

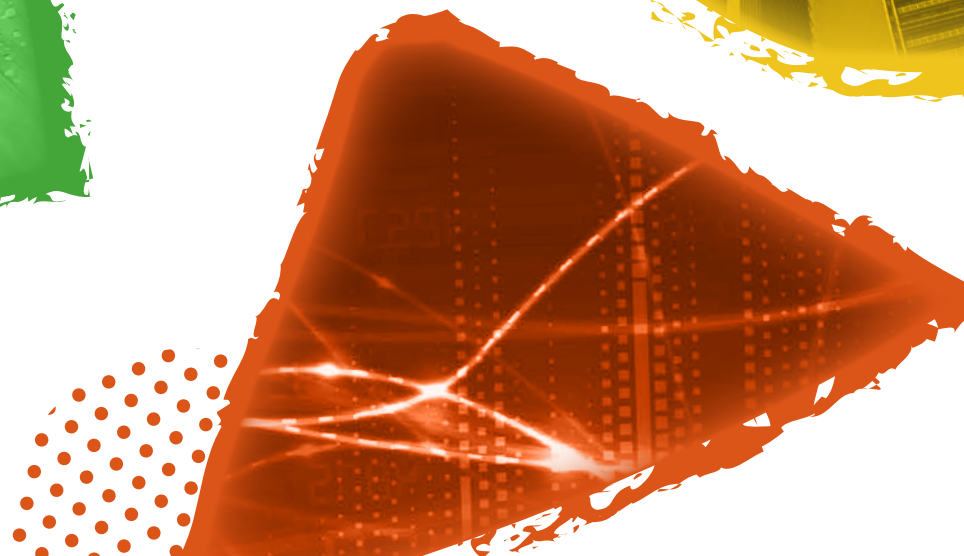
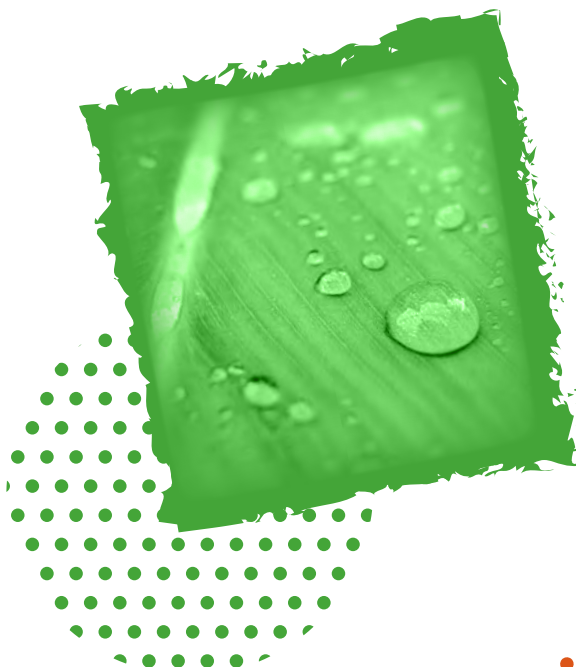
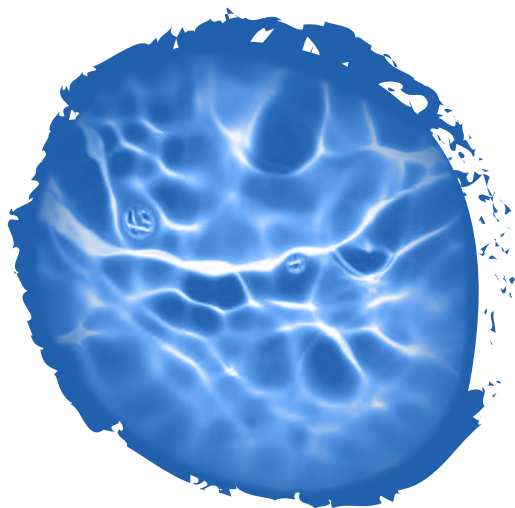
# Accton

Making Partnership Work

## 2022

### ESG REPORT

Accton Group  
Corporate Sustainability Report



## About This Report

Message from the Chair of the ESG Committee	1	Sustainable Development	3	Materiality Analysis	13
About This Report	2	Sustainability Performance	6	Stakeholder Engagement	16

## 1 About Accton

1.1 Company Profile	20
1.2 Operating Performance	22
1.3 Products and Services	24
1.4 Exceeding Customer Expectations	26
1.5 Corporate Governance	30
1.6 Ethical Management	34

## 2 Comprehensive Corporate Governance

2.1 Risk Management	38
2.2 Innovative Technology Research and Development	49
2.3 Responsible Supply Chain	51

## 3 Green Production

3.1 Green Production	57
3.2 Green Product Management	66

## 4 Friendly Work Environment

4.1 Talent Attraction and Retention	71
4.2 Talent Learning and Development	89
4.3 Safeguarding Employee Safety	102
4.4 Safeguarding Employee Health	109

## 5 Social Charity

5.1 Accton E-Charity	117
5.2 Taiwan Public Welfare and Service Association	118
5.3 Accton Cultural and Educational Foundation	123
5.4 Accton Arts Foundation	126

## 6 Appendix

6.1 Assurance Statement	133
6.2 GRI Standard Comparison Table	134
6.3 SASB	137
6.4 Sustainability Disclosure Indicator - Communication Network Industry	138

# Message from the Chair of the ESG Committee

Facing the common crises of climate change and global warming while pursuing a better life, enterprises are paying more attention on how to enable the environment and society to develop sustainably. 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 be introspective 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 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.

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 a company providing network infrastructures and solutions, 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 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 society together. As such, we will create a better future for our children.

## Retrospect

At the end of 2022, with the participation of the Sustainability Committee and top-level managers, Accton became committed to environmental and social issues and won the affirmation of the Taiwan Institute for Sustainable Energy. Three major awards, including "Taiwan Top 100 Sustainability Exemplary Enterprise Award" for Comprehensive Performance, "Electronic Information Manufacturing - First Class Gold" for the Sustainability Report, and "Human Rights Practice and Development Leader Award" for Sustainability Single Performance, affirmed the Company's effectiveness and action in sustainable development, and especially for the rights and care of foreign migrant workers, which has highly affirmed the practice of human rights.

In 2022, the Accton E-Charity Platform won the gold award of "SDG 17 Global Partner Award" of "TSAA Taiwan Sustainability Action Award" for "Good Partner for Public Welfare Digital Companion".

## Environment

Accton sponsored and co-organized the Net Zero Summit and Climate Action Awards, hoping to provide action to slow down global warming by encouraging innovation and partners to find net zero ideas and actions. Also in 2022, the TCFD climate risk assessment has been completed and will set the direction and strategy for future carbon reduction actions.

Accton launched the world's first 100G optical fiber switching module with two-phase cooling technology, which can effectively reduce data center energy consumption and equipment replacement waste. At the same time, the carbon footprint certification of one main product has also been completed, and the systematization and cloud operations will be further promoted in 2023. The Company's score on the International Carbon Disclosure (CDP) questionnaire in 2022 made improvement over 2021, improving to a B.

## Outlook

Accton has set a goal of reducing carbon emissions by 50% by 2030, through internal manufacturing optimization and product design, and at the same time promoting the zero-carbon chain plan with supply chain partners. Through a practical promotion of reducing carbon emissions, we will work with our partners toward the goal of net zero carbon emissions in 2050.

Chair of the ESG Committee

**Jackal Lee**



# About This Report

## The Accton Technology 2022 Corporate Sustainability Report was prepared in accordance with the GRI Standards 2021

Accton Technology has published its Corporate Social Responsibility Report since 2017 to fulfill our corporate vision of sustainable development. This report was renamed as the Corporate Sustainability Report from 2021, bringing clarity to abstract issues and disclosing business information on non-financial performance. We shall continue to publish the report each year and continue to achieve sustainable development goals.

### Reporting Period

The reporting period of the 2022 Corporate Sustainability Report is from January 1, 2022 through December 31, 2022. There were no other significant changes in our company's organizational size, structure, ownership, or supply chain during the current reporting period.

### Compilation 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. This report was prepared according to the GRI Standards 2021 released by the Global Reporting Initiative (GRI) to present the corporate sustainability actions taken by the Company in 2022 as per the requirements of the Type 1 moderate-level assurance of the AA1000 Assurance Standard v3 (AA1000ASv3) and the Accountability principle. This report contains a GRI Index table and a table of SASB metrics.

### Assurance for This Report

This report has been verified by SGS Taiwan, Ltd. refer to the GRI Standards 2021 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.

## Scope of the Report

This report discloses the measures taken by Accton to achieve corporate sustainability in different settings from January to December 2022 and their overall effectiveness. The scope includes the operations of Accton Technology Corporation in Taiwan (including Manufacturing Plant 1 and 2 in Hsinchu, Zhunan Plant in Miaoli, offices in Taipei, Hsinchu, Taichung, and Tainan), its subsidiary Edgecore in Hsinchu, Taiwan). In order to present the completeness and transparency of Accton's information disclosure, Edgecore Networks Corporation, a brand sales subsidiary, and Joy Technology (Shenzhen) Co., Ltd. (Joytech), a manufacturing subsidiary, are included in the report. For the affiliated enterprises (list of entities) in the financial report, please refer to the 2022 annual report of Accton Technology (<https://www.accton.com/esg-documents/>), which is different from the boundary of this report, due to this report takes Accton Technology as the main body of the report, and because in the operation activities of Accton Technology, the part about brand sales must be included in the operation activities of Edgecore Networks Corporation, and the part about manufacturing must be included in the operation of Joytech. The other related enterprises in the financial report are not included in the boundary of this report because they have no significant substantial impact on the operation activities of Accton Technology.

## Reporting Cycle

- The CSR report is released once a year.
- Publication of 2020 Corporate Sustainability Report: June 2021
- Publication of 2021 Corporate Sustainability Report: June 2022
- Publication of 2022 Corporate Sustainability Report: Planned for June 2023

To support environmental protection and promote paperless operations, the electronic version of the report is published on the Company's website.

## Internal Management Process and Publication of This Report

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

## Contact Information

If you have any suggestions for the report, please contact us through the information provided on the right. For ease of reference, this report will also be published on our website.

## Internal Audit

- The ESG Committee set strategic targets and monitored the performance for the targets.
- The ESG Office wrote and edited the content of this report, while confirming the correctness of the data sources.
- The Chair 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:  
RBA Code of Conduct, ISO 14001: 2015 environmental management system, ISO14064-1: 2018 greenhouse gas inventory, ISO 14067 carbon footprint, ISO 45001: 2018 occupational safety and health management system, ISO 50001: 2018 energy management system, CNS 27001: 2014 (ISO/IEC 27001:2013) information security management system, ISO 28001: 2007 supply chain security management system, IECQ QC080000 hazardous substance process management (HSPM) system, ISO9001:2015 quality management system, and TL9000 telecommunication industry quality management system, all passed a third-party verification institution's verification (certification). For more details, please refer to this report. Estimates, if any, will be noted in the relevant sections.

### 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
Company website	www.accton.com
ESG website	<a href="https://www.accton.com/esg-home/">https://www.accton.com/esg-home/</a>





# Sustainable Management

## Corporate sustainability vision and commitment

Connect people and communities 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

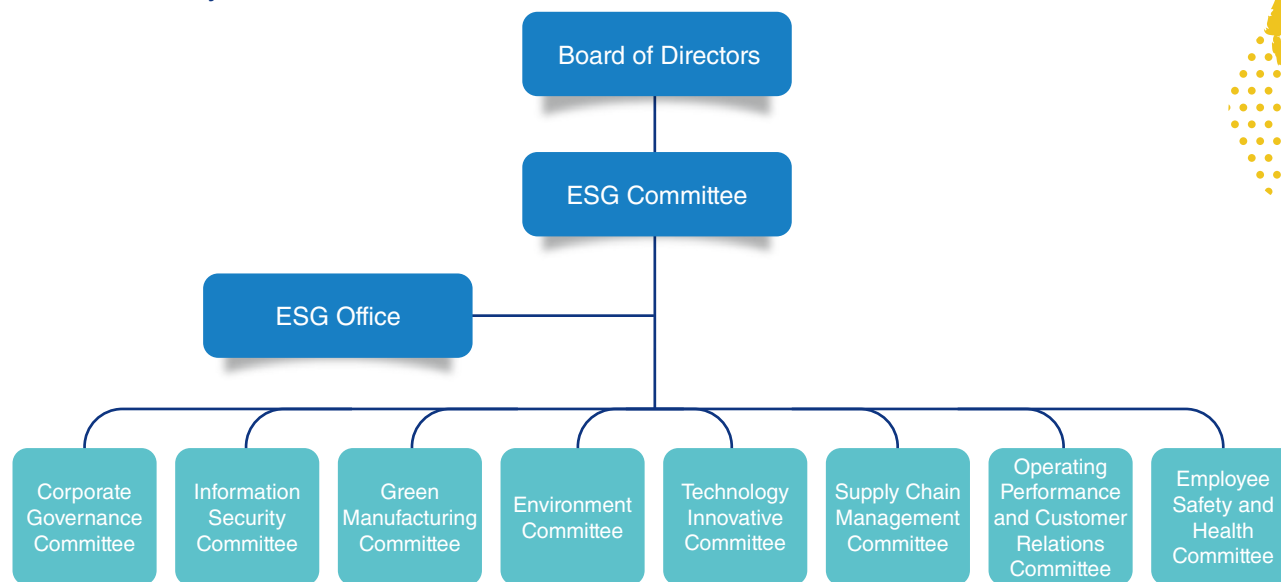
The ESG Committee is the highest corporate social responsibility organization within the Accton Group. It is responsible for coordinating and setting the company's corporate social responsibility and sustainable development directions. Senior Vice President Mr. Jackal Lee serves as the chair of the Committee 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. The Corporate Sustainability Committee includes subsidiaries Edgecore Networks Corporation and Joytech which are involved in the boundaries of the report.

We have also announced the establishment of the ESG 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 ESG Office was responsible for preparing and writing this report in detail. A total of seven meetings on this report were held from 2022 through the beginning of 2023. This Corporate Sustainability Report is scheduled to be released in June 2023 after the chair of the ESG Committee reports on the implementation results and future plans to the board of directors.

Corporate Sustainability Committee	Governance		Environment		Social
	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
Goals	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
Stakeholder	Shareholders/government agencies/clients/employees/suppliers				

## ❖ Organizational Chart of Corporate Sustainability Committee and the Corporate Sustainability Office



## Accton's sustainable development policy and commitment

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

**Support for human rights policies and guidelines :** In accordance with the "United Nations Guiding Principles on Business and Human Rights (UNGPs)", the "United Nations Universal Declaration of Human Rights (UDHR)", the "International Labor Standards (ILO)", the "Ten Principles of the United Nations Global Compact (UNGC)", "ILO Declaration on Fundamental Principles and Rights at Work", "OECD Guidelines for Multinational Enterprises", "The Code of Conduct for Responsible Business Alliances (RBA)" and other human rights norms, provide humane treatment and prohibit illegal discrimination and harassment, including but not limited to the prohibition of child labor violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, abuse, mental or physical coercion, bullying, public humiliation, or verbal abuse to employees.

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

**Ensure reasonable salary, benefits and labor-hours :** 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 actively reviews the positive and negative impacts of the operation process on disadvantaged groups, taking into account comprehensively and strives to plan multiple social actions to strengthen the positive impacts/ mitigate or avoid the negative impacts, and encourages employees and business partners of the Company to collaborate in promoting and participating in these corresponding actions.

**Responsible mineral sourcing :** In recent years, there have been minerals from the mines in 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/](http://www.responsiblemineralsinitiative.org/)

**Risk Management :** By implementing risk management measures, the Company operation has established effective risk prevention and control, identified potential opportunities, and implemented them in the daily operation system to achieve effective risk management and control, continuously enhance the value of the enterprise and make contributions to all stakeholders.

**Green Products :** In order to reduce the impact on the environment and ecology and fulfill the corporate sustainable responsibility for the environment, low-carbon management, packaging reduction, energy conservation and hazardous substance control are including in product design. And continue to develop the concept of green design and follow the environmental laws and regulations of various countries, constantly optimize to design products in line with a sustainable environment.

### Corporate Sustainability Policy and Commitment :

[https : //www.accton.com/csr-policy/](https://www.accton.com/csr-policy/)

**Corporate Sustainability Report and relevant documents  
please refer to :**

[https : //www.accton.com/esg-documents/](https://www.accton.com/esg-documents/)



# Sustainability Performance

Accton was affirmed by multiple parties for its actions on corporate sustainable operation in 2022.

## Sustainability Performance

Accton Technology won the 2022 TCSA Taiwan Corporate Sustainability Awards held by the Taiwan Institute for Sustainable Energy.

- ✓ Taiwan Top 100 Sustainability Exemplary Enterprise
- ✓ Electronic Information Manufacturing - First Class Gold for the Sustainability Report



- ▲ Accton Technology won the affirmation of 2022 TCSA Taiwan Top 100 Sustainability Exemplary Enterprise Award, Gold Award for the Corporate Sustainability Report, Human Rights Practice and Development Leader Award

## Society

- ✓ The Company received the "Outstanding Enterprise Award for Advancing Workplace Equality" from Hsinchu Science Park in 2022.
- ✓ With the heart of "taking care of family members," Accton Technology cares about every foreign colleague who has left his/her hometown, from gender equality to the rights of migrant workers, and provides a working environment that is superior to the law. Accton Technology won the 2022 TCSA Taiwan Corporate Sustainability Awards for Human Rights Practice and Development Leader Award.
- ✓ Accton E-Charity Platform won the gold award of "SDG 17 Global Partner Award" of "TSAA Taiwan Sustainability Action Award" for "Good Partner for Public Welfare Digital Companion" for bridging the digital divide.
- ✓ To practice the well-being of society, Accton Group (including the foundation) will continue to invest a total of NT\$13,490,000 in social participation activities in 2022, covering cash donations, material donations and human service provision.



- ▲ Accton Public Welfare Platform won the TSAA Taiwan Sustainability Action Award



## Environment

- ✓ Accton launched the world's first 100G optical fiber switching module with two-phase immersion cooling technology, which can effectively reduce data center energy consumption and equipment replacement waste.



- ▲ The world's first 100G optical fiber switching module with two-phase immersion cooling technology

- ✓ The overall power consumption in 2022 was decreased by 24.7% over 2021
- ✓ The Company's score on the International Carbon Disclosure (CDP) questionnaire improved to a B in 2022.
- ✓ ISO 14067 carbon footprint: 100G switch completed carbon footprint verification.
- ✓ ISO 14001:2015 Environmental Management System Certification
- ✓ ISO 14064-1:2018 Greenhouse Gas Inventory and Certification, including categories 1-4
- ✓ ISO 50001:2018 Energy Management System Certification
- ✓ Sponsor and co-organize the 2022 the First Net Zero Summit and Climate Action Awards, by the collaboration of enterprises and innovative teams, we will jointly find digital carbon reduction solutions for Taiwan's industries.



- ▲ Accton won the Net Zero Summit and Digital Climate Action Awards co-organizer Gratitude Cup. Marketing Director Lu Hsueh-Ying (middle) received the award on behalf of the representative. On the left is Ambassador Chien, Yu-Hsin, Chairman of TAISE, and on the right is Ambassador Chen Cheng-Jan, Chairman of DTA.

## Economy

- ✓ "Taiwan Sustainability Index" constituent stocks was included in 2022
- ✓ Awarded the "Contribution Award for Expansion of Sales in Emerging Markets" by the Bureau of Foreign Trade of the Ministry of Economic Affairs



- ▲ Accton Technology won the Contribution Award for Expansion Contribution Award for Expansion of Sales in Emerging Markets, and the Sr. Vice President Jackal Lee (right) received the award on behalf of Accton.

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



### ❖ Accton Consolidated Operating Revenue

NT\$ thousand

	2018	2019	2020	2021	2022
operating revenue	43,092,155	55,401,047	54,462,872	59,598,681	77,205,223
Gross profit	7,780,097	10,998,762	11,554,062	11,344,596	16,518,262
Operating net profit	3,472,708	6,039,983	6,402,66	5,440,726	9,632,608
Net income after tax	2,952,449	4,950,495	5,048,353	4,705,059	8,165,812
Gross profit margin	18.05%	19.85%	21.21%	19.03%	21.40%
Net profit margin	6.85%	8.94%	9.27%	7.89%	10.58%

## Corporate governance

- ✓ We implement the clearly defined Code of Ethics for Business and completed relevant training in multiple aspects. There was no corruption complaint in 2022.
- ✓ We established the ISO28000 supply chain security management system in 2021 and obtained the certificate in January 2022.

To learn more about Accton ESG highlight practices, please visit

<https://www.accton.com/esg-spotlight/>

## 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 Chapters/ Sections
<p><b>3 GOOD HEALTH AND WELL-BEING</b></p>	<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> </ul>	<ul style="list-style-type: none"> <li>☆ <b>Maternity Health Protection Plan</b> Implemented health protection program for female employees of childbearing age, during pregnancy, and in the postpartum period, and the employee satisfaction scores were 98.58% during pregnancy and 100% 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>Overloading Protection Plan</b> Based on the 2022 Employee Annual Health Combined inspection data to assess the risk of cardiovascular disease and abnormal workload risk, screened high-risk groups for follow-up protection measures, and according to the regulations, 7 people needed to be interviewed and consulted by doctors. The completion rate was 100%.</li> <li>☆ <b>New recruits physical examination/ Special physical and health examination</b> Provided physical examination for new recruits, special hazard health examination for special operational staff, and employee health examination, followed by nurses and occupational specialists evaluation, to protect the health and work rights of colleagues.</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 3255 people. (SDG3.4)</li> <li>☆ <b>Constant muscular movement builds health level up</b> Promote the health of employees during the epidemic prevention period, prevent obesity-related chronic diseases, maintain physical activity and maintain muscular strength, and more expect middle-aged and elderly employees to increase the intensity of aerobic exercise to achieve effective exercise. Specially hired Doctor Zeng's health training classroom to provide middle-aged and seniors with safe, effective and complete exercise training, aerobic, muscular strength and flexibility with degree training, offering online fitness course. A total of 43 people participated in the course, of which 20 people were aged over 45 (46.5%); those who lost body fat after exercise accounted for 54.6%, weight loss accounted for 60.6%, and muscle increase accounted for 39.4%.</li> <li>☆ <b>Cancer Screening Subsidy</b> According to the Ministry of Health and Welfare's top ten causes of cancer death and the high incidence rate of cancer in the Company, half-subsidy activities for cancer screening are held, including colonoscopy, thyroid ultrasound, and breast ultrasound encouraging employees to have early screening and early treatment. A total of 515 participated, abnormal rate was 54.95%, report abnormal employees to be included in the health management of special groups, follow up the follow-up visits regularly according to the report results, as of December 31, 2022, discovered 1 person diagnosed with thyroid cancer.</li> <li>☆ <b>Flu vaccine administration</b> 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 147 employees participated in the vaccination and the satisfaction rate was 91%.</li> </ul>	4.4 Safeguarding Employee Health

Response to SDGs	Action plan	Implementation results	Corresponding Chapters/ Sections
	<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>Promote menstruation education and create a friendly society with menstrual equality</li> <li>Adopt inclusive education to provide an excellent learning environment for children with special needs.</li> <li>With "art as a bridge", build a diverse and inclusive environment</li> </ul>	<ul style="list-style-type: none"> <li>☆ <b>Reading Resource Donations</b> Donated 1,245 books to 1,083 beneficiaries</li> <li>☆ <b>Recruitment of teachers for remote areas</b> Introduced teacher and companion resources to 6 rural schools, benefiting 806 people</li> <li>☆ <b>Teacher training</b> Held 2 research and study camps for elementary school teachers in the Hsinchu area to enhance menstruation teaching ability for totaling 65 elementary school teachers from 36 schools in the Hsinchu area.</li> <li>☆ <b>Demonstration teaching</b> Demonstration teaching of menstruation education conducted in 10 elementary schools in Hsinchu, influencing 520 students to acquire menstruation-related knowledge.</li> <li>☆ <b>Inclusive education promotion</b> Implemented an inclusive education project in 20 schools across Taiwan, benefiting 14,636 people</li> <li>☆ <b>Art X Holistic Education</b> [Art Teaching Plan Development Project - When the National Palace Museum's Cultural Relics Meet Artful Thinking] The series of courses has a total of 6 lessons, 12 hours, 78 people participated, and developed 6 sets of corresponding learning sheets and guidance modules</li> <li>☆ <b>Art X Healthy Aging</b> Supporting the "Big Hands and Small Hands Promotion Workshop" of the "B.Dance Production Team" and assisting in holding 3 courses in Hsinchu City, 6 hours, 20 people participated</li> <li>☆ <b>Art X International Politics</b> Cooperated with [The Black Dog Theatre], [Beyond Tears: The Faces Under the Ukrainian-Russian War], participatory drama workshops totaled 4 sessions, 12.7 hours, 36 people participated, and extended 3 sub-topic modules discussing international politics</li> <li>☆ <b>Art X Equal Rights and Inclusion</b> Cooperated with [Taiwan Art Space Alliance, TASA], [Non-Visual Sensory Workshop] was held total of 2 venues, 4 hours, 31 participants</li> </ul>	5. Social Charity
	<ul style="list-style-type: none"> <li>Employee recruitment, appointment, development and remuneration are all based on the employee's work ability, regardless of gender.</li> </ul>	<ul style="list-style-type: none"> <li>☆ In Accton, male employees account for 48% of all full-time employees, and female employees 52%. The proportion of women is relatively higher than that of men. Accton's female managerial personnel account for 25.2% of all managerial personnel.</li> <li>☆ Edgecore's male employees account for 63.5% of all full-time employees, while female employees account for 36.5%, an increase of 3.2% compared with 2021. Female managerial personnel in Edgecore account for 30.4% of all managerial personnel, an increase of 3.5% compared with 2021.</li> <li>☆ Joytech's male employees account for 62.6% of all full-time employees, while female employees account for 37.4%. Female managerial personnel at Joytech account for 31% of all managerial personnel.</li> <li>☆ The wage gap between men and women at Accton is not greater than 0.3%. (SDG5.5)</li> <li>☆ Won the "Outstanding Enterprise Award for Advancing Workplace Equality" from Hsinchu Science Park Bureau for affirmation.</li> <li>☆ Won the Taiwan Corporate Sustainability Awards for Human Rights Practice and Development Leader Award for affirmation.</li> </ul>	4.1 Talent Attraction and Retention



Response to SDGs	Action plan	Implementation results	Corresponding Chapters/Sections
	<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 2022 , decreased by 11% compared with 2021. The number of severe occupational accident was zero.</li> <li>☆ Identified risks in the work environment, adopted a hierarchical management mechanism, to prevent or reduce hazards or risks. In 2022, we conducted a total of 1,319 risk identifications and assessments.</li> <li>☆ <b>Optimized emergency response training (SDG8.8)</b> In 2022, we held response exercises attended by a total of 6,752 participants, adopted e-evacuation roll call mechanism 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, relevant 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 700 tasks in the plants; the achievement rate of site surveys and operational hazard notification reached 100%.</li> </ul>	4.3 Safeguarding Employee Safety
	<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 and SONiC, 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>	Sustainability Performance
	<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 client's 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 2022 was 60% and waste was reduced.</li> <li>☆ Waste recycling rate reached 73.4%.</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 client's requirements.</li> </ul>	3.1 Green Production 3.2 Green Product Management
	<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>☆ The International Carbon Disclosure (CDP) questionnaire rate developed to B.</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>	3.1 Green Production 2.1.5 Business Continuity Management

## Participation in external associations to build 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

### ❖ Accton

	Name of Association	Method of Participation
1	Taiwan Association of Information and Communication Standards	Member
2	Peripheral Component Interconnect Special Interest Group (PCI-SIG)	Member
3	Taiwan Thermal Management Association	Member
4	Voluntary Control Council for Interference by Information Technology Equipment (VCCI Council Japan)	Member
5	WI-FI Alliance	Member
6	Optical Internetworking Forum	Member
7	National Quality and Sustainable Excellence Alliance	Member
8	The PCI Industrial Computer Manufacturers Group (PICMG)	Member

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:

### ❖ Edgecore

	Name of Association	Method of Participation
1	Open Compute Project (OCP) Platinum Member	1. First contributor in the Project with 17 designs certified by the Project. 2. Provide brand-new hardware design for telcos 3. Support all OCP online software
2	Telecom Infra Project (TIP)	1. First contributor for the design of the mobile base station routers 2. Designed the Cassini - 100G optical switch 3. Design and produce 400G upload mobile routers comply with the TIP bronze label
3	Distributed Enterprise (DENT) Linux	1. Founding member 2. Contributed the Edge – Enterprise solution
4	SONiC (Software for Open Networking in the Cloud)	1. One of the top five contributors in the association 2. Provide technical contributions to most SONiC platforms
5	WI-FI Alliance	Member
6	Taipei Computer Association member	Member
7	Taiwan External Trade Development Council	Member

## Materiality Analysis

Based on international sustainability (GRI guidelines, TCFD, SDGs United Nations sustainable development goals, RBA code of conduct, SASB), customer requirements, etc., and assessing the impact on the Company's operations and value chains, Accton screened out 38 issues of concern.

Then, a questionnaire survey was conducted on stakeholders to understand the degree of concern of internal and external stakeholders on 38 issues. In 2022, a total of about 444 questionnaires were completed, and finally converged to 20 sustainable issues.

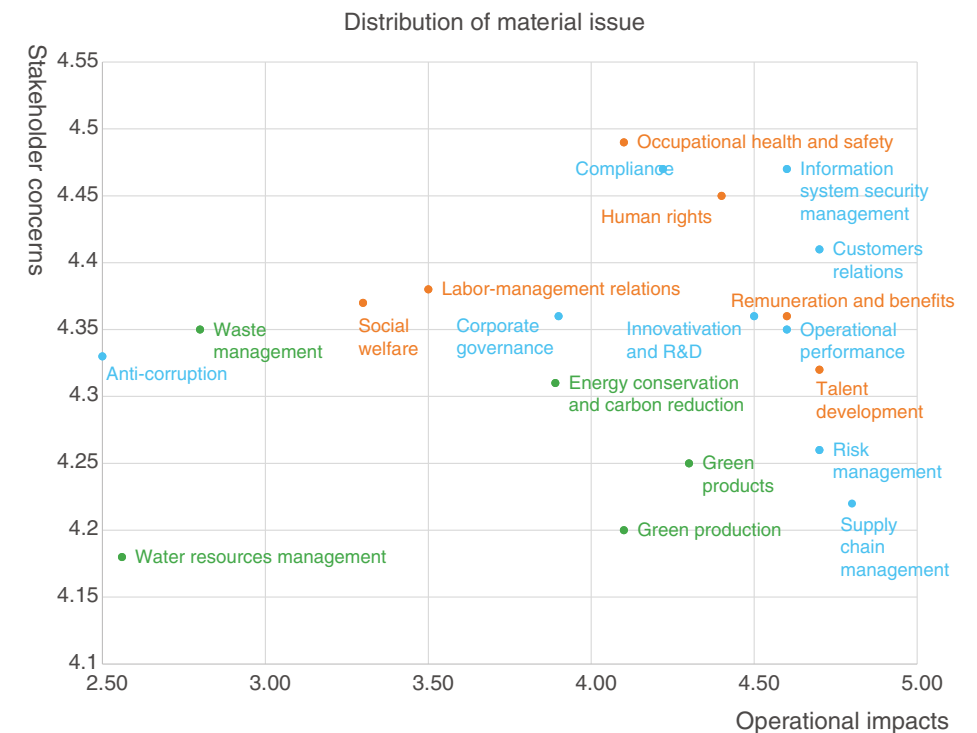
### ❖ List of 20 ESG issues

Governance	Environment	Society
Risk management	Climate change adaptation	Occupational health and safety
Innovative design and development	Energy conservation and carbon reduction	Talent development
Supply chain management	Green products	Remuneration and benefits
Customer relations	Waste management	Labor-management relations
Operational performance	Water resources management	Human rights
Compliance		Social welfare
Corporate governance		
Information system security management		
Anti-corruption		

Through the major issue decision-making meeting, a total of 24 people including the vice chair of the ESG Committee, members of the ESG Office, and departments related to human rights issues jointly assessed the "impact of sustainability issues on the group's operations". The ESG Committee and the ESG Office identified and assessed the degree of impact, and selected 7 major topics. In addition, referring to Cathay Pacific x Taipei University Sustainability Evaluation and TCSA Corporate Sustainability Award review feedback, selected key projects to be included in the disclosure content of the report.

### ❖ Material Issue Matrix

Internal assessment of impacts considering positive, negative, and human rights.



## Disclosure of 2022 Material Issues

The 2022 Sustainability Committee and Sustainability Office improved the proportion of material issues to operational impacts. Compared with 2021, there were many updates in 2022.

To achieve Accton's future carbon reduction goal, environmental issues such as green production and green products were listed as major concern topics in 2022 for the first time. It is also hoped to gradually move towards the carbon reduction goal through the cooperation of supply chain partners. In 2022, supply chain management would also be added as one of the major topics.

For the sustainable operation of the Company, it was necessary to master the internal and external risks such as the economy, society, and environment that the Company may face. Special risk management was listed as a major issue in 2022, including TCFD, product safety, and business continuity management. Talent was the foundation of all changes, so manpower development would also be included as one of the major issues in 2022.

	Governance	Environment	Society
2022 Material Issues	Risk management <sup>NEW</sup>	Green production <sup>NEW</sup>	Occupational health and safety
	Supply chain management <sup>NEW</sup>	Green products <sup>NEW</sup>	Talent development <sup>NEW</sup>
	Innovation and R&D		
2021 Material Issues	Operational performance		Occupational health and safety
	Information system security management		Remuneration and benefits
	Customers relations		
	Innovation and R&D		
	Compliance		
	Corporate governance		



## Accton ESG Material Issues and Stakeholders

Accton evaluated the impact of these seven issues on stakeholders one by one and identified eight specific topics according to GRI Standards and two additional customized topics. 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	Suppliers	Customers	Investors	Employee	Government Institutions	GRI Topic	Response Chapter
Governance								
Risk management	Identify the risks and opportunities related to Accton, including TCFD, product safety, business continuity management, and information security, establish a management mechanism to respond to the variable market environment	•	•	•	•	•	General disclosures 201 Economic Performance	2.1.1 Risk Management
Supply chain management	Depend on suppliers offering localization, real-time and stable service, to reduce supply chain carbon emissions and enhance supply flexibility, shorten new product development time. Cooperate with suppliers to achieve sustainable business performance	•	•	•	•	•	204 Procurement Practices 308 Supplier Environment Evaluation 414 Supplier Social Evaluation	2.3 Responsible Supply Chain
Innovation and R&D	Invest in innovation and R&D, master the new generation of network technology, deploy ahead of schedule to maintain a leading market position, and enhance organizational competitiveness	•	•	•	•		Customized topics	2.2 Innovative Technology Research and Development
Environment								
Green Production	In response to climate change, Accton has established carbon reduction goals, promotes a series of management measures such as environmental, energy, waste, water resources, and greenhouse gas emission, and continuously improving to implement sustainable environment	•	•	•	•	•	302 Energy 305 Emissions	3.1 Green Production
Green Products	Product design to consider low-carbon product management and hazardous substance control, etc., all of which is to continue to develop the concept of green design and follow the environmental laws and regulations of various countries, as consideration to constantly optimize to design products in line with a sustainable environment.	•	•			•	Customized topics	3.2 Green Products
Society								
Occupational health and safety	Enhance the occupational health and safety policies and management mechanisms for workers		•		•	•	403 Occupational Health and Safety	4.3 Safeguarding Employee Safety 4.4 Safeguarding Employee Health
Talent development	Provide a variety of courses, cultivate internal lecturers to inherit the knowledge and skills of Accton, promote interdepartmental collaboration and empower our colleagues to enhance their competitiveness.		•		•	•	404 Training and Education	4.2 Talent Learning and Development

# Stakeholder Engagement

## Stakeholder Engagement, Identification, and Selection

The Accton Sustainability Committee is composed of ten committees, including corporate governance, information security, green production, environment, innovative technology, supply chain management, business performance and customer relations, employee safety and health, Edgecore Networks, and JoyTech. The ten committees and Accton's ESG Committee scored the importance separately under 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 committee or subsidiary, or eight categories of stakeholders. Each category of stakeholder gets ten sets of scores, sorted from the total score to identify the five categories of main stakeholders, namely customers, employees, suppliers, government agencies, and shareholders/investors, respectively. The 2022 report would continue to adopt the above 2021 stakeholder identification results, and these five categories of major stakeholders conducted a questionnaire survey on sustainable issues.

## 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 five 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.

Customers		
Communication Method/Frequency	Issue of Concern	Accton's Response and Results
<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 client needs)</li> <li>Customer satisfaction surveys (Accton, Edgecore)</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>	<ul style="list-style-type: none"> <li>Customer relations</li> <li>Occupational health and safety</li> <li>Human rights</li> <li>Social welfare</li> <li>Information system security management</li> <li>Remuneration and benefits</li> <li>Operational performance</li> <li>Compliance</li> <li>Risk management</li> </ul>	<ul style="list-style-type: none"> <li>Hold video conferences with clients at least once a week</li> <li>Return to the normal state of regular visits with customers before the epidemic.</li> <li>The score on the CDP questionnaire improved from a D to a B.</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>Through the brand Edgecore Networks participated in 6 sessions of the International Physical Exhibition</li> <li>Introduced the latest solutions through Edgecore webinars: 3 sessions</li> </ul>
Email: sales@accton.com		

### Employee

Communication Method/Frequency	Issue of Concern	Accton's Response and Results
<ul style="list-style-type: none"> <li>Labor-management meetings (quarterly)</li> <li>Occupational Safety and Health Committee (quarterly)</li> <li>Employee Welfare Association (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>	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Compliance</li> <li>Remuneration and benefits</li> <li>Social welfare</li> <li>Human rights</li> <li>Innovation and design and development</li> <li>Information system security management</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 seven pieces of feedback from all employees, with 100% of cases closed employee feedback.</li> <li>Comply with international 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>In 2022, we will hold cardiopulmonary resuscitation (CPR) and automatic electric defibrillator (AED) training for all staff, with the purpose of enabling colleagues to learn first aid skills so that they can help colleagues or family members in the first place.</li> <li>Handling occupational safety and health retraining, this additional topic: 1. Safety assessment before machine procurement 2. Hazard assessment before chemical procurement 3. Key points of contract management.</li> <li>The evacuation drill has introduced an electronic roll call system. Taking the Hsinchu headquarters as an example: the time required to complete the evacuation drill in 2022 was reduced by 35% compared to the previous year.</li> <li>Foreign migrant workers' dormitory was included in monthly occupational safety inspections.</li> </ul>
✉ Email: hr@accton.com		

### Suppliers

Communication Method/Frequency	Issue of Concern	Accton's Response and Results
<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>Telephone/e-mail (daily)</li> </ul>	<ul style="list-style-type: none"> <li>Compliance</li> <li>Occupational health and safety</li> <li>Customer relations</li> <li>Anti-corruption</li> <li>Corporate governance</li> <li>Human rights</li> <li>Information system security management</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>Audited suppliers to meet the RoHS/REACH requirements for hazardous substances; a total of 128 pieces of new materials and 5,488 pieces of new materials were reviewed and investigated for supplier parts recognition in 2022, and suppliers were requested to provide inspection reports.</li> <li>Completed a survey of 340 product models in 2022 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>In 2022, a total of 237 suppliers completed the risk identification and assessment of conflict minerals management and due diligence.</li> <li>Conducted eGreen 2.0 operation and GP compliance training for suppliers in 2022, with a training rate over 90%.</li> <li>Suppliers signed the Integrity Commitment Statement: 257 signed the statement</li> </ul>
✉ Email: supplier@accton.com		

### Government institutions

Communication Method/Frequency	Issue of Concern	Accton's Response and Results
<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>	<ul style="list-style-type: none"> <li>Information system security management</li> <li>Corporate governance</li> <li>Compliance</li> <li>Anti-corruption</li> <li>Occupational health and safety</li> <li>Labor-management relations</li> <li>Human rights</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>
Email: IR@accton.com		

### Shareholders/Investors

Communication Method/Frequency	Issue of Concern	Accton's Response and Results
<ul style="list-style-type: none"> <li>The Company's ESG Website and ESG Report (annually)</li> <li>Annual 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>	<ul style="list-style-type: none"> <li>Innovation and Research &amp; Development</li> <li>Operational performance</li> <li>Risk management</li> <li>Talent development</li> <li>Customer relations</li> <li>Supply chain 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>
Financial information: IR@accton.com Non-financial information: csr@accton.com		

The contact points for all stakeholders in 2022 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.





# 1

## About Accton

- 1.1 Company Profile
- 1.2 Operating performance
- 1.3 Products and Services
- 1.4 Exceeding Customer Expectations
- 1.5 Corporate Governance
- 1.6 Ethical Management

## 1.1 Company Profile

### Accton Technology Corporation

Established Date	2/09/1988
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, and edge computing

We have been committed to the research, design, and production of comprehensive Ethernet network 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.

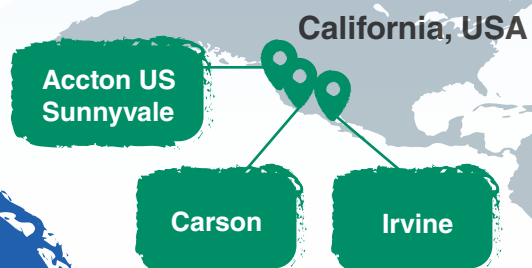
- North America : The United States - Sunnyvale (California), Carson, Irvine.
- Asia : Taiwan – Taipei, Hsinchu, Zhunan, Taichung; Mainland China – Shenzhen, Shanghai, Nanjing, Xi'an, Wuhan.

## GLOBAL SERVICE



Service Point

Important Operation



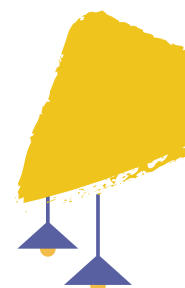
Shanghai  
Nanjing  
Xi'an  
Wuhan

China

Accton China  
Shenzhen

Taiwan

Accton HQ Taiwan





## ❖ Accton Technology Headquarters



With 35 years of experience in the design and development of network products, Accton's professional international team is committed to developing advanced, economic, and reliable products. As a leader in the design of open hardware platforms, including data centers, Metro Ethernet, telecommunication networks, school/enterprise networks, and software-defined wide area network (SD-WAN), the Accton group satisfies client 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, telecommunication room 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 the Accton Group with multiple affiliate companies, our strong sense of mission and social responsibility ensure that the Group actively participates in activities in giving back to society. We have instilled environmental protection awareness in all our designs and manufacturing processes.

## Brand Sales - Edgecore Networks

Edgecore Networks is a subsidiary of Accton Technology, established in 2010, responsible for the global brand business. As a trailblazer in the field of open networking, Edgecore offers wired and wireless network solutions and professional services to data centers, service providers, and enterprise customers through global partners and system integrators. Edgecore manufactures a full range of open 1G-400G switches, core routers, access routers, terminal network equipment, packet forwarders, and wireless network products, with NOS and SDN software to meet various environmental needs. Edgecore has service bases in the United States, Singapore, and India. For more information, please refer to [www.edge-core.com](http://www.edge-core.com)

## Industry Chain - JoyTech

JoyTech is the production base of Accton Technology in Shenzhen, China, established in 2005. It has 16 SMT production lines and 22 assembly testing and packaging production lines. More than 1,800 colleagues serve there. Through lean management and total quality management, we provide stable production capacity and excellent quality. JoyTech passed TL 9000, ISO 9001, ISO 14001:2015, ISO 45001:2018, ISO 50001:2018, IECQ QC080000:2017, and RBA the third-party verification. JoyTech has been deeply recognized by major international manufacturers and partners, it has been awarded the Excellent Quality Management Award by the local government many times.

## 2022 Accton Group Profile



**Number of  
employees  
worldwide**

5484



**Consolidated  
revenue**

NT\$77.2 billion  
(+ 29.54% YoY)



**Total shipments**

8.76 million units



**Paid-in capital**

NT\$5,600,583,970



Accton Technology

Watch Accton corporate video:

<https://www.youtube.com/watch?v=7L3HOX2ARHI>

## 1.2 Operating performance

Accton Group's consolidated revenue was NT\$77,205,223 thousand in 2022, representing an increase of 29.54% compared to the same period in 2021. The revenue of Accton and its subsidiary, Edgecore, accounted for 78% of the consolidated revenue in 2022.

Please refer to Accton Technology's 2022 Report for affiliated enterprises (list of entities) (<https://www.accton.com.tw/esg-documents/>), the boundary of which was different from this report. In this report, Accton Technology is the reporting entity. Regarding the operating activities of Accton Technology, the part related to brand sales must be included in the operating activities of Edgecore, while the part related to manufacturing must be included in the operating activities of JoyTech. Other related enterprises in the financial report are not included within the scope of this report because they do not significantly impact the operating activities of Accton Technology.

### ❖ Accton's Consolidated Operating Revenue

NT\$ Thousand

	2018	2019	2020	2021	2022
<b>Operating Revenue</b>	43,092,155	55,401,047	54,462,872	59,598,681	77,205,223
<b>Gross Profit</b>	7,780,097	10,998,762	11,554,062	11,344,596	16,518,262
<b>Operating Income</b>	3,472,708	6,039,983	6,402,663	5,440,726	9,632,608
<b>Net Income After Tax</b>	2,952,449	4,950,495	5,048,353	4,705,059	8,165,812
<b>Gross Profit Margin</b>	18.05%	19.85%	21.21%	19.03%	21.40%
<b>Net Profit Margin</b>	6.85%	8.94%	9.27%	7.89%	10.58%

### Major Products Sales

The Company's main products include high-speed ethernet switches, network access equipment (network appliances such as SmartNIC), and wireless network products/broadband Internet.

Product Category	2020	2021	2022
<b>Network Switches</b>	71%	63%	59%
<b>Network Appliances</b>	14%	19%	27%
<b>Metro Access Switches</b>	10%	12%	9%
<b>Wireless</b>	2%	4%	4%
<b>Other Network Equipment</b>	3%	2%	1%
	100%	100%	100%

### ❖ Statistics of main sales regions in 2022

Exports constituted 99% of sales, and the main sales regions were the Americas, Asia Pacific, Europe, and Taiwan. Please refer to the "Statistics of Main Sales Regions in 2022" for the distribution of main product sales regions in the most recent two years.

	2020	2021	2022
<b>America</b>	69%	60%	66%
<b>Europe</b>	20%	21%	18%
<b>Asia-Pacific</b>	9%	18%	15%
<b>Taiwan</b>	2%	1%	1%
<b>Other Countries</b>	0%	0%	0%
	100%	100%	100%

## ❖ Government subsidies

Government Subsidies Item	Nature of Subsidies	Subsidy Amount (NT\$ Thousand)
Employment subsidy from the Executive Yuan	Employment subsidy	330
Subsidy from the Industry Bureau	Subsidy from the industrial innovation platform	13,000
Subsidy for COVID-19	Subsidy for COVID-19	4,065
Subsidy from the Industry and Information Bureau	Aid development, steady growth, and technological upgrading	17,063
Subsidy from the Social Security Bureau	Employment stabilization and expansion, and maternity	1,623
One-time training subsidy	One-time training subsidy	2,653

Exchange rate: Exchange rate of CNY to NTD on December 31, 2022: 4.4094

## ❖ Payment of Income Tax by Region

Unit: NT\$ Thousand

Income tax	2020	2021	2022
Taiwan	1,067,402	921,446	1,944,593
China	74,760	82,978	143,261
Other regions	22,092	21,668	22,257
Total	1,164,255	1,026,092	2,110,111

## ❖ Benefits for Employees by Region

Unit: NT\$ Thousand

Benefits for Employees	2020	2021	2022
Taiwan	3,600,805	3,905,666	4,892,483
China	862,199	1,024,053	1,152,166
Other regions	300,954	234,815	286,229
Total	4,763,957	5,164,535	6,330,878

## ❖ Dividend Distribution over the Years

Unit: NT\$ Thousand

	2020	2021	2022
Cash Dividend	3,636,538	3,359,576	4,201,117

Note: The 2022 earnings distribution proposal is set to be resolved at the general shareholders' meeting held on June 15, 2023.

The Company's shareholding structure is dominated by foreign investment, individual investments, legal persons, and financial institutions. Government agencies account for 8.4% of the ownership.

The detailed shareholder structure is listed in the annual report.



