



**ALLTEK**  
TECHNOLOGY CORP.

# SUSTAINABILITY REPORT 2022

Environmental  
Social  
Governance



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## About This Report

### Overview of the Report

This report is the 2022 Sustainability Report (hereinafter referred to as the “Report”) of Alltek Technology Co., Ltd. (hereinafter referred to as “Alltek Technology” and “Alltek”). Alltek upholds the principles of openness, transparency and honesty, and presents in detail the communication with stakeholders and the efforts made on sustainability issues in 2022. We continued to work hard to achieve the United Nations Sustainable Development Goals (SDGs). We issued our first Sustainability Report in 2022 and this is the second edition of the Sustainability Report. A sustainability section has also been set up on the Company's official website. In the future, a sustainability report will be released every year as a concrete action to realize the sustainable management of the Company, so that the public understands the results of our efforts in promoting sustainable development.

### Scope and Boundary of the Report

Alltek Technology's operational headquarters is located in Taiwan, with operational locations in Hong Kong, Shenzhen, Xiamen, Chongqing, Shanghai, Suzhou, Wuhan, Chengdu, Qingdao, Jinan, Beijing, and Singapore. As Taiwan is the current focus of operation, except for the financial performance, which is disclosed in the consolidated financial statements, the contents of this annual report are mainly based on the operations headquarters in Taiwan. The scope covers Xizhi Warehouse and Taoyuan Bonded Warehouse, but does not include subsidiaries established for investment or tax purposes, or subsidiaries without operational control.

The information disclosed in the report is from January 1 to December 31, 2022. The content presents the management and performance of governance, environmental, and social aspects. The financial information is consistent with the financial report data certified by the CPAs, and some of the statistics are quoted from annual reports, government agencies and related websites, and are presented in the usual way of text and numerical descriptions. If the scope of information disclosure is not in conformity with the foregoing, it will be explained separately in that chapter. This report is released in June 2023, whereas the previous report was released in September 2022 and the next edition is expected to be released in June 2024. There is no significant change in the value chain disclosed in this report compared to the previous report.

## Writing Basis

This report has been prepared with reference to GRI Sustainability Reporting Standards (2021 version), with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, Task Force on Climate-related Disclosures Financial Disclosures (TCFD) and industry standards for the Electronic Manufacturing Services & Original Design Manufacturing (Electronic Manufacturing Services & Original Design Manufacturing) of the Sustainability Accounting Standards Board (SASB) as supplements.

## Report Management

### Internal review:

The relevant information in this report is provided by the functional teams of the Sustainability Committee of Alltek. The information has been reviewed by the team leaders for accuracy and completeness, while the Executive Office of the Sustainability Committee is responsible for overall planning, communication integration, and data compilation. After completing the first draft of this report, the editorial members of each working group will proofread and revise the contents and data under their respective responsibility. After being reviewed by the head of each responsible department, the President will review and finalize the report, and report it to the Chairman for issuance after approval.

### External verification:

SGS Taiwan Ltd. was delegated to provide assurance for this report based on AA1000 AS v3 Type 1 Moderate Assurance Level and GRI Standards Version 2021 reference options. An Independent Assurance Opinion Statement is enclosed in Appendix.

## Contact Information

If you have any comments, questions or suggestions regarding this report, please let us know via the contact information as follows:

Alltek Technology Corp.

Contact unit: Sustainable Development Committee

Email: [esg@alltek.com](mailto:esg@alltek.com)



## From the Operator

Taiwan's electronics industry plays a pivotal role in the world. As a link in this supply chain, Alltek Technology is constantly improving its technical capabilities and professional division of labor in order to contribute to the industry, society, and economy, and to achieve its mission of corporate sustainability.

Alltek Technology formally established the Sustainability Committee in 2022, which will achieve better sustainable efficiency and vision through the integration of organizational strength and resources on issues related to corporate governance, environmental protection, and social participation.

We have always believed that the most important key to business operation are talent, and good talent will help an enterprise to thrive. Therefore, we attach great importance to the selection, education and retention of employees and the balance between work and mind. In 2022, we organized a number of employee health promotion activities, and we thank our employees for taking part, enabling our team to be more energetic and cohesive.

In terms of environmental protection, Alltek has incorporated the TCFD climate risk assessment and has become a member of the Taiwan Climate Alliance to proactively align with the world's environmental protection goals. In addition, we will continue to promote digitalization through process improvement and the introduction of new systems to reduce paper usage.

Although there are still many steps to be taken to promote the sustainability of the Company, it is often said that, "great things have small beginnings." No matter how big or small, every decision a company makes, as long as it upholds its original intention and righteousness, and carries it through with willpower, the company will be able to give something back in the future. This is not only the implementation of the spirit of sustainability, but also the belief in the management of the Company.



Chairman of Alltek Group  
Louis Wu

## 1. About Alltek

### Business Philosophy

- Integrity and pragmatism: With a pragmatic management attitude and the principle of integrity, we fulfill our commitment to customers, suppliers, employees and shareholders.
- Professionalism and efficiency: Act in a professional and efficient manner, attach importance to customer needs, solve customer problems in a timely manner, and work with customers to create business opportunities.
- Innovation and refinement: In terms of R&D, marketing, management, and service, we adhere to the concept of excellence, continue to develop new ideas, and maintain innovation leadership.
- Teamwork: Teamwork is valued. All employees perform their respective duties and specialties, to build consensus and exert the comprehensive effect of corporate competition.

### Major Events of Alltek

- Date of establishment: April 15, 1991
- Date of listing: November 26, 2008
- Ownership and legal form: Public company, traded on Taiwan Stock Exchange
- Stock code: 3209
- Headquarters: 9F., No. 360, Ruiguang Rd., Neihu District, Taipei City

<b>Year</b>	<b>Major Milestones</b>
<b>2022</b>	Ranked 36th among the “Top 500 Service Industry” in the 2022 CommonWealth
<b>2022</b>	Ranked 25th among the “Top 100 Semiconductor Companies” in 2022 CommonWealth
<b>2022</b>	2022 CHR Healthy Corporate Citizenship by Health Magazine: Enterprise with less than 500 employees: Silver Award
<b>2021</b>	2021 CHR Healthy Corporate Citizenship by Health Magazine: Enterprise with less than 500 employees: Bronze Award
<b>2021</b>	Awarded with the “National Excellent Healthy Workplace - Vitality Award” from the National Health Administration, Ministry of Health and Welfare
<b>2021</b>	Awarded with the iTaiwan iSports Certification in 2021 by the Sports Administration, Ministry of Education
<b>2021</b>	30th anniversary of Alltek Group
<b>2020</b>	Awarded with the “2020 Health Promotion Label” by the Health Promotion Administration, Ministry of Health and Welfare
<b>2020</b>	Consolidated revenue exceeded NT\$40 billion
<b>2018</b>	Ranked 49th among Top 500 Service Industry by CommonWealth in 2017 <i>*ranked among top 50 for the first time</i>
<b>2017</b>	Awarded the Bronze Medal for Talent Development Quality Management (TTQS) by the Ministry of Labor
<b>2011</b>	Ranked 93th among Top 500 Service Industry by CommonWealth in 2010 <i>*ranked among top 100 for the first time</i>
<b>2008</b>	Listed on the Taiwan Stock Exchange
<b>2004</b>	Listed in the Taipei Exchange; stock code: 3209
<b>2003</b>	Trading on the Emerging Stock Market
<b>1991</b>	Founding of Alltek Technology

## Industrial Value Chain

The Company is a semiconductor distribution operator, which is a part of the semiconductor component industry in the upstream of the information industry. With respect to the current state of the industry, semiconductor channel operators play the role of service provider and buffer of logistics, money and information flow in the overall electronic component supply chain. For this reason, the Company needs to meet both the expectations of upstream OEMs and the needs of downstream customers.

