Accton Technology Corporation
Sustainable Development Best Practice Principles

Chapter 1  General Principles

Article 1  In order to fulfill the Company’s corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the Company has formulated the Sustainable Development Best Practice Principles (hereinafter referred to as “the Principles”) in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and other relevant laws and regulations.

Article 2  The Principles is applicable to Accton Technology Corporation (hereinafter referred to as “the Company”) and its entire operating activities. The Company actively fulfills its sustainable development in the course of its business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community, and society by acting as responsible corporate citizens, and to enhance competitive edges built on sustainable development.

Article 3  In fulfilling sustainable development initiatives, the Company in its corporate management guidelines and business operations, gives due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society, and corporate governance.

Article 4  To implement sustainable development initiatives, the Company follows the principles below:
   I. Implement corporate governance.
   II. Foster a sustainable environment.
   III. Preserve public welfare.
   IV. Enhance disclosure of sustainable development information.

Article 5  The Company takes into consideration the correlation between the development of domestic and international sustainable development principles and corporate core business operations, and the effect of the operation of the Company’s and of its respective business group as a whole on stakeholders, in establishing its policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs, which are approved by the board of directors and then reported to the shareholders meeting.

When a shareholder proposes a motion involving sustainable development, the Company's board of directors is advised to review and consider including it in the shareholders’ meeting agenda.
Chapter 2  Exercise corporate governance

Article 6  The Company is advised to follow the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/TEPx Listed Companies, and the Code of Ethical Conduct for TWSE/TEPx Listed Companies to establish effective corporate governance frameworks, relevant ethical standards, and matters so as to enhance corporate governance.

Article 7  The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time, and continually make adjustments so as to ensure the thorough implementation of its sustainable development policies.

The board of directors of the Company is advised to follow the matters below, in the Company's promotion of sustainable development goals:

I. Identifying the company's sustainable development mission or vision, and declaring its sustainable development policy.

II. Making sustainable development the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives.

III. Ensuring the timeliness and accuracy of the disclosure of corporate social responsibility information.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 8  The Company, on a regular basis, organizes education and training on the implementation of sustainable development initiatives, and promotes the corporate social responsibility initiatives.

Article 9  For the purpose of managing sustainable development initiatives, the Company establishes a sustainable development governance framework, and an exclusive dedicated unit to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and reports on the same to the board of directors on a periodic basis.

The company adopts reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.

It is advised that the employee performance evaluation system be combined with sustainable development policies, and that a clear and effective incentive and discipline system be
Article 10 The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section for stakeholders on the Company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important sustainable development issues which they are concerned about.

Chapter 3 Foster a sustainable environment

Article 11 The Company shall follow relevant environmental laws, regulations, and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12 The Company endeavors to utilize energy more efficiently and uses renewable materials which have a low impact on the environment to improve the sustainability of natural resources.

Article 13 The Company establishes proper environmental management systems according to the following items:
   I. Collecting sufficient and up-to-date information to evaluate the impact of the Company's business operations on the natural environment.
   II. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
   III. Adopting enforcement measures such as concrete plans or action plans and examining the results of their operation on a regular basis.

Article 14 The Company appoints the General Affairs Department to be the dedicated unit for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and holding environment education courses for the managerial officers and other employees on a periodic basis.

Article 15 The Company takes into account the effect of business operations on ecological efficiency, promotes and advocates the concept of sustainable consumption, and conducts operating activities including research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impacts on the natural environment and human beings from its business operations:
   I. Reduce resource and energy consumption of their products and services.
   II. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
   III. Improve recyclability and reusability of raw materials or products.
   IV. Maximize the sustainability of renewable resources.
   V. Enhance the durability of products.
VI. Improve efficiency of products and services.

Article 16  To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures. The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air, and land and use its best efforts to reduce the adverse impacts on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17  The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

I. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company.
II. Indirect greenhouse gas emissions: emissions resulting from the generation of acquired electricity, heat, or steam.
III. Other indirect gas emissions: emissions from the Company's activities that are not indirect emissions from energy sources, but are from sources owned or controlled by other companies.

