below:**

- ✔ Hyperscale data center switch
- ✔ Coherent optical open packet transponder
- ✔ Hyper cloud appliance
- ✔ Ethernet bunch of flash (BOF)
- ✔ Smart network interface card
- ✔ Telecom room core router
- ✔ Computer network system, including hardware, system software, network application software, and network workstations
- ✔ Enterprise wired and wireless network devices, including switches and wireless base stations
- ✔ Customer premises equipment, including hardware, system software, and application software.
- ✔ Optoelectronic communication subsystem, including optical network, optoelectronic communication module, and fiber optic repeater.
- ✔ Edge computing server
- ✔ Wireless local area network (WLAN)
- ✔ Wireless user’s loop system
- ✔ IoT system, including terminal hardware, system software, application software, and hybrid cloud platform
- ✔ Millimeter wave base stations, network bridges, and CPEs
- ✔ 5G (5th generation cellular) CPE and small cell base stations for enterprises
- ✔ SD-WAN and vCPE/uCPE

**The relations between the upstream, midstream, and downstream businesses in the industry**

Accton integrates with upstream wired and wireless LAN chipset manufacturers, cooperates with their own R&D teams to provide integrated network platforms and systems, and optimizes network software and hardware for end users. Accton and chipset suppliers maintain a good partnership, we are able control the sources, receive the latest component information and stay ahead of the competition. We continue to cooperate in business and technology development with our upstream partners; thus, strengthen our partnership.

Accton Technology  
Please visit for complete  
network solutions.



<https://www.accton.com/solutions/>

Upstream	Midstream	Downstream
CPU chip manufacturer IC chip manufacturer Printed circuit board manufacturer Passive components/ resistors, capacitors Power supplier DRAM/SRAM/Flash memory manufacturer Mechanical manufacturer	Switch Access point Network interface card Network operating system Network application server	System integrator Network equipment supplier Telecommunication operator Enterprise network planner

## 1.4 Exceeding Customer Expectations

**Boundaries: Accton and subsidiary Edgecore. Joytech is a manufacturing plant, and its business is handled by Accton and Edgecore, hence, JoyTech is excluded from the customer satisfaction survey.**

	2021 targets	2021 performance	Short-term targets (2022-2023)	Medium- and long-term targets (2024-2026)
<b>Accton</b>	Customer satisfaction reaches 80 points.  Implemented the ISO28000 supply chain security management system in 2021 to meet clients' requirements for products.	The customer satisfaction survey failed to be completed. (Note)  Plants' operating status was updated daily during the COVID-19 pandemic period.  Obtained ISO 28000 Supply Chain Security Management System certification. Enhanced the Material Status Dashboard to provide more timely information on materials	Customer satisfaction reaches 85 points.  Integrate the electronic supply chain security management system to provide more timely supply information in the post-pandemic era.	Customer satisfaction reaches more than 85 points.  Continue to reinforce product technologies and provide more flexible supply chain management.
<b>Edgecore</b>	Customer satisfaction reaches 85 points.	Customer satisfaction reaches 86 points.  Optimize the RMA process and integrate the Zendesk knowledge platform	Customer satisfaction reaches 87 points.	Customer satisfaction reaches 89 points.

"Client comes first" is the goal and mission that all Accton's employees strive to accomplish. We also put this philosophy into practice in terms of quality, sales, technology, client service, and other aspects and pursue excellent service quality to improve customer satisfaction.

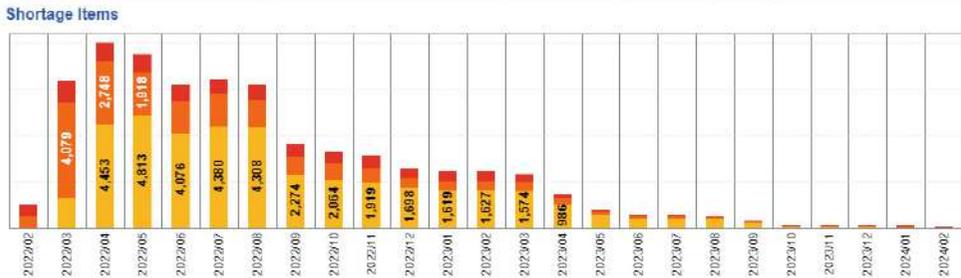
Accton attaches great importance to clients' feedback. We used to collect clients' feedback at the quarterly business review (QBR) meetings with major clients. However, due to the impact of the COVID-19 last year, most of the QBR meetings could not be held as scheduled, making it difficult to collect such data. To avoid similar situations from happening again, we will adopt an online questionnaire survey to collect data in the following year, so that we can review and improve our own approaches and provide clients with better services.

Accton was also impacted by the pandemic in 2021 with confirmed infection cases at

our plants at the end of May. We immediately arranged rapid testing for all employees at all plants in cooperation with the government's policy and adjusted allocation of migrant workers. We resumed operations within two weeks to minimize the impact on our clients. To reassure our clients, we updated clients on the latest status of our plants every day.

Stable supply is particularly important during the pandemic. Accton adheres to the core concept of "making partnership work" and regards each client and supplier as our important strategic partner. To improve our service quality and meet clients' needs for timely delivery, we have an electronic system (Accpartners) between Accton and suppliers. On the basis of the ERP system, this system allows Accton to keep abreast of the correctness and time of suppliers' deliveries. We obtained ISO28000 certification in 2021 to implement control measures to mitigate the security risks in the supply chain and ensure the security of our goods and services.

In 2021, Accton further improved the Material Status Dashboard, which was already developed before, to extend from only the major clients to each client and provide them with weekly production need forecasts, together with real-time, accurate information on the surplus and shortage of main materials. As such, despite the impact of the pandemic with global tight supply of materials, we could avoid supply-chain disruptions and use integrated logistics in a timely manner to respond to supply and demand in advance.



2021 Material Status Dashboard

In the post-pandemic era, we adjusted our pace and changed our regular client visits to weekly video conferences to facilitate interaction between each other. We maintain a smooth channel for information exchange to ensure that their needs are properly responded to and satisfied. This has prompted us to make progress continuously and then establish win-win, stable, and collaborative relations with clients based on mutual trust and symbiosis.

Edgecore also attaches great importance to its clients' and partners' needs and takes improvement to their satisfaction as the top priority. Therefore, it conducts satisfaction surveys regularly, particularly in terms of product technology, delivery time, prices, quality, after-sales services, to learn about clients' needs and the implementation status accurately. In 2020, Edgecore conducted a satisfaction survey of 43 key clients and distributors and received 25 copies of the questionnaire returned with a response rate of 63%. Edgecore used to conduct satisfaction surveys of clients' sales personnel and has expanded the surveys to their procurement, product managers and R&D personnel since 2021. It sent the questionnaire to a total of 57 key clients and distributors, and 31 of them responded with a response rate of only 53%\*. Although the response rate this year was lower than that of 2020, the number of the copies of the questionnaire returned increased by five compared with 2020. The results have indicated a positive development trend and that we have gradually met clients' expectations. We will continue to strive hard in all aspects to improve our service quality and pursue better performance in customer satisfaction.

Note\*: A total of 31 copies of the questionnaire were returned, while 30 of them were valid.

### Customer satisfaction results in the most recent four years

Edgecore	2018	2019	2020	2021
Average customer satisfaction score	82.6	82.4	86.4	86

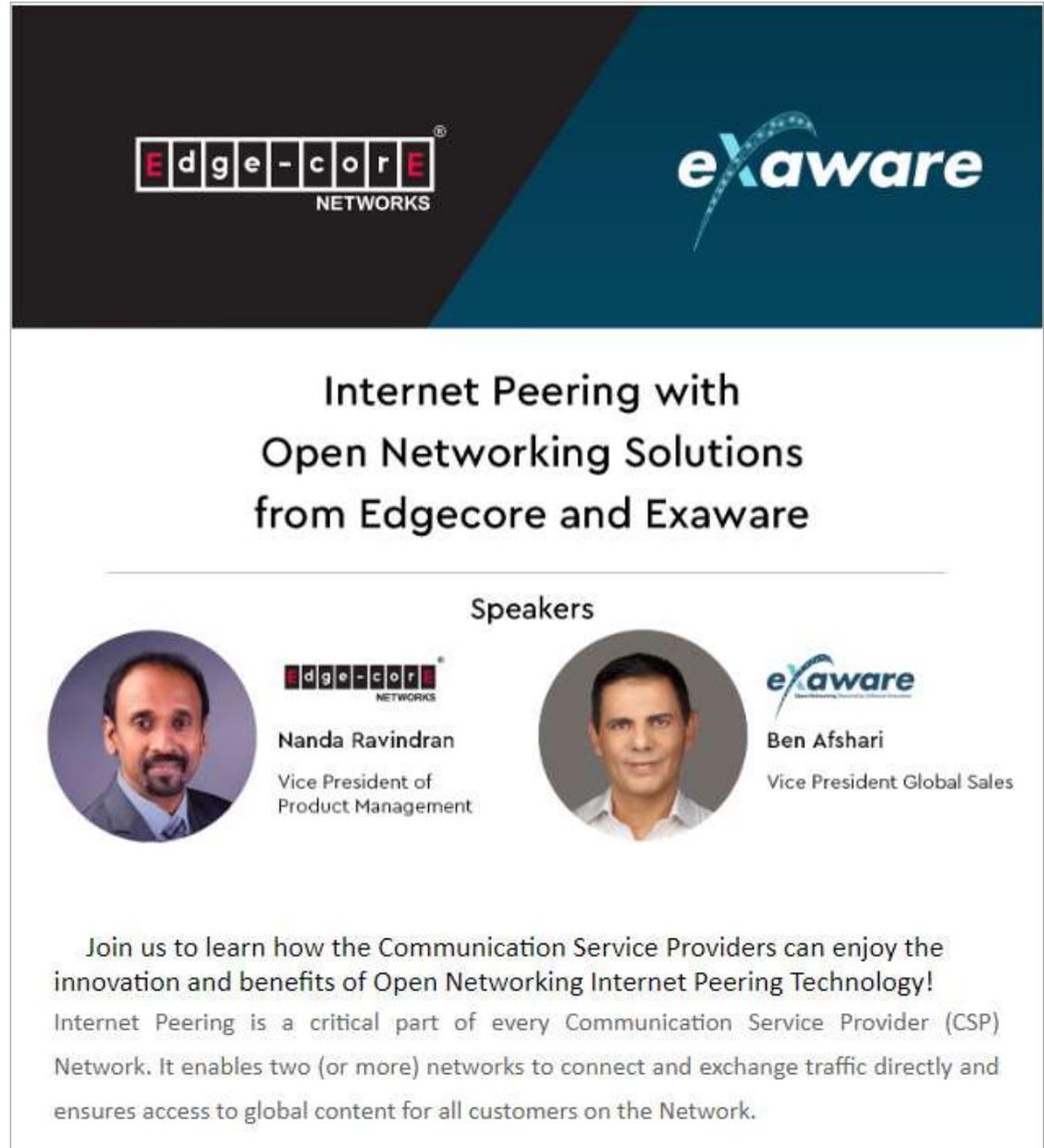
### Participation in international online exhibitions and holding online seminars

In the past, our subsidiary Edgecore used to participate in many well-known telecommunications exhibitions at home and abroad on our behalf, to directly introduce and display our latest solutions to clients and distributors. We participated in international in person exhibitions in 2021 when the pandemic slowed down:

- ✓ The 2021 Open Compute Project (OCP) Summit initiated by Facebook (May 12-May 15)

We used to invite global distributors to our distributor seminars; however, under the consideration of pandemic prevention, we introduced our latest solutions through online seminars:

- ✓ 2021/2/3: Disaggregated Cell Site Gateway For existing 3G/4G and future 5G Mobile infrastructures
- ✓ 2021/4/1: High-performance, Programmable Switch Solutions for Edge Data Centers
- ✓ 2021/5/20: Simplifying Network Disaggregation to Accelerate New Services
- ✓ 2021/8/26: Introducing Edgecore TIP OpenWiFi-ready Access Points
- ✓ 2021/9/23: Learn about Edgecore's New Innovative Open Disaggregated Core Router Solution
- ✓ 2021/10/14: Join us for Edgecore Managed Wired & Wireless Solutions
- ✓ 2021/11/30: Internet Peering with Open Networking Solutions from Edgecore and Exaware
- ✓ 2021/12/2: Introducing the first TIP OpenWiFi Cloud - Edgecore ecCLOUD
- ✓ 2021/12/9: Exploring Disaggregated Broadband with Capgemini Engineering and Edgecore Networks



**Edge-core NETWORKS**

**exaware**

## Internet Peering with Open Networking Solutions from Edgecore and Exaware

**Speakers**

  
**Nanda Ravindran**  
Vice President of Product Management

  
**Ben Afshari**  
Vice President Global Sales

Join us to learn how the Communication Service Providers can enjoy the innovation and benefits of Open Networking Internet Peering Technology! Internet Peering is a critical part of every Communication Service Provider (CSP) Network. It enables two (or more) networks to connect and exchange traffic directly and ensures access to global content for all customers on the Network.

Invitation to webinar

## Repair and maintenance service: Continuous improvement and fast delivery

### Accton (including Plants 1 and 2 and the Zhunan Plant)

Accton attaches great importance to clients' needs and delivers shipments that meet their requirements. All products regardless of the place of manufacture, including Joytech's products, are repaired and maintained by Accton.

Item	2020 performance	2021 targets*	2021 performance	Medium- and long-term targets
Turnaround time (TAT)	46	< 30	26	< 30

Note\*: TAT management has been enhanced for specific clients since 2021.

Despite the global material shortage, Accton's RMA (return merchandise authorization) in 2021 significantly shortened the average TAT. The main tasks implemented include:  
Improved technical capabilities, increased manpower, and improved production efficiency.  
Reviewed TAT status daily and adjusted output schedule timely.  
Established a material preparation mechanism to reduce the issue of material shortage.

Medium- and long-term targets: improve material preparation, maintenance workforce scheduling, and engineering anomaly response one by one from 2022 onwards, to achieve the target of average TAT within 30 days for all clients.

## Edgecore

Edgecore focuses on brand and distribution management, continues to improve service processes, satisfies clients' needs, and provides them with the most complete services. To protect their rights and interests, it provides a variety of communication channels, including the official website, customer service hotline, and email, and has established a response mechanism for their feedback or product issues for quick and appropriate response.

### Product technical support

Item	2020 performance	2021 targets*	2021 performance	Medium- and long-term targets
Average time for first reply (hours)	57	<48	47.6	<24
Average customer wait times (days)	16.6	<15	15.5	<14
Average resolution time (days)	24.4	<22	21.4	<20

In 2021, Edgecore's Product Technical Support Department established a customer service knowledge platform to collect information, such as product technical data, accident analysis, and professional debugging experience to enable our customer service personnel to develop all-round problem-solving abilities and assist clients in solving technical problems.

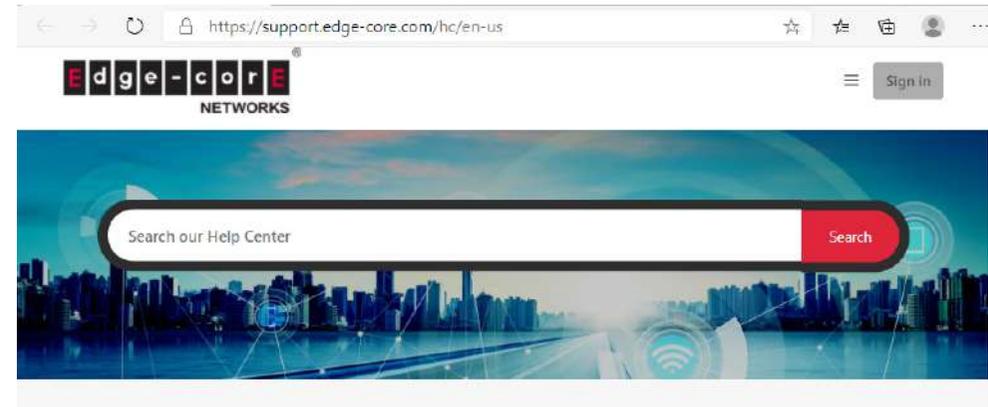
Medium and long-term target: Offer pre-sales training for specific clients and improve knowledge management to share technical problem solutions.

**Return merchandise authorization**

Item	2020 performance	2021 targets*	2021 performance	Medium- and long-term targets
Turnaround time (TAT)	50	<45	41	<40

Edgecore’s RMA (return merchandise authorization) in 2021: It reinforced the efficiency of repair and the management of spare parts for specific products and clients and improved the information system for repair services; as such, customer service personnel can keep abreast of clients’ historical records more thoroughly and provide services more efficiently. From 2021 onward, if the value of a product is less than US\$100, Edgecore will provide a new product to the client, who does not need to return the defective one due to the freight cost. The customer service personnel also introduced basic information, warranty period, and repair and maintenance records of specific models to partners or clients to reduce the service time required.

Medium- and long-term target: Increase the number of franchised repair partners around the world and reduce TAT. Currently, a RMA partner has been set up in India.



Edgecore’s online support website <https://support.edge-core.com/hc/en-us>

## 1.5 Innovative Technology Research and Development

**Boundaries: Accton (including Plants 1 and 2 and the Zhunan Plant), the subsidiary Edgecore, and Joytech.**

To ensure the competitiveness of products and maintain the sustainable and healthy growth of the Company's operations, Accton has never ceased the efforts in innovative technology research and development (R&D). Take 2019, 2020, and 2021 as an example, the proportion of annual investment in product R&D is higher than that of 3.5% of the respective annual revenue. We aim to stably and continuously design and develop a marketable, forward-looking product mix in the field of communications,

providing equipment and services in alignment with the future global development trends. Meanwhile, to protect various output technologies and knowledge and enhance the added value of products, the Company has formulated relevant measures and management systems for intellectual property to duly protect our intellectual property rights. Our short-, medium-, and long-term targets in intellectual property and innovative technologies are as follows:

2021 targets	2021 performance	Short-term targets (2022-2023)	Medium- and long-term targets (2024-2026)
<ul style="list-style-type: none"> <li>● Examine R&amp;D achievements and the patent layout.</li> <li>● R&amp;D expenses account for more than 3% of the revenue.</li> </ul>	<ul style="list-style-type: none"> <li>● The number of patent applications has reached 1183.</li> <li>● R&amp;D expenses accounted for 4% of the revenue.</li> <li>● 400Gbps products were mass produced.</li> </ul>	<ul style="list-style-type: none"> <li>● Examine innovation achievements and turn them into new proposals.</li> <li>● R&amp;D expenses account for more than 3% of the revenue.</li> <li>● Carry out product carbon footprint inventory at least once per year.</li> </ul>	<ul style="list-style-type: none"> <li>● Develop a patent layout of relevant technologies in alignment with the Company's product development direction.</li> <li>● R&amp;D expenses account for more than 3.5% of the revenue.</li> <li>● Adopt a product carbon footprint inventory mechanism across all plants.</li> </ul>

The most important indicator and achievement of Accton's technological development in 2021 is the realization and mass production of 400Gbps products.

We have striven to develop adequate R&D, material management, and production capabilities in respect of market, technology, production, and supply chain and overcome all challenges.

We also spare no effort in today's network security issues. In addition to the maintenance of information security of the Company's operations, we have enhanced the system security of our products. As network security issues have a direct impact on our clients' business, the inability for them to provide internet services or the failure to properly protect personal data or privacy will cause a direct or indirect significant impact on the Company's operations. We update clients constantly on the network security of our products and provide relevant firmware solutions to our products based on the disclosed common vulnerabilities and exposures (CVEs) to prevent possible impacts on our clients. On the other hand, we will undertake the necessary mechanisms and procedures to confirm the security of our firmware, such as the security of the root of

trust (the location of the initial firmware or the geographical location of the firmware re-downloaded), provide secure chips, and conduct more innovative inspections, such as secure boot procedures or inspection of malware intervention from an external control center. When a product is sent out of the organization over which Accton has effective control, if it is delivered to a client, we will take corresponding actions, such as the secure erasing of the solid-state disk (SSD), which can completely erase the operating system and any data as per international security standards with data not able to be restored, to completely protect end users' privacy and personal data.

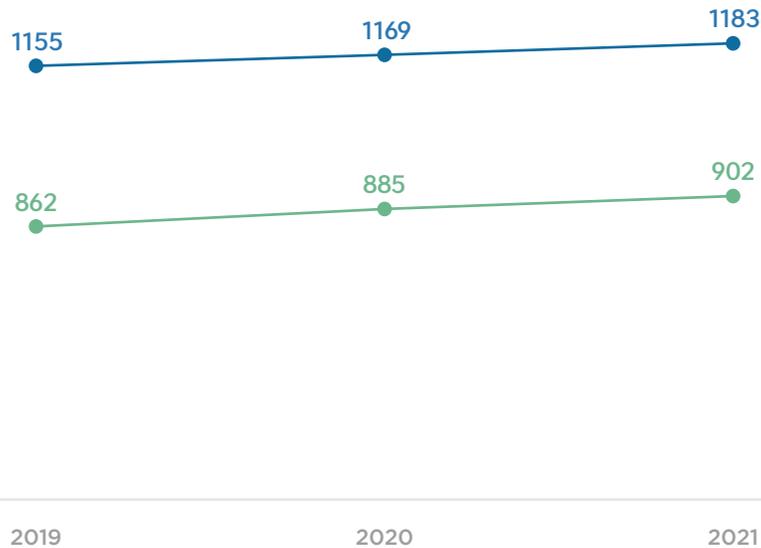
With the impact of today's extreme climate changes, Accton has been working hard to develop green/low-carbon products to achieve a more sustainable development. We measured our organizational carbon footprint in 2019 and 2020 and decided to launch the carbon footprint measurement and reduction plan for the upstream and downstream partners of the value chain in the second half of 2021, to continue our journey to carbon neutrality.

## Intellectual property

Adhering to the concept of continuous innovation and improvement, Accton taps into our technology R&D capabilities to develop and improve products, thereby continuing to provide high-performance and highly stable products and launching forward-looking products in alignment with the needs of the industry. We also convert our product R&D achievements into intellectual property to protect our rights, increase product added value, enhance company competitiveness, and generate profits.

Moreover, to effectively manage patents, we regularly review the application status of our patents, keep abreast of the benefits of our patents, eliminate outdated or unpractical patents, maintain patent benefits, and maximize the return on investments in patents.

### Patent application over the past three years



- Cumulative number of applications
- Cumulative number of applications approved

### 1. Patent application and management of Intellectual property

Accton's patent application strategy mainly aims to protect our products, create product value, and enhance the Company's competitiveness, and we have implemented patent incentives and management regulations accordingly, to motivate our R&D personnel to actively innovate and improve products in the process of product development and regulate patent asset management and confidentiality of patent information.

To facilitate the atmosphere of innovation and identify technologies with practical benefits to the Company's operations, we have set up an idea proposal reward mechanism ahead of the patent proposal process in accordance with the Patent Rewards and Management Regulations. Different from the patent proposal mechanism, in which the patentability of each application needs to be evaluated, the idea proposal reward mechanism allows one to disclose a simple concept, and only the technical content will be assessed through a product benefit-oriented assessment mechanism. This has simplified the procedures and the mechanism for providing proposal bonuses and motivated R&D personnel to develop a habit of thinking about product improvement plans at any time. In addition to introducing the basic concepts of intellectual property rights in the process of new employee education and training, we teach them the steps of formulating idea proposals, thereby developing an atmosphere of constant innovation and proposals to promote R&D output.

After review and approval, an idea proposal will be entered into the patent proposal process. In addition to evaluating the patentability of the proposal, we analyze the relevant patents owned by others by searching for patent prior arts, to check what product designs should be avoided, to reduce the risk of subsequent product sales. For innovative ideas that are assessed as unsuitable for disclosure, they are managed as trade secrets to ensure that the Company's intellectual property can be effectively protected.

In addition to innovative ideas and patent proposal procedures, we, to keep abreast of the benefits and control the cost of our patents, regularly investigate the application of patented technologies, review and maintain the benefits of our patents, and eliminate outdated patents and those less used, to maintain the Company's patent portfolio and patent quality in a cost-effective manner.

To facilitate the above-mentioned proposals and management operations, Accton has independently developed an intellectual property rights management system, covering the management and operation platform of idea proposal, patent application, and inter-departmental collaboration, to correctly and efficiently carry out management tasks in a systematic manner, thereby assisting the Company with the operations of intellectual property right management.

As of the end of 2021, Accton has filed a total of 1,183 patents applications and obtained a total of 902 patents globally.

## 2. Prevention of patent infringement risk

In addition to protecting our own intellectual property, we respect other parties' intellectual property rights. We actively investigate the infringement risk from proposed technologies during the processing of patent proposals and carry out patent infringement investigations into technologies developed by ourselves or suppliers to meet the R&D unit's needs in the product development process. Through this process, we analyze the infringement risk and eliminate the infringement risk by avoiding certain designs or obtaining a non-infringement warranty when there is a concern for infringement, thereby preventing infringement in the early stage and reducing the impact of patent litigation on the Company's operations.

## 3. Trademark application and management

Accton attaches great importance to corporate image and reputation. To actively enhance the Company's brand values, we continue to strengthen the competitiveness of our products and protect and enhance the Company's brand values and products through trademark application, while conducting effective management of various trademarks to maximize the benefits of trademarks.

In terms of trademark application, the Company will apply for trademarks for new products or services. As for the application procedure, we understand and confirm the trademark pattern and the scope of the trademark application first and learn about the design concept of the trademark pattern and its meaning and the planned scope of products and services, such as the types of products actually used or the types of products that may be applied and their markets. Next, we judge the trademark distinctiveness, including the judgment of the distinctiveness of the trademark pattern and the status of the existing trademarks, evaluation of the feasibility of trademark applications, and formulation of application strategies, to increase the chance of the trademark application being approved and ensure that the trademarks are sufficient to protect our products and services. In addition, we perform comparative analysis of the scope of existing trademarks throughout the trademark search process, to exclude the possibility of trademark infringement and reduce the risks and losses caused by infringement and trademark registration rejection through early preventive actions.

In respect of trademark management, the Company regularly investigates the use of trademarks and reviews the effect of maintaining trademarks to keep abreast of the benefits of trademarks and control the costs of trademarks, while eliminating outdated trademarks or those less used in a timely manner to maximize the benefits of and maintain the quality of our trademarks.

## 4. Trade secrets and protection

Accton requires R&D personnel to regularly record important discoveries and achievements in the R&D record book or idea system in detail, to properly maintain important R&D achievements and technical knowledge.

Trade secrets are the Company's important assets, and the protection of trade secrets is to maintain our technological advantages and ensure our sustainable development. To protect trade secrets, Accton adopts relevant software and hardware measures to control the access, download, use, and transmission of various business information within the Company and ensure that the confidential information from clients or suppliers is properly protected to respect their intellectual property rights.

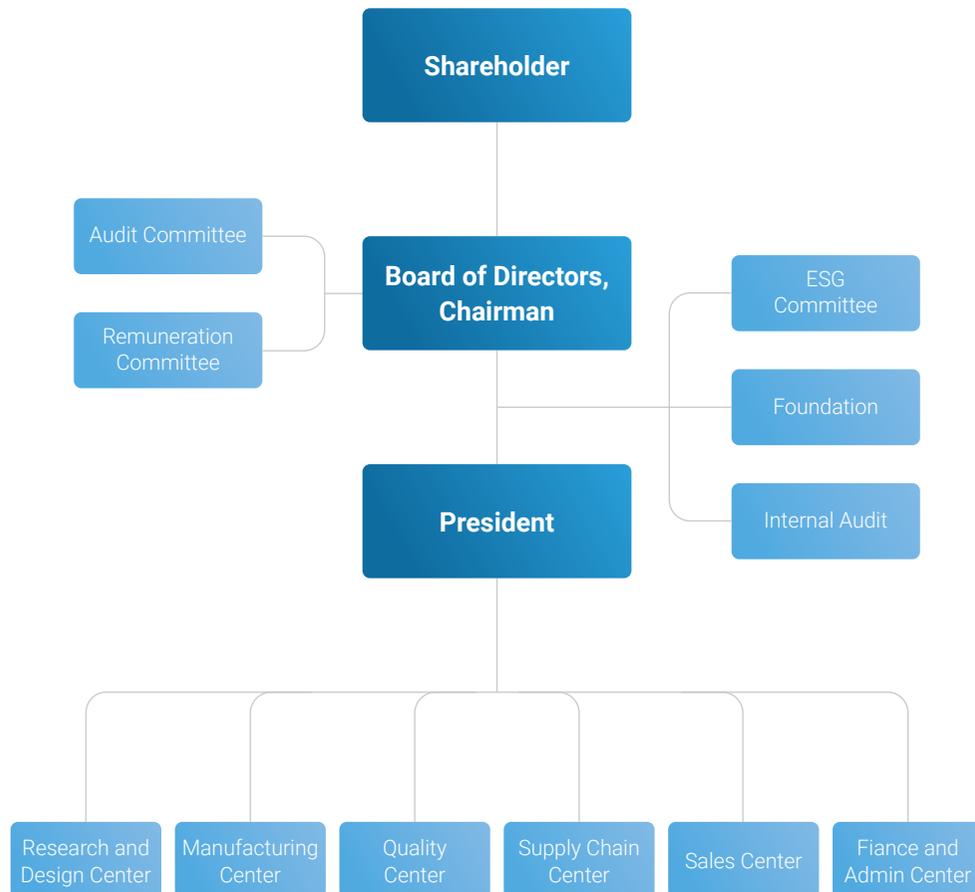
# 02

## Comprehensive Corporate Governance

# 2.1 Corporate Governance

**Boundaries: Accton and its subsidiaries Edgecore and JoyTech**

## I. Corporate Governance Structure



## II. Corporate Governance Goals

Accton Technology adopts transparent, forward-looking, functional, and international approaches for corporate governance to maximize benefits for all shareholders.

Short-term goals (2022 - 2023)	Mid- and Long-term goals
1. Publish ESG report annually to ensure communication with stakeholders. 2. Conduct stakeholder feedback survey regularly. 3. Establish a Corporate Governance Committee to drive and implement matters related to corporate	1. Improve corporate governance evaluation results to top 5% ranking. 2. Increase number of female directors.

## III. Board of Directors

**Strict adherence to appointing more than half of the board seats to independent directors to establish a fair, objective, and transcendent internal audit and internal control system.**

- The Company has formulated the “Procedures for Election of Directors” in accordance with laws and regulations, and all directors are elected in accordance with the procedures. The nomination and election methods of director candidates, the professional qualifications of independent directors, restrictions on part-time employment and other matters that should be observed shall be handled in accordance with the relevant laws and regulations of the Company Act and the Securities and Exchange Act.
- The Company places heavy emphasis on the independence of directors. In addition to increasing the number of independent directors, it also complies with relevant laws and regulations to determine and evaluate the independence of independent directors.
- The Board of Directors of the Company are academics with extensive industry experience that are highly renowned academically, as well as individuals with outstanding performance in other professional fields.

### Board diversity policy

- In order to enable the board of directors to achieve the aforementioned goals and strengthen its effectiveness, the Company has formulated a board diversity policy.

According to the “Corporate Governance Best Practice Principles”, the composition of the board of directors should take diversity into consideration. The members of the board of directors should formulate appropriate diversification policies based on their own operations, business types, and development needs, which should include but not be limited to the following two aspects:

I. Fundamental conditions and values: gender, age, nationality, culture, etc

II. Professional knowledge and skills: professional background (such as legal, accounting, industry, finance, marketing, or technology), professional skills and industrial experience, etc

● At present, the Company has eight directors (including five independent directors, which is approximately two-thirds of all directors, accounting for approximately 62%), all of whom are composed of professionals with diverse backgrounds, adequate professional knowledge, experience and excellent insights, and high ethical standards

● Areas of expertise of independent directors: two Taiwanese (accounting, operation, risk management; administration, operation, decision-making), one American (industry, operation, international), one Japanese (operation, leadership, international), one Israeli (industry, operation, international).

● Age distribution of independent directors: one is 40-49 years old, one is 50-59 years old, five are 60-69 years old, and one is above 70 years old.

### Responsibility for business and operations

Review and approval of business plans, earnings distributions, important bylaws and contracts, and budgetary decisions; appointment and dismissal of president and vice president; review and approval of real estate transactions and investment businesses.

● Nine directors of the 11th-term Board of Directors were elected in the general shareholders meeting in June 2018 and independent directors held five seats, accounting for more than half of all directors.

● Nine directors of the 12th-term Board of Directors were elected in the general shareholders meeting in July 2021 and independent directors held six seats, accounting for more than half of all directors.

● Both the 11th and 12th-term Board of Directors exceeded the requirements by Financial Supervisory Commission (FSC) of appointing three independent directors. Five independent directors were appointed on the 11th-term namely, Liu, Chung Laung, Lin, Shiou-Ling, Chang, Chih-Ping, Chen, Shuh, and Chen, Wei-Zen. Six independent directors were appointed on the 12th-term namely, Huang, Shu-Chieh, Lee, Fa-Yauh, Kuo, Andrew Ming-Jian, Kobayashi Eizo, Ankur Singla, and Avigdor Willenz. Hence establishing the principles of ensuring professional and open corporate governance and improving the rights and interests of all shareholders.

● Convened nine board meetings in 2021.

### The 11th-term Board of Directors (term expired and resigned in July 2021)

Name	Title	Gender	Professional knowledge and skills		
			Industry or technology	Finance	Legal
Kuo, Fai-Long	Chairman, Representative of Kuan Xin Investment Corp.	Male	●		
Huang, Kuo-Hsiu	Director	Male	●		
Du, Heng-Yi	Director, Representative of Ting Sing Co., Ltd.	Male	●		
Liu, Chung Laung (Note 1)	Independent director, Audit Committee member, Remuneration Committee member	Male	●		
Chang, Chih-Ping	Independent director, Remuneration Committee member	Male	●		
Chen, Shuh	Independent director, Audit Committee member	Male	●	●	
Lin, Shiou-Ling	Independent director, Audit Committee member, Remuneration Committee member	Female	●		●
Chen, Wei-Zen	Independent director, Audit Committee member, Remuneration Committee member	Male	●		

Note 1: Mr. Liu, Chung Laung passed away in November 2020.

**The 12th-term Board of Directors (took office in July 2021)**

Name	Title	Gender	Professional knowledge and skills		
			Industry or technology	Finance	Legal
Lin, Meen-Ron	Chairman, Representative of Kuan Xin Investment Corp.	Female	●	●	
Huang, Kuo-Hsiu	Director	Male	●		
Du, Heng-Yi	Director, Representative of Ting Sing Co., Ltd.	Male	●		
Huang-Shu Chieh	Independent director, Audit Committee member, Remuneration Committee member	Male	●	●	
Lee-Fa Yauh	Independent director, Audit Committee member, Remuneration Committee member	Male	●		
Kuo-Ming Jian (Note 2)	Independent director, Audit Committee member, Remuneration Committee member	Male	●	●	
Kobayashi Eizo	Independent director, Audit Committee member	Male	●	●	
Ankur Singla	Independent director, Audit Committee member	Male	●		
Avigdor Willenz	Independent director, Audit Committee member	Female	●	●	

Note 2: Mr. Kuo, Andrew Ming-Jian resigned as an independent director in December 2021.

● Non-compete and conflict of interest recusal

1. To avoid conflicts of interest that may affect the interests of all shareholders, no member of the Board of Directors serves as a director or shareholder of a competitor company.
2. The Company's Rules of Procedure for Board of Directors Meeting stipulates that if a director or a juristic person that the director represents is an interested party in relation to an agenda item, and the relationship is likely to prejudice the interest of the Company, the director shall state the important aspects of the interested party relationship at the respective meeting may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.

**Continuing education**

All directors attended 2-3 sessions of 6-hour continuing education courses in accordance with the regulations, including the following:

- Mergers and Acquisitions of Enterprises and the Responsibilities of Directors and Supervisors in May 2021.
- Best Tool for Remote Auditing in the Post-pandemic Era - Big Data Auditing and Intelligent Risk Dashboard in August 2021.
- Innovation, Digital Technology and Competitive Advantage in November 2021.
- Directors would be arranged to attend ESG related courses in 2022.
  1. How Can Directors and Supervisors Supervise Risk Management and Crisis Management, and Strengthen Corporate Governance
  2. How the Board of Directors Can Monitor ESG Risks and Build Sustainable Competitiveness

**IV. Remuneration Committee**

- The 4th-term Remuneration Committee (June 13, 2018 - June 12, 2021) consists of independent directors Lin, Shiou-Ling, Chang, Chih-Ping, and Chen, Wei-Zen, who convened one meeting in 2021.
- The 5th-term Remuneration Committee (July 8, 2021 - July 7, 2024) consists of independent directors Lee, Fa-Yauh, Kuo, Andrew Ming-Jian, and Huang, Shu-Chieh, who convened one meeting in 2021. Mr. Kuo, Andrew Ming-Jian resigned in December 2021, and directors Lee, Fa-Yauh and Huang, Shu-Chieh continued to be at the helm of the Remuneration Committee.

● Duties:

The organizational rules of the Company's Remuneration Committee stipulate that the functions and powers of the Remuneration Committee are:

1. Establish and regularly review the policies, rules, standards, and structure of performance evaluation and remuneration for the directors and managerial officers.
2. Prevent inconsistencies between salary and performance, and ensure transparency and fairness to protect shareholders' rights and interests.

- The remuneration of directors is determined in accordance with the "Remuneration Committee Charter" of the Company. For details, please refer to <https://bit.ly/3LL94EP>.

## V. Audit Committee

- The 1st-term consists of independent directors Lin, Shiou-Ling, Chang, Chih-Ping, Chen, Shuh, and Chen, Wei-Zen, who convened four meetings in 2021.
- The 2nd-term consists of independent directors Huang, Shu-Chieh, Lee, Fa-Yauh, Kuo, Andrew Ming-Jian, Kobayashi Eizo, Ankur Singla, and Avigdor Willenz, who convened five meetings in 2021.
- Duties:
  - Fair presentation of the Company's financial reports.
  - Appointment or dismissal of the certifying CPAs and evaluation of their independence and performance.
  - Effective implementation of the Company's internal control system.
  - The Company's compliance with relevant regulations and rules.
  - Management of the Company's existing or potential risks.

## VI. Performance Evaluation

Completed the performance evaluation report of the Board of Directors and functional committees

- The Company organized the performance evaluation of the Board of Directors and functional committees in accordance with "Regulations for Evaluating the Performance of the Board of Directors" stipulated in the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, to implement corporate governance and enhance the functions of the Board of Directors and functional committees. (Evaluation cycle and duration)
- The Board of Directors and the functional Committee of the Company shall conduct performance evaluation once a year, and appoint an external professional independent institution or an external team of experts and scholars to conduct the evaluation at least every three years. The annual performance evaluation shall be carried out according to the evaluation procedures and evaluation indicators, and the report shall be completed before the end of the first quarter of the next year.
- The self-evaluation was conducted by means of a questionnaire, and the results of the questionnaire were presented in five levels, where 1: very poor (strongly disagree); 2: poor (disagree); 3: moderate (average); 4: good (agree); 5: excellent (strongly agree).
- The self-evaluation results have a maximum score of 100 points, and the weighted

percentage is used to calculate the score where a score of 100-90: excellent; 89-80: good, 79 or less: expedited improvements required.

● Evaluation results:

### 1. Board performance results:

Evaluators: Thirteen individuals including 11th-term Chairman Kuo, Fai-Long, Director Tu, Heng-Yi, 12th-term Chairman Lin, Meen-Ron, Director Huang, Kuo-Hsiu, Independent Directors, Lin, Shiou-Ling, Chang, Chih-Ping, Chen, Shuh, Chen, Wei-Zen, Huang, Shu-Chieh, Lee, Fa-Yauh, Kobayashi Eizo, Avigdor Willenz, and Ankur Singla.

Evaluation item	Number of questions	Maximum score	Self-assessment score	Difference	Ratio%	Score
A. Degree of participation in the Company's operations	12	480	446	-34	26.7%	24.8
B. Improvement of the quality of board decisions	12	480	452	-28	26.7%	25.1
C. Composition and structure of the Board of Directors	7	280	274	-6	15.6%	15.2
D. Election and continuous education of Directors	7	280	251	-29	15.6%	13.9
E. Internal control	7	280	270	-10	15.6%	15.0
Total	45	1800	1693	-107	100.0%	94.1
Evaluation results: Excellent						

## 2. Director performance evaluation:

Evaluators: Thirteen individuals including 11th-term Chairman Kuo, Fai-Long, Director Tu, Heng-Yi, 12th-term Chairman Lin, Meen-Ron, Director Huang, Kuo-Hsiu, Independent Directors, Lin, Shiou-Ling, Chang, Chih-Ping, Chen, Shuh, Chen, Wei-Zen, Huang, Shu-Chieh, Lee, Fa-Yauh, Kobayashi Eizo, Avigdor Willenz, and Ankur Singla.

Evaluation item	Number of questions	Maximum score	Self-assessment score	Difference	Ratio%	Score
A. Familiarity with the goals and missions of the Company	3	195	182	-13	13.0%	12.2
B. Knowledge of the duties of directors	3	195	183	-12	13.0%	12.2
C. Degree of participation in the Company's operations	8	520	478	-42	34.8%	32.0
D. Management of internal relations and communication	3	195	181	-14	13.0%	12.1
E. Professional and continuous education of directors	3	195	181	-14	13.0%	12.1
F. Internal control	3	195	183	-12	13.0%	12.2
<b>Total</b>	<b>23</b>	<b>1495</b>	<b>1388</b>	<b>-107</b>	<b>100%</b>	<b>92.8</b>

Evaluation results: Excellent

## 3. Performance evaluation of the Audit Committee:

Evaluators: Nine individuals including Independent Directors, Lin, Shiou-Ling, Chang, Chih-Ping, Chen, Shuh, Chen, Wei-Zen, Huang, Shu-Chieh, Lee, Fa-Yauh, Kobayashi Eizo, Avigdor Willenz, and Ankur Singla.

Evaluation item	Number of questions	Maximum score	Self-assessment score	Difference	Ratio%	Score
A. Degree of participation in the Company's operations	4	180	166	-14	18.2%	16.8
B. Knowledge of duties of the Audit Committee	5	225	203	-22	22.7%	20.5
C. Improvement of the quality of the Audit Committee's decisions	7	315	290	-25	31.8%	29.3
D. Composition of the Audit Committee and selection of committee members	3	135	126	-9	13.6%	12.7
E. Internal control	3	135	120	-15	13.6%	12.1
<b>Total</b>	<b>22</b>	<b>990</b>	<b>905</b>	<b>-85</b>	<b>100.0%</b>	<b>91.4</b>

Evaluation results: Excellent

#### 4. Performance evaluation of the Remuneration Committee:

Evaluators: Five individuals including Independent Directors, Lin, Shiou-Ling, Chang, Chih-Ping, Chen, Wei-Zen, Huang, Shu-Chieh, and Lee, Fa-Yauh.

Evaluation item	Number of questions	Maximum score	Self-assessment score	Difference	Ratio%	Score
A. Degree of participation in the Company's operations	4	100	97	-3	26.7%	25.9
B. Knowledge of duties of the Remuneration Committee	4	100	92	-8	26.7%	24.5
C. Improvement of the quality of the Remuneration Committee's decisions	5	125	112	-13	33.3%	29.9
D. Composition of the Remuneration Committee and selection of committee members	2	50	48	-2	13.3%	12.8
Total	15	375	349	-26	100%	93.1

Evaluation results: Excellent

#### 1. Overall evaluation:

The overall evaluation of this performance evaluation is excellent. In this year's assessment, the largest difference is in participation in the Company's operations, predominantly because 2021 coincided with the year of director re-election, and the new directors were still familiarizing with the operations of the Company. Overall, the Board of Directors was operating well and shall continue to strengthen operations based on the results of the performance self-evaluation.