## 1.3 Products and Services

With over 35 years of experience in R&D and design of Ethernet hardware and software, Accton's R&D team leverages our core capabilities to provide cost-effective ODM solutions to renowned network businesses, telecom operators, and network service providers worldwide. With advanced technology development, optimized manufacturing processes, and big data analysis, combined with AI and machine learning, we enable access to more energy-efficient, sustainable, and innovative products while continuously reducing the carbon footprint of products. Accton provides complete infrastructure solutions to cloud data centers, telecom/metro area networks, campus/enterprise networks, SD-WAN, and the Internet of Things (IoT) for users, data centers, and telecom rooms.

❖ Accton Group provides a comprehensive network infrastructure solution.

### Accton Solutions

Broadest Connectivity Solutions In Network Infrastructure

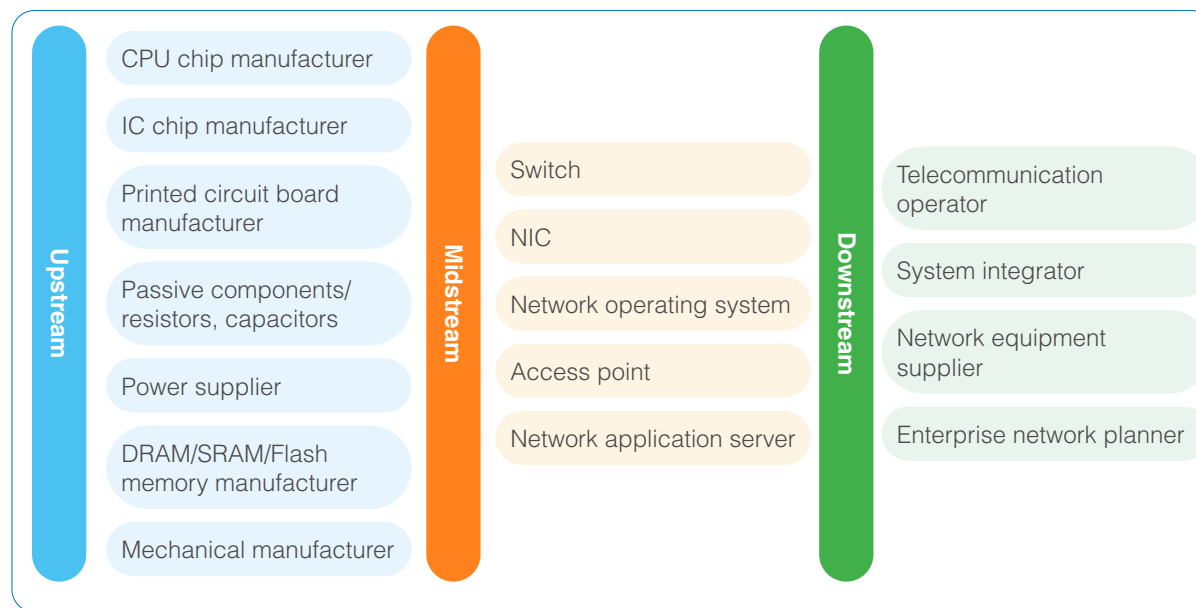


## Accton Group specializes in the R&D, design, and manufacturing of the following high-quality products:

- Hyperscale Data Center Switch
- Coherent Optical Open Packet Transponder
- Hyper Cloud Appliance
- Ethernet BOF
- Smart Network Interface Card
- Telecom 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
- WLAN
- Wireless User's Loop System
- IoT System, including terminal hardware, system software, application software, and hybrid cloud platform
- Millimeter Wave Base Station, Network Bridge, and CPE
- 5G (5th Generation Cellular) CPE and Small Cell Base Station for enterprises
- SD-WAN
- Gateway SD-WAN and vCPE/uCPE

## Relations Between the Upstream, Midstream, and Downstream Businesses in the Industry

Accton integrates with upstream wired and wireless LAN chipset manufacturers, cooperates with their R&D teams to provide integrated network platforms and systems, and optimizes network software and hardware for end users. In response to the 2022 component shortage, Accton has taken proactive steps to diversify our materials and suppliers. Accton and chipset suppliers maintain a good partnership, enabling us to control the sources of components, receive the up-to-date component information, and stay ahead of the competition. We continue to cooperate in business and technology development with our upstream partners; thus, strengthening our partnership.



## 1.4 Exceeding Customer Expectations



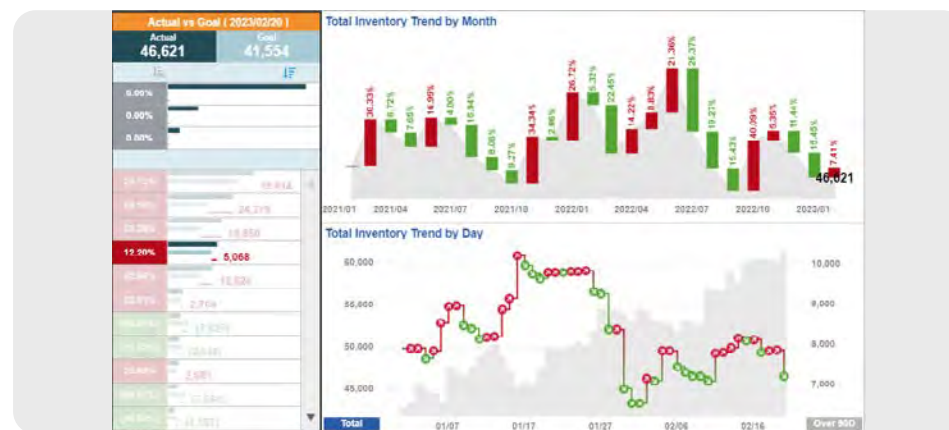
**Scope: Accton and subsidiary Edgecore. JoyTech is a manufacturing plant, and its business is handled by Accton and Edgecore, hence, JoyTech is excluded from the customer satisfaction survey.**

Item	2022 Goals	2022 Results	Short-Term Goals (2023-2025)	Medium and Long-Term Goals (2025-2030)
Accton	<ul style="list-style-type: none"> <li>Customer satisfaction reaches 85 points.</li> <li>Implement an integrated e-supply chain security management system to provide more timely delivery information in the post-COVID-19 era.</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction reached 82 points.</li> <li>Enhanced the dynamic supply chain dashboard to provide more timely material information, and implemented a new, timely inventory control system.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve a customer satisfaction of 85 points or above.</li> <li>Maintain a flexible supply chain system and continue investing in innovative technology.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain a customer satisfaction of 85 points or above.</li> <li>Continuous reinforcement of product technologies and improve the flexibility of the supply chain management.</li> </ul>
Edgecore	<ul style="list-style-type: none"> <li>Customer satisfaction reaches 86 points.</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction reached 86 points.</li> <li>Provided more self-service solutions.</li> <li>Strengthened team communication and collaboration.</li> <li>Quick replacement to meet customer's urgent needs.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve a customer satisfaction of 87 points.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve a customer satisfaction of 89 points.</li> </ul>

At Accton, "client comes first" isn't just a slogan; it's an ethos we actively implement at all levels of business—be it quality, sales, technology, and customer relationship management. We strive to understand the customer's perspective and continually improve all aspects of our service to enhance customer satisfaction. In 2022, Accton surveyed the satisfaction level of ten key customers, receiving six responses, that translated to a satisfaction rate of 82%. Customers highly valued our immediate production capabilities and product quality. We will continue to work hard, and actively improve the product technology in various fields to create higher value for customers.

In 2022, Accton adapted to the evolving landscape by flexibly applying existing systems to meet the challenges of the post-pandemic era. As the epidemic subsided, Accton implemented a just-in-time inventory system, drawing from our previous experience with the dynamic supply chain dashboard. This system assists our key customers in controlling risks in advance based on Accton's data. In addition, we also resumed regular customer visits. After all, face-to-face communication offers us a better understanding of our clients' real needs compared to online interactions, so as to establish win-win, mutually trusting and symbiotically stable relationships with our customers.

### ❖ 2022 Real-time Inventory Analysis Diagram



## Edgecore Networks

We emphasize customer satisfaction and regularly carry out satisfaction surveys to ensure that customer needs are fulfilled. Over the past five years, our surveys, covering product technology, delivery, price, quality, and after-sales services, have shown a year on year increase in overall satisfaction, achieving scores of 82.6, 82.4, 86.4, 86, and 86 respectively. In addition to maintaining contact with our customers, we have expanded our satisfaction surveys to include purchasing and product managers, as well as technology developers to receive more comprehensive feedback. Nonetheless, there is room for improvement in response rates. We need to make an effort to improve response rates to gain a broader and more accurate understanding of customer needs and how they're being met, as well as fully disclose our survey methodology and results to improve corporate transparency and sustainability.

## Customer Satisfaction Survey Results in the Past Five Years

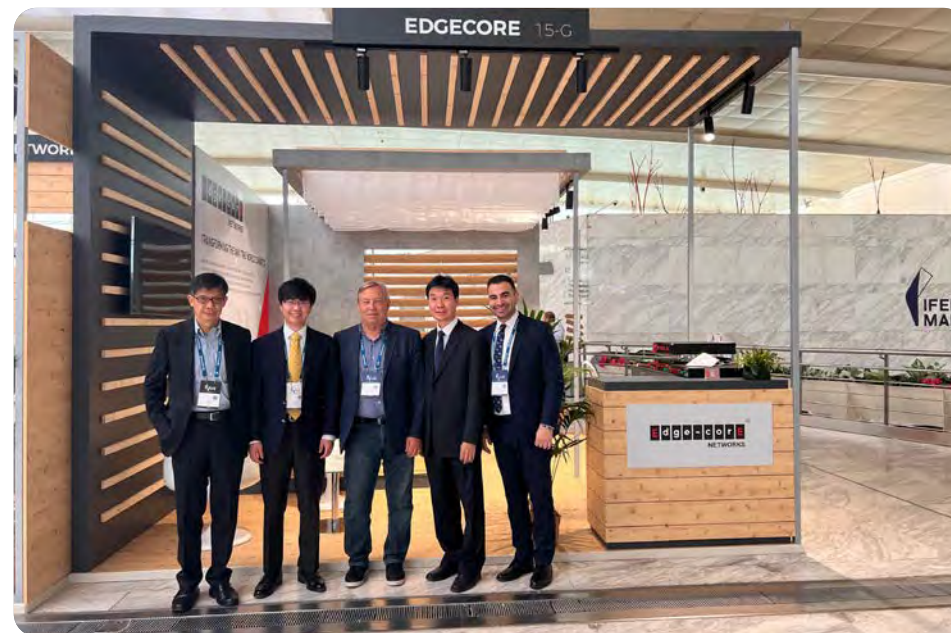
Edgecore	2018	2019	2020	2021	2022
Average Customer Satisfaction score	82.6	82.4	86.4	86	86

## Participation in International Exhibitions and Online Webinars

Every year, Accton, through its subsidiary Edgecore, attends numerous reputable IT and telecommunications exhibitions in Taiwan and abroad, to introduce our latest solutions directly to customers and distributors.

### Physical exhibitions in 2022:

- April 27-28: ONUG Spring in New Jersey
- May 26-28: Arint 2022 in Brazil
- July 11-12: Launch of a demonstration lab at Telkom University, Bandung, Indonesia
- October 13-15: SCAT India in Mumbai
- October 18-20: OCP Global Summit in San Jose, California
- October 25-27: Fyuz 2022 in Madrid



▲ International exhibition: Fyuz 2022 in Madrid



## Online Webinars in 2022:

- February 17: Edgecore Commercially Available SONiC Solution for Data Center, Enterprise Retail Stores, and High-performance Computing
- March 29: Next-Generation Campus Networks with IoT from Pica8 and Edgecore Networks
- September 21: High-Performance Broadband Aggregation at the Edge

### High Performance Broadband Aggregation at the Edge

Wednesday, September 21, 2022, 7:00 a.m. Pacific

Online Webinar

**Sterling Perrin**  
Senior Principal Analyst –  
Optical Networks & Transport,  
Heavy Reading

**Nanda Ravindran**  
Vice President of  
Product Management  
Edgecore Networks

**Shaji Nathan**  
Chief Technology Officer  
IP Infusion

▲ Online seminar: High-Performance Broadband Aggregation at the Edge

## Customer Services: Continuous Improvement and Quick Delivery

### Edgecore

Edgecore focuses on brand and channel management and continues to improve service procedures to meet customer needs and provide them with the best services.

Providing exceptional technical services has always been one of our most important businesses objectives. We are committed to providing high-quality technical support and service to ensure customer satisfaction and loyalty. In the past year, we have made significant progress in the following areas:

## Product Technical Services

Item	2021 Performance	2022 Goals	2022 Performance	Medium and Long-Term Goals
Average time for the first reply (hours)	47.6	< 48	27.5	< 24
Average customer waiting time (days)	15.5	< 15	14	< 14
Average resolution time (days)	21.4	< 22	18.6	< 20

In 2022, the company expanded software products including SONiC and SW partner technical services, which increased the number of cases handled from 4,389 in the previous year to 4,550. The average time for first reply (hours) decreased from 47.6 to 27.5 hours, the average customer waiting times (days) decreased from 15.5 to 14 days, and the average resolution time (days) reduced from 21.4 to 18.6 days. To enhance customer satisfaction, we have improved the following technical services:

- Improve Employee Training and Knowledge Management:** We have invested in the training and knowledge management of our customer service personnel to improve their ability to solve technical issues and understand products. We have established a customer service knowledge platform to collect and share technical data, incident analysis, professional debugging experience, and other information to support customers in resolving technical problems.
- Provision More Self-Service Solutions:** We have offered more solutions on the customer service knowledge platform, such as FAQs, user manuals, video tutorials, etc. These allow customers to resolve some common issues on their own, thereby reducing the workload of customer service staff and customer waiting time.
- Strengthen Team Communication and Collaboration:** The Technical Support Department's work often requires collaboration across multiple departments and personnel, so we have strengthened the team's communication and collaboration ability to ensure efficient collaboration between different departments in problem-solving.

### Solutions Adopted for Medium and Long-Term Goals:

- Optimize the Service Process:** Refine the entire process, from the customer's initiation of inquiries to the resolution of problems, in order to cater to evolving business service requirements.
- Strengthen Product Technology Development:** Enhance product quality and performance to reduce the probability of customer issues.



## RMA Repair

Item	2021 Performance	2022 Goals	2022 Performance	Medium and Long-Term Goals
Turnaround Time (TAT)	41	< 45	42	< 40

### Edgecore's RMA Repair Department :

Since 2021, we have provided partners and customers with essential information, warranty periods, and maintenance details for specific models frequently used by customers to reduce the time needed for service. Additionally, for less expensive products, we offer direct exchange to reduce transportation time for both parties. These measures have greatly improved customer satisfaction and maintenance efficiency. However, due to the global supply chain shortage in 2022, the average turnaround time trended upward slightly, rising from 41 to 42 days, a matter of great concern to us. Therefore, we have implemented the following measures to improve maintenance efficiency and shorten customer wait times.

### Short-term Plan

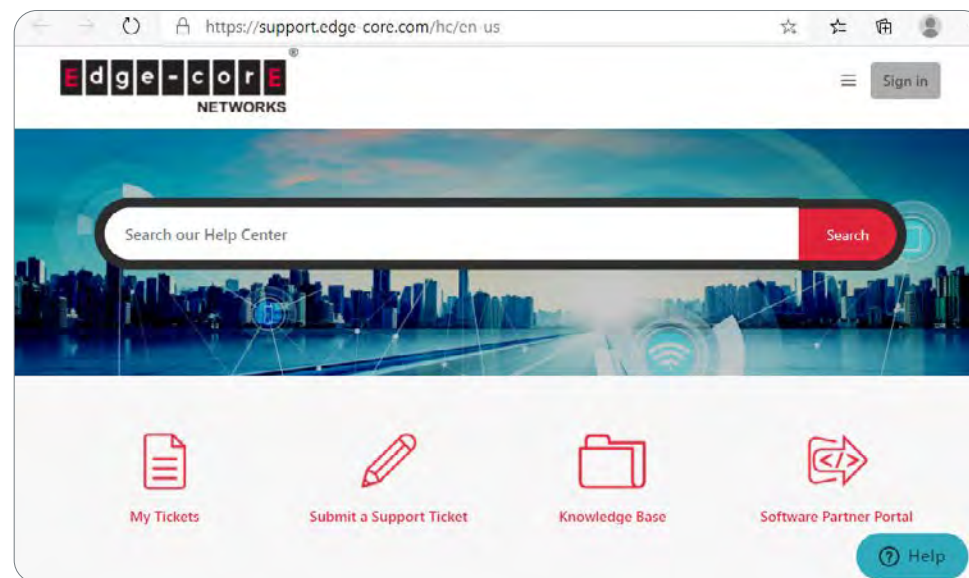
Based on our service contracts, we have prepared RMA supplies for specific customers and regions, with quick exchanges available as needed to meet customers' urgent needs. This will reduce wait times and increase customer satisfaction. Our goal is to reduce the average turnaround time from 42 to 40 days.

### Measures Adopted for Medium and Long-Term Goals

We are committed to further reducing turnaround times to improve customer satisfaction. As such, we have taken a series of measures to upgrade maintenance technology and processes and expand storage capacity. For this purpose, we will adopt the following measures: :

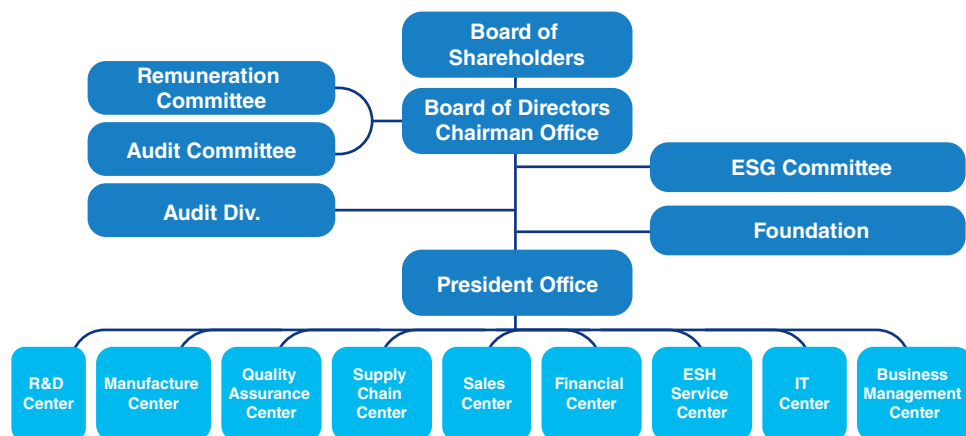
- Optimize the product maintenance process to integrate and streamline the process to improve efficiency and quality.
- Optimize warehouse management to decrease order processing time and preparation time for service materials.

❖ Edgecore's Online Customer Service Website: <https://support.edge-core.com/hc/en-us>



# 1.5 Corporate Governance

## 1.5.1 Corporate Governance Structure (as Shown in Figure)



The Company has established the Board of Directors, the highest governance unit for the company's operations, which includes the Audit Committee and the Remuneration Committee.

The Corporate Sustainability Committee, which falls under the Board of Directors, is the highest governance unit responsible for decision-making, monitoring, and managing the organization's impact on the economy, the environment, and people. The members of the Committee are heads of departments from the Sustainability Committee and the Sustainability Office.

## 1.5.2 Corporate Governance Goals

- Accton Technology adopts transparent, forward-looking, functional, and international approaches to corporate governance to maximize benefits for all shareholders. Decisions on targets such as operational development and strategic vision are mainly the responsibility of the Board of Directors. This includes the review and approval of business plans, earnings distribution, important bylaws and contracts, and budgetary decisions. It also includes the appointment and dismissal of the president and vice presidents, as well as the review and approval of real estate transactions and investment businesses.

## 1.5.3 Board of Directors

The chairman of the Board of Directors, the highest governance unit of the company, is also the highest manager of the company's operating organization.

We strictly adhere to the policy of 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 necessary observances are handled in accordance with the relevant laws and regulations of the Company Act and the Securities and Exchange Act.

The term of office for the members of the Board of Directors, the company's highest governance unit, including the chairman, directors, and independent directors, is 3 years. The current board members were elected in 2021. (Please refer to the Annual Report: Directors' Information for a detailed list and information)

<https://www.accton.com/esg-documents>

## Independence and Professional Qualifications of Members of the Board of Directors

- 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 is comprised of well-respected academics with extensive industry experience, as well as individuals with outstanding performance in other professional fields.

## Board Diversity Policy

- 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 operations, business types, and development needs, which should include but not be limited to the following two aspects:
  - Fundamental conditions and values: gender, age, nationality, culture, etc.
  - Professional knowledge and skills: professional background (such as legal, accounting, industry, finance, marketing, or technology), professional skills, industrial experience, etc.
- In 2022, the Company has eight directors (including five independent directors, representing approximately two-thirds of all directors), all of whom are professionals with diverse backgrounds, adequate professional knowledge, experience, excellent insights, and high ethical standards.
- Origin and Areas of Expertise of Independent Directors: two Taiwanese directors with expertise in accounting, operations, risk management, administration, and decision-making; one American director with expertise in the industry, operations, and international business; one Japanese director with expertise in operations, leadership, and international business; one Israeli director with expertise in the industry, operations, and international business.
- The 12th term of the Board of Directors exceeds the stipulated minimum of three directors as per the Financial Supervisory Commission. Five independent directors were appointed in the 12th term, namely, Huang Shu-Chieh, Lee Fa-Yauh, Kobayashi Eizo, Ankur Singla, and Avigdor Willenz, establishing the principles of ensuring professional and open corporate governance and improving the rights and interests of all shareholders.
- In 2022, six board meetings were convened, and all proposals have been approved after being submitted to the Board of Directors. The Board of Directors, the Company's highest governance unit, communicates major events through proposal review and report discussion. In 2022, 38 proposals and 26 reports were submitted to the Board of Directors, including 7 environment cases, 9 social interaction cases, and 61 operations and management cases.

## ❖ 2022 Board of Directors Report Review ESG Category

Category Case	E-Environmental	S-Social	G-Governance
Review Proposals	0	6	35
Reports	7	3	26
Subtotal	7	9	61

Note: The proposals and reports may include several aspects of ESG.

## Non-Compete and Conflict of Interest Recusal

- To prevent any potential conflicts of interest that may affect the interests of all shareholders, no member of the Board of Directors serves as a director or is a shareholder of any competing company.
- Our Company's Rules of Procedure for Board of Directors Meetings 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 could potentially compromise the Company's interest, the director shall state the significant aspects of the interested party relationship. At the respective meeting, such director may not partake in the discussion or voting on that agenda item and shall recuse themselves. Further, the director is prohibited from exercising the voting rights of another director in proxy.

## Continued Education

In response to the rapid development of technology, all directors are committed to continuously enhancing their industrial environment and professional management skills. All directors have engaged in the following intensive company courses in 2022:

- August 2022: How the Board of Directors Regulates ESG Risk and Builds Sustainable Competitiveness.
- November 2022: How to Supervise Risk Management and Crisis Management and Strengthen Corporate Governance.

## 1.5.4 Remuneration Committee

- The 5th-term Remuneration Committee (2021/07/08-2024/07/07) comprises independent directors Lee Fa-Yauh, Huang Shu-Chieh, and Chang Chih-Ping. The Committee convened two meetings in 2022.
- Duties:
  - Establishment and regular review of the policies, rules, standards, and structure of performance evaluations and remuneration for directors and managerial officers.
  - Ensure that salary and performance are consistent, and that transparency and fairness are upheld to protect the rights and interests of shareholders.

## 1.5.5 Audit Committee

- The 2nd term of the Audit Committee consists of Huang Shu-Chieh, Lee Fa-Yauh, Kobayashi Eizo, Ankur Singla, and Avigdor Willenz. The Committee convened five meetings in 2022.
- 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.
  - Ensure the Company's compliance with relevant regulations and rules.
  - Manage the Company's existing or potential risks.

### 1.5.6 Corporate Sustainability Committee

- A Corporate Sustainability Committee is set up under the Board of Directors and manages the organization's economic, environmental, and human rights impacts.
- The Vice President, Jackal Lee, serves as the Chairman of the "Corporate Sustainability Committee". The Committee includes senior management executives of various departments. The Sustainability Committee has an office, whose members are composed of employees from different departments to handle the Committee's substantive work.
- The Corporate Sustainability Committee's primary responsibility to the Board of Directors is to enhance the functions of the Board of Directors and corporate sustainability. The Committee cooperates with the sustainability office to develop operation targets and cooperation modes, and submits the strategy objectives, policy plans, and implementation status to the Board of Directors, which discusses and makes resolutions on the proposals to promote corporate sustainability.
- The "Corporate Sustainability Committee" manages the organization's economic, environmental, and social impacts, among other operations. Starting from 2022, it has reported its overall operation status to the board of Directors once a year and presented a carbon inventory status report quarterly. The implementation status and results have been reviewed and approved by the Board of Directors.
- Annual ESG issues and reports are also submitted to the Board of Directors for approval.

### 1.5.7 Performance Evaluation

#### The Company has completed the performance evaluation report of the Board of Directors and Functional Committees.

- To implement and improve the functions of the Board of Directors and functional committees, the Company has developed the "Regulations for Evaluating the Performance of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies evaluate the Board of Directors" to assess the performance of the Board of Directors and functional committees.
- Evaluation cycle and duration: January 1, 2022, to December 31, 2022.
- The Board of Directors and the Functional Committees of the Company conduct performance evaluation annually and appoint an external professional independent institution or a team of external experts and scholars to conduct the evaluation at least once every three years. The annual performance evaluation adheres to established evaluation procedures and indicators, with the report being finalized prior to the end of the first quarter of the subsequent year.
- This year's evaluation committee was conducted by an external independent professional management consulting firm, which assessed the overall operation of the Board of Directors, the performance of board members, and functional committees of the company from January

1, 2022, to December 31, 2022.

#### • Evaluation results:

##### 1. Board Performance Evaluation:

The evaluators comprised of eight individuals, including Chairman Lin Meen-Ron, director Du Heng-Yi, director Huang Kuo-Hsiu, and independent directors Huang Shu-Chieh, Kobayashi Eizo, Avigdor Willenz, and Ankur Singla.

Evaluation Item	Score
Degree of Participation in the Company's Operations	4.43
Improvement of the Quality of Board Decisions	4.51
Composition and Structure of the Board of Directors	4.71
Election and Continuous Education of Directors	4.57
Internal Control	4.61

##### 2. Director Performance Evaluation:

The evaluators comprised of eight individuals, including Chairman Lin Meen-Ron, director Du Heng-Yi, director Huang Kuo-Hsiu, and independent directors Huang Shu-Chieh, Lee Fa-Yauh, Kobayashi Eizo, Avigdor Willenz, and Ankur Singla.

Evaluation Item	Score
Familiarity with the Goals and Missions of the Company	4.58
Knowledge of the Duties of Directors	4.67
Degree of Participation in the Company's Operations	4.45
Management of Internal Relations and Communication	4.58
Professional and Continuous Education of Directors	4.63
Internal control	4.58

### 3. Performance Evaluation of the Audit Committee:

The evaluators comprised of five individuals, including independent directors Huang Shu-Chieh, Lee Fa-Yauh, Kobayashi Eizo, Avigdor Willenz, and Ankur Singla.

Evaluation Item	Score
Degree of Participation in the Company's Operations	4.30
Knowledge of Duties of the Audit Committee	4.60
Improvement of the Quality of the Audit Committee's Decisions	4.63
Composition of the Audit Committee and Selection of Committee Members	4.6
Internal Control	4.53

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

The evaluators comprised of three individuals, including Chang Chih-Ping, and independent directors Huang Shu-Chieh and Lee Fa-Yauh.

Evaluation Item	Score
Degree of Participation in the Company's Operations	5.00
Knowledge of Duties of the Remuneration Committee.	4.63
Improvement of the Quality of the Remuneration Committee's Decisions	4.80
Composition of the Remuneration Committee and Selection of Committee Members	5.00

## Evaluation Results:

Based on the self-assessment of directors and interviews with directors and independent directors by the consulting company, it was determined that Accton's Board of Directors has developed policies and procedures related to the operation of the Board of Directors in accordance with relevant laws, regulations, and domestic corporate governance indicators. The Board of Directors is composed of directors with relevant professional abilities and responsibilities are assigned according to the different skills and experience. The Board of Directors and functional committees are functioning effectively. [Evaluation results: Excellent.](#)

## Overall Evaluation:

1. The Company's Board of Directors consists of eight directors, of which three are general directors and five are independent directors, making independent directors 62.5% of the board. Among the three general directors, two are current senior managers of the company, while five independent directors are seasoned professionals from medical, financial, accounting, and technology industries. Particularly, the three foreign independent directors are well-versed in international development and can provide timely and relevant professional advice on the company's operations and future development direction, to fully realize the function of supervising and guiding the company.
2. The company provides comprehensive meeting information to the Board of Directors and functional committees prior to each meeting. The chairman respects the professionalism of each director, the board culture is open and harmonious, and the directors actively participate in the discussions of the Board of Directors and each functional committee, fostering a healthy discussion culture.
3. Besides formal board meetings, the Company invites directors and independent directors to participate in different strategic management meetings according to their professional backgrounds. The directors interact closely and communicate with the management team, enabling them to speak freely, express their opinions, and contribute their expertise.

## Optimization Suggestions:

1. The Board of Directors has three foreign independent directors. It is recommended that the meeting materials be provided to each director in advance, allowing more time to comprehend the content of the meeting and provide effective discussions and suggestions.
2. The company operates in the communication network industry and places great emphasis on sustainable development, information security, and risk management. It is suggested that the Company add relevant functional committees, such as the sustainable development committee, risk management committee, information security committees, etc., according to the corporate governance objectives. This can strengthen the management mechanism and showcase the company as a benchmark enterprise for corporate governance.
3. Since the company has foreign independent directors, it is suggested that the Chairman of the Board of Directors and the conveners of the functional committees can formulate work plans and objectives for each term or each year within the term of office and obtain the consensus of the directors. This can improve the efficiency of the Board of Directors and the functional committee and strengthen the management responsibilities of the company.

## 1.5.8 Corporate Governance Evaluation

The FSC's "Corporate Governance Roadmap" and the "Corporate Governance Review" for all listed companies have catalyzed the development of corporate governance-related measures, facilitating alignment with international standards, and assisting investors and enterprises in understanding the effectiveness of corporate governance implementation through the evaluation of corporate governance in the overall market.

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

According to the "9th Corporate Governance Evaluation" results published by TWSE and Taipei Exchange on April 27, 2023, Accton Technology ranked within the top 21% to 35% companies listed on the TWSE and Taipei Exchange.



## 1.6 Ethical Corporate Management

### Supply Chain Management

In terms of sustainable supply chain management, Accton demands all its suppliers to operate their business in accordance with the Responsible Business Alliance (RBA). This commitment includes respect for labor rights, health and safety, environment, business ethics, and management systems. Suppliers must also fully comply with the laws and regulations of the country/region in which they operate. Concurrently, Accton requires its suppliers to implement the same standards for their next-level suppliers.

### Top-down Approach in the Formulation and Implementation of Ethics and Integrity Policies.

1.6.1. The Company has established the "Ethical Corporate Management Best Practice Principles" which were approved 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 rooted on integrity and have demonstrated this in the Company's internal management.

1.6.2. The "Ethical Corporate Management Best Practice Principles" and "Supplier Code of Conduct" explicitly forbid 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. They also prohibit engaging in unfair competitive practices and causing direct or indirect damage to the rights or interests, health, or safety of consumers or other stakeholders during research and development, procurement, manufacturing, 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 delineated 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 employ training and various other methods to increase employees' awareness of the Company's core values and compliance system. Additionally, we require employees to uphold the critical responsibilities of maintaining high moral standards, the Company's reputation, and compliance with regulations.

### Training and Communication:

**Establishment of the concept of full-staff integrity from the foundation, and the coverage rate of education and training 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 orientation training for new employees to ensure that all employees understand the relevant regulations.

Employee Level	Number of People to be Trained	Actual Completion	Percentage
Management	19	19	100%
Indirect Non-Management	237	237	100%
Direct Employees	479	479	100%

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

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

#### Current Employees

Accton-Edge-Core conducted the annual Responsible Business Alliance (RBA) training in April 2022. The content primarily focused on promoting social responsibilities and achieving market success. 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 People to be Trained	Actual Completion	Percentage
Management	RBA Training	Classroom and Online	357	357	100%
Indirect Non-Management	RBA Training	Classroom and Online	986	986	100%
Direct Employees	RBA Training	Classroom and Online	854	854	100%

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



JoyTech conducted the annual Responsible Business Alliance (RBA) training in December 2022. The content primarily focused on promoting social responsibilities and achieving market success. Participants and agents are 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 People to be Trained	Actual Completion	Percentage
Management	RBA Training	Classroom and Online	96	96	100%
Indirect Non-Management	RBA Training	Classroom and Online	312	312	100%
Direct Employees	RBA Training	Classroom and Online	810	810	100%

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

## Establishment of Diverse Communication Modes, Demonstrate the Resolve to Operate with Integrity and Acknowledging Partners.

### Communication | Suppliers:

To ensure suppliers understand and comply with the Company's integrity policy, the Company requires new suppliers to sign an Integrity Commitment Statement during the procurement process. This statement confirms their commitment not to engage in illegal practices.

### Communication | Internal and External Channels:

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

The Company treats all substantiated unethical conduct or violation of professional ethics with the utmost seriousness, imposes severe punishments on violators, and takes appropriate legal actions.

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

When signing a contract with a business partner, the Company shall obtain thorough information about the integrity of the counterpart's ethical management status and include ethical management requirements in the contracts. In case of a violation, the partnership will be terminated immediately, ensuring the procurement of 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. Internal auditors prioritize high-risk operations in the annual audit plan based on risk assessment, thereby strengthening preventive measures, and report the actual implementation status of the audit plan to the Board of Directors. The CPA reviews the implementation of the Company's internal control system annually. The results of the internal audit and the audit by the CPA this year did not reveal any significant violations of ethical management regulations.

1.6.4. Employee training is planned by the human resources unit, while integrity training and signing of the integrity statements by supply chain partners are managed by the procurement unit.

1.6.5. The aforementioned educational materials, training resources, and advocacy documents are available in Chinese and English, the primary language of our international colleagues, to ensure effective communication of information to all employees.

1.6.6. No complaints or reports related to integrity were received in 2022: "0" incidents. The records are filed for future reference after being signed by the supervisor, and we continue our advocacy and monitoring efforts.

## **Compliance Audits for Laws and Regulations Were Conducted as per the Audit Plan Approved by the Board of Directors, and no Major Violations Were Found.**

1.6.7. The Company requires its internal organizations and colleagues to comply with the laws, regulations, and the Company's policies. The Company requires them to self-assess their compliance through the annual Control Self-Assessment, and they are subjected to audits by the internal audit unit.

The main targets for audits on compliance with laws and regulations in the Company's annual internal audit plan include human resources, accounting, and occupational safety. According to the results of the annual audit plan, there were no major violations or improvements in 2022.

## **Records of Non-Major Violations**

Penalties for violations of laws and regulations in 2022

In 2022, to meet the operation and expansion needs of the company, we embarked on the new construction of the Zhubei plant in Zhubei City, Hsinchu County.

The plant's site is adjacent to a residential area and a school, and is being developed concurrently with four surrounding projects, creating challenges in managing environmental air pollution.

During the winter, Hsinchu experiences little rainfall and strong northeast monsoons.

Dust from the project area was reported by nearby residents. After the Environmental Protection Bureau personnel inspected the site, it was determined that the site's dust prevention facilities needed to be improved, resulting in a violation notice.

## **Description and countermeasures:**

Disciplinary date: On November 8, 2022, in accordance with Article 6 and Article 8 of the Management Measures for Air Pollution Control Facilities in Construction Projects, effective air pollution control measures were implemented during operation.

Article 6 of the Management Measures States that: The height or type of the fence does not meet the requirements for the construction grade, and the fence does not cover the entire site area. Article 8 of the Management Measures: The implementation area of vehicle routes within the site is less than 80%.

Penalty Content: The fine was NT \$100,000.

## **Countermeasures:**

1. The construction company at the Zhubei site immediately restored the fence and laid iron plates on the vehicle routes to improve coverage. The ground was sprayed with water once every half hour using sprinklers to prevent dust.
2. In the future, if the contractor fails to take preventive measures in accordance with the project provisions, they must put forward an alternative plan with the same function and submit it to the competent authority for approval.

## **Stakeholder Engagement**

1.6.8. In accordance with the provisions of listed companies, the company will convene annual shareholders' meetings to interact directly with stakeholders. The Company's spokesperson serves as the main contact window for communication between the governance unit and the stakeholders. The spokesperson is also responsible for formally disclosing information to the public.





# 2

## Comprehensive Corporate Governance

2.1 Risk Management

2.2 Innovative Technology  
Research and Development

2.3 Responsible Supply Chain

## 2.1.1 Risk Management

### Risk scope identification and assessment

Amidst a global epidemic, increasing frequency of natural disasters, shifting geopolitics, and shortages of key components, both natural and man-made disasters have become more frequent and severe. Given the high uncertainty of the future, the Company has adhered to the concept of sustainable management. The Company established emergency response management procedures in 2015 to standardize preparation and response measures for emergencies, intending to reduce the impact on people, property, and the environment.

With the same philosophy in mind, during the reporting period, the Corporate Sustainability Committee of the Company identified and assessed economic (including corporate governance), environmental, social, and other risks related to the Company's business based on the principle of materiality. The Committee then classified the risks faced by the Company during the reporting period and the management scope into four categories: information security risks, product development and production safety risks, climate risks, and business continuity risks, which are detailed below. Additionally, all relevant departments conduct risk management according to their management issues and continuously monitor the development of international and domestic risk management to identify new risks.

### RISK MANAGEMENT POLICIES AND PROCEDURES

The Board of Directors is the top decision-making unit for risk management. It approves risk management policies and structures in accordance with business strategies and environmental changes to ensure the effectiveness of risk management.

In view of the risk assessed for information security, the Company has established the "Risk Management Procedures" and conducts risk assessments annually to confirm the implementation of response measures for each risk. This practice helps us effectively identify and control the Company's risks, and strategize risk management, and subsequent improvement measures. We reduce risks to acceptable levels to ensure the continuity of the Company's business operation. In light of the business risk, the Company also developed operation interruption recovery procedures in 2018 to prevent and reduce business interruption and losses caused by natural or man-made disasters. We propose corresponding plans and preventive measures to reduce delivery delays and other losses.

In order to actively enhance the concept of sustainable management and implement proactive risk management, we will be guided by professional organizations to promote risk management projects in 2023, and establish a robust risk management mechanism with the assistance of a complete risk factor database and a professional team. We will establish a standing organizational risk management committee and a risk management office. Each functional department is the authority and responsibility department of the risk management organization (task grouping) and is responsible for the implementation of the project. The top manager of the functional center is the risk manager of such an authority and responsibility department.

After the establishment of the risk management committee and risk management office, we will review our risk management policies and procedures.



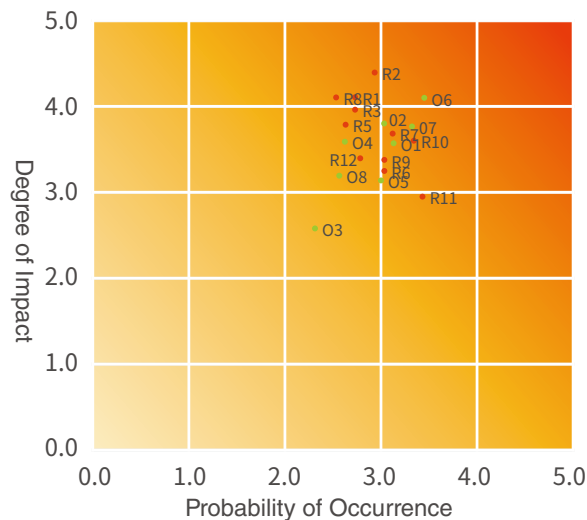


## 2.1.2 Climate Change Management

### 2022 Climate Risks Opportunities of Accton Technology

- We summarized the climate risks and opportunities of high-tech electronic and Netcom equipment manufacturing. We assessed the possibility and impact degree of industry-related risks and opportunities through a survey of senior executives, leading to the development of the risk opportunity matrix of Accton Technology in 2022.
- We score, screen, and rank the risks taking into account the current operating situation and industrial characteristics of Accton Technology, to determine major climate-related risks and opportunities.

#### ❖ 2022 Accton Technology Climate Risks Opportunities Matrix Diagram



Major Risks/ Opportunities	Category	Climatic Scenario	Period	Type of Financial Impact	Financial Impact	Response Strategy
R2 (Policy and Regulation): Strengthen emissions reporting obligations	Transition Risk	SSP1	Medium term	Rising costs	Estimated expenditure of about NT\$2.5 million/year (capital and manpower input in tutoring, inventory, verification, and declaration).	<ol style="list-style-type: none"> <li>Promote ISO 14064-1 greenhouse gas inventory at global operating sites.</li> <li>Entrust a professional third-party with ISO 14064-1 greenhouse gas emission verification.</li> <li>Assign the ESH department as the responsible for identification of local regulations, implementation of inventory, and necessary declarations.</li> <li>ESG Committee is responsible for climate change risk management, climate change adaptation and response strategy development, mitigation target setting, climate mitigation action planning and implementation, and annual reporting to the Board.</li> </ol>
R4 (Technology Risk): Products and services are replaced by low-carbon technologies	Transition Risk	SSP1	Long term	Reduced revenue	Failure to respond in time can result in a decline in product sales, which would affect the company's revenue will be affected. Given the complexity and involvement of multiple factors, the Company plans to conduct more comprehensive evaluations in the future.	<ol style="list-style-type: none"> <li>Continuously increase R&amp;D efforts in the key network communication devices (network switches, network application devices, network access devices, etc.) focusing on low energy consumption, high transmission efficiency, and other technologies.</li> <li>Stronger collaborations with key customers to promote:               <ol style="list-style-type: none"> <li>The development of products with low energy specifications, and those offering low carbon footprint and high energy efficiency.</li> <li>Carbon reduction and net zero emissions: through green manufacturing processes, green factories, adoption of renewable energy sources, energy conservation projects, and reducing Category Three emissions from customers.</li> </ol> </li> <li>Further R&amp;D to secure patents related to applications that offer low carbon, high efficiency, and carbon reduction benefits.</li> <li>Active participation in international initiatives.</li> </ol>
R11 (Acute Physical Risk): Increased severity of extreme weather events	Physical Risk	SSP5	Medium term	Reduced revenue	An increase in the frequency and intensity of extreme weather events due to climate change is expected to have a financial impact of 1 to 5 days of revenue due to operational disruptions.	<ol style="list-style-type: none"> <li>Implement the ISO22301 continuous business management system and obtain third-party certification.</li> <li>Implement a risk management system operation.</li> <li>Perform a climatic stress test on operating points.</li> <li>Promote a damage prevention project at a high-risk plant.</li> <li>Establish production sites in different countries.</li> </ol>
O6 (Products and Services) Develop or expand low-carbon products and services	Opportunity	SSP1	Long term	Revenue growth	The market is moving towards a low-carbon economy due to climate change, which will bring new business opportunities. By expanding or developing new climate-friendly products and services, Accton Technology expects to generate an additional NT\$4 billion to NT\$6 billion in business growth by 2030.	<ol style="list-style-type: none"> <li>Continually collect and track trends in the energy-conservation and low-carbon industry.</li> <li>Increase the investment in R&amp;D.</li> <li>Actively communicate and cooperate with customers.</li> <li>Conduct R&amp;D of patents related to low-carbon, high-efficiency applications and carbon reduction.</li> </ol>

\* IPCC AR6 utilizes Shared Socio-economic Pathways (SSP) to estimate future greenhouse gas emissions scenarios. SSP includes five emission scenarios: extremely low emission (SSP1-1.9), low emission (SSP1-2.6), medium emission (SSP2-4.5), high emission (SSP3-7.0) and extremely high emission (SSP5-8.5).

## Risk pattern:

### R2 (Policy and Regulation) Strengthen emissions reporting obligations:

1. The Financial Supervisory Commission (FSC) encourages TWSE/TPEX-listed companies to disclose carbon inventory information in a transparent manner, forcing them to disclose their carbon inventory results in three stages based on specific industries and capital thresholds.
2. With a capital of between NT\$5 billion and NT\$10 billion, Accton Technology is subject to the second phase as defined by the FSC. At present, our main manufacturing center in Taiwan is located in Zhunan, with an annual greenhouse gas emission of about 11,000 metric tons. According to the FSC's schedule for mandatory inventory of TWSE/TPEX-listed companies, this site will be included in the scope of mandatory inventory inspection in 2025.
3. To comply with the mandatory inventory declaration, Accton is required to establish a greenhouse gas inventory mechanism in accordance with ISO14064-1. Relevant investment includes external consulting, external third-party verification, internal manpower allocation and manpower input of relevant units. As a result, the overall operating cost will increase.

### R4 (Technology Risk) products and services are replaced by low-carbon technologies:

1. Climate change has had a severe impact on the world, with the global average temperature rise reaching 1.09°C (studies show that the average temperature rise from 2022 to 2026 is between 1.1 °C and 1.7°C).
2. At the COP26 United Nations Climate Conference in 2021, global consensus on combating climate change became more active, aiming to limit global temperature rise to 1.5°C by the end of this century. To achieve this extremely challenging goal, countries are calling for a net zero emission target year, and the manufacturing processes, products and services provided by various industries are also developing towards lower energy consumption and low carbon emissions.
3. The main products of Accton Technology are network switches, which are an indispensable equipment on any network environment. They usually operate 24 hours a day, which has a certain impact on the electricity cost of a data center or network environment within an enterprise. In recent years, products with low energy consumption and energy-saving design have become popular in the market. If Accton Technology's network switches fail to keep up with market trends or customer expectations in terms of energy performance or energy efficiency design, the sales of product and services may decline, resulting in a decrease in revenue.

### R11 (Acute Physical Risk) Increased severity of extreme weather events:

1. According to the Sixth Assessment Report (AR6) released by the Intergovernmental Panel on Climate Change of the United Nations (IPCC) on August 9, 2021, under the SSP5-8.5 scenario, the average annual total rainfall in Taiwan would increase by about 13% and 29% in the middle and by the end of the century; The average annual maximum 1-day rainstorm intensity would increase by 22% and 43%; and it is estimated that the cumulative rainfall in 24 hours in Taoyuan, Hsinchu and Miaoli areas may reach 450mm and 600mm.
2. Flood heights in the Zhunan Plant and its adjacent areas may reach 1~2 meters, which will affect employees' commuting. Consequently, the production capacity would be affected due to the shortage of operators.
3. JoyTech, the main production base in mainland China, is located in Baoan District, Shenzhen City, Guangdong Province, which has experienced several rainstorm flooding events in recent years. In 2018, the cumulative rainfall in 24 hours was 414mm. According to IPCC estimates, the cumulative rainfall in 24 hours in the middle and by the end of the century may be 505mm and 600mm. The instantaneous rainfall can cause flooding that can last for days, which will not only block the traffic, but also force local authorities to start evacuations. The production of this plant may be affected for several days due to the inability of production manpower. If there is no alternative, the shipment will be affected and the revenue will decline.

## Opportunity:

### O6 (Products and Services) Develop or expand low-carbon products and services:

1. In response to climate change, the global economy is evolving towards a zero-carbon economy, and the hardware specifications and applications of technological and electronic products are progressing towards high energy efficiency and low carbon emission.
2. The development or expansion of low-carbon products and services will be an important direction for Accton to seize the low-carbon business opportunities. Accton can achieve revenue growth by expanding its product market.