The Company distributes active components mainly for communications. In recent years, the Company has continued to expand product types by adding a number of passive components and memory brands. The Company's main customers are network

communication product manufacturers and foundries. The Company has been cultivating its business for many years in Taiwan, China, and Hong Kong with ongoing growing revenue.

◆ Positioning of the Group in the Value Chain

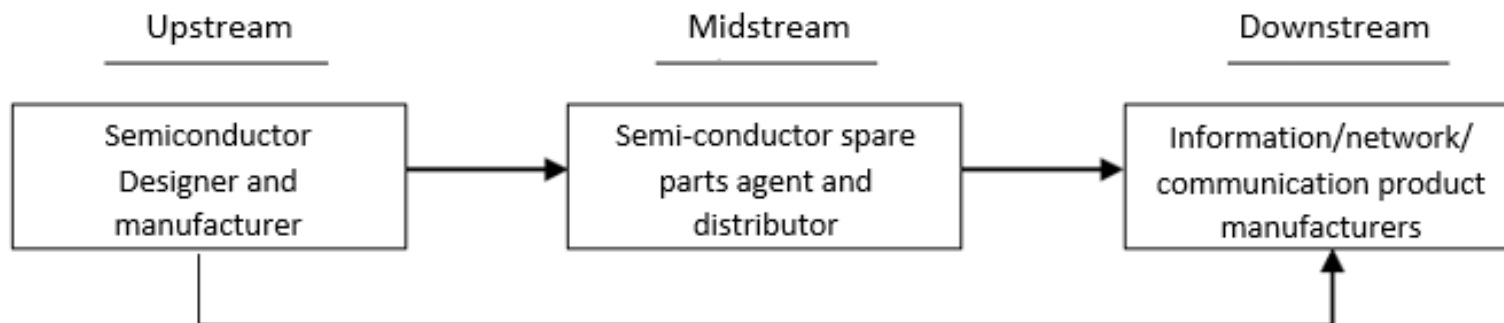
Most of the semiconductor distributors have taken measures to expand the economic scale to improve performance and profits, and thus have conducted many mergers and acquisitions. The Company positions itself as a “professional value-added distributor,” which is also a key to the sustainability of the Company. Since establishment, Alltek has adopted total solution as its main marketing model, breaking through the limitations of general parts distributors who provide only price and delivery service. As well as this, Alltek has also introduced numerous communication semiconductors and solutions to customers to help customers solve the bottleneck of product development, to stand on the market with professionalism, and to meet the diversified needs of customers.

◆ Correlation Among the Upstream, Midstream and Downstream of the Industry

The upstream of the semiconductor industry is semiconductor design and manufacturing companies; the midstream is distributors; and the downstream is manufacturers of various products such as information, network, and communication products. Due to the wide distribution of upstream and downstream of electronic components, and the high professionalism and technical knowledge required for various components, the supply chain management is more complicated, forming the business of semiconductor distributors. Semiconductor distributors usually represent multiple brands and product categories in order to achieve the purpose of increasing economic scale, coordinating sales, and diversifying risks. The expectations and requirements of the upstream OEMs of the distributors will also be adjusted in different weights depending on the brand's product strength, market strategy, environmental competition, and product life cycle. It is necessary for downstream customers to provide supporting services as much as possible, while also controlling the adjustment of supply, and even technical support according to customer needs. Therefore, for semiconductor distributors, the upstream and downstream of the industry are the service targets for improving performance and creating profits.



The Correlation Diagram Among the Upstream, Midstream and Downstream in the Industry Is as Follows:



#### Corporate Positioning

The goal that we continue to pursue is the best interests of our shareholders, customers, suppliers, and employees. We also strive to enrich our capabilities and strength with a foothold in Taiwan, deep cultivation in China, with a global vision. We are able to maintain our leading position in the field of IC channel industry and will continue to develop into a leading manufacturer of professional communication components in the Asia-Pacific region as the goal.

- Professional Team, Cutting-Edge Technology

With the independent core technology and solid and outstanding R&D foundation, Alltek has established its own laboratory to engage in the development of modular circuits, Application Specific Integrated Circuits (ASIC) and complete systems in conjunction with the distributor line products. Our R&D team has many years of practical experience, focusing on wired and wireless communications, telecommunication equipment, data and network communications, information software and hardware development, and digital circuit design.

◆Vertical Development and Horizontal Integration

At Alltek, we insist on profit and prosperity sharing with employees and shareholders. Through rigorous professional education and training, experience sharing and inheritance, and project implementation, the Company nurtures and inspires employees to grow at the same time as the Company to achieve horizontal integration. At the same time, we combine the professionals in products, technologies, and marketing to form a golden service triangle. By doing this, we are able to truly grasp the needs of customers, play the role of professional consultants while being a supplier, providing the most comprehensive and timely services.



## Products and Services

Since inception, the Company has always adhered to the goals of technological leadership and differentiated management; hence, we have accumulated profound technologies in the communication field. We continue to develop on the principle of steady profitability, to stabilize and expand our existing foundation.

<b>Main products</b>	<b>Important use</b>
<b>Wired broadband components</b>	Semiconductor components for wired broadband transmission, suitable for office equipment, mobile and computer devices, servers, data, audio and video, and network transmission equipment.
<b>Wireless communication components</b>	Semiconductor components for short-distance wireless transmission, suitable for personal computers, notebook computers, tablet computers, servers, industrial and automatic control, mobile devices, mobile phones, and portable consumer products.
<b>Optical fiber communication components</b>	Semiconductor components required for long-distance high-speed transmission, suitable for transmission equipment of central office equipment, passive optical network and point-to-point high-speed network.
<b>Semiconductor components for digital imaging and audio processing, broadcasting, and transmission</b>	Suitable for signal conversion and processing signals from digital set-top boxes, audio/video servers, network players, video communications, audio/video entertainment devices.
<b>Semiconductor components required for communication interface protection</b>	Isolation and protection component suitable for preventing lightning strike, surge, and electrostatic induction of office equipment, network gateways, network transmission, and data communication products.
<b>Semiconductor components for storage and energy conversion</b>	Widely used in power supply, management components, memory, clock signal, high-speed signal interface driving system and peripheral discrete devices.

## Short-term and Long-term Business Development Plans

Short-term development plan	Long-term development plan
(1) Establish comprehensive technical services and cultivate long-term competitive advantages. (2) Enrich the product agent line which will be made more complete. (3) Enhance the functions of employees.	(1) Establish the No. 1 brand of professional network communication agency in Asia Pacific. (2) Construct an organization and culture of sustainable management. (3) Invest in related industries to improve operational synergies.

## R&D and Innovation

The Company has a Technical R&D Department to provide various technology value-added services. In addition to related product research and analysis, there are also product application engineers (FAE) to provide customers with overall solutions from the early stage of product design to the completion of sample testing.