### VII. Corporate Governance Evaluation

The relevant measures of the FSC's "Corporate Governance Roadmap" and the "Corporate Governance Review" for all listed companies have spurred the development of corporate governance-related measures, catalyzing integration with international standards, and assisting investors and enterprises to understand the effectiveness of corporate governance implementation through the evaluation of corporate governance in the overall market.

In 2020, with the intention of relentlessly intensifying corporate governance, enhancing sustainable development of enterprises, while creating a sound sustainable development ecosystem, and strengthening the international competitiveness of the capital market, the FSC officially launched the "Corporate Governance 3.0 - Sustainable Development Roadmap" to encourage companies to promote corporate governance by incorporating corporate governance evaluation indicators.

● On April 28, 2021, the TWSE and TPEX announced the "The 8th (2021) Corporate Governance Evaluation Results", and Accton Technology was ranked the top 21% to 35% of the 1,700 listed OTC companies. The spokesperson of the Company is the key contact point for governance bodies and stakeholders for communications, and the spokesperson is also responsible for the public disclosure of official information.

The governance organization has established a ESG Committee, which is expected to report to the Board of Directors at least once a year starting in 2022, and the annual ESG issues and reports will be submitted to the Board meeting for approval.

Rules and regulations related to corporate governance:

[https://www.accton.com/dc\\_major\\_policies/](https://www.accton.com/dc_major_policies/)



## 2.2 Ethical Management

**Boundaries: Accton and its subsidiaries Edgecore and JoyTech**

The Company has formulated an ethics and integrity business philosophy and relevant operating procedures to control potential risks. The group companies that have formulated the implementation procedures include, Accton Technology, Edgecore, and JoyTech.

### Top-down approach in the formulation and implementation of ethics and integrity policies

2.2.1 The Company has established the "Ethical Corporate Management Best Practice Principles" which was passed by the Board of Directors and disclosed on the Market Observation Post System (MOPS).

The Board of Directors and management strive to implement management policies based on integrity, and have demonstrated as such in the Company's internal management.

2.2.2 The "Ethical Corporate Management Best Practice Principles" and "Supplier Code of Conduct" expressly prohibit bribery, acceptance of bribery, provision of illegal political donations, inappropriate charity donations or sponsorship, providing or accepting unreasonable presents, hospitality or other improper benefits, infringement of trade secrets, trademark rights, patent rights, copyrights, and other intellectual property rights, engaging in unfair competitive practices, and damage caused directly or indirectly to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services. The Company has adopted preventive measures and implemented training to uphold the Ethical Management Policy.

### Clear regulations and multi-pronged communication approach to drive communication and training of "Ethical Business Principles"

The Company stipulated clear regulations in the "Employee Professional Ethical Guidelines" and "Ethical Corporate Management Best Practice Principles", which are implemented and published on the Company's internal website for employees to view at any time. We also use training and other diverse methods to increase employees' awareness of the Company's core values and compliance system, and we require employees to embrace the important responsibilities of maintaining high moral standards, the Company's reputation, and comply with regulations.

### Training and Communication:

**The concept of ethics and integrity of all employees was established from the foundation, and the education and training coverage rate of new recruits has reached 100%.**

#### Training | Employees and Suppliers:

##### New recruits

The human resources unit is responsible for planning and organizing all training programs of the Company. The training and awareness campaigns for integrity and honesty are implemented during induction training for new employees to ensure that all employees understand the relevant regulations.

Employee level	Number of individuals to be trained	Actual completion	Ratio
Management	23	23	100%
Indirect non-management	313	313	100%
Direct employees	323	323	100%

Note 1. The trainees included full-time and contractual personnel in Accton's Plant 1 and Plant 2, Zhunan Plant, Edgecore and offices.

Note 2. Management refers to employees, such as section chiefs and managers, who are responsible for leading subordinates.

### Current employees

JoyTech implemented the annual Responsible Business Alliance (RBA) training in July 2021 and predominantly covering promotion of social responsibilities and achieving success in the market. Participants and agents must abide by the highest moral standards, uphold ethical management principles, and comply with the "Professional Ethical Management Procedures".

Employee level	Name of Course	Course format	Number of individuals to be trained	Actual completion	Ratio
Management	RBA training	In-person and online	201	201	100%
Indirect non-management	RBA training	In-person and online	331	331	100%
Direct employees	RBA training	In-person and online	707	707	100%

Note: 1. Management refers to employees who are responsible for leading subordinates such as section chiefs and managers.

### Establish a diversified communication mode, demonstrate the resolute to operate with integrity and the recognition of partners

#### Communication | Suppliers:

To ensure that suppliers understand and comply with the Company's integrity policy, the Company requires new suppliers to sign a Letter of Undertaking of Integrity during the procurement process to state that they will not engage in illegal practices.

All new suppliers in 2021 signed the Letter of Undertaking of Ethics/Integrity.

#### Communication | Internal and External Channels:

The Company has established the "Employee Ethical Conduct Management Procedures" and "Complaint and Report Management Measures" to specify the requirements for the ethical conduct of employees and encourage the reporting of any illegal or unethical conduct and provide protection against retaliation. Employees may report violations to the relevant management and supervisory units through internal and external complaint channels such as emails or the reporting hotline. After receiving a report, the employees of relevant unit must immediately notify the audit unit of the Company.

The Company shall treat all substantiated unethical conduct or violation of professional ethics with the utmost seriousness, impose severe punishments on violators, and take appropriate legal actions.

2.2.3 The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Supplier Code of Conduct" to require supply chain partners to comply with the Company's business integrity regulations.

When signing a contract with a business partner, the Company shall obtain comprehensive information on the integrity of the counterparty's ethical management status, and include ethical management requirements in contracts. In the event of a violation, it shall terminate the partnership immediately to obtain the most reasonable quotations and the best services and quality.

The Company has established an effective accounting system and internal control system to implement ethical management. The internal auditors shall designate high-risk operations as top priorities in the annual audit plan based on risk assessment to strengthen preventive measures, and report the actual implementation status of the audit plan to the Board of Directors. The CPA shall review the implementation of the Company's internal control system each year. The results of the internal audit and the

audit by the CPA this year did not reveal any significant violations of ethical management regulations.

2.2.4 The current employee training is planned by the human resources unit, while the integrity training and signing of the integrity statements by supply chain partners are handled by the procurement unit.

2.2.5 The above-mentioned education, training and advocacy documents are available in Chinese and English, which is the main language of foreign colleagues, to ensure effective communication of information to both domestic and foreign employees.

2.2.6 No complaint or report related to integrity was received for 2021: "0" incident. The record form will be filed for future reference after being signed by the supervisor, and advocacy and monitoring efforts shall continue.

### **Compliance Laws and regulations compliance audit conducted as per the audit plan adopted by the Board of Directors, no major violations found**

2.2.7 The Company requires the internal organizations and colleagues to comply with the laws and regulations and the Company's policies and regulations, self-examine the compliance through the annual Control Self-Assessment, and to be subjected to audit by the internal audit unit.

In the Company's annual internal audit plan, the main target units for audit on compliance with laws and regulations are human resources, accounting, occupational security, etc.

The Occupational Safety and Health Department was the main unit audited in 2021 for compliance with laws and regulations, and the audit covered:

1. The Company operates in accordance with the relevant laws and regulations of the industry in which the business project is located
2. Documents are prepared and completed in accordance with laws and regulations, and are reported after being approved by the responsible supervisor.
3. Regularly review the applicability of regulations

According to the results of the annual audit plan, there are no major violations and improvements in 2021.

Compliance guidelines and reminders are made available through posters in the plants, the Company's intranet, internal emails, educational advocacy articles, computer screensavers, etc. such that colleagues can obtain knowledge of regulatory-related issues at any time to fortify their understanding of professional ethics and compliance with laws and regulations.

## 2.3 Privacy and Transaction Security

**Boundaries: Accton (including Plant 1, Plant 2, and Zhunan Plant) and the subsidiaries Edgecore and JoyTech**

2021 goals	2021 achievements	Short-term goals (2022-2023)	Mid-and long-term goals (2024-2026)
<ul style="list-style-type: none"> <li>● Implement ISO28000 Supply Chain Security Management System (Accton)</li> <li>● Extend the validity of ISO 27001 Information Security Management System and pass the re-certification in 2021 (Accton)</li> <li>● Extend the validity of the Authorized Economic Operator (AEO) certification (JoyTech)</li> </ul>	<ul style="list-style-type: none"> <li>● Adopted ISO28000 Supply Chain Security Management System (Accton)</li> <li>● Passed the re-certification of the ISO 27001 Information Security Management System in 2021 (Accton)</li> <li>● Passed the re-certification of AEO re-certification (JoyTech)</li> <li>● Zero records of litigation for violation of customers' confidential information, and no complaints received</li> </ul>	<ul style="list-style-type: none"> <li>● Fortify information security protection capabilities and maintain zero incidents of hacker attacks or virus infections that impact operations</li> </ul>	<ul style="list-style-type: none"> <li>● Zero incidents of complaints filed by a third party or the competent authority against Accton Technology for violating the protection of customers' privacy or leaking customers' data and leading to judicial action.</li> <li>● Extend the validity of ISO27001 Information Security Management System (Accton)</li> </ul>

Note: The scope of Accton's information security measures include the subsidiary Edgecore, whose goals will not be described separately.

With the aim of reducing the risks to an acceptable level and ensuring that the Company's business operation continues unimpeded, the Company has established "Risk Management Procedures" and regularly conducts risk assessments every year to confirm whether various control measures are implemented, whether the organization has new or changed assets to allocate appropriate asset values, and whether there are new threats and vulnerabilities to determine the possibility of risks arising from vulnerabilities in each information asset, so as to effectively identify and control the Company's various risks and measures for risk management and improvement.

### Information Security Promotion Committee Organization

The Company established the Information Security Promotion Committee in 2016 to maintain the normal functions of the information security management system. For good measure, the Company established the Cyber Security Division, a dedicated information security management organization in 2020 and unceasingly expanded the recruitment of information security talent in 2021, reinforced the Company's information security protection capabilities, and reduced the impact of major security incidents on the Company and customers.



## Information Security Policy:

1. All employees (including regular employees or personnel of outsourced service providers, such as onsite vendors, part-time employees, and consultants) have the responsibility and obligation to protect the information assets related to their business to ensure the confidentiality, accuracy, and availability of the group's important information assets.
2. Employees' duties must be appropriately segregated, and they shall only be provided with the authority and information necessary for completing their work.
3. The hiring of employees must be implemented with the necessary assessments, and new employees must sign relevant operation regulations and participate in information security training. They must understand their information security obligations and implement them in their work.
4. Establish business continuity management mechanisms and organize regular tests and exercises to maintain their applicability.
5. The group's information security measures must meet laws and regulations and the requirements in the Group's Information Security Policy. The establishment and amendment of all information security regulations or procedures must be established and modified in accordance with the information security management system.

## Information Security Goals:

1. Comply with requirements in laws and regulations, the orders of the competent authority, and customer contracts or other requirements for professional practices.
2. Protect and store customer data to prevent inappropriate and illegal use.
3. Ensure continuity and timeliness of services.
4. Ensure the accuracy and integrity of information.
5. Appropriately respond and process any information security incident that damage the rights and interests of related parties (stakeholders).

## Specific Measures:

Accton Technology passed the CNS 27001:2014 (ISO/IEC 27001:2013) International Information Security Standard certification in 2016 and completed the re-certification for information security policies and control in 2021, achieving the alignment of information security management procedures with international information security standards.

Multi-level Information Security Protection:

- Network security: Implemented advanced technology and reinforced firewall and regional network control to prevent non-compliant devices from connecting to the Company's intranet.

- Application security: Implemented third-party information security companies to conduct website penetration testing, fix vulnerabilities and reduce the risk of being attacked.
- Device security: Implemented endpoint protection mechanism to perform fully automatic computer scanning, and system and software update and vulnerability management.

Over and above implementing a PDCA cycle for the information security management system, Accton also incorporated the "Information Security Incident Notification Operations" into the internal risk control system of Accton for regular reviews and evaluations. The Information Security Promotion Committee is convened every year to regularly review the information security policy to prevent potential information security threats and boost the level of security protection, reduce information security risks, and maintain the commitment to high-quality service.

In December 2021, Accton passed the third-party notary audit of ISO28000 Security Management Systems for the Supply Chain, a vital certification ensuring the security of the supply chain, which also assures our customers and other stakeholders that control measures to mitigate supply chain security risks have been implemented to protect personal safety and the safety of goods and services.

Employee information security training courses are implemented to enhance Accton employees' awareness of information security and protection of trade secrets. All new employees are provided with information security training on a regular basis while current employees are required to take information security tests and information security awareness courses each year on social engineering phishing mails, malicious websites, commercial fraud prevention, ransomware, information security policies, and related management regulations. To enhance the information security awareness among employees, external information security consultants are also invited to provide lectures to employees along to supplement advocacy using real life case studies and information security news. These enable employees to understand that information security must be implemented in their work and daily lives, and that it is an indispensable part of the Company's operations.

### Information security training for new employees in 2021

Accton new employees' information security training	
Number of attendees	Course hours
162	1

JoyTech new employees' information security training	
Number of attendees	Course hours
357	1.5

### Trade secret protection training for current employees in 2021

Accton trade secrets	
Number of attendees	Course hours
2093	0.25

### Conducted two social engineering phishing mail drills in 2021, involving more than 2,500 individuals

Accton social engineering	
Drill hours	Number of individuals involved
2021/04	1959
2021/10	1980

JoyTech social engineering	
Drill hours	Number of individuals involved
2021/04	644
2021/10	607

### In 2021, current managers completed the annual information security in-person education and training course, with key content including Internet of Things security.

Information security training for Accton managers	
Number of attendees	Course hours
103	2

## 2.4 Responsible Supply Chain

### Accton Supply Chain Management Strategy

1. Enhance cost leadership capabilities, integrate group resources, and achieve the most competitive supply chain value through strategic cooperation.
2. Establish sustainable supply chain capabilities, spur suppliers to improve their economic, social and environmental performances, and drive the sustainable development of suppliers.
3. Strengthen the supply chain supply capabilities, continue to coach suppliers in the diversified supply of parts, and localized supply capabilities.
4. Build a green supply chain and promote suppliers to shift from energy conservation and carbon reduction to circular economy.
5. Place emphasis on environmental friendliness, take the initiative to implement green procurement, pursue economic benefits while taking into consideration environmental friendliness.
6. Uncompromising on conflict minerals to ensure that products and supply chains do not contain conflict minerals
7. Implement sustainable risk management, pay attention to the use of energy resources and resource management of suppliers to cope with the impact of extreme climate change on the supply chain
8. Pay attention to environmental issues, strengthen the recycling of waste resources, and strive to reduce the impact of environmental pollution.

### Accton's Commitment

1. To firmly believe that fulfilling its economic, environmental and social responsibility is an important key to the sustained operation of an enterprise. To proactively drive economic, environmental and social responsibility within the enterprise, and promote the welfare of customers, employees, suppliers and the community.
2. To monitor status of fire and earthquake damages, security risks, hygiene, environment, and labor rights within the supply chain. Supply chain risk management is a competitive capability; as such, the Company is concerned with supply chain vendors risks and proactively provides assistance when necessary.
3. To request suppliers to conduct the survey and management of the current business operating status, material sourcing diversification and the geographic dispersion of suppliers' production, and reduce the material shortage risks in future from extreme climate or serious natural disasters.
4. Establish risk assessment of supply chain manufacturers, formulate a set of supplier sustainability scoring methods, and juxtapose delivery time, quality, finance, operation, etc. to become a risk assessment of the supply chain, as an important basis for Accton's procurement strategy.
5. Proactively request that manufacturers of specific materials (gold, tantalum, tin, tungsten) sign a consent form or provide a declaration to prohibit the metal from the conflict mining area countries to prevent the procurement of conflict metals from the Eastern Democratic Republic of Congo (DRC) or Central Africa. In addition, suppliers are encouraged to promote similar management policy. Further, relevant procurement policies are also announced on the corporate social responsibility column of the Company's website to ensure that metal procurement procedures comply with social and environmental responsibilities.
6. To respect and protect the rights of intellectual patent property and conduct fair trade, advertisement and competition.
7. To commit to business integrity and clearly prohibit any form of accepting improper benefits, corruption, extortion, or defalcation of public funds, etc. and establish a whistleblowing and whistle-blowing identity confidentiality mechanism.

## Major Topics of Concern to Stakeholders and Management Methods

### Supplier Environmental Performance

#### Implications for business management

Accton regards supplier partners as a community. We continuously collaborate with suppliers to reduce environmental risks, while actively seek the environmental performance of the overall supply chain to build a proactive and responsible supply chain.

Achievement status and key highlights in 2021  
Goal: 100 key suppliers complete RBA assessment table  
Achievement status: Achieved  
Goal: Compliance rate target of written audit of supplier RBA Code of Conduct  
Achievement status: 100%

#### Business management strategy

Formulate specific environmental management measures and objectives, and lead the supply chain to fulfill environmental responsibilities through audit, training and communication.

2021 goal: 100 key suppliers complete RBA assessment table

#### Evaluation mechanism

Regularly reviewed by the Responsible Supply Chain Team of the ESG Committee

#### Mid-to-long term goals

Raise the compliance rate of supplier RBA Code of Conduct

### Supply chain sustainable supply performance

#### Implications for business management

Pay attention to social and environmental values, and make continuous effort towards a sustainable supply chain based on respect for human rights. Share social and environmental responsibilities with the supply chain, on the basis of collaboration, through the management mechanism of Accton supply chain.

#### Business management strategy

Adopt the RBA Code of Conduct, formulate social and environmental management specifications for suppliers, and leverage on multiple channels to communicate with suppliers and assist them in improving their capabilities.

### Supply chain sustainable supply performance

#### Evaluation mechanism

Implement supplier enterprise sustainable supply scorecard assessment, and review the practice and performance of suppliers in the sustainable operation of the enterprise.

#### Mid-to-long-term goals

Anticipated to increase the supplier's RBA code of conduct from 100 to 200 by 2022.

#### Achievement status and key highlights in 2021

Achievement status: Actively sent invite 100 to suppliers as promotion.

#### 2022 goals

To increase the supplier's RBA code of conduct from 100 to 200 by 2022.

### Conflict minerals

#### Implications for business management

Accton respects human rights and actively addresses the adverse impact on human rights within the scope of business.

#### Business management strategy

Accton implements the policy of "not using conflict minerals".

#### Evaluation mechanism

Accton implements the policy of "not using conflict minerals".

#### Mid-to-long-term goals

100% compliance with CMRT/CRT due diligence operations

#### Achievement status and key highlights in 2021

Goal of 100% compliance with CMRT/CRT due diligence operations

#### 2022 goals

100% compliance with CMRT/CRT due diligence

## Accton's Supply Chain

Suppliers work together with Accton to provide customers with valuable products and services, and are our most important partners. We are also concerned with social and environmental values in addition to economic values, and relentlessly make progressions towards a sustainable supply chain on the basis of respect for human rights. We also share social and environmental responsibilities with the supply chain, on the basis of collaboration, through the management mechanism of Accton supply chain. Suppliers for Accton cover four major categories of main components, designated components, logistics, and services. Manufacturing suppliers are distributed in Taiwan, China, Malaysia, Thailand, the Philippines, Vietnam, Singapore, Japan and South Korea, and the main production bases of Accton are located in China and Taiwan.

We define key suppliers based on procurement amount, substitutability, strategic and technology leadership. We support the balance between local sourcing and supply chain diversification, which reduces risks to the overall supply chain on top of reducing overall supply chain carbon emissions and creating local jobs.

## Supply Chain Management Mechanism

The management process of Accton's supply chain follows the Responsible Business Alliance (RBA) Code of Conduct, so as to understand the trend of international enterprises in implementing social responsibility and the practical experience of members. Accton implemented a supply chain management mechanism, and all manufacturing and service providers must comply with the RBA Code of Conduct and local regulations regardless of regional differences.

We conduct annual written audits of the RBA Code of Conduct for our suppliers to understand the working environment and human rights conditions of workers in-situ. We encourage and require our suppliers to take corporate responsibility, manage their suppliers' social and environmental responsibilities in the supply chain, advocate RBA Code of Conduct, and work together to improve the working environment of the global electronic supply chain. We have established a supply chain management mechanism that, over and above bringing the social and environmental responsibilities of suppliers to reality, aims to extend our social responsibility and impact.

Accton's suppliers must carry out supplier risk assessment and management in accordance with the RBA Code of Conduct, and conduct on-site audits and follow-up improvements for suppliers with higher risks. Some suppliers were selected in 2021 to have their performance included in the supplier CSR scorecard assessment to implement and expand the environmental and social responsibility of the supply chain.

Drawing on this experience, the plan is to formally incorporate this into routine management activities from 2022.

We continuously communicate with our suppliers and enhance their ability to deal with sustainability issues, and encourage them to integrate sustainability into the Company's management agenda. In accordance with Accton's sustainable development strategy, we held various supplier sustainability seminars, and provided the latest CSR development trends, analyzed the main foci of the supply chain and actions that should be taken in various issues during the annual supplier CSR communication meeting. At the same time, two-way communication between suppliers and Accton's executives was facilitated to reinforce the cooperative relationship while enabling the supply chain to boost capabilities in environmental and social responsibility.

## Supplier's Social and Environmental Management Process

We adopt ISO9001, ISO14000, ISO 45001, the RBA Code of Conduct, and take reference from RBA's supplier onboarding process, supplemented by a variety of management methods to manage suppliers' social and environmental management, over and above leveraging multiple channels to communicate with suppliers and assist them in improving their capabilities. The supplier's social and environmental management process includes four stages of onboarding, evaluation, confirmation, and continuous improvement. Through management measures in different stages, Accton and suppliers work together on social, environmental and other issues to establish a sustainable supply chain. Prior to becoming formal suppliers, new suppliers are required to pass a risk assessment of social and environmental responsibility and sign the declaration to comply with the RBA Code of Conduct.

## Supplier CSR scorecard

We commenced the use of supplier CSR scorecard assessment from 2021 onward to review the practice and performance of suppliers in CSR.

## The assessment items of the Corporate Sustainability Scorecard include:

Overall, in 2021, according to the Supplier RBA Audit Specification, the average performance of suppliers on the Corporate Sustainability Scorecard continued to improve. This mechanism will continue in the future, and the assessment items and distribution weights will be adjusted according to changes in internal and external issues and past performance.

Products were executed in accordance with [the Strategic Environmental Assessment \(SEA\) Directive](#).

Regard risk assessment to set up the supplier risk level.

Location risk

Labor risks

EHS process risks

Past audit performance and media coverage

## Previous audit performance and media reports

Risk Level	Audit Frequency
High Level	Annual SEA full audit
Medium Level	Biennial SEA full audit
Low Level	Triennial SEA full audit

## On-site audit

Accton's suppliers must respect workers, adopt environmentally responsible manufacturing procedures, and provide safe working conditions. We adopt the latest version of RBA Code of Conduct, which includes five aspects of labor, health and safety, environment, ethics and management system.

To continuously improve the social and environmental responsibilities of Accton's supply chain, Accton ceaselessly conducts on-site audits of suppliers' social and environmental responsibilities. These on-site audits are conducted in varying ways

according to the implementation of the RBA Code of Conduct by the supplier and their operational characteristics. Through different audit modes, should suppliers be found to be lacking in the above five aspects, the suppliers would be requested to improve within a time limit.

## Results of on-site audits in 2021

Accton takes the risk assessment results as the basis for on-site audit and assessment. We examine the risks in the country where the supplier is located, manufacturing processes and products manufactured, while taking into account the concerns of stakeholders to plan the annual audit plan.

With the health and safety of the personnel involved in the audit activities in mind in view of the impact of COVID-19 pandemic on the RBA audit in 2021, Accton postponed most of the audit schedules until the pandemic had eased before driving the on-site audits and reviews. Therefore, the audits were carried out in the form of questionnaires with the purpose of maximizing the communication and realizing Accton's unwavering position on sustainability issues. Looking forward to 2022, shrouded by the COVID-19, we still plan to conduct a survey on 100 suppliers and the manufacturers via the form of questionnaires. With an eye toward intensifying the long-term positive impact on the overall supply chain, refinements are actively carried out on the labor force and working environment.

## Environmental Management

Accton ceaselessly adheres to the hazardous substance process management system according to IECQ QC 080000:2017. We strictly require the management of hazardous substances in materials and parts, and conduct material investigation on suppliers from the onset of material selection during the R&D stage, so as to meet RoHS, REACH and other relevant international hazardous substance requirements. In 2021, 196 manufacturers responded to hazardous substances related reports and a total of 325 BOMs were investigated. All materials and parts used are in line with international norms.

## Conflict minerals

### Supplier management

Responsible Sourcing of Minerals

In terms of green human rights issues, Accton fulfills our corporate social responsibilities. Further to compliance with the RBA Code of Conduct, suppliers are expressly conveyed that Accton neither supports nor uses minerals mined from areas with armed conflicts, illegal mining, and severe work conditions. Suppliers are also required to specifically declare that they would not use the above-mentioned conflict minerals.

CMRT/CRT survey of suppliers of conflict minerals is conducted on a regular basis every year and changes in the list of qualified smelters are regularly reviewed during the management process, in an effort to implement the "No Use of Conflict Minerals" policy. Designed to contribute to the human society and vulnerable workers through the power of solidarity, the multiple layers of checks and collaborative efforts with suppliers fulfills the responsibility of checking and curbing conflict minerals at the source.

## Accton's Responsible Conflict Minerals Investigation Process Over the Years

### 2013

Relevant conflict minerals management policies are formulated in adherence to the Conflict Minerals Disclosure Rules announced by the United States Securities and Exchange Commission on August 22, 2012.

### 2013-2016

Supported the strategies and practices of the EICC and GeSI on conflict metals and adopted the Conflict Minerals Reporting Template Management Tool published by the joint EICC-GeSI working group.

### 2017-2018

Support and adhere to the Responsible Minerals Program (RMI) in the RBA Code of Conduct, use the RMI Conflict Minerals Reporting Template, to implement the "No Use of Conflict Minerals" policy.

### 2019

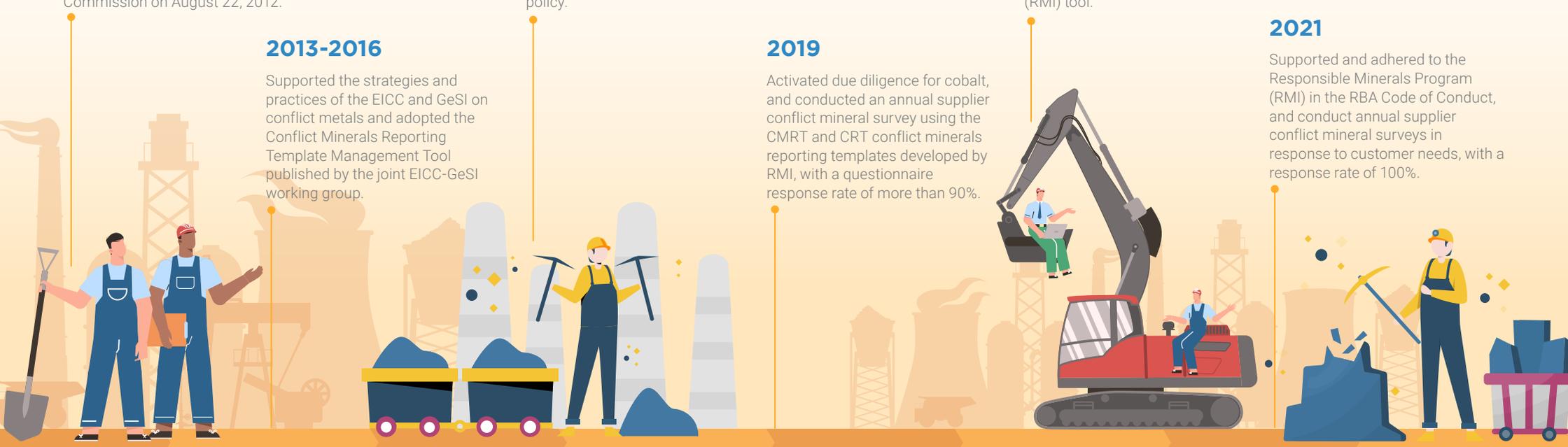
Activated due diligence for cobalt, and conducted an annual supplier conflict mineral survey using the CMRT and CRT conflict minerals reporting templates developed by RMI, with a questionnaire response rate of more than 90%.

### 2020

Supply chain due diligence on priority minerals are conducted in accordance with the "Conflict Affected and High-Risk Areas" (CAHRAs) specified by the Organization for Economic Co-operation and Development (OECD), and reports are regularly filed in accordance to the Responsible Minerals Initiative (RMI) tool.

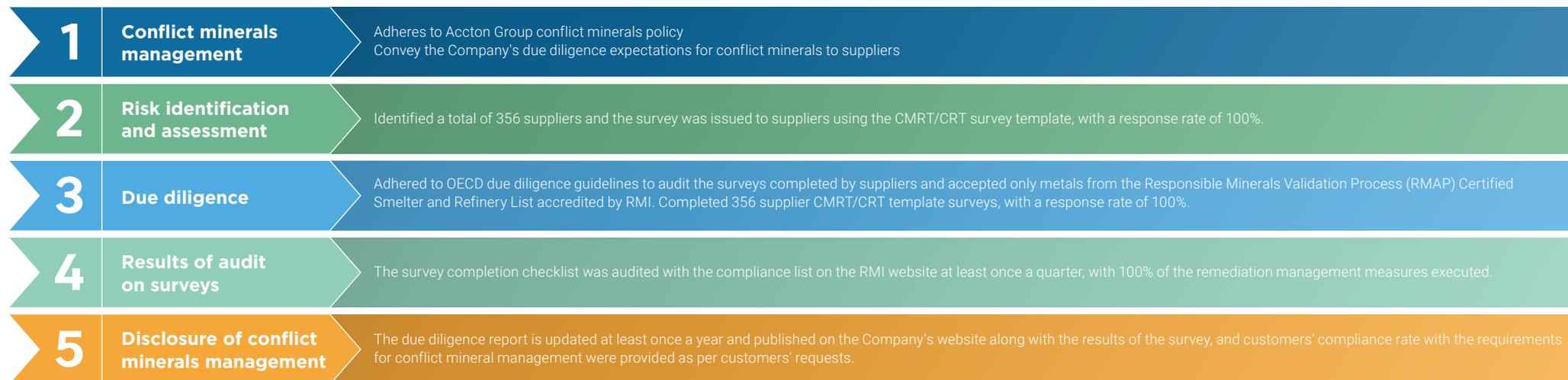
### 2021

Supported and adhered to the Responsible Minerals Program (RMI) in the RBA Code of Conduct, and conduct annual supplier conflict mineral surveys in response to customer needs, with a response rate of 100%.



## Results of Accton’s responsible conflict minerals management process and smelter survey results in 2021

### Responsible conflict minerals management process



### Accton’s smelters

Mineral	Number of smelters	Number of countries for smelter	RMI accredited Passing rate of smelter
Tantalum	34	10	100%
Tin	28	13	100%
Tungsten	34	9	100%
Gold	59	19	100%
Cobalt	14	8	100%

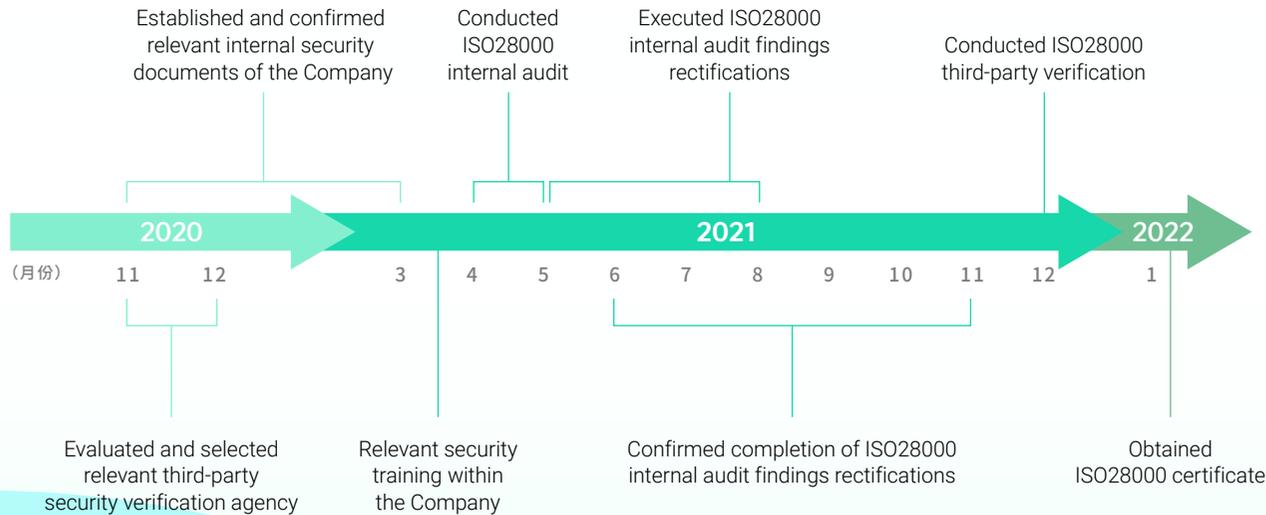
## Accton Established ISO28000 Supply Chain Security Management System

**Boundaries: Accton Plant 1, Accton Plant 2, Zhunan Plant**

Terrorist attacks around the world have become more frequent following the September 11 terrorist attacks in the United States in 2001, posing great challenges to global trade security and national security, and affecting the development of the global economy. Owing to the openness and complexity of the corporate environment, enterprises are facing more operational risks from the increasing dependence on global finance, transnational operations and international trade. The Company subscribes to the notion

of sustainable management and has voluntarily joined the Customs-Trade Partnership Against Terrorism (hereinafter referred to as C-TPAT) and Authorized Economic Operator since November 2007. At the end of 2021, Accton's Plant 1, Plant 2 and Zhunan Plant also passed the ISO28000 Supply Chain Security Management System (hereinafter referred to as ISO28000) verification, obtaining the certificate in January 2022.

### Accton's ISO28000 Supply Chain Security Management System implementation timeline



Accton's ISO28000 Supply Chain Security Management System certificate



## Accton's Supply Chain Management Policy Systematism

Being a voluntary initiative, C-TPAT/AEO is the development of a supply chain security system in accordance to ISO28000, based on seven aspects, among others, container security, physical security, personnel security, procedural security, information technology security, security training and threat awareness, and security system. The Company will formulate corresponding ISO28000 written procedures according to these seven aspects to ensure that these safety requirements are met or exceeded.

### Commercial partner

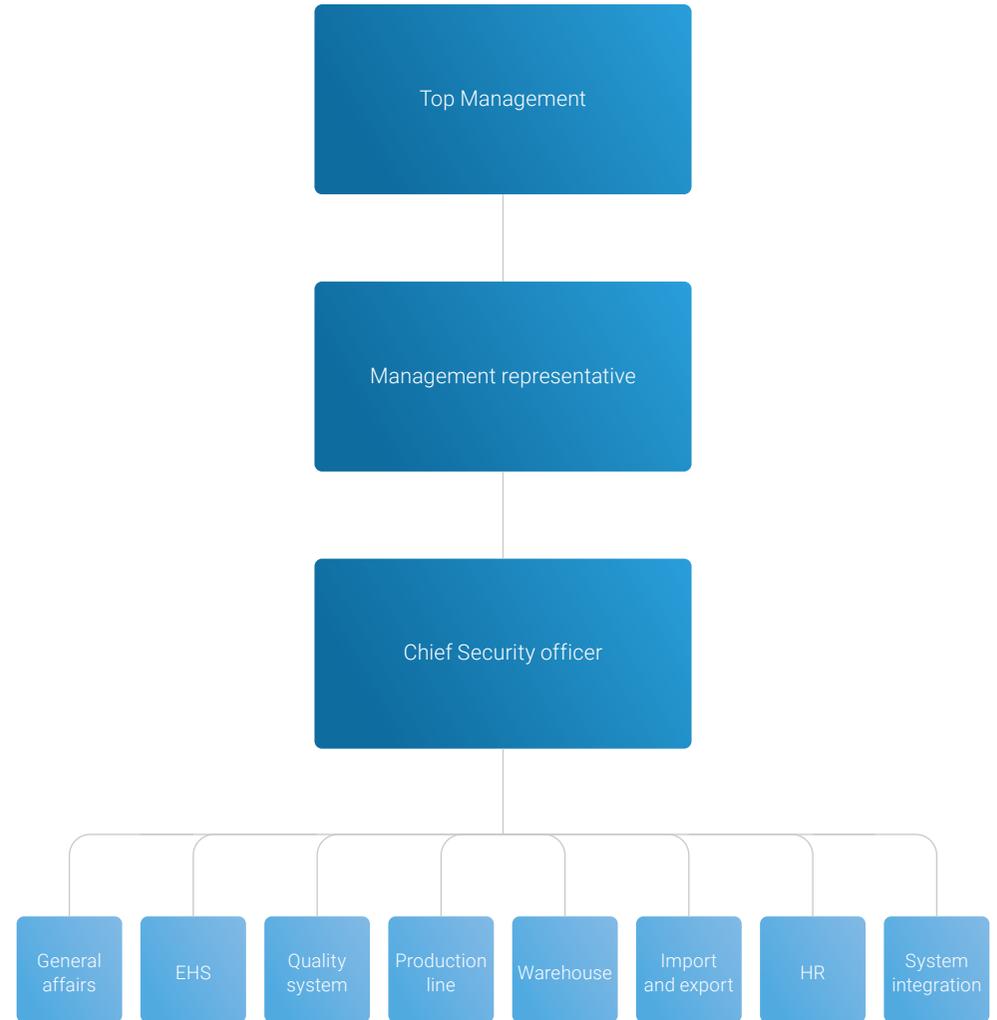
As a vital part in the supply chain, we require all our suppliers (raw material suppliers, transporters, terminals, warehouses, etc.) to provide declarations of compliance with C-TPAT/AEO safety requirements. We will formulate relevant procedures for questionnaires and documentary reviews of supply security. Our commercial partners must fully understand the importance of supply chain security and voluntarily comply with our relevant requirements.

The Company's supply chain security policy, along with the Company's internal security manual and relevant documents are disclosed through the Company's official website to communicate with all relevant stakeholders.

In an effort to establish the supply chain security management system and adhere to Accton's supply chain security policy, the Company has formulated a security manual and 18 relevant security operation procedures and specifications. All relevant authority and responsible units executed various safety activities in accordance with the security manual, operation procedures and specifications, including ensuring the entire global overall supply chain from raw material suppliers to manufacturers, logistics providers, freight contractors to clients are not infiltrated by terrorist acts (for example, malicious embedding or entrainment of bombs and explosives in goods to aid in any form of terrorist attack). The maintenance and continuous refinement of the Company's supply chain security management system are ensured through annual regular internal audit and external verification audit activities.

### Security management framework

In 2015, the Company established a safety management organization to confirm and implement the establishment, maintenance and operation of the supply chain security management system.



## Specific Measures

Over and above meeting and passing the ISO28000 international standard verification, security equipment and systems are built on the environmental hardware, risk assessment and supply chain management aspects as per the requirements of each customer for supply chain security:

- Environmental hardware: Set up surveillance camera systems, access control systems, infrared sensing alert systems, security door/window alarm systems, security personnel patrol system, among other systems at the peripheral environment, computer rooms, critical areas in the Company, entrances and exits of the buildings of the Company's Hsinchu Plant 1, Hsinchu Plant 2 and Zhunan Plant, so as to reinforce the security of the Company's peripheral environment and the security of the Company's internal products during the R&D, manufacturing and maintenance processes against external intrusion or deliberate sabotage.

Plants	Security surveillance equipment	Surveillance camera <sup>1</sup>	Infrared sensing alert system <sup>2</sup>	Security door/window alarm system <sup>3</sup>	Access control
Hsinchu Plant 1		155 units	24 sets	-	67 locations
Hsinchu Plant 2		58 units	-	7 locations	14 locations
Zhunan Plant		231 units	-	18 locations	79 locations

Note:

1. Surveillance cameras are monitored 24/7 continuously with footage retained for at least 90 days.
2. Infrared sensing alarm system: When there is an attempted intrusion by external force, an alarm will be activated to notify the relevant person in charge.
3. Security door/window alarm: When the security door/window is opened under abnormal situation, an alarm will be activated to notify the relevant person in charge.

- Risk assessment: Each authority and responsible unit regularly simulates various possible security threat scenarios every year, including conducting security risk assessments, and taking corresponding measures based on the assessment results to ensure that various security threat scenarios can be identified, as well as having measures to prevent, warn or detect suspicious situations prior to the incident to avoid the occurrence of security sabotage incidents. Post incident, warnings, detection, and immediate protection among other response mechanism ensures that the loss of the breach of security is minimized.

- Supply chain management: Besides seeking ISO28000 verification on own accord, we instituted strict identification, selection and management of commercial partners including: raw material suppliers, contractors, customs brokers, warehousing industry, etc. with a view to alleviate the heightened risk for the entire supply chain process arising from the threat of terrorist attacks, smuggling or other criminal acts. There are different security level requirements, with corresponding regular evaluation and management measures, to ensure that the safety performance objectives and standards of the overall supply chain meet the requirements of ISO28000, C-TPAT, AEO, customers and the Company.

	Raw material supplier/agent	Contractor
Security requirement <sup>1</sup>	Security questionnaire survey	Common carrier evaluation form
Number of companies completed <sup>2</sup>	167 companies	19 companies

Note:

1. The security questionnaire survey and common carrier evaluation form included suppliers with C-TPAT, AEO or ISO28000 certificates.
2. The security questionnaire survey is conducted triennially, and the number in the table above is the number of companies that completed the survey between 2019 and 2021. The common carrier evaluation form is carried out annually, and this is the number of completions in 2021.