## Accton Technology's 2022 TCFD implementation

Sustainability Report CFD Disclosure - Governance

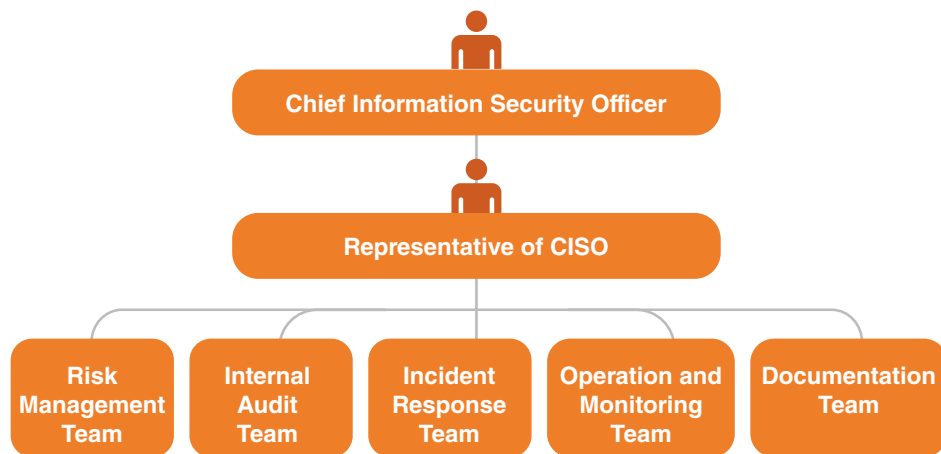
Four thematic areas of TCFD			Accton Technology's Management Status
Governance	Governance of climate-related risks and opportunities	The board oversees climate-related issues	<div>1. The Board of Directors is the highest authority on climate change at Accton Technology. Currently, the Sustainable Development Committee reports on the management status and operation performance related to climate change at regular board meetings once a quarter.</div> <div>2. The board oversees Accton Technology's climate change-related management operations. Its responsibilities include reviewing climate-related strategies, annual targets, action plans, annual budgets and relevant significant financial expenditures, tracking the achievement of the previous year's targets and managing performance.</div> <div>3. Provide guidance on the status of achievement and performance of the objectives reported by the Sustainable Development Committee, as well as direction for adjustment and improvement.</div>
		Management assesses and manages climate-related issues	<div>1. The Sustainable Development Committee is the highest management and executive unit of Accton Technology, chaired by the senior vice president, and the Corporate Sustainability Office acts as the secretary. The Sustainable Development Committee identifies risks and opportunities of climate change on a yearly basis, develops strategies and sets targets for significant financial and strategic risks and opportunities. The Green Manufacturing Committee under the Sustainable Development Committee is responsible for promoting the implementation of climate change-related action plans and KPI tracking.</div> <div>2. The Green Manufacturing and Environment Committee report to the Sustainable Development Committee on achievements, status of KPIs and performance of action plans.</div> <div>3. Accton Technology's climate governance framework: Board of Directors (monitoring of climate-related issues, major decisions) → Corporate Sustainable Development Committee (climate-related goal setting, strategy development, action plan planning, implementation and follow-up management).</div>
Strategy			<div>1. Definitions of short, medium and long term and significant climate-related risks of Accton Technology:<div>A. Short term (1-3 years): (Physical) Increase severity of extreme climate events.</div><div>B. Medium term (3-6 years): (Transition) Strengthen emission reporting obligations, (transition) increase prices of greenhouse gas emissions, (transition) replacement of products and services by low-carbon technologies, (transition) increase costs of raw material, (physical) increase severity of extreme weather events, (transition) increase stakeholder concerns and negative feedback.</div><div>C. Long term (7-10 years): (Transition) replacement of products and services by low-carbon technologies, (transition) increase costs of raw material, (physical) increase severity of extreme weather events.</div></div> <div>2. Accton Technology identifies significant climate-related financial risks and opportunities through a four-step process: (summarize) Climate-related risks and opportunities that the technology Netcom industry may face → (Convergence) Evaluate risk and opportunity projects related to Accton Technology according to the type of products and services, the climate change of operating sites, the development trend of business and sales market regulations, the climate change strategy of major customers... → (Significance analysis) Senior management determines the risk score from the probability of climate-related risk opportunity events and their impact on Accton Technology → (Strategic response) Evaluate and develop relevant response strategies (including major investment or expenditure).</div> <div>1. In view of major climate-related risks and opportunities, the Sustainable Development Committee analyzes the causes and degree of impacts on the organization, and puts forward countermeasures and action plans. It also evaluates the resources and costs required by the organization. After determining the direction, the Sustainable Development Committee reports to the Board of Directors. Any business action plan involving significant resource input and cost expenditure shall be implemented upon the decision of the Board of Directors:<div>A. In response to the future introduction of greenhouse gas emission charges and the continuing increase in carbon price, the Sustainable Development Committee defines the first step of Accton Technology's carbon management strategy as setting short and medium term emission reduction targets and long term net zero emission targets. Give priority to the reduction by the organization, and then purchase green power certificates and other means of carbon removal to offset the remaining emissions.</div><div>B. To cope with the risk of products and services being replaced by low carbon technologies, and to enhance customer trust and cooperation with Accton Technology, Accton Technology proactively responds to customers' expectations of purchasing low-carbon products. On the premise of not affecting product specifications and quality, we cooperate with customer for projects to reduce the burn-in time of products in the manufacturing stage and significantly reduce the power required for product manufacturing.</div></div> <div>2. The climate scenarios considered by Accton Technology include the 1.5°C and 2°C scenarios of global transition to net zero and low carbon, and the 4°C scenario where the world still focuses on accelerating economic growth, uses fossil fuels without limit, and negatively faces the continuous increase of atmospheric CO<sub>2</sub> concentration caused by climate change.</div>

Four thematic areas of TCFD		Accton Technology's Management Status
Risk management	Identify, assess and manage climate-related risks	<p>1. Climate-related risk management process of Accton Technology:</p> <p>A. Climate-related risk opportunity events ① Occurrence probability (1~5 from low to high) and impact degree (1~5 from low to high) on Accton Technology;</p> <p>B. ① Occurrence probability * ② Impact degree = Significance score;</p> <p>C. Significance scores are ranked from highest to lowest;</p> <p>D. The ranking of Accton Technology's major risks and opportunities is discussed, adjusted and decided by senior managers.</p> <p>2. Accton Technology identifies the potential transition risks brought about by Taiwan's announcement of a net zero emission path in 2022. In terms of regulations, the main transition risk facing Accton Technology is that Taiwan FSC forces TWSE/TPEX listed companies to disclose their carbon inventory results in three stages based on specific industries and capital thresholds. With a capital of between NT\$5 billion and NT\$10 billion, Accton Technology is subject to the second phase as defined by FSC, and is required to disclose its greenhouse gas inventory results of previous year in its annual report in 2025. The inventory will cover the global operating bases directly controlled by Accton.</p>
	Assess and manage the indicators and objectives of climate-related risks and opportunities	<p>1. Climate correlation is one of the important themes of Accton. Climate change-related risks are currently managed by the Sustainable Development Committee, which regularly identifies, assesses, analyzes and manages the risks that may be brought about by climate change. The Committee meets quarterly to track the status of target achievement and management performance, and reports to the Board of Directors.</p> <p>2. After identifying the climate-related major risks, the Sustainable Development Committee evaluates the time of occurrence of the risks and the possible financial impact on Accton Technology, and proposes possible coping strategies according to the patterns and degrees of risk impacts. The priority sequence of strategies is mitigation, control, transfer, and bearing.</p>
Indicators and Objectives	Assess and manage the indicators and objectives of climate-related risks and opportunities	<p>1. Main carbon reduction goal of Accton technology is a 50% reduction in carbon emissions by 2030, and achieving net zero carbon emission by 2050.</p> <p>2. In addition to monitoring greenhouse gas emissions, Accton tracks performance related to climate change through other indicators such as energy consumption, electricity intensity, tap water use, waste output, and recycling rates.</p> <p>3. Accton Technology places great importance on climate change management. To stimulate employees to think together, the company has instituted a "Production Nobel Prize". Employees who propose exceptional production efficiency improvements or energy-saving projects, and are evaluated and approved, receive bonuses.</p> <p>4. Accton Technology is planning to implement internal carbon pricing. Within two years, the Company expects to establish an internal carbon price applicable to Accton, using a shadow price method. This will serve as an important tool for managing greenhouse gas emissions.</p> <p>5. Since 2018, Accton Technology has been conducting greenhouse gas inventory in accordance with ISO 14064-1 and the Greenhouse Gas Inventory and Reporting Guidelines of Environmental Protection Administration. Initially, the inventory scope included Accton Plant 1 and JoyTech, and gradually expanded to include Accton Plant 1 and 2, Zhunan Plant, Edgecore, Shenzhen JoyTech and local offices by 2021. Additionally, the content of Category 3 (categories 3~6) have been included in the inventory for Accton Plant 1 and 2, and Zhunan Plant.</p> <p>6. The 2022 greenhouse gas inventory emissions were as follows:</p> <p>A. Scope I: 869 tCO<sub>2</sub>e;</p> <p>B. Scope II: 38,232 tCO<sub>2</sub>e;</p> <p>C. Scope III: 5,293 tCO<sub>2</sub>e (Category3~6).</p>

## 2.1.3 Information System Security Management

### Organization of the Security Promotion Committee

- The Company established the Information Security Promotion Committee in 2016 to ensure the effective operation of the information security management system.
- In 2020, the Company established a dedicated information security management organization – Information Security Department, consisting of three members.
- From 2021 to 2023, the Company has been continuously recruiting information security operators. Through internal and external education and training for awareness and technology, we have strengthened the Company's protection ability for information security, thereby reducing the risk to the Company and customers posed by information security incidents (in 2022 the number of information security operators was 5, and the plan is to increase this to 7 during 2023).



The Company established the "Information Security Risk Management Procedures" and conducts regular risk assessments annually to verify the implementation of all control measures. This includes identifying whether the organization has new or changing assets, defining appropriate asset value, ascertaining the emergence of new threats and vulnerabilities, and determining the likelihood of risks arising from threats exploiting a vulnerability in each information asset. By doing so, the Company effectively identifies and controls risks, manages risk, and subsequent improvement measures. We mitigate risks to acceptable levels to ensure the continuation of the Company's business operations.

### Information Security Policy

1. All employees (including regular employees and personnel of outsourced service providers, such as onsite vendors, part-time employees, and consultants) have the responsibility and obligation of protecting the information assets related to their roles to ensure the confidentiality, integrity, and availability of the Group's crucial 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 include the necessary assessments, and new employees must sign relevant operational regulations and participate in information security training. They must understand their information security obligations and adhere to 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 comply with 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. Compliance with the stipulations in laws and regulations, directives from the competent authorities, customer contracts, and other professional practice requirements.
2. Protection and storage of customer data to prevent inappropriate and illegal usage.
3. Assurance of service continuity and timeliness.
4. Ensuring the accuracy and integrity of information.
5. Appropriate response and processing of any information security incident that could damage the rights and interests of stakeholders.

2022 Goals	2022 Results	Short-Term Goals (2023-2024)	Medium and Long-Term Goals (2025-2027)
<ul style="list-style-type: none"> <li>• Extend the validity of the ISO 27001 Information Security Management System.</li> <li>• Maintain zero information security incidents from hacker attacks or virus infections that interrupt operations.</li> </ul>	<ul style="list-style-type: none"> <li>• Passed the triennial recertification of the ISO 27001 Information Security Management System.</li> <li>• Maintained zero information security incidents from hacker attacks or virus infections that interrupt operations.</li> </ul>	<ul style="list-style-type: none"> <li>• Extend the validity of the ISO 27001 Information Security Management System.</li> <li>• Maintain zero information security incidents from hacker attacks or virus infections that interrupt operations.</li> </ul>	<ul style="list-style-type: none"> <li>• Extend the validity of the ISO 27001 Information Security Management System.</li> <li>• Pass the information security audit by customers without major deficiencies.</li> </ul>





**Scope: Accton (including FAB1, FAB 2, and Zhunan FAB) and the subsidiaries Edgecore and JoyTech**

Note: Accton's information security measures cover the subsidiary Edgecore; hence, its goals will not be described separately.

## Specific Measures

In 2016, Accton Technology passed the international standard certification ISO/IEC 27001:2013 (CNS 27001:2014). In 2022, the Company completed the continuous effectiveness verification of information security policy and control, and passed the triennial recertification which is now valid until 10/31/2025.

The Company performs red team assessments to discover and understand the security state of the system environment under testing. This approach uncovers factors that may threaten the security of the information assets of the system under testing, stays on top of known security issues, and proposes improvement methods and recommendation to prevent potential intrusions. Simultaneously, the Company provides professional security evaluation and suggestions for internal systems and offers a complete system security assessment to strengthen the security of the target under testing.

## Enhancing Information Security

**Implementation of enterprise information security maturity assessment:** We use the SECPAAS enterprise information security rating tool for information security inspection. Its inspection includes five capabilities: identification, protection, detection, response, and recovery. According to the results of this year's rating questionnaire, Accton scored 91.299, and its overall rating was A.

**Implementation of internal information security management system standards:** Accton adopted the ISO 27001 standard, enabling the inventory of information assets, risk analysis, the development of risk treatment plans, quarterly "information security management review meeting," information security event management, and more. This makes the information operation more complete in the management side, reducing the operation risk.

**Strengthening Security and Joint Prevention in the Supply Chain:** We amplify our information security risk management and supply chain information security management to more quickly assess the information security risk in the supply chain. New suppliers are required to sign a non-disclosure agreement and complete the information security questionnaire, which outlines minimum information security requirements and details the application scope of such requirements, ensuring that suppliers can protect Accton's confidential information adequately guarantee the regular supply of raw materials.

Accton and Edgecore are members of the SP-ISAC (Information Sharing and Analysis Center) in the Science Park Through the analysis of shared information and integration of international information technology, we stay ahead of the latest malicious attack methods and put forward countermeasures that provide early warnings, thereby building a reliable environment for jointly improving industrial information security.

In terms of strengthening the Company's own protection mechanisms, we are not only formulating and implementing various network security policies and promoting 18 cases periodically, but also enhancing staff security awareness. We have adopted a zero-trust approach, which takes "never trust, always verify" as its core concept. This requires that all data access actions must first be verified, ensuring in the most stringent manner that the information system remains intact.

Information Security Training Course		Number of Participants	Number of Hours
Information security training for new Accton employees	Information security training for new employees in 2022.	299	0.5
Information security training for new JoyTech employees		428	1.5
Information security training for Accton managers	The in-service managers completed the annual information security physical education training course in 2022, the important content of which includes: next generation network security.	161	1.5
Information Security Training Course		Date of Exercise	Number of Participants
Accton social engineering exercise	In 2022, 4 phishing exercises of email social engineering were conducted, with more than 3,000 participants in total.	Jan-22	2,397
		Apr-22	2,410
		Jul-22	2,428
		Oct-22	2,472
Joytech social engineering exercise		Jan-22	622
		Apr-22	630
		Jul-22	627
		Oct-22	602



## 2.1.4 Product Software Development and Production Safety Management

### Product software development and production safety measures

#### 1. Security of information System

All computer and network systems used in product development and production must be under strict security management to ensure that only personnel with appropriate authority can operate, so as to prevent intrusion, destruction and theft by external malicious parties. Primarily, this is the responsibility of the information management department.

#### 2. Security in Software Development

##### 2.1 Security of the Software Development Process

###### 2.1.1 Version Management

The revision and distribution of the software source code is under strict management. Modern source code management system, such as Git, is used to track all development branches and historical versions. The source code is stored in a well-managed computer system. Each change is stored in the source management system as a new version. The scope of the change is limited to a single feature and the new version must be properly described. In this way, the history of software development can be completely tracked, preventing unauthorized tampering.

###### 2.1.2 Automated Testing and Release

A corresponding test program is also developed in the software development process. After the completion of a development phase, the automated testing program is activated to perform tests under an automated testing environment. After the testing is completed, a code name is given to the new version, and it is stored in the production system. Every release is subject to comprehensive testing, and the testing process and results can be tracked to ensure quality.

###### 2.2 Quality assurance of software source code

If software is written without careful consideration, it can easily be attacked by malicious parties during execution, resulting in product failure, data being stolen or tampered with, or even being used as an attack tool. In addition to extensive means of testing, the quality of source code writing should also be guaranteed.

###### 2.2.1 Source Code Programming Standard

We established a unified source code programming standard to define unified formatting and naming, typography, etc., as well as good programming habits and common programming vulnerabilities that should be avoided. Source code is reviewed by colleagues before going live. These measures are executed to avoid common mistakes and vulnerable programs.

###### 2.2.2 Compilation

Compilation is performed in a rigorous manner, correcting all compilation warnings. Such carefulness often avoids program bugs.

###### 2.2.3 Static Analysis of the Source Code

We use Static Analysis tools to check the quality of the source code. These tools collect common program development mistakes and poor writing habits from the past, analyze the source code, and provide change suggestions.

##### 2.3 Quality Control of Software from Other Parties

The software source code provided by other parties is often used for software development, including operating system and functional modules, etc. Sometimes, software from other parties is taken as the main part while we only take charge of part of the customization work. Therefore, we have to work closely with upstream teams, constantly receiving security issues and new releases, and updating them as appropriate to ensure quality and security.

Common software security information is available on public websites, and is tracked and solved by volunteer teams. The most well-known example is the National Vulnerability Database of the U.S. National Institute of Standards and Technology (NIST). We should always check the public security vulnerability information of the software that we are using, as well as the relevant remedial measures, and take immediate action to avoid threats.

#### 3. Security in Software Production and Distribution

The object code of a software release must have a corresponding source code version, which can be traced back at any time. The object code is assigned with a version number that conforms to a version specification, which is stored in the production system, with a signature calculated from the full content of the object code stored. The signature can be used to recheck at production or external distribution to ensure that the object code has not been tampered with.

For product security training, see section 4.2, "[Talent Learning and Development](#)"

## 2.1.5 Business Continuity Management

### Accton has set up the ISO22301 Business Continuity Management System



#### Boundaries: Accton HQ and Zhunan Plant

Amidst a global epidemic, increasing frequency of natural disasters, shifting geopolitics, and shortages of key components, both natural and man-made disasters have become more frequent and severe. This has led to an increased risk of global supply chain disruption.

Given the high uncertainty of the future, the Company has adhered to the concept of sustainable management. The Company established emergency response management procedures in 2015 to standardize preparation and response measures for emergencies, intending to reduce the impact on people, property, and the environment.

In addition, the Company developed operation interruption recovery procedures in 2018 to prevent and reduce business interruption and losses caused by natural or man-made disasters, and put forward corresponding plans and preventive measures to reduce delivery delays and other losses.

To ensure the effective operation of business continuity management, we decided to introduce the ISO 22301 Business Continuity Management system in 2022. This system includes requirements for planning, establishment, implementation, operation, monitoring, review, maintenance and continuous improvement. We established pre-planned response measures and recovery plans to ensure effective response and recovery in the event of operation disruption, thereby reducing the extent of damage caused therefrom and protecting the best interests of key stakeholders.

### Accton's Business Continuity Management Policy

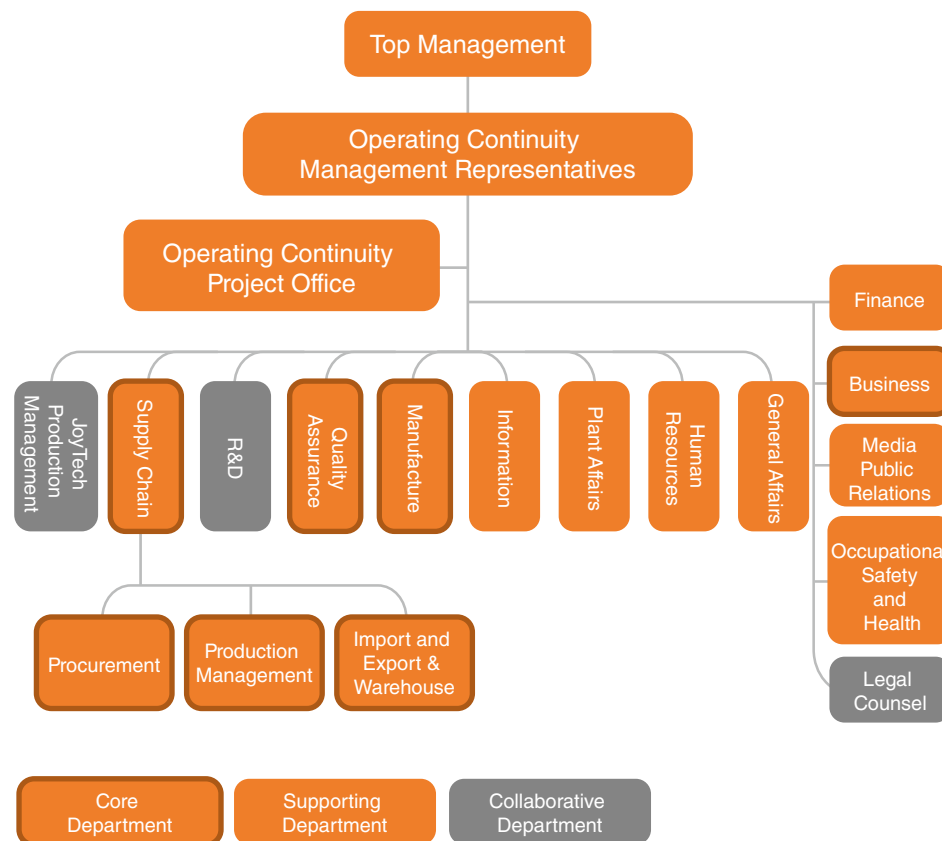
1. We are committed to the philosophy of "Making Partnership Work", setting operational sustainability goals in accordance with the company's environment and stakeholder expectations, and committing to provide sustainable services to our partners.
2. In order to ensure the effective operation of the BCM system, we flexibly deploy resources to meet system-related requirements and dynamically evaluate and continuously improve it in response to the international situation and risks.
3. Our goal is to enhance resilience against operational shocks, prioritize the interests of our customers and stakeholders, and move towards sustainable development and management.

The Company's business continuity management policy is established, implemented, and maintained by top management. Along with the Company's internal business continuity management manual and related publicity efforts, the Company has also disclosed the policy on its official website to communicate with all stakeholders.

## Accton's Business Continuity Management Structure

To effectively promote the business continuity management system, the Company has established an operation continuity management organization. This team is composed of chief executive, management representative, and relevant functional departments to confirm and implement the establishment, maintenance and operation of the business continuity management system.

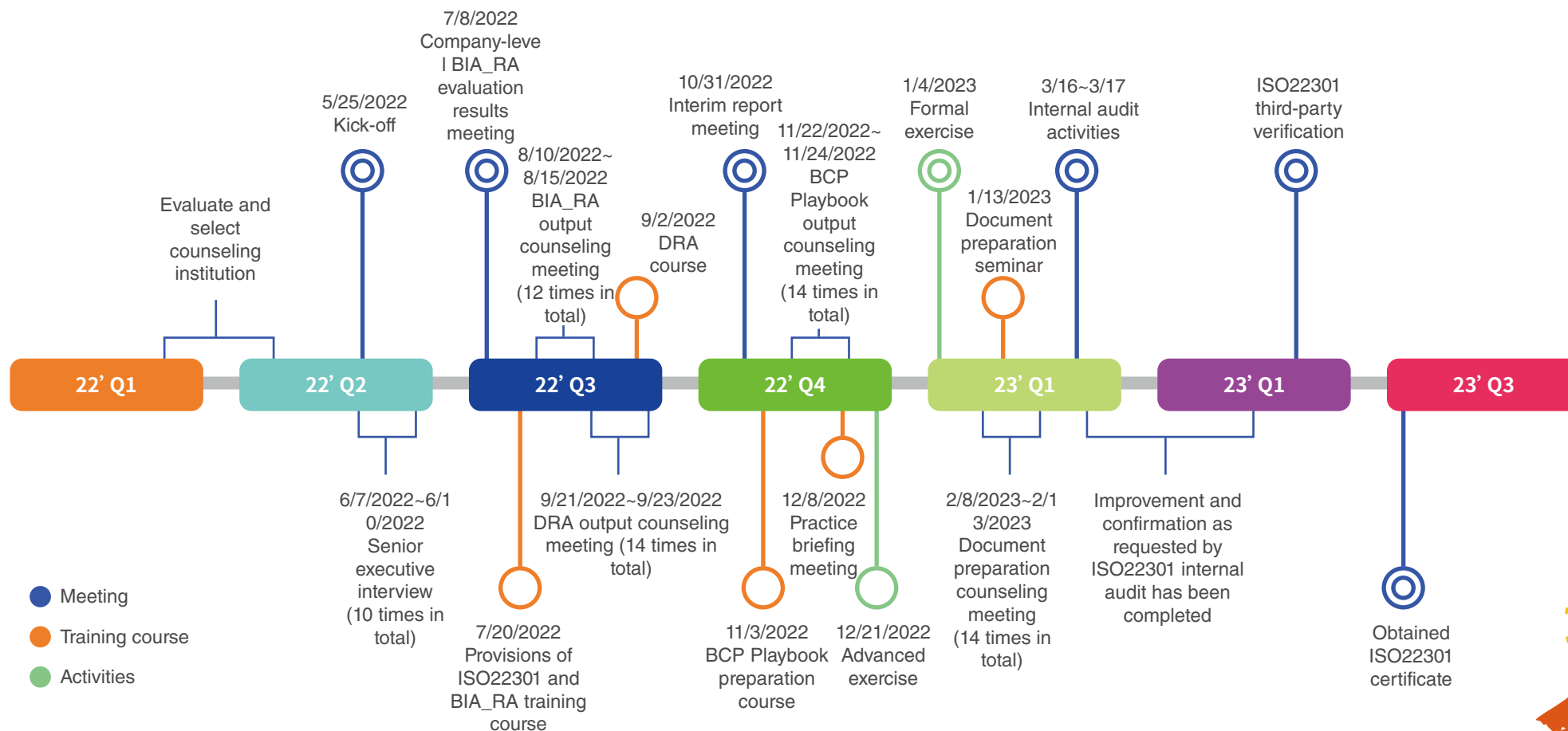
### ❖ Organization Chart of the Implementation of Accton's Business Continuity Management System



## Specific Implementation and Scheduled Planning Process

In May 2022, Ms. Lin, Ming-Jung, chairman of the board, and Mr. Li, Hsun-Te, senior vice president, personally led about 50 directors and colleagues of relevant units to participate in the "ISO22301 Business Continuity Management System Certification Project - Kick off meeting". This gathering marked the official start of Accton's ISO22301 project introduction of the Company.

### ❖ Timeline of the Introduction of Accton's ISO22301 Business Continuity Management System





In June 2022, we held an interview meeting with senior executives from departments including ESH and Facility Engineering, Manufacturing, Human Resources, Information Technology, Sales, Supply Chain, Quality Assurance, Finance, Public Relations and Investor Relations, and R&D. We identified six major risks that could disrupt the Company's business continuity: infectious diseases, earthquakes/typhoons, material/logistics disruptions, information/critical equipment disruptions, plant facilities disruptions/power outages, and fires. Based on these risks, we set the Company's overall business sustainability goals. During this period, we held a total of 13 senior executive meetings with 111 participants.

From July to October, the Company carried out Business Impact Analysis (BIA) at the department level. We inventoried the minimum critical resource requirements (including personnel, sites, suppliers, technology, information/data) to maintain business activities. Risk Analysis (RA) on these resources in case of shortage and devised control measures for recovery. In total, each authority and responsibility unit drew up 69 Disaster Recovery Actions (DRA).

In accordance with the Disaster Recovery Actions (DRA) stipulated above, each authority and responsibility unit based its response on an emergency response within one hour after a disaster occurs, crisis management within 1 to 24 hours, and production capacity recovery within two to 30 days. These steps collectively formed the Company's Business Continuity Plan (BCP) Playbook.

We held a total of 5 training courses with 205 participants and 54 counseling meetings with 153 participants for each authority and responsibility unit. These sessions aimed to help colleagues understand the Company's business continuity policies and objectives, gain a thorough understanding of the business continuity management system, and familiarize themselves with the use of tools and techniques. This ensures that periodic output data meet the requirements of the business continuity management system.



▲ ISO22301 Business Continuity Management System – Desk-Based Exercise



▲ Disaster Recovery Action (DRA) Course

In January 2023, the management representative, senior managers and the colleagues in each authority and responsibility units conducted a desk-based exercise for a seismic scenario. This was conducted to ensure consistency between the procedures and scope of business continuity and objectives. According to the Company's BCP Playbook, each authority and responsibility unit conducted a situational question-and-answer exercise based on a worst-case scenario, covering all the stages from disaster emergency response and crisis management to business continuity and recovery in the event of an earthquake.

This exercise allowed personnel in each authority and responsibility unit to become familiar with the response process. Managers and colleagues provided feedback on the pros and cons of the exercise and offered additional suggestions. The senior management uses this feedback to continually improve the operation and effectiveness of the exercise.



▲ ISO22301:2019 & BIA/RA Training Course

In line with the planning schedule for the business continuity project, the Company conducted an internal audit of the business continuity management system in Q1 2023. This helped identify potential opportunities for improvement and enable the implementation of corrective action plans accordingly. Following this, we plan to undergo external third-party verification in Q2 to formally obtain the certificate for ISO22301 Business Continuity Management System.

## 2.2 Innovative Technology Research and Development

In order to ensure the competitiveness of the products, to maintain the healthy growth of the Company's continuous operations, and meet the strong expectations of investors and colleagues, Accton has never slowed its pace in innovative research and development. Taking 2020, 2021, and 2022 as examples, the proportion of investment in product research and development each year is more than 3.5% of the current annual revenue. The Company focuses on a stable practice in the field of communications and the continuous design and development of a marketable and forward-looking product portfolio, and bringing equipment and services in line with the future development of the world. Meanwhile, the Company has also set up measures and management systems related to intellectual property, implementing the protection of intellectual property rights to protect the technology and knowledge of every output and to enhance the added value of products. In addition, the Company's short-term and medium-term goals in terms of intellectual rights and innovative technologies are as follows:



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

2022 Goals	2022 Results	Short-Term Goals (2023-2024)	Medium and Long-Term Goals (2025-2027)
<ul style="list-style-type: none"> <li>Check R&amp;D achievements and patent portfolio</li> <li>The amount of R&amp;D investment accounts for more than 3% of revenue</li> </ul>	<ul style="list-style-type: none"> <li>The number of patent applications totaled 1208</li> <li>The amount of R&amp;D investment accounted for 4% of revenue</li> <li>Mass production and maintenance of 400Gbps products</li> <li>Development of 800Gbps products</li> </ul>	<ul style="list-style-type: none"> <li>Check innovation results and transform them into proposals</li> <li>The amount of R&amp;D investment accounts for more than 3.5% of revenue</li> </ul>	<ul style="list-style-type: none"> <li>Carry out the patent portfolio of related technologies in line with the Company's product development direction</li> <li>The amount of R&amp;D investment accounts for more than 3.5% of revenue</li> </ul>

In 2022/2023, the most important targets and achievements of Accton's technology development are the realization of 400Gbps/800Gbps products, and the development of immersion cooling products to save energy consumption. The Company strives to develop sufficient capabilities in research and development, material management, and production in terms of marketing, technology, production and supply chain, and has overcome related challenges.

Accton has also gone to great lengths to enhance cyber security. In addition to the maintenance of information security for the Company operations, the Company has also made great efforts on the system security of products. As the problem of network security will have a direct impact on our customers' businesses, the inability to provide Internet access services or the failure to properly protect personal information and privacy will directly or indirectly cause a significant impact on a Company's operations. For the cyber security of products, Accton will inform customers immediately based on publicly available vulnerabilities and general exposures, Common Vulnerabilities and Exposures (CVEs), and provide relevant firmware solutions for products with a testing department security verification to avoid related impact. In order to perform weakness evaluation and fixes, there is also a testing department that performs a safety check using a third-party weakness-scanning tool prior to a new firmware version release. On the other hand, Accton also implements mechanisms and procedures to verify firmware security, such as trust-root security (the selection of the starting firmware location or the geographical location of new firmware downloads), providing more innovative checks such as secure chip use, secure startup procedures, or confirmation from an external control center of malicious program intervention. When a product leaves an organization that Accton can effectively control, such as delivery to a client, Accton will provide corresponding functions, such as secure erasure of solid state hard disk, which can completely erase the operating system and related data according to international security standards. Such system and data cannot be restored, which thoroughly protects the privacy and personal data of end users.

Under the impact of current extreme climate change, and for the sustainable development of the enterprise, Accton has been working hard in the development of green/low-carbon products. In addition to the organizational carbon footprint inventory that has been carried out between 2019 and 2021, we also decided in the second half of 2021 to initiate a carbon footprint inventory and reduction plan for the upstream and downstream of the product chain, starting a continuous journey towards carbon neutrality. By the end of 2022, we completed the first carbon footprint verification project.

### Intellectual Property

Accton upholds the concept of continuous innovation and improvement, using its technological research and development capacity for product development to provide high-performance and stable products, and introduce forward-looking products that meet the needs of the industry. We convert the R&D results of products into intellectual property for protection and in order to increase the value of our products, enhance our competitiveness, and create profits for the Company. To effectively manage patents, Accton regularly reviews the application status of patents and monitors the actual benefits of patents. We abandon obsolete or impractical patents to maintain the effectiveness of patents and maximize returns on patent investment.

## I. Patent application and management

Accton's patent application strategies are mainly implemented to protect products, add product value, and increase the Company's competitiveness. Accordingly, we enact Patent Reward and Management Regulations based on these strategies for encouraging R&D personnel to innovate and improve products actively during the development process, and for governing patent management and the confidentiality of patent information.

In accordance with the Patent Reward and Management Regulations, Accton has established an idea proposal mechanism before patent application procedures in order to promote innovation and select technologies that can bring practical benefits to Accton's operations. This mechanism is different from the patent proposal mechanism, which requires an assessment of the patentability of the application. The idea proposal only requires the disclosure of a simple concept, and the technical content is evaluated through the product benefit-oriented evaluation mechanism. This mechanism is designed to simplify procedures and provide incentives with a view to driving R&D personnel to develop a habit of constantly thinking about product improvements. In addition to introducing the basic concepts of intellectual property rights in the training course for new employees, we also teach them the system process to file idea proposals for the purpose of establishing a culture of constantly innovating so as to increase the R&D output.

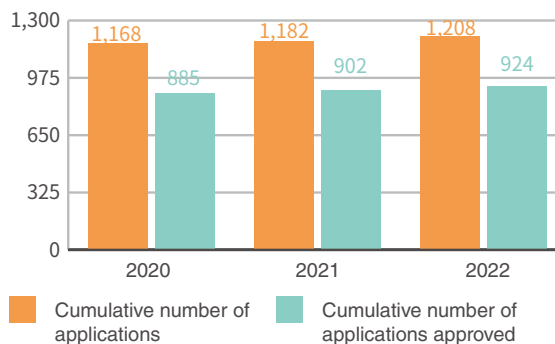
An idea proposal is qualified for entering into the patent proposal process upon its evaluation and approval. In addition to evaluating the feasibility of obtaining a patent on the proposal, we also analyze existing patents owned by others by way of a prior search for assessing the necessity of the design around in order to reduce the risks after the product is brought to market for sales. As for innovative ideas that, after assessment, are not appropriate for making public, we will manage and treat them as trade secrets to ensure that the Company's intellectual property is effectively protected.

In addition to the innovative ideas and patent proposal procedures, Accton, for purpose of monitoring the effectiveness of patents and controlling patent costs, regularly surveys the application status of patents and technologies, reviews the effectiveness of the patents in maintenance, and abandons patents that are obsolete and/or with low chances of being implemented in products. We thus adopt cost-effective ways to maintain the Company's patent portfolio and maintain the quality of patents.

Accton has independently developed an intellectual property management system to facilitate the aforementioned proposal and management procedures. It includes a management platform for idea proposals, patent applications, and coordinating the cooperation between related departments. We implement systematic and efficient management to help the Company continue the operation and management of intellectual property rights.

By the end of 2022, Accton has accumulated 1,208 patent applications and obtained 924 patents worldwide.

### ❖ Patent application over the past three years



## II. Preventing the risks of patent infringement

Accton protects its own intellectual property and respects the intellectual property rights of others. We actively investigate proposed technologies for the risks of infringement during the patent proposal process and conduct patent infringement investigations on self-developed technology, or technology provided by suppliers, to analyze the risks of infringement by the request of the R&D unit during product development. Where there is a risk of infringement, we eliminate it with design around or asking for the non-infringement guarantee from supplier to ensure early prevention and reduce the impact from patent lawsuits on Accton's business operations

## III. Trademark application and management

Accton values its corporate image and reputation. To actively enhance the value of our corporate brand, Accton continues to increase the competitiveness of products and also seeks to protect and enhance the value of the Company and product brands by way of applying for trademarks. We also manage our trademark rights effectively to maximize the benefits of our trademarks.

In terms of trademark applications, Accton applies for trademark rights for the use of trademarks in new products or services. With regard to the application procedures, we will first review and confirm the trademark design and the scope of the trademark application to fully understand the design concept of the trademark and its meaning, and the scope of the products and services to be included in its use. For example, we need to specify the actual types of products to be used, or the types of products that may be used, as well as the sales regions. Next, we shall make decisions based on the recognizability of the trademarks, including the recognizability of the trademark patterns and the status of existing trademarks, to evaluate the feasibility of the trademark application and the proposed application strategy. This increases the trademark application approval rate and ensures that trademarks can protect products and services. We also use the trademark search process to compare and analyze the scope of existing trademark rights to eliminate the possibility of trademark infringement so as to proactively reduce the risks and losses derived from infringement or the rejection of the trademark application.

With regard to trademark rights management, Accton regularly surveys the usage status of trademarks, reviews the effectiveness of trademark maintenance, and abandons obsolete trademarks and those with low chances of approval to maximize the benefits and maintain the quality of trademarks.

## IV. Trade secrets and protection

Accton requires R&D personnel to regularly record important discoveries and results in their work. They must record key discoveries or inventions in detail in the R&D log, or in the R&D idea proposal system, to preserve the records of important R&D results and technical knowledge.

Trade secrets are important assets of the Company, and the protection of trade secrets is to maintain the Company's technical advantages and ensure the Company's sustainable development. Regarding the protection of trade secrets, Accton adopts relevant software and hardware measures to control the access, download, use, and transmission of business information within the Company, and also to ensure that confidential information provided by customers or suppliers obtain necessary protection in order to respect their intellectual property rights.



## 2.3 Responsible Supply Chain

### 2.3.1 Management Policy of Sustainable Supply Chain

#### 2.3.1.1 Accton's Management Strategy for Sustainable Supply Chain

The products and services provided by suppliers have a direct and tangible impact on Accton's products, services, and operations. In addition, the CSR actions of suppliers also indirectly affects Accton's intangible reputation or becomes a potential risk. As an important member of the design and manufacturing industry of network communication, Accton always strives for excellence in sustainable supply chain management to maintain an overall competitive advantage of Accton and its suppliers. Therefore, Accton has formulated responsible production and green products as the strategic axis of sustainable supply chain management. On the basis of supply chain management, Accton follows the relevant laws and regulations at home and abroad, as well as RBA standards of the electronics industry, to consolidate the sustainable supply chain management framework, and has formulated the sustainable supply chain management policy accordingly. Accton extends its scope of sustainable supply chain management to ESG topics, such as economy and governance, environmental protection and social inclusion, including labor rights and interests, occupational safety and health, business ethics and management systems, all of which are set as the evaluation and audit requirements of suppliers, so as to establish risk control items and identify suppliers of high risk. Based on the evaluation results, Accton develops improvement measures and assists suppliers in continuous improvement, aiming to improve the effectiveness of sustainable supply chain management and reducing the risk of supply chain operations, and establishing a partnership for sustainable growth.

1. Enhance cost leadership and integrate group resources to achieve the most competitive supply chain value through strategic cooperation.
2. Establish sustainable supply chain capability, drive suppliers to improve economic, social and environmental performance, and drive suppliers to sustainable development.

3. Strengthen the supply capacity of the supply chain, continue to guide suppliers to diversify supply, and localize supply capacity.
4. Build a green supply chain, and promote suppliers to move towards a circular economy by implementing energy conservation and carbon reduction.
5. Attach importance to eco-friendly, take the initiative to implement green procurement, and pursue economic benefits while being environmentally friendly.
6. No compromise on conflict minerals to ensure that products and supply chains are free of conflict minerals.
7. Implement sustainable risk management, focusing on energy use 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 commit to reduce the impact of environmental pollution.

#### 2.3.1.2 Management Objectives of Sustainable Supply Chain

Accton is committed to building a supply chain with sustainable development as its target. In order to ensure the safety of the supply chain working environment, the respect of employees and the protection of their human rights, and the promotion of environmental protection in business operations and the observance of business ethics, Accton has formulated relevant management standards for suppliers, and carried out supplier sustainable risk investigations and audits, so as to jointly implement corporate social responsibility and create a sustainable value chain. In addition, Accton formulates a supplier code of conduct and a responsible mineral procurement policy to lead suppliers towards sustainable development and fulfill the customer responsibility production commitment, and requires suppliers to sign an operation and management commitment letter and an integrity commitment letter to ensure that suppliers can meet the requirements of Accton. In 2022, in accordance with the aforesaid sustainable supply chain management policy, Accton set its annual objectives and strategic actions to continuously promote supply chain management, which has been successfully achieved.

#### 2.3.1.3 Supply Chain Model and Localized Procurement

Accton's product portfolio is diversified and extremely flexible, and its products are widely used in 5G, communication systems, Internet of Things, cloud computing, and other fields. Therefore, Accton's supply chain is also flexible and diverse and closely related. The

raw materials of Accton's supply chain includes ICs, printed circuit boards, electronic components, wire, plastic materials, metallic materials, packaging materials... etc. Accton cooperates with approximately 695 raw materials suppliers around the world, with a total procurement amount of more than NT\$116.7 billion. Based on the procurement item, Accton's suppliers can be divided into direct material suppliers and indirect material and service suppliers. Over the years, direct material procurement accounts for the vast majority of the purchase amount. In 2022, the amount of direct procurement is about NT\$112.1 billion, accounting for 96.07%. In addition, Accton's production base and supply chain manufacturers are mainly located in Taiwan and mainland China. In 2022, Accton broke through the restrictions of the COVID-19 epidemic with a growth of its overall revenue. As a result, the total procurement amount, direct procurement amount and local procurement amount, increased significantly compared with those in 2021. In addition to improving the supply flexibility, shortening the development period of new products, and reducing unnecessary costs to ensure a quality service to customers, the localized supply chain also reduced carbon emissions, promoted the development of green industries, and created local jobs.

Vision

The members of the supply chain are important partners for the sustainable growth of Accton, who are required to be good at quality, cost, delivery time, service, management, innovation and technology. Accton also expects to work with its supply chain partners to implement ESG-oriented corporate social responsibilities, such as economy and governance, environmental protection and social inclusion, to enhance sustainable competitiveness and create a sustainable future.

Strategy

- Identify and manage economic, environmental and social risks in the supply chain and enhance the sustainability of the supply chain.
- Strengthen responsible mineral management, ensuring no use of minerals from unqualified smelters in illegal conflict mining areas, and establish responsible procurement practices.
- Promote a green supply chain, encourage suppliers to reduce the environmental impact in both operations and products, and gradually establish supplier organization for greenhouse gas emissions and product carbon footprint inventory.



## 2.3.2 Sustainable Supply Chain Management Framework

Accton divides its sustainable supply chain management into three main axes: sustainability rules, risk identification, and management mechanism. After setting the basic sustainability rules for supply chain members to comply with, Accton identifies high risk factors and supplier industries with risk identification tools, and further improves supply chain management with various management mechanisms.

### 2.3.2.1 Supply Chain Management Rules

In terms of sustainable supply chain management, Accton requires all its suppliers to conduct their business in accordance with the Responsible Business Alliance (RBA) and commit to the respect of labor rights, health and safety, environment, business ethics and management systems, and fully comply with the laws and regulations of the country/region in which they operate. Meanwhile, Accton requires its suppliers to implement the same standards for their next-level suppliers. In addition, in terms of ethical corporate management, Accton Technology has also required all suppliers to sign a "Letter of Commitment to Integrity" since 2020, requiring them not to offer any bribes or provide other improper benefits to Accton's staff for the purpose of transaction or performance of contracts, or directly or indirectly to benefit Accton's staff or their related parties. In terms of product manufacturing, Accton has formulated the green product prohibited substances specification and responsible mineral management policy in "QPC-CE05 "Control Standards for Accton Hazardous Substances" for green products and materials provided by suppliers. See more information in the relevant section.



#### Supplier Operation and Management Commitment Letter

To be a supplier of Accton, the supplier shall undertake to conduct its business in full compliance with all applicable local laws and regulations. The supplier should further sign this letter to undertake and confirm that it is committed to complying with Accton's Supplier Code of Conduct. This code has been developed on the basis of Responsible Business Alliance (RBA) and in accordance with its five aspects to ensure that suppliers, as members of the supply chain, are able to provide a safe working environment, respect and dignity for their employees, and should undertake environmental responsibility and observe business ethics in their operations, as well as implementing Accton's required standards.

## 2.3.2.2 Sustainable Supply Chain Management Mechanism

### Supplier Selection and Classification

Accton differentiates and labels suppliers with different characteristics to facilitate management. To implement the effective management of suppliers, Accton has set a principle of supplier selection. In addition to the basic evaluation of quality, cost, delivery time, service, management, innovation and technical capability of suppliers, Accton also implements procurement management based on green supply chain and related issues of ESG sustainable risk. The following are the basic principles for evaluating all suppliers (including new suppliers):

- Accton's suppliers are required to sign the Letter of Commitment to Integrity and undertake to comply with the Accton's Supplier Code of Conduct.
- Accton's material suppliers shall fully comply with relevant local laws and regulations and define their risk control mechanism.
- Accton's suppliers shall establish a management system for environment, employee health and safety, and non-hazardous substances.
- Accton's material suppliers shall comply with the "Technical Standard for Environmental Control of Hazardous Substances".
- Provide appropriate self-declaration or supporting documentation and update regularly in line with Accton's Restricted Substance Management Plan for Components.
- Cooperate with Accton's responsible mineral management policy and complete due diligence.

### Key Supplier Identification

In order to realize effective supplier management, Accton has identified "key suppliers" as the basis of key management. The key principles for identifying key suppliers by characteristics of product, process and sales in 2022 include the following points:

- Top 75% of the annual procurement amount of direct materials
- Key components
- The only source of supply or irreplaceable

In accordance with the above principles, Accton has further introduced "Accton CSR Code of Conduct," "Accton Supplier Code of Conduct," and "Supplier Operation and Management Commitment Letter" into supplier qualification evaluation and considers them in the procurement decision-making to promote continuous improvement. 48 new key suppliers were required to respond to the Responsible Business Alliance (RBA) survey in 2022.

## ESG Sustainable Risk Audit of Accton's Supply Chain

### Audit improvement plan for "human rights, environment, safety, health and management system" of suppliers

Accton introduces the Responsible Business Alliance (RBA) into the supply chain management to understand the extent to which suppliers implement labor rights, health and safety, environment, business ethics and management systems. Also, Accton encourages suppliers to develop materials and processes that reduce environmental impact, conduct energy conservation and carbon reduction from process utilities, or pay more attention to and manage environmental issues including climate change and biodiversity. Therefore, based on the requirements of RBA, we have adjusted the Accton supplier audit form and conducted a review and evaluation of suppliers in CSR and ESG sustainability over the years. The scoring method and various requirements of the audit tool are more stringent than in the past. In 2022, Accton conducted a risk survey on its top 200 suppliers (i.e., key suppliers) by volume.

### Risk Assessment Process

Accton regards supply chain risk management as an integral part of its competitive advantage. In the case of Accton, a brief risk classification can be carried out according to the common risk factors of industrial characteristics in economic, environmental and social aspects.

### Risk Assessment

Accton carries out risk assessment from three aspects: economy, environment and society. The risk factors include:

Economy	Environment	Society
<ul style="list-style-type: none"> <li>Quality, cost, delivery time, service, innovation, management and technical capacity</li> <li>Business ethics</li> <li>Ethical corporate management</li> <li>Only or critical source of supply</li> <li>Supplier's automation capability</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with environmental regulations</li> <li>Environmental management system</li> <li>Climate change</li> <li>Water resources management</li> <li>Waste and air pollution management</li> </ul>	<ul style="list-style-type: none"> <li>Employee health and safety</li> <li>Human rights</li> <li>Labor practice</li> <li>Responsible mineral management</li> <li>Labor hours</li> </ul>

Furthermore, according to the above-mentioned factors, and in view of the market conditions in 2022 and the suppliers dealt with, the sustainable high risk factors and sustainable high risk supplier industry categories of Accton's main supply chain in 2022 are analyzed as follows:

	Economic risk factor	Environmental risk factor	Social risk factor
	<ul style="list-style-type: none"> <li>Only source of supply</li> <li>Supplier's automation capability</li> <li>Ethical corporate management</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with environmental regulations</li> <li>Water resources management</li> <li>Climate change</li> </ul>	<ul style="list-style-type: none"> <li>Employee health and safety</li> <li>Labor hours</li> <li>COVID-19</li> </ul>
Industry category of sustainable high-risk suppliers	IC	PCB/wire/housing	Printed circuit board/ power supply/wire/ housing



## Environmental Management

Accton continues to follow the IECQ QC 080000:2017 hazardous substances process management system. We strictly require the management of hazardous substances in materials and parts, and conduct material investigation on suppliers from the material selection in the research and development phase to meet the relevant international hazardous substances requirements such as RoHS and REACH. In 2022, 218 manufacturers responded to reports related to hazardous substances, and a total of 467 BOMs were investigated. Materials used are in line with international standards.