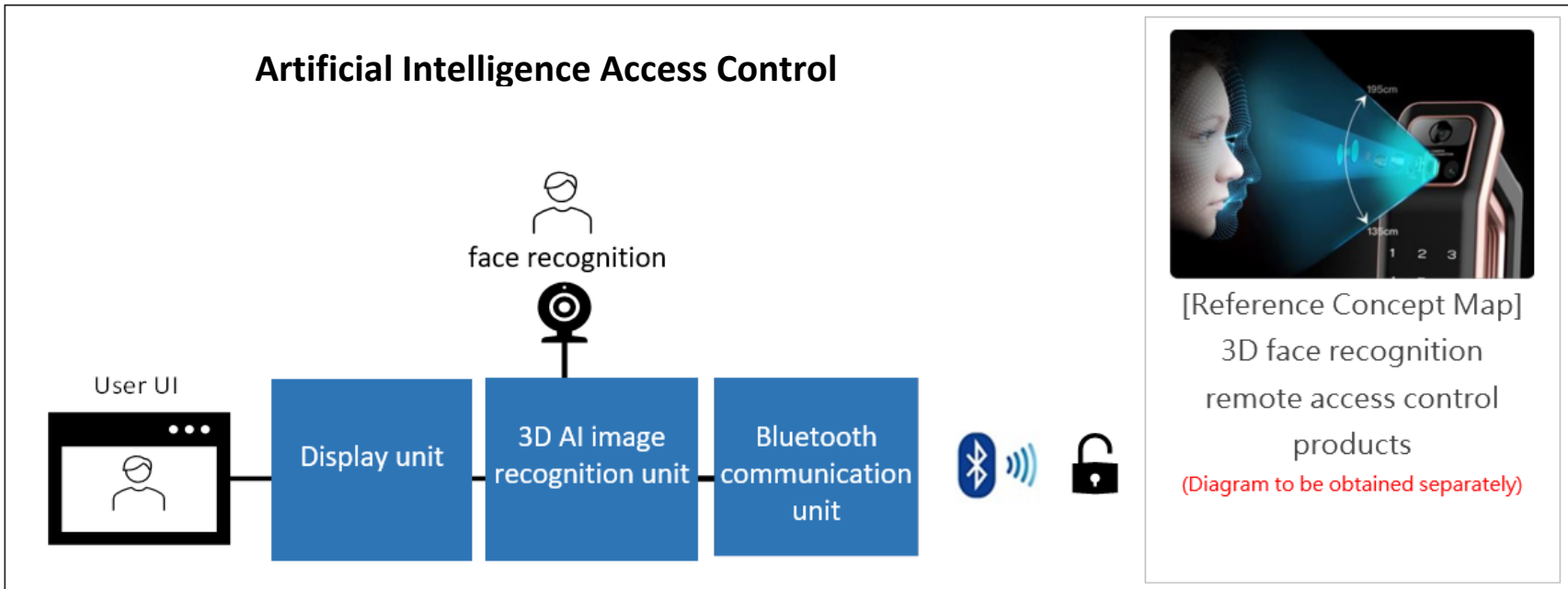
### ◆ R&D Expenses for the Most Recent Two Years Recorded in the Consolidated Financial Statements

Unit: NTD  
thousands

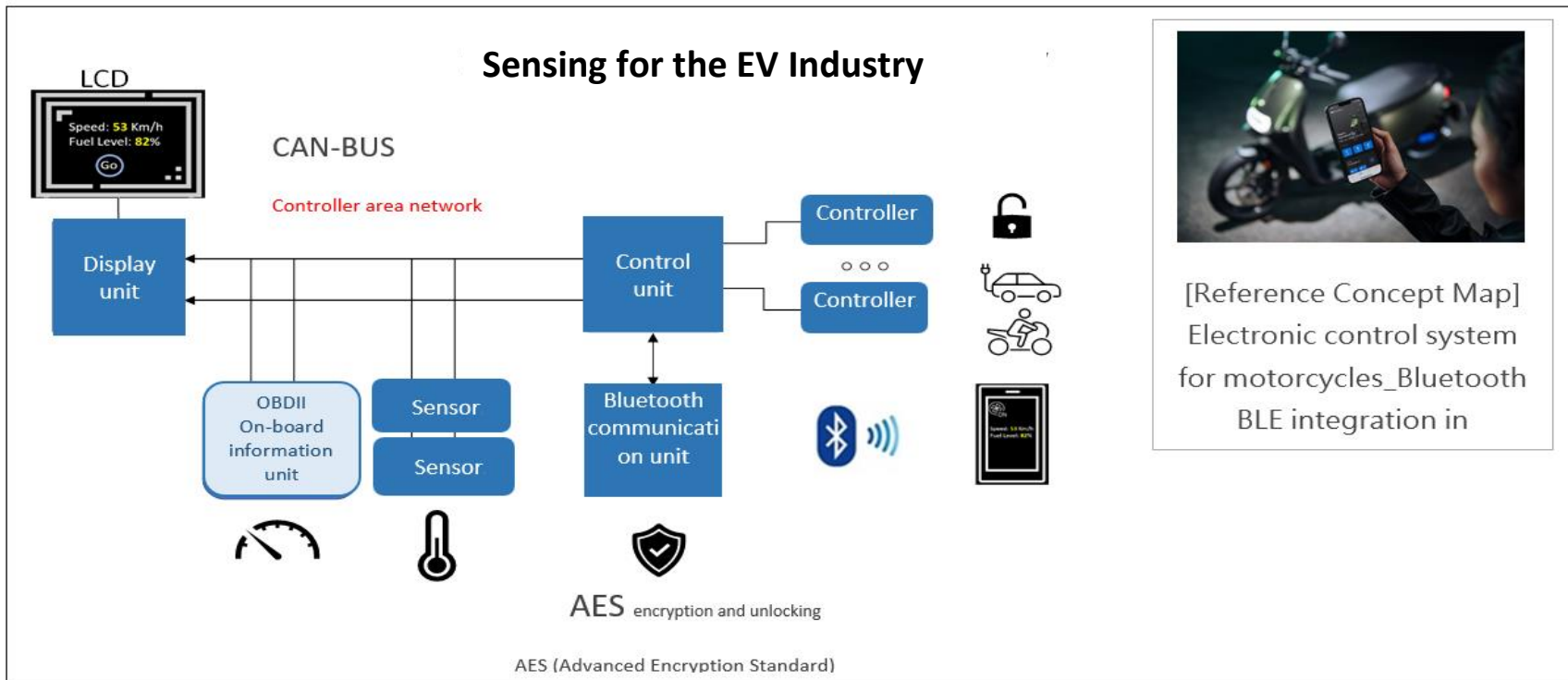
Item/year	2021	2022
Net operating revenue (A)	47,134,253	60,428,396
Annual R&D expenses (B)	138,473	128,191
R&D expenses as a percentage of net operating revenue (B)/(A)	0.21%	0.21%



◆Technologies or Products Successfully Developed in the Most Recent Year



Year	Product name	Product content	Product usage
2021	Customized 3D image face recognition control module	Based on neural network chip, the 3D face recognition model has been introduced to develop the artificial intelligence module with user interface.	Artificial intelligence
2022	Function module that integrates 3D image recognition and wireless communication	Combined with the wireless communication module, the wireless communication function is added to the 3D image face recognition to achieve remote access control with artificial intelligence recognition.	Artificial intelligence



Year	Product name	Product content	Product usage
2021	Automotive industrial communication module combined with environmental condition sensing	Integrated environmental sensor chip. Through CAN Bus and OBD communication transmission protocol, the display and transmission function module of vehicle environmental information is achieved.	Sensing for the EV industry
2022	The mobile carrier encryption and unlocking module combined with Bluetooth BLE.	Embed the Bluetooth module into the encryption and unlocking algorithm to provide the wireless control function by the mobile device for the digitization of the motorcycles.	Electric vehicle

◆ Current Product Categories and New Products Planned to be Developed

(1) The Company acts as an agent for the sale of semiconductor products for network communication in various countries, including wired broadband components, wireless communication components, optical communication components, voice processing components, and communication protection components. Information on each product is available on the Company's website (<http://www.alltek.com/>).

(2) Plans for Development of New Products or Services.

Year	Product name	Product content	Product usage
2023	Software technology integration for wireless communication and sensing systems	A software technology module that integrates Bluetooth BLE communication and CAN Bus technology for industrial control fields to return on-site sensing data.	Industrial Internet of Things
2023	Wireless controlled electronic combination lock with multiple biometrics functions	Integrated with 3D face and fingerprint recognition module to provide multi-biometric unlocking function of electronic combination lock.	Smart home

Glory of Alltek

Outstanding Distributor



Awarded by:  
KCT (Shanghai) Co., Ltd.

Supplier of the Year



Awarded by:  
Lite-On Technology Corp.