# 03

## A Friendly Workplace

## 3.1 Talent Attraction and Retention

**Boundaries: Accton, subsidiaries Edgecore and JoyTech**

<b>Significance</b>	<p>Upon employee recruitment, employment, and development, Accton, Edgecore and JoyTech adopt the working ability of employees as the basis, and recruitment procedures are in accordance with the statutory standards. All employees from different ethnic groups, religions, colors, nationalities, ages, genders, sexual orientation, marital status, and political affiliation shall be subject to fair and impartial operating procedures and shall be treated equally. Accton encourages talent to bring their role into full play and has upheld its care for employees and their families as the most important responsibility. We hope to provide a worry-free working environment to help employees devote themselves to their work and increase the Company's competitiveness to create a solid foundation for sustainable development.</p>
<b>Management Objectives</b>	<p>Employees are the most valuable assets of Accton, Edgecore, and JoyTech. We have always believed that talent is the most important part of the sustainability of a Company. We are therefore committed to providing employees with high-quality jobs including offering competitive salaries and benefits, comprehensive advancement with professional development pathways, and a safe workplace. We also establish a workplace environment suitable for continuous learning and fun to attract and retain talent.</p>
<b>Policy</b>	<p>Accton, Edgecore, and JoyTech encourages talent to bring their role into full play and focus on providing care for employees and their families. We hope to provide a worry-free working environment to help employees devote themselves to their work, increase happiness in their lives, and increase the Company's competitiveness to create a solid foundation for sustainable development.</p>
<b>Goals</b>	<p>We provide diverse communication mechanisms, create happy and friendly workplaces. Provide competitive benefits systems to attract and retain key talent, and follow international human rights standards to establish good labor relations.</p>
<b>Evaluation Mechanisms</b>	<ol style="list-style-type: none"> <li>1. Accton, Edgecore, and JoyTech convene meetings of managers and departments to facilitate communication between employees and the Company, and cooperation between employees and employer to increase work efficiency.</li> <li>2. We opened the "Employee Ideas" communication channel on the Accton Portal platform and set up message sections to encourage employees to propose recommendations for business or management measures. We help entry-level employees directly deliver their ideas and expectations to the senior management as reference for continuous improvement and corporate governance.</li> <li>3. We also established the employee complaint hotline: (03) 577-0270, extension 3119, an email for employee complaints at hr885@accton.com, and the Company's internal physical mailbox to provide employees with diverse channels for communication.</li> <li>4. Accton, Edgecore, and JoyTech organize family days, club activities, Accton Talk seminars, and related subsidized activities each year with the aim of making employees feel supported and helping them learn, love, and have fun at work.</li> </ol> <p>Accton and JoyTech maintain an annual RBA labor ethics risk rating of less than 5 to ensure compliance with international human rights standards. We regularly review the number of violations of ethical standards and maintain an RBA labor ethics training completion rate of 100% (Please refer to Section 2.2 Ethical Management).</p>
<b>Performance and Adjustments</b>	<ol style="list-style-type: none"> <li>1. Accton, Edgecore, and JoyTech convene monthly meetings of managers and departments whenever necessary to respond to 100% of employee feedback.</li> <li>2. Accton's turnover rate was 14.3%; Edgecore's turnover rate was 34.6%; JoyTech's turnover rate was 40.8%.</li> <li>3. Accton's rate of reinstatement after parental leave was 77.8%; Edgecore has no employees to apply parental leave; JoyTech's rate of reinstatement after parental leave was 100%.</li> <li>4. We review the number of violations of ethical standards each month, maintain an annual RBA labor ethics risk rating of less than 5, and maintain an RBA labor ethics training completion rate of 100%.</li> </ol>

**Brief description of targets and track records:**

2021 targets	2021 performance	Short-term targets (2022-2023)	Medium- and long-term targets
Provide diverse communication mechanisms and complaint channels to promote harmonious labor relations	<ul style="list-style-type: none"> <li>● Accton, Edgecore, and JoyTech convened monthly meetings of managers and departments whenever necessary.</li> <li>● 100% response rate and case closure for employee feedback.</li> </ul>	<ul style="list-style-type: none"> <li>● Ensure open communication channels and create positive labor relations.</li> <li>● 100% completion rate of Accton and Edgecore's labor-management meetings were completed.</li> <li>● 100% response rate of employee complaints</li> </ul>	<ul style="list-style-type: none"> <li>● 100% completion rate of Accton and Edgecore's labor-management meetings were completed.</li> <li>● 100% response rate and case closure for employee feedback.</li> <li>● Establish harmonious labor relations and comprehensive communication channels to prevent labor disputes and illegal infringement in the workplace.</li> </ul>
Build a happy and friendly work environment and provide competitive salary and benefits to attract and retain key talent	<ul style="list-style-type: none"> <li>● Accton's employee turnover rate was 14.3%.</li> <li>● Edgecore's employee turnover rate was 34.6%.</li> <li>● JoyTech's employee turnover rate was 40.8%.</li> <li>● Accton's rate of reinstatement after parental leave was 77.8%; JoyTech's rate of reinstatement after parental leave was 100%.</li> </ul>	<ul style="list-style-type: none"> <li>● Accton's target employee turnover rate is 16%.</li> <li>● Edgecore's target employee turnover rate is 10%.</li> <li>● JoyTech's target employee turnover rate is 37%.</li> <li>● Accton, Edgecore, and JoyTech organize family days, club activities, seminars, and related subsidized activities each year with the aim of making employees feel supported and helping them learn, love, and have fun at work to increase employees' solidarity.</li> <li>● Accton and Edgecore's rate of reinstatement after parental leave was 88%.</li> <li>● JoyTech's rate of reinstatement after parental leave was 100%.</li> </ul>	<ul style="list-style-type: none"> <li>● Accton's target employee turnover rate is 14%.</li> <li>● Edgecore's target employee turnover rate is 8%.</li> <li>● JoyTech's target employee turnover rate is 30%.</li> <li>● Organize employee activities and subsidized activities to strengthen organizational culture and increase employees' solidarity.</li> <li>● Attain 90% rate of reinstatement after parental leave.</li> </ul>
Comply with international human rights standards and establish good labor relations	<ul style="list-style-type: none"> <li>● Number of violations of ethical standards reviewed each month.</li> <li>● Accton and JoyTech maintain an annual RBA labor ethics risk rating of less than 5.</li> <li>● 100% RBA labor ethical training completion rate for Accton and JoyTech.</li> </ul>	<ul style="list-style-type: none"> <li>● Ensure compliance with international human rights standards.</li> <li>● Accton and JoyTech maintain an annual RBA labor ethics risk rating of less than 5.</li> <li>● Regularly review the number of violations of ethical standards reviewed each month.</li> <li>● Accton and JoyTech's RBA labor ethical training completion rate was 100%.</li> </ul>	Regularly review labor regulations and international human rights standards, create harmonious labor relations, and fulfill corporate social responsibilities.

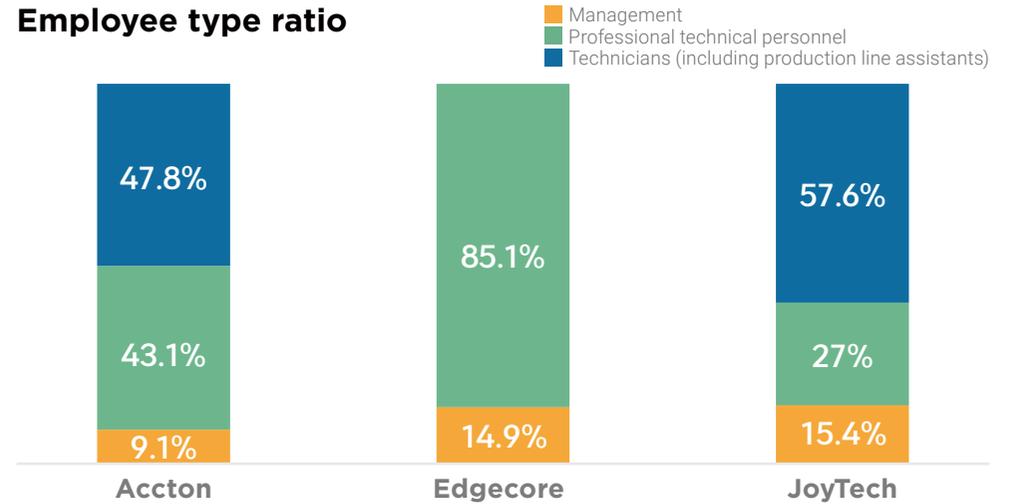
Note 1. Edgecore complies with RBA Standards. However, as all products are produced by Accton, related certifications are carried out by Accton.

## Human Resources Structure

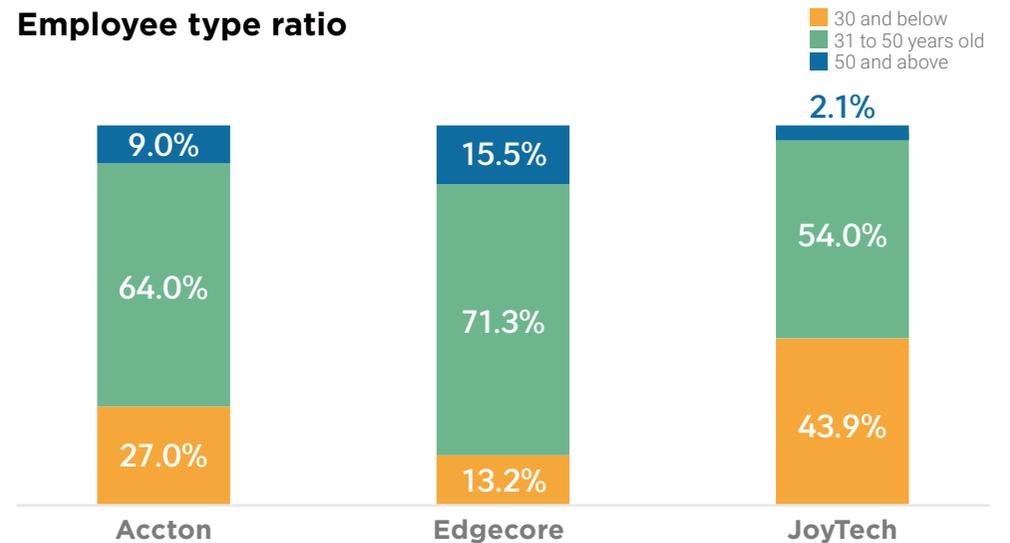
Employees are Accton’s most valuable assets. Accton has always believed that talent is the most important part for sustainability of a Company. We are therefore committed to providing employees with high-quality jobs including offering competitive salary and benefits, comprehensive advancement with professional development pathways, and a safe workplace. We also establish a workplace environment suitable for continuous learning and fun to attract and retain talent.

As of the end of 2021, Accton had 2,955 employees of which 97.9% were full-time employees, of which 96.9% were indefinite contract employees and 1% were fixed-term contract employees and 2.1% were not employed by the Company (as they are assigned by contractors to provide onsite services, they are not included in subsequent manpower statistics). Edgecore had 174 employees as of the end of 2021 of which 100% were full-time employees. JoyTech had 1,236 employees of which 100% were full-time employees, of which 22.8% were indefinite contract employees and 77.2% were fixed-term contract employees. Indefinite contract description: 10 years of seniority or the conclusion of a third labour contract in accordance with the law; Fixed-term contract: new recruits sign a fixed-term labor contract according to the time limit stipulated in the probationary period in accordance with the law; By dividing employees into categories based on type, Accton’s professional technical personnel and employees in management roles accounted for 52.2% of all full-time employees while technicians (including production line assistants) accounted for 47.8%. It shows that the employees consisted mostly of professional technical personnel and employees in management. As Edgecore does not have production lines, full-time employees in management roles accounted for 14.9% while professional technical personnel accounted for 85.1%. JoyTech professional technical personnel and employees in management roles accounted for 42.4% of all full-time employees while technicians (including production line assistants) accounted for 57.6%. It shows that JoyTech’s manpower requirements are mostly for production. In terms of employee age, young employees of Accton aged 30 or below account for 27% of all full-time employees while employees aged 31 to 50 accounted for 64% and employees aged 50 or above accounted for 9%. It shows that Accton employees tend to be more mature. Edgecore’s employees also tend to be more mature. Employees aged 30 or below accounted for 13.2% of full-time employees while employees aged 31 to 50 accounted for 71.3% and employees aged 50 or above accounted for 15.5%. JoyTech’s employees aged 30 or below accounted for 43.9% of all full-time employees while employees aged 31 to 50 accounted for 54% and employees aged 50 or above accounted for 2.1%. It shows that JoyTech’s employees tend to be younger.

### Employee type ratio



### Employee type ratio



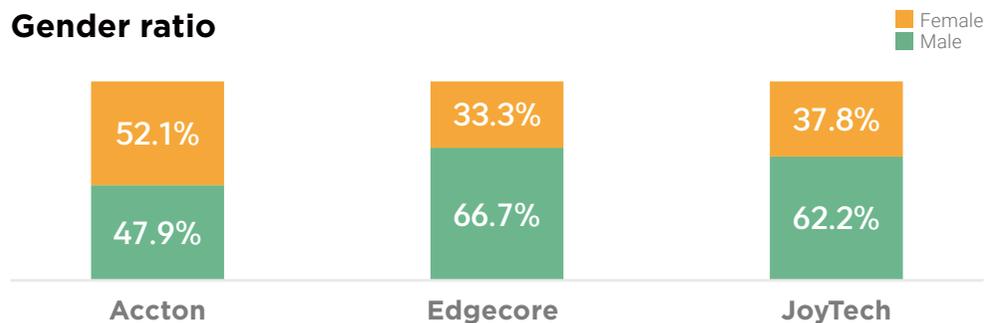
## Recruitment of Local Employees and Management Talent

The Company aims to fulfill social obligations and create job opportunities for local residents. As of the end of 2021, 74% of Accton’s full-time employees and 95.4% of Edgecore’s full-time employees were local hires. In addition, 99.9% of JoyTech’s full-time employees were local hires.

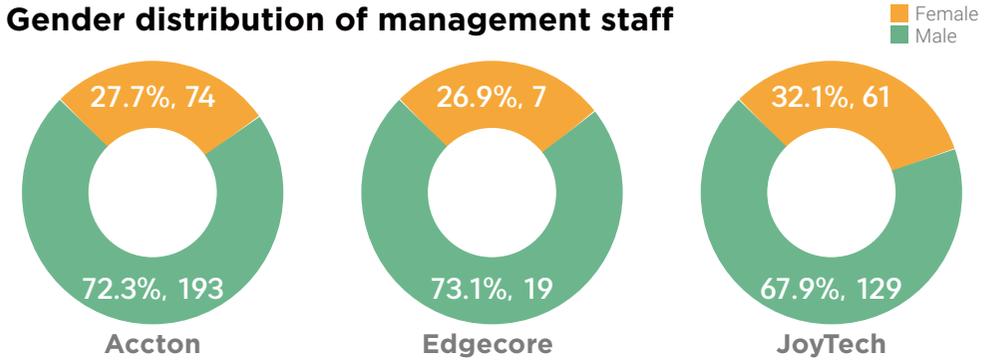
## Distribution of Female Workers

Accton, Edgecore, and JoyTech implement employee recruitment, employment, and development based on their work skills. According to the gender analysis, Accton’s male employees account for 47.9% of full-time employees while female employees account for 52.1% of full-time employees. Female employees account for a higher percentage than male employees. Edgecore’s male employees account for 66.7% of full-time employees and female employees account for 33.3% of full-time employees. As Edgecore is a technology research and development company, it mostly requires talent with science and technology backgrounds. As such talent in the job market is predominantly male, Edgecore’s employees are mostly male. JoyTech focuses on production technologies. Therefore, male employees account for 62.2% of full-time employees and female employees account for 37.8% of full-time employees. Due to factors such as the nature of the technology industry and the employment market, Accton’s management employees and professional technical talent consist mostly of male employees, with male management positions accounting for 72.3% in the category and professional and technical manpower accounting for 64.7% in the category. Technicians (including production line assistants) are predominantly female and they account for 72% of employees in the category; Edgecore’s male managerial positions accounted for 73.1% in the category, while professional and technical manpower accounted for 65.5%; JoyTech’s management employees, professional technical talent, and technicians (including production line assistants) are predominantly male and they account for 67.9%, 54.8% and 64.2% of the category.

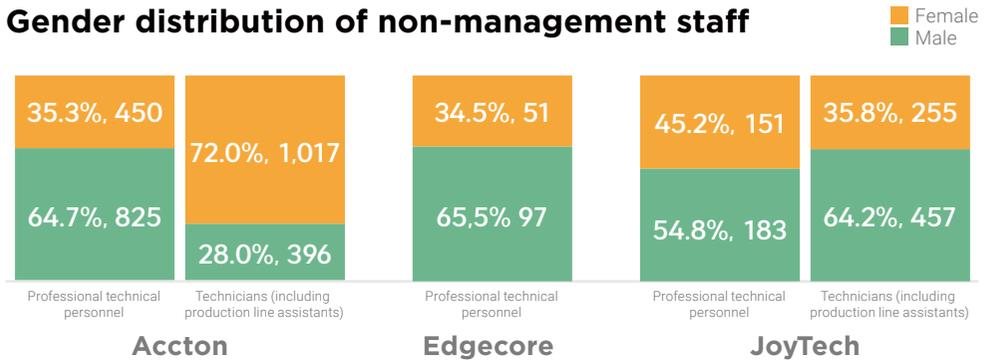
## Gender ratio



## Gender distribution of management staff



## Gender distribution of non-management staff



## Diverse Talent Composition and Inclusion

We actively recruit talent in response to global talent requirements and the need to increase innovation and R&D capacity. Accton, Edgecore, and JoyTech have adopted merit-based recruitment and identification of the corporate culture as the core values for talent recruitment. We aim to create professional teams with diverse talent composition to create a diverse working environment with equal development, respect and tolerance, and enhance team cohesion to provide better products and services. In 2021, Accton employed 769 foreign employees who accounted for 26% of full-time employees. Edgecore employed 8 foreign employees who accounted for 4.6% of full-time employees. JoyTech employed 1 foreign employee who accounted for 0.1% of full-time employees. Employees’ nationalities include American, Mexican, British, Portuguese, Chinese, Japanese, Korean, Indian, Vietnamese, Filipino, Indonesian, Malaysian, German, Indian, and many others. We aim to enhance our professional and international capabilities by recruiting international talent.

Region	Category	Type	Male		Female		Number of Employees	Percentage of total employees (%)	
			Number of People	Percentage in the type (%)	Number of People	Percentage in the type (%)			
Accton	Employment contract	Full-time employees - indefinite contract	1,396	47.7	1,528	52.3	2,924	96.9	
		Full-time employees - definite contract	18	58.1	13	41.9	31	1	
		Workers not hired by the Company	25	40.3	37	59.7	62	2.1	
	Hiring category	Full-time	1,411	47.8	1,541	52.2	2,952	99.9	
		Part-time	3	100	0	0	3	0.1	
	Age distribution	30 and below	301	37.5	501	62.5	802	27.1	
		31-50	929	49.3	954	50.7	1,883	63.7	
		50 and above	184	68.1	86	31.9	270	9.1	
	Employee category	Management		193	72.3	74	27.7	267	9.0
		Non-management roles	Professional technical personnel	825	64.7	450	35.3	1,275	43.1
Technicians (including production line assistants)			396	28.0	1,017	72.0	1,413	47.8	
Edgecore	Employment contract	Full-time employees - indefinite contract	116	66.7	58	33.3	174	100	
		Full-time employees - definite contract	0	0	0	0	0	0	
		Workers not hired by the Company	0	0	0	0	0	0	
	Hiring category	Full-time	115	66.5	58	33.5	173	99.4	
		Part-time	1	0	0	0	1	0.6	
	Age distribution	30 and below	19	82.6	4	17.4	23	13.2	
		31-50	76	61.3	48	38.7	124	71.3	
		50 and above	21	77.8	6	22.2	27	15.5	
	Employee category	Management		19	73.1	7	26.9	26	14.9
		Non-management roles	Professional technical personnel	97	65.5	51	34.5	148	85.1
Technicians (including production line assistants)			0	0	0	0	0	0	
JoyTech	Employment contract	Full-time employees - indefinite contract	179	60.3	112	39.7	282	22.8	
		Full-time employees - definite contract	599	62.8	355	37.2	954	77.2	
		Workers not hired by the Company	0	0	0	0	0	0	
	Hiring category	Full-time	769	62.2	467	37.8	1,236	100	
		Part-time	0	0	0	0	0	0.0	
	Age distribution	30 and below	362	66.7	181	33.3	543	43.9	
		31-50	391	58.6	276	41.4	667	54.0	
		50 and above	16	61.5	10	38.5	26	2.1	
	Employee category	Management		129	67.9	61	32.1	190	15.4
		Non-management roles	Professional technical personnel	183	54.8	151	45.2	334	27.0
Technicians (including production line assistants)			457	64.2	255	35.8	712	57.6	

Note 1. Full-time employees - indefinite contract: Employees who have signed indefinite contracts.

Note 2. Full-time employees - definite contract: Employees who have signed definite contracts.

Note 3. Workers not hired by the Company: Contracted personnel and contractors' onsite personnel.

Note 4. Full-time employees: Employees with regular work hours

Note 5. Part-time employees: Employees on an hourly salary system with work hours lower than regular work hours.

Note 6. Definitions of management roles: Employees who are responsible for leading subordinates such as section chiefs, managers, or above.

Note 7. Definitions of technicians (including production line assistants): Personnel directly related to production activities such as technicians, quality management personnel, and warehouse management personnel.

Note 8. Definitions of professional technical personnel: Management specialists or engineers directly related to production activities such as quality management specialists, product management specialists, R&D engineers, sales specialists, and human resources specialists.

Region	Nationality	Number of People	Percentage in the Category
Accton	China	1	0.1
	Japan	4	0.5
	Indonesia	2	0.3
	India	4	0.5
	USA	5	0.7
	United Kingdom	1	0.1
	Malaysia	3	0.4
	The Philippines	745	96.9
	Vietnam	0	0
	Portugal	1	0.1
	Mexico	1	0.1
	South Korea	2	0.3
	Total	769	
Edgecore	Malaysia	3	37.5
	Germany	1	12.5
	South Korea	1	12.5
	India	2	25.0
	USA	1	12.5
	Total	8	
JoyTech	Singapore	1	100.0
	Total	1	

### New Employee Hires and Employee Turnover

Upon employee recruitment, employment, and development, Accton, Edgecore and JoyTech adopt the working ability of employees as the basis, and the recruitment procedures are in accordance with the statutory standards. All employees with different ethnic groups, religions, colors, nationalities, ages, genders, sexual orientation, marital status and political affiliation shall be subject to fair and impartial operating procedures and shall be treated equally. Accton regularly reviews and issues human resource reports and continues to practice the human rights issues of gender, racial equality and multi-ethnic diversity for all employees.

### Age and Gender Distribution of New Employees

Accton, Edgecore, and JoyTech actively recruit talents in response to global talent requirements and the need to increase innovation and R&D capacity. We have adopted merit-based recruitment and identification of the corporate culture as the core values for talent recruitment. All employees of different ethnic groups, religions, colors, nationalities, ages, genders, sexual orientation, marital status, and political affiliation shall be subject to fair and impartial operating procedures and shall be treated equally. In 2021, Accton recruited 659 new employees and the new hire rate was 22.6%. In terms of gender, new male employees accounted for 12% of total full-time employees and new female employees accounted for 10.3% of total full-time employees. The main reason that new male employees outnumber new female employees is that males account for a larger proportion of the science and technology disciplines and the job market in Taiwan than female employees. In terms of age distribution, new employees aged 30 and below accounted for the highest proportion with 48.7%, new employees aged 31 to 50 accounted for the second-highest proportion with 48%, new employees aged 50 years old or older accounted for the lowest percentage of new employees in the year with 3.3%.

Edgecore recruited 22 new employees in 2021 and the new hire rate was 17.1%. In terms of gender, new male employees accounted for 12.6% of total full-time employees and new female employees accounted for 6.3% of total full-time employees. The main reason that new male employees outnumber new female employees is attributed to the nature of the tech industry. Recruitment is focused on talent with science and technology backgrounds and males outnumber females in such disciplines. In terms of age distribution, new employees aged 31 to 50 accounted for the highest proportion with 60.6%. New employees aged 30 and below accounted for the second-highest proportion with 42.4%. New hires consisted mostly of mature professionals.

JoyTech recruited 357 new employees in 2021 and the new hire rate was 26.9%. In terms of gender, new male employees accounted for 20.1% of total full-time employees and new female employees accounted for 8.8% of total full-time employees. In terms of age distribution, new employees aged 30 and below accounted for the highest proportion with 76.2% while new employees aged 31 to 50 accounted for the second-highest proportion with 23.2%. New employees aged 50 and above accounted 0.6%. It shows that JoyTech's manpower structure tends to be younger due to its focus on production and manufacturing.

The production capacity has been continuously shifted to Taiwan in response to the growth in operations and the trade war between China and the United States. Accton's new hire rate has fluctuated more in the past three years with an average new hire rate of 40.6%.

## Number of new employees



## Diverse Recruitment Channels

We actively use diverse recruitment channels to continue to attract outstanding talent to Accton in the competitive talent market. We recruit talent through the official website, job banks, campus recruitment, recruitment activities, social media websites, internal recommendations, and corporate internships.

## Campus Recruitment Events

Accton and Edgecore have actively participated in campus recruitment activities in recent years with the aim of sharing the company's core values and corporate culture with young students in these activities. We help young students explore their future careers and attract talented people to join us through face-to-face recruitment activities on campus. We planned to participate in three campus recruitment activities in 2021 but all such activities were canceled in 2021 due to the impact of the COVID-19 pandemic and our resolve to support the government's epidemic prevention policy.

New Hire Rate				
Region	Year	Number of People	Number of New Employees	Annual New Hire Rate
Accton	2021	2955	659	22.6
	2020	2,867	763	28.2
	2019	2,541	1,463	70.9
Edgecore	2021	174	33	17.1
	2020	213	70	38.1
	2019	154	37	25.0
JoyTech	2021	1,236	357	26.9
	2020	1,421	307	19.2
	2019	1,770	638	35.8

Ratio of New Employees																		
Age/ Gender/ Item		Number of full-time employees					30 and below				31 to 50 years old				50 and above			
		2021	Annual New Hire Rate (%)	Total Number of New Employees	Male	Female	Male		Female		Male		Female		Male		Female	
							Number of People	Ratio (%)	Number of People	Ratio (%)	Number of People	Ratio (%)	Number of People	Ratio (%)	Number of People	Ratio (%)		
							Number of People	Ratio (%)	Number of People	Ratio (%)	Number of People	Ratio (%)	Number of People	Ratio (%)				
Region	Accton	2,955	22.6	659	355	304	152	5.1	169	5.7	183	6.2	133	4.5	20	0.7	2	0.1
	Edgecore	174	17.1	33	22	11	8	4.6	5	2.9	14	8.0	6	3.4	0	0	0	0
	JoyTech	1,236	26.9	357	248	109	194	15.7	78	6.3	52	4.2	31	2.5	2	0.2	0	0

Note 1: The annual new hire rate does not include workers not hired by the Company: Contracted personnel and contractors' onsite personnel.

Note 2: Annual new hire rate: Number of new full-time employees in the current year/total number of full-time employees in service at the end of the current year.

Note 3: Male (female) new hire rate: Number of new male (female) full-time employees in the current year / number of full-time employees at the end of the current year.

Note 4: The annual new hire rate is the total number of new hires/annual average number of employees [(number of workers in service in December of the previous year + number of employees in service at the end of the current year)/2].

## Age and Gender Distribution of Resigned Employees

Accton's turnover rate in 2021 was 14.3%. The turnover rate of male and female employees was 7.3% and 6.8%, respectively. There is no significant difference in terms of gender. Edgecore's turnover rate was 34.6%. The turnover rate of male and female employees was 29.9% and 8.6%, respectively. The turnover rate increased significantly compared to 2020, mainly due to the increase in departures as a result of the inward transfer of staff within the group. JoyTech's turnover rate was 40.8%. JoyTech's turnover rate increased in the past three years mainly due to changes in operations in 2019 and the trade war between China and the United States, which continuously shifted production capacity to Accton. The outbreak of the COVID-19 pandemic also increased employee turnover and the average turnover rate in the past two years was 40.9%.

## Employee turnover



## Exit Interview

A stable supply of high-quality talent is the foundation for the Company's development. Accton, Edgecore, and JoyTech value the opinions of employees and use employee feedback to continue to review the Company's talent management and talent retention strategy. We use exit interviews to learn about the reasons for the departure of employees and ask them to provide suggestions to the Company which will be used as an important basis for the Company in the formulation of better talent retention strategies in the future. We also aim to retain employees by learning about their expertise, adjusting job content and workplace, or providing internal transfer opportunities. We seek to retain and attract more talent through continuous improvement of the retention system.

Turnover Rate				
Region	Year	Number of People	Employee Turnover	Annual Turnover Rate
Accton	2021	2,955	417	14.3
	2020	2,867	316	11.7
	2019	2,541	505	24.5
Edgecore	2021	174	67	34.6
	2020	213	13	7.1
	2019	154	25	16.9
JoyTech	2021	1,236	542	40.8
	2020	1,421	656	41.1
	2019	1,770	658	37

Employee Turnover Statistics																		
Age/ Gender/ Item	Region	Number of full-time employees	Employee turnover				30 and below				31 to 50 years old				50 and above			
			Annual Turnover Rate (%)	Total Turnover	Male	Female	Male		Female		Male		Female		Male		Female	
							Number of People	Ratio (%)	Number of People	Ratio (%)	Number of People	Ratio (%)	Number of People	Ratio (%)	Number of People	Ratio (%)	Number of People	Ratio (%)
	Accton	2,955	14.3	417	215	202	70	2.4	78	2.6	139	4.7	122	4.1	6	0.2	2	0.1
	Edgecore	174	34.6	67	52	15	9	5.2	8	4.6	35	20.1	6	3.4	8	4.6	1	0.6
	JoyTech	1,236	40.8	542	368	174	254	20.6	114	9.2	113	9.1	58	4.7	1	0.1	2	0.2

Note 1: The annual turnover rate does not include workers not hired by the Company: Contracted personnel and contractors' onsite personnel.

Note 2: The employee turnover does not include "non-voluntary turnover" such as turnover due to retirement, lawful dismissal, termination of the employment agreement, expiry of the internship, or expiry of the contract.

Note 3: The annual turnover rate is the total employee turnover/annual average number of employees [(number of workers in service in December of the previous year + number of employees in service at the end of the current year)/2].

Note 4: Male (female) turnover rate: Number of male (female) full-time employee turnover in the current year / number of full-time employees at the end of the current year.

## Benefits for Full-Time Employees Comprehensive Insurance Plans

Employees are Accton, Edgecore, and JoyTech’s key to sustainable development. Taking care of employees and providing them with a caring work environment and life are our basic tenets. Accton and Edgecore protect employees and their families in the event of hospitalization, death or disability with six items including fixed-term life insurance, accidental injury medical allowances, hospitalization medical insurance, cancer medical insurance, and occupational disaster insurance. Accton adjusts the coverage and allowances each year based on claim information. The increase in the occurrence of malignant neoplasms of employees and family members has demonstrated the difficulties of bearing the cost of frequent medical services and vast medical expenditures. Therefore, we added first-time cancer and cancer death insurance in the group insurance plan in 2020 to provide employees with financial support and help them focus on treatment in the event of an unexpected illness. In addition to spouse and children’s insurance, Accton also offers insurance coverage for parents to provide employees with preferential terms for purchasing insurance for their loved ones. Employees or spouses may continue their insurance coverage till they reach 70 years old. Where the husband and wife are both employees, both receive coverage as employees. Insurance coverage for children is provided till they reach 25 years old or till they are married. Accidental injury insurance for children is available when children reach 15 years of age. The coverage for parents is provided till they reach the age of 85. JoyTech provides five types of social insurance, including retirement insurance, medical insurance, work injury insurance, unemployment insurance, and childbirth insurance. It also provides employees with commercial critical illness insurance and group employer’s liability insurance as supplementary insurance policies. The Company aims to provide employees with financial support in the event of an accident.



I love the Earth’s garbage classification



I love the Earth’s dinosaurs save the Earth

## Love in Accton - Childbirth Benefits

Employees are crucial for the Company’s sustainable development. We must help employees bring their role into full play and uphold the care for employees and their families as the most important responsibility. Accton and Edgecore launched the “marriage allowance” to encourage employees to start families. Company employees that marry each other are provided with NT\$3,000 of allowance per month per person, totaling NT\$6,000 for each couple. The program is designed to express Accton and Edgecore’s support for family values.

To support female employees, the Company has dedicated parking spaces for pregnant mothers and appointed professional nurses to provide health consultation and health education to pregnant employees before, during, and after pregnancy. We provide pregnant employees with gifts and encourage them to report their pregnancies. We also provide employees with postpartum care and free psychological counseling channels as well as the right to unpaid parental leave in accordance with regulations.

In response to employee’s needs for caring their children, Accton established the first nursery and baby care center for infants and young children from 0 months to 6 years old in Hsinchu Science Industrial Park. Edgecore employees are also eligible for the benefits which help employees care for their children with ease. Accton Nursery uses play to inspire thinking and problem-solving skills, and teaches children according to their learning status. Nursery also designs enriching activities to help children learn according to their developmental needs and interests, thus building positive values and enhancing their adaptability and interpersonal skills. There are different curriculums and different monthly health education themes, such as earthquake and disaster prevention, good manners, traffic safety, I love the earth, pandemic prevention, etc., to teach children to protect themselves and exert influence from an early age through various themes of life.

## Leave Policies Superior to Statutory Requirements

The number of national holidays was reduced from 19 to 12 days in the amendment of the Labor Standards Act in 2017. Accton and Edgecore offers employees with 7 days of flexible leave which is superior to statutory requirements to help them balance work and life.

Accton and Edgecore are committed to creating a thoughtful and people-oriented organizational culture. If an employee requires long-term leave due to a major injury or illness, the employee may apply for a one-year leave with pay. To support employees’ medical treatment, we also provide transportation to and from medical appointments. We understand employees’ feelings and needs and we aim to provide them the

strongest support and heart-warming care. To fulfill corporate social responsibility, we encourage employees to actively participate in social welfare activities. The Company has created volunteer leave for employees to use workdays or holidays to participate in charity activities organized by the Company and use real actions to help society.

### Diverse Benefits and Subsidies

In addition to labor health insurance, pension payment and other general benefits provided to sta , Accton and Edgecore provide additional benefits such as employee group insurance, accident insurance for families, and insurance for major injuries and burns. Annual holiday bonuses, bonus distribution, share subscription by senior employees, employee emergency assistance, marriage, childbirth, and hospitalization subsidies, lunch subsidies and dinner for free, sta dormitory, onsite healthcare services by professional physician and nursing staff, regular health checks, sexual harassment prevention, health, culture and arts lectures, and other benefit measures.

Accton and Edgecore established the Employee Welfare Committee which is committed to improving employees' happiness at work. We understand that work is a necessity but only happiness is absolute. Happiness is achieved with contributions to the society, family responsibilities, and personal achievements. Therefore, Accton's strives to maximize welfare benefits for employees, provide care for their physical and mental health, financial support for families, and living conditions, and offer diverse learning opportunities. We set up annual plans and budgets every year for children's scholarships, funeral subsidies, gift coupons for festivals and birthdays, movie tickets, group travel subsidies and travel activities for employees, family days, club activities, volunteer activities, ball games or physical endurance competitions, Accton Talk, special supplier services, movie packages, and activities for art and hobbies. We hope that employees can feel supported and help them learn, love, and have fun at work.

JoyTech established a union in accordance with regulations. It also set up the union's 1+1 emergency relief fund to provide timely aid to employees in need. The Company also organizes employee and club activities from time to time, and provides year-end bonuses, meal subsidies, employee dormitories, annual health examinations, and other welfare measures to create a sense of belonging and happiness for employees, connect resources for strengthening the corporate culture, and improve employee relations.

### Equal Rights in the Workplace

Accton and Edgecore are committed to promoting balance between work and family life. We actively implement equality in maternity and paternity leave for female and male employees and provide a comprehensive leave management system. These measures help employees use their leave with flexibility to take care of their families and to apply for unpaid leave when they need long-term leave due to serious illness or injury. They

also help employees take care of their own needs and their families at the same time. They make it easier for companies to recruit and retain good employees, which will in turn improve employee morale and productivity.

Accton and Edgecore comply with the "Act of Gender Equality in Employment" for parental leave without pay. Both male and female employees are eligible for the parental leave. Requirements include:

- (1) both parents must be employed at the time of the application;
- (2) minimum of 6 months of employment in corporation;
- (3) children aged 3 or less;
- (4) parental leave of no less than 6 months, with a maximum of 2 years for each application.

During the period of unpaid leave, the Company actively communicates with employees to show that we care. We also arrange related reinstatement matters before reinstatement so that the employees can return to their original jobs and adapt to the workplace with ease.

In terms of unpaid parental leave, 25 Accton employees applied for unpaid parental leave in 2021. In the same year, 22 employees were scheduled to be reinstated and 16 employees were reinstated on schedule. The reinstatement rate in 2021 was 72.7%, which is lower than the 90% reinstatement rate for 2020. This is probably due to the impact of COVID-19 and the fact that employees have chosen to return to their families as they assess the need to take care of their families. No Edgecore employees applied for unpaid parental leave in 2021.

The retention rate refers to the proportion of employees who have worked for at least one year after reinstatement from unpaid parental leave. According to 2021 data, the retention rate was 77.8% which was lower than the 85.7% retention rate in 2020. It shows that the number of employees returning to their families has increased under the influence of COVID-19.

With regard to JoyTech, although the Chinese government has promoted the parental leave without pay system, the Company is committed to promoting work and family life balance to create a friendly work environment. Therefore, the unpaid parental leave rules specified in its internal regulations allow both male and female employees to apply for the leave. The eligibility rules include the following:

- (1) Having served for at least one year at the Company.
- (2) Having at least grade B in the performance evaluation in the current year.
- (3) Each parental leave application is capped at 1 year.

No JoyTech employee applied for unpaid parental leave in 2020. The retention was 100% in 2020. It shows that the Company has provided sufficient assistance and care to the reinstated employees to enable them to re-adapt to the working environment.

Accton - Number of reinstated employees, reinstatement rate, and retention rate after parental leave by gender			
2021	Male	Female	Sub-total
Number of employees eligible for unpaid parental leave	120	75	195
Number of applicants for unpaid parental leave in the current year	5	20	25
Number of employees expected to be reinstated from unpaid parental leave in the current year (A)	3	19	22
Number of employees reinstated from unpaid parental leave in the current year (B)	3	13	16
Reinstatement rate (B/A) (%)	100	68.4	72.7
Number of employees reinstated from unpaid parental leave in the previous year (C)	1	8	9
Number of employees reinstated from unpaid parental leave in the previous year who have continuously worked for more than one year (D)	1	6	7
Retention rate (D/C) (%)	0.0	75.0	77.8

JoyTech - Number of reinstated employees, reinstatement rate, and retention rate after parental leave by gender			
2021	Male	Female	Sub-total
Number of employees eligible for unpaid parental leave	69	95	164
Number of applicants for unpaid parental leave in the current year	0	0	0
Number of employees expected to be reinstated from unpaid parental leave in the current year (A)	0	0	0
Number of employees reinstated from unpaid parental leave in the current year (B)	0	0	0
Reinstatement rate (B/A) (%)	0	0	0
Number of employees reinstated from unpaid parental leave in the previous year (C)	0	2	2
Number of employees reinstated from unpaid parental leave in the previous year who have continuously worked for more than one year (D)	0	2	2
Retention rate (D/C) (%)	0	100	100

## Minimum Notice Periods Regarding Operational Changes

### Protection of Labor Rights

Since their establishment, Accton and Edgecore have allowed talent to bring their role into full play and has upheld its care for employees and their families as the most important responsibility. We hope to provide a worry-free working environment to help employees devote themselves to their work and increase the Company's competitiveness. In addition to the active implementation of thoughtful management and various benefit measures, the Company learns about employees' ideas and needs at all times through various channels for the purpose of achieving sufficient communication, solving problems effectively, and promoting harmonious relations between employer and employees.

Employee rights and labor services are affected when significant operational changes are instituted. We fully abide by Article 16 of the Labor Standards Act in the event of the following significant operational changes:

1. Where the Company suspends or transfers operations.
2. Where the Company sustains losses or reduction in business operations.

Note 1: The number of employees eligible for unpaid parental leave are those who have applied for maternity or paternity leave in the report period from January 1, 2019 to December 31, 2021.

Note 2: Reinstatement rate: Number of employees eligible for reinstatement and reinstated from unpaid parental leave/number of employees eligible for reinstatement from unpaid parental leave \*100%.

Note 3: Retention rate: Number of employees reinstated from unpaid parental leave who have continuously worked for more than one year/number of employees reinstated from parental leave \*100%.

3. Where work is suspended for more than one month due to force majeure factors.
4. Where the Company changes the nature of its business and it is necessary to reduce the number of workers but has no suitable work for workers
5. Where an employee is verified as unable to perform tasks required for his/her job. Notices given based on work experience

1. Where a worker has worked continuously for more than 3 months but less than 1 year, the notice shall be given 10 days in advance.
2. Where a worker has worked continuously for more than 1 year but less than 3 years, the notice shall be given 20 days in advance.
3. Where a worker has worked continuously for more than 3 years, the notice shall be given 30 days in advance.

JoyTech provides a 30-day notice in accordance with Article 26 and Article 27 of the Labor Law of the People's Republic of China.

Since their establishment, Accton and Edgecore have been committed to establishing a harmonious atmosphere between the employer and employees on mutual trust basis in terms of operation and management, and understood employee's satisfaction with management and benefit systems by taking advantage of various communication channels to enhance communication and reach consensus.

Accton and Edgecore opened the "Employee Ideas" communication channel on the Accton Portal platform and set up message sections to encourage employees to propose recommendations for business or management measures. We help entry-level employees directly deliver their ideas and expectations to the senior management as reference for continuous improvement and corporate governance.

Employees can also use the employee complaint hotline: (03) 577-0270, extension 3119, and an email for employee complaints: hr885@accton.com to provide feedback.

JoyTech set up different communication channels including a QR code, a complaint mailbox, and telephone to encourage employees to provide recommendations which are used for the Company's continuous improvements and exchange of ideas.

In September 2021, Accton relocated all of its production lines to the Zhunan plant. Beforehand, we conducted a survey to explain the relocation and the willingness of the 126 local employees to move their workplaces, so that they could clearly understand the Company's policy and communicate with each other in both directions. For those who are not willing to relocate to another location, the Company also provides other employees within the Company who are qualified for the position for matching and placement, hoping to reduce the impact on employees' employment rights. Finally, for those who are unable to relocate and do not wish to be transferred to other positions, the Company also gives notice of severance and calculates and pays severance pay in accordance with Article 16 of the Labor Standards Act, in order to fulfill its responsibility to take care of its employees and to establish a harmonious atmosphere of mutual trust between employers and employees.

Accton employed 769 foreign employees who account for 26% of all full-time employees in Taiwan. Foreign workers include 745 Filipinos which account for the largest share of all foreign workers with 96.9%. Edgecore employed 8 foreign employees who accounted for 4.6% of full-time employees. JoyTech employed 1 foreign employee who accounted for 0.1% of all full-time employees. The results of the implementation of human rights policies for all employees are disclosed based on the GRI Sustainability Reporting Standards:

1. No incidents of discrimination occurred.
2. No violation of freedom of association and collective bargaining rights.

3. Commitment to maintaining a workplace free of violence, harassment, and intimidation, as well as respect the privacy and dignity of employees.

4. No hiring of child labor.

5. No incident of forced or compulsory labor.

Accton has set up an employee complaint hotline and an employee complaint e-mail address to create smooth employee communication channels. We also appointed bilingual professionals to take charge of daily communication with foreign employees. Accton received, processed, and resolved 5 employee complaints through official complaints mechanisms. Edgecore had 0 cases. JoyTech received 50 complaints and employees' feedback case closure rate was 100%.

In addition, to prevent internal and external workplace violence against employees in the performance of their duties, Accton has established a workplace violence prevention plan in accordance with the Occupational Safety and Health Act, specifying the rights and responsibilities of each unit, and conducting regular assessments and evaluations of preventive measures to achieve prevention and treatment of workplace violence and to clearly state that all kinds of physical, verbal, psychological, violent and sexually harassing workplace violence are not allowed to ensure the physical and mental health of employees. There were zero workplace violence complaints in 2021.

## Remuneration

"Gender equality" and "opposition to gender discrimination" are some of the most important social issues in contemporary society. Accton seeks to promote economic prosperity and social harmony in Taiwan, improve women's socio-economic status of women, ensure pay for equal work, and refuse to offer preferential treatment based on gender. Such is Accton's commitment to society and all employees. We fulfill corporate social responsibilities by creating a workplace environment that supports gender equality. We also comply with gender equality requirements to enhance women's functional development and eliminate the pay gap between genders for equal work.

## Ratios of Standard Entry-Level Wage by Gender Compared to the Local Minimum Wage

Accton rigorously abides by laws and regulations. The standard starting salary (Note 1) of entry-level personnel is superior to the minimum wage announced by the government of Taiwan each year (Note 2). We also adhere to regulations for gender equality and equal pay for work of equal value. There are no gender-based differences in the starting salary for employees.

Gender/ Region	Taiwan		Mainland China
	Accton	Edgecore	JoyTech
Male	1.07 1	1.16 1	1.38 1
Female	1.07 1	1.16 1	1.38 1

Note 1: The standard starting salary is the minimum salary specified in the Company's regulations (excluding overtime pay and other position allowances)

Note 2: The minimum salary announced in Taiwan in 2021 was NT\$24,000 and the minimum salary announced in Mainland China was RMB 2,200.