## Conflict Minerals

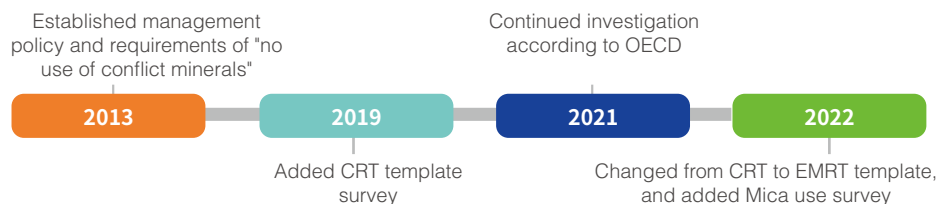
**Supplier Management** - Responsible procurement of minerals

### Background and outlook

On the issue of green human rights, Accton Technology has fulfilled its corporate social responsibility to prevent using mineral resources such as gold (Au), tantalum (Ta), tin (Sn), tungsten (W), cobalt (Co) and Mica (Mica) mined in the Democratic Republic of the Congo (DRC) and its neighboring countries, which could finance armed groups that contribute to human rights abuses. Accton Technology is determined to avoid purchasing products, parts and materials in the supply chain that are sourced from human rights abusers in the Democratic Republic of the Congo and its neighboring countries, and that are involved in upstream mines that are involved in these abuses.

### Accton's development history and procurement policy of conflict minerals

- Accton established its management policy and requirements of "no use of conflict minerals" in 2013
- Accton adopted Conflict Minerals Report Template (CMRT) from 2013 to 2019
- Accton activated due diligence for cobalt (CRT) in 2019
- Accton continued its CMRT/CRT investigation in 2021 in accordance with the "Due Diligence Guidelines for Responsible Supply Chains in the CHARAs Region" of the Organization for Economic Cooperation and Development (OECD).
- Accton's growing awareness of human rights risks in its supply chain in 2022 has led to more calls for investigations into minerals such as Mica. Mica, which is mined mainly in India and other places, relies heavily on operation by illegal child labor. As Mica is often used in coatings for electronic products, Accton initiated "due diligence," which includes Mica metal EMRT, to protect human rights.

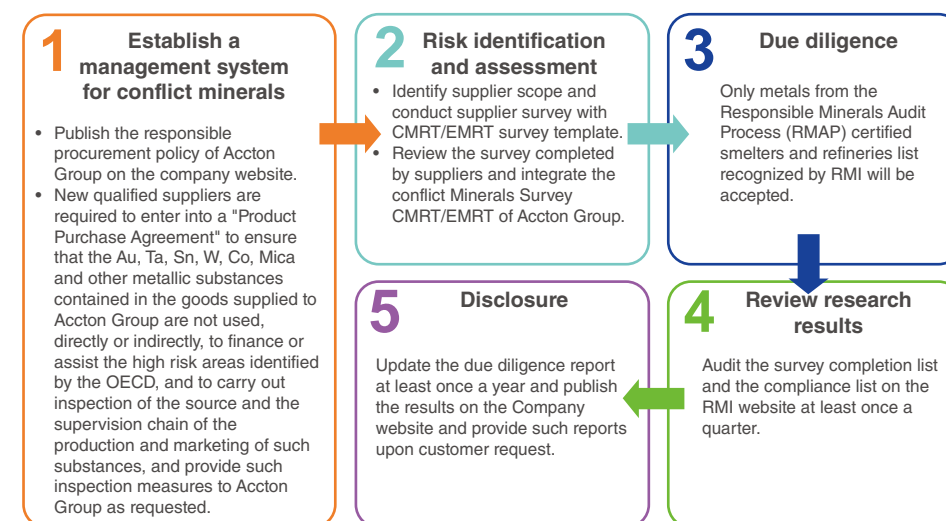


To communicate Accton Group's conflict mineral management requirements to stakeholders, Accton has publicly disclosed its responsible mineral procurement policy on the company website. For complete information, please visit the website

<https://www.accton.com/esg-home/topics/governance/conflict-minerals/>. Accton Group values the ideas and opinions of its suppliers and protects their legitimate rights and interests, and has set up a stakeholders section on the company website for suppliers to communicate and maintain a good interaction and feedback (<https://www.accton.com/interested/>).

Accton Group continues to follow the due diligence guidelines of OECD as the basis for conflict minerals management. In addition to requiring suppliers to specifically declare that they do not support or use metals from areas of armed conflict, illegal mining and poor working conditions, Accton also strengthens the formulation of internal "WIC-CE05003 Conflict Minerals Management Standard, so as to improve the investigation and control process of conflict minerals.

### ❖ Accton Responsible Mineral Management Process

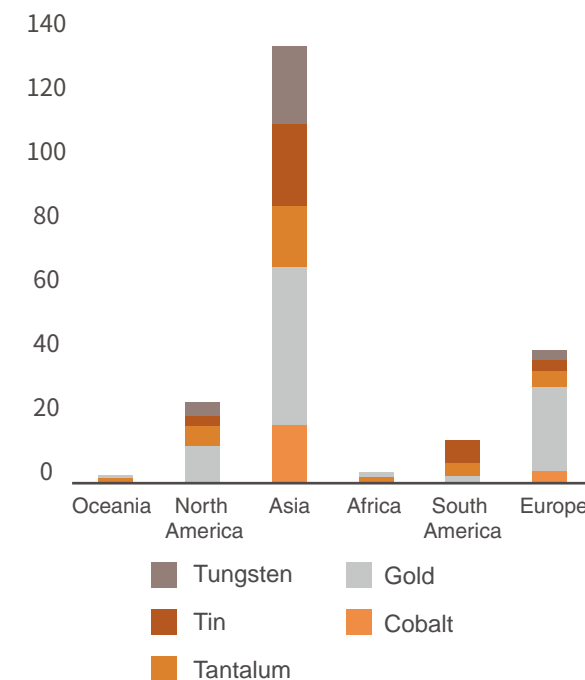
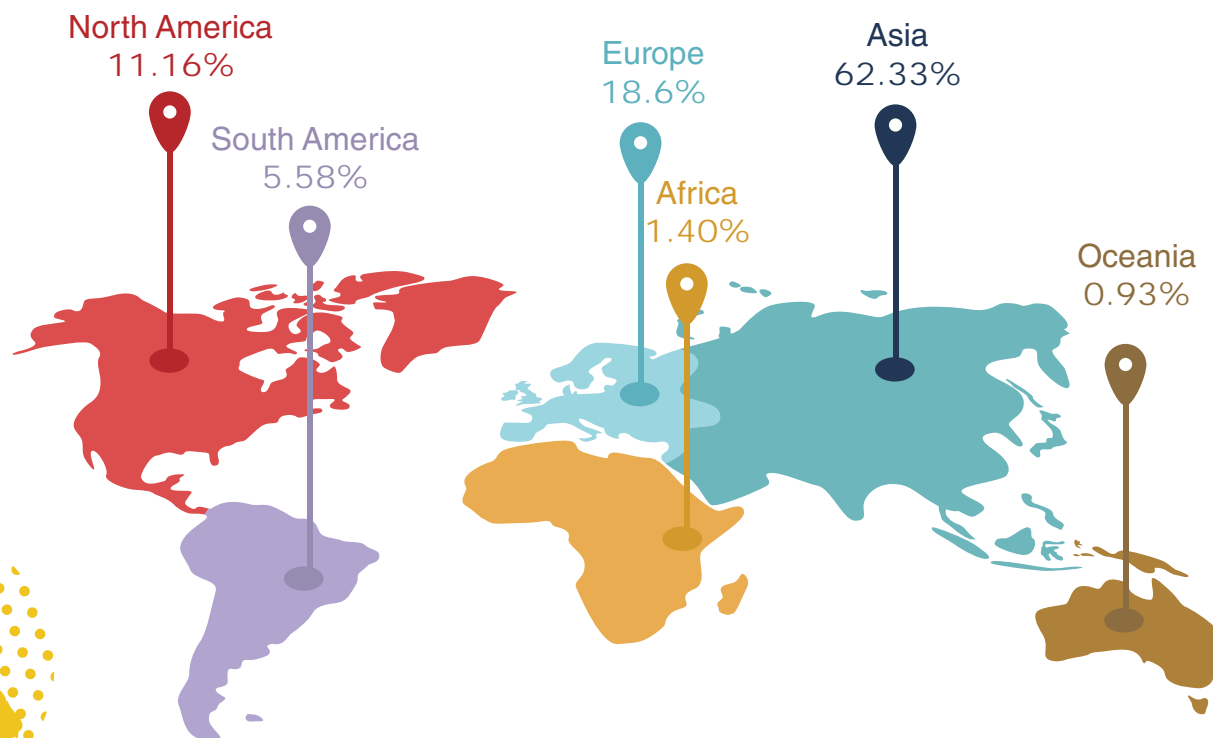


### Implementation results

- A total of 237 supplier CMRT/EMRT surveys were conducted, with a 100% response rate.
- Audited the survey completion list and the compliance list on the RMI website at least once a quarter, and implemented 100% of the corrective management actions.
- Provided survey results as customer request, with the compliance rate of 100% of customers' requirements on conflict minerals management.

To fulfill the responsibility of checking and controlling conflict minerals from source, Accton selects suppliers to be investigated based on risk assessment on a yearly basis. Accton has carried out an overall identification by using the CMRT 6.22 and EMRT 1.11 template, according to the latest qualified smelters list published by RMI. According to the results of the 2022 survey, Accton has 215 qualified smelters in its supply chain. Analyze the distribution of qualified smelters, which is mainly located in Asia, followed by Europe.

### ❖ Distribution area and proportion of qualified smelters of Accton Group







# 3

## Green Production

3.1 Green Production

3.2 Green Product Management

## 3.1 Green Production

### Energy conservation, carbon reduction and environment management



**Boundaries:** Including manufacturing sites: Accton Plant 1 and 2 in Hsinchu, Zhunan Plant in Miaoli, offices in Taipei, Hsinchu, Taichung, and Tainan, subsidiaries Edgecore, and Manufacturing Plant JoyTech in Shenzhen China. Plant 2 and Zhunan Plant were inaugurated in 2019 and statistics prior

#### I. Environmental Safety and Health Policy

Accton deeply recognizes the importance of earth resources and sustainable development and thus implements an environmental safety and health management system and integrates it into the whole management system. In production activities, we assess the interrelationship between processes, products and the environment, as well as potential safety risks. To prevent accidents and establish an emergency response system, the Company is committed to performing environmental safety and health tasks and implements continuous improvements. We seek to create a safe and healthy working environment to achieve the sustainable development of the enterprise. 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 employees' health and ensure zero hazards in safety.

#### II. Strategy:

To achieve environmental protection and sustainable management, we actively set management targets for continuous improvement in energy and resources use and pollution prevention. We shall implement environmental management to reduce pollution, improve resource recovery and waste reduction, pursue both economic growth and environmental protection, and fulfill our corporate social responsibility. For the implementation of environmental protection and energy saving, Accton actively promotes a number of energy saving programs in the production areas and offices, and periodically

promotes internal audits and third-party verification to ensure its compliance with ISO 14001, ISO 14064, ISO 50001 and relevant environmental laws and regulations.

Environmental and energy management certificates : <https://www.accton.com/esg-documents/>

#### III. Management Objectives:

Goals	2022 Goals	Achievements in 2022	Short-term goals	Medium and long-term goals 2024~2026
Zero cases of being punished for environment pollution	0	0	0	0
Waste recycling rate (%)	78	75	>78	>80
Electricity intensity (Electricity consumption MJ/revenue)	3.29 (2021 as base year, reduce by 1%)	2.51 (24.7% lower than 2021)	Reduce by 1% (2021 as base year)	Reduce by 5% (2021 as base year)

Waste recycling rate: Weight of recycling/total weight of waste

Electricity intensity: Total electricity consumption (MJ)/Total revenue in NT\$ thousands

## IV. Environmental Management

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

We effectively identify major environmental considerations based on the impact on the environment of production-related activities, products, and services on an annual basis, and build an environmental management system accordingly. Accton's main production sites, Hsinchu Plant 1, Plant 2, Zhunan Plant, and JoyTech, have obtained the ISO 14001: 2015 Environmental Management System certification.

### 2. Compliance with Environmental Protection Regulations

In accordance with regulatory review procedures, Accton regards compliance as the most basic requirement and strives to minimize the impact on the local ecological environment.

Accton evaluates on a monthly basis the applicability and legality of changes in environmental regulations and other requirements related to the activities, products and services of the Company operations, and keeps such information up to date to facilitate the planning of the environmental management system. The specific management is as follows:

- 2.1 Collect environmental regulations and other requirements, and evaluate their applicability and compliance.
- 2.2 Communicate non-conformance with the relevant responsible unit.
- 2.3 Track the improvement of non-conformance of the responsible unit.

### 3. Air Pollution Management

In accordance with exhaust gas management procedures, we measure the exhaust gases emitted during the production process and ensure the normal operation of the exhaust system to reduce the impact of exhaust gas emissions. The specific management is as follows:

We have implemented self-inspections on air pollution discharge for Accton's Plant 1, Plant 2, and Zhunan Plant. The results of total hydrocarbon (THC) and particulate pollutants (Par) in smokestack inspections 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 and Sewage Management

In accordance with the wastewater management procedures, we carry out relevant operations to ensure that the Company's waste (polluted) water can be effectively collected, treated and discharged to avoid environmental pollution caused by overflow. The specific management is 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 of the Company collects rainwater and discharges waste (polluted) water separately.
- 4.3 We incorporate Accton's Plant 1, Plant 2, and Zhunan Plant into the Waste (Polluted) Water Treatment Center of the industrial zone, of which the waste (polluted) water is properly treated and discharged.
- 4.4 Local waste (polluted) treatment centers test the discharged waste (polluted) water from time to time, and notify the relevant responsible unit in case of non-compliance with the discharge standards.

### 5. Waste Management

Accton's waste management policy is to continuously promote the recycling of resources and industrial waste reduction, conduct sorting and waste removal as approved by the government, disposal by a cleaning company, treatment and reuse.

According to the waste management procedures, the Company continues to promote waste classification and recycling reduction, and effectively achieve the recycling of resources and the minimum amount of waste, creating an environmentally friendly earth.

For compliance with laws, effectively cleaning up waste, improving environmental health, achieving recycling, stabilization, preventing harm, and waste economics, our specific actions are as follows:

- 5.1 Waste is stored by classification and labeled with names such as "general industrial waste" and "hazardous industrial waste" to facilitate identification and treatment.
- 5.2 Storage containers or facilities shall be kept clean and intact at all times. Waste shall not be blown about, be volatile and leak, seep out, contaminate the floor, or give off a foul odor.
- 5.3 Incompatible wastes are stored separately.
- 5.4 Storage containers should be clearly marked with the code and name of the waste contained, and the label shall be distinguished from the "mark of hazardous industrial waste."

- 5.5 Waste is contained in fixed packaging materials or containers with a seal, placed in storage facilities, and marked with the code and name of the waste, and the label shall be distinguished from the "mark of hazardous industrial waste."
- 5.6 Storage containers or packaging materials shall be kept in good condition, and shall be replaced in the case of severe rust, damage, or leakage.
- 5.7 Inspect the condition of the waste storage area on a regularly basis.
- 5.8 Carry out an annual audit of the waste disposal companies on a yearly basis. The contents of audits include the verification of permits, loading operations of vehicles used for waste disposal, and an audit of storage and disposal facilities.

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

**1. Accton implements environmental protection control according to the ISO14001 standard and has obtained third-party verification. We continue to update every year to ensure compliance with standards in operations. Major Accton plants have obtained certification. For more information, please visit our website: <https://www.accton.com/esg-documents/>**

### 1.1 ISO14001:2015 Environmental Management System

Accton's Hsinchu Plant 1, Plant 2, and Zhunan Plant as well as JoyTech have obtained the ISO 14001: 2015 Environmental Management System certification. Accton's offices in Taipei, Taichung, and Tainan, and Edgecore are not production sites and were not included in the scope of certification.

### 1.2 ISO 14064-1:2018 Greenhouse Gas Inventory

Accton's Hsinchu Plant 1 and Zhunan Plant have obtained ISO 14064-1:2018 Greenhouse Gas Inventory certification for 2019 in 2020. In 2021, we added Hsinchu Plant 2 into the scope of the 2020 inventory; JoyTech was certified by a third party entrusted by the Shenzhen Municipal People's Government. The offices in Taipei, Taichung, Tainan and Edgecore did not conduct third-party certification of greenhouse gas due to their small carbon emissions. The data was self-certified.

### 1.3 ISO 50001:2018 Energy Management System Certification

JoyTech already obtained the ISO50001:2011 Energy Management System certificate in 2017 and obtained the ISO 50001:2018 certificate update in 2020.

**2. In 2022, Accton, Edgecore, and JoyTech did not violate major environmental laws and regulations. (Definition of the major violation of environmental laws and regulations: The accumulative fine of NT\$1 million or more for a single incident is a major environmental violation).**

## 3. Statistics of domestic sewage volume (total water consumption)

No waste water is produced in Accton's production process, and only sewage of employees is discharged. The water policy is to continuously promote water conservation and cherish water resources.

Water conservation measures are as follows:

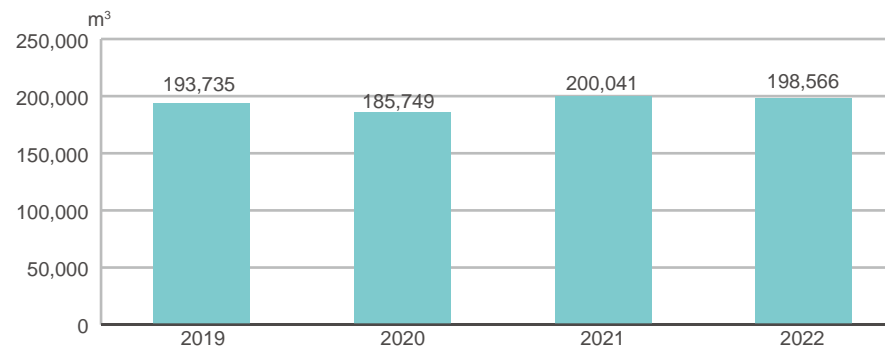
- 3.1 Continuously promote water conservation management programs and promotion.
- 3.2 Replace the water-saving induction tap and reduce the water supply to reduce the water consumption of people's livelihood.
- 3.3 Sewage volume (total water consumption) in 2022 was 0.74% lower than that in 2021.

Unit: m<sup>3</sup>

Year	2019	2020	2021	2022
Total	193,735	185,749	200,041	198,566

\*Note 1: Plant 2 and the Zhunan Plant were not in operation in 2018. Sewage in Taipei and Taichung offices was included in the total discharge from the commercial building, which was not included in the statistical scope.

## ❖ Sewage output





## 4. Waste output and recycling rate

Waste is mainly divided into two categories: non-recyclable and recyclable. Non-recyclable waste including general garbage, waste plastic mixture, waste fiber or cloth, waste wood mixture, other non-hazardous organic waste liquid or waste solvent etc. are disposed of by means of incineration or heat treatment by a qualified treatment plant. Recyclable waste, such as PCB scrap, waste paper, plastic scrap etc. are recycled and disposed of by qualified companies.

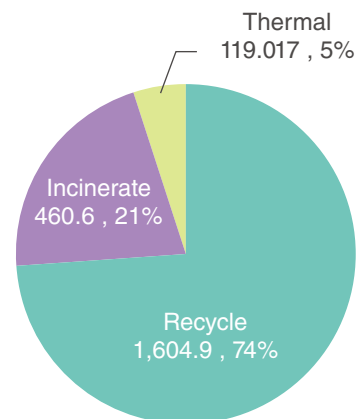
### ❖ Statistics on waste disposal methods in 2022

Unit: metric tons

Plant	Incineration	Recycling	Heat Treatment	Total
Plant 1	27.7	64.0	n/a	91.7
Plant 2	10.4	55.4	0.0166	65.8
Zhunan Plant	190.1	1,293.0	n/a	1,483.1
Edgecore	2.3	0.8	n/a	3.2
Local Offices	n/a	n/a	n/a	n/a
JoyTech	230.0	191.7	119.0	540.7
Total	460.6	1,604.9	119.017	2,184.5

\*Note 1: Sewage in Taipei, Taichung, and Tainan offices was included in the total discharge from the building. No relevant weight records are available.

### ❖ 2022 Waste Disposal Method

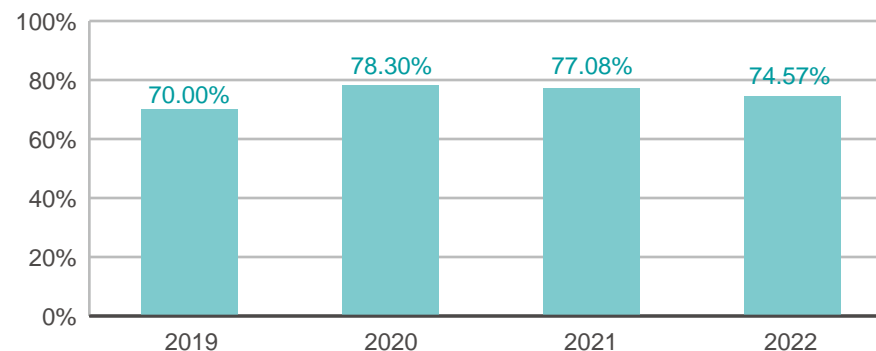


Accton continues to promote waste recycling and reuse. We have gradually increased the recycling rate from 70% in 2019 to 74.57% in 2022. The target is to increase waste recycling rate to 80% by 2024.

Unit: metric tons

Year	2019	2020	2021	2022
Total waste output	1,597	1,617	1,543	2,152
Total resource recycling and reuse volume	1,118	1,266	1,190	1,605
Recycling and reuse rate	70.00%	78.30%	77.08%	74.57%

### ❖ Recycle rate



## ❖ Weight of hazardous waste

Plant	Hsinchu Plant 1	Hsinchu Plant 2	Zhunan Plant
Weight (ton)	0	0.0166	6.2100
Recycling rate	-	0	0

Incineration and heat treatment are adopted, as the hazardous waste is solvent which cannot be recycled by fractionation.

## ❖ Disclosure of product lifecycle management: Including the weight of end-of-life products, electronic waste, and percentage of recycling.

Plant	Hsinchu Plant 1	Hsinchu Plant 2	Zhunan Plant	Total
Weight (ton)	1.808	1.197	32.224	35.229
Recycling percentage (%)	100	10v0	100	100

### 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 (relief agencies) to clean up the recyclables; The overall waste recycling rate in 2022 was 75%. Kitchen waste and waste cooking oil are entrusted for joint processing and reused to effectively reduce the environmental impact, to recycle and reuse resources, and support charity activities of public institutions.

## 1. Results of Waste Pallet Reduction Project

In order to reduce the amount of wood pallet waste, a pallet waste reduction project was launched in 2021. We evaluated the feasibility of multiple reuse based on the pallet output source to extend the life of the pallet. After analysis, we found that the pallet can be divided into three categories: 1. Self-reuse: if the pallet size conforms to the plant operation, it can be used for turnover between warehouses. 2. Manufacturer's reuse: Comparable pallets are cleared by the entrusted company free of charge for external turnover. 3. Waste treatment: If a pallet is reused many times and badly damaged, it should be abandoned to achieve resource recycling and reduce treatment costs. The warehouse and production line colleagues are informed of: 1. When moving the pallet, avoid hitting the wall, 2. When stacking, it should be placed flat to avoid damage to the pallet due to uneven force. 3. Avoid moisture and rain in the stacking area to improve the service life of the pallet. Reduce the cost of new purchases and disposal of pallets, and reduce the carbon footprint of pallets for both environmental protection and cost saving.

Implementation results of the wood pallet waste reduction plan in 2022: The total output was 40,697 discarded wooden pallets, of which 40% required treatment charges, 34% are recycled by manufacturers (13,927 wooden pallets), and 26% are reused by Accton's Materials Warehouse (10,240 times). In the future, a recycling mode will be adopted to increase the recycling times of pallets and reduce the waste output.

## Project Results of Reducing Workload and Carbon Emission from Waste Paper Transportation

To reduce the workload and carbon emissions from waste paper transportation, the Zhunan Plant launched an improvement project in 2022. It was found that the clearing truck ran three times a day, producing an annual carbon emission of 134 t-CO<sub>2</sub>e (an empty truck weighs 12.6 tons; transport distance of 9 km; carbon emission factor of 1.31 kg/ton; 300 working days). As the waste paper is too fluffy and the maximum stacking height is 2.5 meters, there is a risk of musculoskeletal injury during operations. After purchasing a waste paper compressor, 15 m<sup>3</sup> of waste paper can be effectively reduced into 1.5 m<sup>3</sup> paper bricks.

The implementation results of reducing carbon emissions and workload in waste paper transportation in 2022 is as follows: The clearing truck now runs once a day instead of three times a day (66% lower), and the annual carbon emissions was reduced from 134 t-CO<sub>2</sub>e to 45 t-CO<sub>2</sub>e (66% lower). The maximum stack height is reduced from 2.5 meters to 1 meter (1.5 meters) at the inlet of the waste paper compressor, and the risk of musculoskeletal injury is significantly reduced.

### ❖ Before improvement ❖ Waste paper compressor ❖ After Improvement



## 5. Consumption of Energy and Water Resources

### 5.1 Energy consumption

Accton's energy sources include fossil fuels (e.g., natural gas, diesel, gasoline, and liquefied petroleum gas) and purchased electricity. Fossil fuels are mainly used for emergency power generators, lawn mowers, forklifts, company vehicles, and cafeterias. Externally purchased electrical power is the largest source of greenhouse gas emissions of Accton's main production sites.

Unit: MJ

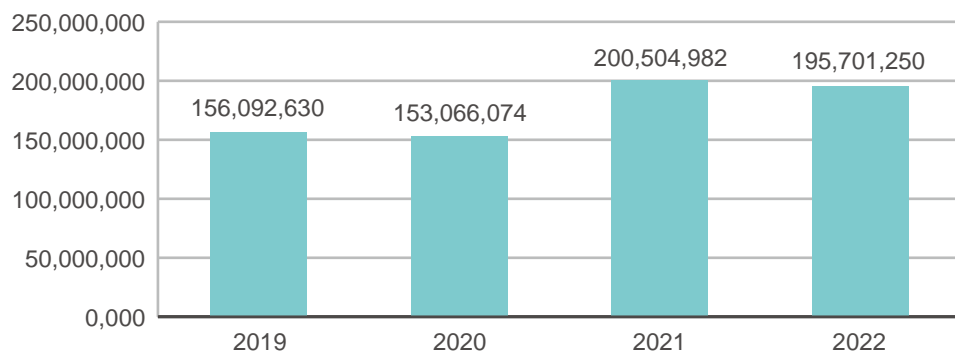
Year	2019	2020	2021	2022	Percentage in 2022 (%)
<b>Purchased electricity</b>	154,342,548	151,163,420	198,625,661	193,668,973	99.0
<b>Gasoline</b>	1,002,636	881,903	783,769	892,079	0.5
<b>Diesel</b>	610,466	901,771	999,436	1,033,497	0.5
<b>Liquefied gas</b>	136,980	118,979	96,117	106,701	0.1
<b>Total</b>	156,092,630	153,066,074	200,504,982	195,701,250	

\*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: The electricity bills of Taichung office were included in the management fees but not included in the calculation.

### ❖ Energy consumption Analysis

Unit: MJ



### 5.2 Electricity intensity:

Electricity intensity reduction target:

In 2022, the electricity intensity of Accton's Plant 1, Plant 2, Zhunan Plant, Edgecore, Shenzhen JoyTech, and local offices decreased by 24.7% compared to that in 2021, which was due to the decrease of electricity consumption and the increase of revenue.

The electricity intensity statistics are as follows:

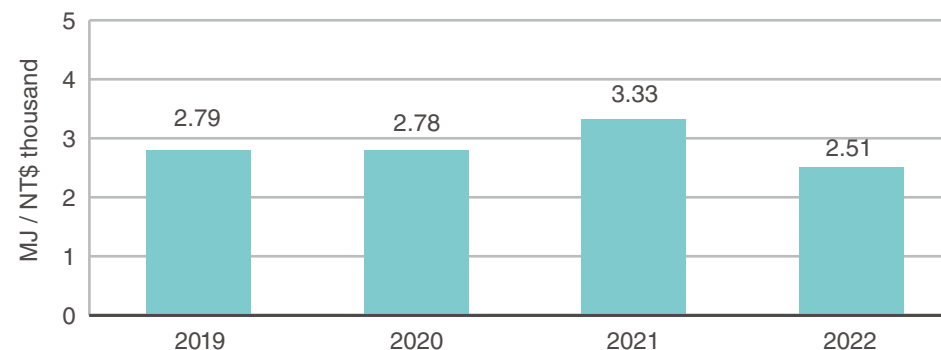
Unit: MJ/ NT\$ thousand

Year	2019	2020	2021	2022
<b>Total</b>	2.79	2.78	3.33	2.51

\*Note: Electricity intensity = Total electricity consumption (MJ)/Total revenue in NT\$ thousands.

### ❖ Electricity intensity

Unit: MJ



### 5.3 Tap water consumption (total water consumption)

Tap water consumption in 2022 increased by 3.4% over 2021, which was caused by the increase in the water consumption of air conditioning cooling due to the increase in the number of production lines.

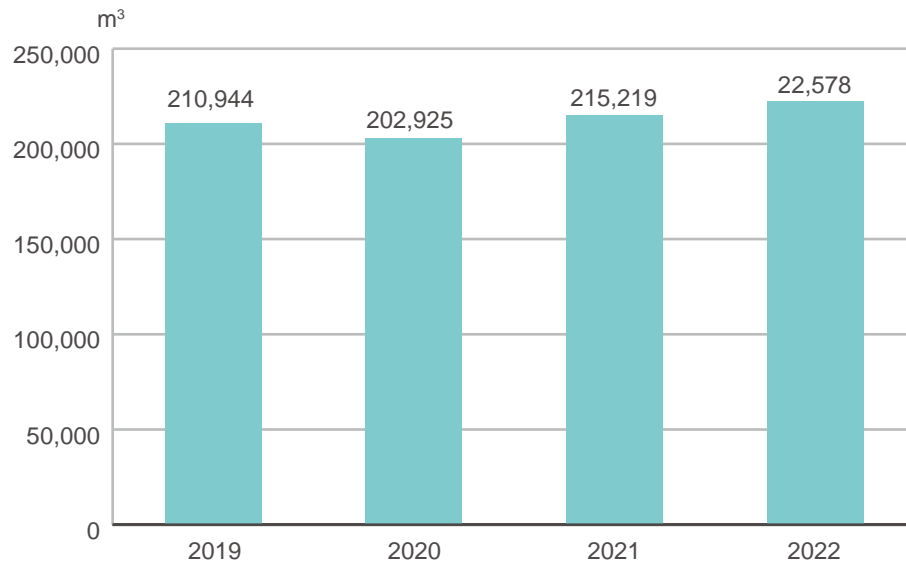
Unit: m<sup>3</sup>

Year	2019	2020	2021	2022
<b>Total</b>	210,944	202,925	215,219	222,578

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

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

### ❖ Tap water consumption



### 5.4 Greenhouse gas emissions statistics:

In response to the international trend of carbon reduction, with 2021 as the base year, Accton aims to reduce carbon emissions by 50% by 2030 and realize net zero by 2050 (Scope 1 & Scope 2). The first stage of carbon reduction is greenhouse gas inventory.

The boundary mainly includes direct greenhouse gas emissions and removals (Category 1) and indirect greenhouse gas emissions from imported energy (Category 2). For other indirect greenhouse gas emission sources (Category 3 to Category 6), considering the significance, the source and quality of the data were evaluated, and the category for calculation was expanded in 2022. 3.1 Emissions from upstream cargo transportation and distribution; 3.3 Emissions from employee commuting; 3.5 Emissions from business travel; 4.1 Emissions from purchased goods; 4.3 emissions from solid and liquid waste disposal.

The carbon emissions of major categories 1 and 2 in 2022 were lower than those of 2021.

The emission reduction in category 1 was due to the fact that new refrigerated equipment (test machine, refrigerator) and automatic gas fire extinguishing equipment (HFC-227ea, trifluoromethane) purchased in 2021 were included in the calculation in 2021. The emission reduction in category 2 was mainly due to centralized management of the Joytech production line, energy saving control of chillers, and the load reduction of nitrogen machine and air compressor equipment. According to statistics, outsourced electricity is the largest source of Accton's greenhouse gas emissions.

Accton's Plant 1 and Zhunan Plant implemented self-inventory prior to 2018 and the first external certification was 2019's ISO14064-1:2018 completed 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: t-CO<sub>2</sub>e/year

Plant	2019		2020		2021			2022			
	Category 1	Category 2	Category 1	Category 2	Category 1	Category 2	Category 4	Category 1	Category 2	Category 3	Category 4
Accton HQ (Taiwan 1)	271	4,457	255	3,836	252	3,556	700	251	2,899	795	535
Accton RMA	n/a	379	n/a	341	126	306	44	9	307	48	42
Zhunan Factory (Taiwan 2)	28	1,549	120	3,252	2,215	7,721	1,401	548	11,234	2,219	1,553
Offices Across Taiwan	n/a	126	n/a	431	19	305	-	22	378	-	66
Edge core (Taipei, Taichung, Tainan)	n/a	n/a	n/a	n/a	18	465	-	6	206	-	36
Joytech	54	27,465	40	23,790	49	27,979	-	33	23,208	-	-
<b>Sub-total</b>	<b>353</b>	<b>33,976</b>	<b>415</b>	<b>31,650</b>	<b>2,679</b>	<b>40,332</b>	<b>2,145</b>	<b>869</b>	<b>38,232</b>	<b>3,062</b>	<b>2,232</b>

\*Note 1: The emission coefficient for all plants in Taiwan is based on Taipower's electricity emission coefficient of 0.509 kg CO<sub>2</sub>e/kWh in 2022. The emission coefficient for JoyTech is based on China Southern Power Grid's electricity emission coefficient of 0.9489 kg CO<sub>2</sub>e/MWh in 2021.

\*Note 2: Plant 2 carried out self-verification in 2019.

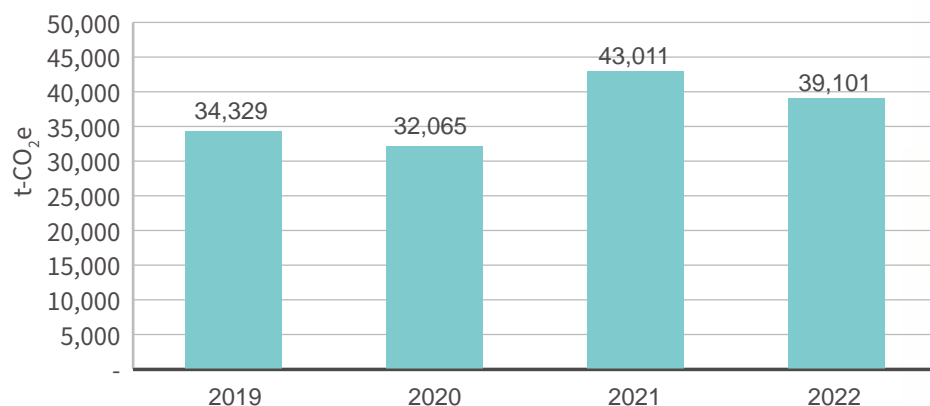
\*Note 3: The scope of Accton's Plant 1 includes Accton Headquarters and Edgecore' office located in Plant 1.

\*Note 4: Emission data of Accton and Edgecore's local offices (Taipei/Taichung/Tainan Office) are from their self-inventory.

\*Note 5: The data of Accton's Plant 1 and Zhunan Plant in 2019 was verified by a third party, and that of JoyTech was verified by a third party entrusted by Shenzhen Municipal People's Government.

Greenhouse Gas Emissions over the Years (Category 1+ Category 2)

### ❖ Greenhouse gas emissions



### 5.5 Greenhouse Gas Inventory:

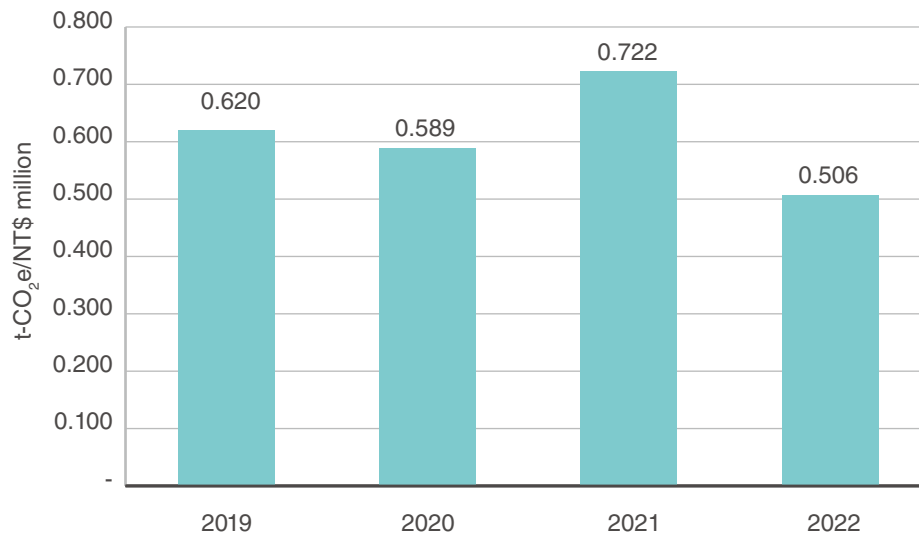
In response to international trends, greenhouse gas emission intensity has been added as one of the management indicators. The following table shows the corresponding relationship between data of Category 1 and Category 2 and revenue. From 2022, Categories 3 to 6 will be formulated to disclose relevant upstream and downstream carbon emission data based on the significance principle of ISO 14064.

Unit: t-CO<sub>2</sub>e/NT\$ million

Year	2019	2020	2021	2022
<b>Greenhouse Gas Inventory</b>	0.620	0.589	0.722	0.506

Note: Greenhouse gas emission intensity = Greenhouse gas emissions (t-CO<sub>2</sub>e)/Total revenue in NT\$ million.

### ❖ Greenhouse Gas Inventory



The Company scored a D on the International Carbon Disclosure Project(CDP) questionnaire in 2021 and improved to a B in 2022.

### 5.6 Energy saving achievement:

Since the electricity consumption in operations is the main source of carbon emissions of the Company, the following improvement measures will be implemented from 2022:

1. Detailed inventory. Set up detailed electricity consumption zones according to the purpose of plant use, set up electricity meters in zones, and upload electricity consumption information to the cloud, so as to truly control the power consumption situation and power saving performance.
2. Production optimization. Analyze the possible anomalies according to the power situation of the production machinery, find out the abnormal hot spots of power consumption, and make improvement.
3. Equipment improvement. Evaluate and adjust the testing methods for the high and low temperature testing equipment in plants to reduce the energy consumption of heating and cooling.

#### 5.6.1 Energy saving achievement

Plant	Name of energy-saving measure	Implementation Instruction
Hsinchu Plant 1	Energy saving improvement of air handling unit	Frequency converter was added to AH-1 air handling unit (20HP) to save about 16,000 kWh
Hsinchu Plant 1	Energy saving improvement of external air handling unit in second and third floor	Time control element was added to the external pre-cooling air handling unit to save about 22,000 kWh
Zhunan Factory	Energy saving in the 4th floor office	Adjust the air conditioning temperature, control unnecessary lighting, and turn off the power after work, saving about 8,000 kWh
Joytech	Lighting system energy saving	Production line lighting was replaced by LED, saving about 22,500 kWh

## 3.2 Green Product Management

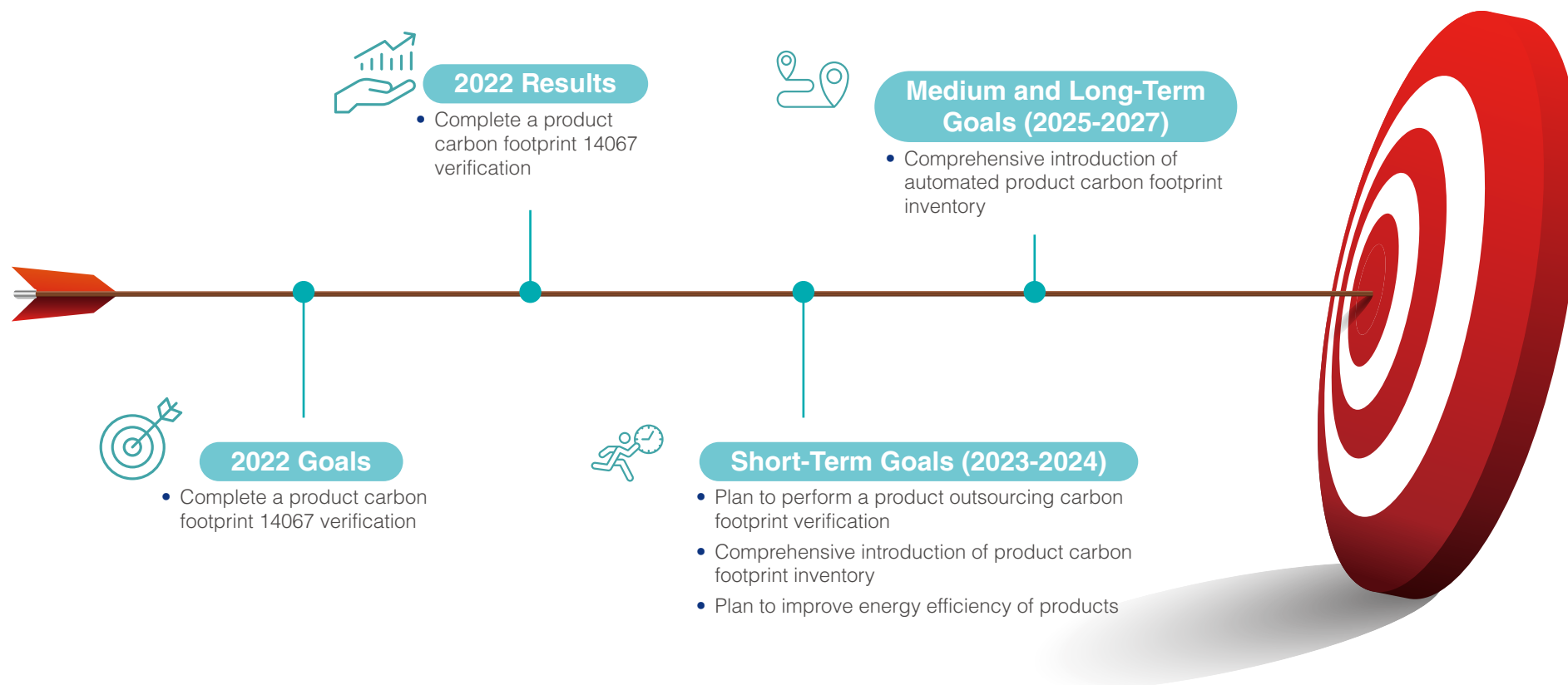
### Low-carbon product introduction and carbon footprint development

To cope with the world trend, the urgent demand of the world's large manufacturers for low carbon, product competitiveness, and environmental sustainability awareness, Accton, in addition to conducting an organizational carbon footprint inventory, is also focused on planning products that meet low carbon emissions. Since the second half of 2021, the Company has started an inventory and verification of a product's carbon footprint. By the end of 2022, the first product with a 14067 carbon footprint certification has been completed. After that, the Company will arrange a continuous and planned carbon emission inventory of the whole series of products as the basis for reduction planning.

In 2023, the Company will optimize with the methodology certified in 2022 and introduce an IT system for an automated product carbon footprint inventory.



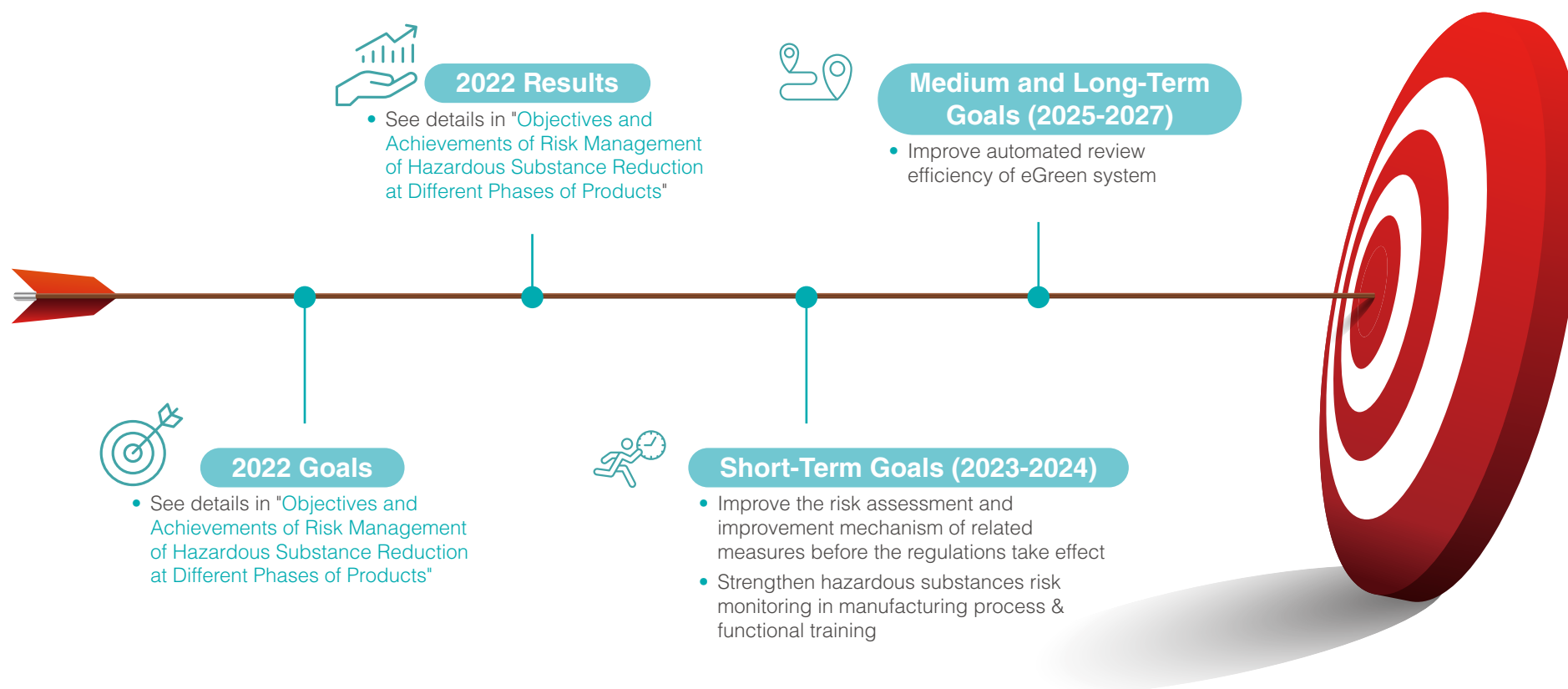
**Boundaries: Accton (including Plant 1, Plant 2, and Zhunan Plant) and the subsidiaries Edgecore and JoyTech**



## Reduction and exemption management of product hazardous substances

**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.**

Accton aims to reduce the impact on the environment, fulfill corporate responsibilities for environmental sustainability, meet the expectations of stakeholders to protect the health and safety of users and reduce the potential risks of products to environmental pollution. Accton also continues 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...] and customer requirements, and keeps an eye on environmental trends. Accton continuously reviews the management of hazardous substances and updates the regulations in the "Accton Green Product Hazardous Substance Management." We also fulfill our duties for hazardous substance management in the production process and the supply chain, continuously promote the hazard reduction and substitute plan, reduce the environmental impact of products to achieve the hazard reduction target, and provide green products with hazard reduction and low environmental impact. Accton Group regularly carries out an internal and external audit of the IECQ QC080000 hazardous substances management system. In December 2022, Accton's main production base successfully passed the annual certification of IECQ QC080000 system.