Special Contribution Award



Awarded by:  
Epson Taiwan Technology & Trading Ltd.

Enterprise with Less than 500 Employees  
- Silver Award



Awarded by:  
2022 [CHR Healthy Corporate Citizenship]  
by CommonHealth Magazine

Best Delivery Award



Awarded by:  
Beijing Star-Net Ruijie Networks Co., Ltd.



(1)  
Commonwealth Magazine 2022  
Top 500 Service Industry  
36th place

(2)  
2022 "Commonwealth" Semiconductor  
Top 100 Enterprises  
25th place



## Engagement in Public Associations

- As a professional distributor of electronic components, Alltek Technology has been deeply involved in this field for many years and maintains a good competitive and cooperative relationship with peers. For this reason, we were asked to join the TECSA since the early days. For many years, the president or senior executive has served as the director or supervisor of the association to jointly promote industry development and share business opportunities. Hank Hsieh, President of Alltek Technology, assumed the post of supervisor of the TECSA in 2022.
- Taiwan Climate Alliance was officially formed in 2022. Founding members include 8 leading technology companies, including AUO, Delta Electronics, TSMC, Microsoft Taiwan, Lite-On, Acer, Pegatron, and Asustek. Group members cover more than 100 major domestic optoelectronics, semiconductors, and electronic components suppliers, and is an important platform for the sustainability development of the integrated electronics industry. The mission of the alliance is to assist Taiwan's supply chain in reducing carbon in line with international standards, and to cooperate with partners and extensively communicate with international organizations to introduce the global climate pulse to Taiwan, conduct a systematic low-carbon transformation, and develop better competitiveness. Upon the recommendation and invitation of the founding member, LITEON Technology, we joined the Taiwan Climate Alliance as the beginning of its founding year. Together with the upstream and downstream communities of the industry, we continue to contribute to climate change issues.
- TWCERT/CC Consortium was established in 1998, serving as Taiwan's external window for handling network security incidents. TWCERT/CC is responsible for the liaison and communication between Taiwan and CERT organizations around the world to continue to monitor information security incidents and potential threats. As it is impossible for Alltek to protect the security of critical information infrastructure alone, we applied to join TWCERT/CC as its general member. Through TWCERT/CC, we can connect the global information security joint defense system and strengthen the international information security incident notification and response capability in order to protect the security of important digital information of the Company. Through information security information sharing and incident management, we are able to accumulate response experience, improve the quality of the Company's personnel information security and the efficiency of incident elimination, and reduce the impact of incidents on the operations.

## 2. Sustainable Action

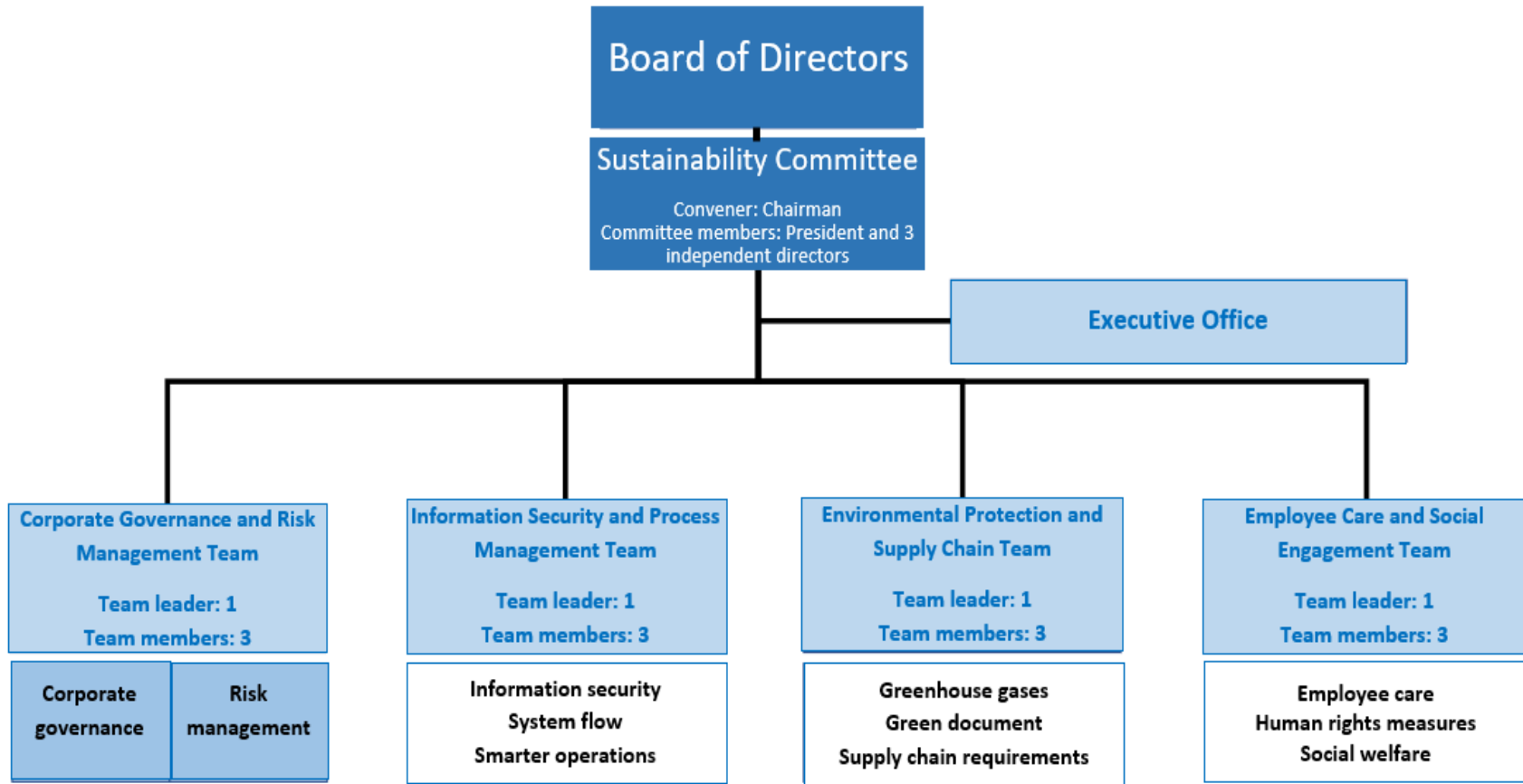
### An Organization That Facilitates Sustainability

In order to implement the philosophy of sustainable management and implement corporate social responsibility, the Company has established a “Sustainability Committee,” with the President and 3 independent directors of the Company serving as members. The Committee effectively promotes the setting of the Company's goals for sustainability. Under the Committee, the Corporate Governance and Risk Management Team, Information Security and Process Management Team, Environmental Protection and Supply Chain Team, and Employee Care and Social Engagement Team have been formed for corporate sustainability-related proposals, implementation and reporting. The chair of the Committee serves as the convener. Each team has a team leader who is responsible for the communication and coordination of matters under the control of the team, and compiles the information related to the team's responsibility to facilitate various projects and respond to major issues of various functions.




In principle, the “Sustainable Development Committee” shall be convened every six months, with the flexibility to adjust if necessary, provided it is convened at least once a year. If the chair is unable to preside over the meeting for any reason, he/she shall appoint a member to act on his/her behalf. In addition to committee members and each team leader attending the meeting on a regular basis, the convener of each functional group may invite relevant personnel to attend each meeting as necessary.