### Ratio of Basic Salary and Remuneration of Women to Men

The salary of Accton employees are determined in accordance with personal academic records, experience, professional knowledge, market conditions, and internal regulations of the Company. They are not provided with different labor conditions due to gender, race, language, religion, age, party affiliation, or marital status. The difference in the ratio is mainly attributed to the inclusion of employees with different education, experience, background, contents of duties, nature of work, and the number of employees for employees within the same grade. However, the ratio of salary differences between male and female employees is not higher than 0.23.

#### Taiwan

Ratio of basic salary and remuneration of women to men		Managerial roles		Non-managerial roles		Technicians
		Accton	Edgecore	Accton	Edgecore	Accton
Basic salary (Note 1)	Female	1.00	1.00	1.00	1.00	1.00
	Male	1.11	0.89	1.20	1.21	0.92
Total remuneration (Note 2)	Female	1.00	1.00	1.00	1.00	1.00
	Male	1.01	0.77	1.21	1.17	0.96

### Mainland China (JoyTech)

Ratio of basic salary and remuneration of women to men		Managerial roles	Non-managerial roles	Technicians
Basic salary (Note 1)	Female	1.00	1.00	1.00
	Male	0.99	1.01	1.01
Total remuneration (Note 2)	Female	1.00	1.00	1.00
	Male	0.99	1.00	1.00

The data are from January to December 2021

Note 1: The basic salary is calculated based on the "regular salary"

Note 2: The total remuneration is calculated based on the "regular salary + rewards"

### Number and Average and Median Salary of Full-Time Non-Managerial Employees

Accton reported (Note 1) "2,827 employees" who were full-time non-managerial employees in 2021 in accordance with regulations of Taiwan Stock Exchange. The average salary was "NT\$1,052 thousand" and the median salary was "NT\$732 thousand".



Note 1: Statistics for Taiwan only (excluding Edgecore Networks)

Note 2: NT\$1,000

Note 3: The median salaries were confirmed by the accountants and the boundary conditions are described in the full-time salary information for employees not holding executive positions on the Market Observation Post System.

## Defined Benefit Plan Obligations and Other Retirement Plans

Accton has established the “Employee Retirement Regulations” in accordance with the “Labor Standards Act” and “Labor Pension Act” (Note 1). We also appropriate retirement reserve to the Central Trust of China at regular intervals in accordance with regulations. The Supervisory Committee of Retirement Reserve takes charge of management and usage of the funds.

The Company appropriates the retirement reserve in accordance with laws and regulations and appoints professional actuary consultants to calculate the retirement reserve each year to verify sufficient appropriation and protect employees’ rights to pension. The Company offers the “Employee Retirement Plan” (Note 1) and provides employees with different retirement options to help employees arrange their retirement plans with greater flexibility.

All Accton employees enrolled under the old system are included in related calculations and payment principles specified in the “Labor Standards Act”. For employees who opted for the new labor pension system of the “Labor Pension Act” after July 1, 2005 and new employees, the Company allocates an amount equivalent to 6% of each workers’ wage to the employees’ individual pension accounts. Employees can also contribute 0% to 6% to the retirement fund according to their personal preference.

In accordance with the relevant laws and regulations of the Social Insurance Law of the People’s Republic of China and the Social Pension Insurance Ordinance of the Shenzhen Special Economic Zone, JoyTech pays 15% of the monthly pension insurance premiums for its employees, which is credited to the Basic Pension Insurance Coordination Fund; the employees pay 8% of the monthly pension insurance premiums, which is credited to their personal accounts. When the employees reach retirement age and meet the requirements for pension, the basic pension insurance fund will make monthly payments. This reserve amount is monitored by the government insurance fund. In addition, for retired employees who have reached the statutory retirement age and who have performed well on the job and wish to continue to return to the Company’s service and meet the reemployment requirements, they shall be offered reemployment upon

their own application. For those employees who do not wish to accept reemployment, the Company shall follow the Company’s procedures for termination of employment and share with the employees the implementation details of the “Shenzhen Special Economic Zone Social Pension Insurance Ordinance” so that the employees can clearly understand the process of receiving pensions. In order to provide better assistance to retirees and to make proper arrangements for their pre-retirement work, the Human Resources Department has set up a dedicated communication channel to provide one-on-one service and assistance.

Note 1: The “Employee Retirement Plan” applies to Accton and Edgecore, but not JoyTech.



## 3.2 Talent Learning and Development

Boundaries: Accton, Edgecore, JoyTech

### Brief description of targets and track records:

Region	2021 Goals	2021 Results	Short-term Goals (2022-2023)	Medium- and Long-term Goals (2024-2026)
<b>Accton Edgecore</b>	Establish system mechanisms to increase digital learning resources, and encourage employee self-learning.	1. At Accton, the number of e-learning hours in 2021 was 2,280, an increase of 1,164 hours from 2020, a growth of 104%. 2. Number of digital classes have increased by 25 classes or 278% from 2020	Build at least double the number of resources to enhance the motivation of employees to self-learn.	Optimize system mechanisms, design complete systems and methods, and encourage employees to become active learners to enhance personal performance and potential.
<b>JoyTech</b>	100% completion rate of training programs in Mainland China in the current year	Actual results: 98%	1. Execute training plans based on employee skill levels and achieve 100% of the target. 2. Establish system mechanisms to create an online and offline two-way training system.	Optimize training systems and increase employees' independent learning awareness; Optimize the two-way combination model of professional theory education and practical exercises.

### Talent Development

Talent is a crucial resource for the Company's sustainable development. Accton's training policy is people-oriented, and we encourage our employees to become active learners. Based on the Company's growth direction, organizational needs and individual performance requirements, we formulate annual training plans, assist employees in learning and development, and cultivate outstanding employees through internal and external training courses and various learning activities to enhance the Company's operational efficiency. Internal training is divided into six major sectors, including: (N) new employee orientation training, (E) work efficiency, (P) professional knowledge and skills, (Q) quality management, (H) environmental safety and occupational health, (M) leadership and management. External training is provided to employees in the form of courses or seminars organized by external professional organizations, where necessary. To improve language competitiveness, each employee is provided with a fixed amount of subsidy for foreign language training each year to help employees improve their individual performance at work and team competitiveness.

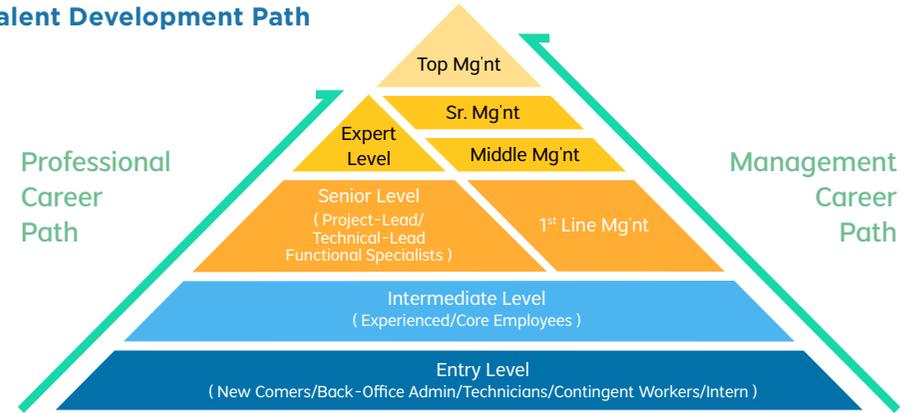


**Training Catalog**

Training Item (Taiwan)	Content
New employee orientation training	The new employee orientation training includes introduction to the Company, corporate culture, rules and regulations, corporate social responsibility, ethical management, anti-corruption, insider trading prohibition, and quality system, which help new employees understand the company and adapt to the environment.
Work efficiency	Work efficiency training includes business PowerPoint design, communication, cyber security, Microsoft skills, and internal instructor training, which help improve employees' work efficiency.
Professional knowledge and skills	The training includes domain know-how, advanced production processes, and systematic professional knowledge to enhance professional skills.
Quality management	It includes general quality knowledge courses, such as protection against electrostatic discharge (ESD), problem analysis and problem-solving techniques, as well as QC7, SPC, PFMEA, etc., and special ISO courses to ensure that all processes comply with procedures, improve production yields, and meet customer requirements.
Environmental safety and occupational health	We help new employees complete general safety and health training and hazard general knowledge training in accordance with regulatory requirements. We also provide employees with different training programs for general and special operations.
Leadership and management	We plan training courses necessary for supervisors based on the roles and functions, which correspond to the necessary management skills of each level. Courses include system and regulations, self-management, team management, and business management.

Accton has created a dedicated training classroom and a Learning Management System (LMS) platform for online learning. This combination provides employees with a more convenient learning system, free from time and spatial restrictions.

**Talent Development Path**



Accton Group upholds the talent development pyramid ideal and all employees receive level after level of training to enhance their professional skills. We enhance employee development based on their skill levels and divide them into professional technical roles and management roles. In addition to systematically training management staff, we also encourage the continuous development of professional talent, so outstanding talent can focus on the appropriate duties with their personal attributes and give full play to their strengths.

**Average learning hours per person at each level**



Note 1: The number of employees is the average number from January to December 2021, including full-time employees and contract employees, excluding temporary employees, temporary employees' learning hours are calculated separately JoyTech follows the same basis; all figures below are the same.

Note 2: The scope of data includes Accton, Edgecore and JoyTech.

Note 3: Calculation formula = Number of training hours per level / Number of employees per level.

Note 4: Management refers to employees who are responsible for leading subordinates, such as section leaders and managers; Indirect personnel are non-management, please refer to 3.1 Talent attraction and retention, diverse talent composition and inclusion for more details.

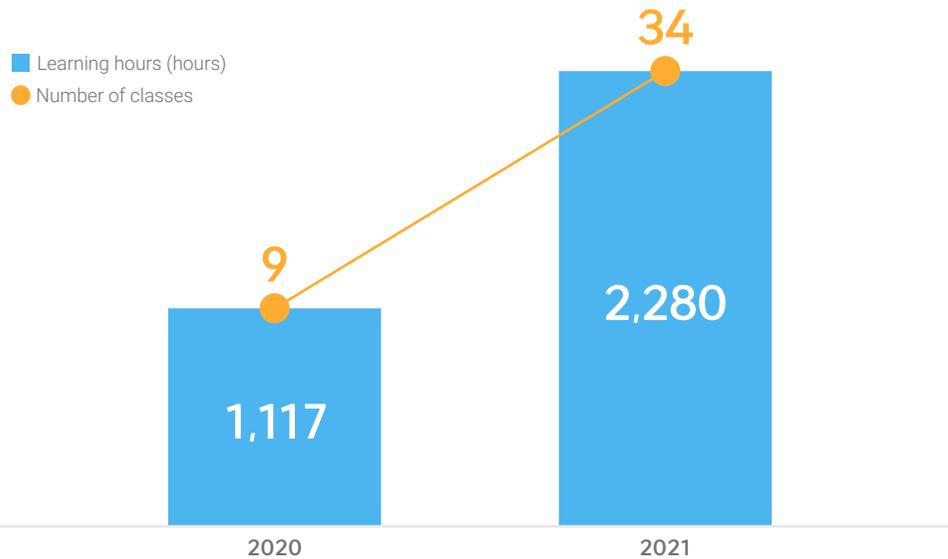
Note 5: All data below are the same.

**E-Learning Trends**

Due to the pandemic, related training activities were suspended in May 2021. Factory dispatches and foreign workers decreased in response to the pandemic prevention policy, and production line training was lower than last year. Despite the impact of the pandemic, Accton has been committed to developing learning resources since 2020, the number of online training courses has increased from 16% to 54% in 2021, the number of online learning hours has increased by 1,164 hours, and the growth was 104% compared to 2020.

**E-Learning Trends**

**Online Learning Trends**



Note 1: The scope of the data is Taiwan (Accton, Edgecore).  
Note 2: Growth rate calculation = (Year 2021 - Year 2020) / Year 2020

In 2021, the total number of training hours of the Accton Group was 39,439, with 15,001 attendances and an average of 9 hours of learning per employee. To ascertain the effectiveness of the training, Accton uses the four levels of assessment: response, learning, behavior, and outcome, as proposed by American scholar Donald Kirkpatrick.

In 2021, more than 70% of the courses in Taiwan have been evaluated in response to the assessment of lecturers, course content design, teaching material arrangement, administrative services and overall satisfaction with the effectiveness of the courses. Among them, the average satisfaction score of course effectiveness reached 92 (out of 100), and Edgecore reached 96.

**Historical Learning Indicators**

**Training hours over the years**



Note 1: The scope of data is Accton.  
Note 2: The analysis is mainly based on Accton, and more data would be collected from Edgecore and JoyTech in the future.

Accton's training programs are not confined to classrooms. Our value proposition is independent learning. We encourage each employee to actively acquire new skills through projects, work guidance, deputizing, and product development meetings. When there is a need, we actively invite experts to teach and discuss together and accumulate their valuable practical experience from real-world problem solving.

### Diversity and Equity in Learning Development

Accton has a diverse workforce and has added English language versions to its teaching materials to accommodate the diversity of the workforce, and has added English pronunciation to its website. We have also set up foreign language announcements in the dormitories for our Filipino employees.

The Company values gender equality and provides training for all duties and required skills, in job opportunities, and employee training without discrimination between men and women.

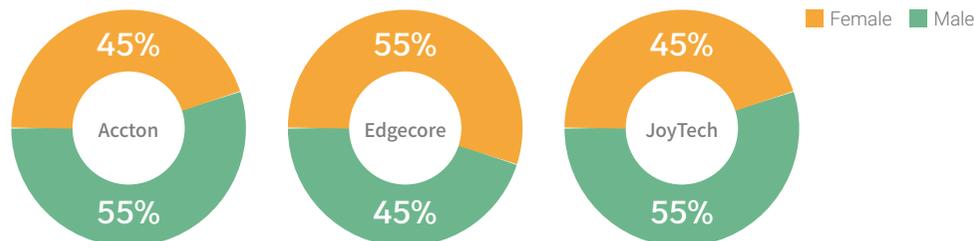
Region/ Gender	Accton			Edgecore			Mainland China (JoyTech)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total number of employees	1,422	1,564	2,986	122	57	179	769	467	1,236
Total training hours	14,814	13,485	28,299	265	156	421	7,165	3,554	10,719
Average training hours	10.4	8.6	9.5	2.2	2.7	2.4	9.32	7.61	8.7

Note 1: The number of employees is the average number from January to December 2021, including full-time employees and contract employees, excluding temporary employees, and JoyTech follows the same basis; all figures below are the same.

Note 2: Average training hours: Total training hours/ total number of employees (rounded off).

The difference in the average number of training hours between men and women at Accton is 10%; due to the nature of JoyTech's industry, certain jobs are labor-intensive, and men account for a higher proportion of personnel trained in machine operations than that of women.

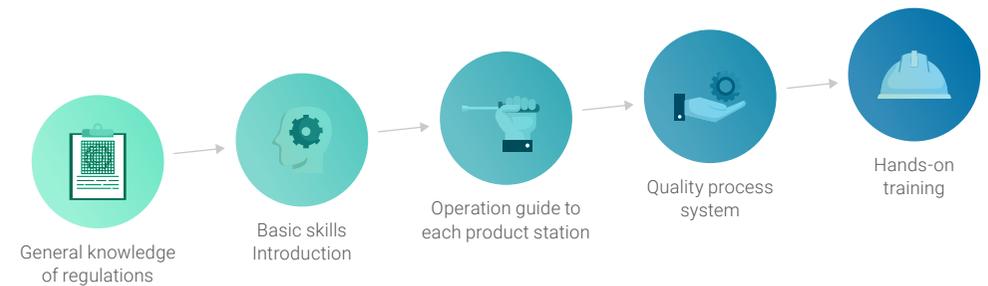
### Ratio of average learning hours for both genders



### Orientation Training for the Production Line

To implement quality management, we must do things right from the beginning by making products the right way. Accton has established a training classroom on the production line to help new employees learn the operation process of each station in a practical way. It also can reduce the quality risks caused by novice training. New direct employees, including full-time employees, migrant workers, and temporary workers, must receive one week of training after joining Accton. After completing a solid training course on the production processes and obtaining certification, they are permitted to work on the production line. After starting to work, their skills will be recognized and evaluated by the station supervisors. In 2021, 592 new employees completed the four-day production line training, totaling 18,856 training hours, including 269 temporary employees with 8,608 training hours. JoyTech adheres to the same concept. The supervisors teach newcomers the necessary skills for each station in the classroom, and the department leaders confirm the actual operations at the station.

### The Newcomer Training Flowchart of Production Line



### Internal Lecturers

The Company has purposefully designed an internal lecturer training program to improve and pass on Accton's professional knowledge and experience, as well as sustain our important cultural assets. The HR dept. establishes the internal lecturer system and regulations, offers training courses for developing internal lecturers, organizes activities such as book clubs, themed lunch events, hiking trips, and special events for Teachers' Day, selects and rewards outstanding lecturers at the end of the year, etc.. We create an active and positive atmosphere for internal lecturers while creating an active sharing and learning culture. Through our continuous hard work, we have trained 83 internal lecturers who have lectured 59 courses and provided 12,395 hours of training man-hours at Accton in 2021, accounting for about 44% of the total training hours. The overall post-course satisfaction rate was 92 out of 100. With the same spirit, JoyTech has established a learning mechanism and is committed to learning and transmission. In 2021, there were 14 certified lecturers in service, providing 22 courses and a total of 10,719 training hours, with a satisfaction score of 98 after the courses.

Note 1: Training man-hours: Total number of man-hours of attendees in courses lectured by qualified internal lecturers.

Note 2: Employment calculation interval: 2021/12/31

### In-Depth Training

Accton values all talent regardless of gender, age, or role. To make use of senior employees' experience and skills, we provided 1,733 hours of training for 934 attendees who are employees over the age of 50, in Taiwan and Mainland China in 2021.

Age Distribution	Accton		Edgecore		Mainland China (JoyTech)	
	Training Hours	Number of Personnel Trained	Training Hours	Number of Personnel Trained	Training Hours	Number of Personnel Trained
Under 29 years old	8,775	2,581	103	78	479	1,539
30 to 49 years old	17,901	7,020	266	147	10,182	2,702
Over 50 years old	1,623	826	52	23	58	85
Total	28,299	10,427	421	248	10,719	4,326

### Retirement Plans

In order to help colleagues to cultivate a healthy and comprehensive retirement mindset and prepare for retirement in advance, in 2021, we held two talks in Hsinchu headquarters in Taiwan (Accton, Edgecore), "Returning to Youth, Never Give Up on Challenging the Peak" and "Charting Your Career Rainbow" to share the secrets of maintaining physical and mental health. A total of 55 colleagues attended the two sessions, totaled 4 hours of sharing. The attendees enthusiastically responded and actively interacted with the speakers during the talks.

In addition to speeches, we also implemented courses on the Labor Standards Act, for managers in Taiwan (Accton and Edgecore). A total of 78 colleagues participated and learned how to calculate pension and on matters of note so they can help employees plan for their life after retirement. We plan to organize at least one session of each type of activity in the future to help employees prepare in advance and plan for their life after retirement. In the future, we expect to organize other activities and courses to help our employees prepare for their post-retirement life.

### Talk Information

#### [Accton TALK] Returning to youth and never give up challenging the peak

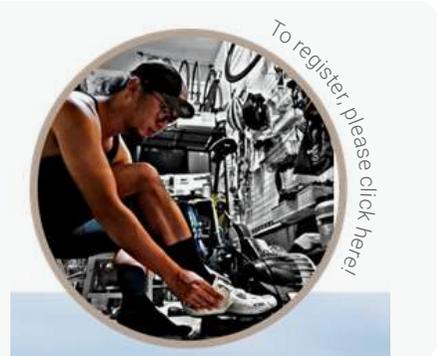
The strongest dad, Roger, shares how to achieve a life balance of family, work and sports!

Talk Information

Date: April 8, 16:00-17:15 pm

Location: 1/F, Accton Academy

\*Reminder: We will prepare a prize and snacks on the day!



To register, please click here!

# Talent Development

## Brief description of targets and track records

2021 Goals	2021 Results	Short-term Goals (2022-2023)	Medium and Long-term Goals (2024-2026)
85% and above of employees receive the annual performance evaluation	100% of employees receive the annual performance evaluation	85% and above of employees receive the annual performance evaluation	Optimize the performance evaluation procedures
85% and above of employees receive the new employee evaluation	100% of employees receive the new employee evaluation	85% and above of employees receive the new employee evaluation	Optimize the use of assessment results

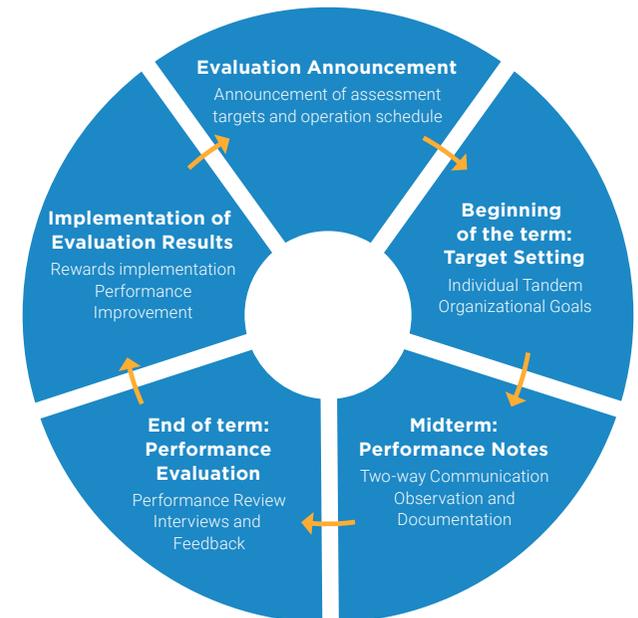
## Receive regular performance audits

Performance appraisal is an important part of the talent development system. Over the years, the Company has promoted a regular performance appraisal system, which not only links individual and organizational goals to improve corporate performance, but also applies the appraisal results to compensation planning, performance improvement and other measures to promote talent retention and development plans. The number of employees in Taiwan and China accounts for 95% of the Group, and this chapter focuses on these two regions, including Accton, Edgecore and JoyTech.

Accton uses an online performance and learning management platform to perform performance reviews in accordance with the Company's "Performance Management & Evaluation Program". We adopt the target management method and implement the annual performance appraisal regularly every half year in 2021: 1. Complete the goal-setting at the beginning of the period; 2. Mid-term performance record by performance notebook and two-way communication with supervisor; 3. Conduct performance appraisal and interview at the end of the period; 4. Final assessment result confirmation and application. New employees shall confirm the newcomer's target with their supervisor within two weeks after their arrival, and shall be evaluated at the end of three months.

The appraisal mechanism is jointly managed and promoted by three parties:

1. The human resources unit is responsible for the revision of the rules, the implementation of the checking process, and the subsequent development of various talent development incentive programs based on the results. The compilation and revision of the management rules has been completed in 2021.
2. Senior decision-makers and unit managers will execute performance management in accordance with the rules and regulations. In 2021, we have completed the optimization of the assessment process to improve operational efficiency and assessment effectiveness.



3. The internal and external information units assisted in data security, and several version updates were conducted in 2021 to comply with internal and external information security regulations to ensure system data security.

The use of appraisal results for talent retention and talent development: Remuneration planning and payment are based on the results of performance appraisal, which is used as an incentive for talent retention; for those with poor appraisal results, performance improvement plans need to be carried out, which not only promote a healthy turnover rate, but also aim to help employees to fit their talents, and to be transferred according to their talents and suitable job match, so as to develop talents and help them improve their performance.

The regular performance appraisal data for fiscal year 2021 is described below: Accton's regular indirect employees, with the exception of management above the level of vice president, part-time workers, those whose applications to leave the Company have been approved (excluding group transfers), and those who have not yet passed the newcomer assessment, shall undergo regular annual performance appraisals every six months. The total number of employees in 2021 is 2,955, of which 1,458 were formally indirect employees in the first half of 2021, and 1,338 met the aforementioned conditions to receive the annual performance appraisal, with a 100% performance appraisal ratio. In the second half of 2021, there were 1,506 formally indirect employees, 1,341 of whom met the aforementioned criteria for annual performance appraisal, and the percentage of performance appraisal acceptance was 100%. The two employees who were transferred to Edgecore in the second half of 2021 are not included in this list, and their performance appraisal in the second half of 2021 is classified as Edgecore. Direct employees shall be evaluated by the unit under their supervision every month after their arrival, and performance bonuses shall be paid according to their performance; dispatched employees shall be evaluated four months after their arrival, and the results shall determine whether they will be promoted to regular employees.

Edgecore's regular indirect employees, except for management above the level of Vice President, part-time workers, those whose applications to leave the Company are approved (excluding group transfers), and newcomers who have been with the Company for less than three months, shall undergo regular annual performance evaluations every six months. The total number of employees in 2021 is 174. In the first half of 2021, there were 210 employees who met the aforementioned criteria for annual performance appraisal, and the percentage of performance appraisal was 100%. In the second half of 2021, there were 163 employees who met the aforementioned criteria for annual performance appraisal, of which 12 employees were transferred to Accton in the new year 2022, and the percentage of newcomer assessment acceptance was 100%. JoyTech shall undergo annual performance appraisal on a regular basis, except for

those who arrive in the fourth quarter of the current year. The total number of employees in 2021 was 1,236, and the number of employees who met the aforementioned criteria for annual performance appraisal was 1,129, and the percentage of performance appraisal was 100%.

**Ratio of receiving performance evaluation in 2021**



In addition, Accton implements new employee evaluations in accordance with the Company's "Performance Management & Evaluation Program". New Accton employees, except for direct employees, managers and above, and group transfers, shall undergo new employee evaluations within three months of their arrival. In 2021, there were 659 new regular employees, 216 of whom were qualified to receive the newcomer assessment, and the percentage of newcomer assessment was 100%. Edgecore did not implement the newcomer assessment, and the newcomers will participate in the annual performance appraisal three months after their arrival. 33 newcomers were recruited in 2021. JoyTech's new recruits shall undergo a newcomer assessment within three months of their arrival. The total number of new recruits in 2021 was 357, of which 357 were qualified to receive newcomer assessment; the percentage of newcomer assessment acceptance was 100%. The percentage of Accton, Edgecore, and JoyTech receiving performance appraisal in 2021 was 100%, and the ratio of female/male did not differ by gender.

To make the talent retention system and the talent development plan more sound, Accton Group will continue to promote the regular performance appraisal mechanism, optimize the appraisal process and the application of appraisal results. Meanwhile, will assist employees and the Company to create good performance together, so as to discover talents, develop talents, and give each employee a stage to develop their talents.

### Permanent Employee Received Annual Performance Evaluation

Company	Title		Number of employees		Number of employees that received performance evaluation		Gender of employees(%)		Gender of employees that received performance evaluation(%)		Ratio of employees that received annual performance evaluation(%)	
			Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Accton	Direct employees		-	-	-	-	-	-	-	-	-	-
	Indirect employees	Managerial roles	345	133	345	133	72.2	27.8	72.2	27.8	100.0	100.0
		professional roles	1,430	771	1,430	771	65.0	35.0	65.0	35.0	100.0	100.0
	Sub-total		1,775	904	1,775	904	66.3	33.7	66.3	33.7	100.0	100.0
Edgecore	Direct employees		-	-	-	-	-	-	-	-	-	-
	Indirect employees	Managerial roles	39	13	39	13	75.0	25.0	75.0	25.0	100.0	100.0
		professional roles	218	103	218	103	67.9	32.1	67.9	32.1	100.0	100.0
	Sub-total		257	116	257	116	68.9	31.1	68.9	31.1	100.0	100.0
JoyTech	Direct employees		391	239	391	239	62.1	37.9	62.1	37.9	100.0	100.0
	Indirect employees	Managerial roles	126	61	126	61	67.4	32.6	67.4	32.6	100.0	100.0
		professional roles	168	144	168	144	53.8	46.2	53.8	46.2	100.0	100.0
	Sub-total		685	444	685	444	60.7	39.3	60.7	39.3	100.0	100.0
Total		2,717	1,464	2,717	1,464	65.0	35.0	65.0	35.0	100.0	100.0	

Note 1: This table does not include data from the vice president and above management positions, those who did not pass the new employee assessment, and those who were not qualified to received the performance assessment.

Note 2: Direct employees in Taiwan regularly received performance evaluations by their management teams, therefore their data was excluded form the table.

### Permanent Employee Received New Employee Evaluation

Company	Title		Number of new employees		Number of employees that received new employee evaluation		Gender of new employees		Gender of employees that received new employees evaluation(%)		Ratio of employees that received new employees evaluation(%)	
			Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Accton	Direct employees		-	-	-	-	-	-	-	-	-	-
	Indirect employees	Managerial roles	8	-	8	-	100.0	-	100.0	-	100.0	-
		professional roles	141	67	141	67	67.8	32.2	67.8	32.2	100.0	100.0
	Sub-total		149	67	149	67	69.0	31.0	69.0	31.0	100.0	100.0
Edgecore	Direct employees		-	-	-	-	-	-	-	-	-	-
	Indirect employees	Managerial roles	-	-	-	-	-	-	-	-	-	-
		professional roles	-	-	-	-	-	-	-	-	-	-
	Sub-total		-	-	-	-	-	-	-	-	-	-
JoyTech	Direct employees		176	74	176	74	70.4	29.6	70.4	29.6	100.0	100.0
	Indirect employees	Managerial roles	6	-	6	-	100.0	-	100.0	-	100.0	-
		professional roles	66	35	66	35	65.3	34.7	65.3	34.7	100.0	100.0
	Sub-total		248	109	248	109	69.5	30.5	69.5	30.5	100.0	100.0
Total		397	176	397	176	69.3	30.7	69.3	30.7	100.0	100.0	

Note 1: Excluding those who transferred from one subsidiary company to another, and those who wer not qualified for new employee evaluation.

Note 2: Direct employees in Taiwan regularly received performance evaluations by their management teams, therefore their data was excluded form the table.

Note 3: Edgecore does not implement new employee evaluation, new employees participated in annual performance evaluation after three months of employment,

**Volunteer Activities**  
**Accton, Edgecore Santa Claus fulfill dreams for underprivileged children**

Accton and Edgecore continue the humanistic spirit of caring for society and encourage employees to contribute to environmental protection and social care responsibilities. In the first half of 2021, the pandemic impacted the staff's health and safety, reducing the risk of clustering and contact, and reducing external activities. At the end of 2021, depending on the epidemic, we will hold a Christmas gift activity for the children of St. Francis Xavier Home for Children and Juvenile in Miaoli on Christmas Eve. The gifts filled with love and care from the employees were delivered to the children, and a total of 24 children felt the warmth, and the children's small wishes were thus fulfilled, and they expressed their gratitude and appreciation, and goodness and love were slowly sprouted and continued.



Note 1: The photos are not of the people involved and are only a record of the gift-giving process.

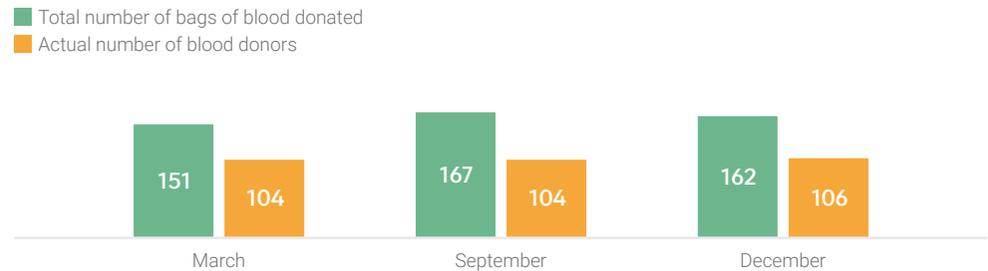


Dear Sam,  
Thank you for fulfilling my Christmas wish, I'm really happy! I really like the gift~  
When I saw you wrote that you had just graduated and entered the workplace, you received my wish to have the opportunity to be Santa Claus. I think this is a very good experience, because there should not be many new people in society who help people in my situation (I guess). I also like to help others, so my dream is to go to Boyo and become a learning counselor. To achieve this goal, I must study hard. I feel relaxed with the MP4 you gave me when I'm stressed. Thank you very much.  
December 25, 2021 Xiao Xuan

Note 1: The photos are not of the people involved and are only a record of the gift-giving process.

Accton has been cooperating with Hsinchu Blood Donation Center for 20 years. The purpose of the quarterly blood donation campaign is to help patients with life-threatening illnesses, hoping to help patients have a better quality of life through this good deed. The staff also empathize with the patients through blood donation activities and give back to the community. In 2021, 314 employees participated and 480 bags of blood were donated. Related charts / figures:

**Number of blood bags donated and number of employees participating in 2021**



Blood donation date	Total number of bags of blood donated	Actual number of blood donors	250cc/person	500cc/person
March	151	104	57	47
September	167	104	41	63
December	162	106	50	56

**JoyTech Environmental Protection and Traffic Civilization Advice**

There were three main directions for the performance in 2021:

- I. The training of volunteers, participating in the training of Shiyan Street Volunteers Federation, explains and responds to the origin and connotation of training. At the same time, we have passed on the spirit and characteristics of volunteers, which are voluntary, unpaid, organized and public welfare, and the spirit of participation, mutual help and dedication, encouraging employees to actively participate in activities and contribute to the development of society. While trying to live and work hard to gain, we do not forget to give back to the society, and our employees and family members participate about 15 times.
- II. We helped support the government to promote the safety of pedestrians and electric vehicles, and to reduce the occurrence of traffic accidents in the society. At the same time, we told people around us to keep a grateful heart and be thankful to the society, and about 15 employees participated.
- III. The volunteer parent-child activity to protect Shiyan River, Yangtai Mountain and Wetland Park called on friends and relatives to participate in environmental protection, to lead their children to start from a young age, to remove environmental waste, and to promote the concept of waste separation and low-carbon living, to cherish and protect the earth together. A total of 20 employees and their families participated in the "Shiyan River Protection" environmental protection activity; a total

of 60 employees and their families participated in volunteer parent-child activities at Yangtai Mountain and Wetland Park.

**Brief description of targets and track records:**

In 2021, Accton planned to set up a volunteer club and hold a number of volunteer courses or activities to encourage employees to be enthusiastic about public welfare and to build consensus among employees. Due to the impact of the pandemic, Accton was unable to achieve this goal as scheduled, and took this opportunity to consider ways to recruit volunteers. In 2022, members of the CSR team designed a reflection course and convened supervisors and employees to discuss the current system and employees' ideas, and after building a sense of agreement and consensus, volunteer leave will be granted in advance for two days and 16 hours per person, and employees can participate in volunteer activities organized by internal or external organizations. In 2021, due to the resurgence of the pandemic, the government policy prohibits gatherings, so JoyTech was unable to organize and participate in activities to give back to the community for the time being. On the other hand, since the pandemic is still uncertain, the short-term goals and medium- and long-term objectives will be revised, and a number of volunteer activities and training courses are expected to be held when the pandemic subsides to encourage employees to give back to the community.

Region	2021 Goals	2021 Results	Short-term Goals (2022-2023)	Medium and Long-term Goals (2024-2026)
Accton Edgecore	<ul style="list-style-type: none"> <li>1. Volunteer club and organize volunteer courses or seminars.</li> <li>2. Organize at least 4 volunteer activities</li> <li>3. Target employee participation: 6% of the total number of employees or approximately 200 attendances.</li> </ul>	<ul style="list-style-type: none"> <li>1. 24 employees participated in the Christmas gift giving activity.</li> <li>2. There were 314 employees participating in the blood donation event, with a total of 480 bags of blood donated.</li> </ul>	<ul style="list-style-type: none"> <li>1. Optimize the volunteer program.</li> <li>2. Organize at least 3 volunteer activities.</li> <li>3. Target employee participation: 9% of the total number of employees or approximately 300 attendances.</li> </ul>	<ul style="list-style-type: none"> <li>1. Organize at least 12 volunteer activities.</li> <li>2. Target number of volunteer attendances: 500</li> <li>3. Encourage suppliers to jointly support social welfare activities</li> </ul>
JoyTech	<p>With the resurgence of the pandemic and government policies prohibiting gatherings, it was impossible to organize and participate more in activities to give back to the community.</p>	<ul style="list-style-type: none"> <li>1. 5 volunteer training sessions were held, with about 15 participants from the Company's employees and family members.</li> <li>2. 15 people were advised on traffic civilization</li> <li>3. 20 people participated in the "Protect Shiyan River" environmental protection activity.</li> <li>4. 60 people participated in the "volunteer family activities in Yangtai Mountain and Wetland Park".</li> </ul>	<ul style="list-style-type: none"> <li>1. It is estimated that there will be 10 volunteer training sessions with 40 participants from employees and family members.</li> <li>2. 20 people were advised on traffic civilization</li> <li>3. 50 people participated in the "Protect Shiyan River" environmental protection activity.</li> </ul>	<ul style="list-style-type: none"> <li>1. Ongoing volunteer training.</li> <li>2. Ongoing Traffic Civilization Advice</li> <li>3. Ongoing participation in "Protect the Shiyan River" environmental activities.</li> <li>4. Care for disabled children in Shenzhen Region.</li> </ul>

## 3.3 Safeguarding Employee Safety and Health

### Occupational Safety and Health Management

**Boundaries: Including manufacturing facilities: Accton Hsinchu Plant 1, Hsinchu Plant 2, Miaoli Zhunan Plant, Taipei, Hsinchu, Taichung and Tainan offices, Edgecore subsidiary, and Joytech manufacturing plant in Shenzhen, China.**

Accton values the performance of occupational safety and health management. In addition to providing a good working environment, Accton has established a company safety culture to reduce occupational safety and health risks. All Taiwan plants abide by the Occupational Safety and Health Law, and JoyTech has independently implemented the ISO 45001 management system. All plants use the Plan-Do-Check-Action framework to establish a safety and health management system for activities, products and services.

#### I. Environmental, Safety and Health Policy:

1. Comply with domestic environmental safety and health regulations, effectively implement and continuously improve the occupational safety and health management system.

2. Continue to promote resource recycling and reuse and industrial waste reduction.
3. Strengthen staff safety education, supplier and contractor safety management, and provide and promote environmental safety and health training.
4. Use automatic inspections to eliminate unsafe actions and environments to prevent accidents.
5. Implement health management to protect employee health and ensure zero hazards in safety.

#### II. Strategy:

The Company established related procedures and systems in accordance with the characteristics of each unit to prevent, track, manage, and report occupational injuries and diseases and implement routine inspections and audits to ensure the safety of employees and the work environment. Annual internal audits and third-party inspections are conducted to ensure compliance with ISO 45001 and related safety and health regulations.

#### III. Goals:

Accton/Edgecore/JoyTech had no major occupational disasters in 2021.

Management Indicators	2021 Goals	2021 Results	Short-term Goals (2022-2023)	Medium and Long-term Goals (2024-2026)
Number of Major Occupational Accidents	0	1	0	0
Disabling Injury Frequency Rate (FR)	Reduce by 50% (Compared to previous year)	Reduce by 60%	Reduce by 5% (Compared to previous year)	Reduce by 5% (Compared to previous year)
Disabling Injury Severity Rate (SR)	Reduce by 30% (Compared to previous year)	Reduce by 36.6%	Reduce by 5% (Compared to previous year)	Reduce by 5% (Compared to previous year)

As the Disabling Injury Frequency Rate (FR=2.61) in 2020 was higher than the industry standard (FR=1.06) of "Total Injury Index for All Industries - Communication and Communication Equipment Manufacturing Industry" published by the Occupational Safety and Health Administration of the Ministry of Labor, the management target FR for 2021 was set as follows: The FR for 2021 is set at 50% lower than that of 2020, and the Disabling Injury Severity Rate (DIR) is set at 30% lower than that of 2020.

Accton adopts the following safety and health measures: 1. Case study: Injury cases are included in the training materials for new recruits and on-the-job training to ensure that new recruits or experienced employees understand the causes of accidents and improvement measures to avoid the recurrence of similar cases. 2. Production line training room: like learning to drive, a machine operation simulation area is set up next to the production line. Before officially operating the machine, the manufacturing department staff will use the simulated production line to familiarize themselves with the operation process and must pass the examination before they can operate the machine. This can ensure that employees not only know but also do, and raise safety awareness to reduce the number and severity of workplace injuries. 3. Multi-angle inspection: Introduce the joint inspection mechanism of supervisors, weekly inspection of environmental safety and health by supervisors at all levels of the factory, from different perspectives, to find potential environmental safety and health risks.

In 2021, the improvement result of FR and SR has been significantly reduced, and Accton will continue to improve and aim to reduce by 5% per year (the previous year is the base year).

#### IV. Occupational Safety and Health Management

To avoid hazards caused by operations, activities or services and facilities, which may result in safety and health of employees or financial loss of the Company, we continuously promote the identification of safety and health hazards, risk and opportunity assessment through the establishment of ISO 45001 safety and health management system, and take appropriate preventive measures or implement necessary control methods to control the risks below an acceptable level.

##### 1. Occupational Safety and Health Committee

Accton has established a Safety and Health Committee, with senior executives and plant managers as chairpersons, which meets quarterly. The number of labor representatives elected by each factory is more than 1/3 of the number of supervisory representatives, in accordance with the requirements of the law.

Taipei, Taichung, Tainan, and our subsidiary Edgecore hold meetings at Accton Plant 1 as a combined office. JoyTech has also established a safety and health committee and holds quarterly meetings.

The Occupational Safety and Health Committee convenes quarterly meetings to discuss the following matters:

- i. Formulation of the occupational safety and health policy and recommendations.
- ii. Coordination and recommendations of the occupational safety and health management plan.
- iii. Safety and health training programs.
- iv. Work environment inspection plans, inspection results, and measures adopted.
- v. Health management, occupational disease prevention, and health promotion matters.
- vi. Safety and health proposals.
- vii. Business units' automatic inspections and safety and health audits matters.
- viii. Preventive measures of hazards from machinery, equipment, and materials.
- ix. Occupational disaster investigation reports.
- x. Evaluation of the performance of onsite safety and health management.
- xi. Contracting business safety and health management matters.
- xii. Other matters related to occupational safety and health management.

The Occupational Safety and Health Committee filed 23 proposals and the completion rate was 100%.

##### 2. Hazard identification and risk assessment

Accton follows the ISO 45001 PDCA management spirit of continuous improvement and has established procedures for hazard identification and risk assessment to control risks to an acceptable level through regular safety and health hazard identification and risk opportunity assessment. The effectiveness of the implementation is submitted to the Occupational Safety and Health Committee for review on a quarterly basis.

The process of hazard identification and risk assessment is as follows:

Environmental Safety and Health Management Unit	All units (Department heads/ assessment unit personnel)	Content items	Document form/ form number
	<p>Audit all operations, activities and related equipment and devices, etc.</p> <p>Identifying hazards and consequences</p> <p>Verification of existing protective measures</p> <p>Assessing the risk and probability of occurrence of hazards</p> <p>Assess the severity of the consequences and determine the risk level</p> <p>Acceptability of risk</p> <p>Determine control measures to reduce risk and opportunities for improvement</p> <p>Verify residual risk after implementing control measures</p>	<p>5.3</p> <p>5.4</p> <p>5.5</p> <p>5.6</p> <p>5.7</p> <p>5.8</p> <p>5.9</p>	<p>"Hazard identification and risk opportunity assessment form" (OFA-AD02000-01)</p>
	<p>Supervise and compile risks and opportunities for priority improvement and present them to the management meeting</p>	<p>5.10</p>	<p>"Environmental Safety and Health Objectives and Program Management Procedures" (ECA-AD02)</p>
	<p>Regular or irregular monitoring and measurement</p>	<p>5.11</p>	<p>"Management Review Procedures" (ECA-AD08)</p>
	<p>Retained for inspection</p>	<p>5.13</p>	<p>"Document and Data Management Procedures" (EOC-DC01)</p>

Safety and health risk assessment personnel are trained to identify hazards and consequences, and the types of hazards that may be caused, according to the operation items each year. They determine the risk level based on the severity of the hazard multiplied by the likelihood of occurrence.