## Objectives and Achievements of Risk Management of Hazardous Substance Reduction at Different Phases of Products



Note: Associated ISO standards and forms

- Hazardous Substance Reduction and Exemption Regulations Control List: "FMC-CE05000-10 HSF specification check and Identification summary table"
- New Supplier Selection and Evaluation: "FMC-SC02000-02 Vendor Assessment Audit Form"
- Annual Evaluation of Qualified Suppliers: "FMC-SC02004-01 Supplier Audit Checklist"
- Hazardous substance reduction management of parts: "FMC-CE05000-03 Accton HSF Products Declaration", "FMC-CE05000-04 REACH(SVHC) substance Declaration of Compliance" and "FMC-CE05000-02 Accton Green Parts Checking List"
- IQA XRF Test: "WIC-CEQC01015 "LF/LT Inspection Operation Standard"
- Production process monitoring: "WIC-MT01005 Small tin Furnace Operation Specification"
- Indirect materials/tools management: "FMC-CE05000-07 Indirect Material Management Summary Sheet"

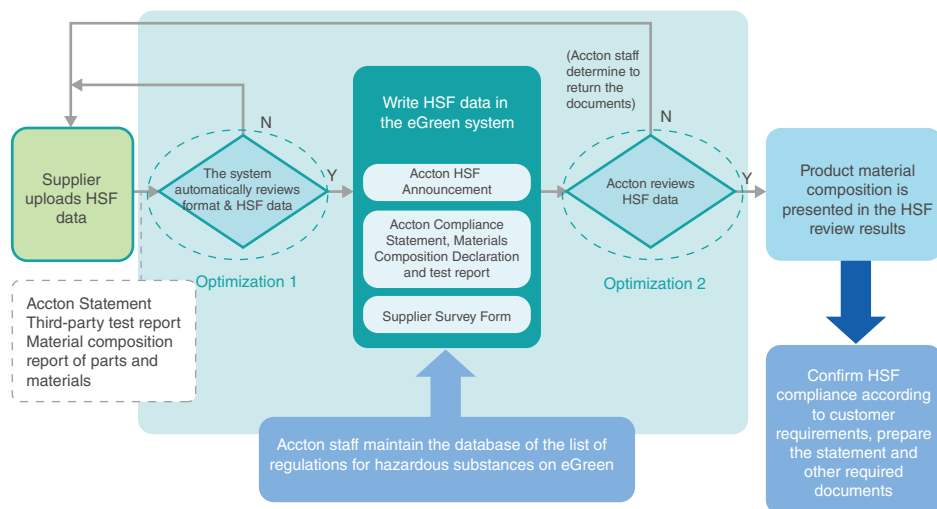
## Response progress of the latest HSF regulations

In response to the Requirements and Prohibition of mineral oils on packaging in France, which will come into force in January 2023, the Company first conducted a risk analysis before December 2022 and included ink-related suppliers with transactions with Accton for packaging materials and printing materials into the scope of investigation. A total of 32 high-risk packaging material suppliers were identified for compliance investigation. Suppliers have completed the survey and responded as required. For suppliers whose survey results do not meet the MOSH restriction requirement (0.1%), which will take effect in 2025, and suppliers who have not responded upon multiple reminders, the Company has informed the marketing /PM/RD/ purchasing /CE and other relevant units to take measures to replace materials or terminate the transaction. Risk items also identified in "WIC-QA15001 Product Hazardous Substance Risk Instruction: When a hazardous substance put forward in the regulation is to be included in the control list or added, and the Company has not yet identified such substance in its existing materials, the Company will formulate measures for the corresponding Hazardous Substance (HS) regulation identification to ensure early compliance with the requirements of the regulations.

## Optimization of hazardous substance management system eGreen 2.0

Since April 2022, the Company has launched the eGreen optimization project, which has been jointly discussed and implemented by Accton's relevant internal units QS and MIS. In November 2022, the Company officially launched the project with a smooth optimization and upgrade to 2.0, and arranged online operation education and training for suppliers. After suppliers upload the HSF data, the system will automatically compare the substances listed as legal restricted in the ingredients, which can overcome the original incomplete manual data control and reduce the repetitive data and operation time.

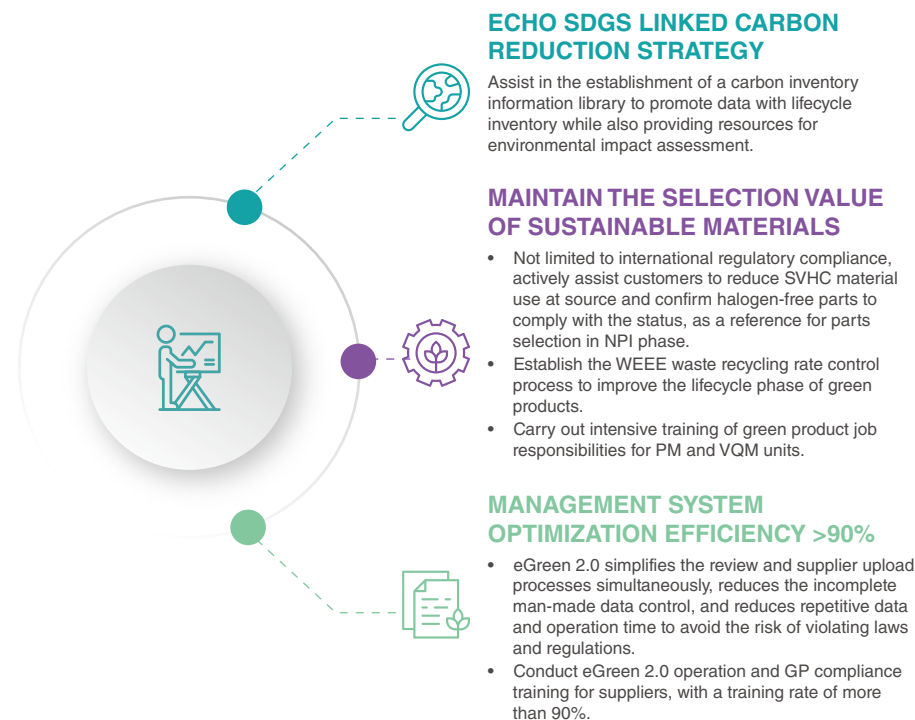
### ❖ eGreen 2.0 System



Optimization direction 1: After the manufacturer uploads data to eGreen 2.0 system, the system will automatically return the document if it does not conform upon review, through which Accton's manual review time has been reduced by at least 50%.

Optimization direction 2: Increase the HSF compliance review time of Accton staff, more effectively control the time for response to customers and propose accurate HSF compliance results.

### ❖ Performance of green management on sustainable development





# 4

## Friendly Work Environment

- 4.1 Talent Attraction and Retention
- 4.2 Talent Learning and Development
- 4.3 Safeguarding Employee Safety
- 4.4 Safeguarding Employee Health

## 4.1 Talent Recruitment and Retention



**Scope: Accton, Edgecore and JoyTech**

### Management Objectives

Employees are the most valuable asset of Accton, Edgecore, and JoyTech. We have always believed that talent is the most important part for the 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.

### Policy

Accton, Edgecore, and JoyTech encourage 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, creating a solid foundation for sustainable development.

### Significance

Upon employee recruitment, employment, and development, Accton, Edgecore and JoyTech adopts the working ability of employees as the basis and the 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 upholds 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, creating a solid foundation for sustainable development.

### Goals

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.

### Performance and Adjustments




1. Accton, Edgecore, and JoyTech convene monthly meetings of managers and departments whenever necessary and respond to 100% of employee feedback.
2. Accton's turnover rate was 13.9%; Edgecore's turnover rate was 9.6%; and JoyTech's turnover rate was 36.3%.
3. Accton's reinstatement rate after parental leave was 75%; Edgecore and JoyTech have no information on reinstatement due to zero parental leave in 2021.
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%.

### Evaluation Mechanisms

1. Accton, Edgecore, and JoyTech convene meetings of managers and departments to facilitate communication between employees and the Company, and for the cooperation between employees and employer to increase work efficiency.
2. We opened an "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 senior management as a reference for continuous improvement and corporate governance.
3. We also established an employee complaint hotline: (03) 577-0270, extension 3119, an email for employee complaints at hr885@accton.com, a company internal physical mailbox, Accton Helper Line@, and a QR Code to provide employees with diverse channels for communication.
4. Accton, Edgecore, and JoyTech organize family days, club activities, Accton Talk seminars, and related subsidized activities each year to help employees realize work and life balance.
5. 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%. (Refer to [1.6 Ethical Management](#))



## Brief description of goals and track records:

2022 Goals	2022 Results	Short-term goals (2023-2024)	Medium and Long-Term Goals (2025-2027)
 <p><b>Provide diverse communication mechanisms and complaint channels to promote harmonious labor relations</b></p>	<ol style="list-style-type: none"> <li>1. Accton, Edgecore, and JoyTech convened monthly meetings of managers and departments whenever necessary.</li> <li>2. Provide employee complaint hotline, internal physical mailbox, Accton Helper Line@ and QR Code to provide diverse channels for communication.</li> <li>3. 100% response rate and case closure for employee feedback.</li> </ol>	<ol style="list-style-type: none"> <li>1. Ensure open communication channels and create positive labor relations.</li> <li>2. 100% completion rate of Accton and Edgecore's labor-management meetings.</li> <li>3. 100% response rate of employee complaints</li> </ol>	<ol style="list-style-type: none"> <li>1. 100% completion rate for Accton and Edgecore's labor-management meetings.</li> <li>2. 100% response rate and case closure for employee feedback.</li> <li>3. Establish harmonious labor relations and comprehensive communication channels to prevent labor disputes and illegal infringement in the workplace.</li> </ol>
 <p><b>Build a happy and friendly work environment and provide competitive salary and benefits to attract and retain key talent</b></p>	<ol style="list-style-type: none"> <li>1. Accton's turnover rate was 13.9%.</li> <li>2. Edgecore's turnover rate was 9.6%.</li> <li>3. JoyTech's turnover rate was 36.3%.</li> <li>4. Accton's reinstatement rate after parental leave was 75%; Edgecore and JoyTech have no information on reinstatement due to zero parental leave in 2021.</li> <li>5. Won the "Special Award for Workplace Equality" rewarded by Hsinchu Science Park.</li> </ol>	<ol style="list-style-type: none"> <li>1. Accton turnover rate of 16%.</li> <li>2. Edgecore turnover rate of 10%.</li> <li>3. JoyTech turnover rate of 37%.</li> <li>4. Accton, Edgecore, and JoyTech organize family days, club activities, seminars, and related subsidized activities each year to make employees feel supported and help them learn, love, and have fun at work to increase employees' solidarity.</li> <li>5. Accton and Edgecore reinstatement rate after parental leave of 88%.</li> <li>6. JoyTech reinstatement rate after parental leave of 100%.</li> </ol>	<ol style="list-style-type: none"> <li>1. Accton turnover rate of 14%.</li> <li>2. Edgecore turnover rate of 8%.</li> <li>3. JoyTech turnover rate of 30%.</li> <li>4. Organize employee activities and subsidized activities to strengthen organizational culture and increase employees' solidarity.</li> <li>5. Attain a 90% reinstatement rate after parental leave.</li> </ol>
 <p><b>Comply with international human rights standards and establish good labor relations</b></p>	<ol style="list-style-type: none"> <li>1. Number of violations of ethical standards reviewed each month.</li> <li>2. Accton and JoyTech maintain an annual RBA labor ethics risk rating of less than 5.</li> <li>3. 100% RBA labor ethical training completion rate for Accton and JoyTech.</li> <li>4. Won the Taiwan Corporate Sustainability Award and Human Rights Practice and Development Leadership Award.</li> </ol>	<ol style="list-style-type: none"> <li>1. Ensure compliance with international human rights standards.</li> <li>2. Accton and JoyTech maintain an annual RBA labor ethics risk rating of less than 5.</li> <li>3. Regularly review the number of violations of ethical standards reviewed each month.</li> <li>4. Accton and JoyTech RBA labor ethical training completion rate of 100%.</li> </ol>	<p>Regularly review labor regulations and international human rights standards, create harmonious labor relations, and fulfill corporate social responsibilities.</p>

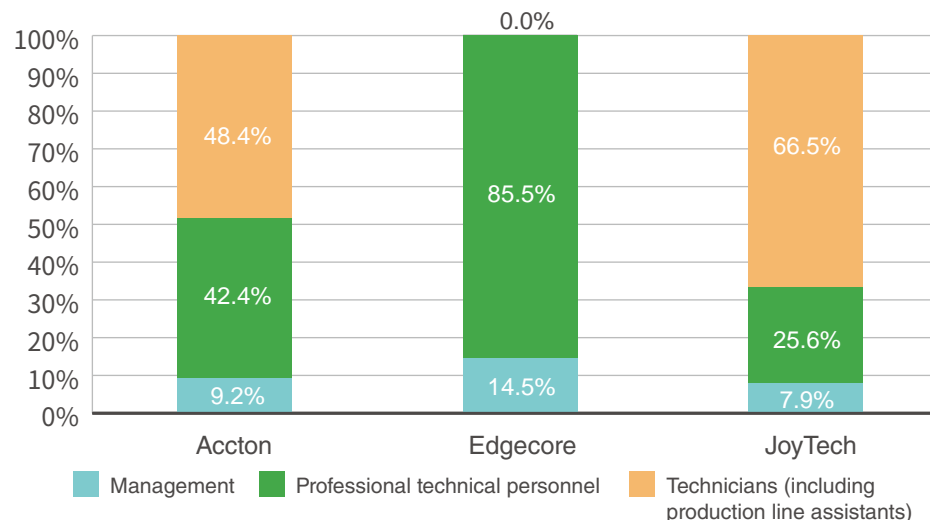
Note 1: Edgecore complies with RBA Standards. However, as all products are produced by Accton, related certifications are carried out by Accton.

## Human Resources Structure

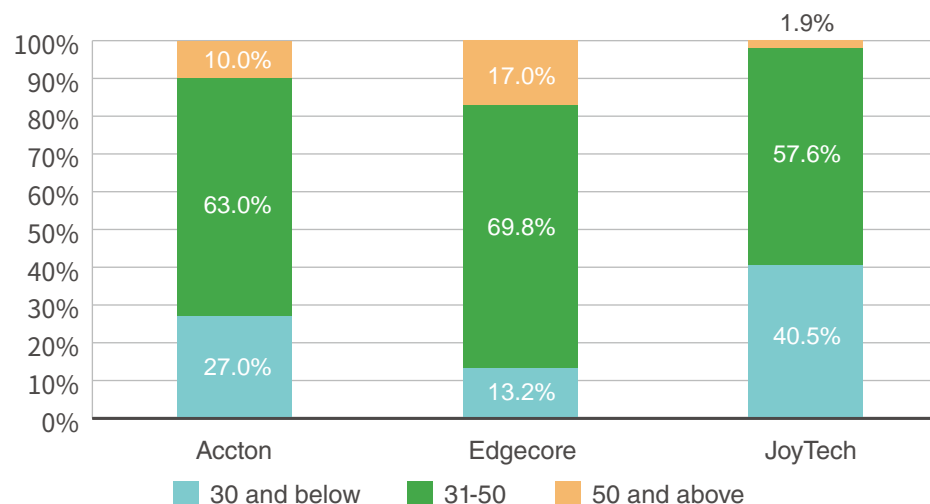
Employees are Accton's most valuable asset. Accton has always believed that talent is the most important part for sustainability of a company. We are therefore committed to providing employees with high-quality jobs, including offering a competitive salary and benefits, comprehensive advancement with 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 2022, Accton had 3,225 employees and 766 non-employed workers (since the non-employed workers belong to dispatched workers, resident manpower, cleaning personnel, security and contractors, etc., they were not included in the subsequent human resources statistics), among which employees with irregular contracts accounted for 99.1% and employees with regular contracts accounted for 0.9%. By the end of 2022, Edgecore had 159 employees, all of which were regular employees under non-fixed-term contracts. JoyTech had 1,218 employees, and 72 non-employed workers (since the non-employed workers belong to dispatched workers, resident manpower, cleaning personnel, security and contractors, etc., they were not included in the subsequent human resources statistics), among which the employees with irregular contracts accounted for 24% and the employees with regular contracts accounted for 76%. (Fixed-term contract: Employees that have served the company for over 10 years or signed a labor contract with the company for the third time according to the law. New personnel that sign a fixed labor contract according to the time limit stipulated in the probation period according to the law.) Classified according to the type of employees, Accton's professional and technical staff and management staff accounted for 51.6% of the number of regular employees. Technicians (including production line cooperation) accounted for 48.4%, showing that most of them were professional and technical staff and management manpower. Edgecore had no production line, so management staff accounted for 14.5% of regular employees, and professional and technical staff accounted for 85.5%. Professional, technical, and management staff of JoyTech accounted for 33.5% of full-time employees. Technicians (including production line cooperation) accounted for 66.5%, indicating that employees in JoyTech were mainly production and manufacturing personnel. In terms of employee ages, employees 30 years old and below accounted for 27% of total full-time employees, those between 31 and 50 years old accounted for 63%, and those 50 years old and above accounted for 10%, indicating that the age structure of Accton is mostly young and middle-aged generations. The age structure of Edgecore was also mainly young and middle-aged generations, with employees 30 years old and below accounting for 13.2% of full-time employees, those between 31 and 50 years old accounting for 69.8%, and those 50 years old or above accounting for 17%. In JoyTech, employees 30 years old and below accounted for 40.5% of the total full-time employees, those between 31 and 50 years old was 57.6%, and those 50 years old and above accounted for 1.9%, indicating that the employee structure of JoyTech tended to be younger.

### ❖ Employee category proportion



### ❖ Age proportion



## 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 2022, 71.2% of Accton's full-time employees and 96.2% of Edgecore's full-time employees were local hires. In addition, 99.9% of JoyTech's full-time employees were local hires.

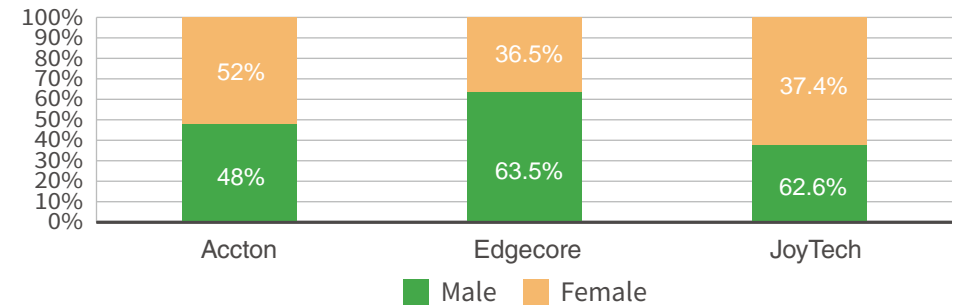
## Distribution of Female Workers

Accton, Edgecore, and JoyTech implement employee recruitment, employment, and development based on work skills. According to gender analysis, Accton's male employees account for 48% of full-time employees while female employees account for 52% of full-time employees. Female employees account for a higher percentage than male employees. Edgecore's male employees account for 63.5% of full-time employees and female employees account for 36.5% 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 employees are mostly male. JoyTech focuses on production technologies, therefore male employees account for 62.6% of full-time employees and female employees account for 37.4% 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 are mostly male employees, where male management employees account for 75.2% of this category, and professional technical talent accounts for 63.3%. Technicians (including production line assistants) are predominantly female, accounting for 70.6% of this category. Edgecore's male management accounts for 69.6% of this category and professional technical talent accounts for 62.5%. JoyTech's management employees, professional technical talent, and technicians (including production line assistants) are predominantly male and they account for 68.8%, 51.9% and 65.9% of the category, respectively.

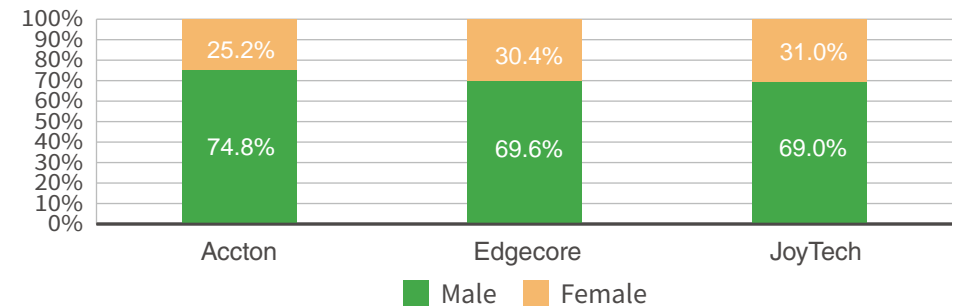
Accton employs meritocracy, treats people equally, and supports gender equality in the workplace. The proportion of female employees was higher than male employees in the past three years. In 2022, Accton won a special award for workplace equality from the Hsinchu Science Park. After selecting through a fair promotion mechanism, among the female management positions at all levels in 2022, the proportion of front-line management in Accton is the highest, accounting for 36.9%, while the proportion of mid-level management in Edgecore and JoyTech is the highest, accounting for 40% and 40.7%, respectively. This shows that under the promotion of equal rights in the workplace, excellent working ability and perfect promotion channels have provided opportunities for women to pursue career and self-growth.

Proportion of Female Employees at Different Levels of Management Positions	Accton	Edgecore	JoyTech
Front-line management positions	36.9%	0.0%	27.5%
Mid-level management positions	19.4%	40.0%	40.7%
High-level management positions	16.0%	14.3%	0.0%

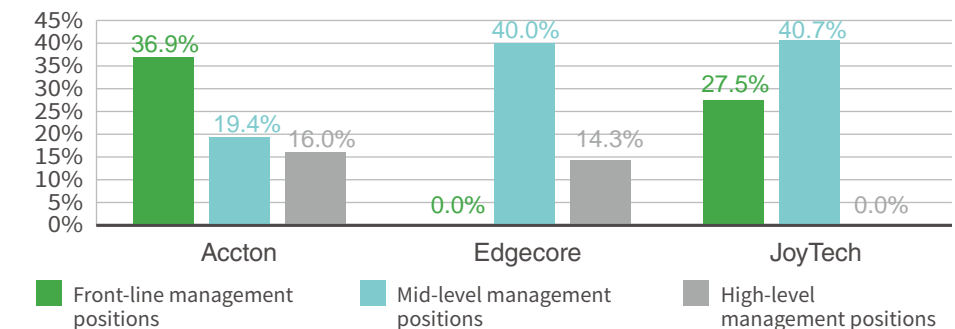
## ❖ Gender proportion



## ❖ Gender Proportion of Management Employees



## ❖ Proportion of Female Employees at Different Levels of Management Positions



## 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. In 2022, Accton employed 928 foreign employees who accounted for 28.8% of full-time employees. Edgecore employed 6 foreign employees who accounted for 3.8% of full-time employees. JoyTech employed 1 foreign employee who accounted for 0.1% of full-time employees. Employee 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.

## Continue to Employ Persons with Physical and Mental Disabilities

Accton and Edgecore have been committed to providing jobs for people with physical and mental disabilities. Accton has employed a total of 13 persons with mild and moderate physical and mental disabilities, and 6 persons with severe or above physical and mental disabilities. Edgecore has employed 1 person with severe mental and physical disabilities. Due to the nature of the work, the weighted proportion of the number of persons with physical and mental disabilities in the year was less than 1% of the total number of employees, and the difference compensation fee has been paid in accordance with the law. Accton is also actively matching related job vacancies and continuously establishing an equal, diverse and inclusive environment, while Edgecore has employed a specified number of persons with physical and mental disabilities.

### Related tables/data:

Region	Category	Type		Male		Female		Number of Employees	Proportion in total number of employees (%)
				Number of People	Percentage in the Category (%)	Number of People	Percentage in the Category (%)		
Accton	Employment contract	Full-time employees, with a non-fixed-term contract		1,527	47.8	1,668	52.2	3,195	99.1
		Full-time employees, with a fixed-term contract		21	70.0	9	30.0	30	0.8
		Workers not hired by the Company		624	81.5	142	18.5	766	19.2
	Hiring category	Full-time		1,545	48.0	1,676	52.0	3,221	99.9
		Part-time		3	75.0	1	25.0	4	0.1
	Age distribution	30 and below		336	38.5	537	61.5	873	27.0
		31-50		997	49.2	1,030	50.8	2,027	63.0
		50 and above		215	66.2	110	33.8	325	10.0
	Employee category	Management		223	74.8	75	25.2	298	9.2
		Non-management roles	Professional technical personnel	865	63.3	501	36.7	1,366	42.4
			Technicians (including production line assistants)	459	29.4	1,102	70.6	1,561	48.4



Region	Category	Type		Male		Female		Number of Employees	Proportion in total number of employees (%)
				Number of People	Percentage in the Category (%)	Number of People	Percentage in the Category (%)		
Edgecore	Employment contract	Full-time employees, with a non-fixed-term contract		101	63.5	58	36.5	159	100.0
		Full-time employees, with a fixed-term contract		0	0.0	0	0.0	0	0.0
		Workers not hired by the Company		0	0.0	0	0.0	0	0.0
	Hiring category	Full-time		101	63.5	58	36.5	159	100.0
		Part-time		0	0.0	0	0.0	0	0.0
	Age distribution	30 and below		15	71.4	6	28.6	21	13.2
		31-50		67	60.4	44	39.6	111	69.8
		50 and above		19	70.4	8	29.6	27	17.0
	Employee category	Management		16	69.6	7	30.4	23	14.5
		Non-management roles	Professional technical personnel	85	62.5	51	37.5	136	85.5
			Technicians (including production line assistants)	0	0.0	0	0.0	0	0.0
Region	Category	Type		Male		Female		Number of Employees	Proportion in total number of employees (%)
				Number of People	Percentage in the Category (%)	Number of People	Percentage in the Category (%)		
JoyTech	Employment contract	Full-time employees, with a non-fixed-term contract		176	60.3	116	39.7	292	24.0
		Full-time employees, with a fixed-term contract		586	63.3	340	36.7	926	76.0
		Workers not hired by the Company		50	0.0	22	0.0	72	5.6
	Hiring category	Full-time		762	62.6	456	37.4	1,218	100.0
		Part-time		0	0.0	0	0.0	0	0.0
	Age distribution	30 and below		335	68.0	158	32.0	493	40.5
		31-50		412	58.7	290	41.3	702	57.6
		50 and above		15	65.2	8	34.8	23	1.9
	Employee category	Management		66	69.0	30	31.0	96	7.9
		Non-management roles	Professional technical personnel	162	51.9	150	48.1	312	25.6
			Technicians (including production line assistants)	534	65.9	276	34.1	810	66.5

Note 1: Full-time employees with a non-fixed-term contract: Employees signing a non-fixed-term contract.

Note 2: Full-time employees with a fixed-term contract: Employees signing a fixed-term contract, such employees with a short-term contract, interns, and student participants.

Note 3: Workers not hired by the Company: Dispatched personnel, resident personnel, flexible labor, cleaning personnel, security 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, such as employees from indirect units.

Note 6: Definitions of management roles: Employees who are responsible for leading subordinates such as section managers, 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	3	0.3
	Japan	3	0.3
	Indonesia	1	0.1
	India	8	0.9
	USA	5	0.5
	United Kingdom	1	0.1
	Malaysia	5	0.5
	The Philippines	899	96.9
	Portugal	1	0.1
	Mexico	1	0.1
	South Korea	1	0.1
	Total	928	
Edgecore	Malaysia	2	33.3
	Germany	1	16.7
	India	2	33.3
	USA	1	16.7
	Total	6	
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 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 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

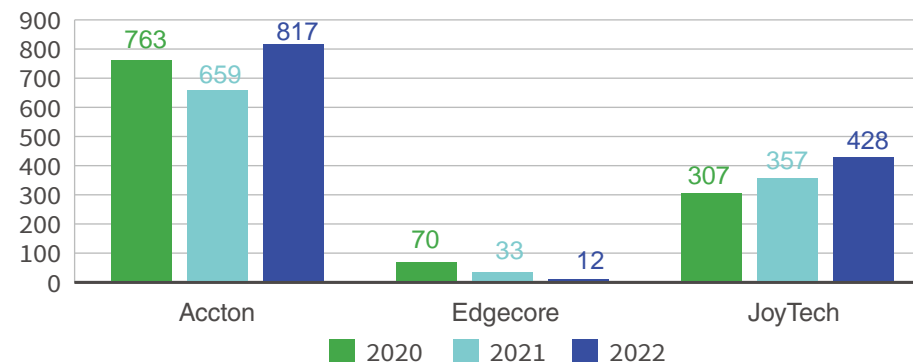
Accton, Edgecore, and JoyTech actively recruit talent in response to global talent requirements and the need to increase innovation and R&D capacity. We have adopted

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 2022, Accton recruited 817 new employees and the new hire rate was 26.4%. In terms of gender, new male employees accounted for 11.3% of total full-time employees and new female employees accounted for 14% of total full-time employees, higher than that of male employees. The main reason is that new employees are mostly technicians at the production line, which are mostly female; In terms of age distribution, new employees aged below 30 (including 30) accounted for the highest proportion with 51.9%. New employees aged 31 to 50 accounted for the second highest proportion with 44.8%. New employees aged 50 years old or above accounted for the lowest proportion of new employees in the year with 3.3%.

Edgecore recruited 12 new employees in 2022 and the new hire rate was 7.2%. In terms of gender, new male employees accounted for 4.4% of total full-time employees and new female employees accounted for 3.1% 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 and below accounted for the highest proportion with 58.3%. New employees aged 30 to 50 accounted for the second highest proportion with 41.7%. New hires consisted mostly of mature professionals.

JoyTech recruited 428 new employees in 2022 and the new hire rate was 34.9%. In terms of gender, new male employees accounted for 25.4% of total full-time employees and new female employees accounted for 9.8% of total full-time employees. In terms of age distribution, new employees aged 30 and below accounted for the highest proportion with 68.9% while new employees aged 31 to 50 accounted for the second highest proportion with 31.1%. New employees aged 50 and above accounted 0%. This shows that JoyTech's manpower structure tends to be younger due to its focus on production and manufacturing.

## ❖ 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 to share the company's core values and corporate culture with young students. We help young students explore their future careers and attract talented people to join us through face-to-face recruitment activities on campus. In 2022, we participated in 7 campus recruitment activities. In addition to establishing brand image and marketing publicity, we also promoted internship programs to provide rich and diverse internship experience and reserve outstanding talent. Students with excellent performance can also get preferential opportunities to be transferred to regular employees, which forms a win-win situation. In 2022, a total of 35 interns participated in Accton's internship program, and 14 of them were offered the opportunity to transfer to regular employees, with a conversion rate of 40%. One intern participated in Edgecore's internship program and completed it as scheduled. JoyTech has no relevant information because the local government has not promoted the student internship system.

### Related tables/data:

Ratio of New Employees																				
Age/ Gender/ Item		Number of Full-time Employees	Number of New Employees						30 and below				31 to 50 years old				50 and above			
		2022	Annual New Hire Rate (%)	Number of New Employees	Male	Ratio (%)	Female	Ratio (%)	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 (%)
Region	Accton	3,225	26.4	817	364	11.3	453	14.0	174	5.4	250	7.8	172	5.3	194	6.0	18	0.6	9	0.3
	Edgecore	159	7.2	12	7	4.4	5	3.1	4	2.5	3	1.9	3	1.9	2	1.3	0	0.0	0	0.0
	JoyTech	1,218	34.9	428	309	25.4	119	9.8	224	18.4	71	5.8	85	7.0	48	3.9	0	0.0	0	0.0

Note 1: The annual new hire rate does not include workers not hired by the Company: dispatched personnel, resident personnel, flexible labor, cleaning personnel, security personnel, and contractors' onsite personnel.

Note 2: 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].

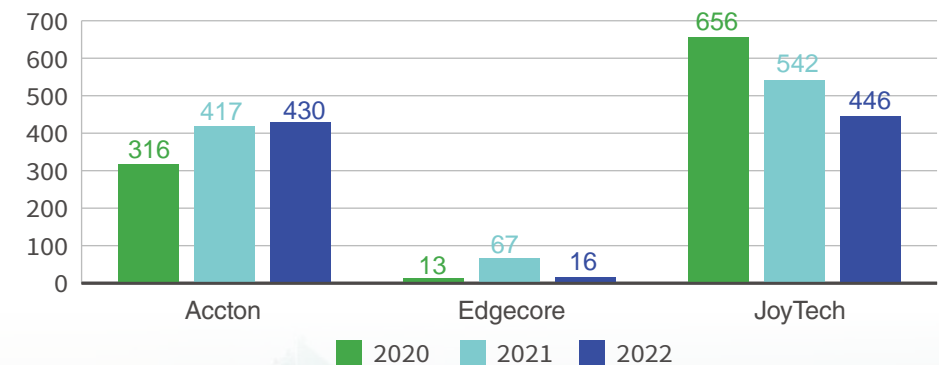
Note 3: Male (female) new hire rate: Number of new male (female) full-time employees in the current year/number of full-time employees at the end of the current year.

New Hire Rate				
Region	Year	Number of People	Number of New Employees	Annual New Hire Rate (%)
Accton	2022	3,225	817	26.4
	2021	2,955	659	22.6
	2020	2,867	763	28.2
	2019	2,541	1,463	70.9
Edgecore	2022	159	12	7.2
	2021	174	33	17.1
	2020	213	70	38.1
	2019	154	37	25.0
JoyTech	2022	1,218	428	34.9
	2021	1,236	357	26.9
	2020	1,421	307	19.2
	2019	1,770	638	35.8

## Age and Gender Distribution of Resigned Employees

Accton's turnover rate in 2022 was 13.9%. The turnover rate of male and female employees was 5.6% and 7.7%, respectively. Edgecore's turnover rate was 9.6%. The turnover rate of male and female employees was 6.9% and 3.1%, respectively. Compared to the turnover rate in 2021, the personnel turnover has stabilized in 2022. JoyTech's turnover rate was 36.3%. JoyTech's turnover rate increased in the past four 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 38.6%.

### ❖ Number of Resigned Employees





## Exit Interview

A stable supply of high-quality talent is the foundation of 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 that 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.

## Related tables/data:

Ratio of New Employees																				
Age/ Gender/ Item		Number of Full-time Employees	Number of New Employees						30 and below				31 to 50 years old				50 and above			
		2022	Annual New Hire Rate (%)	Number of New Employees	Male	Ratio (%)	Female	Ratio (%)	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 (%)
Region	Accton	3,225	13.9	430	181	5.6	249	7.7	64	2.0	88	2.7	109	3.4	160	5.0	8	0.2	1	0.0
	Edgecore	159	9.6	16	11	6.9	5	3.1	4	2.5	0	0.0	6	3.8	5	3.1	1	0.6	0	0.0
	JoyTech	1,218	36.3	446	316	25.9	130	10.7	223	18.3	74	6.1	92	7.6	54	4.4	1	0.1	2	0.2

Note 1: The annual turnover rate does not include workers not hired by the Company: dispatched personnel, resident personnel, flexible labor, cleaning personnel, security personnel, and contractors' onsite personnel.

Note 2: The employee turnover does not include the following factors: 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.



Turnover Rate				
Region	Year	Number of People	Employee Turnover	Annual Turnover Rate (%)
Accton	2022	3,225	430	13.9
	2021	2,955	415	14.3
	2020	2,867	316	11.7
	2019	2,541	505	24.5
Edgecore	2022	159	16	9.6
	2021	174	67	34.6
	2020	213	13	7.1
	2019	154	25	16.9
JoyTech	2021	1,236	542	40.8
	2022	1,218	446	36.3
	2020	1,421	656	41.1
	2019	1,770	658	37

## 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 protects employees and their families in the event of hospitalization, death or disability with insurance, including fix-term life insurance, accidental injury medical allowances, hospitalization medical insurance, cancer medical insurance, including insurance for first-time cancer and death from cancer, and occupation disaster insurance. Accton adjusts the coverage and allowances each year based on claim information. 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 until they reach 70 years old. Where the husband and wife are both employees, both receive coverage as employees. Insurance coverage for children is provided until they reach 25 years old or until they are married. Accidental injury insurance for children is available when children reach 15 years of age. The coverage for parents is provided until 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.

### 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.

### First Accton Kindergarten

To create a safe, friendly and happy working environment for employees, Accton has set up a kindergarten and nursery care center in Hsinchu Science Park to receive infants from 0 months to 6 years old for the first time. Accton Group's Employees can enjoy this welfare simultaneously, so that they can feel at ease in taking care of their children.

The kindergarten and nursery center focus on the self-care ability of infants, the cultivation of good living habits and emotional management. The kindergarten activity curriculum inspires thinking and doing by oneself through games and learning. It cultivates the ability to solve problems, adopts adaptive teaching to teach children according to their aptitude and their development needs, interests, and learning conditions. It also designs diverse activities to help children to learn and cultivate their ability to establish positive values, learning attitude, and good interpersonal interaction.



## Leave Policies Superior to Statutory Requirements

From 2022, Accton and Edgecore offers employees 2 days of flexible leave every quarter 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 heartwarming care. To fulfill corporate social responsibility, we encourage employees to actively participate in social welfare activities. The Company has created volunteer leave of 2 days and 16 hours for employees to use workdays or holidays to participate in charity activities organized by the Company and use real actions to help society.

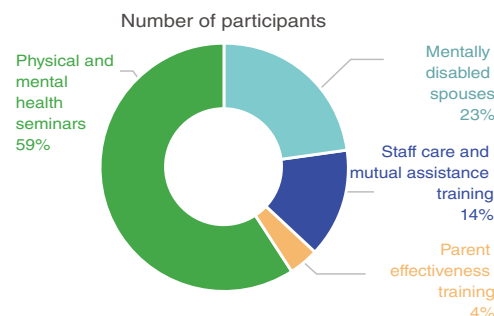
## Diverse Benefits and Subsidies

In addition to labor health insurance, pension payment and other general benefits provided to staff, Accton and Edgecore provide additional benefits such as employee group insurance, accident insurance for families, and insurance for major injuries and burns. Provision of annual holiday bonuses, and bonus distribution, share subscription by senior employees, employee emergency assistance, marriage, childbirth, and hospitalization subsidies, lunch subsidies and free dinners, and a staff dormitory. Sexual harassment prevention, health, culture and art lectures, and other benefit measures are provided for the health of colleagues.

Accton has established an Employee Welfare Committee in accordance with the law, which is committed to balancing employees' work and life, caring for their physical and mental health, financial support for families and living conditions, and offering 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 service, movie packages, and other employee care activities, and ESG sustainability activities, with the hope of helping employees realize work and life balance through perfect welfare benefits.

## Employee Care Activities

In 2022, through questionnaire surveys, four major employee care actions were held, such as the survey of dementia family dependants and coexistence with old age, staff care, and mutual assistance training, parent effectiveness training, and lectures on physical and mental health and stress relief on various themes, with a total of 2,366 participants and 77,195 total hours of participation.



### • Survey of dementia family dependants and coexistence with old age

According to the estimation of Taiwan Alzheimer Disease Association, the dementia population in Taiwan is about 300,000, and about one in 12 people aged 65 or above are dementia. Outside of Taiwan, there are even young and middle-aged people who suffer with dementia. Accton conducted a survey of dementia family dependants in June 2022, and a total of 60 colleagues responded. Through this survey, we found that many of our colleagues are frustrated in taking care of their family dependants, not understanding the diseases and having difficulties getting related information.

Accton cooperated with Old Five Old Foundation to plan a series of activities to coexist with old age, such as VR dementia experience and aging simulation experience workshop, movie month, and dementia-related lectures, so that more colleagues will understand "dementia" and "being getting old". For instance, in the aging simulation experience, bearing heavy equipment on the body to experience the resistance brought by joint degradation, wearing glasses to simulate blurred vision and ear plugs to simulate hearing degradation. Experience up and down the stairs, getting the change when buying things, squatting toilet practice, scanning QR Code with mobile phones to fill in the ticket, identifying colors, etc. The employees will feel empathy and perspective-taking, experience the difficulties of the elders' mood and actions, and judge another person's feelings by one's own in these experiences.

Meanwhile, Accton also integrates various information, including local and national medical resources and social welfare groups, so that colleagues will have more support systems for judgment in taking care of elders. These activities were carried out with experts and scholars, who can assist colleagues to solve problems faced when taking care of the elderly, so as to establish a mutual assistance system and enhance the psychological strength of colleagues. A total of 13 activities were held, with 578 participants and 14,056 participation hours.

Moreover, Accton helps colleagues' spouses who lost their jobs in their middle age to work in Accton to ease the heavy family economic burden.



### [Experience of Getting Old]

1. Dementia VR experience
2. Aged simulation experience - 80 years old (I)
3. Aged simulation experience - 80 years old (II)



### [Movie Month]

1. Coexistence with Old Age (VR)
2. Life is Fruity
3. The Lazarus Project
4. Dear Tenant
5. Minari
6. Old Adults Movie Symposium



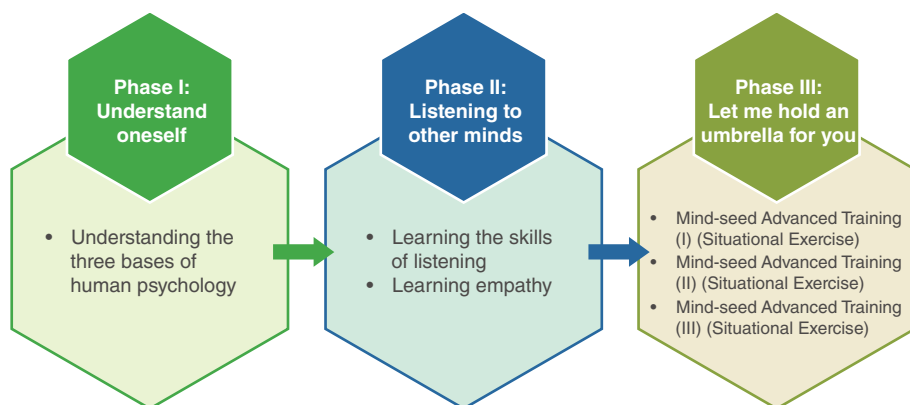
### [Lectures on Dementia]

1. Awareness and Prevention of Dementia
2. Communication with the Dementia - Stop, Look and Listen
3. Planning for Financial Security in Old Age
4. Tips for Daily Caring of the Dementia



• Staff care and mutual assistance training

To implement employee care, Accton has established a self-help mechanism, which utilizes the company's internal human resources to teach seeded employees caring and listening skills through training courses, and timely assist other employees when they have problems or difficulties, to calm them and practice the goal of warm and positive management. A total of 6 courses were held, with 303 participants and 3,636 participation hours.



• Parent effectiveness training

According to the feedback of past activities, Accton found that most colleagues expected the company to arrange courses or activities on issues such as parent-child relationships. It was observed that there were four aspects that caused disharmonious parent-child relationships or even led to conflicts and gradually estranged relationships, e.g.:

1. Most parents have less time to interact with their children because of long working hours.
2. Colleagues who work away from home can only interact with their children or parents on holidays.
3. New parents' helplessness to the rebellious behavior of adolescent children.
4. Technological indifference caused by cold family relations.



In view of the above needs, Accton has invited parent education expert lecturers and consultants who used to be the head of school counseling groups to lead colleagues to practice communication, listening, and empathy, and share different experiences and methods for family interaction, conflict management, conversation and dialogue, etc., to stimulate colleagues to reflect on parent-child relationships and behaviors to be adjusted, help them communicate effectively with children, and narrow the relationship between parents and children so as to raise responsible children and learn to be happy parents. A total of 6 classroom courses were held, with 72 participants and 864 participation hours.





- Multi-topic physical and psychological health and stress relief seminar or workshop

Through the planning and management of multi-topic physical and mental health lectures, employees can have a variety of learning so as to promote their physical and mental health and strengthen their ability to prevent problems. Seminars or workshops on the topic of sports and fitness, retirement finance, family conflict, stress relief, family care, legal knowledge, multi-gender, workplace communication, ESG sustainability issues, etc., provided employees with different thinking modes so that they can shake off from their original framework, and stimulate their thinking. Another purpose is to help employees achieve a work-life balance. In 2022, influenced by the epidemic, most of the lectures were conducted online, allowing colleagues in the North, Middle and South of Taiwan to learn simultaneously, and a few stress-relief workshops were held separately at different locations. A total of 21 workshops were held, with 1,413 participants and 58,639 participation hours.



## ESG Sustainable Actions

- Diversity and Inclusion New Year Gift Box

Accton is committed to giving back to the community. On the eve of the Lunar New Year, we purchased 3,587 gift boxes with three social welfare organizations, such as the Taitung Kids' Bookhouse, Three Gorges The Can Culture Art and Nature, and Mennonite Christian Hualien Good Shepherd Center, with an amount of NT\$1,948,252 to thank the employees for their hard work throughout the year and convey the values of diversity and inclusion.



- Walk in Taiwan Sustainable Traveling

Accton cooperated with Walk in Taiwan to launch a deep tour, inviting employees and their dependent families to participate in different in-depth tours, so as to experience different life patterns, explore different places, further understand the local humanity, ecology, environmental characteristics, knowledge and historical and cultural connotations, as well as the stories of life in every corner of Taiwan that play a greater influence through conscious consumption and action. In total 4 activities were held, with 86 participants.



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 a 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 the 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 implement a system of parental leave without pay in accordance with the "Act of Gender Equality in Employment". 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 a 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.
- (5) 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 2022. In the same year, 25 employees were scheduled to be reinstated and 18 employees were reinstated on schedule. The reinstatement rate in 2022 was 72%, which was slightly lower than the 72.7% in 2021. That may be because under the influence of COVID-19, employees still had the need to take care of and accompany their families, so they choose to return to their families. In 2022, two colleagues of Edgecore applied for unpaid parental leave, and were reinstated in the same year, with a reinstatement rate of 100%. There is no information on the reinstatement rate since the colleagues have been reinstated for less than one year.

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 2022 data, the retention rate was 75%, which was lower than the 77.8% retention rate in 2021. It is evident that under the influence of COVID-19, more employees returned to their families.

With regard to JoyTech, although the Chinese government has not 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 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.

In 2022, no staff in JoyTech applied for unpaid parental leave, and there was also no information on the reinstatement rate since no one had applied for unpaid parental leave in 2021.

### Related tables/data:

Accton - Number of reinstated employees, reinstatement rate, and retention rate after parental leave by gender			
2022	Male	Female	Sub-total
Number of employees eligible for unpaid parental leave	121	104	225
Number of applicants for unpaid parental leave in the current year	3	22	25
Number of employees expected to be reinstated from unpaid parental leave in the current year (A)	5	20	25
Number of employees reinstated from unpaid parental leave in the current year (B)	4	14	18
Reinstatement rate (B/A) (%)	80.0	70.0	72.0
Number of employees reinstated from unpaid parental leave in the previous year (C)	3	13	16
Number of employees reinstated from unpaid parental leave in the previous year who have continuously worked for more than one year (D)	2	10	12
Retention rate (D/C) (%)	0.0	76.9	75.0

Edgecore - Number of reinstated employees, reinstatement rate, and retention rate after parental leave by gender			
2022	Male	Female	Sub-total
Number of employees eligible for unpaid parental leave	4	6	10
Number of applicants for unpaid parental leave in the current year	0	2	2
Number of employees expected to be reinstated from unpaid parental leave in the current year (A)	0	2	2
Number of employees reinstated from unpaid parental leave in the current year (B)	0	2	2
Reinstatement rate (B/A) (%)	0.0	100.0	100.0
Number of employees reinstated from unpaid parental leave in the previous year (C)	0	0	0
Number of employees reinstated from unpaid parental leave in the previous year who have continuously worked for more than one year (D)	0	0	0
Retention rate (D/C) (%)	0.0	0.0	0.0

JoyTech - Number of reinstated employees, reinstatement rate, and retention rate after parental leave by gender			
2022	Male	Female	Sub-total
Number of employees eligible for unpaid parental leave	57	82	139
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	0.0	0.0
Number of employees reinstated from unpaid parental leave in the previous year (C)	0	0	0
Number of employees reinstated from unpaid parental leave in the previous year who have continuously worked for more than one year (D)	0	0	0
Retention rate (D/C) (%)	0.0	0.0	0.0

Note 1: The number of employees eligible for unpaid parental leave is those who have applied for maternity or paternity leave in the reporting period from January 1, 2020 to December 31, 2022.

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%.

## 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.
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 hr885@accton.com and Accton Helper Line@ for employees 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.

Accton employed 928 foreign employees who account for 28.8% of all full-time employees in Taiwan. Foreign workers include 899 Filipinos, which account for the largest share of all foreign workers with 96.9%. Edgecore employed 6 foreign employees who accounted for 3.8% 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 for the privacy and dignity of employees.
4. No hiring of child labor.
5. No incident of forced or compulsory labor.

In 2022, Accton participated in Taiwan Corporate Sustainability Award (TCSA) and won the "Human Rights Practice and Development Leader Award" for individual sustainable performance. From the original aspiration of humanistic care, Accton implements the concept of human rights in the daily operation process, provides a working environment superior to laws and regulations from gender equality to migrant workers' rights, promotes human rights due diligence in supply chains, and compliance with international norms, and implements corporate sustainability commitments.

## All-round care for migrant workers

It is Accton's responsibility to protect human rights. We support the international human rights policy and implement it in the operation of the company for colleagues from different countries, with the intention of "taking care of family", caring for every expatriate colleague, and developing an inclusive, integrated, and professional working atmosphere.

### 1. Zero placement policies and equality of human rights -----○

Accton fully implements the "zero placement" policies, and migrant workers do not have to pay any recruitment fees, such as intermediary fees, application fees, medical examination fees, service fees, etc. Non-discrimination and prohibition of harassment to ensure the migrant workers' freedom of employment and prevention of oppression.