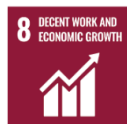



# Alltek Technology

## An organization that facilitates sustainability



Sustainability in 2022

Aspect	2022 Results	Corresponding SDG indicator	
<b>Environmental Aspect</b>	<ol style="list-style-type: none"> <li>1. Continue to promote the “Alltek Paper Reduction Campaign”. In 2022, paper consumption was 274,096 sheets, 96,053 less than that in 2021. The reduction in paper consumption is equivalent to 11.53 trees.</li> <li>2. There is no packaging waste in the warehousing as the receiving cartons and packing materials are recycled.</li> <li>3. In 2022, the electricity consumption was 499,356kwh, 18,417kwh less than the previous year.</li> <li>4. Water consumption was reduced by 2.33% in 2022. (2021: 1,504 cubic meters; 2022: 1,469 cubic meters)</li> <li>5. A total of 668 cartons and NT\$139,881 were saved due to the consolidation of cartons of warehousing in 2022.</li> </ol>	SDG 12 Responsible consumption and production	
	Supported the release of the Task Force on Climate-Related Financial Disclosures (TCFD) by the Financial Stability Board (FSB) in June 2017 to mitigate the risks and pursue opportunities associated with climate change. In addition, the annual progress and results of the work was disclosed in accordance with its proposed framework.	SDG 13 Climate Action	
<b>Social Aspect</b>	<ol style="list-style-type: none"> <li>1. In 2022, the “3rd Healthy Together on LINE - Walking About Taiwan to Be Healthy - Planting Trees and Losing Weight” was held. All employees walked 96.5 laps around the island, reduced carbon by 19,568 kg and planted 1,080 trees, equivalent to planting 1/6 of the trees in Daan Forest Park and 2.4 laps around the earth.</li> <li>2. There were 0 cases of disabling injury reported throughout the year.</li> <li>3. Organized 4 health seminars/courses, with 262 participants.</li> <li>4. 2022 CHR Healthy Corporate Citizenship by Health Magazine: Enterprise with less than 500 employees: Silver Award.</li> </ol>	SDG 3 Good Health and Well-being	

<b>Social Aspect</b>	<p>1. Provide diversified education and training courses, as well as professional continuing courses according to the needs of employees' functions. In 2022, with a total of 1402.5 hours of annual training for employees.</p> <p>2. Total human rights-related training hours: 209</p>	SDG 4 Quality Education	
	The Company provides a flexible parental leave system, a comfortable and relaxing lactation room for female colleagues and parking bays for pregnant colleagues, and professional nurses to provide maternal care consultation services.	SDG 5 Gender Equality	
	<p>1. In addition to the normal organizational system, labor-management relations are communicated through Welfare Committee meetings, quarterly company meetings, and annual general meetings, thereby giving all employees the opportunity to communicate with managers at all levels.</p> <p>2. Promote employee stock ownership trust.</p>	SDG 8 Decent Work and Economic Growth	
	Donation of daily necessities to the [Love Network Foundation] to support the employment of the disadvantaged and poverty care.	SDG 10 Reduced Inequalities	
<b>Governance Aspect</b>	<p>By implementing a Warehouse Management System (WMS), the Company can simplify procedures, improve efficiency, reduce error rates, and provide real-time access to inventory information.</p> <p>*From 2019 to 2022, the number of shipping errors: 0, and the on-time delivery, delivery accuracy, and inventory accuracy rate were all 100%.</p>	SDG 9 Industry, Innovation and Infrastructure	
	<p>1. Organized annual training on “Code of Ethical Conduct” and “Anti-Corruption,” with a total of 209 employees receiving 209 hours of training.</p> <p>2. Formulated the “Intellectual Property Management Plan” and reported the implementation status to the meeting of the Board of Directors in 2022.</p> <p>3. The percentage of board members receiving training in [anti-corruption] and communication training: 85.7%.</p>	SDG 16 Peace and Justice	

### 3. Management of Sustainability Issues

#### Stakeholder Identification

We know that stakeholder communication is the cornerstone of corporate social responsibility and sustainable development. We have created multiple channels to communicate with stakeholders in order to listen to their voices. Through stakeholder identification and communication, we have an accurate understanding of stakeholders' concerns in the Company's economic, environmental, and social aspects. We have adopted the five principles of AA1000 Stakeholder Engagement Standards: “Dependability, Accountability, Intensity/Concern, Influence, Diverse Perspectives,” to identify key stakeholders based on the relevance of each department's work relevance and with reference to the stakeholders in the same industry. The stakeholders discussed and reviewed by the Sustainability Committee members this year are divided into five main groups: employees, customers, product suppliers, service suppliers, and investors/corresponding banks. We have always maintained good interaction with our stakeholders and established diverse and smooth communication channels to get to know their opinions and suggestions on the Company's economic, environmental, and social aspects. These will be used as the basis for future management policies and practices.

◆ Five Principles for Identifying Stakeholders:

<b>Dependency</b>	Stakeholders who directly or indirectly rely on the Alltek's activities, products, services, or related operations.
<b>Responsibility</b>	Stakeholders that Alltek has current or future legal, economic, business, and moral responsibilities.
<b>Tension</b>	Stakeholders concerned with financial, economic, social, and environmental issues related to Alltek.
<b>Influence</b>	Stakeholders that have strategic influence or decision-making ability on Alltek.
<b>Diverse Perspectives</b>	Stakeholders with diverse perspectives who can bring new awareness and opportunities to Alltek.

## Stakeholders' Concerns and Communication Channels

While we continue to pursue company growth, we also value the voices and suggestions of all stakeholders. With an open-minded attitude, we absorb diversified opinions and suggestions from all parties, understand the needs and view of our stakeholders to resolve unnecessary misunderstandings and disputes. At the same time, we grasp the risks that the Company may encounter, and the blind spots in management. By doing so, the Company can adjust and respond to business strategies at any time, and work with stakeholders to achieve win-win situation to achieve the concept of sustainability. To ensure the implementation of various material issues and the achievement of goals, the Sustainability Committee convenes every six months to review the progress of the implementation of corporate sustainability proposals, and compile related results and materials, the results of discussions with stakeholders, and proposals for sustainable promotion for review by the head of authority, to be submitted to the Board of Directors each year in accordance with the regulations.

Stakeholders	Importance to Alltek	Topics of concern	Communication method and frequency	Corresponding chapter
<b>Employees</b>	At Alltek, employees are the backbone of the Company's sustainability and important partners in its growth. Given this, building a happy company and caring for employees are our priority.	<ol style="list-style-type: none"> <li>1. Employee welfare and care</li> <li>2. Management Performance</li> <li>3. Major incident handling and response</li> </ol>	<ul style="list-style-type: none"> <li>•Intranet EIP: Real-time/from time to time</li> <li>•Grievance mailbox (Green window): From time to time</li> <li>•All-employee meeting: Quarterly/Annually</li> <li>•Inter-departmental meeting: Monthly</li> <li>•Labor-management meeting: Quarterly</li> <li>•Welfare Committee meeting: From time to time, subject to schedule</li> <li>•Health care consultation: Monthly/quarterly/annually</li> </ul>	<p>4.1 Corporate Economic Performance</p> <p>5.1 Happy Enterprise</p> <p>5.2 Healthy Workplace</p> <p>4.3 Risk Management</p>
<b>Customer</b>	Customer recognition is the direction of our continuous improvement and the	<ol style="list-style-type: none"> <li>1. Product supply chain management</li> </ol>	<ul style="list-style-type: none"> <li>•Meetings: Immediate/from time to time</li> <li>•Telephone: Immediate/from time to time</li> </ul>	<p>4.5 Supply Chain Management</p> <p>4.3 Risk Management</p>