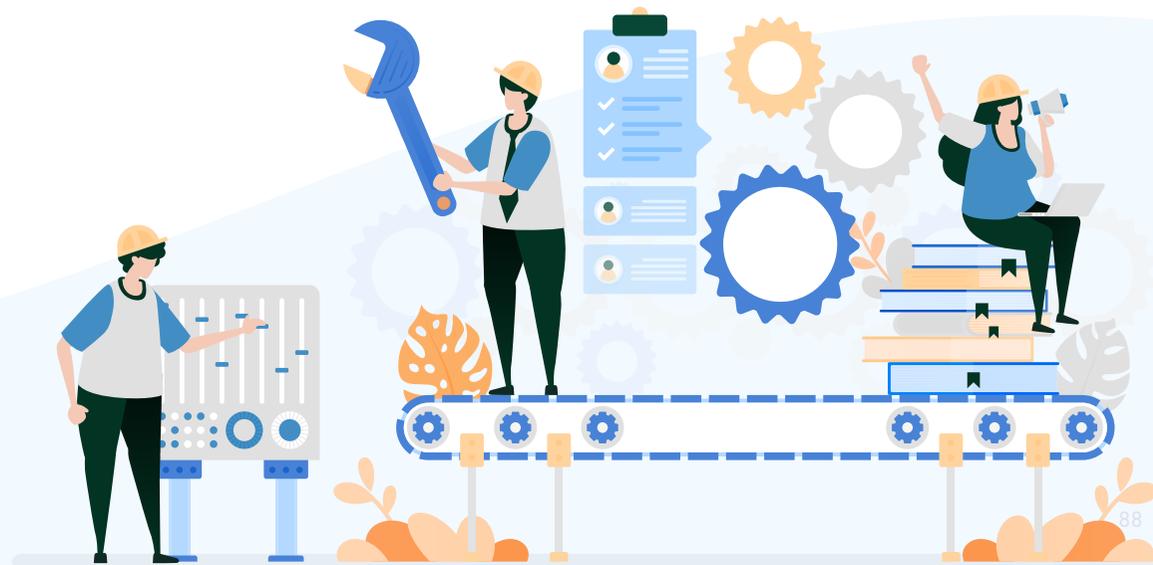
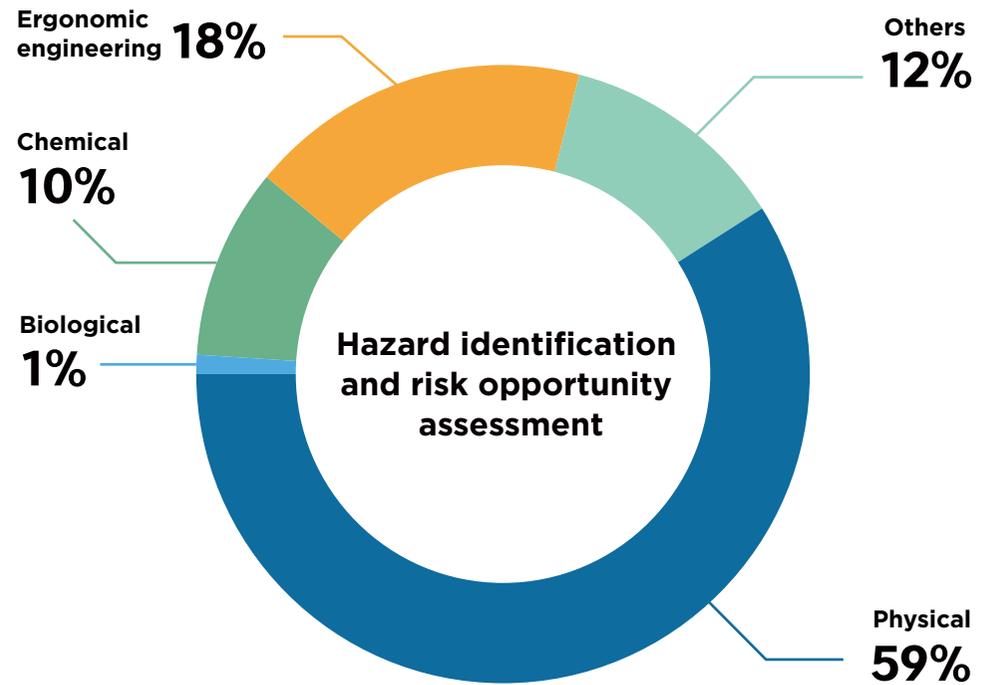
Each unit must prioritize improvement for hazards with a risk rating of level 4 (inclusive) and above. The priority of control measures are as follows: 1. elimination, 2. replacement, 3. engineering control, 4. management, and 5. personal protective equipment.

Risk assessment results:

Accton's main sites, Hsinchu Plant 1, Hsinchu Plant 2, Zhunan Plant, and JoyTech, are included in the hazard identification, including employees and collaborators controlled by Accton in each plant, such as security, cleaning staff, and contractors. The 2021 risk assessment results have the highest percentage of physical risks, followed by human factors and chemical risks.

A. Physical hazards: Since the production equipment is mainly automated and assembly lines, it is common to see hazards such as cutting injuries, high and low temperature contact, and inductive electricity. Therefore, a three-stage approach was adopted to reduce the risks. 1. Newly purchased machine safety inspection: If the purchase of machinery and equipment for the statutory dangerous machinery and equipment, should be inspected and qualified by the inspection agency, is the type of certified machinery and equipment apparatus should obtain TS safety label before use. 2. Hardware safety devices: Accton sets up suitable hardware protection for such risks, such as: setting up shields, light grilles, two-hand switches, safety switches, leakage circuit breakers, grounding wires, etc. 3. Safety operation standard: Develop relevant safety procedures and regulations, conduct safety education and training, and provide various personal protective equipment for colleagues to use.

Among the physical risks, the item with a rating greater than 4 in 2021 was "fire hazard due to improper use of power extension cords". Enhancement measures are: 1. Electrical safety promotion, in addition to the electronic bulletin board to strengthen the electrical safety promotion, the use of series connection is strictly prohibited. 2. Factory-wide inventory and replacement of old extension cords: Factory-wide inventory and replacement of old extension cords, no commodity inspection bureau inspection mark, no overcurrent protection device, no grounding wire. 3. Visual management of qualified products, all the extension lines that have been checked and approved are labeled with "qualified labels for electrical equipment" to distinguish the information and achieve visual management.



B. Chemical hazards: Regularly check the contents of the chemical safety data sheet (SDS), implement the operating environment assessment, and evaluate the risk level according to the Chemical Control Banding (CCB) and priority chemical management related procedures. In addition, we carry out related hazard prevention measures, such as: using lower hazard chemicals instead of higher hazard chemicals, placing chemicals in closed systems, overall ventilation, ventilation and exhaust equipment (local exhaust), wearing personal protective equipment such as gloves and masks, and conducting hazard awareness training.

C. Human-caused hazards: Accton has developed a "human-caused hazards prevention program" to avoid musculoskeletal injuries caused by repetitive operations. Accton's safety and health department employees collect signs of human-factor hazards through different channels, such as sick leave care referral services, employee-initiated information, health examination questionnaire survey, to obtain pain and pain patch

records, medical records or analysis of workstation hazards.

If human-caused hazards are found, analyze the operation and evaluate the human-caused hazard factors and risks. Based on the assessment results, the occupational specialist provides guidance and recommendations, and each department should cooperate to improve the level of work force, work time, work posture, and work frequency in order to reduce or remove the hazards.

3. Continuously promote safety and health implementation projects:

Accton promotes a people-oriented safety culture, controls safety risks, and builds an intrinsically safe working environment, finding improvement opportunities through each training, audit, and drill, and tracking them regularly. The relevant safety and health projects and their implementation are as follows:

Items	Implementation
Regulatory Identification	<ul style="list-style-type: none"> <li>Accton regularly identifies regulations and tracks compliance status at all sites, with a total of six safety and health-related regulatory changes.</li> </ul>
Standardized management process	<ul style="list-style-type: none"> <li>Accton's standardized security management program consists of 51 documents, 11 of which were revised and updated after review.</li> <li>A total of 57 Accton employees have passed ISO 14001/ISO 45001 internal auditor training to strengthen the professional functions of internal auditors.</li> </ul>
Safety and Health Education and Training	<p>Courses: including general safety and health, hazard awareness training, equipment operation safety, kitchen gas safety, industrial safety equipment operation, and annual safety training for contractors...etc. for new and existing employees. A total of 6,178 participants have completed the training.</p> <ul style="list-style-type: none"> <li>100% of Accton's employees and contractors have passed safety and health training.</li> </ul>
Risk Identification and Assessment	<ul style="list-style-type: none"> <li>Implementation of workplace risk identification, and adoption of hierarchical management, prevention or reduction of hazards and risks. 1,309 risk identification and assessment cases have been conducted in 2021.</li> </ul>
Safety Management of Newly Purchased Equipment	<ul style="list-style-type: none"> <li>Accton evaluated the introduction of 46 new equipment safety reviews, with zero false alarms caused by the use of new machines.</li> </ul>
Chemical Management	<ul style="list-style-type: none"> <li>All Accton chemicals have to go through a safety audit process before entering the plant, and 148 chemical CCB classification management assessments have been completed, with zero false alarms caused by the use of new chemicals.</li> </ul>
Contractor Management	<ul style="list-style-type: none"> <li>Accton's contractors performed a total of 628 operations in the plant, with a 100% achievement rate of job site survey and hazard notification.</li> </ul>
Implementation Check	<ul style="list-style-type: none"> <li>Accton's internal audits raised a total of 245 deficiencies, and all deficiencies were improved within the specified time.</li> </ul>

Items	Implementation
Emergency response and evacuation drills	<ul style="list-style-type: none"> <li>In 2021, 5,047 people took part in response drills, including chemical spills, civil defense training, response team training, fire evacuation drills, and confined space rescue drills.</li> <li>Focus on improving the evacuation roll call mechanism: increase the number of evacuation groups and reduce the number of people in each group, which can effectively shorten the roll call time.</li> </ul>
Occupational Disaster Prevention	<ul style="list-style-type: none"> <li>In addition to risk assessment, the depth of accident investigation has been refined, and related improvements have been extended to all plants as a level to reduce the number of disaster cases.</li> </ul>

4. Work Environment Monitoring

To maintain a good working environment, the Accton plants are regularly monitored by occupational health technicians every six months and JoyTech annually according to the law, and the monitoring results are published. The content of inspections include (1) environmental measurements of physical factors: noise and lighting; (2) environmental measurements of chemical factors: carbon dioxide, organic solvents, tin, and metal dust. All monitoring results met government laws and regulations.

5. Exchange of Safety and Health Information

The Company enhanced the exchange of safety and health information and delivers safety and health information to employees at irregular intervals through the Company's internal BBS website, emails, and bulletin boards. We actively participate in seminars and activities organized by the competent authorities to ensure the continuous updates of safety and health information. We hope to increase employees' safety awareness and participation through bilateral or multilateral communication channels and increase protection for employees' safety and health.

In addition to informing employees of the risks of workplace hazards, we also emphasize that in accordance with Article 18 of the Occupational Safety and Health Law and Article 25 of the Enforcement Rules of the Occupational Safety and Health Act, which stipulates the criteria of "immediate danger", employees are informed that if they discover a situation of immediate danger during work, they may evacuate to a safe place on their own, in addition to immediately reporting the situation, and supervisors at all levels and The supervisors and managers at all levels may also order evacuation according to the disaster situation at the time to ensure the safety and health of employees. Employees shall immediately report any safety concerns to their supervisors or occupational safety guards during the course of their employment and shall not be subject to disciplinary action for reporting safety concerns.

Other workers such as security, cleaning staff, and contractors agree on the implementation of safety and health management, health management regulations, emergency and incident notification, etc. through the organization of agreements, hazard notification, etc. If there is a risk of danger during the construction process, the contractor will not only request for improvement on the spot, but will also provide the relevant records to the contractor and the contractor's responsible window to remind the relevant stakeholders of safety and health awareness.

6. Respiratory Protection Equipment Inspection

Respiratory protection equipment is the last line of defense to protect our employees. If it is not properly selected and worn, there is a risk of exposure. In accordance with the Occupational Safety and Health Facilities Regulations, Accton has introduced a tightness testing program in 2020, requiring emergency response team members to conduct tightness testing at least once a year to ensure the health and safety of employees during response.



7. The migrant dormitory is included in the regular audit of safety and health

Accton Technology not only takes care of the safety of our employees at work, but also the safety of their accommodation. Therefore, the Occupational Safety and Health Department conducts monthly audits of migrant worker dormitories to check six major aspects, including "building safety," "electrical safety," "fire safety," "food hygiene," "environmental cleanliness," and "epidemic prevention measures," etc. With the assistance of Accton's safety and health professionals, the management company of migrant worker dormitories is guided to make continuous improvements and bring into play the partnership and mutual assistance, which is a rare management measure in the industry.

During the epidemic period in 2021, OSH adopted rolling management according to the risk of the epidemic, increased the frequency of inspections from monthly to every other week, and included epidemic prevention measures (disinfection measures, epidemic prevention promotion, mask wearing, footprint registration, and visitor contact system) in the safety and health audit to ensure a safe and healthy living environment for foreign employees. A total of 58 deficiencies were found in 2021, and the relevant deficiencies were registered and tracked for improvement.

## V. Management effectiveness

1. Five indicators of safety and health management performance

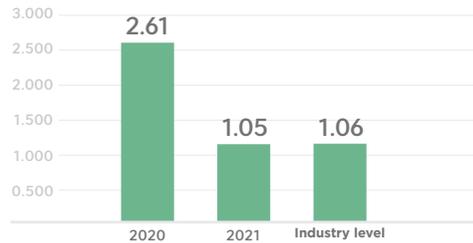
Items		2021 Goals	2021 Results	Achievement rate (%)
Proactive Performance	Safety and Health Training (Attendance)	6,178	6,178	100
	Contingency Exercise Participation (Attendance)	6,725	6,725	100
	License Education Training (Attendance)	129	129	100
Passive Performance	Number of Fines (Cases)	0	0	100
	Completion Rate of Investigation and Improvement of Occupational Disasters (%)	100	100	100

2. Occupational Safety and Health Statistics

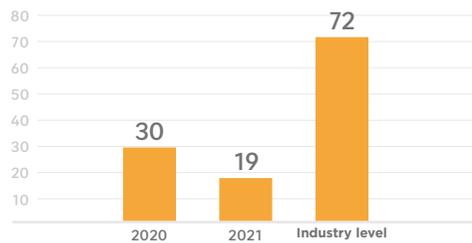
Accton established the "Accident Investigation Management Procedures", which apply to accidents involving our employees, contractors, or providers of outsourced services at the workplace, company events, or business travel. The health management unit shall provide medical care in accordance with the "Employee Injury and Illness Management Regulations" for injuries to personnel. It shall also notify the environmental safety and health management unit to carry out accident investigation and handling operations. Where the occupational safety and health requirements are not met, improvements must be implemented in accordance with the "Management Procedures for Corrective and Preventive Measures".

Accton/Edgecore/JoyTech had 0 fatalities, 1 major, and 0 occupational illnesses during 2021, and the contractor had no occupation injuries. The statistical records of occupational injuries reported are as follows (excluding traffic accidents outside the plant):

**Disabling Injury Frequency Rate (FR)**



**Disabling Injury Severity Rate (SR)**



Occupational injury category	2020	2021	Industry level
Number of occupational injuries can be recorded	23	10	-
Work hours lost	2,144	1,432	-
Work days lost	268	179	-
Disabling injury frequency rate (FR) (round to three decimal places)	2.610	1.050	1.06
Disabling injury severity rate (SR) (no decimals)	30	19	72
Frequency- severity indicator (FSI) (round to two decimal places)	0.28	0.14	0.28

Note: Disabling injury frequency rate (FR) = (number of people who suffer disabling injuries X106)/total work hours

Note: Disabling injury severity rate (SR) = (days lost due to disabling injuries X106)/ total work hours

Note: Frequency-severity indicator (FSI) =  $\sqrt{[(FR \times SR) / 1,000]}$

Note: Total work hours: 8hr \* total number of work days per month \* number of people per month for the entire year.

Note: Workers consist of employees and personnel of outsourced service providers (temporary workers) employed at Accton sites under Accton's management, such as security personnel and cleaning personnel.

Note: The source of the industry injury index is from the 2021 data of "Frequency-Severity Indicator of Industries - Communication and Communication Equipment Manufacturing Industry" published on 2022.03.08 by the Occupational Safety and Health Administration of the Ministry of Labor

In 2021, there was a major accident at the JoyTech facility involving a forklift crash. The main reason was that the stack of goods was too high and blocked the driving line of sight. Improvement measures: 1. Separation of pedestrian and vehicle traffic on roads, 2. promotion of vehicle management regulations, 3. control of forklift keys, 4. management of qualified forklift operators' licenses, 5. setting up forklift managers to supervise the safety conditions in the operation area to avoid similar incidents. As for the other recordable types of injuries, such as bruises, smashes, rolling clips, and cuts, overall, we have installed soft impact guards and anti-clip shields on the equipment, and implemented improvement measures such as safety promotion and provision of gloves for operators to use.



3. Occupational Safety and Health Management System

To ensure a safe and healthy working environment for all employees, contractors, and visitors in the production process, Accton implements safety and health controls in accordance with ISO 45001 and obtains third-party certification, which is continuously updated annually to ensure accurate operation in accordance with the standards. Accton's main plant has been verified, and the occupational safety and health management system and the execution of internal and external audits cover the following plants with 4,513 employees and 1,039 non-employee workers, a coverage rate of 100%.

Plant	Hsinchu Plant 1	Hsinchu Plant 2	Zhunan Plant	JoyTech
ISO45001	V	V	V	V



Accton related ISO certificates are available on Accton's public website:  
<https://www.accton.com/esg-documents/>

4. Contractor E management system project results

To improve the efficiency of contracting management, we ensure that the construction application and hazard notification are completed before the contractor enters the site. In 2021, Accton introduced the contractor E management system, which not only improves the efficiency of contractor management, but also enhances the safety awareness of contractors, such as: reducing the number of times contractors come to the factory for replacement or mailing, improving the efficiency of data management and data accuracy, reducing the communication time between the two sides by phone and mail, and the exact control of construction personnel entering and leaving, which can identify whether the construction personnel have completed training and construction application by swiping the security card.

Accton's E-system management process for contractors: application, review and approval, all processes can be operated instantly through different devices such as computers, cell phones, and tablets.



5. Introduction of AGVs and Labor-saving arms for Unmanned Mover

The most common type of occupational disease in Taiwan is occupational injury related to ergonomics, in which the frequency and weight of lifting is significantly related to the symptoms of discomfort in various parts of the body, and occupational disease experts suggest that workplace redesign should be carried out in such places.

Accton's Zhunan and Hsinchu II plants also have manual handling operations. Therefore, in 2021, we introduced AGVs and electric hydraulic trucks to effectively reduce the risk of ergonomic injury and save staff time for handling and walking around to improve production efficiency.

In addition, in the product packaging area, because the weight of the product is greater than 20 kg, so the "labor-saving arm" is set up at the work site, replacing manual operation with mechanical equipment, which can effectively reduce the risk of musculoskeletal injuries.



6. Strengthen the safety protection in the kitchen of Accton Hsinchu Plant 1

According to the statistics of the National Fire Agency, kitchen fires are the top 4 (11%), and the number of incidents has increased from less than 100 in the early years to more than 1,500 every year, which makes companies pay more attention to kitchen safety.

Accton's Hsinchu Plant 1 is an early-stage plant. In order to reduce the risk of fire, an automatic gas fire extinguishing system has been installed in the cooking area and a water washing system has been installed in the fume exhaust pipe. However, to improve the overall disaster safety of the kitchen, a fire sprinkler system has been installed in the kitchen in 2021.

A sprinkler system can suppress fires and reduce indoor temperatures and harmful gas concentrations in a short period of time. In case of fire, up to 99% of the fires will be sprinkled with water; nearly 70% of the fires can be controlled or extinguished by no more than 4 sprinkler heads, especially when no one is on the scene, and the purpose of early fire extinguishing can be achieved.



7. Additional fire-fighting equipment at Accton's production site

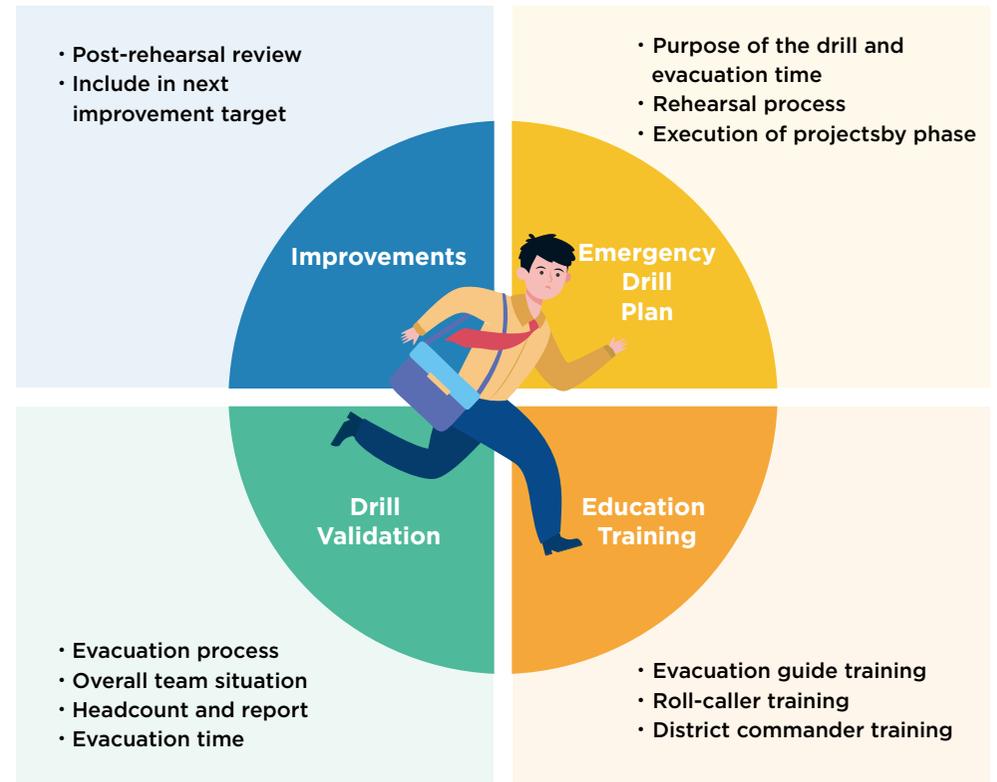
In order to reduce the time of obtaining a fire extinguisher and to efficiently increase the plants ability to extinguish fire, we increased the number of 20-pound fire extinguishers and 100-pound wheeled fire-extinguishers in 2021. Also, we increased the number of fire-fighting teams and provided more fire-fighting training.

Specific advantages are as follows:

- A. Increase the number of fire extinguisher settings to reduce pick-up time and distance for quick initial response.
- B. Add 100 pounds of wheeled fire extinguishers to improve fire suppression performance and provide a second wave of additional fire suppression measures.
- C. Increase the number of firefighters on each floor to improve the speed of emergency response and prevention.

8. Optimization of evacuation drills

Accton's evacuation drills are designed not only to meet regulatory requirements, but also to provide regular training so that employees are aware of the escape routes, exits and assembly points in case of an emergency evacuation, and to strengthen their disaster prevention and response capabilities. Every year, we optimize the rehearsal process based on the P-D-C-A continuous improvement concept.



Accton and Edgecore have established a more complete training and roll-call mechanism in 2021, which will be improved in three directions: pre-training, evacuation verification, and post-review.

1. Designated group number, each unit has its own number and meeting place, which can reduce the time for employees to find the group in the assembly area.
2. Newly set up roll-caller training, using slogans and hand signals to make the whole team neater and maintain discipline during evacuation.
3. Improve the number of groups. In the past, the number of district commanders who needed to take roll was more than 100, which caused the roll call to be time-consuming. This time, the group was limited to 40 people, and the roll call was reported to the district commander by the roll caller, who then counted the number of people in the district and reported it to the deputy commander, shortening the roll call time through quick reporting.

In 2020, the evacuation drill for the day shift at the Zhunan plant took 25 minutes for 654 people. In 2021, the total number of people increased by 19%, and through process improvement, the evacuation drill for 781 people, including roll call, took only 13 minutes to complete. This optimized roll call mechanism effectively reduces the roll call time by 48% and quickly grasps the number of people who should and should not be present. The e-Rolling mechanism will be introduced later to further shorten the roll-call time.

With the spirit of continuous improvement, Accton reduces plant safety and health risks through prevention, adequate communication, effective training, and regular audits to provide a healthy and safe working environment for employees and improve the resilience of the Company's operations.

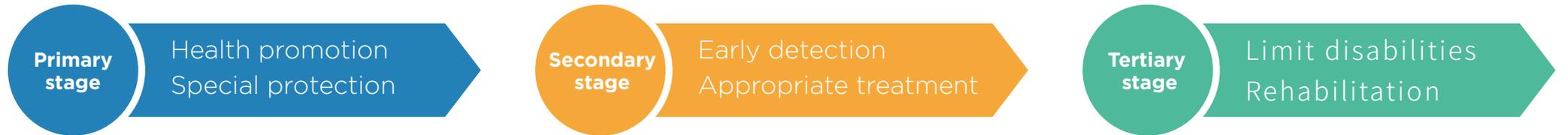


## Occupational Health Services

The Company upholds the concept that the health of employees is the most important asset, and has been working together with occupational nursing professionals, occupational medicine specialists, nutritionists, and smoking cessation pharmacists to conduct health management and health promotion activities to create an excellent and healthy workplace. Since 2011, occupational medicine specialists have been hired to provide clinical services in compliance with regulations. Moreover, a health management system, Access, has been set up to update data and import employee health examination reports at any time. The data can be used to analyze and implement health management and health promotion activities, with the hope of early detection and early treatment of diseases. This process is based on the three-stage and five-level framework of preventive medicine. The following is the business content structure:

## Fitness inspections/health examinations/inspections for special operations

We provide physical and health checkups for new recruits, personnel who are required to be inspected by regulations, and special operators. Additionally, follow-up reinstatement evaluations by nurses and professional occupational health specialists are conducted to protect employees' health and right to work. To prevent the occurrence of occupational diseases, we work with relevant units to protect and promote the health of employees. We do not only strictly comply with regulatory standards but also go above and beyond to protect the health of employees. For example, if the noise level in the workplace is >80 dB, we will arrange for employees to undergo a noise medical examination and avoid unsuitable work after assessment. As a result, there have been no occupational disease, deaths, or confirmed cases of occupational disease diagnosed by occupational medicine specialists in the past five years.



### Physical examinations

- Pre-employment physical examinations Health Management

### Health Management

- Graded management of physical examination/assignment based on fitness for work
- Special operations rotation assessments
- Protection for personnel on business travel
- Maternity health protection program
- Middle-aged and elderly protection program
- Respiratory protection program (in charged by Occupational Safety and Health Department)
- Human factors engineering musculoskeletal injury prevention program (in charged by Occupational Safety and Health Department)
- Unlawful infringement prevention program (in charged by Human Resources Department)

### Health Promotion

- Health promotion activity- living with the pandemic
- Vaccination
- Drug-free workplace
- Hepatitis A vaccine subsidies for colleagues with Hepatitis B and C

### Secondary stage

Early detection  
Appropriate treatment

### Health checkups

- Health checkups superior to regulatory requirements (Cancelled this year due to the pandemic)
- Special operations health checkups

### Health Management

- Health checkup - graded management/assignment based on fitness for work
- Burnout prevention and protection program
- Biologic markers - blood lead level
- Daily health reports
- Hepatitis tracking
- Blood glucose testing activities
- Psychological counseling referrals
- Nutrition and smoking cessation counseling

### Health Promotion

- Female health protection activities
- LDCT/DXA tests

### Tertiary stage

Limit disabilities  
Rehabilitation

### Health Management

- Injury and illness care/return to work assessments
- Major illness case tracking
- Group insurance (in charged by Human Resources Department)
- Paid leave for major illnesses (in charged by Human Resources Department)



## Health Management

Each year we provide employees with comprehensive physical health examinations that are superior to regulatory requirements. From the examination data collected, we compare and analyze against the top ten diagnosed cancers in the country and work with occupational medicine physicians to develop health checkups that are exclusive to Accton employees. For example, we provide electrocardiogram and abdominal ultrasound examinations, vitamin D tests for middle-aged and elderly employees, prostate cancer tests for male employees over the age of 45, hepatitis tests for new employees, and carotid artery ultrasound for groups with higher risk of cerebrovascular diseases. We aim to track and prevent these diseases as early as possible and organize special medical inspections for employees at special workstations. With Access, a health management system, we compile data and employ occupational health specialists to prevent any occupational injuries and illnesses. The aim is to guarantee that the operating environment does not affect the physical and mental health of employees.

## Health Promotion

Each year, based on the analysis of physical/health examination reports and feedback and suggestions from employees, we also take into account epidemiology and current events to plan health promotion activities, such as the New Life Series, nutrition counseling, blood glucose testing, vaccination and other diversified activities. In addition to encouraging the participation of high-risk groups, we also provide a variety of gifts to enhance employee participation and set up an anonymous satisfaction questionnaire for each event. The satisfaction rate of each activity is over 95%.

To provide employees with access to information about health activities through multiple channels, we make use of e-publications, posters, and the Company website. Additionally, we requested migrant agencies to post it on their fan pages to notify each employee.

In addition to protecting employees' health, we also set up related mechanisms to protect the confidentiality of personal health information:

1. The Company's medical personnel have medical licenses and must comply with laws and regulations related to their professions.
2. The contracts signed with partner hospitals stipulate the confidentiality obligations of both parties.

Accton encourages employees to report any health issues or discomfort so that the Health Management or Occupational Safety and Health Division can implement timely interventions. The Divisions shall assess the necessity of improvements of the environment or work adjustments and take immediate actions to prevent occupational injuries and illnesses. All in all, Accton is committed to ensuring employees' work performance in a safe and healthy environment where all employees are treated equally.

## Promotion of worker's health

Accton Group has been recognized for its promotion of a healthy workplace and has been awarded the "Healthy Workplace Certification - Health Promotion Label" by the Health Promotion Administration of the Ministry of Health and Welfare in 2017, 2019, and 2021, with plans to renew the certification in 2023. In 2019, we received the "Health Management Award", "Health and Care Award" in 2020, and "Maternal Health Friendly Award" in 2021 from the National Health Service of the Department of Health and Welfare. We will continue to work towards the goal of winning the awards in 2022 as we strive to provide a better work environment for our employees.



The following are the health promotion activities in 2021:

Items	Main Theme of the Activity	Actual Results
New life in immunization	Since health talks and other activities were canceled due to the COVID-19 epidemic, and because of the impact of COVID-19 on our living habits and state of mind, we adjusted our annual health promotion program and designed a series of activities to promote and educate our colleagues and family members to implement a new life of epidemic prevention, develop proper hygiene habits, and present our psychological feelings through pen and paper and drawings to express our state of mind.	A total of 1,269 people participated in the three events, including dependents, with a 100% achievement rate.
Women's health	We invited outside vendors to conduct gynecological examinations for employees to increase convenience and further enhance employees' willingness to undergo examinations. Employees can choose examination items at their own expense according to their needs, including: Pap smear, thyroid ultrasound, gynecological ultrasound, breast ultrasound, and mammography examination. Employees with abnormal screening tests are included in the health management of special groups, and their return status is followed up regularly according to their diagnosis.	290 people participated in the examinations, and we used follow-up reports to track whether those with abnormal results sought follow up medical attention. The satisfaction rate was 95%. Satisfaction rate is 95%.

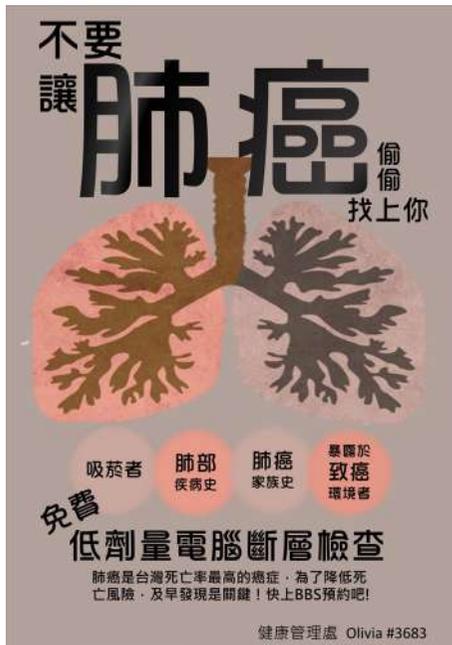


New activities for a new life of epidemic prevention - Words from the heart of epidemic prevention



Women's health

Items	Main Theme of the Activity	Actual Results
Low-dose computed tomography (LDCT) for lung cancer screening	We encourage employees who smoked or employees and their dependents with records of lung cancer in the family to take part in the examinations.	55 people participated, of which 4 were found to have significant abnormalities and were subsequently referred to the outpatient clinic for treatment and follow-up, and were included in the case tracking management target.
Dual-energy X-ray absorptiometry (DXA) bone density test	We encourage female employees and their family members aged 40 and above to take part in the examination.	43 people participated, and 6 people had osteoporosis. We enhanced health education and included them in the priority quota in alternate years, and developed the habit of regular follow-up.
Flu vaccine administration	Since October is the peak of the influenza epidemic, to enhance the resistance of employees, we provide influenza vaccination at the factory to increase the willingness of employees to receive the vaccination.	A total of 240 employees participated in the vaccination and the satisfaction rate was 100%.



Lung cancer screening



Bone density testing

## Protection Plan

We jointly executed the Protection Plan with the Human Resource Division and EHS Management Division in accordance with the regulations of the Occupational Safety and Health Administration and launched the business travel protection plan for employees on overseas business travel.

### (1) Maternity Health Protection Plan

Accton Group is committed to the maternal health protection program and the concept that employee health is the most important asset. In addition to the implementation of the program in accordance with the law, the Accton Group has been awarded the "Maternal Health Friendly Award" by the Health Promotion Administration of Ministry of Health and Welfare in 2021.

\*For women of childbearing age: We added thyroid-stimulating hormone testing to the annual health checkups, provide gynecological disease screening, and provide gynecological health education through sick leave care for employees on physiological leave. In addition, together with occupational safety personnel, we conduct a plant-wide work environment assessment twice a year. If it is determined that the unit contains dangerous or hazardous work, additional education and training for supervisors and single employees of childbearing age will be conducted to enhance their knowledge on the risk of hazards. If employees have pregnancy plans, they can adjust their workstations as soon as possible to reduce the risk of embryonic abnormalities.

\*For pregnant women: In order to encourage pregnant employees to take the initiative to report pregnancy at an early stage (within 3 months) and to intervene in the protection program as soon as possible, we are offering a generous mother's gift to encourage employees announce their pregnancy news. The two-pronged approach ensures that employees can work in a safe environment. After starting the protection plan, the employee's work nature, environment, and physical and psychological condition will be evaluated by the employee, supervisor, occupational safety personnel, occupational nurse, and occupational medicine specialist by filling out a form to provide professional advice, assist in workstation adjustment, and provide health education guidance during each pregnancy. For the production line employees, we provide pink dust-free clothing so that they can be more alert and avoid collisions, and if pregnant colleagues need assistance during their work, colleagues can also show their goodwill to build a friendly workplace environment.

\*For women after childbirth: We take the initiative to call and care for our colleagues within 20 days after delivery. We hope to detect any postpartum depression as early as possible through phone calls and provide free psychological counseling services to

prevent postpartum depression from being ignored and causing future harm. When employees return to work, the work environment will be assessed again to prevent the health of the mother and baby from being affected by the work surrounding. If employees need to breastfeed their children, we provide a breastfeeding room certified by the Hsinchu City Health Bureau. The above measures are the Accton Group's efforts to protect female workers, with satisfaction rates of 91.86% for pregnancy and 93.05% for postpartum, and will continue to be adjusted on a rolling basis for the purpose of building a healthy maternal environment, sustaining a healthy workforce, and increasing the fertility rate.



### (2) Overloading Protection Plan

The Company calculates the results of the overwork questionnaire in the annual health examination based on the Framingham Risk Score to compile a list of high-risk individuals for follow-up protection measures. For instance, we provide the carotid artery ultrasound inspection during the health examination to determine whether there is a blockage in the blood vessels in order to make work adjustments as early as possible. In addition, we implement routine patient care services to actively identify employees that require care and ask them to fill out questionnaires. We organize interviews and health education with occupational health specialists or health education by nurses based on the risk level and include them in the long-term follow-up care list based on actual case conditions. The completion rate was 100%.

(3) Reinstatement Fitness Protection Plan

We arrange reinstatement fitness evaluations based on the changes in the employees' physical and mental health conditions. The sources include the employees' physical and health examinations, sick leave system, or proposals from employees or supervisors. We use a diverse range of channels to provide employees with more comprehensive protection and help employees attain physical and mental balance between work and life. Nurses use telephone and e-mail to learn about individual cases and arrange onsite consultation and evaluation by doctors based on conditions of individual cases to help employees return to work. We continue to provide care for individual cases that have not been closed and enhance care for individual cases each year to actively provide mental support.

We implemented 4,608 evaluations of sick leave and fitness to work. The top 3 results in the data are provided in the table below:

Sick leave category (top 3)	Number of employees	Ratio %	Nursing services/health promotion/referral
Respiratory system	1,332	28.9	Flu vaccination
Period pain	1,302	28.2	1. Use of hot water bags and heat patches 2. Menstrual cycle evaluation questionnaire
Digestive system	382	8.2	1. Restaurant allergen labeling 2. Enhanced health education on dietary sanitation

(4) Business Travel Protection Plan

We include employees who travel overseas in the protection program. We use the Access Management System to calculate employee health risk ratings and provide health education and guidance based on the destination. The Company provides vaccination subsidies, masks, disinfectant alcohol, and simple wound dressing kits for employees on business trips. We also signed contracts with International SOS organizations to provide medical consultation, medical evacuation, and personal safety protection services for employees on business trips. After employees return home, the nurse provides health education guidance until the case is closed when the employee exhibits no issue with his/her health conditions, 21 days after returning.

**Pandemic Prevention Policy and Responsibilities of Each Unit**

The COVID-19 pandemic has devastated the world since 2020. Accton's chairman established the Pandemic Prevention Command Center and appointed the Vice President as the Pandemic Prevention Commander to lead the Health Management Division, Human Resources Division, Occupational Safety and Health Division, Information Technology Division, and General Affairs Department. We developed joint pandemic prevention measures and established five levels of response measures based on information provided by the Centers for Disease Control and the development of the pandemic. Taiwan is currently at level 3: Cases from foreign sources. We have mainly implemented level 4 and level 5 pandemic prevention measures based on the recommendations of the Health Management Division to ensure a higher level of implementation and prevent the pandemic from spiraling out of control. Recipients of pandemic prevention protection: All employees of Accton Group as well as contractors and customers. The Hsinchu head office is the center of pandemic prevention measures. We have expanded the measures to other units such as plants and offices in Taipei, Hsinchu, Zhunan, Taichung, and Tainan. Overseas units such as the Shenzhen plant and the office in the United States are both key targets for protection. We seek to provide care to every Accton employee.

Members	Main Responsibilities	Work Content
Commander in Chief	Pandemic prevention policy	Provide necessary pandemic prevention resources, direct pandemic prevention tasks in plants, and oversee the results of the current pandemic prevention tasks.
Human Resources	Formulate and announce administrative orders and plan leave and pay regulations	<ol style="list-style-type: none"> <li>1. Formulate regulations for the management of attendance during the pandemic prevention period (including autonomous management and reporting by high-risk personnel, travel management, migrant worker management, principles for granting leave (pandemic care leave and pandemic prevention leave) and salary, and measures for workers' compensation and penalties).</li> <li>2. Plan the pandemic prevention grouping, office zoning, and employee movement control mechanisms.</li> <li>3. Communicate the Company's pandemic prevention policy to human resources agencies</li> </ol>
Health Management Division	The Division provides assistance in pandemic prevention plans, communicates pandemic prevention measures, and follow-up on employee health conditions. It also plans pandemic prevention supplies and related pandemic prevention measures.	<ol style="list-style-type: none"> <li>1. Personal hygiene and self-protection, including correct usage of masks and reporting cases. It provides appropriate information on pandemic prevention.</li> <li>2. Plan and continuously update the required pandemic prevention materials, review the specifications of pandemic prevention materials, and coordinate with procurement and material management personnel to acquire and store sufficient quantities of materials based on the decisions of the pandemic prevention organization.</li> <li>3. Develop and implement health statements and management principles for visitors and contractors during pandemics in accordance with the pandemic prevention requirements. The measures shall be used as the basis for managing the entry of visitors, contractors, and long-term onsite contractors.</li> <li>4. Plan necessary medical resources and personnel evacuation measures in the event of infections. Develop and implement case reporting and procedures for obtaining medical services.</li> <li>5. Implement employee temperature monitoring for entry, abnormal temperature notifications, employee health management tracking and vaccination promotion.</li> </ol>
EHS Management Division	Assist in pandemic prevention audits.	<ol style="list-style-type: none"> <li>1. Audit the pandemic prevention measures of each unit in plants, including the management of dormitories of migrant workers and the implementation status in each plant.</li> </ol>
General Affairs	Assist in matters related to the environment such as disinfections, separation of the movement of personnel, and visitor/contractor management.	<ol style="list-style-type: none"> <li>1. Plan the emergency response measures and management measures for separating employees' and contractors' dining areas to meet all pandemic prevention requirements.</li> <li>2. Assist in planning the pandemic prevention grouping, office zoning, and employee movement control mechanisms.</li> <li>3. Assist in the acquisition of pandemic prevention resources.</li> <li>4. Develop and implement all levels of disinfection and emergency disinfection procedures for each plant.</li> <li>5. Assign security personnel to assist in the management of visitor and contractor entry into plants.</li> <li>6. Plan the layout of the cafeteria to ensure pandemic prevention, including installation of partitions and seating plans that ensure social distancing.</li> <li>7. Create outdoor meeting areas to reduce the chance of virus transmission by reducing the number of visitors inside the offices and plants.</li> </ol>
Information Technology Division	Software planning and IT equipment planning.	<ol style="list-style-type: none"> <li>1. Set up software/hardware equipment and establish comprehensive systems to facilitate remote work in accordance with information security requirements.</li> <li>2. Set up the online pandemic prevention section, pandemic prevention notification system, online pandemic prevention questionnaire, and other pandemic prevention-related functions and settings.</li> <li>3. Include the health statement in the visitor application system and adjust the content based on the development of the pandemic.</li> </ol>
Zhunan Plant	Pandemic prevention at Zhunan Plant	The plant conditions are adjusted in accordance with the Pandemic Prevention Policy of the head office. Maintain smooth communication channels with Lextar Electronics in Zhunan to coordinate the implementation of both companies' policies.