### 2. Home-style meals and accommodation suites -----○

Provide Filipino food to ease migrant workers' feeling of missing the taste of home. Provide 2-4-people accommodation suites to enhance the quality of life. Prayer rooms and sports venues are provided in the company and at the dormitories to hold festivals, family days, and sports competitions to enrich the holiday life of migrant workers.

### 3. Financial support and diagnostic care -----○

Since the outbreak of COVID-19, Accton has embraced taking care of migrant workers as its inalienable duty. We paid migrant workers full salary during the incubation period, fully paid the cost of epidemic prevention hotels and medical treatment, and provided living supplies. We also arranged employee care to reduce employees' economic worries, and organized an epidemic prevention new life campaign to encourage employees to share their feelings under the epidemic, relieving their psychological emotions through text and pictures.

### 4. Promote equal access to reading and provide books in the mother tongue -----○

To protect the reading rights of foreign employees, Accton has cooperated with the National Public Information Library to promote the reading program for migrant workers. It prepared more than 408 books of various types, including books in English and Filipino native languages, which are provided by the company with convenient borrowing methods. It has received a good response from employees. Some colleagues even borrowed picture books and interacted with their families through video storytelling.

### 5. Maternal protection, providing warm care --○

Pregnant migrant workers were arranged suitably according to their work content and environment; health education services and care are provided during different periods of pregnancy; pregnant mothers are provided with pregnant mommy gifts, birth subsidies and unpaid parental leave application rights to give employees the most appropriate care.

### 6. Employee Care, and Emergency Relief -----○

Set up emergency relief measures for employees to reduce losses caused by natural disasters. By the end of 2022, only one migrant worker applied for emergency relief, and Accton provided emergency relief subsidies to assist the reconstruction of the migrant's house. Other employees also took the initiative to write condolence cards to colleagues suffering from the disasters to support them through the difficulties and convey warmth.

### 7. Talent cultivation promotion -----○

Provide equal training and promotion channels. In 2022, 30 migrant workers were promoted to production leaders. The company actively recommended employees with excellent performance, and 2 employees were selected as model employees of Hsinchu City Government.

### 8. Senior migrant workers farewell party -----○

In 2022, one senior migrant worker returned home after the completion of the relocation period, and the company held a farewell party, presented crystal glass awards, thank you cards, bouquets, and an album recording his life in Taiwan. His supervisors and colleagues were invited to participate in the party to express the company's appreciation for the worker's efforts and dedication.

### 9. Encourage the exercise of the right to vote as a citizen -----○

During the Philippine presidential election in May 2022, Accton encouraged migrant workers to exercise their citizen rights. A total of 37 migrant workers were interested in participating in the voting, so a special vehicle was sent to transport them to the Manila Economic and Cultural Office to cast their sacred vote.

For Accton, protecting human rights is not just a policy, it is also a part of life. We will continue to exert our influence to minimize human rights risks in business activities, because protecting human rights is not only our responsibilities, but also our obligation.

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 7 employee complaints through official complaints mechanisms. Edgecore had 0 cases. JoyTech received 20 complaints and employees' feedback case closure rate was 100%.

To avoid internal and external workplace violent incidents that employees may encounter due to the performance of their duties, Accton has formulated a workplace violence prevention plan according to the Occupational Safety and Health Law to clearly define the rights and responsibilities of each unit, and regularly assess and evaluate preventive measures. It is expected to implement measures to prevent and deal with workplace violence and clearly declare that all kinds of physical, verbal, psychological, violent and sexual harassment are not tolerated in the workplace, so as to ensure the physical and mental health of colleagues. There were no workplace violence complaints in 2022.

## Remuneration

"Gender equality" and "opposition to gender discrimination" are some of the most important social issues in contemporary society. Accton seeks to promote the economic prosperity and social harmony in Taiwan, improve the 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 the 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 local minimum wage

Accton rigorously abides by laws and regulations. The standard starting salary <sup>(Note 1)</sup> of entry-level personnel is superior to the minimum wage announced by the government of Taiwan each year <sup>(Note 2)</sup>. 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	1.09 : 1	1.14 : 1	1.43 : 1
Female	1.09 : 1	1.14 : 1	1.43 : 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 2022 was NT\$25,250 and the minimum salary announced in Mainland China was RMB 2,360.

## Ratio of basic salary and remuneration of women to men

The salary of Accton's employees is 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, content of duties, nature of work, and the number of employees within the same grade. However, the ratio of salary differences between male and female employees is not higher than 0.3.

### ❖ Taiwan

Ratio of basic salary and remuneration of women to men		Managerial roles		Non-managerial roles		Technicians
		Accton	Edgecore	Accton	Edgecore	Accton
Basic salary <sup>(Note 1)</sup>	Female	1.00	1.00	1.00	1.00	1.00
	Male	1.24	0.91	1.28	1.17	0.99
Total remuneration <sup>(Note 2)</sup>	Female	1.00	1.00	1.00	1.00	1.00
	Male	1.10	0.87	1.29	1.15	1.05

### ❖ Mainland China (JoyTech)

Ratio of basic salary and remuneration of women to men		Managerial roles	Non-managerial roles	Technicians
Basic salary <sup>(Note 1)</sup>	Female	1.00	1.00	1.00
	Male	0.97	1.11	1.10
Total remuneration <sup>(Note 2)</sup>	Female	1.00	1.00	1.00
	Male	0.91	1.07	1.08

The data is from January to December 2022.

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

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

## Number, average, and median salary of full-time non-managerial employees

Accton reported <sup>(Note 1)</sup> "2,824 employees" who were full-time non-managerial employees in 2022, in accordance with regulations of the Taiwan Stock Exchange. The average salary was "NT\$1,324 thousand" and the median salary was "NT\$934 thousand".

Year	Number of full-time employees	Average salary <sup>(Note 2)</sup>	Median salary <sup>(Note 2)</sup>
Y2022	2,824	1,324	934
Y2021	2,827	1,052	732
Y2020	2,506	1,030	665

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

Note 2: NT\$1,000

## 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" <sup>(Note 1)</sup>. We also appropriate retirement reserve to the Bank of Taiwan at regular intervals in accordance with regulations. The Supervisory Committee of Retirement Reserve to take 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. At present, the amount of the reserve fund is NT\$270 million, which is set aside in full amount to protect employees' rights to pension. The Company offers the "Employee Retirement Plan" <sup>(Note 1)</sup> 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 worker's wage to the employees' pension accounts. Employees can also flexibly contribute 0% to 6% of their wages as retirement funds according to their wishes.

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

## 4.2 Talent Learning and Development



Scope: Accton, Edgecore and JoyTech

### Brief description of targets and track records:

Region	2022 Goals	2022 Results	Short-Term Goals (2023-2024)	Medium and Long-Term Goals (2025-2027)
Accton Edgecore	Upgrade the E-learning environment and enhance the employees' motivation to learn independently.	Accton introduced a new training system in 2022, and the number of learning hours increased by 72% compared with last year.	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 learn on their own to enhance their performance and potential.
JoyTech	100% completion rate of training programs in Mainland China in the current year	Actual results: 98%	1. Execute training plans based on employees' 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 recruit 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 performance at work and team competitiveness.

### ❖ Training

Training (Taiwan area)	Content
New Staff Training	The New Staff Training includes an 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 recruits understand the company and adapt to the environment.
Work efficiency	Work efficiency training includes business presentation design, communication, information security, document processing, and internal instructor training, which helps 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 knowledge quality courses, such as protection against electrostatic discharge (ESD), problem analysis and problem-solving techniques, QC7, SPC, and PFMEA as well as 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 to 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 that 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 provided a Learning Management System (LMS) platform for online learning. Employees are provided with a convenient learning system free from time and spatial restrictions.

2022 was the second year of the epidemic and the number of infected persons began to peak in April. Employees began to be shunted to work, causing the following impact on talent development in Taiwan:

- **Acceleration of digital transformation:** The epidemic made it impossible for employees to attend lectures in classrooms, and encouraged employees to get used to E-learning modes, including online teaching, watching digital textbooks on LMS, etc. Accumulating more information and data will help the company better manage and develop talent.
- **Reduction of physical activities:** Although the E-learning mode had a positive effect on some learning, it is not good for courses and activities that require face-to-face and interactive teaching, which can only be held after the resumption, thus the number of such learning modes was reduced.

In the face of the impact, to protect the learning rights of employees, we are committed to improving the E-learning environment. Accton has introduced a new version of the learning platform in 2022 and used it with Teams software. The overall learning hours of Accton and Edgecore increased by 72% compared with last year.

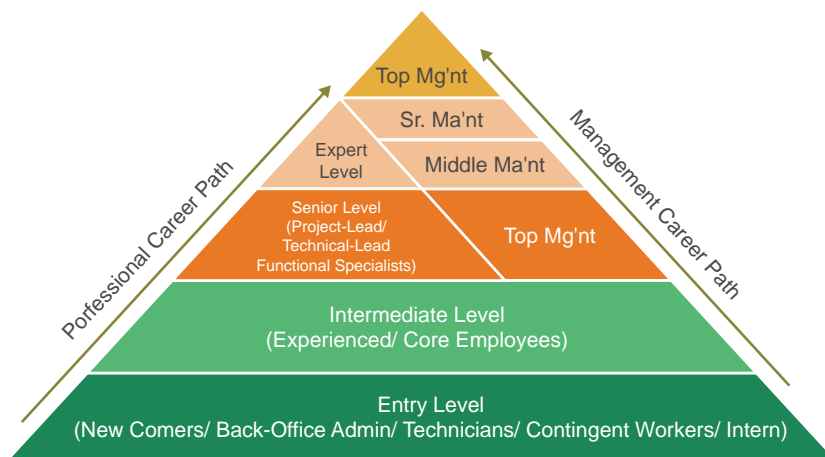
Year	Accton	Edgecore	Total	Growth rate
2022	47,932	1,570	49,502	72%
2021	28,299	421	28,720	

Note 1: Unit: Person Hour

Note 2: Formula = (2022-2021)/2021

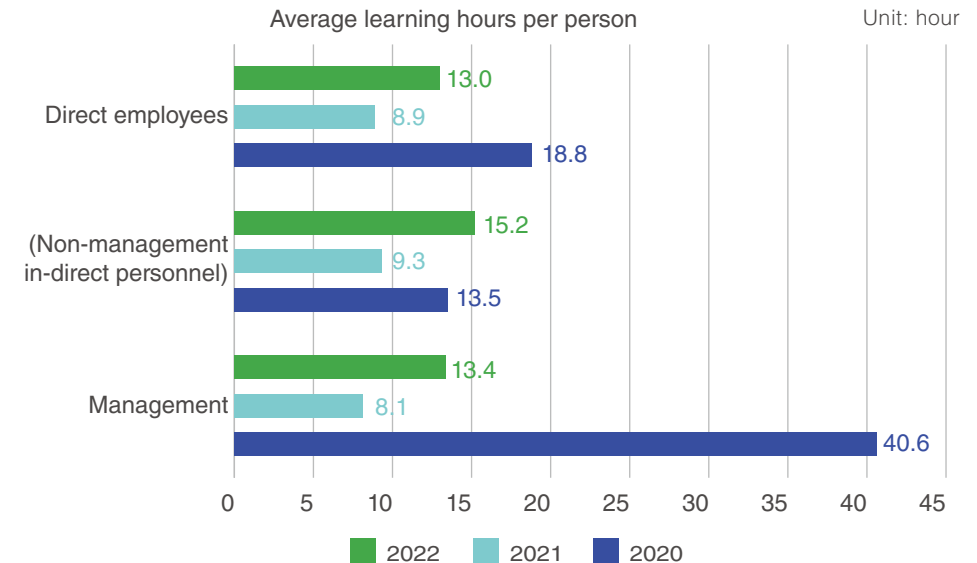
On the whole, according to the investigation results, the total number of training hours of the Accton Group in 2022 was 61,955 person hours, with 26,909 attendances and an average of 14 hours of learning per employee.

### ❖ Talent Development Path



Accton Group upholds the talent development pyramid ideals and all employees receive level after level of training to enhance their professional skills. We enhance employee development based on their skill levels and professional and technical posts and management posts. In addition to the systematic cultivation of management supervisors, we also encourage the continuous upward development of professional talent, so that outstanding talent can focus on appropriate positions with personal attributes and give full play to their strengths.

### ❖ Average learning hours per person at each level



Note 1: The number of employees refers to the average number of employees in the period from January to December 2022. They include full-time employees and contracted employees but do not include temporary workers, whose learning hours are calculated separately. JoyTech abides by the same principles that apply to all data provided below.

Note 2: Information includes Accton, Edgecore and JoyTech.

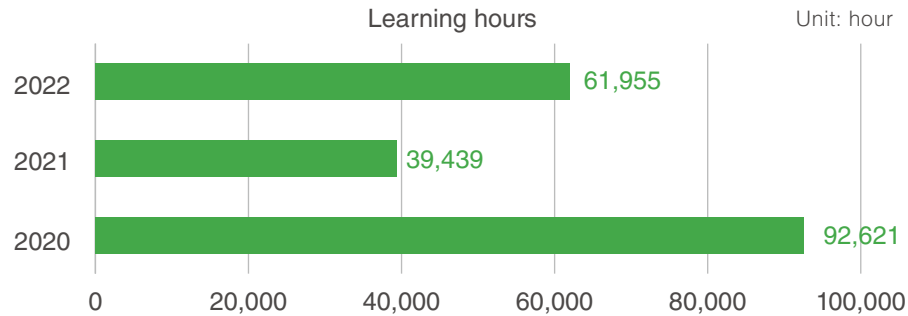
Note 3: Calculation formula = Number of training hours per level/ number of employees per level.

Note 4: Management refers to employees who are responsible for leading subordinates, such as section leaders and managers; Indirect personnel refer to non-management personnel. 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.

To ascertain the effectiveness of training, Accton uses four levels of assessment: response, learning, behavior, and outcome, as proposed by American scholar Donald Kirkpatrick. In 2022, 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



Note 1: Information includes Accton, Edgecore and JoyTech.

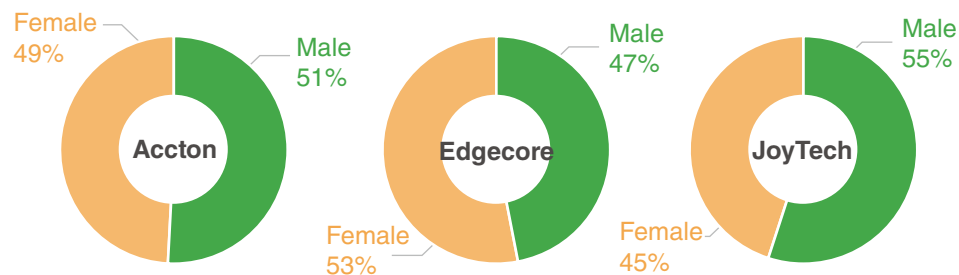
Accton's training programs are not confined to classrooms. Our value proposition is independent learning. We encourage each employee to actively acquire new skills through projects, work guidance, deputizing, and product development meetings. When there is a need, we actively invite experts to teach 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.

## ❖ Ratio of average learning hours of both genders



Region/ Gender	Accton			Edgecore			JoyTech		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total number of employees	1,490	1,584	3,074	100	57	157	762	456	1,218
Total training hours	23,799	24,133	47,932	962	608	1,570	6,850	3,331	10,180
Average training hours	16.0	15.2	15.6	9.6	10.7	10.0	9.0	7.3	8.4

Note 1: The number of employees refers to the average number of employees in the period from January to December 2022. They include full-time employees and contracted employees but do not include temporary workers. JoyTech abides by the same principles which apply to all data provided below.

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

The difference in the average number of training hours between male and female in Accton is very small; due to the nature of JoyTech's industry, certain jobs are labor-intensive, and males account for a higher proportion of personnel trained in machine operations than that of females.



## Talent Development

To promote talent development, the company has adopted the following ways and strategies to help employees grow and develop, improving the company's competitiveness and business performance.

- **Provide training and development opportunities:**

The company provides the skills and knowledge needed by employees through internal training and external training courses. At the same time, the company also provides subsidies, such as language subsidies, and full subsidies for external training, to assist colleagues' learning.

- **Provide rotation opportunities:**

For some specific positions and units, the company provides colleagues opportunities so that they can gain diverse experience and skills, while improving their sense of accomplishment, and promoting their inter-departmental cooperation and career development.

- **Give positive feedback and guidance:**

Employees need to know their work performance and how to improve. The company helps colleagues improve their performance through regular performance reviews and positive feedback and guidance from supervisors, which can also motivate employees and enhance their performance.

- **Offer opportunities for promotion:**

For talented employees, the company offers opportunities for promotion so that they can develop their careers in the company.

- **Build professional communities:**

The company has established different professional communities so that colleagues can communicate with and learn from each other. Through such communities, employees can work together to solve problems, share best practices and knowledge, learn from each other, and enhance the skills and knowledge of colleagues.

- **Linkage of performance and learning:**

Through the linkage of performance and learning, the colleagues will know what knowledge and skills they need to learn in the company. New recruits must complete the required courses to complete the assessment of new recruits. In the performance assessment of in-service colleagues, the learning status of colleagues is also listed as an important basis for assessment.

## 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 assets. 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 91 internal lecturers who have lectured 61 courses and provided 8,232 hours of training

man-hours at Accton in 2022, accounting for about 17% of the total training hours. The overall post-course satisfaction rate was 95 out of 100. With the same spirit, JoyTech has established a learning mechanism and is committed to learning and transmission. In 2022, there were 13 certified lecturers in service, providing 36 courses and a total of 10,180 training hours, with a satisfaction score of 94 out of 100 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: December 31, 2022

## Product Safety Training

### Safety Standard Certificate

To ensure that the company's products are in line with the product safety standards of different countries and ensure the safety of users, we have established product safety standard measurement practices and completed relevant training to meet the requirements of IEC 62328-1, EN 62328-1 and UL 62328-1 standards. In all stages of product development, the products will be subject to safety certification tests to confirm product functions to make sure that the products are in line with product safety standards of different countries and pass third-party certifications.

In 2022, Accton applied for a total of 297 safety standards certificates, which are classified as follows:



## Quality Training

In addition to obtaining certificates of international safety standards, the company has also implemented relevant training and obtained corresponding qualification certificates under the requirements of various quality systems.

- **Product quality category:**  
Certificates of ISO 9001:2015 Quality Management System, TL 9000-H R6.3/R5.7 Telecommunication Quality Management System, and IECQ QC080000:2017 HSPM Hazardous Substances Process Management System.
- **Occupational safety and health management category:**  
ISO 14001:2015 Environmental Management System, validation of ISO 45001:2018 Occupational Safety and Health Management System, and ISO14064-1:2018 Greenhouse Gas Inventory.
- **Energy management category:**  
ISO 50001:2018 Energy Management System (JoyTech) and Accton plant are expected to obtain the certificate in March 2023.
- **Security management:**  
AEO(JoyTech), ISO 28000:2007 Supply Chain Security Management System (Accton Zhunan Plant, Accton Plant, Accton RMA Plant), is expected to carry out ISO 28000:2022 Security Management System upgrading verification at the end of 2023.

Please refer to our official website for relevant certificates:

<https://www.accton.com/esg-documents/#efeb5fe3e6db357d0>

To apply quality awareness, knowledge, skills, and tools to the daily work of colleagues, the company arranges a 3-hour problem analysis and solution course in the training for new recruits. The purpose is to establish a common language and logic in Accton to improve the communication efficiency and problem-solving speed and effectiveness of colleagues in different professional fields across departments. In 2022, a total of 6 sessions of training were held, with a total of 205 participants and 1,640 training hours.

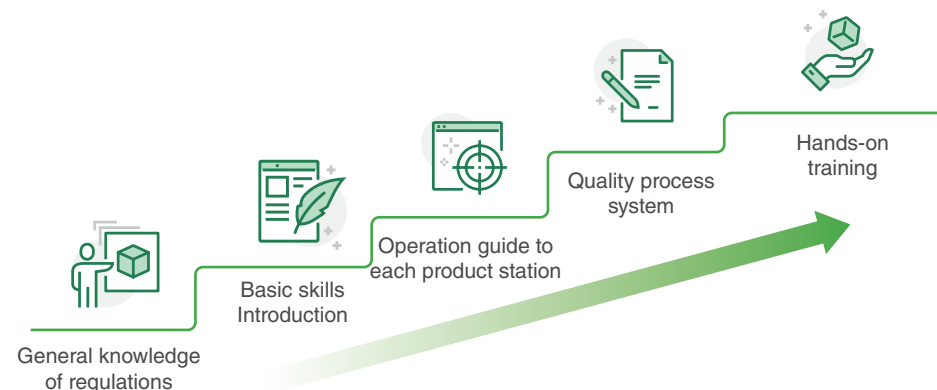
In addition to the above courses, for in-service colleagues, the company has held a total of 39 group quality training courses in 2022, with 7,758 training hours and 6,323 employees trained.

## Production Line Training

To implement the principle of "Do the right thing right the first time," Accton has established a training classroom on the production line, and new direct employees, including full-time employees, migrant workers, and temporary workers, must receive general required courses and a four-day production line training courses on the first day after joining Accton. In addition to basic theories (subjects), the employees also need to accept the practical operation courses (technical subjects) of each station. The employees can only

accept production line OJT Training (On-the-Job Training) after passing the required standards and obtaining the certified qualifications of each subject. At the work site, skilled colleagues will guide the new recruits to learn through practice. Then the production line supervisor of the unit will evaluate whether the learning results of the new recruits meet the quality requirements of Accton before they officially resume their posts. Quality is managed at the source from the beginning to avoid the quality risk caused by new recruits in the production process. In 2022, 986 new employees completed the four-day production line training, totaling 31,448 training hours, including 510 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 before independently working on the production line.

### ❖ The Newcomer Training Flowchart of Production Line



## Training Without Age Limitation

Accton values all talent regardless of gender, age, or role. In 2022, the number of training hours and personnel for different groups in Taiwan and the mainland are described below.

Age distribution	Accton		Edgecore		JoyTech	
	Training hours	Number of personnel trained	Training hours	Number of personnel trained	Training hours	Number of personnel trained
Under 29 years old	14,226	4,647	545	176	4,358	1,243
30 to 49 years old	32,127	15,606	3,004	910	5,698	1,926
Over 50 years old	3,851	2,348	432	215	124	52
<b>Total</b>	<b>50,204</b>	<b>22,601</b>	<b>3,981</b>	<b>1,301</b>	<b>10,180</b>	<b>3,221</b>

## Before Retirement Training

To help colleagues prepare for retirement in advance and obtain a healthy and comprehensive retirement attitude and plan, in 2022, 9 lectures and experience activities were held in Taiwan (Accton and Edgecore), with a total of 642 attendees and 1,284 hours of learning. During the 16 hours of sharing time, colleagues responded enthusiastically and actively interacted with the lecturer in the class.

The lectures and experiential activities are designed to help staff prepare for life after retirement, and cover topics such as financial planning, self-care and taking care of people with dementia. The list of seminars is listed below. For details, please refer to the "Staff Benefits" section.

## ❖ Lecture Information

Lecture Name	Number of hours
Elegant Mental, Physical and Social Life of Fashionable Elderly People	2
Perfect Old Age Life - Discussion of Retirement Financial Planning	2
Dementia VR experience	2
Get old and wait? - Old Age Simulation Experience (Morning Session)	2
The Eraser in Mind - Awareness and Prevention of Dementia	2
I can figure out your understanding - Communication with the Dementia - Stop, Look and Listen	2
If you don't finance, You will have no money - Planning for Financial Security in Old Age	2
Please render your help - Tips for Daily Caring of the Dementia	2
Get old and wait? - Old Age Simulation Experience (Afternoon Session)	2

【智邦・心關懷】

# 高年級實習生之旅

講座時間	講座主題	方式
10月21日(五) 15:00-17:00	失智症的認識與預防	線上授課
11月11日(五) 15:00-17:00	與失智者的溝通-停看聽	
12月09日(五) 15:00-17:00	老年財務安全規劃	
12月20日(二) 15:00-17:00	失智症日常生活照顧小技巧	

老起來等? - 高齡模擬體驗

上午場	10月18日(二) 10:00-12:00	新竹一廠 智邦學院
下午場	12月22日(四) 15:00-17:00	

## Brief description of targets and track records

2022 Goals	2022 Results	Short-term Goals (2023-2024)	Medium and Long-term Goals (2025-2027)
85% and above of employees receive the annual performance evaluation	100% of employees received the annual performance evaluation	90% and above of employees receive the annual performance evaluation	Strengthen the linkage between assessment and reward/ development
85% and above of employees receive the new recruit evaluation	100% of employees received the new recruit evaluation	90% and above of employees receive the new recruit evaluation	Set up a positive cycle module of performance appraisal

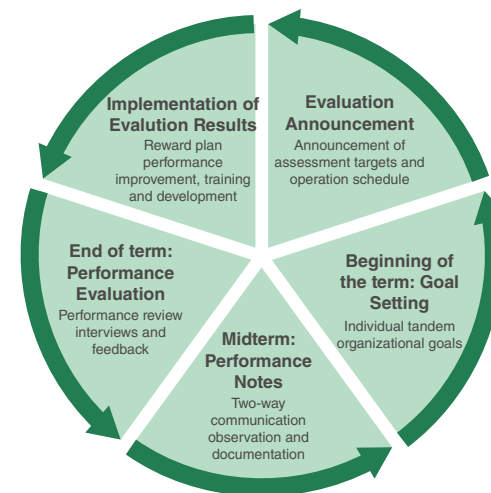
## Receive Regular Performance Evaluation

Since the introduction of the online learning and performance platform in 2014, Accton Technology has spared no effort in promoting the regular performance appraisal system. Given the importance of "receiving regular performance reviews" to the development of personnel and the growth of the company, Accton reviews the "Performance Management & Evaluation Program" every two years. Considering changes of manpower structure and external trends, as well as the feedback from internal colleagues and supervisors, the Company regularly revises and adjusts the operating procedures to maximize the effectiveness of the performance appraisal system. In 2022, the number of employees in Taiwan and China accounts for 94% of the Group, and this chapter focuses on these two regions, including Accton, Edgecore and JoyTech.

Network security is not only a project concerned by suppliers, customers, and investors, but also a subject of great importance to Accton. By upgrading the system software year by year, the user interface and information security of the original online platform could no longer meet the needs. To provide every employee a user-friendly experience and meet the requirements of internal and external network security, Accton upgraded the online learning and performance platform in the second half of 2022, hoping that colleagues can carry out online learning and regular performance review in a safe environment.

We adopt a target management method and implement the annual performance appraisal regularly every half year in 2022: 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. Through constant and regular communication, coaching, and correction of goals, the staff's work

direction tends to be consistent with the Company's goals, so as to create a successful future. New recruits 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:

- I. The human resources unit is responsible for the establishment and updates of the regulations, implementation of the review process, and the subsequent implementation of the talent development and reward programs based on the results. In 2022, performance awards were issued according to the assessment results. In 2023, the Company plans to review the "Performance Management & Evaluation Program" and revise the content based on the review results.
- II. Top management and department managers will execute performance management in accordance with the rules and regulations. In 2022, we carried out relevant training, development plans, and performance improvement plans according to the assessment results.
- III. Internal and external information units assisted in data preservation. In 2022, we upgraded the online platform to comply with the Company's internal and external information security regulations and ensure the security of system data.

The assessment results are linked to the performance reward plan, personnel promotion reference, and talent development direction. Accton adopts a performance-oriented reward plan, as an incentive for retaining outstanding talent. For those who fail to meet the assessment standards, the staff will jointly set improvement goals with the supervisor and carry out performance improvement plans. In addition to promoting a healthy manpower cycle, Accton aims to help employees identify the real causes of poor performance and provide them with appropriate tools, so that they can develop their strengths and roles.



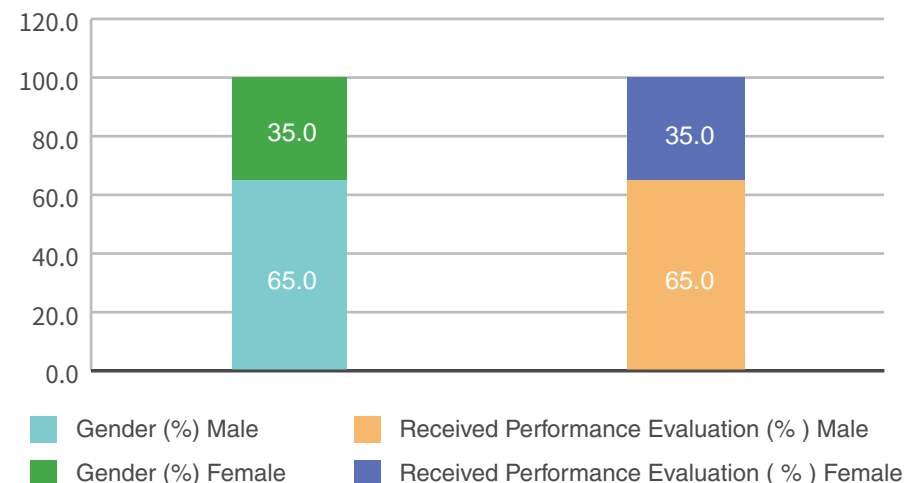
### The regular performance appraisal data for the fiscal year 2022 is described below:

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 2022 was 3,225, of which 1,546 were regular indirect employees in the first half of 2022, and 1,366 met the aforementioned conditions to receive the annual performance appraisal, with a 100% performance appraisal ratio. In the second half of 2022, there were 1,635 regular indirect employees, 1,434 of whom met the aforementioned criteria for annual performance appraisal, and the percentage of performance appraisal acceptance was 100%. 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. In 2022, there were 684 dispatched personnel, of which 32 were transferred to regular personnel after assessment, with a transfer rate of about 4.7%.

Edgecore's regular indirect employees, except for management above the level of Vice President, contracted employees, 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 evaluation every six months. The total number of employees in 2022 was 159. In the first half of 2022, 148 met the aforementioned conditions to receive the annual performance appraisal, with a 100% performance appraisal ratio. In the second half of 2022, 153 met the aforementioned criteria for annual performance appraisal, one of which was transferred to Accton in 2023. The percentage of performance appraisal acceptance was 100%.

Employees of JoyTech, except for those who reported for duties in the fourth quarter of the current year, should receive regular annual performance evaluation. The number of employees totaled 1,218 in 2022. 1,138 employees met the aforementioned conditions for performance evaluation, and 100% of such employees received the performance evaluation.

### ❖ Ratio of Receiving Performance Evaluation in 2022



In terms of new recruit evaluation, except for direct employees, managers and above, and employees transferred from Group companies, all new recruits of Accton shall receive the new recruit evaluation three months after they report for duties. The number of new recruits totaled 817 in 2022. 274 employees met the conditions for new recruit evaluation, and 100% of such employees received the new recruit evaluation. Edgecore did not implement new recruit evaluation. New recruits are included in the annual performance evaluation three months after reporting for duties. The Company had a total of 12 new recruits in 2022. New recruits of JoyTech receive new recruit evaluation three months after they report for duties. The number of new recruits totaled 428 in 2022. 428 employees met the conditions for new recruit evaluation, and 100% of such employees received the new recruit evaluation.

Accton has been promoting performance appraisal on a regular basis for years. Its medium and long-term goal is to strengthen the connection between the assessment results and other functions, so that high-potential talent can display their roles and personnel with poor performance will have sufficient resources and opportunities to gradually get on track. We wish to help employees and the Company achieve better results through a positive cycle module of performance appraisal.

❖ Regular Employees Receiving the Performance Evaluation

Company	Category		Number of employees (times)		Number of employees received performance evaluation (times)		Gender of employees (%)		Gender of employees received performance evaluation (%)		Ratio of employees received performance evaluation (%)	
			Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Accton	Direct Labor		-	-	-	-	-	-	-	-	-	-
	Indirect Labor	Managerial	383	144	383	144	72.7	27.3	72.7	27.3	100.0	100.0
		Professional	1,479	794	1,479	794	65.1	34.9	65.1	34.9	100.0	100.0
	Subtotal		1,862	938	1,862	938	66.5	33.5	66.5	33.5	100.0	100.0
Edgecore	Direct Labor		-	-	-	-	-	-	-	-	-	-
	Indirect Labor	Managerial	29	12	29	12	70.7	29.3	70.7	29.3	100.0	100.0
		Professional	163	97	163	97	62.7	37.3	62.7	37.3	100.0	100.0
	Subtotal		192	109	192	109	63.8	36.2	63.8	36.2	100.0	100.0
JoyTech	Direct Labor		475	257	475	257	-	-	-	-	-	-
	Indirect Labor	Managerial	66	30	66	30	68.8	31.3	68.8	31.3	100.0	100.0
		Professional	161	149	161	149	51.9	48.1	51.9	48.1	100.0	100.0
	Subtotal		702	436	702	436	61.7	38.3	61.7	38.3	100.0	100.0
Total			2,756	1,483	2,756	1,483	65.0	35.0	65.0	35.0	100.0	100.0

Note 1: This table does not include Vice President and above, those who did not pass the new recruit evaluation, and those who were not qualified to receive the performance evaluation.

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

❖ Regular Employees Receiving the New Recruit Evaluation

Company	Category		Number of new employees		Number of employees received new recruit evaluation		Gender of new employees (%)		Gender of employees received new recruit evaluation (%)		Ratio of employees received new recruit evaluation (%)	
			Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Accton	Direct Labor		-	-	-	-	-	-	-	-	-	-
	Indirect Labor	Managerial	3	-	3	-	100.0	-	100.0	-	100.0	-
		Professional	159	112	159	112	58.7	41.3	58.7	41.3	100.0	100.0
	Subtotal		162	112	162	112	59.1	40.9	59.1	40.9	100.0	100.0
Edgecore	Direct Labor		-	-	-	-	-	-	-	-	-	-
	Indirect Labor	Managerial	-	-	-	-	-	-	-	-	-	-
		Professional	-	-	-	-	-	-	-	-	-	-
	Subtotal		-	-	-	-	-	-	-	-	-	-
JoyTech	Direct Labor		259	105	259	105	-	-	-	-	-	-
	Indirect Labor	Managerial	1	-	1	-	100.0	-	100.0	-	100.0	-
		Professional	49	14	49	14	77.8	22.2	77.8	22.2	100.0	100.0
	Subtotal		309	119	309	119	72.2	27.8	72.2	27.8	100.0	100.0
Total			471	231	471	231	67.1	32.9	67.1	32.9	100.0	100.0

Note 1: This table excludes employees transferred from group companies and those who didn't meet the eligibility for new recruit evaluation.

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

Note 3: Edgecore Networks did not implement new recruit evaluation. New recruits were included in the annual performance evaluation three months after reporting for duties.

## Volunteer Activities

### Encourage employees to give back to the community through "independent public benefits"

Accton Group continues its human spirit of caring for society, and encourages colleagues to actively participate in public benefits and activities. Since 2018, it has launched volunteer leave, which is preset in the leave application system, so that employees will not be limited by the complicated process of asking for leave through a more convenient way. In 2022, a total of 16 employees were professionals from various fields who provided independent public benefits with a total of 65.5 service hours, including teaching inmates to make coffee in Hsinchu Prison, assisting the volunteer fire fighting in Taipei City Volunteer Fire Brigade, providing legal consultation services at Kids' Bookhouse, examining and diagnosing resumes, assisting high school seniors in "mock interviews" so that the children can practice oral examinations, and acting as volunteers in Happy Family Camp, etc. In the future, the company will continue to promote the employees' sense of participation and their service enthusiasm so that they can devote themselves to giving back to the community.

### Protect Nangang Wetland Beach Cleanup and Culture Experience Action

In November 2022, Accton saw Principal Lai, Huang-Tsung of Nan-Ai Elementary School on a Facebook page sharing their environmental education by leading children to pick up sea waste, and mentioned that picking up sea waste was not easy for these young children. Accton was deeply moved by the principal's teaching, and also hoped their staff can also contribute their efforts. It jointly held a beach cleanup action with the principal, with a total of 39 participants. On the same day, the Chang, Ching-Kuan from Hsiangshan was invited to share tips for beach cleanup. In the process of picking up waste, he also mentioned that most Marine garbage comes from households. They were also surprised how human habits impact the environment. Staff from Accton picked up "87 bags of garbage" in only two hours, which is really efficient and very considerable and provides employees and their children on an environmental protection education course. In the afternoon, the staff and their families were taken to participate in the sculpture experience course of Wang, Chi-Lang from Hsiangshan to learn about the local culture of Hsiangshan, which was impressive.



### Environmental-friendly Leopard Cat Rice Harvesting Activity

Accton Technology has always upheld the idea of "Making Partnership Work" and we have expanded the care for the land, society, and global community. Accton has invested in the leopard cat field basin recovery project, and it has entered its third year of participation in the protection of the habitat of leopard cats. During this period, it has called on supplier partners to join in the protection of leopard cat field basin, and held a series of sustainable lectures to share small steps towards sustainable life with colleagues to start the first year of Accton ESG action.

In December 2022, 46 employees and their family members were invited to Fengshuwo, Tongxiao Township, Miaoli County to experience the process of rice harvesting and feel the hard work of farmers growing organic rice. Local farmers have also introduced the local ecology and the importance of environmental conservation. The participants have experienced the hard work of harvesting and threshing with rice farmers, making the children understand that rice is not easy to harvest. After the harvest, everyone was wet with sweat. They worked together with the farmers to restore the ecosystem of leopard cats of Tongxiao Township, and also understood the importance of being a responsible consumer.





## Christmas Gift Dream-Realization Action

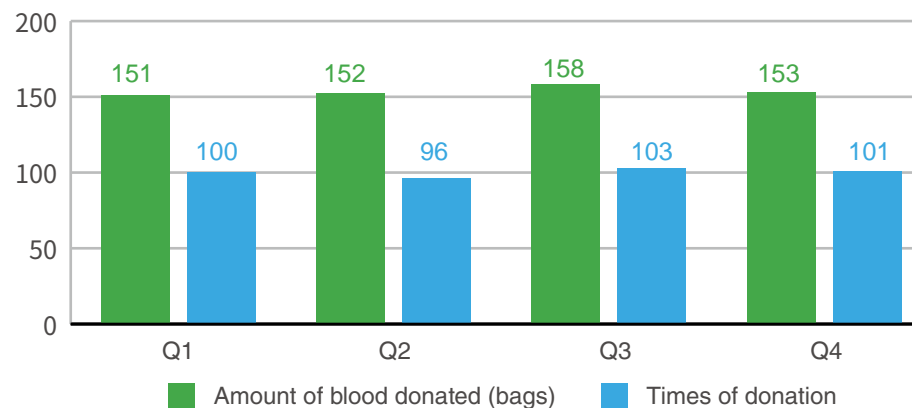
We encourage employees to contribute to the community and fulfill their social care responsibility. Following the Christmas Gift Dream-Realization Action held for children from St. Francis Xavier Home for Children and Juvenile in last year's Christmas Eve, we continued the loving care in 2022. Staff from the Zhunan Factory responded by ordering gifts 39 times. From bucket hat to school backpacks, cloth shoes, throw pillows, ukuleles, and other life and school supplies, the Employees accompanied the children with action, met the wish in every child's heart and made them receive the most wanted gift and feel a trace of warmth and happiness on Christmas Eve. For Accton, the gift is just a form, the most important thing is to convey the intention to accompany and support children, so as to encourage children to be fearless and brave to move forward. The children were also polite enough to write thank you cards to express their gratitude to the brothers and sisters.



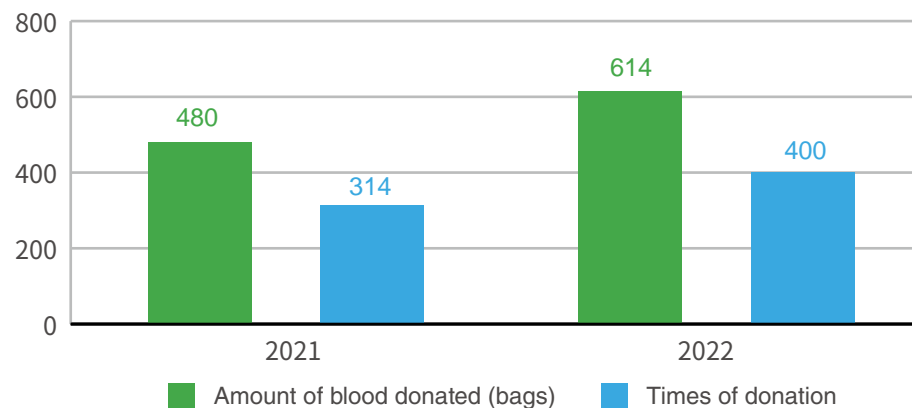
## Donate Blood to Save Lives and Promote Human Life with Benevolence

With the spirit of caring for the community and implementing community services, Accton has allocated a budget to encourage employees to participate in blood donation activities, to contribute to patients with emergency blood need, and help society solve the problem of blood shortage. The annual blood donation activity with Hsinchu Blood Donation Center has been moving for more than 20 years, and in 2022, a total of 400 employees participated in the blood donations, and 614 bags of blood were donated. About 150 bags of blood were donated each season, and the number of blood donors has increased by 27%.

### ❖ Times of donation in 2022



### ❖ Participants in 2021-2022



## The performance of JoyTech in 2022 was mainly presented in four aspects:

- I. The training of volunteers, participating in the training of Shiyao Street Volunteers Federation, explained and responded 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 society, and our employees and family members participated about 10 times.
- II. Traffic civilization persuasion. We helped and supported the government to promote the safety of pedestrians and electric vehicles to make contributions, so as 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 society, and about 25 employees participated.
- III. Tzu Chi Charity Foundation cares for cleaning workers and delivers warmth to the most needy people, making the community feel the contribution and feedback of the company to the community while creating profit. A total of 15 employees and their families attended this activity.
- IV. Unpaid blood donation is not only a social welfare activity, but also the embodiment of social responsibility. Advocating and calling for unpaid blood donation is not only an urgent need to save lives, but also the need for social civilization and progress, and is also an important contribution of enterprises to the society. In this activity, the staff adhered to the great benevolence of "I am for everyone" and participated in 74 blood donations, with a blood donation volume of 18,300ml.

## Brief Description of Targets and Track Records

Accton continues to call upon employees to promote volunteer actions of different aspects and invite employees to serve volunteer services of different issues. We look forward to gathering volunteer associations in the future to encourage independent operation, and expecting employees to exert their influence. In 2022, JoyTech was still affected by the epidemic. The government policy prohibited gathering and the epidemic situation was still unclear, so the goal and performance in 2022 are still different. When the epidemic is over, it is expected that a number of volunteer activities will be held to advance toward the goal of diversity and common prosperity.

Region	2022 Goals	2022 Results	Short-term goals (2023-2024)	Medium and long-term goals (2025-2027)
Accton Edgecore	<ol style="list-style-type: none"> <li>Optimize the volunteer program.</li> <li>Organize at least 3 volunteer activities.</li> <li>Target employee participation: 9% of the total number of employees or approximately 300 attendances.</li> </ol>	<ol style="list-style-type: none"> <li>Employee "independent public" activities, with 16 employees participating, and a total of 65.5 hours.</li> <li>Protect Nangang Wetland Beach Cleanup action, with 39 employees participating, and a total of 156 hours.</li> <li>Leopard Cat Rice harvesting action, with 46 employees participating, and a total of 184 hours.</li> <li>Christmas Gift Dream-Realization Action, with 39 employees participating, and a total of 78 hours.</li> <li>Blood donation, 400 employees participated in blood donation, with a total of 120 hours, and donated 614 bags of blood</li> </ol>	<ol style="list-style-type: none"> <li>Organize at least 4 volunteer activities.</li> <li>Target employee participation: 9% of the total number of employees or approximately 300 attendances.</li> </ol>	<ol style="list-style-type: none"> <li>Organize at least 12 volunteer activities.</li> <li>Target number of volunteer attendances: 500.</li> <li>Encourage suppliers to jointly support social welfare activities.</li> </ol>
JoyTech	<ol style="list-style-type: none"> <li>Plan to hold 5 volunteer training sessions, with about 40 participants from the Company's employees and family members.</li> <li>With 20 person-times of participation in the traffic civilization persuasion.</li> <li>Organize and participate 50 person-times of the "Protecting Shiyao River" environmental-protection activity.</li> </ol>	<ol style="list-style-type: none"> <li>Due to epidemic control and prevention, 3 sessions of volunteer training were held, with about 10 participants from the Company's employees and family members.</li> <li>With 25 person-times of employees participated in the traffic civilization persuasion.</li> <li>Organize the employees and their families to participate in the "Tzu Chi Thanksgiving Activities" to condole the cleaners. A total of 15 employees and their families attended this activity.</li> <li>74 employees participated in blood donation and donated 18,300ml of blood.</li> </ol>	<ol style="list-style-type: none"> <li>Plan to hold 3 volunteer training sessions, with about 15 participants from the Company's employees and family members.</li> <li>With 25 employees participated in the traffic civilization persuasion.</li> <li>Organize 30 person-times of employees and their families to participate in the "Tzu Chi Thanksgiving Activities".</li> </ol>	<ol style="list-style-type: none"> <li>Continuously to proceed with 4 sessions of volunteer training.</li> <li>Continuously to proceed 80 person-times of participation in the traffic civilization persuasion.</li> <li>Organize 60 person-times of employees and their families to participate in the "Tzu Chi Thanksgiving Activities".</li> <li>Care for disabled children in Shenzhen.</li> </ol>

## 4.3 Safeguarding Employee Safety

### Occupational Safety and Health Management



**Scope: Including manufacturing sites: Accton Plant 1 and 2 in Hsinchu, Zhunan Plant in Miaoli, offices in Taipei, Hsinchu, Taichung, and Tainan and its subsidiaries Edgecore, 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 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 employees' 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 health and 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. Management Goals:

No major occupational injuries in Accton, Edgecore and JoyTech in 2022.

Management Indicators	2022 Goals	2022 Results	Short-term goals (2022-2023)	Medium and long-term goals (2024-2026)
Number of Major Occupational Accidents	0	0	0	0
Disabling injury frequency rate (FR)	Reduce by 5% (Compared to the previous year)	Increased by 26%	Reduce by 5% (Compared to the previous year)	Reduce by 5% (Compared to the previous year)
Disabling injury severity rate (SR)	Reduce by 5% (Compared to the previous year)	Reduced by 11%	Reduce by 5% (Compared to the previous year)	Reduce by 5% (Compared to the previous year)

To reduce the frequency and severity of disability-related injuries, Accton is implementing the following safety measures and health protocols:

1. **Case study:** Injury cases are included in the training materials for recruits and on-the-job training to ensure that 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 2022, the SR was significantly improved, and Accton will continue to improve and aims 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 the injury of employees or financial loss of the Company, we continuously promote the identification of safety and health hazards, conduct risk and opportunity assessments through the establishment of an 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:

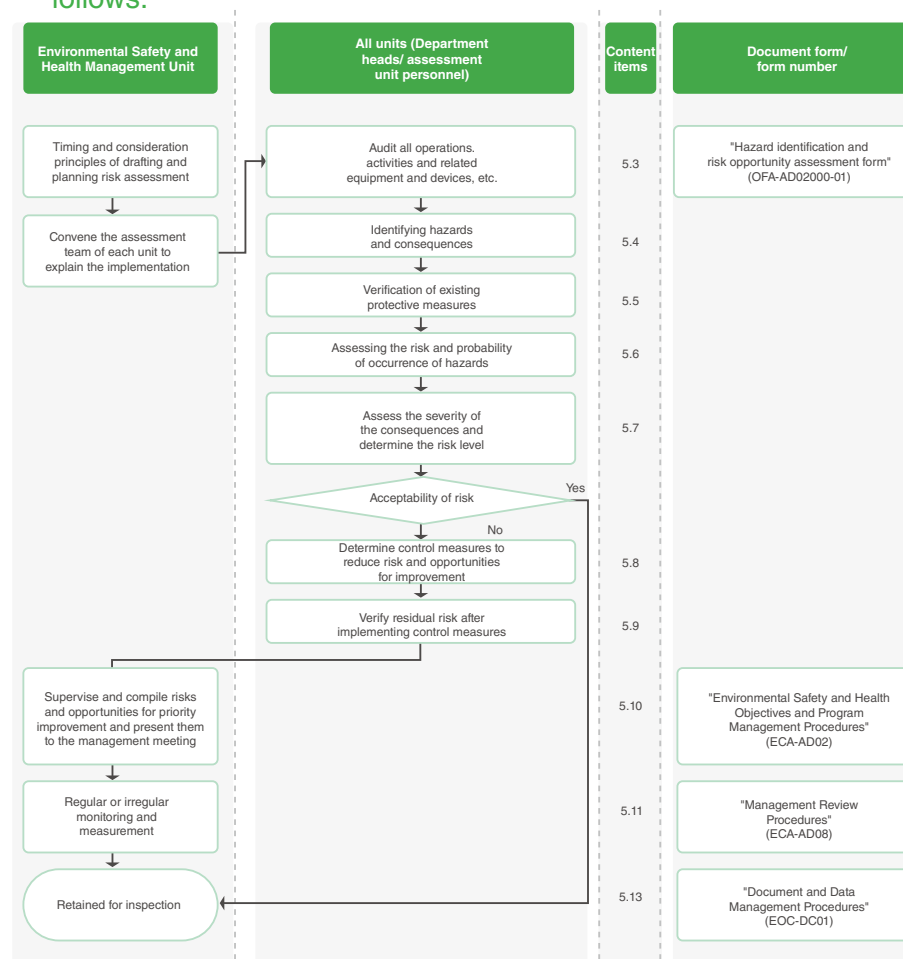
- A. Formulation of the occupational safety and health policy and recommendations.
- B. Coordination and recommendations of the occupational safety and health management plan.
- C. Safety and health training programs.
- D. Work environment inspection plans, inspection results, and measures adopted.
- E. Health management, occupational disease prevention, and health promotion matters.
- F. Safety and health proposals.
- G. Business units' automatic inspections and safety and health audit matters.
- H. Preventive measures for hazards from machinery, equipment, and materials
- I. Occupational injury investigation reports.
- J. Evaluation of the performance of onsite safety and health management.
- K. Contracting business safety and health management matters.
- L. Other matters related to occupational safety and health management.