	provision of high-value products. Customer satisfaction is critical to the Company's business development goals. Therefore, customer relationship management is a topic that we attach great importance to.	<ol style="list-style-type: none"> <li>2. Customer relationship management</li> <li>3. Major incident handling and response</li> </ol>	<ul style="list-style-type: none"> <li>•E-Mail: Immediate/from time to time</li> <li>•Intranet EIP: Immediate/from time to time</li> </ul>	
<b>Product supplier</b>	The Company selects suppliers professionally to provide quality products in the supply chain. As suppliers are the important partners of our operations, we strive for long-term and stable cooperative relations with them to further implement our sustainable development.	<ol style="list-style-type: none"> <li>1. Integrity management</li> <li>2. Internal control system</li> <li>3. Service provider management</li> <li>4. Major incident handling and response</li> </ol>	<ul style="list-style-type: none"> <li>•Meetings: From time to time</li> <li>•Telephone: From time to time</li> <li>•E-Mail: From time to time</li> <li>•Intranet EIP: From time to time</li> </ul>	<p>4.2 Integrity Management</p> <p>4.3 Risk Management</p> <p>4.5 Supply Chain Management</p>
<b>Service provider</b>	The Company works collaboratively with service providers to provide value chain logistics and information flow services.	<ol style="list-style-type: none"> <li>1. Digital optimization</li> <li>2. Service provider management</li> </ol>	<ul style="list-style-type: none"> <li>•Meetings: From time to time</li> <li>•Telephone: From time to time</li> <li>•E-Mail: From time to time</li> <li>•Service provider evaluation: Annually</li> </ul>	<p>4.4 Information Security Management and Digital Optimization</p> <p>4.5 Supply Chain Management</p>



<p><b>Investor/corresponding bank</b></p>	<p>Investors and shareholders play an important role in supporting the sustainable development of the Company. Only by communicating with investors about the Company's business performance and sustainable governance performance can the Company gain investors' attention and achieve sustainable development.</p>	<ol style="list-style-type: none"> <li>1. Management Performance</li> <li>2. Integrity management</li> <li>3. Compliance</li> <li>4. Internal control system</li> <li>5. Information security</li> </ol>	<ul style="list-style-type: none"> <li>•Market Observation Post System: From time to time</li> <li>•Corporate website: From time to time</li> <li>•Telephone: From time to time</li> <li>•E-Mail: From time to time</li> <li>•Correspondence: From time to time</li> <li>•Investor conference: From time to time</li> <li>•Shareholders' Meeting: Annually</li> </ul>	<p>4.1 Corporate Economic Performance 4.2 Integrity Management 4.3 Risk Management 4.4 Information Security Management and Digital Optimization</p>
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## Analysis of Material Issues

Alltek refers to the four-stage materiality identification process of GRI Standards (2021), analyzes the issues of concern to stakeholders through the materiality analysis process. Moreover, the issues are ranked according to the level of concern to effectively respond to the issues of concern to stakeholders.

<p><b>Step1.</b> <b>Understand the context of organizational sustainability</b></p>	<p>We assessed the Company's medium-, long-term, and day-to-day operations by taking into account the Company's industry, with reference to domestic and foreign issues related to the electronic distribution industry, UN SDGs, and SASB themes. A total of 36 important sustainability-related issues were collected, and we further investigated the impact of these issues</p>
<p><b>Step2.</b> <b>Assess issues to identify actual and potential impacts</b></p>	<p>The Sustainability Committee and the authority units related to the issues jointly assessed whether the 36 important sustainability topics existed or were likely to occur in the future and their possible positive and negative impacts "on Alltek" and "from Alltek on the external economy, environment, and people."</p>
<p><b>Step3.</b> <b>Assessment of significance of impact</b></p>	<p>The assessment mechanism is as follows:</p> <ol style="list-style-type: none"> <li>(1) Impact index (level of impact) analysis: 36 material sustainability issues were scored with positive and negative impact index respectively. The impact index was evaluated based on the judgment of the "severity" and "frequency" of the impact of each issue. The higher the level of impact, the higher the impact index. The impact index (level of impact) was evaluated by taking the higher level of impact through a positive and negative comprehensive evaluation method by Alltek.</li> <li>(2) Survey on stakeholders' level of attention to issues: After internal discussions, we categorized 36 material sustainability issues into 25 issues based on the nature of the issues. We surveyed key stakeholders regarding their level of awareness towards sustainability issues through questionnaires. A total of 64 valid questionnaires were recovered.</li> <li>(3) Judgment of significance of sustainability issues: The significance of sustainability issues is judged based on "level of impact" and "level of stakeholder concern," and the sustainability issues are divided into low, medium, and high significance levels, and a material issue matrix is drawn based on the results.</li> </ol>
<p><b>Step 4.</b> <b>Priority is given to reporting issues with high significance</b></p>	<p>The members of the Alltek's Sustainability Committee and the consultant team conducted a significance analysis on 25 important issues, identified issues that required active management. The writing basis is the most significant sustainability issues with significant impact, namely "Management Performance," "Corporate Governance and Integrity Management," "Information Security," and "Employee Welfare and Care." The management methods and performance results are fully disclosed in the 2022 sustainability report.</p>

## Materiality Matrix Analysis

Applying the principle of materiality, based on Alltek's impact index (level of impact), a positive and negative comprehensive evaluation method was adopted to identify the highly significant materiality issues based on the issues with high impact and stakeholders' perspectives, which are the priority topics for reporting this year. Although issues with negative impact were identified in 2022, the issue with the highest negative impact was not considered a high impact and was not included as a priority topic for reporting.

### ◆ Impact Index (level of impact) Analysis Results

#### Level of Impact

◎High ●Moderate ○Low

Issue	Positive impact	Negative impact
<b>G01 Economic Performance</b>	◎	○
<b>G02 Corporate Governance and Integrity Management</b>	◎	○
<b>G03 Compliance</b>	◎	○
<b>G04 Internal Control System</b>	◎	○
<b>G05 Sustainability Strategy</b>	●	○
<b>G06 Information Security</b>	◎	○
<b>G07 Transportation Safety</b>	●	○
<b>G08 Digital Optimization</b>	●	○
<b>S01 Talent Recruitment and Development</b>	●	○
<b>S02 Human Rights Protection</b>	●	○
<b>S03 Service Provider Management</b>	●	○
<b>S04 Customer Relationship Management</b>	○	○
<b>S05 Major Incident Handling and Response</b>	●	●
<b>S06 Employee Grievance Mechanism</b>	○	○
<b>S07 Employee Compliance and Human Rights Education and Training</b>	●	○
<b>S08 Employee Welfare and Care</b>	◎	○

<b>S09 Product Supply Chain Management</b>	<input type="radio"/>	<input type="radio"/>
<b>S10 Labor/Management Communication</b>	<input checked="" type="radio"/>	<input type="radio"/>
<b>S11 Green Procurement (Local Procurement)</b>	<input type="radio"/>	<input type="radio"/>
<b>S12 Occupational Health and Safety</b>	<input checked="" type="radio"/>	<input type="radio"/>
<b>E01 Water Resource Management</b>	<input type="radio"/>	<input type="radio"/>
<b>E02 Climate Change Mitigation and Adaptation</b>	<input type="radio"/>	<input type="radio"/>
<b>E03 Energy Management</b>	<input type="radio"/>	<input type="radio"/>
<b>E04 Greenhouse Gas Reduction</b>	<input type="radio"/>	<input checked="" type="radio"/>
<b>E05 Waste Management</b>	<input type="radio"/>	<input type="radio"/>

◆ Results of Survey of Stakeholder Perspectives

Level of Stakeholder Concern

Issue	Score sorting	Standard value: Average score (including) or above
G01 Economic Performance	1	✓
G02 Corporate Governance and Integrity Management	2	✓
S05 Major Incident Handling and Response	3	✓
G07 Transportation Safety	4	✓
S02 Human Rights Protection	5	✓
S08 Employee Welfare and Care	6	✓
S12 Occupational Health and Safety	7	✓
G05 Sustainability Strategy	7	✓
G06 Information Security	8	✓
S10 Labor/Management Communication	9	✓
S01 Talent Recruitment and Development	10	✓
G08 Digital Optimization	10	✓
G04 Internal Control System	11	
G03 Compliance	11	
S04 Customer Relationship Management	11	
S07 Employee Compliance and Human Rights Education and Training	12	
S09 Product Supply Chain Management	12	
S03 Service Provider Management	13	
E05 Waste Management	13	
S06 Employee Grievance Mechanism	14	
S11 Green Procurement (Local Procurement)	15	
E03 Energy Management	15	
E04 Greenhouse Gas Reduction	16	
E02 Climate Change Mitigation and Adaptation	16	
E01 Water Resource Management	17	

◆ Identification of Priority Issues for Reporting

With reference to the GRI Material Topics 2021 Procedure, a total of 25 material sustainability issues were identified in 2022, of which 4 were highly significant, namely “Management Performance”, “Corporate Governance and Integrity Management”, “Information Security”, “Employee Welfare and Care”, are the priority topics for reporting this year.