In terms of epidemic prevention measures, in addition to considering the Company's operations, the guidelines announced by the CDC are used as a benchmark, and epidemic prevention equipment such as infrared temperature measurement and face temperature measurement identification, as well as epidemic prevention materials such as masks, alcohol, and automatic disinfection machines are distributed to each office area in proportion to the number of employees to provide personal epidemic prevention and environmental cleanup. We have also upgraded our work and rest area epidemic prevention measures, including the use of independent elevators, separate dining management on each floor and the use of partitions for dining and resting, partitions and separate flow management in the smoking area, partition control in the toilet sinks, partition management in the rest area, and regulation of cross-area travel between each plant and office, implementation of mutual aid quick screening for education and training throughout the plant, and management of foreign dormitories. In addition, we promote many epidemic prevention measures, such as vaccination, and control of external visitors, such as filling out health declaration forms, limiting the scope of visitors' activities, and increasing the frequency of public disinfection throughout the plant and offices, in order to build a solid wall of epidemic prevention from the inside out and protect the safety and health of all employees.

### Care for Employees that Tested Positive for COVID-19

In June, 2021, the epidemic had been escalating and a series of confirmed infections among migrant workers occurred in technology factories in Zhunan, Miaoli, and Accton was also affected. Accton has long been a people-oriented company, taking care of the lives and health of its employees as its priority, and continuously building welfare measures to take care of employees and their families. The confirmed cases of migrant workers caused panic among other employees and worries amongst their families. For example, during the period of hospitalization and convalescence, Accton was worried about the physical and psychological impact of the diagnosis, and quickly directed the establishment of an "Employee Care Team." During the COVID outbreak, Accton provided assistance to employees and their families, such as the cost of accommodation in quarantine hotels or centralized quarantine facilities, the delivery of living supplies and meals during hospitalization, medical resources, arrangement of quarantine taxis, and also for employees' pets at home. Some employees asked their supervisors to look after their pets. All these were done in the hope that employees will receive the best care and attention.

If a person is unfortunately infected, there is no need to panic, and 90% of the people can recover from the disease without any after-effects. *And in Accton, we do not need to worry, because the Company will take care of us. Accton's kindness to its employees is to make them worry-free, so that they can live a happy and secure life, even more so in the midst of the pandemic.*

*You probably may still be afraid and do not want to come into the Company, but in fact when you think about it, the virus is everywhere, many things you cannot escape and will disappear. You can only choose to face it and learn how to manage it in order to come out of the predicament. No one can help you overcome the pressure in your heart, only you can.* On June 14, the Dragon Boat Festival, Ken and I went out again to complete a task: to help our colleagues at the clinic take their dogs to the pet hotel. Is it a scary thing to walk into a diagnosed person's home? For many people, and naturally for both of us, *but we can't let our diagnosed colleagues worry about their dogs. It's the right thing to do, so we do it, provided of course that we are well protected.*

Finally, is life against the pandemic over? I don't think so, in fact it has just started. In my personal opinion, the epidemic will improve in the next 6-12 months, but it will not end. It will be difficult to go back to the life we used to live because there are too many asymptomatic or mild cases. I suggest that we treat everyone as a diagnosed person and every object we touch as if it was touched by a diagnosed person, and use this principle to protect ourselves. You may ask me, "So you won't get it? Of course not, there is always a chance of infection, just as there is a need to achieve 100% yield in the production line. *But when a diagnosis is really confirmed, we should be able to prepare ourselves to face it. At Accton, you will not be alone, everyone will be with you through it.* In addition, afterwards, if there is a vaccine available, people should get it. The vaccine will not necessarily make you immune, but it will allow you to avoid the risk of serious illness, like the flu.



Retrieved from "My days fighting the epidemic at Accton's Zhunan plant" Accton's Senior Vice President, Mr. Hsun-Te, Li  
<https://bit.ly/3HGGr2A>



Relevant article: "Come, sit next to me" (Life in the post-pandemic era)  
<https://bit.ly/3y4Jg0n>

## Migrant Management and Care

Accton is also aware that the various pandemic prevention measures are only the foundation, while the large living area of migrant workers, the management of accommodation and living, and the different languages, it is not easy to receive and identify information about the pandemic. In 2021, we optimized our approach by conducting the following measures:

Continuous dormitory load reduction, migrant dormitory diversion	Each room is limited to 4-5 persons and each room has its own bathroom. The dormitory rooms are arranged according to the working area, department and floor, and those with the same department and work position are arranged in the same dormitory room. Define the washroom and laundry room that can be used by the migrant workers on each floor and distinguish the time of use, and clean and disinfect them after each level of use for the next level of use.
Line@Pandemic Prevention Policy	By eliminating the need to relay information directly to employees through supervisors and assistants, employees are better informed of changes in the epidemic and the Company's response measures, such as the Filipino language pandemic e-newsletter and the pandemic prevention measures announcement.
Employee health report	<ol style="list-style-type: none"> <li>1. Vaccination report: Register the vaccination result through cell phone to grasp the staff vaccination rate.</li> <li>2. Self-health notification: If an employee is not feeling well, he or she can be notified via cell phone to keep track of his or her physical condition in real time.</li> </ol>
Enhanced life management and medical assistance	<ol style="list-style-type: none"> <li>1. mplementation of outbound management: Migrant workers who need to go out must fill out the migrant outbound notification system to inform the time and place of going out, so as to facilitate the implementation of TOCC management.</li> <li>2. Reduce the need for migrant workers to go out: The dormitory helps migrant workers to buy food or daily necessities and masks in order to reduce their need to go out.</li> <li>3. Keeping track of the health status of migrant workers and assisting those who are unwell to seek medical treatment. We are always concerned about and aware of the health condition of migrant workers, and assist them to seek medical treatment if they have fever, headache, runny nose, sore throat, cough, muscle pain, tiredness, diarrhea, abnormal smell and taste, etc. If a migrant worker has symptoms of suspected severe SARS, the migrant will be quarantined immediately in a one-room apartment, in addition to being assisted in seeking medical treatment as soon as possible.</li> </ol>
Dormitory supplies three meals	During the pandemic period, non-working migrant workers were provided with three meals in the dormitory by the Company.
Production line personnel are provided with protective equipment	<ol style="list-style-type: none"> <li>1. Each person is provided with a protective mask for effective protection.</li> <li>2. Each line is dispensed with special disinfection alcohol, with the line at any time to carry out cleaning and disinfection action.</li> </ol>
Establishment of each building/floor/room cadre	We have set up cadres in each building, floor, and room to establish independent management of migrant workers' lives and conventions, and integrate them with factory performance.

CO2 sensor monitoring	Confirm that the lounge space is not overcrowded with people and that the CO2 concentration does not exceed 750 PPM.
Dormitory rolling fast screening	Each dormitory is screened and the status of the quick screening is reported.
Migrant Confirmation Care	Provide medical and living assistance, material assistance, care, support and encouragement to our diagnosed employees.
All Employee Pandemic Prevention Activities	A total of 655 people participated in the pandemic prevention experience sharing activities. Vaccination experience sharing, a total of 30 people attended the sharing.

**Pandemic Prevention Activities Sharing**

Since the outbreak of the pandemic, everything that we are familiar with has been disrupted and no one can predict how life will change. The crisis has brought changes and inspiration to Accton employees, who know how to face the changes with optimism, put aside prejudices, learn to cherish and be thankful, and have a total of 655 participants in the pandemic prevention experience sharing activities.

**Share at the right time, do your part**

Since the situation cannot be reversed within a short period of time, then try to peacefully coexist, prefer to do long-term warfare psychological preparation, preparedness and do not leave it to chance gradually will find that after the habit, many fears and anxieties are imagined by themselves, let go of prejudice: all walks of life have unknown sufferings, we all want to return to normal as soon as possible. Aside from the black sheep who deliberately challenge authority, if you see a person outside who takes off his or her mask and eats, tell yourself that he or she is probably just doing it for a little while. There is no urgency to pick up the phone to collect evidence, let your emotions stabilize and give room for possible misunderstandings. Attempt to change the mind: let go of complaints and accusations, not necessarily which link has a break, so that the epidemic has become more serious. Taiwanese are fortunate to have enjoyed one more year of happiness than other countries, and no one is an outsider in the global village era. Division of labor: Give yourself and each other a (private time) to relax with a drink, read or listen to music.

**Children and Me**

An endless epidemic has changed all of life's routines. The children were supposed to be enjoying the last phase of their high school career, but the epidemic has not yet improved. The government announced a reassuring and concerning decision that the children must be taught at home for safety reasons. Considering that this is also a good way for children to try out different teaching methods, it is a good way to grow up. We watched our children staring at the screen anxiously and listened to the teachers' teaching, and when we had doubts about the lessons, our children raised questions and discussed them with the teachers. During the epidemic, I also had the opportunity to learn and grow with my children, to explore problems together, and to think outside the box. My child's imaginative thinking is the result of my children's years of experience in society and my not-so-decent attitude, and my happy learning has taught me to listen. During the epidemic, we lost a lot of freedom and food and travel, but it also gave me more opportunities to participate in my children's learning, to face the virus together, and to defeat it together... children. Let's do it together!

Since May, when the epidemic in Taiwan was reported in the news, I immediately shared the news of the gradual spread of the epidemic with my family and friends while I was traveling, and alerted myself that I should start taking precautions against being infected with the epidemic. I bought goggles and wore them all the time when I left home, and immediately disinfected my whole body with alcohol and all the items I took out of the house that day, and kept an eye on the situation every day. At that time, as the situation became more and more serious, I already had an idea in my mind that it would definitely spread to my own living circle, and it did. Soon after the outbreak, I received the news that my colleagues had been infected with the disease, and I immediately listed my colleagues who were in the same production line as the infected person, and I knew that what I had predicted had happened after all. I kept an indoor social distance from my colleagues at work: I did not talk at meals, I washed my hands regularly, I disinfected myself, I carried alcohol with me. When using the toilet, all areas that may have been touched by the previous user will be disinfected before use. I am grateful to the Company for arranging quick screening for all employees immediately after they were infected with the disease, and disinfecting the Company thoroughly inside and outside. The Company also actively took many preventive measures to avoid the spread of the epidemic. At this time, we should be more disciplined in taking preventive measures. Fortunately, with the efforts of myself and all my colleagues, the epidemic was brought under control, plus the Company did a more detailed PCR rapid test for each of us, and the moment I heard the pass, my heart suddenly relaxed a lot. Even though the epidemic is gradually slowing down, we should not relax in the prevention of the epidemic.

**Ministry of Economic Affairs invites Accton to share its experience in fighting the pandemic**

It has always been Accton's mission and responsibility to do its best to protect all employees and to put employees' minds at ease and customers' minds at ease, and to respond quickly and positively is Accton's attitude in facing problems. In 2021, Accton received a positive response from Commander Pi-Sheng, Wang of the Advanced Command Post, who invited Accton to help other companies share their experience in pandemic prevention. On March 2, 2022, we also received a letter from the Ministry of Economic Affairs (MOEA) stating that the global COVID-19 pandemic tends to "coexist with the virus" and that the country will relax border control on foreign migrant workers and gradually ease restrictions on foreigners coming to Taiwan, and that the MOEA expects enterprises to fully communicate and cooperate with the central and local governments. Therefore, the Ministry of Economic Affairs invited the Ministry of Health and Welfare, the Ministry of Labor, and enterprises with rich experience in migrant worker control to exchange with each other. Accton is honored to be invited

to participate in the "Ministry of Economic Affairs' Industrial Migrant Worker pandemic Prevention Experience Sharing Conference" on March 9, 2022, to jointly build a health and safety prevention network with the central government, local governments and other enterprises.

**Short-, medium- and long-term goals for the entire year 2022**

We hope that the Health Management Division will continue to work hard to improve the health of our employees, and that we will participate in the National Health Service's National Health Accreditation Program to collect suggestions from various professionals, so that we can review and adjust our health management model and health promotion activities for Accton's employees. Therefore, we hope to receive the "Nutritional Health Award", "Smoke-free Health Award", "Vitality Award" and "Silver Age Health Award", to promote the physical, mental and social health of our employees through sustainable management, in order to implement the concept that the health of Accton employees is the most important asset.

Region	2021 Goals	2021 Results	Short-Term Goals (2022-2023)	Medium and Long-Term Goals (2024-2026)
Taiwan (Accton Technology; Edgecore Networks)	Awarded the "Maternal Health Friendly Award" by participating in the Ministry of Health and Welfare's National Health Service's National Accreditation for Good Health Workplace	Awarded "Maternal Health Friendly Award"	Awarded "Silver Age of Health Award" and "Nutrition and Health Award"	Awarded the "Smoke-free Health Award" and the "Vitality Activation Award"

# 04

## Environmental Sustainability Implementation

# 4.1 Energy Conservation and Carbon Reduction

**Boundaries: Including manufacturing plants: Accton Plant 1 and 2 in Hsinchu, Zhunan Plant in Miaoli, offices in Taipei, Hsinchu, Taichung, and Tainan, its subsidiaries Edgecore, and Plant of JoyTech in Shenzhen, China. Plant 2 and Zhunan Plant were inaugurated in 2019 and statistics prior to 2018 are thus unavailable.**

## Energy Conservation, Carbon Emissions Reduction, and Environmental Management

### I. Environmental Safety and Health Policy

Accton is deeply aware of the importance of Earth's resources and sustainable development, so it implements an environmental safety and health management system and integrates it into the entire management system. In production activities, we assess the interrelationship between processes, products, and the environment, and possible safety risks. To prevent accidents and establish an emergency response system, the Company is committed to performing environmental safety and health tasks and implementing continuous improvements. We seek to create a safe and

healthy environment to attain the goal of sustainable development of the Company. To implement effective promotion and management, we are committed to the following:

1. Comply with domestic occupational safety and health regulations, and effectively implement and continuously improve our safety and health management systems.
2. Continue to promote resource recycling and reuse and industrial waste reduction.
3. Strengthen staff safety education, supplier and contractor safety management, and provide and promote environmental safety and health training
4. Use automatic inspections to eliminate unsafe actions and environments to prevent accidents.
5. Implement health management to protect employee health and ensure zero safety hazards.

### II. Strategy:

To achieve environmental protection and sustainable management, we actively set management targets for continuous improvement in energy use and pollution prevention. We implement environmental management to reduce pollution, improve resource recycling and waste reduction, pursue both economic growth and environmental protection, and fulfill our corporate social responsibility. Accton has implemented environmental protection and energy conservation and actively promotes multiple energy-saving programs in the plants and offices. We also conduct internal audits and third-party verification to ensure compliance with ISO 14001, ISO 14064, ISO 50001, and relevant environmental laws and regulations.

Environmental and Energy Certificates: <https://www.accton.com/esg-documents/>

### III. Management Goals:

Goals	2021 Goals	2021 Results	Short-term Goals 2022-2023	Medium and Long-Term Goals 2024-2026
Number of fines for contamination of the environment: 0	0	0	0	0
Waste Recycling Rate (%)	78	77.08	>78	>80
Electricity Consumption Intensity (Electricity Consumption MJ / Revenue)	2.76 (Reduce by 1% compared to the base year of 2019)	3.33	Reduce by 1% (compared to the base year of 2021)	Reduce by 5% (compared to the base year of 2021)



Waste recycling rate: recycled waste weight / total waste weight  
Electricity Consumption Intensity: Total Electricity Consumption (MJ) / Total Revenue (NT\$ thousand)

## IV. Environmental Management

### 1. Implementation of the ISO 14001 Environmental Management System

Every year, Accton effectively identifies major environmental considerations based on the impact of production-related activities, products, and services on the environment, and builds an environmental management system accordingly. Accton's main plants, including Plant 1, Plant 2, Zhunan Plant, and JoyTech have been certified by the environmental management system ISO 14001: 2015.

### 2. Compliance with environmental laws and regulations:

Accton regards regulatory compliance as the most basic requirement in accordance with the regulatory audit process and strives to minimize the impact on the local ecological environment.

The applicability and legality of changes in environmental regulations and other requirements in the process of operating activities, products, and services of the Company are assessed monthly, and an up-to-date version of this information is maintained to facilitate the promotion of various plans for the environmental management system. The specific management methods are as follows:

- 2.1 Collect environmental regulations and other requirements, and assess their applicability and compliance.
- 2.2 Communicate non-compliance matters to the responsible unit.
- 2.3 Track the improvement of the non-compliance matters of the responsible unit.

### 3. Air Pollution Management

Measure the status of waste gas emissions during the process and ensure that the exhaust system operates properly to reduce the impact of waste gas emissions according to the waste gas management procedure, specifically managed as follows: Accton's Plant 1, Plant 2, and Zhunan Plant have implemented self-inspections to master their own air pollution discharge status. The results of smokestack inspections on total hydrocarbon (THC) and particulate pollutants (Par) were 30% lower than the standards specified in the "Stationary Pollution Source Air Pollutant Emissions Standards" and "Air Pollution Control and Emissions Standards for the Semiconductor Industry".

### 4. Wastewater management

Perform relevant operations in accordance with wastewater management procedures to ensure that the Company's wastewater can be effectively collected, treated, and discharged so as to avoid environmental pollution caused by overflow. The specific

management measures are as follows:

- 4.1 Chemical storage sites are equipped with anti-leakage measures to prevent water pollution caused by leakage.
- 4.2 The drainage system of each plant area of the Company discharges rainwater and waste (sewage) water separately.
- 4.3 The wastewater of Accton's Plant 1, Plant 2, and Zhunan Plant are all incorporated into the wastewater treatment center of the industrial area for proper treatment and discharge.
- 4.4 Each wastewater treatment center irregularly tests samples of waste (sewage) water discharged. If they do not meet the discharge standards, they will be notified for improvement.

### 5. Waste Management

The waste management policy is to continuously promote resource recycling and reuse and industrial waste reduction. All waste is classified and sorted and the waste removal, transportation, treatment, and reuse are conducted by waste removal and disposal companies approved by the government.

According to waste management procedures, the Company continues to promote waste separation, recycling, and reduction, so as to effectively achieve resources recycling and reuse as well as minimum wastes and realize global environment protection.

In order to comply with laws and regulations, effectively clean up waste, improve environmental sanitation, and achieve waste recycling, stabilization, harmlessness, and economicalization, the specific measures are as follows:

- 5.1 Waste is classified and stored, and labeled as "General Industrial Waste" and "Hazardous Industrial Waste" for ease of identification and disposal.
- 5.2 Storage containers or facilities are often kept clean and intact, and waste must not fly, dissipate, seep out to pollute the floors, or emit bad odors.
- 5.3 Incompatible waste is stored separately.
- 5.4 The storage containers shall be clearly marked with the code and name of the waste, and distinguish "Hazardous Industrial Waste Characteristics Sign".
- 5.5 Sealed in fixed packaging materials or containers in a storage facility and marked with the waste code, name, and distinguishing "Hazardous Industrial Waste Characteristics Sign".
- 5.6 Keep the storage containers or packaging materials in good condition and assess for replacement if there is a risk of serious wear and tear or leakage.
- 5.7 Regularly inspect the condition of the waste storage areas.
- 5.8 Conduct annual audits for cooperating waste treatment vendors. The audit includes licensing checks, removal vehicle operations, storage and processing facility checks, etc.

**6. Climate Governance, Actions, and Responses**

In addition to the COVID-19 pandemic, floods, wildfires, droughts, and storms caused by climate change affected normal operations and production activities globally from 2020 to 2021, and also caused great risks to the sustainable development of enterprises. In 2021, World Economic Forum (WEF) published "The Global Risks Report 2021". The top three global risks are mainly environmental, including extreme weather at No. 1, climate action failure at No. 2, and natural disasters at No. 3.

Because of this, Accton has disclosed the potential risks and opportunities related to climate change to the Carbon Disclosure Organization (CDP), such as carbon taxes, customer requirements for low-carbon products, increased costs of using low-carbon raw materials, carbon neutralization costs; droughts, wind disasters, sea-level rise, floods, extreme weather, etc. It also includes operational interruptions caused by

natural disasters, such as network system interruptions or plant damage, that result in supply chain interruption, production capacity reduction or shutdown, loss of life and property....etc.

In response to climate change, Accton's climate management strategy follows the Task Force on Climate-Related Financial Disclosures (TCFD), with an internal initial assessment phase in 2021 and an external expert assessment scheduled to be introduced in 2022. The implementation practices are described as follows:

6.1 Description of the promotion method:

In 2021, an initial internal risk assessment will be conducted, and in 2022, external experts will be invited to provide guidance from risk assessment, risk opportunity ranking, result reporting, response strategies, and external disclosure, and produce a climate risk opportunity matrix and quantitative data.

6.2 Assess physical and transition risks and opportunities.

Structure	Execution Results and Response
Governance	<ol style="list-style-type: none"> <li>In 2021, the ESG Committee and the Sustainability Office were expanded, held by senior managers of each department and designated professional representatives.</li> <li>In 2021, the Sustainability Office integrated stakeholder information and performed an initial assessment of climate change risks and opportunities.</li> <li>In 2022, the identification, assessment, and performance results of climate change risks and opportunities will be regularly reported to the Board of Directors by the chairman of the ESG Committee.</li> </ol>
Strategy	<ol style="list-style-type: none"> <li>Referring to international trends and customer recommendations, set goals based on a 1.5°C warming scenario. The extreme climate data of the manufacturing area is also supplemented as a worse case analysis.</li> <li>Adjust short, medium, and long-term climate-related risks and opportunities at the company level of Accton, implement greenhouse gas reduction plans and evaluate the impacts according to the available technology.</li> <li>Refine the organizational greenhouse gas inventory to identify opportunities for improvement, and expand Categories 3 to 6 GHG emissions inventory.</li> </ol>

Risk Management	<ol style="list-style-type: none"> <li>1. Identify significant climate risks and opportunities that may affect operations based on regulations, markets, technologies, and physical climate change trends.</li> <li>2. Accton is a foundry for international brand customers. Therefore, according to the proportion of production capacity, it is preferred to analyze the physical risks of the Zhunan Plant first. In 2021, based on the third-party analysis report on typhoons and flood potential, we evaluated the impact of typhoon flooding in the Zhunan Plant Area and the corresponding methods.</li> <li>3. In 2021, Accton announced that an office building and an R&amp;D trial production center will be built in the Industrial Zone of Hsinchu International AI Smart Park (Zhubei). The plant building was designed according to local climatic physical conditions and flood potential, the floor was raised to reduce the physical risk caused by extreme climate.</li> <li>4. As some products are imported into the EU, in order to identify transition risks and impacts, senior managers have assigned the R&amp;D department to establish a product carbon footprint methodology and inventory system in 2022 to master carbon risks from design.</li> <li>5. Starting from 2022, the scope and depth of TCFD's climate risk inventory will be expanded, and a management framework for physical risks will be established based on the latest information, in combination with the ISO 22301 Business Continuity Management System.</li> </ol>
Indicators and Goals	<ol style="list-style-type: none"> <li>1. In 2021, Accton Hsinchu Plant 1, Plant 2, Zhunan Plant, and the JoyTech Plant continued to check the greenhouse gas inventory of Scopes 1 and 2 and obtained third-party verification.</li> <li>2. In 2021, Accton prioritized the expansion of greenhouse gas inventory to Scope 3 (including Categories 3 to 6 defined by ISO 14064:2018).</li> <li>3. In 2022, Accton will complete at least one carbon footprint inventory of its main products and pass ISO 14067 verification.</li> <li>4. In 2023, Accton will complete the third-party verification of the Business Continuity Management System.</li> <li>5. Long-term promotion of net-zero emissions by 2050.</li> </ol>

### Climate Change Risks and Opportunities

Items	Category	Description	Financial Impact	Response
Physical Risks	Short-term	<ol style="list-style-type: none"> <li>1. Typhoon/heavy rain</li> <li>2. Water shortage/drought</li> </ol>	Capacity interruption Employee unable to attend to work Supply chain interruptions	<ol style="list-style-type: none"> <li>1. Each plant area in Taiwan has formulated early warning response plans for typhoons and floods.</li> <li>2. In 2022, the main production plant in Taiwan - Zhunan Plant will introduce the ISO 22301 Business Continuity Management System, and regularly update the response measures.</li> </ol>
	Long-term	<ol style="list-style-type: none"> <li>1. Average temperature rise</li> <li>2. Sea-level rise</li> </ol>	Higher infrastructure costs Increase in premiums	<ol style="list-style-type: none"> <li>1. Site selection of the new Zhubei Plant should incorporate climate risks.</li> <li>2. Reduce the risk of flooding: During the construction of the new Zhubei Plant, the design will be made according to the local climatic and physical conditions and the flood potential. The ground level of the first floor of the building will be raised to reduce the risk of flooding.</li> </ol>

Transition Risks	Policies & Regulations	1. Climate Change Law Amendments 2. Pricing of Greenhouse Gas Emissions 3. EU Carbon Border Adjustment Mechanism (CBAM)	Increase in expenses Cost escalation	1. Refine organizational carbon inventories to identify emission hotspots. 2. Evaluate the additional costs when network products are included in the CBAM control list.
	Technologies	1. Replace existing products with low-carbon products 2. Cost of low-carbon technology transition	Investment in new raw materials and process development	1. Development of low-carbon products 2. Co-development of immersive network equipment with customers since 2021
	Market	1. Customer demand for carbon reduction. 2. The market favors energy-saving products.	Increase in research and development costs of carbon reduction products	Early layout of new materials and technologies
	Reputation	Impact on Corporate Image	1. Reducing the willingness of investors to invest 2. Higher loan interest rate	1. Disclose carbon reduction strategies, policies, and performance 2. Improve international rating scores
Opportunities	Energy Efficiency	Improve production efficiency.	Develop IOT equipment connecting to the energy management system to acquire business opportunities.	1. Improve the energy consumption of existing plants. 2. The Zhubei Plant adopts the green building design to reduce energy consumption. 3. Introduction of ISO 50001 Energy Management System to Zhubei Plant.
	Sources of Energy	Use of low-carbon energy sources	Reducing carbon expenses	1. Focus on the Renewable Energy Certificate market 2. Set up rooftop solar energy
	Products	Development of low-carbon products	Reduce carbon emissions at the product use stage to improve customer brand benefits.	1. Pay attention to international product energy conservation trends 2. Establish a product carbon footprint calculation system
	Endurance	Participation in renewable energy source projects	Increase renewable energy sources	1. Assessing investment in renewable energy source market 2. Expand the proportion of renewable energy source used by supply chain partners

**Quantitative assessment of physical risk**

Taiwan is located in a subtropical region. Due to the influence of climate and latitude, it is often affected by typhoons during the summer. Typhoons themselves usually bring strong winds and heavy rain. Meanwhile, the Zhunan Plant is currently the most important production base in Taiwan, so it is prioritized for evaluation.

1. Disaster Potential Assessment

According to the "Disaster Potential Analysis" of the National Science and Technology Center for Disaster Reduction of the Executive Yuan, the Zhunan Plant is not directly located in the rainfall disaster potential area.

Disaster Potential	Description
350mm of rain in 6 hours potential area	Not directly located in the 350mm of rain in 6 hours potential area, but within 500 meters.
400mm of rain in 12 hours potential area	Not directly located in the 400mm of rain in 12 hours potential area, but within 500 meters.
650mm of rain in 24 hours potential area	Not directly located in the 650mm of rain in 24 hours potential area, but within 500 meters.
Potential debris flow torrent	None
Massive landslide potential area	No potential area within 500 meters
Dip slope	No potential area within 500 meters
Rock slide	No potential area within 500 meters
Debris avalanche	No potential area within 500 meters
Rock fall	No potential area within 500 meters
Soil liquefaction potential area	None

2. Risk analysis of water accumulation on the roof of the plants in extreme climate scenarios

According to the "Disaster Potential Analysis" data of the National Science and Technology Center for Disaster Reduction, the current risk of the Zhunan Plant is relatively low. However, due to global warming, the incidence of extreme climate tends to increase. This analysis assumes that extreme weather and heavy rainfall occur in the Zhunan area, and analyzes the reliability of the roof drainage of the Zhunan Plant.

Hypothetical conditions: Referring to the 24-hour cumulative rainfall of 1623.5mm at Alishan Station during Typhoon Morakot (2009/8/8) of the Central Weather Bureau, the estimated hourly rainfall at that time was 67.6mm/hr. Calculate the discharge flow that

can be loaded by each drain, considering the entire roof terrace and top floor area as the catchment area, assuming that all drains are unblocked.

According to the evaluation results, the current drainage pipe of the top floor is sufficient to withstand the rainfall of Typhoon Morakot, and the Zhunan Plant has a low risk of roof water accumulation due to heavy rainfall. The above is the preliminary quantitative analysis results in 2021.

3.2022 Climate Risk Execution Plan:

In order to expand the scope of climate impact assessment, the plan is carried out in three aspects:

1. Accton will expand the range of GHG Scope 3 inventory, including product use stage, employee travel, transportation stage...etc.
2. According to the results of the greenhouse gas inventory, the short, medium, and long term goals are expected to be set in 2022 based on the carbon-reduction pathway of SBT 1.5°C.
3. In 2022, a third-party agency has been scheduled to assist in the introduction of the Business Continuity Management System (ISO 22301), integrating the Task Force on Climate-related Financial Disclosures (TCFD) project to identify more relevant risks and opportunities, and minimize climate change and other risks that may cause disruption to the Company's operations, in line with international trends, customers, investors, ... and other stakeholders' expectations.

**V.Environmental Management Performance and Energy Resource Management Measures:**

1. Accton follows the ISO14001 standard to implement environmental protection operation control and obtains third-party verification. It is continuously updated every year to ensure compliance with standard specifications. The main plants of Accton have been verified. Please refer to the Accton Public Website for inquiries:  
<https://www.accton.com/esg-documents/>



1.1. ISO14001:2015 Environmental Management System

Accton Plant 1 and 2 in Hsinchu, Zhunan Plant, and Plant of JoyTech have obtained the ISO14001:2015 Environmental Management System Certificate. Accton Taipei, Taichung, Tainan, and Edgecore are offices, not manufacturing bases, and thus are not included in the scope of certification.

1.2. ISO14064-1:2018 Greenhouse Gas Inventory

Accton Plant 1 in Hsinchu and Zhunan Plant have obtained the 2019 ISO14064-1:2018 Greenhouse Gas Inventory Certificate in 2020. In 2021, Plant 2 in Hsinchu was to be included in the 2020 inventory area; Plant of JoyTech was to be verified by a third

party entrusted by the Shenzhen Municipal People's Government. The offices in Taipei, Taichung, Tainan, and Edgecore have not conducted third-party verification of greenhouse gases due to low carbon emissions, and the data was self-checked.

1.3. ISO50001:2018 Energy Management System Certification

JoyTech obtained the ISO50001:2011 Energy Management System Certificate in 2017, and the ISO50001:2018 Certificate was renewed in 2020.

2. In 2021, there were no major violations of environmental laws and regulations in Accton, Edgecore, and JoyTech. (Definition of a major violation of environmental laws and regulations: A single incident with a cumulative fine of more than NT\$1,000,000 is called a major violation of environmental laws and regulations).

3. Domestic sewage statistics

There is no waste water in the production process of Accton, only the domestic sewage of employees is discharged. The water use policy is to continuously promote water conservation and cherish water resources.

The implementation measures for water conservation are as follows:

3.1. Continue to promote various water conservation management programs and publicity.

3.2. Replace with the water-saving sensor faucets and reduce the water supply to reduce household water consumption.

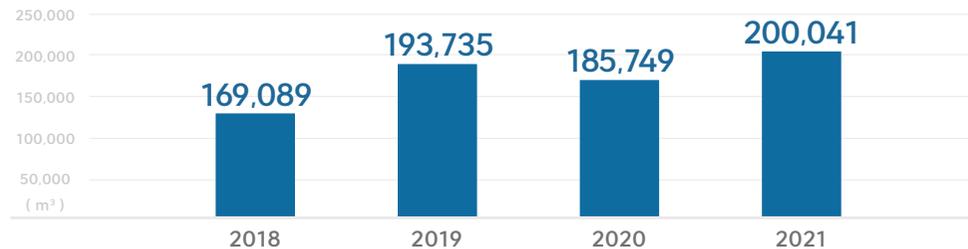
3.3 The amount of domestic sewage in 2021 increased by 7% compared to 2020, mainly due to the increase in production lines, resulting in an increase in the cooling water consumption of air conditioners.

Unit: m<sup>3</sup>

Year	2018	2019	2020	2021
Total	169,089	193,735	185,749	200,041

Note 1: Plant 2 and the Zhunan Plant were not yet operational in 2018. The sewage from the offices in Taipei and Taichung was included in the unified discharge of commercial buildings and was not included in the scope of statistics.

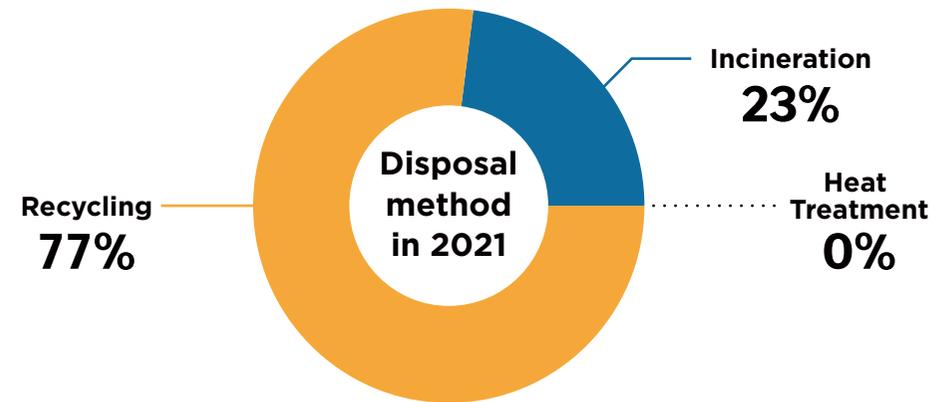
**Amount of domestic sewage**



4. Waste Output and Recovery Rate

Waste is mainly divided into two categories: non-recyclable and recyclable. Non-recyclable such as general waste, waste plastic mixtures, waste fibers or cloths, waste wood mixtures, other non-hazardous organic waste liquid or waste solvents, etc., are incinerated or thermally treated by qualified treatment plants. Recyclable waste, such as printed circuit board waste, waste paper, waste plastic, etc., is recycled by qualified vendors.

Statistics of waste disposal methods in 2021



Unit: Ton

Plant	Incineration	Recycling	Heat Treatment	Total
Accton HQ	35	165	1	202
Accton RMA	10	70	0	80
Zhunan Factory	45	773	0	818
Local Offices	n/a	n/a	n/a	-
Edgecore	2	1	n/a	3
JoyTech	260	181	0	441
Total	352	1,190	2	1,543

Accton continued to promote waste recycling and reuse, increasing the recycling rate from 57.08% in 2018 to 77.08% in 2021.

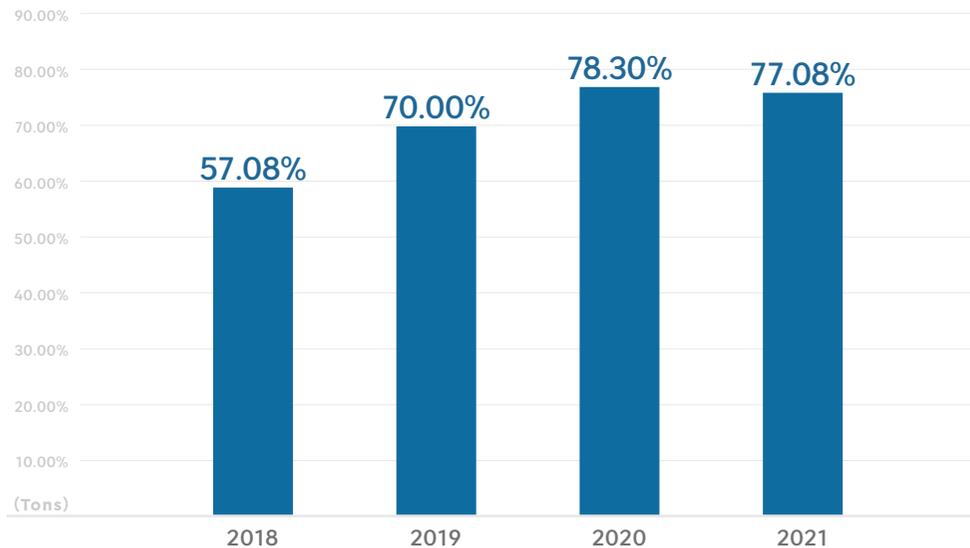
Unit: Ton

Year	2018	2019	2020	2021
Total waste output	1,007	1,597	1,617	1,543
Total resource recycling and reuse volume	575	1,118	1,266	1,190
Recycling and reuse rate	57.08%	70.00%	78.30%	77.08%

\*Note 1: Plant 2 and Zhunan Plant were not yet operational in 2018.

\*Note 2: Waste from Taipei, Taichung, and Tainan offices was merged into the unified clearing of the building, and there is no relevant weight record.

### Waste Recycling Rate

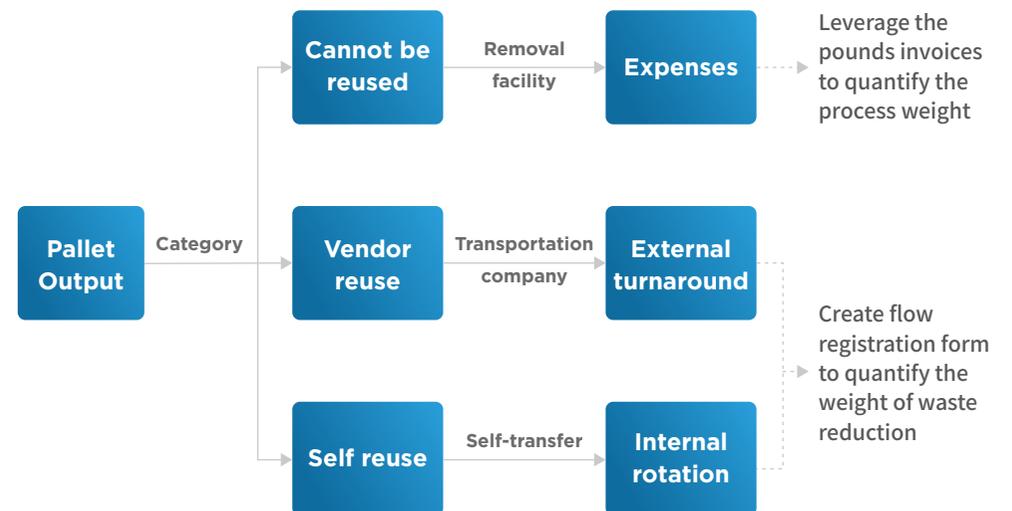


#### 4.1.Promoting Environmental Protection and Public Welfare

After classifying the recyclable resource waste, including iron and aluminum cans, plastic bottles, glass bottles, paper, etc., we cooperate with charity organizations (Tzu Chi) to clean up the recyclables. In 2021, the overall waste recycling rate reached 77.08%; kitchen waste and waste cooking oil were outsourced for co-processing and recycling, effectively reducing environmental impact, recycling and reuse of resources, and supporting charitable activities of public welfare organizations.

#### 4.2.Waste reduction of waste pallet project results

In order to reduce the number of waste pallets, the Zhunan Plant has established the waste reduction of waste pallet project in 2021. According to the output source of the pallet, evaluate the feasibility of multiple reuses to prolong the service life of the pallet. According to the analysis, the pallets are mainly divided into three categories: 1. Self-reuse: If the pallet size conforms to the operation in the plant, it can be used for turnover between warehouses. 2. Reuse by vendors: These are reusable and the vendor is requested to collect and liquidate them for external use. 3. Disposal: The pallets can only be discarded after multiple time reuses and have been seriously damaged and cannot be reused anymore, so as to achieve resource recycling and reduce processing costs. And inform the warehouse and production line colleagues: 1. Avoid hitting the wall surface when moving the pallets. 2. When stacking, lay flat to avoid damage due to uneven stress. 3. The stacking area should be protected from rain and moisture to increase the life of the pallets. This way we can reduce the new purchase costs and disposal costs of the pallets, and at the same time reduce the carbon footprint of the pallets, which is both environmentally friendly and cost-effective.





Three months after the introduction of the wooden pallet waste reduction plan, comparing the initial period of introduction (2021.09) and three months after the introduction (2021.12), the proportion of wooden pallets that require processing fees has been reduced from 36% to 28% (a decrease of 8%), the proportion of wooden pallets reused by vendors has increased from 38% to 41% (an increase of 3%), and the proportion of reused wooden pallets in Accton material warehouse has increased from 26% to 31% (an increase of 5%). Subsequently, the reuse mode will be used to increase the number of recycling of wooden pallets and reduce waste output.

5. Consumption of energy and water resources

5.1. Energy Consumption

Accton's energy sources included fossil fuels (e.g., natural gas, diesel, gasoline, and liquefied petroleum gas) and purchased electricity. Fossil fuels are mainly used for emergency power generators, lawnmowers, forklifts, company vehicles, and cafeterias.

Externally purchased electrical power is the largest source of greenhouse gas emissions of Accton's main production sites.

Energy consumption in 2021 was higher than in 2020, due to the expansion of production capacity and the increase in the purchase of air-conditioning ice water and electricity consumption of compressed air (CDA) of the Zhunan Plant.

Unit: MJ

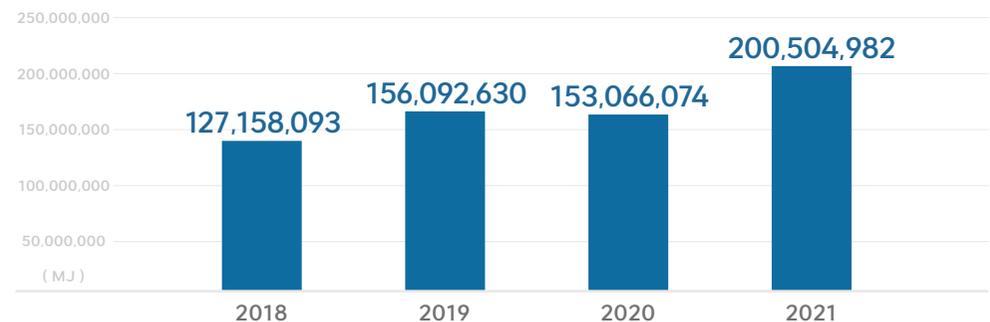
Year	2018	2019	2020	2021
Purchased electricity	125,264,819	154,342,548	151,163,420	198,625,661
Gasoline	1,282,475	1,002,636	881,903	783,769
Diesel	505,099	610,466	901,771	999,436
Liquefied petroleum gas	105,701	136,980	118,979	96,117
Total	127,158,093	156,092,630	153,066,074	200,504,982

Note 1: Source of data: The data on energy and heat value factors are taken from the Greenhouse Gas Emission Factor Management Table Version 6.0.4 with 7,800 kcal/L for gasoline, 8,400 kcal/L, for diesel, and 6,635 kcal/m<sup>3</sup> for liquefied petroleum gas.

Note 2: Plant 2 and Zhunan Plant were not yet operational in 2018 and were not included in the calculation.

Note 3: The electricity bills of Taipei and Taichung offices were included in the management fees and were not included in the calculation.

**Total energy consumption**



5.2. Electricity Consumption Intensity:

Target of Electricity Consumption Intensity Reduction:

In 2021, the electricity consumption intensity of the main locations of Accton HQ, Accton RMA, Zhunan Factory, Edgecore, JoyTech in Shenzhen, and local offices increased by 20.1% compared to 2020, which was caused by the expansion of production capacity and the increase in the purchase of air-conditioning ice water and electricity consumption of compressed air (CDA) of the Zhunan Factory.