The Occupational Safety and Health Committee filed 11 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:



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 shall determine the risk level based on the severity of the hazard multiplied by the likelihood of occurrence.

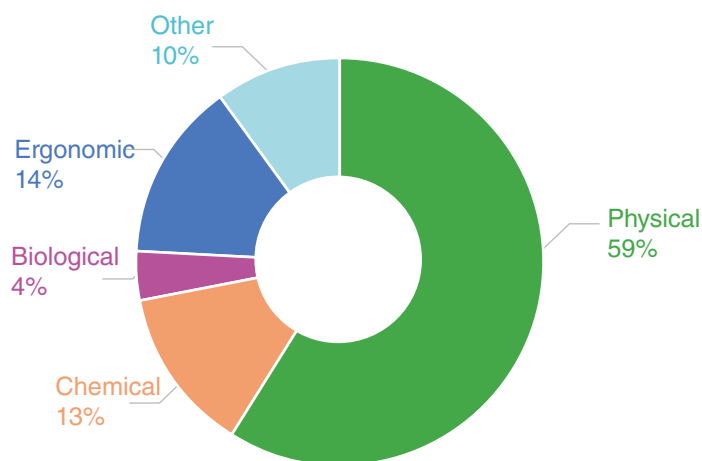
Each unit must prioritize improvement for hazards with a risk rating of level 4 (inclusive) and above. The priority of control measures are as follows: 1. elimination, 2. replacement, 3. engineering control, 4. management, and 5. personal protective equipment.



## 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 2022 risk assessment results have the highest percentage of physical risks, followed by human factors and chemical risks.

### ❖ Hazard identification and risk assessment



**A. Physical hazards:** Since the production equipment is mainly automated on assembly lines, it is common to see hazards such as cutting injuries, high and low-temperature contact, and inductive electric shocks. Therefore, a three-stage approach was adopted to reduce the risks. 1. Newly purchased machine safety inspection: The purchased machinery and equipment should be inspected and qualified by the inspection agency, and the type of certified machinery and equipment apparatus should obtain the 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 standards: Develop relevant safety procedures and regulations, conduct safety education and training, and provide various personal protective equipment for colleagues to use.

**B. Chemical hazards:** Before purchasing new chemicals, the ESH staff will conduct a safety and health assessment. The ESH staff 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. Ergonomic hazards:** Accton has developed an "ergonomic 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 surveys, to obtain pain and pain patch records, medical records, or analysis of workstation hazards. If ergonomic hazards are found, analyze the operation and evaluate the ergonomic 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 workforce, work time, work posture, and work frequency 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:

Item	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 8 safety and health-related regulatory changes.</li> </ul>
Standardized management process	<ul style="list-style-type: none"> <li>10 of Accton's standardized safety management programs were revised and updated after review.</li> </ul>
Safety and Health Education and Training	<ul style="list-style-type: none"> <li>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 9468 participants have completed the training.</li> <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. 1,040 risk identification and assessment cases have been conducted in 2022.</li> </ul>
Safety management of newly purchased equipment	<ul style="list-style-type: none"> <li>Accton evaluated the introduction of 27 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 7 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 700 operations in the plant, with a 100% achievement rate of job site survey and hazard notification.</li> </ul>
Implementation check system	<ul style="list-style-type: none"> <li>Accton's internal audits raised a total of 130 deficiencies, and all deficiencies were improved within the specified time.</li> </ul>
Emergency response and evacuation drills	<ul style="list-style-type: none"> <li>In 2022, 6752 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 injury 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 injury cases.</li> </ul>

### 4. Workplace Environment Monitoring

To maintain a good working environment, the Accton plants are regularly monitored by occupational health technicians every six months and JoyTech is monitored annually according to the law, and the monitoring results are published. The content of inspections includes (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 website, emails, and bulletin boards. We actively participate in seminars and activities organized by the competent authorities to ensure 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. The supervisors and managers at all levels may also order evacuation according to the injury 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 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 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. Include the migrant dormitory 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 partnership and mutual assistance, which is a rare management measure in the industry.

## V. Management Performance

### 1. Five indicators of safety and health management performance

	Item	2022 Goals	2022 Results	Achievement rate (%)
Proactive performance	Safety and health training (attendance)	9808	9468	97
	Emergency response and evacuation drills (attendance)	6,752	6,752	100
	Contingency exercise participation (attendance)	188	188	100
Passive performance	Number of fines (cases)	0	0	100
	Completion rate of investigation and improvement of occupational injuries (%)	100	100	100

### 2. Occupational Safety and Health Statistics

Accton established "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, 0 major, and 0 occupational illnesses during 2022, and the contractor had no occupational injuries. The statistical records of occupational injuries reported are as follows (excluding traffic accidents outside the plant):

Occupational injury category	2020	2021	2022
Number of occupational injuries can be recorded	23	10	12
Work hours lost	2144	1,432	1,256
Work days lost	268	179	157
Disabling injury frequency rate (FR) (round to three decimal places)	2.610	1.050	1.324
Disabling injury severity rate (SR) (no decimals)	30	19	17
Frequency-severity indicator (FSI) (round to two decimal places)	0.28	0.14	0.15

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

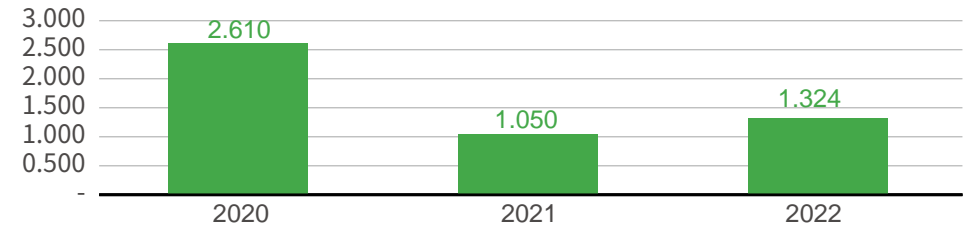
Note: Disabling injury severity rate (SR) = (days lost due to disabling injuries X106)/total work hours

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

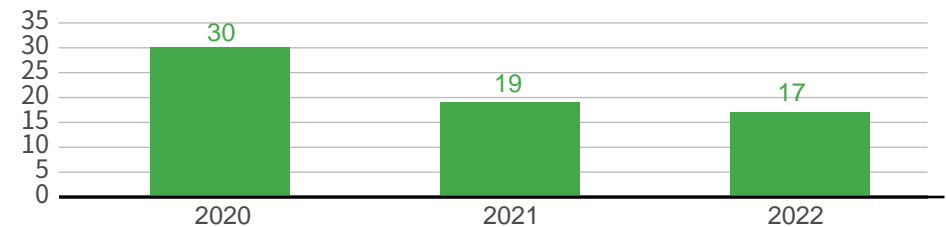
Note: Total work hours: 8hr \* total number of work days per month \* number of people per month for the entire year.

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

### ❖ Disabling frequency rate



### ❖ Disabling severity rate



Category of occupational accident	Falling	Being cut or grazed	Being clamped or drawn into the machine	Other
Number of People	6	2	2	2
Percentage (%)	50	17	17	17

Cause analysis:

The injuries this year were divided into three categories

1. The number of falling accidents was the highest, mainly due to items that were not well placed, and neglected by the colleagues when walking. Subsequent improvements: items were properly placed and away from the passages. Pay attention to the surrounding environment while walking to avoid unsafe behaviors.
2. followed by four mechanical equipment-related accidents. This was mainly because the existing protection of the equipment cannot prevent the unsafe behavior of the colleagues. Short-term - Take inventory of equipment and evaluate the risk points that may cause harm due to abnormal behavior. Long term - Strengthen the safety assessment of new equipment before entering the factory, and require personnel to operate according to SOP to reduce the harm caused by abnormal behavior.
3. There are other accidents in two other categories, which were mainly muscle injuries caused by poor posture when handling materials. Improvement methods: Carry out advanced human factor risk assessment, and adopt short-term adaptive labor allocation for improvement. Long-term goal: Reduce the lifting weight and frequency, and remind colleagues of the correct working posture.

### 3. Occupational Safety and Health Management System

To ensure a healthy and safe work environment for all employees, contractors, and visitors in the production process, Accton complies with ISO 45001 standards to implement safety and health management and has obtained third-party certification. We continue to update every year to ensure compliance with the standards in operations. 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	✓	✓	✓	✓

Accton-related ISO certificates are available on Accton's public website:

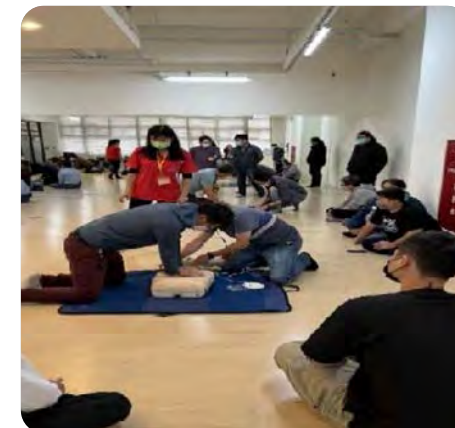
<https://www.accton.com.tw/esg-documents/>

### 4. CPR and AED First-aid Training

It is very important to provide CPR (cardiopulmonary resuscitation) and AED (automated external defibrillator) first aid training in the company, since it can save lives in the event of any emergency diseases or emergency situations. It has the following advantages:

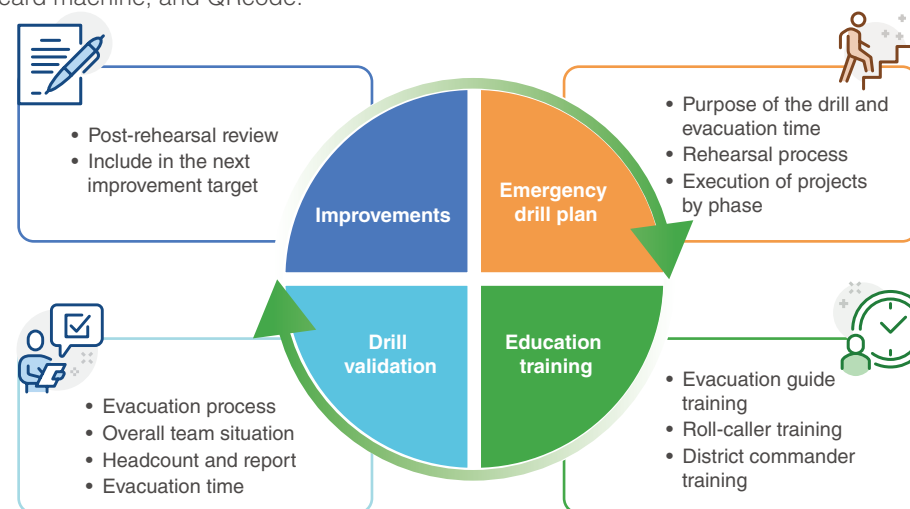
1. Rapid response to emergency situations: Regardless of the scene, when a sudden loss of vital signs is detected in colleagues or family members, if the staff can respond quickly and use appropriate first-aid skills, it may save the patient's life.
2. Improve the staff's awareness and confidence in first-aid techniques: Through CPR and AED training, the staff can learn how to give first aid. This knowledge and skill can enhance the employees' confidence, because they know they can help others when needed.
3. Foster a safety culture: Through first-aid training, the company can show its concerns about the safety of its employees and customers. This concern helps the company build a safety culture, where employees are more aware of their safety and that of their colleagues, and more knowledgeable about how to respond to emergencies.

Therefore, during the second half of 2022, the company arranged for employees to participate in first aid training courses. A total of 1,404 individuals at the Taiwan plant completed the first aid training. Our aim is for everyone to learn CPR and the usage of AED, providing assistance within the critical time to save many lives and families.



### 5. Evacuation Drill - Results of E-emergency Evacuation System Project

When the company needs to evacuate people, whether in a fire or an earthquake, there are three key points: 1. Ensure that the staff are familiar with the escape route. 2. Arrive at the assembly point safely. 3. Accurately grasp the list of evacuated people. To quickly and accurately grasp the whereabouts of colleagues, the IT Department of Accton developed an E-roll Call system, which integrates instant messaging software, mobile card machine, and QRcode.





In 2022, a different method of roll call was adopted in the evacuation exercise. The paper roll list was replaced with an "E-emergency evacuation system." This system focuses on the following three aspects in order to accurately grasp the attendance status of personnel and shorten the time required for a roll call.

**1. Connecting HR attendance system:** The attendance system is connected to the E-emergency evacuation system, so the roll caller can identify the actual attendance personnel (that is, the personnel should be registered during excavation), and do not need to spend time confirming the whereabouts of the missing personnel.

**2. Multiple registration methods:** Indirect staff can take out their mobile phones to scan the QR code, or directly register in the company's LINE system for reporting. For colleagues who cannot carry mobile phones, the roll caller will ask them to swipe their identification cards on the card reader. The variety of reporting methods allows colleagues to report at the same time, and not need to wait for a roll call or wait in line at a fixed card reader.

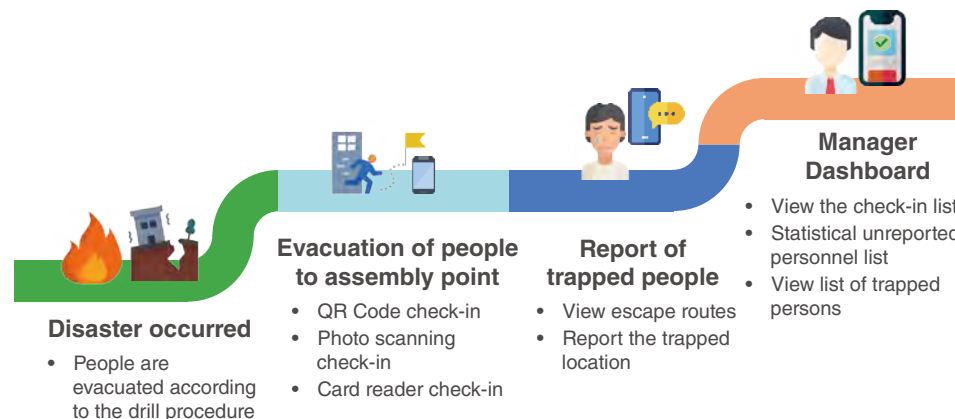
**3. Immediately grasp the reporting situation:** The commander and supervisors of all departments can learn about the reporting situation of colleagues through this system on their mobile phones, without waiting for the response of the roll caller, which can reduce the error rate of manual roll call.

In 2022, Hsinchu Plant 1, Hsinchu Plant 2, Zhunan Plant, and Taipei, Taichung and Tainan offices have effectively completed the evacuation roll call through this system. For instance, in 2021, 857 people completed Hsinchu Plant 1 evacuation drill, spending a total of 15 minutes; in 2022, the total number increased to 900 people, reporting through the e-emergency evacuation system, the roll call spent only 10 minutes, the efficiency increased by 35%; in 2021, the staff in Zhunan Plant are mainly production line personnel. 781 people reported in the daily shift, spending a total of 13 minutes; in 2022, the number increased to 836 people, the completion time is reduced by 1 minute 39 seconds, and the efficiency increased by 13%.

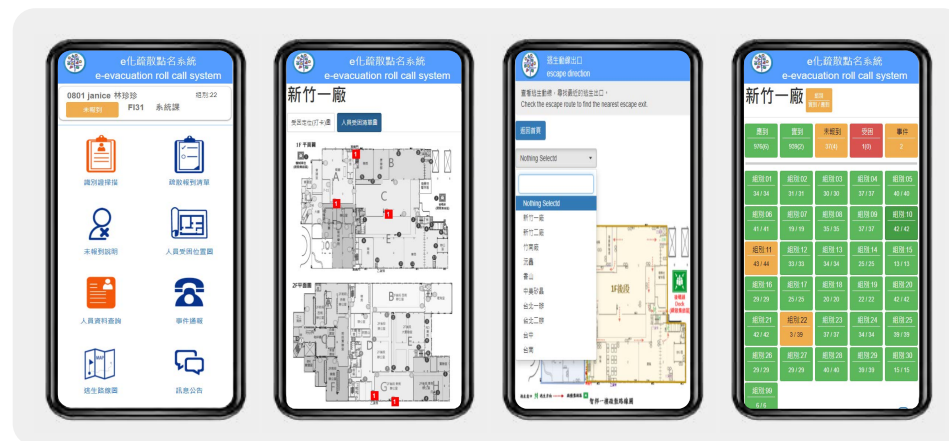
When the network communication system is normal, a quick roll call can be achieved with the e-calling system. In the extreme event of a district-wide power outage and a complete shutdown of the mobile phone base stations, we can also maintain the paper roll call practice.

Giving play to its core research and development capabilities in information communication, Accton not only develops excellent Netcom products, but also applies it in evacuation roll calls. Through the cooperation between IT and ESH staff, together with effective training with a roll caller, it is easier for colleagues to report and conduct roll call, so as to shorten the roll call time, immediately control the evacuation situation in case of injury, so as to increase the rescue time to ensure the safety of colleagues.

## ❖ Procedure for Evacuation Roll Call



## ❖ System Interface



▲ Scan the QR code for check-in.



▲ Identification card reader

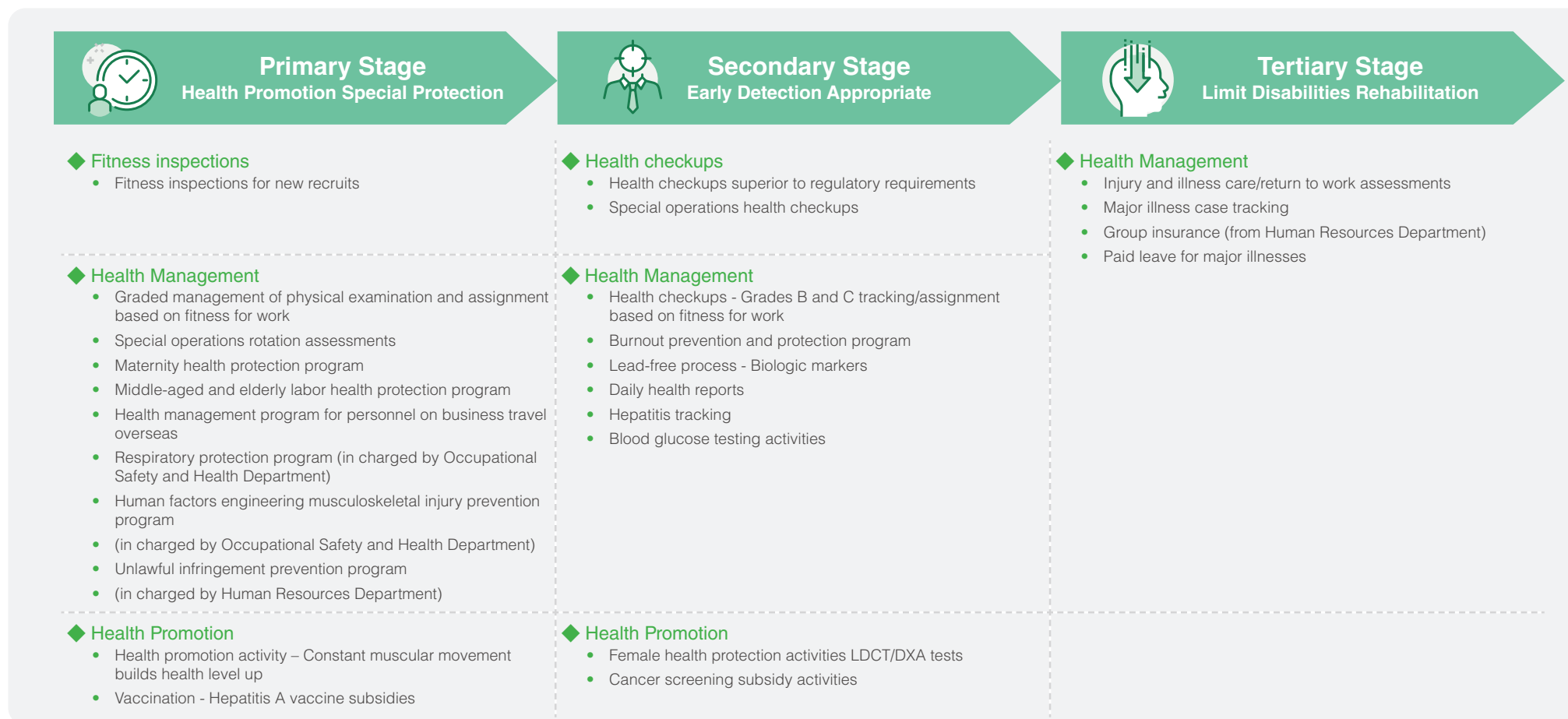


▲ Evacuation assembly at the designated area.

## 4.4 Safeguarding Employee Health

### 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:



## Health Examination

We provide fitness inspections for new recruits, special hazard health checks for special operators, and physical examinations for employees. 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. For example, if the noise level in the workplace is >85 dB, we will arrange for employees to undergo a noise medical examination and avoid unsuitable work after assessment.

## Health Management

Based on the report results of various physical/health examinations, sick leave tracking, cancer screening subsidies, etc., the Access health management system has been adopted to integrate employee reports and for data analysis. The occupational health nurse regularly tracks the health status of employees, and carries out occupational injury assessment and prevention with occupational disease specialists to avoid the impact of the working environment on the physical and mental health of employees.

We jointly executed the Protection Plan with the Human Resource Division and ESH 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, which was not required by laws and regulations.

### (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: 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: 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 will emphasize the importance of reporting during new recruit education and offer a generous mother's gift to encourage employees announce their pregnancy news. We irregularly conduct supervisor education and training, and emphasize the importance of early intervention and protection,

supplemented by the active intervention of the leave and attendance system to ensure that colleagues 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 wish 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 98.58% for pregnancy and 100% for postpartum, and will continue to be adjusted on a rolling basis to build 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, and provides physician consultation for those who need an interview in accordance with regulations. For those who are suggested to have an interview, but not required by laws and regulations, although a physician consultation is provided, only part of the employees are willing to accept the constancy of the physicians. For those who do not want to consult with the physicians, the occupational health nurse has provided relevant health education and health guidance, and informed them that if necessary, we can help arrange at any time. In addition, we provide carotid artery ultrasound examination for high-risk groups during physical examination to understand the degree of blood vessel stenosis, incorporate it into case management, regularly track the medical treatment of employees, and adjust the work according to the health status of employees. During normal sick leave, we take the initiative to track and find the colleagues that need care and ask them to fill in the questionnaires. According to the above assessment status, employees will be included in the long-term tracking list, and the completion rate is 100%.

### (3) Reinstatement of 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 of employees or supervisors. We use a diverse range of channels to provide employees with more comprehensive protection and help employees attain a 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 track individual cases that have not been closed and enhance the track for individual cases each year to actively provide mental support.

We implemented 3255 evaluations of sick leave and resumption for work. The top 3 results in the data are provided in the table below:

Rank	Sick Leave Category	Number of Employees (ratio)	Nursing Services/Health Promotion/Referral
1	Menstruation Leave	356 (17.4%)	<ol style="list-style-type: none"> <li>1. Use of hot water bags and heat patches</li> <li>2. Menstrual cycle questionnaire</li> <li>3. Menstrual period health information</li> <li>4. Recommend employees with abnormal menstrual periods seek medical attention</li> </ol>
2	Respiratory System	352 (17.2%)	Encourage flu vaccine administration
3	Digestive System	272 (13.3%)	<ol style="list-style-type: none"> <li>1. Enhance health education on dietary sanitation</li> <li>2. Help employees establish a proper dietary hygiene concept: organize gastrointestinal and nutrition seminars</li> </ol>

### (4) Business Travel Protection Plan

The travel protection plan, which is not required by regulations, is provided to colleagues who travel abroad on business trips. The Access management system is adopted to calculate the health risk value of employees, provide local epidemic information, health education and guidance according to the destination of business trips, and provide tourism medical clinics and vaccine subsidies to reduce the risk of illness and infection of colleagues during the travel. After employees return home, the nurse will provide health education guidance until the case is closed when the employee exhibits no health conditions 21 days after returning.

#### 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, nutrition counseling, blood glucose testing, vaccination and "Continuous muscle movement, create a health level up" held for older staff. We not only further encourage the participation of high-risk groups and plan various gifts to increase employee participation. We also set up anonymous satisfaction questionnaires for each event and received satisfaction ratings of over 90% for all events.

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 and groups 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 medical personnel.
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 implement timely interventions. The Divisions shall assess the necessity of adjustment of the environment or work adjustments and take immediate improvement measures to prevent occupational injuries and illnesses to ensure that employees perform their work efficiently in a safe and healthy environment. Therefore, such measures will not lead to unfavorable treatment of the workers.



## Healthy Workplace Promotion

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. We received the "Health Management Award" in 2019, the "Health and Care Award" in 2020, and the "Maternal Health Friendly Award" in 2021 from the National Health Service of the Department of Health and Welfare. In 2022, we participated in the "Silver Age Health Award" and won the reexamination qualification. We will continue to work towards the goal of winning the awards in 2023 as we strive to provide a better work environment for our employees.

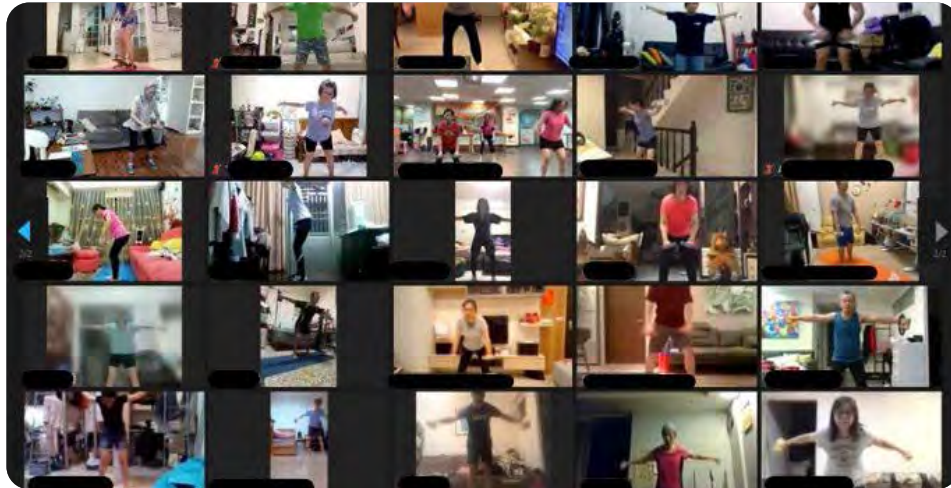


## The following are the health promotion activities in 2022:

Item	Main Theme of the Activity	Actual Results
Continuous muscle movement, create a health level up	According to the results of the 2017-2020 National Nutrition and Health Change Survey by the Health Promotion Administration, Ministry of Health and Welfare, up to half of the population over the age of 45 is overweight and obese. To promote the health of employees during the epidemic prevention period, prevent the occurrence of obesity-related chronic diseases, maintain their physical activity and muscle strength, and improve the aerobic exercise intensity and effective exercise of middle-aged and elderly employees, we have engaged Dr. SAFe health training classroom, which provides safe, effective and complete exercise training for middle-aged and silver-haired people, to provide aerobic, muscle strength and flexibility online fitness classes.	A total of 43 people participated in the activity course, including 20 people over 45 years old (46.5%); after exercise, 54.6% lost body fat, 60.6% lost body weight, and 39.4% gained muscle.
Cancer screening subsidy	According to the top ten causes of cancer death announced by the Ministry of Health and Welfare and statistics of the company's high incidence of cancer, we have provided cancer screening a half-amount subsidy, including colonoscopy, thyroid ultrasound, and breast ultrasound, to encourage employees to conduct early screening and early treatment.	A total of 515 people participated in the activity, with an abnormal rate of 54.95%. The employees who reported abnormality were included in the health management of special groups. Regular follow-up visits were conducted according to the reported results, and as of 2022/12/31, 1 employee was diagnosed with thyroid cancer.
Low-dose computed tomography (LDCT) for lung cancer screening	We cooperate with the employee clinic to provide free screening for employees with a history of smoking or a family history of lung cancer and a half-amount examination subsidy for employees over 40 years old.	A total of 56 people participated in the study, 9 of whom found early lung cancer lesions (ground-glass nodules). The staff's return visit was regularly tracked according to the reported results.
Dual-energy X-ray absorptiometry (DXA) bone density test	Provide free-of-charge examination for female employees and their dependents aged 40 and above.	A total of 39 participants, with 8 diagnosed with osteoporosis, to whom health education was provided.
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 147 employees participated in the vaccination and the satisfaction rate was 91%.

## Activity Photos/Posters:

### 1. Continuous muscle movement, create a health level up.



### 2. Cancer screening subsidy.

**癌症篩檢 半額補助**

Edge-core NETWORKS  
metainqence

**大腸鏡\_50歲以上(男、女)** 補助\$3500

大腸癌約有90%是由息肉發展而成。  
「大腸鏡檢查」可同時切除息肉，  
有效減少大腸癌的發生。

**肺部低劑量電腦斷層\_40歲以上(男、女)** 補助\$3000

肺部低劑量電腦斷層不用注射顯影劑，即可篩檢出小於1公分的肺結核，並能有效發現「早期肺癌」。

**甲狀腺超音波\_30歲-50歲(男、女)** 補助\$600

甲狀腺超音波可確認是否有結節、囊腫及確認腫瘤位置、形狀、大小、血流數值，即可早期進行治療，以降低甲狀腺癌的發生機率。

**乳房超音波\_30歲以上(女)** 補助\$500

女性朋友們應從30歲以上定期做「乳房超音波」檢查，確認乳房是否有異常狀況，則能早期發現乳房疾病。

### 3. Low-dose computed tomography (LDCT) for lung cancer screening



### 4. Dual-energy X-ray absorptiometry (DXA) bone density test



### 5. Flu vaccine administration



## Medium and Long-Term Goals for the Entire Year 2023

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 the "Silver Age Health Award" in the future five years, to promote the physical and mental health of employees with sustainable operation and implement the concept of employees' health is the most important asset of Accton.

Region	2022 Goals	2022 Results	Short-Term Goals (2023-2024)	Medium and Long-Term Goals (2025-2027)
Taiwan	Awarded the "Silver Age Health Award" by participating in the Ministry of Health and Welfare's National Health Service's National Accreditation for Good Health Workplace.	Win the re-review qualification for the "Silver Age Health Award"	Win the "Nutritional Health Award" and Vitality Award	Win the "Smoke-free Health Award" and the "Silver Age Health Award".
(Accton Technology, Edgecore Technology)				





# 5

## Social Charity

- 5.1 Accton E-Charity
- 5.2 Taiwan Public Welfare and Service Association
- 5.3 Accton Cultural and Educational Foundation
- 5.4 Accton Arts Foundation

## 5 Social Charity

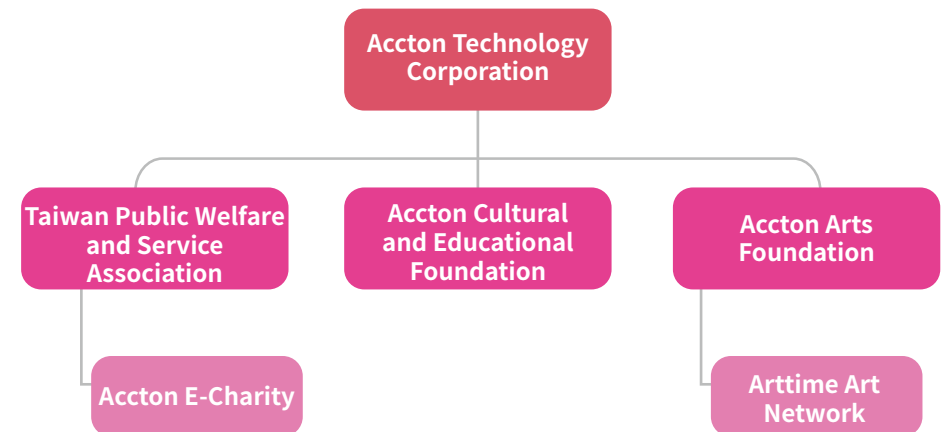
"Making Partnership Work" is not only Accton's commitment to its partners but also the philosophy it upholds towards sustainable management. As a corporate citizen, Accton provides value to the community while also assuming responsibility for it. Through the establishment of a foundation and networking platform, Accton consolidates the collective strength to achieve common goals, inviting employees and supply partners, on top of establishing partnerships with non-profit organizations in an effort to promote resource sharing and communication to create shared value.

In 1999, Accton Technology established the "Accton Cultural and Educational Foundation" to provide diverse learning opportunities with the vision of lifelong learning and growth, with the goal of improving the teaching environment, fostering diverse education, and promoting inclusive education. Following the Typhoon Xangsane in 2000, Typhoon Toraji in 2001, and floods from Typhoon Nari, many families faced economic difficulties due to these sudden disasters. As a response, in 2001, Accton Technology developed the Accton E-Charity fundraising platform, to create a diversified and open digital platform. Its purpose was to assist charity organizations in reducing the digital gap, connecting people, and facilitating various transactions through the network platform. And this way enable good people to do good deeds, increase the participation in such endeavors, and extend the reach of support to more people in need. In 2003, the non-profit Taiwan Public Welfare and Service Association was founded by public welfare enthusiasts and Accton employees. Its primary objective is to directly serve and assist people in emergency and challenging situations. With the vision of connecting every point of society and promoting resource sharing, the association seeks to create transformative opportunities. We aspire to integrate resources from all walks of life and foster collaboration through the association's collective efforts. This approach enables resources to have a greater impact and contribute to the well-being of those in need.

Through the above public welfare and partnership sharing units and platforms, we hope to achieve SDG 1 No Poverty, SDG2 No Hunger, SDG4 Quality Education, and SDG17 Partnerships.

In addition, as a global leader in network communication equipment, Accton Technology attaches great importance to innovation capability and hopes to break through the creative thinking mode of the framework through art education, take root from a young age, and cultivate more future innovative R&D talents. In 2000, Accton established the "Accton Arts Foundation" and "Arttime Art Network" platform, with the aim of helping the public understand the diversity of art and encouraging sustainable and equal public participation through art as a bridge. Under this vision, the Arts Foundation has four missions: Promote culture and art education, develop a database of Taiwanese art talent, drive the overall development of culture and art communities, develop cultural, creative and artistic communities, as the focus of the operation, adapt to the changes of the times and continue to provide services, work hard in SDG 4 - Quality Education and SDG 17 - Partnerships.

### ❖ Relationship between Accton Technology and its foundations





❖ Three units and two platforms for Accton to bring common prosperity to reality

Unit/Platform	Year of establishment	Vision	Key mission
Accton Cultural and Educational Foundation	1999	Provide multiple learning opportunities, lifelong learning, and growth.	<ol style="list-style-type: none"> <li>1. Integrate diversified education, apply cross-domain learning</li> <li>2. Improve the learning environment, promote equal learning</li> <li>3. Inclusive education model, foster empathy</li> </ol>
Taiwan Public Welfare and Service Association	2003	Connect every endpoint of society, promoting resource sharing and creating changing opportunities.	<ol style="list-style-type: none"> <li>1. Assist social welfare organizations to obtain more resources</li> <li>2. Provide diversified donations across geographic boundaries</li> <li>3. Public welfare project operation, connecting different units</li> <li>4. Emergency relief for individuals, overcome the current difficulties</li> </ol>
Accton E-Charity platform (Established by Accton Technology and jointly supported and managed by Accton Cultural and Educational Foundation and Taiwan Public Welfare and Service Association)	2001	Create a diversified and open digital platform to assist charity organizations reduce the digital gap, thus achieving the purpose of resource amalgamating and sharing. Assist the social welfare organizations across Taiwan to carry out online fundraising, in-kind collection, manpower recruitment, etc. The specific action plan for the implementation of the first, second, and fourth tasks of the Taiwan Public Welfare and Service Association.	
Accton Arts Foundation	2000	Develop a diversified and inclusive environment, and endeavor to bring about sustainable and equal public art participation.	<ol style="list-style-type: none"> <li>1. Promote culture and art education</li> <li>2. Develop a database of Taiwan art talent</li> <li>3. Drive the overall development of art and culture communities</li> <li>4. Build cultural and creative art communities</li> </ol>
Arttime Art Network platform (Managed by Accton Arts Foundation)	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. The specific action plan for the implementation of the fourth tasks of the Arts Foundation	

❖ Our commitments to the society

Services rendered, 40%  
\$545

Cash contribution, 44%  
\$602

Resource donation, 15%  
\$207

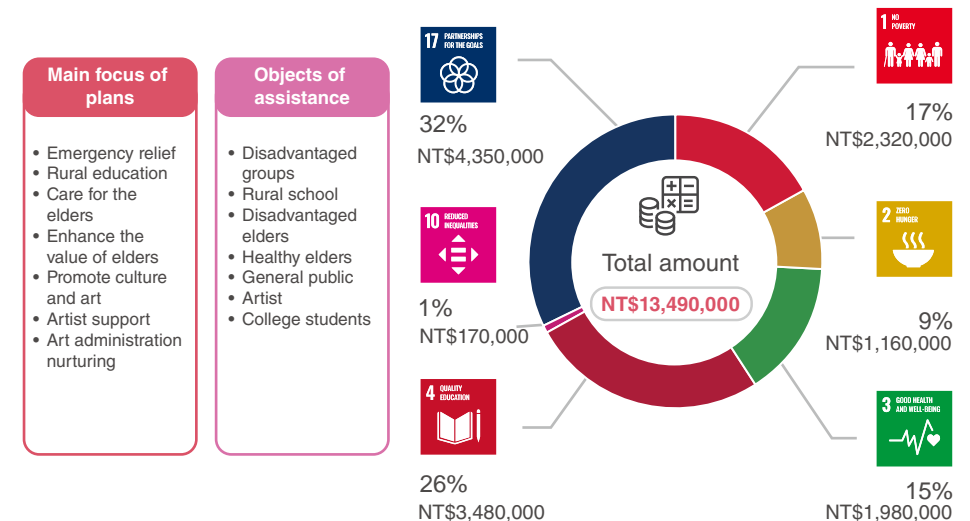
(Unit: NT\$, ten thousands)



Note: Community commitments included Accton, Edgecore, Accton Cultural and Educational Foundation, Taiwan Public Welfare and Service Association, Accton Arts Foundation, fundraising among employees in the Accton Group, and other relevant activities.

Note: Accton regards social welfare and the improvement of culture and art as the positive goals of the core business. Therefore, at the beginning of the establishment of each unit, the relevant operating costs are set to be paid by Accton. The above community commitments do not include the operating costs promised by Accton, including personnel, business premises, etc.

❖ 2022 Social commitments analysis



## 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](http://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 and welfare organizations with the notion of Direct Donation - Direct Help.

Assist public welfare organizations to raise funds online to bridge the digital gap.

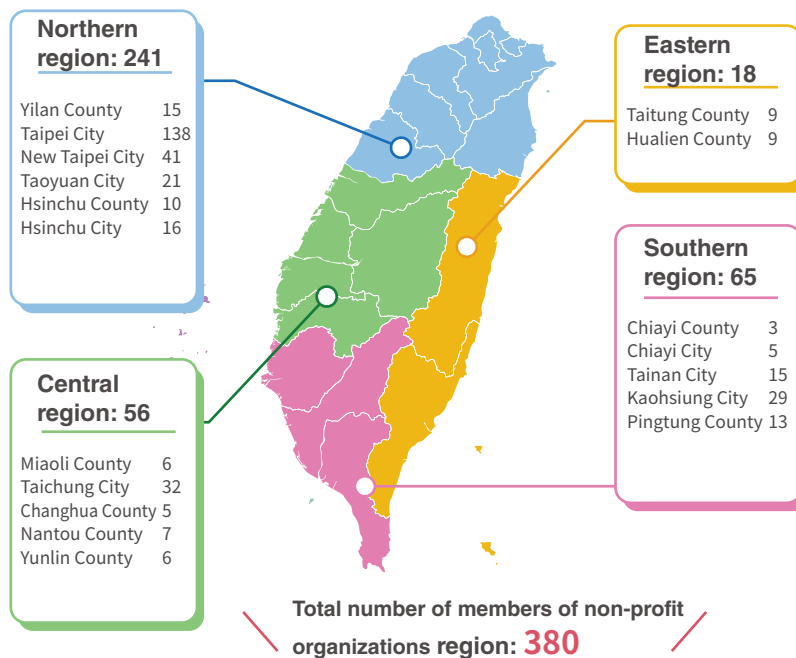


At the end of 2022, Accton E-Charity had **380** public welfare organizations as members and **300,000** individual members. Accton Technology absorbed all operating costs of the portal so that these public welfare organizations are spared of the burden while using the portal. The total amount donated to public welfare organizations across Taiwan through the Accton E-Charity portal in 2022 was **NT\$27.78 million**.

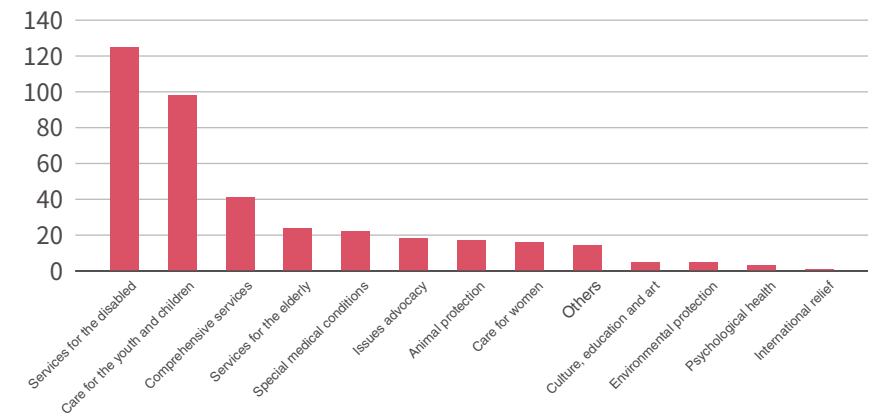
(The specific action plan for the implementation of the first and second main tasks of the Taiwan Public Welfare and Service Association)

### ❖ Organizational members by location

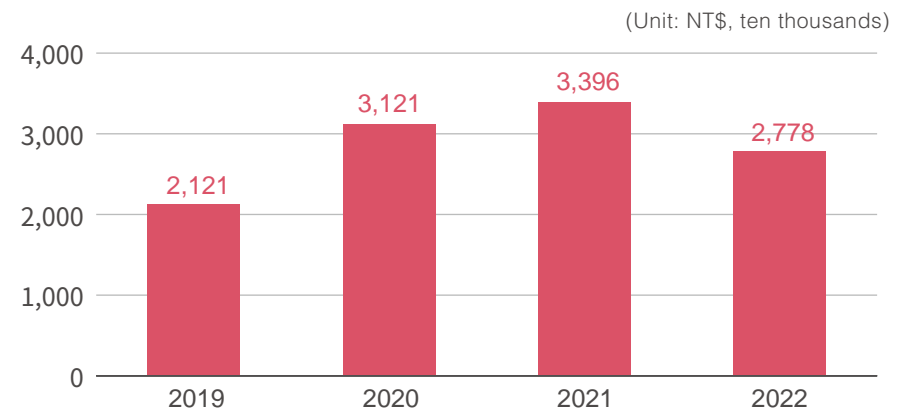
2022 organizational members by location and municipality



### ❖ Distribution of Accton E-Charity organizational members by service type



### ❖ Amount donated to public welfare organizations across Taiwan via Accton E-Charity



## 5.2 Taiwan Public Welfare and Service Association

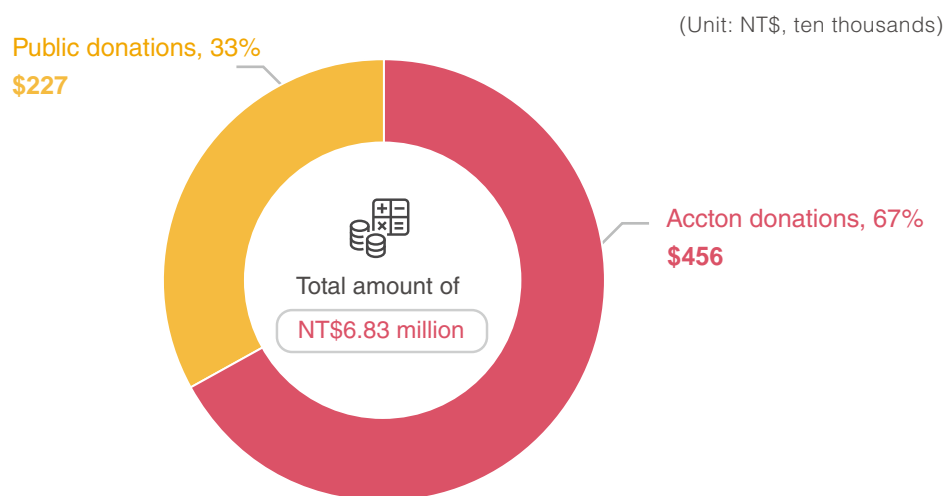
Since its establishment in 2003, Taiwan Public Welfare and Service Association has kept emergency relief as its main focus. In 2022, in addition to caring for the disadvantaged, rural education was selected as the key theme in the hope of narrowing the gap between urban and rural education resources through resource investments. By the same token, care for the elders was selected as the sub-theme, from the satisfaction of basic physical needs to the care of psychological needs, we can open the treasure box of life for the elders and create a third life of self-reliance and dignity.