◆ Changes in Material Issues in 2022 Compared to the Previous Year

Aspect	Material Issues		Adjustment	Reason
	2022	2021		
<b>Governance Aspect</b>	Economic performance	Management performance and financial performance	Name adjustment	Adjusted “Management performance and financial performance” to “Economic performance.”
	Corporate governance and integrity management	Integrity management	Name adjustment	Integrity is the foundation of governance that the Company attaches great importance to. Therefore, the original “Integrity management” was renamed as “Corporate governance and integrity management” to fully disclose the important information of the Company's integrity management.
	Information security	---	New issues	As a technology industry, information security is an important management issue to maintain the Alltek's operations, and it is the fundamental protection for customers. In addition, the Company has developed its smart warehousing system for digital optimization and has achieved remarkable results in improving operational efficiency. Based on this, the topic was added.
	---	Compliance	Not material	Alltek established the Sustainability Committee in 2022 responsible for promoting the Company's work related to risk management, compliance, and corporate sustainable development. Based on this, “Compliance”, “Risk control”, and “Corporate sustainability” were listed as general disclosure items.
	---	Risk control	Not material	
	---	Sustainable corporate development	Not material	
---	---	---		
<b>Environmental Aspect</b>	---	Energy conservation and carbon reduction	Not material	As the Company is not in the manufacturing-related industry, the impact on the environment is relatively low in terms of the operations process and energy use.
<b>Social Aspect</b>	Employee welfare and care	Healthy workplace	Merging of issues	The original of “Healthy workplace,” “Compensation and benefits,” and “Friendly workplace” were merged and were renamed was “Employee welfare and care.”
	---	Compensation and benefits	Merging of issues	
	---	Friendly workplace	Merging of issues	
	---	Human rights and equality	Not material	The Company's operations are not located in high-risk areas for human rights, and the Company currently has a clear human rights policy in place. As the human rights policy is being continuously practiced, the level of human rights impact is low.

Major Topics and the Level of Impact and Involvement

Impact: ● Direct ▲ Indirect

Aspect of the issue	Major sustainability issues	Importance to business operations	Value chain impact boundary			Reporting chapter
			Upstream	Company	Downstream	
Governance Aspect	Management Performance	We ensure that the interests of shareholders and investors are maximized, enhance economic performance and revenue, while also maintaining a good reputation, which has a positive impact on all of Alltek’s business activities in the economy. ⊕ Impact assessment: Positive: ◎High impact Negative: ○Low impact		●		4.1 Corporate Economic Performance 6.1 Climate Risk
	Corporate Governance and Integrity Management	We ensure proper corporate governance and operations, establish a good corporate culture and prevent corruption, implement our commitment to integrity, and oversee that our internal management and business activities are carried out with integrity, which has a positive impact on all of Alltek’s business activities in the economy. ⊕ Impact assessment: Positive: ◎High impact Negative: ○Low impact		●		4.2 Integrity Management



	Information Security	<p>We ensure the sustainable operation of the enterprise, the information system is comprehensively protected and guarded to eliminate the risk of damage and leakage. Comprehensive information security protection will reduce the risk of information leakage of the Company and customers and enhance the sense of security of employees and customers.</p> <p>⊕ Impact assessment: Positive: ◎High impact Negative: ○Low impact</p>	▲	●	●	4.4 Information Security and Digital Optimization
Social Aspect	Employee Welfare and Care	<p>Harmonious labor-employer/labor relations, a good welfare system and competitive salary can facilitate a positive cycle of employee satisfaction and maintain employees' cohesion towards the Company's goals and sustainable development.</p> <p>⊕ Impact assessment: Positive: ◎High impact Negative: ○Low impact</p>		●		5.1 Happy Enterprise 5.2 Healthy Workplace

Elements of the Material Topic Management Approach and their Assessments

Material topics	Policies and commitments	Evaluation and performance	Goal	Corresponding GRI standards
<p><b>Management Performance</b></p>	<p>Protect the rights and interests of shareholders and stakeholders through robust corporate governance practices. In addition, through a system of supervision and checks and balances of the management team, the rights and responsibilities of all shareholders, the management team, and stakeholders are reasonably defined and allocated.</p>	<p>The financial performance is regularly reported to the Board of Directors and Audit Committee on a quarterly basis. Through a sound corporate governance structure, our operating performance is enhanced.</p>	<p>Improve corporate governance performance.</p>	<p>GRI 201-1 Direct economic value generated and distributed</p>
				<p>GRI 201-2 Financial implications and other risks and opportunities due to climate change</p>
				<p>GRI 201-3 Defined benefit obligation and other retirement plans</p>
<p><b>Corporate Governance and Integrity Management</b></p>	<p>The Company has explicitly stated its ethical management policy in its management regulations and external documents. The Board of Directors and management have actively implemented the commitment of the integrity management policy, which has been duly implemented in internal management and external business activities.</p>	<p>The President's Office is responsible for the formulation and supervision of the integrity management policy and unethical behavior plan.</p>	<p>No significant fines or sanctions were imposed due to violations of government regulations.</p>	<p>GRI 205-2 Communication and training on anti-corruption policies and procedures</p>
		<p>Internal evaluation mechanism: weekly meeting of senior executives, annual board meeting</p>		

<p><b>Information Security</b></p>	<p>Establish a secure and reliable computerized operating environment to ensure the cybersecurity objectives of the Company’s computer data, systems, equipment and network security. In the event of an emergency such as a malicious attack, sabotage or misuse, the Company can quickly make the necessary responses to restore normal operations in the shortest time possible in order to reduce the extent of damage that may affect and jeopardize the Company’s business operations.</p>	<p>Information security management audit: internal control audit, CPA audit</p> <p>Internal evaluation mechanism: weekly meeting of senior executives, annual board meeting</p> <p>Established the “Cybersecurity Management Policy” and reported the implementation status to the Board of Directors in 2022.</p>	<ol style="list-style-type: none"> <li>1. Establish a dedicated information security department.</li> <li>2. Raise the information security awareness of all employees and gradually extend to suppliers.</li> <li>3. Introduce the ISO27001 information security management system.</li> <li>4. Continue to implement and strengthen information security management and technology.</li> </ol>	<p>There is no corresponding GRI guidelines as these topics are self-defined.</p>
<p><b>Employee Welfare and Care</b></p>	<p>Since its inception, we have adhered to the people-oriented and honest management philosophy. While creating profits for investors, we are also committed to building a professional and excellent team as well as a friendly workplace. Not only do we value the work environment and organizational atmosphere of our employees, but we also take care of each employee attentively. At Alltek, we believe that only happy and healthy employees is the key to maintaining our competitiveness.</p>	<p>As employees are the best partners for the Company's sustainable development, we continue to improve the employee welfare system to give employees the physical and mental care and consideration they deserve. We have established a competitive salary system and complete employee benefits, we make appropriate adjustments through the utilization rate of employee benefits.</p>	<ol style="list-style-type: none"> <li>1. Establish a quality healthy and happy workplace.</li> <li>2. Adjust the employee benefit system each year so that colleagues feel the Company’s efforts.</li> <li>3. Promote workplace health activities so that employees can pay attention to their health after work.</li> </ol>	<p>GRI 401-1 New employee hires and employee turnover</p> <p>GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees</p> <p>GRI 401-3 Parental leave</p>