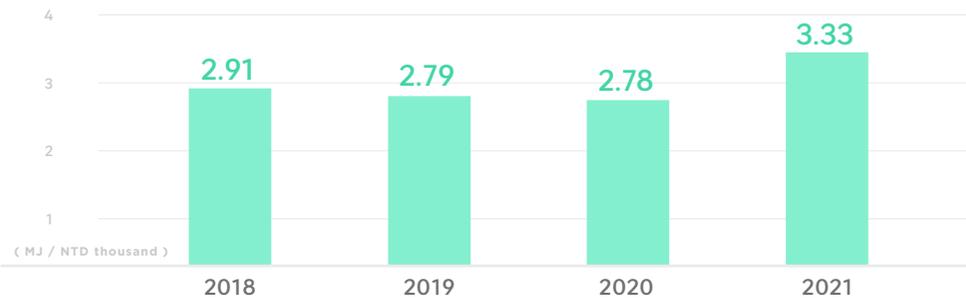
The electricity consumption intensity statistics are as follows:

Unit: MJ/NTD thousand

Year	2018	2019	2020	2021
Total	2.91	2.79	2.78	3.33

Note: Electricity Consumption Intensity: Total Electricity Consumption (MJ) / Total Revenue (NT\$ thousand)

**Electricity Consumption Intensity**



5.3. Tap water consumption

Tap water consumption increased by 6.1% in 2021 compared to 2020, due to the increase in cooling water consumption of air conditioners caused by the increase in the number of production lines.

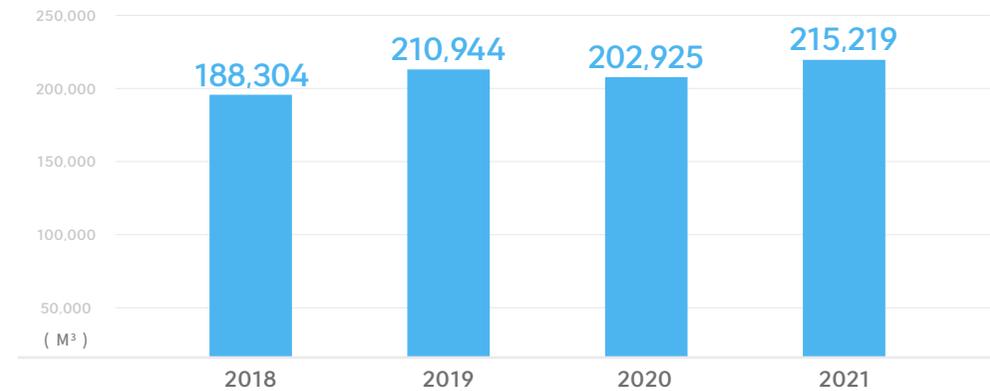
Unit: m<sup>3</sup>

Year	2018	2019	2020	2021
Total	188,304	210,944	202,925	215,219

Note 1: Accton RMA and Zhunan Factory were not yet operational in 2018.

Note 2: Tap water consumption in Taipei and Taichung offices was included in the total use of the building.

**Tap water usage**



5.4.Greenhouse gas emissions statistics:

The current GHG inventory boundary of Accton includes direct greenhouse gas emissions (Scope 1) and energy indirect greenhouse gas emissions (Scope 2). Other indirect greenhouse gas emissions (Scope 3), due to the principle of significance, the source and quality of the data were evaluated, the priority calculation of category 4 (4.1/4.3/4.5) in 2021 was described as follows: Accton HQ (externally purchased electrical power, nitrogen, tap water, and general waste treatment), Accton RMA (externally purchased electrical power, tap water, and general waste treatment), and Zhunan Factory (externally purchased electrical power, nitrogen, tap water, and general waste treatment).

Overall carbon emissions were higher in 2021 than in 2020 due to an increase in production capacity and the addition of Scope 2.2 purchase of air-conditioning ice water and electricity consumption of compressed air (CDA). According to statistics, externally purchased electrical power in Scope 2 is the largest source of greenhouse gas emissions at the main production sites of Accton.

Accton HQ and Zhunan Factory implemented self-inventory prior to 2018 and the first external certification was 2019's ISO14064-1:2018 done in 2020. The certification refers to the process in ISO 14064-1:2018 and the Greenhouse Gas Inventory and Registration Guidelines of the EPA.

Unit: tCO<sub>2</sub>e/year

Plant	2018		2019		2020		2021		
	Scope 1	Scope 2	Scope 3						
Accton HQ	92	3,820	271	4,457	255	3,836	252	3,556	700
Accton RMA	n/a	n/a	n/a	379	n/a	341	126	306	44
Zhunan Factory	n/a	n/a	28	1,549	120	3,252	2,215	7,721	1,401
Local Offices	n/a	n/a	n/a	126	n/a	431	19	305	-
Edgecore Local Offices	n/a	n/a	n/a	n/a	n/a	n/a	18	465	-
JoyTech	71	24,692	54	27,465	40	23,790	49	27,979	-
Sub-total	163	28,643	353	33,976	415	31,650	2,679	40,332	2,145
Total	28,806		34,329		32,065		43,011		

Note 1: The electricity emission coefficient in Taiwan was based on Taipower's electricity emission coefficient of 0.502 kg CO<sub>2</sub>e/kWh in 2021. The one of JoyTech was based on China Southern Power Grid's 0.9489 kg CO<sub>2</sub>e /MWh in 2020.

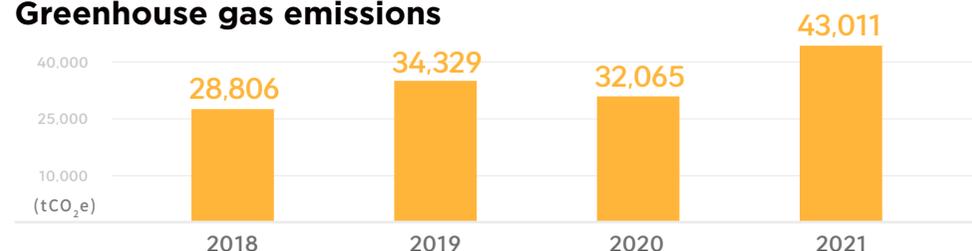
Note 2: Accton RMA and Zhunan Factory were not yet operational in 2018. Accton RMA conducted a self-inventory in 2019.

Note 3: Area of Accton HQ includes the head office located within and the office of Edgecore.

Note 4: The emission data of local offices of Accton and Edgecore (Taipei, Taichung, and Tainan offices) was collected from self-inventory.

Note 5: Data of Accton HQ and Zhunan Factory were verified by a third party starting in 2019, and JoyTech was to be verified by a third party entrusted by the Shenzhen Municipal People's Government.

**Greenhouse gas emissions**



5.5.Greenhouse gas emission intensity:

In response to international trends, greenhouse gas emission intensity was added as one of the management indicators. The table below shows the correlation between data of Scope 1 and 2 and revenue. It is planned to formulate Scope 3 to 6 from 2022 onwards to disclose relevant upstream and downstream carbon emission data according to the significance principle of ISO 14064.

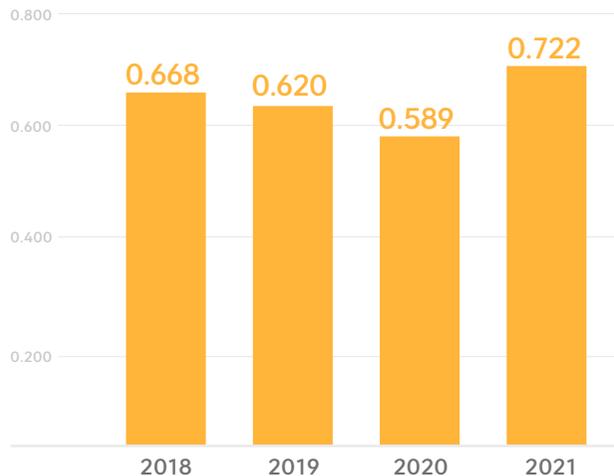
Unit: tCO<sub>2</sub>e / NTD million

Annual	2018	2019	2020	2021
Greenhouse gas emission intensity	0.668	0.620	0.589	0.722

Note: GHG emission intensity = GHG emissions (tCO<sub>2</sub>e) / NTD million gross revenue.

**Greenhouse gas emission intensity**

tCO<sub>2</sub>e/NTD million



5.6.Energy Conservation Performance:

Accton, Edgecore, and JoyTech implemented relevant energy conservation measures in 2021, with a total electricity saving of 428,640 MJ (119,066 kwh).

Energy conservation and carbon reduction methods are as follows:

5.6.1.Administration:

5.6.1.1.Strictly manage the lighting and air conditioning in idle areas.

5.6.1.2.Control air-conditioning equipment, and adjust the start-up of main ice and water equipment according to the actual room temperature and production in factory.

5.6.1.3.The time control of the exhaust ventilation system is set to reduce the operation time during holiday nights.

5.6.2.Equipment improvement

In 2021, a total of NTD\$1,742,000 was invested in energy conservation and carbon reduction, and a total of 119,066 degrees (kwh) of electricity was saved, equivalent to 92.61 (tCO<sub>2</sub>e) of carbon reduction.

Items	Investment amount (NT)	Annual electricity savings (kwh)	Annual electricity savings (MJ)	Annual carbon emissions reduction (tCO <sub>2</sub> e)
Added variable frequency equipment for the air conditioning units.	100,000	16,931	60,953	8.50
Added variable frequency equipment for the exhaust turbines.	90,000	15,325	55,171	7.69
Reduced operating hours of the toilet exhaust windmill.	10,000	13,310	47,916	6.68
Changed production line lighting from T8 to LED.	1,542,000	73,500	264,600	69.74
Sub-total	1,742,000	119,066	428,640	92.61

Note: The electricity emission coefficient in Taiwan was based on Taipower's electricity emission coefficient of 0.502 kg CO<sub>2</sub>e/kWh in 2021. The one at JoyTech was based on China Southern Power Grid's 0.9489 kg CO<sub>2</sub>e /MWh in 2021.

Note: Results from Edgecore were included in the Plant 1 statistics.

Note: Related equipment improvements and energy conservation data were based on the Company's own estimates.

Since operating power is the main source of carbon emissions for the Company, the following improvement measures are to be implemented from 2022. 1. Refine inventory. Refine the electricity usage zone according to the purpose of use of the plant, set up electricity meters by zone, and upload electricity consumption information to the cloud to ensure control of the power consumption and power saving performance. 2. Production optimization. Analyze possible anomalies according to the power consumption status of the production machine, identify abnormal power consumption hot spots, and make improvements. 3. Equipment improvement. Equip high and low temperature testing equipment in the plant area, and evaluate and adjust the testing methods to reduce the energy consumption of heating and cooling.

## 4.2 Green Products

### Accton Group's Hazardous-Substance-Free Policy:

Committed to green design, reducing the environmental impact of products, and achieving the goal of zero use of hazardous substances.

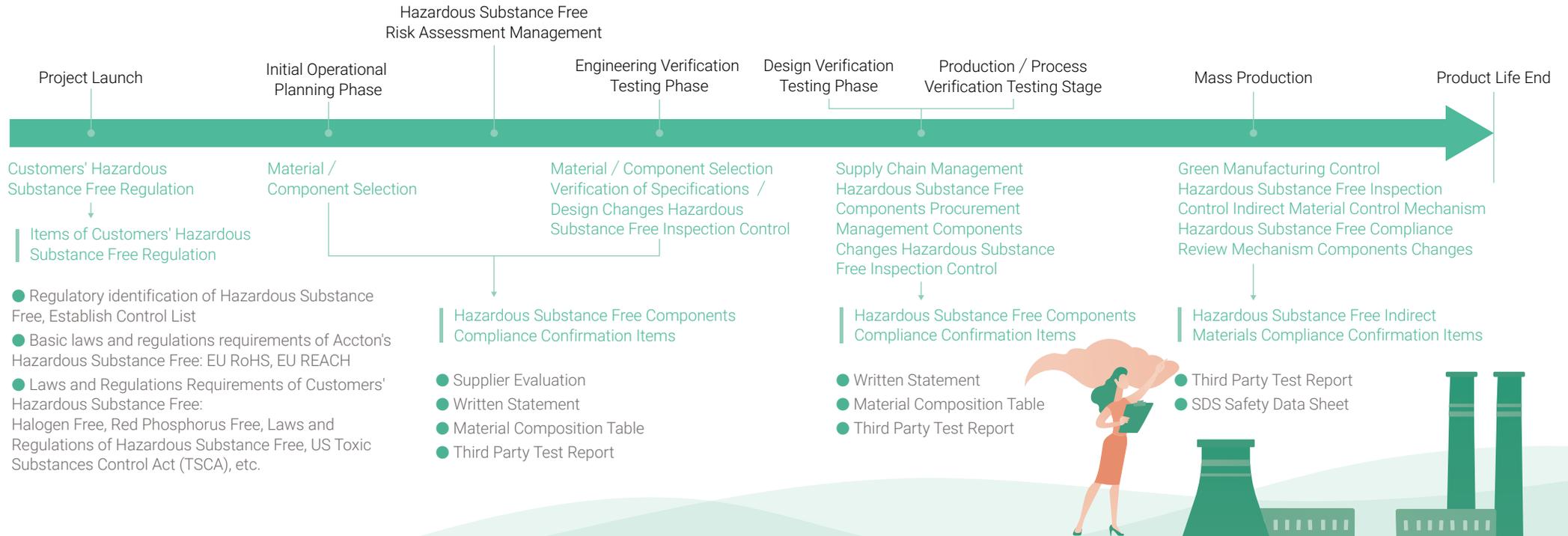
To implement Accton's hazardous-substance-free policy, reduce the environmental impact, fulfill corporate responsibilities for environmental sustainability, meet stakeholders' expectations, and continue to comply with international regulatory requirements [RoHS(EU/China/Taiwan/Ukraine/UAE ... ), EU REACH, EU Battery Directive, EU Packaging and Packaging Waste Directive, CA Pro 65, U.S. EPA TSCA ... ], customer requirements, and environmental protection trends, Accton continuously reviews the management of hazardous substances and updates the regulations irregularly. We also fulfill our duties for hazardous substance management in the production process and the supply chain and work together with suppliers to create a green product supply chain to achieve the goal of hazardous-substance free.

### Green Product Systems:

The Company regularly implements IECQ QC080000 system certification and has completed and passed the annual IECQ QC080000 system certification in December 2021.

Accton Technology continues to promote the plan for hazardous-substance free with alternative substances to reduce the environmental impact of products and achieve the goal of being hazardous-substance free while providing green products with no hazardous substances and low environmental impact. The Company conducted risk management processes of hazardous-substance free at all stages of the product to ensure that the Company's supply chain of materials complies with RoHS, REACH, and other relevant international regulations and customer requirements.

### Risk Management Process of Hazardous Substance Free at All Stages of the Product



### (1)Project Launch

Confirm whether the customer has other special requirements for hazardous substances in addition to the basic requirements of EU RoHS and REACH.

- In 2021, completed the confirmation and identification of customers' hazardous substance requirements for a total of 12 copies.
- In 2021, newly added or updated in response to customer and international regulations: control of 10 SVHC substances according to REACH, Swedish Tax Reduction Act, and US EPA TSCA.

### (2)Initial Operational Planning Phase

Select materials based on the requirements of hazardous-substance free proposed by the customer and make sure that the purchased components meet the requirements of the laws and regulations applicable in the country where the product is shipped. Prior to the introduction of the engineering verification testing phase, evaluate the risks and opportunities that may directly or indirectly produce hazardous substances at each stage of the entire product life cycle according to the "WIC-QA15001 Regulations of Product Hazardous Substance Risk Identification" and formulate the effectiveness of corresponding measures with each unit.

### (3)Engineering Verification Testing Phase

Accton Group has established the "WIC-CE05002 Regulations of Product Hazardous Substance Management" in response to international hazardous substance laws and regulations and customer requirements as the basis for suppliers to comply.

At the time of component verification, suppliers must provide technical documents that comply with EN IEC 63000:2018 standards, including the declaration of conformity documents, material composition tables, and third-party testing reports, to prove that the products they hand over to Accton Group meet Accton's hazardous-substance free requirements. A total of 295 new material compliance surveys were completed in 2021.

### (4)Design Verification Testing Stage & Production/Process Verification Testing Stage

In response to the potential impact (risk) of the supplier's supply of raw materials to Accton's continuous providing customers with products that meet the hazardous-substance free requirements and applicable laws and regulations, we regularly conduct on-site audit activities with suppliers and establish a complete hazardous substance reduction database to ensure that the raw materials provided by suppliers will not

adversely affect the ability of Accton to continue to provide customers with products that meet the requirements for hazardous substance reduction. A total of 196 suppliers completed and provided hazardous substance surveys and reports in 2021.

Accton Group uses the XRF inspection mechanism to inspect purchased raw materials/semi-finished products to verify that the purchased components meet the hazardous-substance free requirements. A total of 29,641 XRF inspections were completed in 2021, with a material sampling failure rate of 0%.

### (5)Mass Production

In order to implement the production and service supplies that can comply with the international hazardous substance reduction laws and regulations to achieve the hazardous-substance free characteristics of the product, Accton Group fully adopts the lead-free process operation.

Perform a review of any changes in the manufacturing process that may affect the compliance with hazardous-substance free (e.g., receipt of notification of a composition material change of the supplier's product) to ensure continued compliance with the hazardous-substance free requirement.

Perform a weekly/monthly component inspection on the tin furnace used in the process to monitor and measure the hazardous substance of the product and verify whether the product meets the requirements for hazardous substance reduction. All the test results in 2021 were qualified. For indirect materials/tools that must be used and will be in contact with the finished product, a management and control mechanism for hazardous substance reduction has been established in accordance with the risk levels defined in "WIC-QA15001 Regulations of Product Hazardous Substance Risk Identification". Currently, a total of 185 indirect materials/tools used in each process have been listed and managed.

Through hazardous substance reduction control on raw materials/process, 325 product model surveys were completed in 2021, and all models met 100% of the international hazardous substances regulations/directives and customer requirements.

### (6)End of Product Life

Accton Group incorporates the periodic assessment of hazardous substance reduction in the life cycle of electronic products into the design and selects electronic components that comply with international regulations on hazardous substance reduction. It is expected that WEEE control will be introduced in the second half of 2022. The introduction of the 3R (Reuse, Recycle, Recovery) recycling design concept will make the products more 100% compliant with the recycling rate required by the European Union Waste Electrical and Electronic Equipment (WEEE).

## 4.3 Eco-friendly contract farming of leopard cat rice

2021 Highlights of Accton and its Subsidiaries' Supporting the Social Innovation Brand - Leopard Cat Rice



Enterprises participating in the 2021 leopard cat rice fields restoration plan: Accton (1st and 2nd front row from the left, 3rd and 4th back row from the left), Timson Enterprise, WT Microelectronics (3rd and 6th front row from the left, 5th back row from the left), AcBel Polytech (1st front row from the right, 1st, 2nd, 6th and 7th back row from the left), Yi Lu Fa Painting (3rd from the right), Concord Advanced Technology (2nd from the right)

## Winner of the Buying Power Environmental Sustainability Special Award

Accton Technology upholds the idea of "Making Partnership Work," and we have expanded the idea to incorporate care for the land, society, and the global community. In 2020, Accton invested in the leopard cat rice fields restoration plan for the first time. In 2021, Accton and its supplier partners jointly expanded the recovery area and won the special award of the Ministry of Economic Affairs "2021 Buying Power Social Innovation Product and Service Procurement Incentive Mechanism" in the Environmental Sustainability Group, as well as the Third Place Award of the Purchasing Award, double awards affirmed.



2021 and 2020 received the Buying Power Award

## 2020 Project Launch

In 2019, Accton responded to the government's policy on the return of Taiwanese businessmen by setting up more production lines in Miaoli. More than 1,000 colleagues served here, making Miaoli the second home of Accton. With the desire to give back to the local community, Accton announced the partnership with farmers of the leopard cat rice fields in Miaoli in March 2020. In response to the leopard cat rice field restoration plan of the social innovation organization - BlueMagpie Tea Social Enterprise, two leopard cat rice fields were officially established in Fengshu Village in Tongxiao, named "Ecological Feast Park" and "Diversity and Sharing Rice Field", making Accton the company with the largest contracted farmland cultivation area.



Accton's field of contracted cultivation, "Ecological Feast Park"

## Call on 27 supplier partners to protect the leopard cat rice fields in 2021

Accton understands that the actions of an eco-friendly environment need the continuous support of enterprises. In addition to the requirement that it must sign a leopard cat rice contract with BlueMagpie Tea Social Enterprise for three consecutive years, it should also call on partners to invest and expand its influence. Therefore, at the supplier conference in October 2020, Accton shared with its partners the results of the harvest of leopard cat rice, as well as the exchange of ideas for the recovery of the leopard cat ecological watershed, and successively received enthusiastic responses, which led to more enthusiastic partners to join as guardians of the leopard cat rice fields in the spring of 2021. In April 2021, Accton announced that suppliers would cooperate in expanding the adopted area of the leopard cat rice field from 2.49 hectares to 5.1 hectares, bringing the total number of participating upstream and downstream partners to 27.



AcBel Polytech Inc.



WT Microelectronics



Timson Enterprise Co., Ltd.

Leopard cat rice fields of our supply partners

## Support for social innovation products - Fengshuwo Leopard Cat Rice

BlueMagpie Tea Social Enterprise is committed to building a pesticide-free ecological village with "River Basin Recovery" as the core spirit. In addition to the road kills seen on the news, the reasons for the disappearance of leopard cats included the consumption of prey harmed by pesticides, and the use of animal traps or poisons by farmers to harm the leopard cats in order to protect their poultry. Therefore, the ecological agriculture brand Fengshuwo Leopard Cat Rice, launched by BlueMagpie Tea Social Enterprise, supports the organic rice grown by farmers in friendly farming methods, protects leopard cats and their habitat ecology, makes leopard cats and local residents, farmers, and the whole environment can live in a sustainable symbiosis. The non-toxic and friendly farmland restoration has cultivated a rich habitat ecology, and wild animals such as leopard cats, crab-eating mongooses, and bamboo partridges are gradually appearing. It is hoped that the number of leopard cats will grow faster in the future.

## Looking forward to 2022 with continuous protection

At present, Accton once again calls on enthusiastic supply partners to participate in the 2022 Leopard Cat Rice Farming Project, together with the protection of the leopard cat habitat, to create an "Ecological Feast Park" where wildlife, local farmers, and the whole environment will live in symbiosis.

## Key Actions:

- In 2020, Accton was the company with the largest contracted farmland cultivation area of 2.49 hectares (about 1 acre of land).
- In 2021, Accton called 27 supplier partners to join the recovery of the Leopard Cat Rice Basin, and the total contracted area of Accton and the supply partners reached 5.1 hectares.
- Participated in the "Caring for Leopard Cats & Food Guardian" event held during the Miaoli Children's Month in 2021 to provide 600 kg of leopard cat rice for the nutritional lunch of 8 elementary schools and junior high schools in Miaoli County, so that children can share the spirit of tasting, understanding the leopard cat field basin, and feel the beauty of the home environment.

- In 2021, through the matchmaking and introduction of Silver Gate, a food delivery platform for the elderly, we came to know their long-term cooperation and support of the elderly canteen in Xingcun, Chiayi City. In addition to promising to donate an amount for purchasing 90 kilograms of rice every month to make up for the needs of the canteen, Accton also set one day a week as Leopard Cat Rice Day, so that the elders can eat fully, deliciously, and environmentally friendly.
- Leopard Cat Rice has become the corporate gift of Accton Group from 2020 to 2021. We promoted leopard cat and ecological conservation and the influence of responsible consumption by sharing leopard cat rice with Accton's customers, colleagues, and public welfare groups.



Caring for Leopard Cats & Food Guardian Press Conference



Donation of leopard cat rice to the elderly canteen in Xingcun, Chiayi

Accton participated in the environmental sustainability activity of the Leopard Cat Rice Farming Project and echoed the 17 UN Sustainable Development Goals, including:



- SDG 2: Achieving food security, improving nutrition, and promoting sustainable agriculture.
- SDG 8: Small farmers' co-farming promotes sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
- SDG 12: Ensuring sustainable consumption and production patterns (responsible consumption).
- SDG 15: Ensure biodiversity.
- SDG 17: Partnerships for Goal Achievement.



Accton Technology received the "Buying Power" Environmental Sustainability Special Award and Purchasing Award. Lucille Lu, Senior Marketing Manager (on the right), accepting the award on behalf of Accton.



Award-winning news:

Accton Technology calls on 27 supplier partners to protect the Leopard Cat Valley Winning the Buying Power Environmental Sustainability Special Award and Purchasing Award  
<https://bit.ly/3kNUaSl>



Watch the video:

Respond to World Earth Day Action | Accton's call for more than 20 supplier partners to participate in the Leopard Cat Rice Farming Project!  
<https://bit.ly/3hB0cEc>

# 05

## Social Charity

## 5. Social Charity

Besides being Accton's commitment to its partners, "Making Partnership Work" is also the philosophy Accton upholds towards sustainable management. As a corporate citizen, Accton provides value to the community while shouldering a commitment to the community. Through the establishment of a foundation and network platform, Accton amalgamated the strength of the crowd to achieve common goals, and called on employees and supply partners to join in, on top of establishing partnerships with other non-profit organizations in an effort to promote resource sharing and create common value through networking.

In 1999, Accton Technology established the "Accton Cultural and Educational Foundation" with the aim of improving the teaching environment, driving diversified education, and promoting inclusive education to achieve SDG4 Quality Education. Following Typhoon Xangsane in 2000, Typhoon Toraji in 2001, and floods from Typhoon Nari, many families encountered economic difficulties due to the sudden disasters. In 2021, Accton Technology leveraged its core business competencies in infocommunication technologies and marketing, and developed the Accton E-Charity fundraising platform that aggregated social charity resources and established a

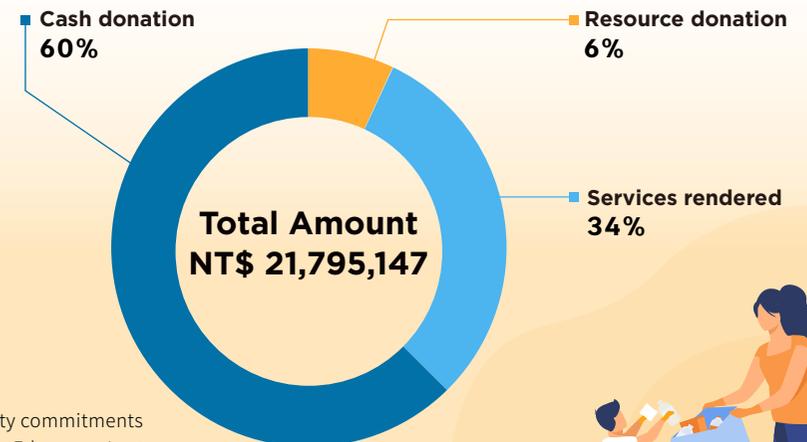
social assistance network through the Internet, which knows no bounds. The platform facilitated the direct connection of those in need with those offering assistance online, hence achieving SDG 9 Industry, Innovation and Infrastructure and SDG 17 Partnerships to achieve the goal. In 2003, Accton established the Taiwan Charitable Service Association so as to more directly serve and assist people in emergency and difficult situations, and endeavored to provide emergency relief and care for the disadvantaged, achieving SDG 1 No Poverty.

As a global leader in networking equipment, Accton Technology places much emphasis on innovation capabilities and hopes to nurture more innovative R&D talent from a young age through art education, which effectuates creative thinking to break the mold. In 2000, Accton established the "Accton Arts Foundation" and "Arttime Art Network" platform with the aim of promoting cultural and art education, developing a database of Taiwan art talent, fostering the overall building of art and culture communities, and building cultural and creative art communities, hence achieving SDG 4 Quality Education and SDG 17 Partnerships to achieve the goal.

### Relationship between Accton Technology and its foundations



### Our commitments to the society



Note: Community commitments included Accton, Edgecore, Accton Cultural and Educational Foundation, Taiwan Charitable Service Association, Accton Arts Foundation, fundraising among employees in the Accton Group, and other relevant activities.

### Three units and two platforms for Accton to bring common prosperity to reality

Unit/Platform	Year of establishment	Key mission
<b>Accton Cultural and Educational Foundation</b>	1999	Endeavors to improve the teaching environment, integrate diversified education, and promote inclusive education.
<b>Accton Arts Foundation</b>	2000	Promote culture and art education, develop a database of Taiwan art talent, foster the overall building of art and culture communities, build cultural and creative art communities, develop a diversified and inclusive environment, and endeavor to bring about sustainable and equal public art participation.
<b>Taiwan Charitable Service Association</b>	2003	Endeavors to provide emergency relief, care for the disadvantaged and solo seniors.
<b>Accton E-Charity platform</b>	2001	Assist the social welfare organizations across Taiwan to carry out online fundraising, in-kind collection, manpower recruitment, etc., narrowing the digital gap of the social welfare organizations and leveraging on the power of the platform to amalgamate more resources.
<b>Arttime Art Network platform</b>	2000	Promote information about art and cultural activities, taking the initiative to cover Taiwan's contemporary artists for the general public, and become an online communication platform. Boost the visibility of independent artists and small art groups through various sponsorship of various promotional activities, such as free tickets and purchase discounts.

**Social impact for commitment in 2021**

Key mission	Project details	Social impact	Alignment with United Nations Sustainable Development Goals (SDGs)
<p><b>Improvement of teaching environment</b></p>	<ul style="list-style-type: none"> <li>● "Book to Send Hope · Vision of the Future" rural reading promotion program</li> <li>● Sponsored Zhi-Shan Foundation's "Support Teachers to Go Up the Mountains · Accompanying Children Grow Program"</li> <li>● Sponsored IPOWER Alliance's rural classroom program</li> <li>● Sponsored Nantou Fu Guei Elementary School's after-school classes and maker learning camp program</li> <li>● Sponsored Yien Association's supplementary classes and companionship for disadvantaged children program</li> <li>● Sponsored Kids' Bookhouse's companion support program</li> <li>● Sponsored Taiwan Fund for Children and Families' Hope Project of Education</li> <li>● Long term support for Management Association in Haikou Community in Pingtung County's supplementary classes for disadvantaged children</li> <li>● Supported Nantou Renhe Elementary School's supplementary classes for disadvantaged children</li> </ul>	<p>Invested resources to narrow the gap between urban and rural education resources</p>	  
<p><b>Promote inclusive education</b></p>	<ul style="list-style-type: none"> <li>● Integrated education programs in partnership with Special Olympics</li> <li>● Supported Homeless Taiwan The Human Library project</li> <li>● Supported Dream City Building Association woodwork class graduation exhibition</li> <li>● Sponsored Spinal Cord Injury Social Welfare Foundation's conference on life</li> <li>● Supported Rehabilitation Care for Children Association: Sharing on Youth Stories, Rehabilitation Youth Welcome Meal project</li> <li>● Sponsored Taiwan Motor Neuron Disease Association's "No, I'm Still Awake" exhibition</li> <li>● Organized Big Change Food Truck charity bazaar activity</li> </ul>	<p>Eradicated prejudice and discrimination, and fostered empathy</p>	 

Key mission	Project details	Social impact	Alignment with United Nations Sustainable Development Goals (SDGs)
<p><b>Integration of diversified education</b></p>	<ul style="list-style-type: none"> <li>● Supported DFC Taiwan's seed school program</li> <li>● Supported Civic and Law-Related Education Foundation's Morning Light lawyer enrollment program</li> <li>● Interactive drama classes in rural elementary schools</li> </ul>	<p><b>Nurtured future talents who are creative and with humanistic spirit</b></p>	
<p><b>Care for solo seniors</b></p>	<ul style="list-style-type: none"> <li>● Supported Yunlin County Care Family reunion dinner for solo seniors project</li> <li>● Supported Silver Gate Charity for Elders' senior care plan</li> <li>● Chiayi City Xing Village Humanities Caring Association's rice donation</li> </ul>	<p><b>Elevated the health and social welfare of solo seniors</b></p>	
<p><b>Care for persons with disabilities</b></p>	<ul style="list-style-type: none"> <li>● Supported construction of Taiwan Autistic Children Family Care's Hope Project Production Center</li> <li>● Supported Beunen Foundation's care for persons with disabilities</li> </ul>	<p><b>Improved the health and quality of life of persons with disabilities</b></p>	
<p><b>Promoted the concept of environmental sustainability</b></p>	<ul style="list-style-type: none"> <li>● Organized lectures and workshops on environmental sustainability National Tsing Hua University</li> <li>● Called on suppliers and partners to join in the Leopard Cat Rice project, covering an area of 5.1 hectares</li> <li>● Supported the 'Leopard Cat Friendly and Food Protection' activity, providing 600 kilograms of Leopard Care Rice to the nutritional lunch for eight elementary and junior high schools in Miaoli County</li> </ul>	<p><b>Conveyed the notion of environmental conversation through seeding the idea of it and walking the talk</b></p>	   

Key mission	Project details	Social impact	Alignment with United Nations Sustainable Development Goals (SDGs)
<p><b>Care for disadvantaged community</b></p>	<ul style="list-style-type: none"> <li>Supported Tzih Huai Social Welfare Foundation Halfway House's psychological rehabilitation counseling project</li> <li>Sponsored construction of The World Community Service Association: Adawang Urban Aboriginal Clubhouse</li> <li>Provided emergency relief funds for disadvantaged families</li> <li>Supported Chinese Christian Relief Association's food pack donation drive</li> <li>Sponsored Hualien County Taroko Village Care Association's care for disadvantaged children project</li> <li>Donated food packs and daily necessity resources to agencies such as Bright Side Projects, Chinese Christian Relief Association, etc.</li> <li>Donated to non-profit organization MCDC Association for three consecutive years to impart financial literacy knowledge such as financial coaching services, financial management education among low- and middle- income families in the United States</li> </ul>	<p>Improved the health and welfare of disadvantaged communities</p>	
<p><b>Provision of pandemic prevention supplies</b></p>	<ul style="list-style-type: none"> <li>Donated 2,000 pieces of personal protection equipment (PPE) to National Taiwan University Hsinchu Branch, 1,500 face shields to Hsinchu City Government, 975 pieces of PPE to South-Link Medical Foundation, and 120 pieces of protection partitions to Beunen Foundation</li> </ul>	<p>Reduced the risk of spread of novel coronavirus through provision of pandemic prevention supplies</p>	
<p><b>Develop database of artist talent</b></p>	<ul style="list-style-type: none"> <li>Artist support program Nurtured six artists (four artists for a year, two artists for six months) and organized six solo exhibitions of arts</li> <li>Art administration nurturing program Nurtured three artists and two art interns</li> </ul>	<p>Taking on an "incubator" approach to render support in an attempt to enable the cultivation of talent to be more robust</p>	

Key mission	Project details	Social impact	Alignment with United Nations Sustainable Development Goals (SDGs)
<p><b>Promotion of arts and culture education</b></p>	<ul style="list-style-type: none"> <li>● Planned and held 14 art-related exhibitions and six events</li> <li>● Planned the development of a series of eight courses for Accton x National Palace Museum Art Teaching Plan Development Initiative</li> <li>● Supported Pompidou 913 Art Promotion Project, with five schools, and 450 teachers and students completing the courses</li> <li>● Organized Indigenous Culture Promotion Project, continuing the collaborative spirit of Wulu Bunun community in "Mihumisa(n)g Blesses You", supported the transformation plan of the Taitung Wulu Elementary School, granted two music licenses, and held a public broadcast for the documentary</li> </ul>	<p>Ensured a more grounded approach for the promotion of culture and art through exhibitions, courses and seminars, and practical observation</p>	
<p><b>Drive the overall development of art and culture communities</b></p>	<ul style="list-style-type: none"> <li>● Operations of Hsinchu City Art Site of Railway Warehouse Venue was open for 238 days, held 20 exhibition events and received 24,736 visitors</li> <li>The venue was closed from May 17 to July 28 owing to the pandemic outbreak situation</li> </ul>	<p>Been a long supporter for specific halls to enable the venue become one of the "culture incubators" of the city</p>	 
<p><b>Develop cultural, creative and artistic communities</b></p>	<ul style="list-style-type: none"> <li>● Managed Arttime Art Network with a total of 25,365 members</li> <li>● Jointly organized "Taiwan Art Space Alliance 2021 Annual Meet" with Taiwan Art Space Alliance (TASA) via online format</li> </ul>	<p>Adopted online management format predominantly to bring down the regional boundaries and barriers</p>	

## 5.1 Accton E-Charity

Accton leveraged core competencies in network communications to set up and operate a fundraising platform, Accton E-Charity (www.17885.com.tw), to assist public welfare organizations in Taiwan in online fundraising and activity publicity, and called on netizens to work together to render help for emergency relief efforts across Taiwan with the notion of Direct Donation - Direct Help.

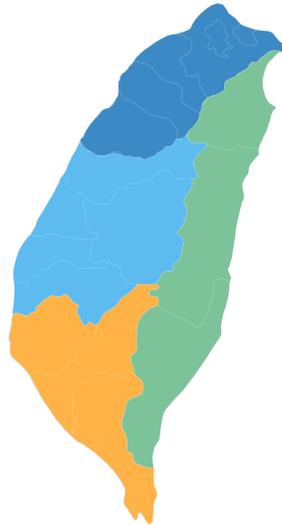
### Assist public welfare organizations to raise funds online to bridge the digital gap

At the end of 2021, Accton E-Charity had 328 public welfare organizations as members and 300,000 individual members. Accton Technology absorbed all operating costs of the portal so that these public welfare organizations are spared of the burden while using the portal. The total amount donated to public welfare organizations across Taiwan through the Accton E-Charity portal in 2021 was NT\$33.96 million.

### organizational members by location

#### Central region: 43

- Taichung City 23
- Changhua County 2
- Nantou County 6
- Yunlin County 6
- Chiayi County 2
- Chiayi City 4



#### Northern region: 205

- Taipei City 118
- New Taipei City 38
- Taoyuan City 19
- Hsinchu County 10
- Hsinchu City 16
- Miaoli County 4

#### Southern region: 52

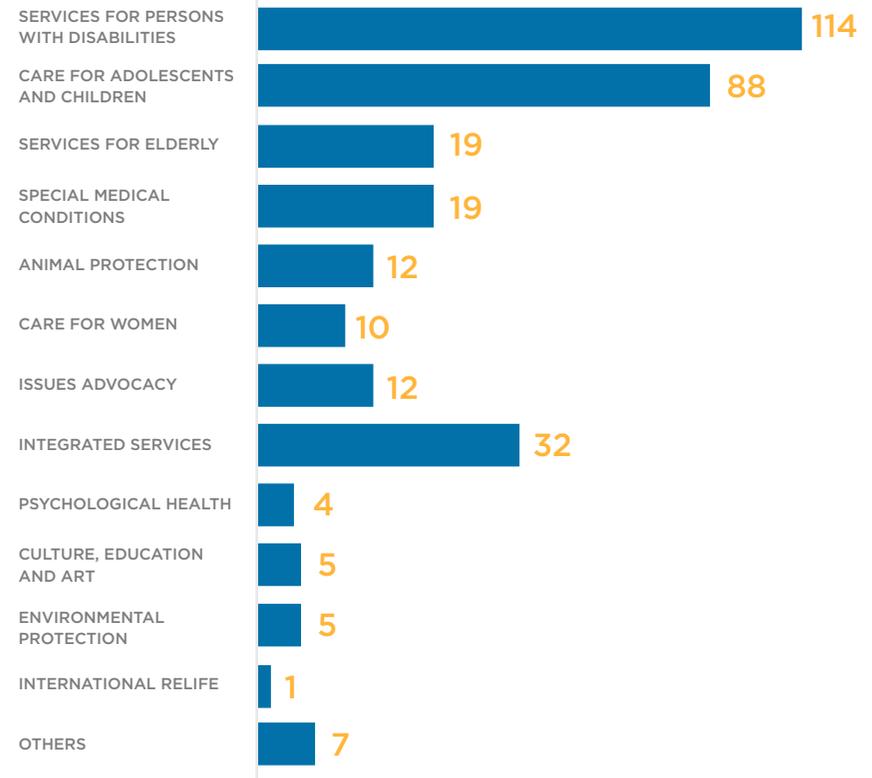
- Tainan City 13
- Kaohsiung City 28
- Pingtung County 11

#### Eastern region: 28

- Yilan County 13
- Hualien County 8
- Taitung County 7

▶ Total number of charitable organizations as our E-Charity member: 328

### Distribution of Accton E-Charity organizational members by service type



### Amount donated to public welfare organization across Taiwan via Accton E-Charity

(Unit: NT\$, ten thousands)

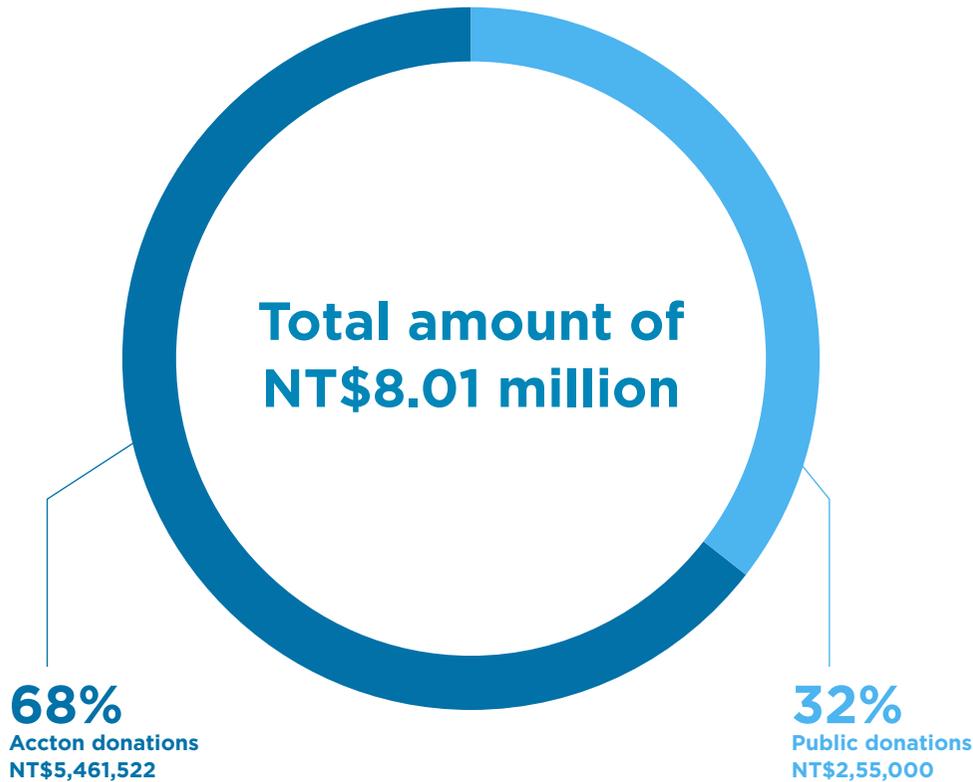


## 5.2 Taiwan Charitable Service Association

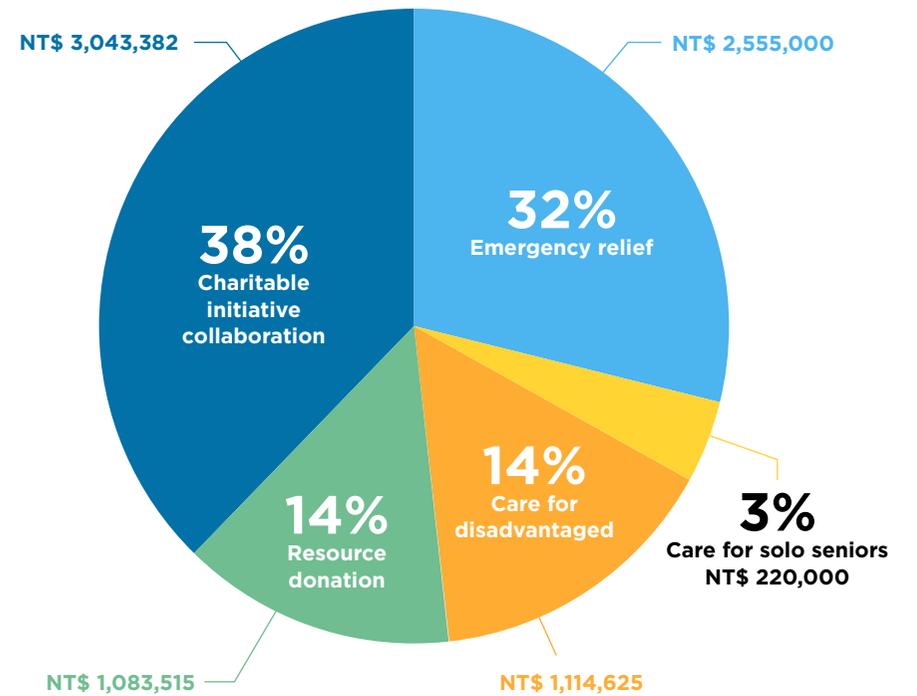
Since its establishment in 2003, Taiwan Charitable Service Association has kept emergency relief as its main focus. In 2021, in addition to caring for the disadvantaged, rural education was selected as the key theme in the hope of narrowing the gap between urban and rural education resources through resource investments. By the same token, diversity and inclusion was selected as the

sub-theme to promote the integration of the general public and disadvantaged groups through different ways. The donation scope of the Taiwan Charitable Service Association in 2021 included emergency relief for disadvantaged families and assistance in public welfare projects, with a total donation amount of NT\$8.01 million.