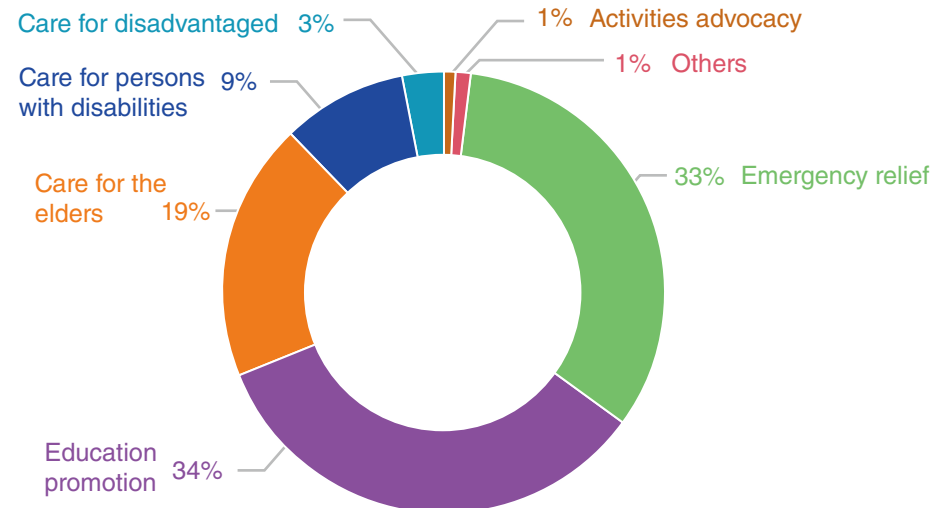
In 2022, the donation scope of the Taiwan Public Welfare and Service Association included emergency relief for disadvantaged families and assistance in public welfare projects

total donation amount of **NT\$ 6.83 million.**

### ❖ Sources of donation for Taiwan Public Welfare and Service Association in 2022



### ❖ Proportion chart of various donations of Taiwan Public Welfare and Service Association in 2022



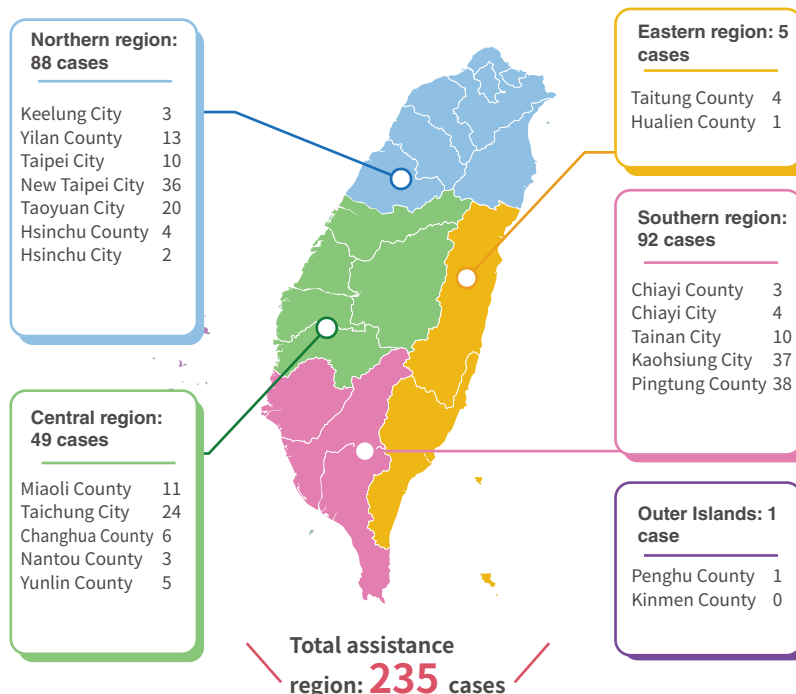


In 2022, the Taiwan Public Welfare and Service Association assisted a total of 235 families in distress. This amount came from small donations made by netizens through the Accton E-Charity platform.

total assistance amount of **NT\$2.27 million**

**(The specific action plan for the implementation of the fourth main tasks of the Taiwan Public Welfare and Service Association)**

❖ **Overview of the region, number and amount of emergency relief cases in 2022:**



**Taiwan Public Welfare and Service Association provides the following assistance for families in need:**

- **Life support:** Families in distress due to the breadwinner encountering emergency disasters, major diseases, major natural disasters.
- **Medical subsidies:** In the event of a serious injury or illness, the medical expenses incurred are unaffordable for 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 are 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 beneficiaries**

Hello, I am \_ \_

I am a single parent who has to raise my son. My son has a disability. I will do my best to raise him, despite having been diagnosed with stage III breast cancer in September of this year. I need chemotherapy three times, targeted therapy six times, and I don't have the physical strength to go to work, and am experiencing financial difficulties. I will try my best to finish the treatment, no matter how sad I am. I am currently asking for leave from school, and I will return to work as soon as I finish the treatment. The doctor said that I must rest for at least 6 months.

Dear generous donors,

Sincerely appreciate your generosity and selfless help.

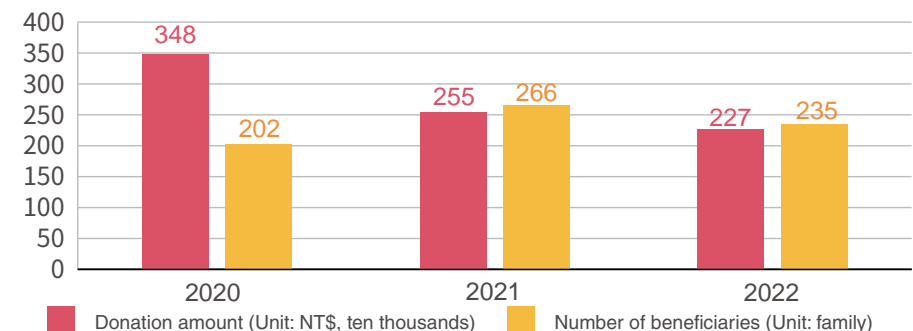
I will remember it and work hard to live in the future. With everyone's blessings, love, and help, I will recover as soon as possible and return to my job to contribute my meager strength to Zhengshan Coal Mine.

Thank you. Here, please allow me to appreciate you and your donations on behalf of the whole family, and wish every caring person a good life.

I wish you good health and the best of success in all your endeavors, and a happy family.

Thanks a ton, thank you.

❖ **Amount of emergency assistance provided by the Taiwan Public Welfare and Service Association and the number of beneficiary families between 2020 to 2022**





(The specific action plan for the implementation of the first and third main tasks of the Taiwan Public Welfare and Service Association)

## Sustainable early intervention program aims to establish self-sufficient local early intervention resources in rural areas

The Taiwan Public Welfare and Service Association joined hands with the Taiwan Action Child Intervention Association to train local parents in Jianshi Township and Wufeng Township, Hsinchu County. Design parenting activities in the community that combine tribal characteristics, build self-confidence by serving as staff or lecturers, and effectively increase local employment rates and industrial benefits, so that local parents are not only recipients of resources, but also can use resources to become a booster to promote local early intervention programs and establish local self-sufficient early intervention resources. The programs trained a total of 20 parents and handle 10 events, benefiting 200 beneficiaries.

## Promotion of reading in rural areas, using reading as tool to change the future of the children

To bridge the rural-urban education resources gap and develop more diversified preschool education, the Taiwan Public Welfare and Service Association and the Early Literacy Association cooperate with the Preschool Children Reading Promotion and sent 1,000 children books to 26 rural medical units and kindergartens. Medical personnel described and demonstrated the importance and secrets of parent-child reading together for parents. Reading together with parents, helps children's mental ability and cognitive development, reduces the slow development rate among rural children, benefits a total of 1,000 families, and strengthens the emotional connection within rural families.



▲ Doctors demonstrated to parents the techniques of parent-child reading

Secondly, in cooperation with the National Dong Hwa University Social Participation Center, 200 children books were sent to Hualien rural kindergartens, and preschool education experts were invited to the kindergarten to provide Hualien preschool teachers with teaching consultation, and to assist kindergarten teachers in using picture books to cultivate children's reading habits, bringing different story experiences to children through "telling and acting," benefiting a total of 180 children, creating reading habits and helping them experience the joy of reading.

Due to inconvenient transportation, rural schools have few opportunities to communicate with the outside world and lack reading-related stimulation. The Taiwan Public Welfare and Service Association joined hands with Nantou County Ming Ho Elementary School to cooperate in the "Urban Scholar Journey" project. With the concept of "bringing children out and bringing knowledge in", the teacher took 33 children out of the tribe and embarked on a city scholarly journey. More cultural stimulation allows rural children to broaden their life experiences, connect reading with life, and increase their interest in reading. A Christmas book fair will be held in the school to maintain the reading atmosphere and promote equal learning opportunities in rural areas.



▲ The children of Ming Ho Elementary School took the train to the city bookstore to purchase books



▲ The teachers and students of Ming Ho Elementary School held a Christmas book fair with the donated books in the school

## The Program "Supporting Schools" Helps Under-Resourced Schools Find Their Development Advantages

Different schools face different problems of lack of educational resources. Some schools lack hardware and funds; some schools cannot hire people to assist even if they have funds because of the high cost of transportation and time for lecturers; some schools lack resources, but cannot apply for subsidies because they do not meet the remote rural standards.

In view of this, the Taiwan Public Welfare and Service Association and Education Support for Taiwan cooperate with the program "Supporting Schools". Teachers with rich teaching experience will directly engage with the school to identify developmental advantages and address challenges in curriculum development. The process helps teachers regain their confidence and enthusiasm for teaching and revitalizes the teaching site. In 2022, the Taiwan Public Welfare and Service Association supported 6 rural schools: Yong Le Elementary School, Su'ao Township, Yilan County; Da Yuan Elementary School, Puyan Township, Changhua County; National Tung-Shih Senior High School, Chiayi County; Tai Khe Elementary School, Taimali Township, Taitung County; Changbin Elementary School, Chang Bin Township, Taitung County; and Tjuabar Vusam Cultural Experimental Primary School, Taitung County, benefiting 806 beneficiaries.

## High caring child support

To increase the public's attention to the issues of "care needs of children and juveniles" and "talent training of placement institutions", and to open up more discussions and concerns about children and juveniles, the Taiwan Public Welfare and Service Association cooperates with Mr. Wen, Kuo-Shih of "Chen Chou Children and Juveniles Home", combining members of the Accton E-Charity and related universities, from November to December 2022, we toured Taipei City, Taichung City, Chiayi County, Hsinchu City, and Hualien County to hold six lectures. Through conversations among teacher Wen, Kuo-Shih and workers in different fields, starting from the life experience of young workers who embraced the philosophy and devoted themselves to the placement institutions, they shared the ups and downs and structural restrictions of working in the placement institutions.

The purpose of this series of advocacy lectures is to stimulate connections and promote cooperation among organizations that are also committed to the issues of children and juveniles through the Accton platform, thereby expanding their voices and influence. A total of 183 people participated in the series of lectures, after which text records were shared with 380 public welfare members and 266,919 individual members of the Accton E-Charity to enhance the public understanding of the nature of children and juvenile care, perspectives on "trauma", inclusive education, and "gentle" care, placement institutions for children and juveniles and other issues. This fosters empathy towards front-line care workers and the conditions of children in placement institutions, leading to more sensitive actions and increased support for placement institutions, and child and juvenile care groups.



▲ The series of lectures on children and juvenile care in Hsinchu were held at the Hsinchu City Art Site of Railway Warehouse



▲ The series of lectures on children and juvenile care in Chiayi were held at National Chung Cheng University

To provide better working conditions for the front-line workers in children and juvenile care, the Taiwan Public Welfare and Service Association also supports the units served by the speakers of the first lecture on children and juvenile care issues. At the same time, it is also a long-term public welfare member of Accton E-Charity. In Taitung, the Children's Bookstore "Partnership Development Program" has allowed children's Bookstore to adjust the monthly salary of front-line staff since 2023, with an average of nearly 10%, and rent staff dormitories. Allowing new recruits to have a buffer period to find the residence they need for work, and at the same time expand the budget for employee psychological counseling and arts and cultural subsidies, and through the establishment of systems and indicators, so that the front-line workers can see their efforts getting a reasonable remuneration, and serve the children and the community without any worries.

To accompany the rehabilitated juveniles to overcome the adversity of life and improve their employment skills, the Taiwan Public Welfare and Service Association supports the Bornanew Youth Caring Association's "Rehabilitated Juvenile Vocational Training Base Building Project", repairs the coffee shop space, and creates a "Juvenile Career Exploration Base For Dreaming." Juveniles can take classes here with peace of mind, and cooperate with the on-the-job training in the workplace to lay the foundation for juveniles' employability and attitude. In the future, they will be able to connect more smoothly to the social workplace and benefited 50 beneficiaries.



(The specific action plan for the implementation of the first and third main tasks of the Taiwan Public Welfare and Service Association)

## Care for rural elders"basic physical needs to elevate the quality of life

To take care of the dietary nutritional needs of the elders in rural areas, the Taiwan Public Welfare and Service Association and the Silver Gate Elder Welfare Association have cooperated with the "Elder Meal Delivery Plan". The deliveryman delivers meals to the elders on schedule to meet their nutritional needs. Meanwhile, caring for and looking after elders have achieved the function of "Assisted Care", benefiting 1,600 beneficiaries.

Cooperate with the Quixotic Implement Foundation in the "Rural Village Home Bathing Vehicle Project" to cleanse the body dirt and soul as well for financially disadvantaged elders in rural areas, thereby improving the physical and psychological state of the disabled and improve the quality of their daily life. More importantly, it can relieve the pressure of caregivers and provide the most powerful support, and benefited a total of 240 beneficiaries.

In 2022, the Care for the Elders Plan with the Silver Gate Elder Welfare Association was continued. Accton provided contract farming of leopard cat rice as a gift for the association's full donation, hoping to increase the amount of funds raised by the association. Many donors chose to gift the leopard cat rice as donation recycling to the disadvantaged elders who served the association, forming a virtuous circle

## Vitality aging, reconstruct value of elders

To enhance the public's attention to the value of elders, reverse the stereotypes of "aging" or "one-way care" for elders, and enhance the social participation and learning ability of the elders group, and create a third life value, Accton E-Charity and Public Health Bureau, Chiayi City, cooperated, and simultaneously connect local teams across domains: Our Theatre, Silver Gate Elder Care Social Enterprise, and Yu Ching Psychological Growth Center. In April and August 2022, three series of lectures and practical workshops were held in Chiayi City, leading elders conducted storytelling training and learned digital new media Podcast. 302 elders participated in lectures and 20 elders participated in practical workshops.

After completing the workshop training, the elders used picture book stories, integrate their own rich life experiences, practiced in groups, complete the Podcast program planning and official recording, and gather together as the "Fashionable Elders On Air" Podcast channel program, which officially launched and promoted on January 4, 2023, Through digital technology combined with storytelling by the elders, enhances the mental learning of the elders, creates and exerts the value of elders, and simultaneously resonates with the younger generation, bridges the gap between generations, creates more cross-generational cultural transmission, and enhances inter-generational intimacy.



▲ During the course, the elders worked hard to learn how to use digital new media



▲ The elders heavily involved in the recording of the Internet radio program

**(The specific action plan for the implementation of the first and third main tasks of the Taiwan Public Welfare and Service Association)**

To make people with disabilities feel the working atmosphere in the workplace, the Taiwan Public Welfare and Service Association and the Sisters of Our Lady of China Catholic Charity Social Welfare Foundation cooperated in the project "Let the self-supporting seedlings germinate - Build a Hydroponic Farm for the Disabled Youth", and built a rooftop hydroponic farm at the base in Puzi, Chiayi of Sisters of Our Lady of China Catholic Charity Social Welfare Foundation.

The hydroponic farm project uses off-the-ground planting technology to reduce bending, reduce the physical inconvenience of disabled youths, create a friendly working environment, and stabilize the emotions of disabled youths through plant-assisted therapy. With the assistance of local young farmers, 18 disabled youths were led to learn various stages of farming production and marketing, including seedling raising, farming skills, harvesting, packaging, accepting orders, setting up stalls for sales, etc., allowing them to get out of the closed family life and learn to interact with the crowd, and as a practice before entering the workplace, adapt to environmental changes in advance, and develop independent and colorful lives. In addition, Accton expects to give back the harvest of the four-year hydroponic vegetable project, part of which will be donated by the Accton E-Charity to needy public welfare groups and kindergartens, and part of the charity sale for Accton Technology employees, and the proceeds from the charity sale will be donated to the groups related to the disabled, to share "Love" with more people.

### Inclusion through physical activity

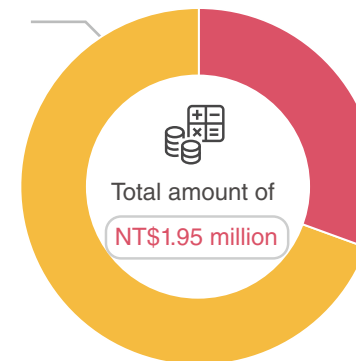
In 2022, the Taiwan Public Welfare and Service Association continued to cooperate with the Special Olympics Chinese Taipei in the "Angel's Appointment Align Internationally" project to carry out integrated education in 20 campuses in Hsinchu City, Chiayi City, and Keelung City to improve the mentally handicapped diversifying attention to career development, and being respected and accepted by the public, to promote equal rights and social participation in a diverse society.

## 5.3 Accton Cultural and Educational Foundation

Founded in 1999 to fulfill its corporate social responsibility, Accton Cultural and Educational Foundation committed NT\$1.95 million in 2022 towards the key focus of promoting diversified education and improving the teaching environment. It is hoped that through diverse perspectives, children can learn to respect differences from a young age, establish a positive attitude, cultivate the ability of critical analysis, help them think, choose and decide social actions, and guide social fairness and justice.

### ❖ Donation source for Accton Cultural and Educational Foundation in 2022

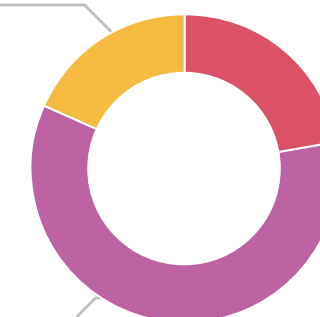
Accton Group  
employee  
donations, 69%  
\$135



(Unit: NT\$, ten thousands)

### ❖ Proportion of commitment categories for Accton Cultural and Educational Foundation in 2022

Physical  
activity  
support, 18%  
\$36



(Unit: NT\$, ten thousands)

Provision of meals and student supplies, 59%  
\$116



(The specific action plan for the implementation of the third main task of the Cultural and Educational Foundation)

## Promote menstruation education and create a friendly society with menstrual equality

To solve the problem of insufficient menstrual education and period stigma, the Accton Cultural and Educational Foundation has joined hands with the Global Little Red Hood Association. The Foundation held 2 research and study camps for elementary school teachers in the Hsinchu area to enhance their ability to teach about menstruation. This affected a total of 65 elementary school teachers from 36 schools in the Hsinchu area, indirectly influencing 14,550 students. They also went to 10 elementary schools in Hsinchu to demonstrate menstrual education teaching, enabling 35 teachers to understand how to implement the teaching materials in school, and helped 520 students to understand menstruation.



- ▲ Teachers earnestly learn how to practice menstruation education in educational settings

## Feedback from teachers who participated in the workshop:

- Gained a lot of new ideas, it turns out that menstruation education can be so lively and interesting! There is a lot of energy-boosting in the program, it is like a treasure!
- The overall integration of teaching plans allows menstruation education to transcend traditional teaching methods in the purely physiological and medical field.
- The topics are relevant to the health education curriculum and well-suited as teaching topics.



- ▲ Through teaching aids, children learn about different types of sanitary napkins



- ▲ Through menstruation courses, children acquire correct knowledge about menstruation

## Feedback from children:

- When the person around me is menstruating, I can accompany her beside, cheer her up, will not deliberately make her angry, and make her happy and the pain would be less.
- After this course, I have a better understanding of my body.
- I know more about some important things about menstruation, and I also know what to pay attention to during menstruation.

At the same time, the Accton Culture and Education Foundation donated 60 sets of menstruation education teaching aid boxes and 1,500 menstruation education books to the schools participating in the workshop and demonstration teaching to solve the current education dilemma of lack of menstruation education-related materials, so that teachers can continue to promote menstruation education in schools in the future. And established a LINE group for elementary school teachers to continue to understand and assist teachers in the follow-up implementation of menstruation education, and to answer teachers' questions encountered in menstruation teaching. Through school education, guide students from knowing their own bodies to getting in touch with menstruation knowledge, understand the differences between boys and girls, and then respect differences, and create a friendly society with menstrual equality.

(The specific action plan for the implementation of the second main task of the Cultural and Educational Foundation)

## Subsidized meals for disadvantaged children to boost their learning focus

Since 2014, Accton Technology has galvanized the strength of colleagues within the group to provide breakfast for more than 1,200 disadvantaged children across various elementary and junior high schools in Hsinchu, and in 2022 the breakfast in a total of 16,200 for 18 elementary and junior high schools were provided. We believe that giving children a nutritious breakfast can boost the children's focus while learning and give them the opportunity to turn the future around!



Children handwritten their words of appreciation to colleagues who donated their breakfasts

Accton Group colleagues have long sponsored the dinner expenses for disadvantaged children attending after-school classes provided by the Management Association in Haikou Community in Pingtung County since 2016.

In 2022, dinners for a total of 30 children were provided, so that children can have a balanced diet. They avoid having irregular meals due to their parents' working schedules and resorting to high-calorie snacks to satisfy their hunger, resulting in nutritional imbalance.

## Hope Project of Education reversing the vicious cycle of poverty

The Accton Group 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. The project supported 200 children in 2022 to overcome financial hurdles and attend school in peace. In the future, there will be opportunities to change the vicious circle of poverty through education. More than 2,000 students have benefited over the past 15 years, with donation amount surpassing NT\$5 million.

(The specific action plan for the implementation of the second main task of the Cultural and Educational Foundation)

To allow the players to continue to focus on training and realize their potential, the Accton Culture and Education Foundation supports the archery team of Zai Xi Elementary School in Hsinchu City. It initiated employee donations to gradually make up for the shortage of the archery team in the form of long-term support, providing a good and safe practice environment for young players. Through the support of physical activities, allowing children to have the opportunity to develop their potential beyond schoolwork and promoting diverse learning.



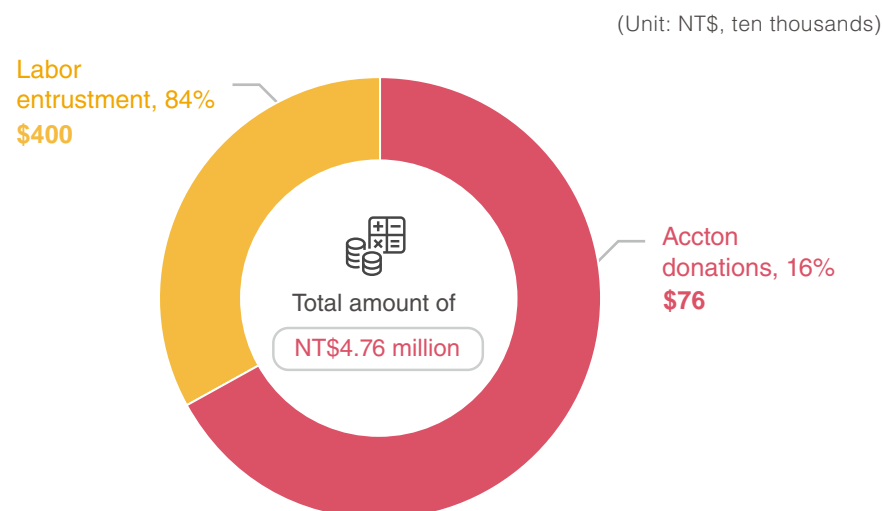
With the support of Accton colleagues, the children of Zai Xi Elementary School achieved great results

## 5.4 Accton Arts Foundation

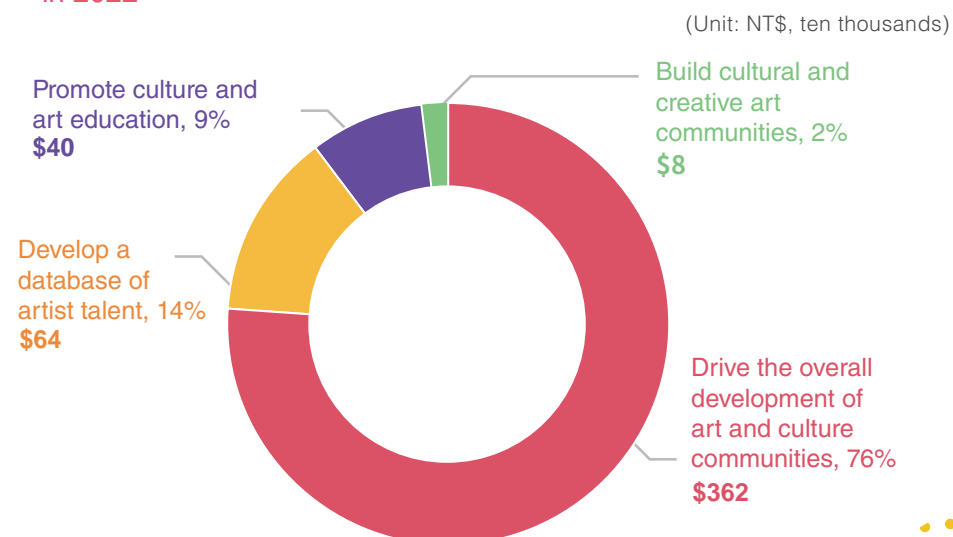


Established in 2000 with the support of Accton, the Accton Arts Foundation extends the core spirit of Accton - galvanizing the strength of the masses and forging real partnerships. The Accton Arts Foundation brings the spirit to reality by using art as a connector to establish a diverse and inclusive environment, as well as encouraging sustainable and equitable public engagement. In 2022, Accton Arts Foundation committed a total of NT\$4.76 million. Among them, NT\$4 million was the cost of operating the Hsinchu City Art Site of Railway Warehouse entrusted by the Hsinchu City Government. The goal was to drive the following four missions with practical actions: Promote culture and art education, develop a database of Taiwan art talent, drive the overall development of culture and art communities, develop cultural, creative and artistic communities.

### ❖ Donation source for Accton Arts Foundation in 2022



### ❖ Proportion of commitment categories for Accton Arts Foundation in 2022





Using art as a medium, act as a "facilitator" to promote culture and art education in society, integrate existing resources in society, and jointly create an environment where diverse issues can be discussed. In 2022, art was used as a bridging medium to discuss issues including holistic education, healthy aging, international politics, equal rights, and inclusiveness. In this mission, the Foundation focuses on "inspiration" and repeated "thinking exercises", rather than directly imparting knowledge. The goal is to return the learning space to the participants, so that whether they are facing any familiar or blunt issue, they can instinctively start with observation and questioning. They can try to discuss and think from different positions, connect to their past knowledge and experiences, and then further associate how they can use new knowledge, and even "extend and create" things that they had never thought of before. The goal is to achieve "sustainable and effective learning", and at the same time create opportunities for continuous interaction with art and social issues.



This mission also echoes SDGS 4.7—By 2030, ensure that all students can acquire the knowledge and skills needed for sustainable development, including sustainable development education, sustainable living patterns, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship, respect culture diversity, and the contribution of culture to sustainable development.

## Art X Holistic Education

From 2021 onward, in terms of the mission of promotion of culture and art education, the Accton Arts Foundation hopes to return to the essence of how to bring people closer to art to challenge the established impression of "looking at art" among the public.

In recent years, the concept of "art into life" has been widely used and mentioned in art museums and educational settings. In response to this theme, the Accton Arts Foundation launched small-scale exhibitions entitled "What's Art?" and "Why Art?", imploring the public to think together about what kind of creations can 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?



### Feedback from participants:

It is the first time participating in such a course, and I feel quite rewarding! It is a valuable experience to be able to watch and discuss a piece of artwork carefully, understand the time, space and thinking of the work, and shorten the distance with ancient cultural relics!

According to the feedback from the above exhibitions, the Foundation gradually understands that it is not that people cannot get close to art, but that there is no way to approach art. Therefore, the Foundation tried to adopt the "Artful Thinking" proposed by the Institute of Education of Harvard University, and designed courses and activities with front-line tour guides to help exhibition viewers engage with the exhibition.



Arts Foundation in cooperation with the National Palace Museum of [Art Teaching Plan Development Project - When the National Palace Museum's Cultural Relics Meet Artful Thinking], six cultural relics of the Palace Museum were selected for curriculum development. The series of courses consists of 6 courses, 12 hours, with 78 people participating, and developed 6 sets of corresponding learning sheets and guidance modules. Course planning highlights include:

1. Use the thinking path of artful thinking to construct a method of viewing the National Palace Museum's Cultural Relics.
2. Using the theme of National Palace Museum's Cultural Relics to construct viewing methods and simultaneously obtain background stories of cultural relics.
3. Through a 6 course arrangement, gradually guide participants to become familiar with artful thinking.



## Art X Healthy Aging

To promote performing arts, and given the moment when Taiwan is gradually moving towards an aging society, so that people have the opportunity to get close to the issue of healthy aging from an artistic perspective, the Accton Arts Foundation has specially cooperated with B.Dance production team [Big Hands and Small Hands Promotion Workshop], held 3 courses, with a total of 6 hours and 20 people participating (Aged 6-65).



The workshop design was divided into 3 parts:

1. The dance troupe introduced the classic dance "Floating Flowers", allowing participants to understand the dance "Floating Flowers" and the creation story behind it.
2. Guided by the teacher of the dance troupe, participants were led to use their bodies to express and imagine how the dancers use their bodies to perform the dance.
3. The elders of the dance troupe (all 65-year-old retirees) performed "Floating Flowers" live and shared their life stories with everyone.

## Art X International Politics

International political issues have always been relatively blunt, but our daily life is indeed accompanied by the impact of the international situation. How to use art as a bridge to guide the public to think about these blunt but important issues together is the original intention of the theater workshop [Beyond Tears: The Faces Underneath the Ukrainian-Russian War], a collaboration between the Arts Foundation and [The Black Dog Theater]. It was hoped that in the atmosphere created by the drama, the participants could "enter the drama" and try to "empathize". A total of 4 drama workshops will be held in 2022, with a total of 36 participants.



### Feedback from participants :

- You can experience the feeling of Ukrainian escape in person.
- Let me know more about the Ukrainian-Russian War, and discuss the Ukrainian-Russian War from different angles.
- The workshop allowed us to use the first-person perspective of the fleeing families and teachers. I can think about the disaster of the Ukrainian-Russian War and the difficulties people will encounter from more perspectives.



The design focus of this workshop includes the following discussions:

What does it feel like to possess a name but be unable to say it? What does it feel like to have a place to call home but not be able to go home? When the world denies your authentic identity, what should you do?

## Art X Equal Rights and Inclusion

"Friendly and equal rights" and "access to the culture" have been the focus of attention in the cultural and art community in recent years. How to implement equal rights, inclusiveness and sustainable operation in an art and cultural space with public significance is one major task for operators of art and cultural spaces today. In 2022, Arts Foundation in cooperation with Taiwan Art Space Alliance, TASA, Non-Visual Sensory Workshop was held a total of 2 venues, 31 participants.



This workshop arranges for people with acquired visually-impaired Mr. Hsu, Chia-Feng leads everyone to establish concepts first, and then through the way of covering their eyes, they are actually feeling the environment in a state of being "blind", listen to the introduction of the exhibition; and then let everyone understand the places where non-visual senses need to be served when visiting the museum and accepting tour guides. Allow Foundation colleagues and volunteer partners to have the opportunity to participate in and implement lectures, workshops, etc., to think about how to provide services for the visually impaired in the art space.

The composition of the art and culture ecosystem, in addition to the artists and creators who are familiar to the public, also includes behind the scenes. To ensure that exhibitions and activities run smoothly, artists are responsible for art administration, various tasks of the division of labor, and protecting works at the front-line of exhibition activities, in collaboration with volunteers who interact with the audience to promote art education. In terms of this mission, the Arts Foundation responds to social supply and demand from the perspective of "sustainable maintenance and operation", combines concept and practice, cultivates talents in every link of the ecosystem, encourages everyone to learn for life, and creates a relatively healthy art industry environment.



This mission also echoes SDGS 17.17 - Encourage and facilitate effective public, public-private, and private society partnerships, building on partnership experiences and funding strategies.

**Art Support Initiative:** Through public solicitation or invitation to cooperate, artists related to arts and culture are invited to create works in the form of artistic presence. The Arts Foundation provides resources such as equivalent creative fees, material fees, creative space, exhibition space, publicity resources, audio-visual and written records, and artistic administrative manpower to help artists enhance their abilities.

In 2022, a total of 8 artists were supported (awarded projects include the 2022 MIT Freshman Award, Nanyang Award, New Taipei City Art Exhibition, German ZKM Center for Art and Media for Giga- Hertz Production Awards), assisting in organizing 8 solo art exhibitions, participating in Hsinchu Art Fair.

### Art Administration Support Initiative:

For local partners in Hsinchu City who are interested in the art industry can receive ethical and practical empowerment in the form of full-time, part-time, and internship.

In 2022, 3 full-time art administrators, 2 part-time partners, and 4 interns were cultivated. The interns are from the Department Economics of National Tsing Hua University, the Department of Cultural Heritage Conservation of National Yunlin University of Science and Technology, and the Department of Creative Design and Management of National Taichung University of Education.

### Hsinchu City Local Cultural Center Volunteer Empowerment Project:

This project responds to the concepts of "visiting experience creation" and "experiential learning" advocated by the art and cultural field in recent years, calling on volunteers in Hsinchu City who also serve in local cultural centers to learn together. In order to strengthen communication and consensus among volunteer partners, thus most of the courses focus on "discussion" and "practice", and provide a large number of domestic and foreign comparative cases, guidance methods, and voice skills for partners to refer to and think, and at the same time introduce the concept of "cultural equality", allows voluntary service to have more diverse mental antennae and concepts.



From April to December 2022, a total of **9** courses were held for **28 hours**, with a total of **120** participants.





Actively participating in the operation of local public art museums through public-private sector physical space cooperation, sharing resources, and benefiting the public is the focus of the Arts Foundation's mission. Since 2016, the Foundation has actually joined the operation of the Hsinchu City Art Site of Railway Warehouse. On the one hand, it brings life of the historical buildings and revitalizes the space. Meanwhile, with this as the base, we have been working hard for a long time on the two key missions of above mentioned "promote culture and art education" and "develop a database of artist talent", in addition to that, we endeavor more to implement a friendly and equal public space in the Hsinchu area, so that people of different ages and people with disabilities have the opportunity to approach the Art Site and surrounding neighborhoods in a relaxed and unburdened way.



This mission also echoes SDGS 17.17 - Encourage and facilitate effective public, public-private, and private society partnerships, building on partnership experiences and funding strategies.

## Hsinchu City Art Site of Railway Warehouse operating management

Since 2016, the Accton Arts Foundation has been entrusted by the Cultural Affairs Bureau of the Hsinchu City Government to carry out "nurturing of artistic talent" and "art education promotion" in the Art Site. Select 6 to 8 domestic and foreign artists to create works in the village every year, and combine exhibitions, art education activities, workshops, etc. for the public to participate for free, and continue the mission of the Foundation to promote culture and art education, making the Art Site an entity that discusses diverse issues space.

In 2022, the total opening day was 305 days, and the total number of visitors was 15,727. A total of 34 large and small exhibitions and activities were held in the Art Site of Railway Warehouse in the capacity of sponsor, co-organizer, and support.



▲ Artist Tomoyo Ihaya held a workshop in the Art Site



▲ Artist Wu, Yu-Hsien performed in the Art Site



▲ Artist Huang, Miao-Chen held a pottery exhibition in the Art Site



▲ Artist Chin, Wen-I conducts a music listening-workshop in the village

Digitizing the existing offline resources, and then progressing from digitization to digital optimization is the direction of the Arts Foundation's life-long efforts in building a cultural and creative community in recent years. Archiving the above-mentioned projects, talents, and space maintenance and operation information in a way that the public can understand, and opening them up for public use or reference, is the current direction of the Arts Foundation's efforts. In addition to achieving resource sharing and exchange, the concept of editing is also used to systematically archive and preserve diverse information.



This mission also echoes SDGS 17.17 - Encourage and facilitate effective public, public-private, and private society partnerships, building on partnership experiences and funding strategies.

## Arttime

Arttime Art Network is a website that includes free submissions, paid collaborations, and editorial selections. The information includes five categories: exhibitions, music, performances, events, and call for submissions. The site regularly publishes an e-newsletter, curated by the editorial team, every Monday. As a platform for collecting art information, Arttime also serves as an information streaming channel for the Arts Foundation serving art talents, art communities, and institutions, so that people, events, and things in the physical space can be further collected and referenced by the public in the online space through information digitization.



By the end of 2022, there were **10,421** free members, **46** paid members, and **25,248** newsletter subscribers.



- ▲ Sections on the Arttime Art Network where units can freely submit manuscripts for free



- ▲ Editor's Selection Block on the Arttime Art Network



- ▲ The e-newsletter issued by Arttime Art Network every Monday





# 6

## Appendix

6.1 Assurance Statement

6.2 GRI Standard Comparison Table

6.3 SASB

6.4 Sustainability Disclosure  
Indicator - Communication  
Network Industry

# 6.1 Assurance Statement

## SGS Assurance Statement

### ASSURANCE STATEMENT

**SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ACCTON TECHNOLOGY CORPORATION'S CORPORATE SUSTAINABILITY REPORT FOR 2022**

**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 2022 (hereinafter referred to as the CSR Report). The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 1 Moderate level to assess whether the text and data in accompanying tables contained in the report presented and complies with the GRI Universal Standard (2021) and AA1000 Accountability Principles (2018) during verification (2023/03/13–2023/05/16) in Accton headquarter. The assurance process did not include the evaluation of specific performance information outside the scope, such as climate-related financial disclosures (TCFD) and sustainability accounting standards (SASB).

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 Sustainability Report of 2022 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 CSR 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 and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation's reporting practices and other organizational detail, GRI 3 2021 for organisation's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards and/or ISAE3000.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B	AA1000ASv3 Type 1 Moderate (AA1000AP Evaluation only)

**SCOPE OF ASSURANCE AND REPORTING CRITERIA**  
The scope of the assurance included evaluation of adherence to the following reporting criteria:

Reporting Criteria Options	
1	GRI Universal Standard (2021) (Reference)
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 Universal Standards (2021) listed in the GRI content index where the organization has referenced for the preparation of the reported information.

**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 organisation, 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**

**ASSURANCE/VERIFICATION OPINION**  
On the basis of the methodology described and the verification work performed, we are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information in the scope of assurance is reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.  
We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

**ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)**

**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 2022, is reporting with reference to the GRI Universal Standards 2021 and complies with the requirements set out in section 3 of GRI 1 Foundation 2021. The significant impacts were assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021 and the relevant 200/300/400 series Topic Standard related to Material Topic have been disclosed. The report has properly disclosed information related to Accton's contributions to sustainability development. For future reporting, it is encouraged to prepare for the transition to reporting in accordance with the GRI Standards in time as it will provide a comprehensive picture of the Accton's most significant impacts on the economy, environment, and people, including impacts on their human rights.

Signed:  
For and on behalf of SGS Taiwan Ltd.

Stephen Pao  
Knowledge Deputy General Manager  
Taipei, Taiwan  
11 June, 2023  
[www.sgs.com](http://www.sgs.com)

## 6.2 GRI Standard Comparison Table

In accordance with the GRI 2021 guidelines, Accton Technology reported the economic, governance, environmental, and social performance from January 1, 2022, to December 31, 2022, and notified GRI upon completion of the manuscript.

### GRI 1: Foundation 2021

### GRI 2: General Disclosures

GRI Standard	Disclosure Item	Corresponding Chapters/ Sections and Explanation	Page Number
<b>Organization and Reporting Practice</b>			
2-1	Organizational detailed information	1.1 Company Profile	20-21
2-2	The entities included in the organizational sustainability report	About This Report	2
2-3	Reporting period, reporting frequency, and contact point	About This Report	2
2-4	Restatements of information	About This report, with explanations in relevant chapter	-
2-5	External assurance	About this Report	2
<b>Activities and Workers</b>			
2-6	Activities, value chains, and other business relationships	1.1 Company Profile 1.3 Products and Services 2.3 Responsible Supply Chain	20 24-25 51-55
2-7	Employee	4.1 Talent Attraction and Retention	71-88
2-8	Workers who are not employees	4.1 Talent Attraction and Retention	73, 75-76
<b>Governance</b>			
2-9	Governance structure and composition	1.5 Corporate Governance	30-33
2-10	Nominate and select the highest governance body	1.5 Corporate Governance	30-33
2-11	Chair of the highest governance body	1.5 Corporate Governance	30
2-12	Role of the highest governance body in supervising impact management	1.5 Corporate Governance	30
2-13	Head of Impact Management	1.5 Corporate Governance	32
2-14	Role of highest governance body in sustainability reporting	1.5 Corporate Governance	32

GRI Standard	Disclosure Item	Corresponding Chapters/ Sections and Explanation	Page Number
2-15	Conflicts of interest	1.5 Corporate Governance	31
2-16	Communicate key milestones	1.5 Corporate Governance	31
2-17	Collective knowledge of the highest governance body	1.5 Corporate Governance	31
2-18	Evaluation of the highest governance body's performance	1.5 Corporate Governance	32
2-19	Remuneration Policy	1.5 Corporate Governance For detailed information, please refer to: <a href="#">Remuneration Committee Charter</a>	31
2-20	Method for determining remuneration	1.5 Corporate Governance 4.1 Talent Attraction and Retention	31 88
<b>Strategy, Policy and Practice</b>			
2-22	Sustainability Development Strategy Statement	Message from the Chair of the Corporate Sustainability Committee	1
2-23	Policy Commitment	Sustainable Development 1.6 Ethical Management 2.1 Risk Management 2.3 Responsible Supply Chain 3.2 Green Products Please refer to: <a href="#">Accton's Corporate Sustainability Policy and Commitment</a>	3 34 38 54 67
2-24	Incorporate Policy Commitment	Sustainable Development	3-5
2-25	Procedures for Remediating Negative Impacts	1.6 Ethical Management 4.1 Talent Attraction and Retention	35 72
2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Engagement 1.6 Ethical Management	16-18 36
2-27	Compliance	1.6 Ethical Management 2.1 Risk Management 2.3 Responsible Supply Chain 3.2 Green Products	36 38 52-54 67-69
2-28	Membership of associations	Sustainability Performance	12
<b>Stakeholder Engagement</b>			
2-29	Guidelines on Stakeholder Engagement	Materiality Analysis Stakeholder Engagement	13-15 16-18
2-30	Collective bargaining agreements	The Company has not signed a group agreement but regularly holds labor-management meetings quarterly	31



## Material Topics

GRI Standard	Disclosure Item	Corresponding Chapters/Sections and Explanation	Page Number
GRI 3: 2021 Material Topic			
3-1	Procedure to determine material topics	Materiality Analysis	13-14
3-2	List of material topics	Materiality Analysis	14
<b>Risk Management</b>			
GRI 3: 2021 Material Topic			
3-3	Material Topic Management	2.1 Risk Management	38-42
GRI 201: Economic performance			
201-1	Direct economic value generated and distributed	1.2 Operating Performance	22-23
201-2	Financial Impacts and Other Risks and Opportunities of Climate Change	2.1 Risk Management	39-40
201-3	Defined benefit plan obligations and other retirement plans	4.1 Talent Attraction and Retention 4.2 Talent Learning and Development	88 94
201-4	Financial assistance received from government	1.2 Operating Performance	23
<b>Supply chain management</b>			
GRI 3: 2021 Material Topic			
3-3	Material Topic Management	2.3 Responsible Supply Chain	51
GRI 204 Procurement practices			
204-1	Proportion of spending on local suppliers	2.3 Responsible Supply Chain	51
GRI 308 Supplier environment evaluation			
308-1	Adopt environmental criteria to screen new suppliers	2.3 Responsible Supply Chain	52-54

GRI Standard	Disclosure Item	Corresponding Chapters/Sections and Explanation	Page Number
308-2	Negative impact of the supply chain on the environment, and actions taken	2.3 Responsible Supply Chain	55
GRI 414 Supplier social evaluation			
414-1	Adopt social criteria to screen new suppliers	2.3 Responsible Supply Chain	53
414-2	Negative social impacts in the supply chain and actions taken	2.3 Responsible Supply Chain	55
<b>Green Production</b>			
GRI 3: 2021 Material Topic			
3-3	Material Topic Management	3.1 Green Production	57-65
GRI 302: Energy 2018			
302-1	Energy consumption within the organization	3.1 Green Production	62
302-3	Energy intensity	3.1 Green Production	62
302-4	Reduce energy consumption	3.1 Green Production	65
GRI 305: Emissions 2018			
305-1	Direct (Scope 1) GHG emissions	3.1 Green Production	64
305-2	Energy indirect (Scope 2) GHG emissions	3.1 Green Production	64
305-3	Other indirect (Scope 3) GHG emissions	3.1 Green Production	64
305-4	GHG emissions intensity	3.1 Green Production	65





GRI Standard	Disclosure Item	Corresponding Chapters/Sections and Explanation	Page Number
305-5	Reduction of GHG emissions	3.1 Green Production	65
305-6	Emissions of Ozone Depleting Substances (ODS)	Accton has no emissions of ozone-depleting substances (ODS)	-
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant gas emissions	Accton has no such gas emissions	-
<b>Occupational health and safety</b>			
GRI 3: 2021 Material Topic			
3-3	Material Topic Management	4.3 Safeguarding Employee Safety 4.4 Safeguarding Employee Health	102-108
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational Safety and Health Management System	4.3 Safeguarding Employee Safety	107-108
403-2	Hazard identification, risk assessment, and incident investigation	4.3 Safeguarding Employee Safety	103-104
403-3	Occupational Health Services	4.4 Safeguarding Employee Health	109-111
403-4	Worker participation, consultation, and communication on occupational health and safety	4.3 Safeguarding Employee Safety	103-105
403-5	Worker training on occupational health and safety	4.3 Safeguarding Employee Safety	107
403-6	Promotion of worker health	4.4 Safeguarding Employee Health	109-112
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.3 Safeguarding Employee Safety	102-108
403-8	Workers covered by an occupational health and safety management system	4.3 Safeguarding Employee Safety	104

GRI Standard	Disclosure Item	Corresponding Chapters/Sections and Explanation	Page Number
403-9	Occupational injury	4.3 Safeguarding Employee Safety	106
403-10	Occupational disease	4.4 Safeguarding Employee Health	109
<b>Talent Development</b>			
GRI 3: 2021 Material Topic			
3-3	Material Topic Management	4.2 Talent Learning and Development	89-94
GRI 404: Education and training			
404-1	Average hours of training per year per employee	4.2 Talent Learning and Development	90
404-2	Programs for upgrading employee skills and transition assistance programs	4.2 Talent Learning and Development	89
404-3	Percentage of employees receiving regular performance and career development reviews	4.2 Talent Learning and Development	97
<b>Innovative and R&amp;D</b>			
GRI 3: 2021 Material Topic			
3-3	Material Topic Management	2.2 Innovative Technology Research and Development	49-50
<b>Innovation and R&amp;D</b>			
Customized topics	Innovation and R&D	2.2 Innovative Technology Research and Development	49-50
<b>Green Products</b>			
GRI 3: 2021 Material Topic			
3-3	Material Topic Management	3.2 Green Product Management	66-69
<b>Green Products</b>			
Customized topics	Green Products	3.2 Green Product Management	66-69

## 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	%	Please refer to <a href="#">4.1 Talent Attraction and Retention</a>
Supply chain management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited using the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	%	No-high risk facilities (All vendors that implemented RBA VAP in this written survey are 80% compliant or more)
	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	In 2022, 48 key suppliers were added to respond to the Accton RBA standard survey. For details, please refer to <a href="#">2.3 Responsible Supply Chain</a>
Procurement of Materials	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	n/a	In 2022, a total of 237 suppliers completed the risk identification and assessment of conflict minerals management and due diligence, achieving 100% compliance.

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 Sustainability Disclosure Indicator - Communication Network Industry

No.	Indicator	Type of Indicator	Annual Disclosure	Unit	Note
一	Total energy consumption, percentage of purchased electricity and utilization rate of renewable energy	Quantify	Total energy consumption: 163,773 GJ, 98.9% of purchased electricity and utilization rate of renewable energy: 0%	Gigajoule (GJ), percentage (%)	Refer <a href="#">3.1 Green Production Chapter</a>
二	Total water withdrawals and total water consumption	Quantify	Total water withdrawals: 222,578 Total water consumption: 198,566	Thousand cubic meters (m³)	Refer <a href="#">3.1 Green Production Chapter</a>
三	Weight of generated hazardous waste and recycling percentage	Quantify	Total hazardous waste weights 8.2 metric tons, recycling percentage 0%	Metric tons (t), Percentage (%)	Incineration and heat treatment are adopted as the existing waste cannot be recycled by fractionation.
四	Explain the type, number and ratio of occupational accidents	Quantify	Refer "4.3 Safeguarding Employee Safety" Chapter	Ratio (%), Quantity	
五	Disclosure of product life cycle management: Including the weight of end-of-life products and electronic waste and percentage of recycling <sup>(Note 1)</sup>	Quantify	Weight 35.229 metric tons Recycling percentage 100%	Metric tons (t), Percentage (%)	Accton operates in B2B and discloses the weight of scrapped products and electronic waste in the manufacturing stage
六	A description of the risk management associated with the use of critical materials	Qualitative description	Accton continued its CMRT/CRT investigation in accordance with the "Due Diligence Guidelines for Responsible Supply Chains in the CHARAs Region" of the Organization for Economic Cooperation and Development (OECD): Tantalum, tungsten and cobalt are defined as critical materials, and the management and performance of these minerals are disclosed in the "Conflict Minerals" chapter of "2.3 Responsible Supply Chain".	Not applicable	
七	Total monetary damages resulting from lawsuits related to anti-competitive behavior regulations	Quantify	The Company has not incurred this loss in the past	Reporting currency	
八	Output of main products by product type	Quantify	Please refer to the chart below	Varies by product type	

Note 1: Including the sale of leftovers or other recycling, relevant instructions should be provided.

## Indicator 8: Output of the Main Products by Product Type

Unit: NT\$, thousand/ Pcs(EA)

Year Production value Major Products (Or by department)	2022		
	Capacity	Production	Output value
Network switches	2,999,629	2,892,167	30,382,028
Network appliances	3,642,287	3,461,999	10,676,960
Metro access switch	551,785	529,402	5,163,746
Wireless	572,846	553,760	792,459
Others	—	—	47,528
Total	7,766,547	7,437,328	47,062,721





**Accton**

Making Partnership Work

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