The Company lays emphasis on the impact of climate change on its business operations and establishes policies for energy conservation, and greenhouse gas reduction according to the inspection results of its operation, and greenhouse gas emission. The Companies’ carbon reduction strategies should include obtaining carbon credits and should be promoted accordingly to minimize the impact of its business operations on climate change.

Chapter 4  Preserve public welfare

Article 18  The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination. The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

I. Presenting a corporate policy or statement on human rights.
II. Evaluating the impact of the Company's business operations and internal management on human rights and adopting corresponding handing processes.
III. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
IV. In the event of any infringement of human rights the company shall disclose the processes for handling of the matter with respect to the stakeholders involved. The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced
labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities. The Company provides an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The Company shall respond to any employee's grievance in an appropriate manner.

Article 19 The Company provides information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the Company has business operations.

Article 20 The Company provides safe and healthful work environments for its employees, including necessary health and first-aid facilities, and endeavors to curb dangers to employees’ safety and health and to prevent occupational accidents. The Company organizes training on safety and health for its employees on a regular basis.

Article 21 The Company creates an environment conducive to the development of its employees’ careers and establishes effective training programs to foster career skills. The Company appropriately reflects the business performance, or achievements in the employee remuneration policies, to ensure the recruitment, retention, and motivation of human resources, in order to achieve the objective of sustainable operations.

Article 22 The Company establishes a platform to facilitate regular two-way communication between the management, and the employees for the employees to obtain relevant information on and express their opinions on the Company’s operations, management and decisions. The Company respects the employee representatives' rights to bargain for the working conditions, and provides the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees, and employee representatives. The Company, by reasonable means, informs employees of operation changes that might have material impacts.

Article 23 The Company takes responsibility for its products and services and takes marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the Company ensures the transparency and safety of its products and services to protect consumer rights and interests. The Company also enforces them in the course of its business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 24 The Company ensures the quality of its products and services by following the laws and
regulations of the government and relevant standards of its industry. The Company follows relevant laws, regulations, and international guidelines in regard to the marketing and labeling of its products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers’ trust or damage consumers’ rights or interests.

Article 25 It is preferable that the Company evaluates and manages all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society. The Company provides a clear and effective procedure for accepting consumer complaints regarding its products and services to fairly and timely handle consumer complaints, complies with laws and regulations related to the Personal Information Protection Act for respecting consumers’ rights of privacy, and shall protect personal data provided by consumers.

Article 26 The Company assesses the impact of its procurement on society as well as the environment of the community that it is procuring from, and cooperates with its suppliers to jointly implement the corporate social responsibility initiative. Prior to engaging in commercial dealings, the Company assesses whether there is any record of a supplier's impact on the environment and society, and avoids conducting transactions with those against corporate social responsibility policy. When the Company enters into a contract with any of its major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impacts on the environment and society of the community of the supply source.

Article 27 The Company evaluates the impact of its business operations on the community, and adequately employs personnel from the location of the business operations, to enhance community acceptance. The Company, through commercial activities, in-kind endowments, volunteering service, or other charitable professional services, etc., participates in events held by citizen organizations, charities, and local government agencies relating to community development and community education to promote community development.

Chapter 5 Enhance disclosure of corporate sustainable development information

Article 28 The Company shall disclose information according to relevant laws, regulations, and the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and shall fully disclose relevant and reliable information relating to its sustainable development initiatives to improve information transparency. Relevant information relating to sustainable development which the Company shall
disclose includes:

I. The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development, as resolved by the board of directors.

II. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.

III. Goals and measures for realizing the sustainable development initiatives established by the Company and performance in promotion.

IV. Major stakeholders and their concerns.

V. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.

VI. Other information relating to sustainable development initiatives.

Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing sustainable development reports, to disclose the status of its implementation of the sustainable development policy. The reports are advised to include:

I. The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development initiatives.

II. Major stakeholders and their concerns.

III. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.

IV. Future improvements and goals.

Chapter 6 Supplementary Provisions

Article 30 The Company shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve their established sustainable development framework and to obtain better results from the implementation of the sustainable development policy.

Article 31 The Principles, and any amendments hereto, shall be implemented after adoption by the board of directors.

Article 32 The Principles are formulated on 23 December 2015. First amendment was made on March 17, 2022.