**Sources of donation for Taiwan Charitable Service Association in 2021**



**Proportion chart of various donations of Taiwan Charitable Service Association in 2021**



## Emergency relief for disadvantaged to elevate the quality of life

In 2021, the Taiwan Charitable Service Association assisted a total of 266 families in distress, with a total assistance amount of NT\$2,555,000, which came from small donations made by netizens through the Accton E-Charity platform.

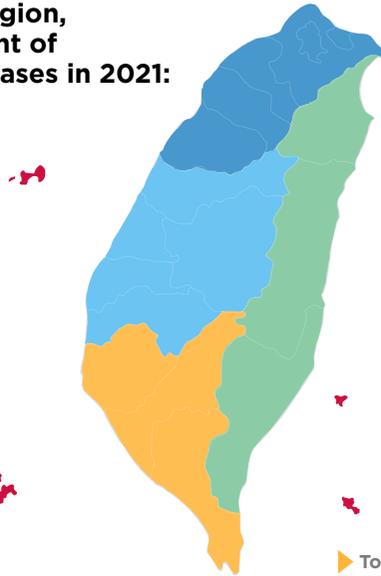
### Overview of the region, number and amount of emergency relief cases in 2021:

#### Northern region: 112 cases

- Keelung City 1
- Taipei City 19
- New Taipei City 41
- Taoyuan City 23
- Hsinchu County 6
- Hsinchu City 8
- Miaoli County 14

#### Central region: 56 cases

- Taichung City 28
- Changhua County 6
- Nantou County 7
- Yunlin County 9
- Chiayi County 1
- Chiayi City 5



#### Eastern region: 19 cases

- Yilan County 9
- Hualien County 8
- Taitung County 2

#### Southern region: 77 cases

- Tainan City 15
- Kaohsiung City 33
- Pingtung County 29

#### Outer Islands: 2 cases

- Penghu County 0
- Kinmen County 2

▶ Total number of cases assisted: **266**

### Taiwan Charitable Service Association provided the following for families in distress:

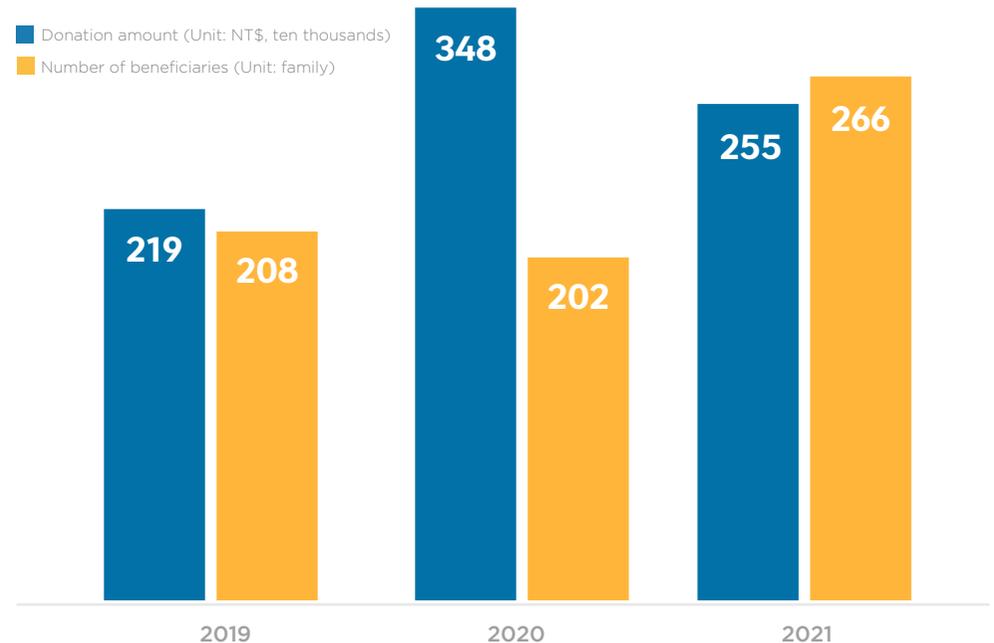
- ✔ Life support: Families in distress owing to the breadwinner having met with emergency disasters, major diseases, major natural disasters.
- ✔ Medical subsidy: In the event of a serious injury or illness, the medical expenses incurred are not affordable to the victim or the maintenance obligor, and the additional medical expenses are not covered by the National Health Insurance Administration or the Bureau of Labor Insurance.
- ✔ Funeral allowance: Disadvantaged families who have suffered misfortunes, resulting in difficulties in their lives and thus unable to afford funeral expenses.
- ✔ Emergency disasters: Major natural or man-made disasters that cause major damage to families and affect lives in the short term.

### Appreciation from beneficiary

Firstly, I would like to thank the assistance offered by Accton E-Charity platform during the most difficult and darkest moments in my life, allowing me to feel the warmth of the society! As I suffered from terminal stage oral cancer, I underwent major surgeries in September to remove portions of my cheeks and subsequent restorative skin grafts from my thighs to cheeks when the cancerous cells spread and shifted to other parts of my body. During this period, owing to my medical conditions, I was unable to work while the economic pressure of life ensued. I am deeply appreciative of the kind gestures from the public and your love has helped me! I will treasure the assistance and these resources! When I have the capabilities in the future, I will pay it forward, and allow me to convey my heartfelt thanks for the love everyone has rendered. Thank you!

Wishing everyone a happy new year!  
May the year ahead be smooth, safe and healthy!

### Amount of emergency assistance provided by the Taiwan Charitable Service Association and the number of beneficiary families between 2019 and 2021



## Promotion of reading in rural areas, bridging the rural-urban education resources gap

### Promotion of reading in rural areas, using reading as tool to change the future of the children

This is the third year of "Book to Send Hope · Vision of the Future" reading initiative in rural areas, which began in 2019. With a model where the association donates one for every book donated, employees of Accton Technology were urged to participate. Colleagues responded enthusiastically to the call, donating a total of 1,377 books benefiting a total of 1,214 beneficiaries.

With regard to school-going children, over and above donating books to Fu Guei Elementary School, Renhe Elementary School, and Minhe Elementary School in Nantou, collaboration with National Dong Hwa University Social Participation Center is also in place, where Taiwan Charitable Service Association donated 200 children books to Zhixue Elementary School Affiliated Preschool in Hualien Shoufeng District and Shoufeng Township Preschool. In addition, Dong Hwa University invited early childhood education experts to be based in Hualien, visiting the preschools on a monthly basis to offer professional consultation and evaluation, providing accompaniment and support to the local preschool teachers in Hualien. Through the variety of themed education, it is hoped that the picture books will spark reading habits in the preschoolers and experience the joy of reading.

With regard to preschoolers, leveraging on rural medical bases, in partnership with Early Literacy Association, doctors shared the importance of parent-child reading together among parents of preschool children in the clinics, and offered children from high-risk families age-appropriate children's books to cultivate their reading habits from an early age.



"Book to Send Hope · Vision of the Future" Shoufeng Township Preschool



"Book to Send Hope · Vision of the Future" Zhixue Elementary School Affiliated Preschool



Appreciation from children from Zhixue Elementary School Affiliated Preschool



Appreciation from children from Shoufeng Township Preschool

**Introduction of teaching resources in rural areas, enriching learning resources**

With lesser employment opportunities in rural areas, parents often need to go to other counties and cities for employment, resulting in most of the children being raised in skip-generation households or fostered by relatives. Aggravated by the low number of teachers in rural schools and the high turnover rate, these children often lack long-term and stable companionship, causing problems such as learning lag, slow development, which affects their future employment and life.

With an eye toward improving the lack of educational resources in rural areas, Taiwan Charitable Service Association has long supported Nantou Fu Guei Elementary School after-school care classes and winter and summer maker series courses since 2017. By bringing in professional teachers of various courses, the children would gain diverse exposure, develop their potential and interests. A total of 360 classes were provided, benefiting 48 students.

In addition, support was rendered to the Zhishan Social Welfare Foundation's "Support Teachers to Go up the Mountain and Accompany Children to Grow Up" to introduce music, dance, cooking, photography, counselors, occupational therapists, speech therapists, among other teachers who provide children's art culture and special education resources for the elementary and junior high schools on the front and back of mountains at Jianshi Township, Hsinchu County. Through diversified educational stimulation, the talents of children in rural areas would be given the opportunity to shine! A total of 180 classes were supported.



Fu Guei Elementary School after-school care class - cajón class



Fu Guei Elementary School after-school care class - dance class

**Interactive drama, enhancing relationship between human engagement**

Planned interactive drama courses, in collaboration with The Black Dog Theatre, leading the children of Fu Guei Elementary School to enter the world of rhythm and imagination in a relaxed manner through drama. Children can pick up empathy and learn to view others during situations of differences and conflicts through various interesting games.



Children using their imagination to assemble various means of transportation



Children writing or drawing what they want to say to the characters in the story

**Psychological support for teachers of after-school classes in rural areas**

The children in the rural after-school classes come from diverse family backgrounds and are scarred differently on their bodies and souls. The interpersonal relationship problems and emotional problems consequent to being hurt often progressively exacerbated the teaching difficulties faced by teachers in the rural after-school classes, resulting in the problem of unconscious physical and mental self-adjustment. Sponsored the Taitung Kid's Bookhouse Companion Support Program, hiring professional teachers to set up a mutual assistance consultation workshop, accompanied 12 Bookhouse partners, and completed a 48-hour foundation class. As we believe that the companion needs to take good care of themselves in order to effectively accompany the children in pain.

## Diversity and inclusion, promotion of social inclusion and understanding

### Bring inclusion to fruition through sports activities

With an eye toward promoting understanding and cultivate empathy through enhancing the opportunities and quality of positive interaction between mainstream children and children with special needs, injected NT\$1.2 million of funds into school inclusion project for 20 elementary schools in Hsinchu City, Chiayi City, Keelung City and Chiayi County in partnership with the Chinese Taipei Special Olympics, benefiting 14,636 individuals.



Children understanding how to get along with children with special needs



Promoting inclusiveness through sports activities with mainstream students and special needs students

### The Human Library, exploring the life stories of rough sleepers

Supported Homeless Taiwan's "The Rough Sleepers Human Library", in an attempt to change the established impression and prejudice of the general public towards rough sleepers. The face-to-face sharing of life experience between the rough sleepers and the public would further help the outside world understand the lifestyle of the poor. A total of 16 sessions were supported.

### Passing down the legends of the brave through speeches

Organized friendly ambassadors' safety lectures with Spinal Cord Injury Social Welfare Foundation such that the disabled lecturers would undergo professional friendly ambassador training with the foundation to coalesce safety messages into their personal stories to carry out safety lectures across Taiwan. This would change the public's stereotyped impressions of the disabled while evolving a bitter memory to a meaningful positive education.

### Seeing the determination in rehabilitated youths at Big Change Food Truck charity bazaar activity



The 6-hour charity sale came to a successful conclusion



The youths occupied in their work

Invited Big Change Food Truck operated by Adolescents' Home, Taoyuan to the headquarters in Hsinchu for charity bazaar. The youths toiled hard

under the sun, uncompromising in every detail, selling 300 breakfast orders. All proceeds went towards the operating costs of Adolescents' Home, Taoyuan, Prison Fellowship Taiwan.



### Donation of pandemic prevention supplies

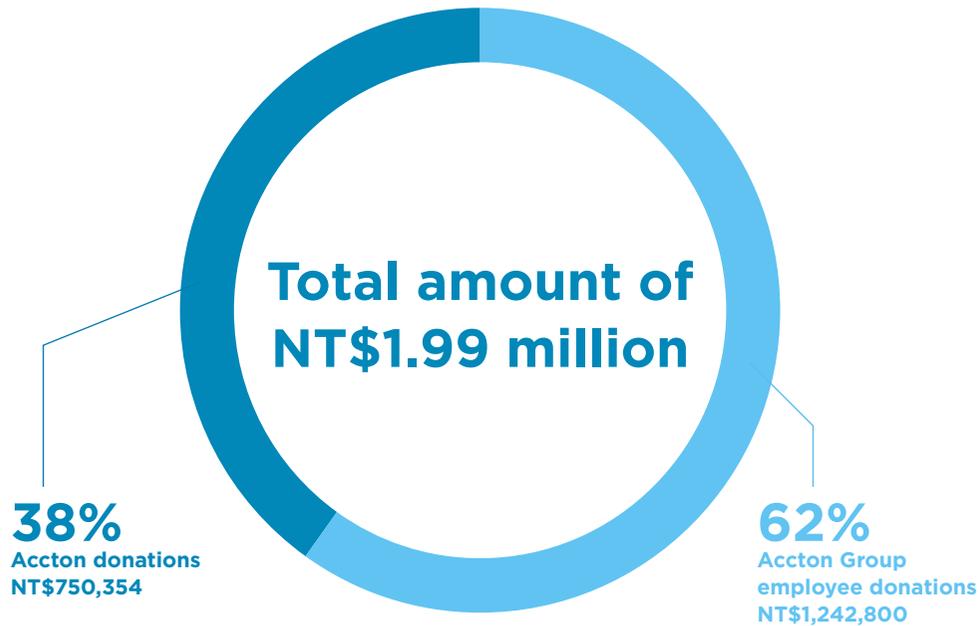
In response to the novel coronavirus pandemic, donated 2,000 pieces of PPE to National Taiwan University Hsinchu Branch, 1,500 face shields to Hsinchu City Government in order to protect the frontline medical and pandemic prevention personnel. For social welfare organizations that have no excess budget to procure pandemic prevention equipment, 975 pieces of PPE were donated to South-Link Medical Foundation while 120 pandemic prevention partitions were donated to Beunen Foundation.

## 5.3 Accton Cultural and Educational Foundation

Founded in 1999 to fulfill its corporate social responsibility, Accton Cultural and Educational Foundation committed NT\$1.99 million in 2021 towards the key focus of promoting diversified education and improving the teaching environment, with the intent of cultivating children's ability to solve problems and face the future through diversified education models.

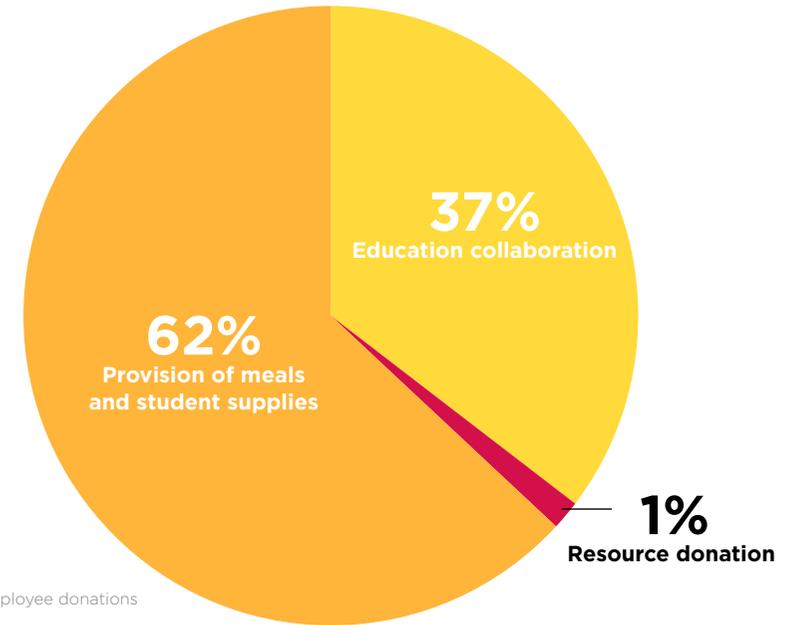
**Donation source for Accton Cultural and Educational Foundation in 2021**

■ Accton donations  
■ Accton Group employee donations



**Proportion of commitment categories for Accton Cultural and Educational Foundation in 2021**

■ Accton donations  
■ Accton Group employee donations  
■ Resource donation



## Realizing environmental sustainability through education and walking the talk

### Entrenching the concept of environmental sustainability through education

Partnered with social enterprise, Agriforward, to organize a sustainability development seminar at National Tsing Hua University. With the aim of entrenching the concept of sustainable development in the campus through education, the lecture was designed to enable young students and the general public will have a preliminary understanding of the United Nations Sustainable Development Goals (SDGs). A design sprint workshop subsequently saw subject matter experts and young students being invited to address sustainable environmental issues and develop feasible solutions through design thinking.



Minister without Portfolio, Audrey Tang, sharing her perspectives of sustainability trends with students present

## Cultivate innovative thinking with diversified education

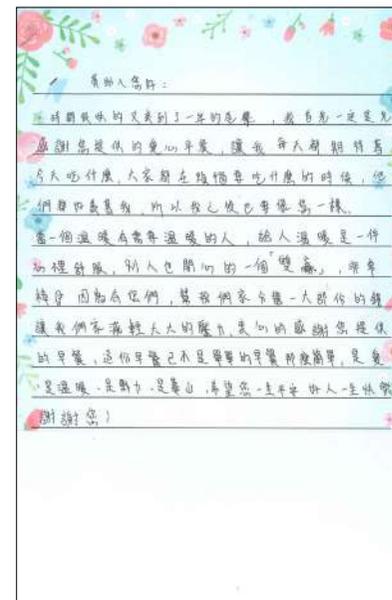
### Design thinking, nurturing problem solving and realizing creativity abilities in children

Supported Design for Change Taiwan's (DFC Taiwan) seed school accreditation initiative, where the motivation in children to solve real-world problems are stimulated through design thinking, which is a thinking mode that is human-centric and creative. Children find meaning and motivation to learn and cultivate the abilities needed for life, which is FIDS - feel, imagine, do, share.

## Long term assistance for disadvantaged children, elevating quality of learning

### Subsidized meals for disadvantaged children to boost their learning focus

Since 2014, Accton Technology has galvanized the strength of colleagues within the group to adopt the breakfast for more than 1,200 disadvantaged children across various elementary and junior high schools in Hsinchu for one year, and in 2021 the breakfast for 137 children in a total of 22 elementary and junior high schools were adopted. We believe that giving children a nutritious breakfast can boost the focus of children while learning and give them the opportunity to turn the future around!



### Children handwriting their words of appreciation to colleagues who donated their breakfasts

Dear funder:

We have reached the end of the year in a blink of an eye. I must first thank you the loving breakfast you have provided me for the past year, allowing me to look forward to my first meal of the day everyday, while everyone else is fretting over what to eat and being all envious of me. So I want to become like you in future. When a warm person needs warmth, offering warmth to others is psychologically comforting while others are happy. Such a win-win is awesome indeed! My family was alleviated of a great deal pressure thanks to all of you. My sincerest appreciation for the breakfast you have provided. The breakfasts are no longer simple meals but love, warm, motivation, and support. I wish that you will have a blessed and happy life, thank you!

Accton Group colleagues have long sponsored the dinner expenses at after-school classes for disadvantaged children provided by the Management Association in Haikou Community in Pingtung County since 2016. In 2021, dinners for a total of 30 children was supported that do not have irregular meals due to their parents' working schedules and satisfy their hunger with high-calorie snacks, resulting in nutritional imbalance.



Children in after-school class enjoying their nutritious dinners

**Hope Project of Education reversing the vicious cycle of poverty**

Supported Hsinchu Family Support Center's Hope Project of Education for 15 consecutive years, offering to cover the expenses for students at Wufeng Junior High School and Jianshi Junior High School. Supported 191 children in 2021 to overcome financial hurdles and attend school in peace. More than 2,000 students have benefited over the past 15 years, with donation amount surpassing NT\$5 million.

**Let care be shown through donation of face masks**

Everyone dons a mask these days, owing to the pandemic and government's regulations to curb the spread of the pandemic. However, this has also added to the challenge of hearing-impaired individuals when communicating with others. The foundation specially procured 1,920 transparent marks to donate to Syn-Lu Social Welfare Foundation Hsinchu Branch and Hsinchu Bright Sound Association, so that children with hearing impairment and early intervention can lip read the teachers clearly, their learning is unaffected while protecting the health of both the teachers and the children!



Donated transparent face masks to Syn-Lu Social Welfare Foundation Hsinchu Branch



Teachers at Syn-Lu Social Welfare Foundation wearing transparent masks while teaching



Donated transparent face masks to Hsinchu Bright Sound Association



Social workers carrying out advocacy for wearing transparent masks at hearing impaired special needs school campus

## 5.4 Accton Arts Foundation

Established in 2000 with the support of Accton, the Accton Arts Foundation extends the core spirit of Accton - galvanizing the strength of the masses and forging real partnerships. The Accton Art Foundation brings the spirit to reality by using art as a connector to establish a diverse and inclusive environment, as well as encouraging sustainable and equitable public engagement. In 2021, Accton Art Foundation committed a total of NT\$4,651,458 to drive the following four missions with practical actions:

- ✔ Promotion of arts and culture education
- ✔ Develop database of Taiwan art talent
- ✔ Drive the overall development of art and culture communities
- ✔ Develop cultural, creative and artistic communities

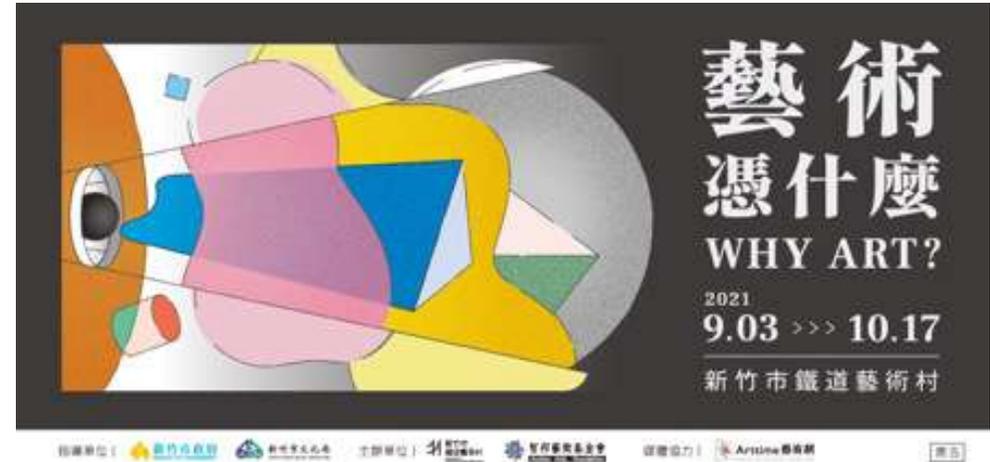
### Project structure corresponding to the annual committed amount

Mission	Total amount	Proportion
Promotion of arts and culture education	365,540	8%
Develop a database of artist talent	880,000	19%
Drive the overall development of art and culture communities	3,325,918	72%
Develop cultural, creative and artistic communities	80,000	2%

### Proportion of commitment in the four key missions of the Foundation

- Promotion of arts and culture education included personnel costs, utility and air conditioning costs, hardware equipment maintenance and transport costs, miscellaneous expenses, among other expenses.

### Key highlight project - Why Art event series



**Number of participants: 5,606**

### Project summary:

From 2021 onward, in terms of the mission of promotion of arts and culture education, the Foundation hopes to return to the essence of how to bring people closer to art, and stand with the public to change the established impression of "watching art". In recent years, the concept of "art comes into life" has been widely used and mentioned in art museums and educational settings. In response to this theme, Accton Art Foundation launched small-scale exhibitions "What's Art?" and "Why Art?", imploring the public to think together, what kind of creation will be called art? What kind of identity and profession is an artist? Why is art so popular in recent years? Why can art be used as a tool for thinking and training?

## Key highlight project: TASA 2021 Annual Meeting



### Reflection of mission: develop cultural, creative and artistic communities Number of participants: 80 online participants Project summary:

Every year, the TASA Annual Meeting congregates relevant professionals at home and abroad for exchanges and discussions on different specific topics, and the meetings are held throughout Taiwan to enrich the research and observation of the development of art in all aspects. Accton Art Foundation and Hsinchu City Art Site of Railway Warehouse were the co-organizers of the TASA 2021 Annual Meeting, continuing the theme of art equality and inclusive art in 2020, and focusing on discussing the current state of affairs for various invisible obstacles and differences in art participation. At the same time, the annual meeting incorporated Hsinchu's local characteristics and connections of being Taiwan's leading technology center, exploring how the invisible signals and data transformation can bring new opportunities and possibilities for art equality.

## Key highlight project: art residency support initiative

### Reflection of mission: develop database of artist talent Project summary:

The nurturing of artistic talent has been an unceasing initiative of the foundation since its inception in 2000. From providing artists with exhibition spaces in the early years, assisting in the exposure and sale of creations, to supporting art residencies in recent years, these efforts have enabled artists to create specific spaces while interacting face-to-face with other artists-in-residence, art administrators and the general public. An organic art and literature education system with talents, needs, spaces, and funding streams is thus built with the concept of resource integration.

## Group portrait of artists supported in 2021



Tamas Szvet 匈牙利籍



Kaiyux Zihning 林楷育 戴孜婷



WAN WU 黃志軒 吳嘉峻



鄭森雨 鄭維仁



André Gudenrath 德國籍



Tomoyo Ihaya 井早智代 日本籍

## 5.5 Arttime

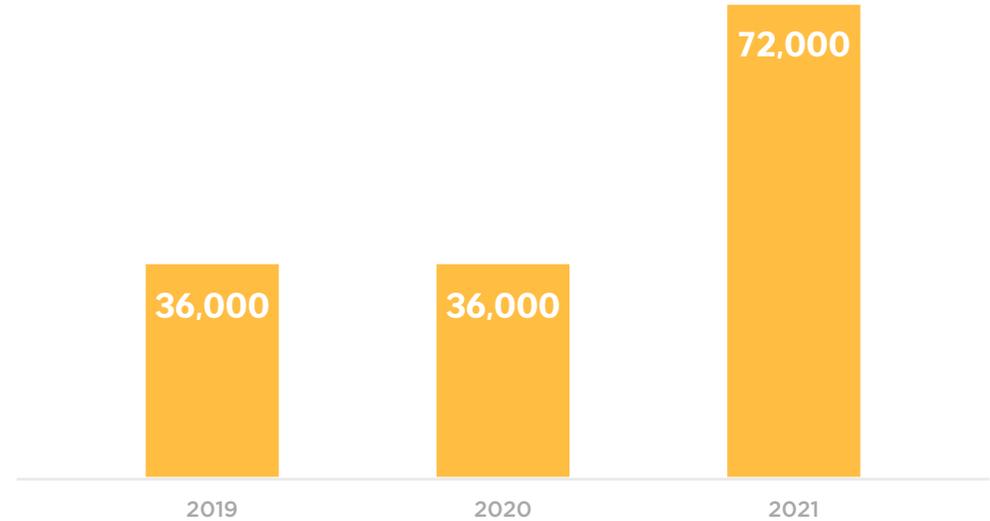
Founded in 2000, "Arttime Art Network" is the epitome of the development of a cultural and creative art community. As an online art exchange platform, Arttime Art Network proactively introduced contemporary artists to the general public, agnostically gathering art and cultural information from major institutions, foundations, alternative spaces, etc., and sponsoring various promotional activities, such as free tickets and purchase concessions, to raise the visibility of independent artists and small art groups. Arttime Art Network currently has 25,297 members, of which approximately 30% are group members.



### Citizens of the world, love knows no borders

In the name of Edgecore America, Accton's subsidiary Edgecore has donated money to support the non-profit organization, Metro Community Development Corporation (MCDC Association) for three consecutive years, providing financial coaching services and financial education for more than 300 low- and middle-income households in the United States, imparting financial related knowledge, improving credit ratings, etc., assisting low- and middle-income households to resource manage their income, over and above assisting them in finding higher-paying jobs to improve their quality of life. The MCDC Association supplements with dietary health education, teaching the public how to choose and cook healthy food, promoting nutritional balance, reducing obesity, diabetes and other diseases, essentially reducing family spending on health care.

**Amount which Edgecore supported non-profit organization, MCDC Association between 2019 and 2021 (Unit: US\$)**



MCDC holding financial education events in junior high schools



MCDC providing supply boxes to students from low- and middle-income households

As the COVID pandemic situation worsens, the workload and pressure of frontline health care workers have doubled. Edgecore donated US\$100,000 to the Nazareth Project Inc. for the installation of a new intensive care equipment to reduce the burden on healthcare workers and provide a better healthcare environment.

# 06

## Appendices

# 6.1 Appendix

## Assurance Statement



### ASSURANCE STATEMENT

#### SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ACCTON TECHNOLOGY CORPORATION'S CORPORATE SUSTAINABILITY REPORT FOR 2021

##### NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Accton Technology Corporation (hereinafter referred to as Accton) to conduct an independent assurance of the Corporate Sustainability Report for 2021 (hereinafter referred to as the CSR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during verification (2022/04/19–2022/05/20). SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

##### INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Accton's Stakeholders.

##### RESPONSIBILITIES

The information in the Accton's CSR Report of 2021 and its presentation are the responsibility of the directors or governing body (as applicable) and management of Accton. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the report content within the scope of verification with the intention to inform all Accton's stakeholders.

##### ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for report quality, and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

The assurance of this report has been conducted according to the following Assurance Standards:

##### Assurance Standard Options and Level of Assurance

A.	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B.	AA1000ASv3 Type 1 Moderate Level (AA1000AP Evaluation only)

##### SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

##### Reporting Criteria Options

- |    |   |
|----|---|
| 1. | GRI Standards (Core)                    |
| 2. | AA1000 Accountability Principles (2018) |

- AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) at a moderate level of scrutiny; and
- evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with.

##### ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

##### LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD) and SASB related disclosures has not been checked back to source as part of this assurance process.

##### STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Accton, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

##### FINDINGS AND CONCLUSIONS

##### VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting.

**AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

**Inclusivity**

Accton has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, sustainability experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, Accton may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

**Materiality**

Accton has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

**Responsiveness**

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

**Impact**

Accton has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

**GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

The report, Accton's CSR Report of 2021, is adequately in line with the GRI Standards in accordance with Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. For future reporting, it is recommended to have more descriptions of mechanisms for evaluating the effectiveness of the management approach, and how to changes in the allocation of resources, goals, or targets. When Adjustments to the management approach as a result of the evaluation for each material topic (103-3).

Signed:  
For and on behalf of SGS Taiwan Ltd.



David Huang  
Senior Director  
Taipei, Taiwan  
22 June, 2022  
[WWW.SGS.COM](http://WWW.SGS.COM)



AA1000  
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## 6.2 GRI Standards Comparison Table

GRI 102: General Disclosures				
GRI Standard	Core Requirement	Disclosure Item	Corresponding Chapters/Sections and Explanation	Page Number
<b>Organizational Profile</b>				
	●	102-1 Name of the organization	1.1 Company Profile	23
	●	102-2 Activities, brands, products, and services	1.1 Company Profile 1.3 Products and Services	23-24, 28-29
	●	102-3 Location of headquarters	1.1 Company Profile	23
	●	102-4 Location of operations	1.1 Company Profile	23
	●	102-5 Ownership and legal form	1.1 Company Profile	23
	●	102-6 Markets served	1.1 Company Profile 1.2 Operating Performance	23,26
	●	102-7 Scale of the organization	1.1 Company Profile 1.2 Operating Performance 1.3 Products and Services	23-25, 28-29
	●	102-8 Information on employees and other workers	3.1 Talent Attraction and Retention	61-73
	●	102-9 Supply chain	1.3 Products and Services 2.4 Responsible Supply Chain	29, 51-59
	●	102-10 Significant changes to the organization and its supply chain	Significant change: three production lines in Hsinchu Plant 1 were fully shifted to Miaoli Zhunan Plant in September 1, 2021 2.4 Responsible Supply Chain	51-59
	●	102-11 Precautionary Principle or Approach	1.5 Innovative Technology Research and Development 2.3 Privacy and Transaction Security 2.4 Responsible Supply Chain 4.1 Energy Conservation and Carbon Reduction	35, 48 51-52, 112-114
	●	102-12 External initiatives	Did not participate in external initiatives	
	●	102-13 Membership of associations	Sustainability Performance	15
<b>Strategy</b>				
	●	102-14 Statement from senior decision-maker	Message from the Chair of the ESG Committee	3
<b>Ethics and Integrity</b>				

GRI 102: General Disclosures				
GRI Standard	Core Requirement	Disclosure Item	Corresponding Chapters/Sections and Explanation	Page Number
	●	102-16 Values, principles, standards, and norms of behavior	Sustainable Development 2.4 Responsible Supply Chain 2.2 Ethical Management	5-7, 45-47, 53-59
		102-17 Mechanisms for advice and concerns about ethics	2.2 Ethical Management	45-47
<b>Governance</b>				
	●	102-18 Governance structure	Sustainable Development 2.1 Corporate Governance	6,39
		102-19 Delegating authority	Sustainable Development	6
		102-20 Executive-level responsibility for economic, environmental, and social topics	Sustainable Development	6
		102-21 Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement and Materiality Analysis	19-21
		102-23 Chair of the highest governance body	2.1 Corporate Governance	40-41
		102-24 Nominating and selecting the highest governance body	2.1 Corporate Governance	40-41
		102-25 Conflicts of interest	2.1 Corporate Governance	41
		102-26 Role of highest governance body in setting purpose, values, and strategy	Sustainable Development 2.1 Corporate Governance	6,39-41
		102-27 Collective knowledge of highest governance body	2.1 Corporate Governance	39-41
		102-28 Evaluating the highest governance body's performance	2.1 Corporate Governance	42-44
		102-29 Identifying and managing economic, environmental, and social impacts	Stakeholder Engagement and Materiality Analysis	16-18
		102-32 Highest governance body's role in sustainability reporting	About this Report Sustainable Development	4,6
		102-36 Process for determining remuneration	2.1 Corporate Governance For detailed information, please refer to Remuneration Committee Charter <a href="https://bit.ly/3LL94EP">https://bit.ly/3LL94EP</a>	41
<b>Stakeholder Engagement</b>				
	●	102-40 List of stakeholder groups	Stakeholder Engagement and Materiality Analysis	16,19-21
	●	102-41 Collective bargaining agreements	No collective bargaining agreements have been signed	

**GRI 102: General Disclosures**

GRI Standard	Core Requirement	Disclosure Item	Corresponding Chapters/Sections and Explanation	Page Number
	●	102-42 Identifying and selecting stakeholders	Stakeholder Engagement and Materiality Analysis	16-21
	●	102-43 Approach to stakeholder engagement	Stakeholder Engagement and Materiality Analysis	18-21
	●	102-44 Key topics and concerns raised	Stakeholder Engagement and Materiality Analysis	18-21
<b>Reporting Practice</b>				
	●	102-45 Entities included in the consolidated financial statements	About this Report	4
	●	102-46 Defining report content and topic Boundaries	About this Report Stakeholder Engagement and Materiality Analysis	4,16-18
	●	102-47 List of material topics	Stakeholder Engagement and Materiality Analysis	18
	●	102-48 Restatements of information	6.4 Information Correction Table	156
	●	102-49 Changes in reporting	About this Report	4
	●	102-50 Reporting period	About this Report	4
	●	102-51 Date of most recent report	About this Report	4
	●	102-52 Reporting cycle	About this Report	4
	●	102-53 Contact point for questions regarding the report	About this Report	4
	●	102-54 Claims of reporting in accordance with the GRI Standards	About this Report	4
	●	102-55 GRI content index	6.2 GRI Standards Comparison Table	148-154
	●	102-56 External assurance	About this Report	4

Topic Disclosures				
GRI 200: Economic Performance				
Topic		Indicator Description	Corresponding Chapters/Sections and Explanation	Page Number
<b>Corporate Governance</b>				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement and Materiality Analysis	18
	103-2	The management approach and its components	Stakeholder Engagement and Materiality Analysis 2.1 Corporate Governance	18-21, 39-44
	103-3	Evaluation of the management approach	2.1 Corporate Governance	39-44
<b>Information Security Management</b>				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement and Materiality Analysis	18
	103-2	The management approach and its components	Stakeholder Engagement and Materiality Analysis 2.3 Privacy and Transaction Security	18-21, 48-50
	103-3	Evaluation of the management approach	2.3 Privacy and Transaction Security	48-50
<b>Customer Relations</b>				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement and Materiality Analysis	18
	103-2	The management approach and its components	Stakeholder Engagement and Materiality Analysis 1.4 Exceeding Customer Expectations	18-21, 30-34
	103-3	Evaluation of the management approach	1.4 Exceeding Customer Expectations	30-34
<b>Innovation and Research and Development</b>				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement and Materiality Analysis	18
	103-2	The management approach and its components	Stakeholder Engagement and Materiality Analysis 1.5 Innovative Technology Research and Development	18-21, 35-37
	103-3	Evaluation of the management approach	1.5 Innovative Technology Research and Development	35-37
<b>Operational Performance</b>				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement and Materiality Analysis	18
	103-2	The management approach and its components	Stakeholder Engagement and Materiality Analysis 1.2 Operating Performance	18-21, 25-27
	103-3	Evaluation of the management approach	1.2 Operating Performance	25-27

**Topic Disclosures**

**GRI 200: Economic Performance**

Topic		Indicator Description	Corresponding Chapters/Sections and Explanation	Page Number
GRI 201: Economic performance 2018	201-1	Direct economic value generated and distributed	1.2 Operating Performance	25-27
	201-3	Defined benefit plan obligations and other retirement plans	3.1 Talent Attraction and Retention 3.2 Talent Learning and Development	74,79
	201-4	Financial assistance received from government	1.2 Operating Performance	27
<b>Compliance</b>				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement and Materiality Analysis	18
	103-2	The management approach and its components	Stakeholder Engagement and Materiality Analysis 2.2 Ethical Management	18-21, 45-46
	103-3	Evaluation of the management approach	2.2 Ethical Management	45-46
GRI 205 Anti-corruption 2018	205-2	Communication and training about anti-corruption policies and procedures	2.2 Ethical Management	45-46

Topic Disclosures				
GRI 400: Social Disclosures				
Topic		Indicator Description	Corresponding Chapters/Sections and Explanation	Page Number
<b>Remuneration and Benefits</b>				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement and Materiality Analysis	18
	103-2	The management approach and its components	Stakeholder Engagement and Materiality Analysis 3.1 Talent Attraction and Retention	18-21, 61-74
	103-3	Evaluation of the management approach	3.1 Talent Attraction and Retention	61-74
GRI 401: Employers-Employee Relations 2018	401-1	New employee hires and employee turnover	3.1 Talent Attraction and Retention	66-68
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.1 Talent Attraction and Retention	69-71
	401-3	Parental leave	3.1 Talent Attraction and Retention	70-71
GRI 405: Diversity and Equal Opportunity 2018	405-1	Employee diversity and equal opportunities	3.1 Talent Attraction and Retention	63-66
	405-2	Ratio of basic salary and remuneration of women to men	3.1 Talent Attraction and Retention	73
<b>Occupational Health and Safety</b>				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement and Materiality Analysis	18
	103-2	The management approach and its components	Stakeholder Engagement and Materiality Analysis 3.3 Safeguarding Employee Safety and Health	18-21, 85-107
	103-3	Evaluation of the management approach	3.3 Safeguarding Employee Safety and Health	85-107
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	3.3 Safeguarding Employee Safety and Health	85-93
	403-2	Hazard identification, risk assessment, and incident investigation	3.3 Safeguarding Employee Safety and Health	86-91
	403-3	Occupational health services	3.3 Safeguarding Employee Safety and Health	97-107
	403-4	Worker participation, consultation, and communication on occupational health and safety	3.3 Safeguarding Employee Safety and Health	86-91
	403-5	Worker training on occupational health and safety	3.3 Safeguarding Employee Safety and Health	91-96
	403-6	Promotion of worker health	3.3 Safeguarding Employee Safety and Health	97-102
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.3 Safeguarding Employee Safety and Health	89-96
	403-8	Workers covered by an occupational health and safety management system	3.3 Safeguarding Employee Safety and Health	88-93

**Disclosure of Current State**

Topic		Indicator Description	Corresponding Chapters/Sections and Explanation	Page Number
GRI 302: Energy 2018	302-1	Energy consumption within the organization	4.1 Energy Conservation and Carbon Reduction	117
	302-3	Energy intensity	4.1 Energy Conservation and Carbon Reduction	118
GRI 305: Emissions 2018	305-2	Energy indirect (Scope 2) GHG emissions	4.1 Energy Conservation and Carbon Reduction	119-120
	305-5	GHG emissions intensity	4.1 Energy Conservation and Carbon Reduction	120
GRI 416: Customer Health and Safety 2018	416-1	Assessment of the health and safety impacts of product and service categories	4.2 Green Products	121-122

## 6.3 SASB

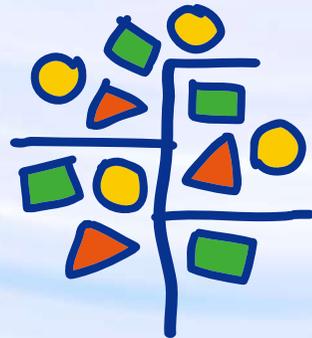
Topic	No.	Calculation Metrics	Unit of Measure	Description and Corresponding Chapters
Employee Diversity and Inclusion	TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	%	3.1 Talent Attraction and Retention
Supply Chain Management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	%	No-high risk facilities (No vendor that has implemented RBA VAP in this written survey is less than 80% compliant)
	TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	Rate	According to the Supplier RBA Principle, there was no defect in the written inspection of 100 companies in 2021.
Procurement of Materials	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	n/a	Audited surveys completed by suppliers in accordance to OECD Due Diligence Guidelines, and only accepted metals from RMI certified smelters and refineries on Responsible Minerals Assurance Process (RMAP) lists. Completed a total of 356 suppliers CMRT/CRT template reviews, with a 100% pass rate. Please refer to 2.4 Responsible Supply Chain for details of Conflict Metals.

Activity Indicator	No.	Unit of Measure	Description and Corresponding Chapters
Number of units produced by product category	TC-HW-000.A	Number	Not applicable to the product type of Accton
Area of manufacturing facilities	TC-HW-000.B	Square feet (ft <sup>2</sup> )	Not applicable to the product type of Accton
Percentage of production from owned facilities	TC-HW-000.C	Percentage (%)	Not applicable to the product type of Accton

## 6.4 Information Correction Table

### 2020 CSR Report Information Correction

Chapter	Description	Page number
2.4 Privacy and Transaction Security	For the organization chart of Information Security Promotion Committee, in which the English titles of the five groups listed below were all originally as Chief Information Security Officer, the titles should read from left to right the Risk Management Team, Internal Audit Team, Event Handling Team, Operation and Monitoring Team, Documentation Team.	30



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For more information on  
Accton's Corporate Sustainability Report, please visit:  
<https://www.accton.com/esg-home/>