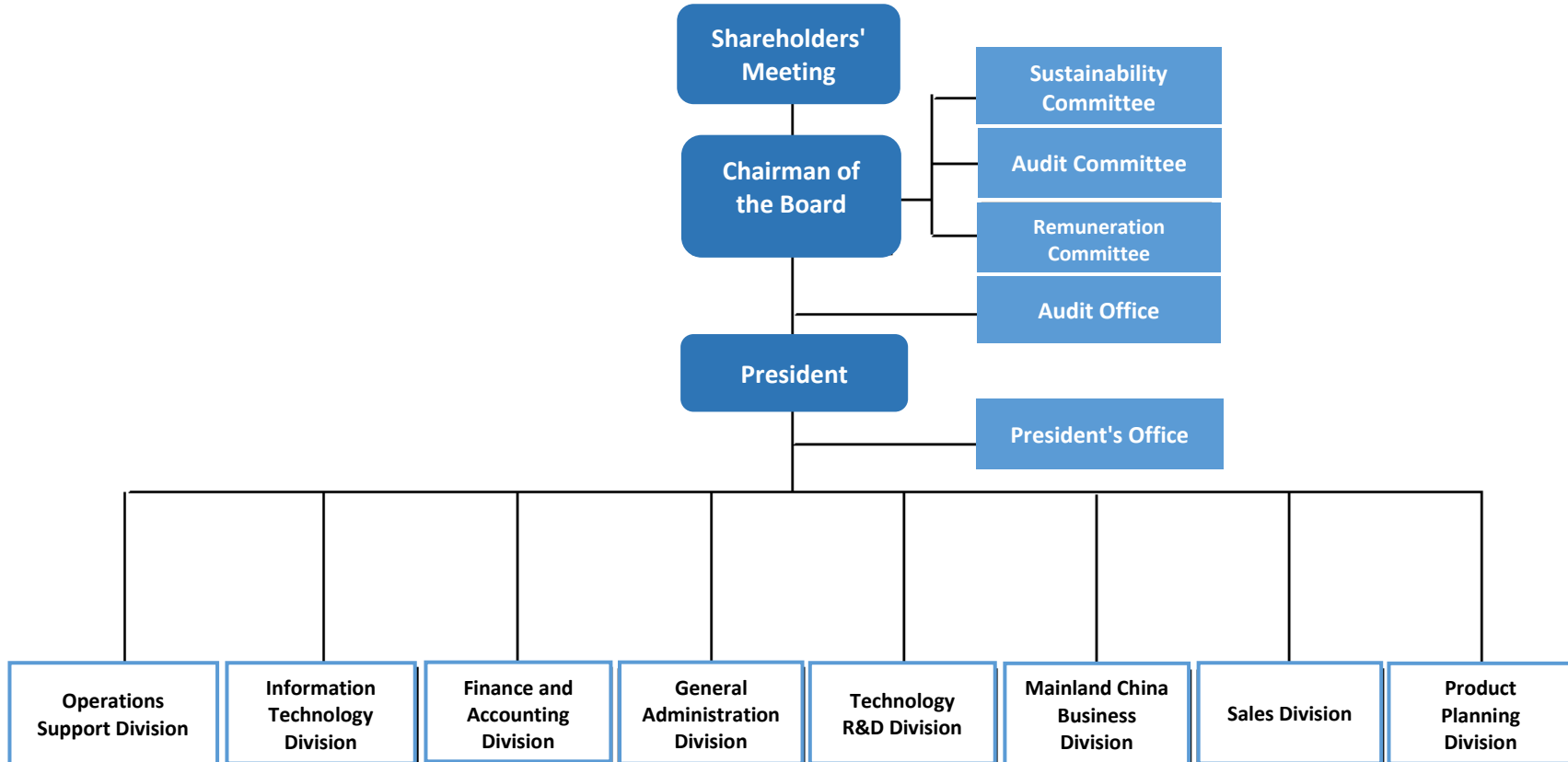
## 4. Governance

### Governance Unit

Alltek Technology is a publicly traded company on the Taiwan Stock Exchange. Its corporate governance policy is based on the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.” With reference to the “Corporate Governance Best Practice Principles,” Alltek Technology has adopted its “Corporate Governance Best Practice Principles” to establish an effective corporate governance structure and is disclosed on MOPS. The Company has the Board of Directors, Audit Committee, Remuneration Committee, and Sustainability Committee, with the Shareholders' Meeting as the highest decision-making body and the Board of Directors as the highest executive body of the Company. The Chairman represents the Company externally and the President is appointed to manage the Company's business internally. In terms of shareholders' equity, we have KGI Securities assigned to handle stock affairs. The Company has set up a spokesman and an acting spokesman to communicate with investors directly as a bridge for direct communication between the Company and shareholders. This is clearly stated in the notice of the shareholders' meeting in order to protect the rights and interests of the shareholders and implement the spirit of corporate governance.

In an effort to fulfill its oversight responsibilities, the Board of Directors has established a “Standard Operating Procedure for Handling Director Requests” in accordance with the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies.” In accordance with the “Code of Ethical Conduct”, we regulate the recusal of interests by directors, and to implement it in accordance with the laws to achieve robust governance mechanisms. The “Articles of Incorporation of Alltek Technology Corp.” expressly stipulates that a Board of Directors’ meeting shall be held at least once every quarter. The quarterly Board of Directors' meeting can be used to communicate with the financial and internal audit heads of the Company, and to understand the Company's internal risk control, major litigation risk assessment and internal audit. The Company's compliance with various laws and regulations related to listed companies and financial accounting standards, and the efficiency of goal achievement are continuously being identified through carrying out the annual audit plan and financial statement certification through internal audit and external accountants.

## Governance Framework



<b>Department</b>	<b>Work Duties</b>
<b>President's Office</b>	Responsible for the Company's medium and long-term strategic planning, integration and coordination of various units, implementation, development, and maintenance of the management information system.
<b>Audit Office</b>	Formulate and implement the internal control audit system, analyze abnormal matters, submit audit reports regularly, and make improvement suggestions to the management.
<b>Product Planning Division</b>	Responsible for planning product marketing, developing and introducing agency products, coordinating and contacting various suppliers, and participating in various technical projects.
<b>Sales Division</b>	Responsible for formulating and executing business goals, promoting domestic and foreign businesses, servicing customers, and continuously increasing market share.
<b>Mainland China Business Division</b>	Responsible for promoting business in Mainland China, developing and introducing agent products, coordinating and contacting various suppliers, and participating in various technologies.
<b>Technology R&amp;D Division</b>	Provide product application and design technology, support and solve customers' product application problems, shorten product design time, and carry out development and design of new products and control the progress of development plans.
<b>General Administration Division</b>	Responsible for planning and executing operations support, general affairs, general administration, human resources, education and training, document management, and fixed assets management to establish corporate culture.
<b>Finance and Accounting Division</b>	Handle the Company's accounting and cost operations, and matters associated with budget analysis and reporting, treasury, capital allocation, stock affairs, investment management, and taxation.
<b>Information Technology Division</b>	Responsible for system management, software and hardware maintenance, introduction and promotion of E-based processes, and improvement of overall standardized operations.
<b>Operations Support Division</b>	Responsible for the Company's legal affairs and document management matters, and act as the operation unit for promoting corporate social responsibility; responsible for the Company's order management, quotation, procurement, import/export customs declaration, etc.; responsible for the Company's warehousing management, inventory management, shipping procedures, etc.

## Board of Directors

### ◆ Diversified Board Members

The Board of Directors of Alltek currently consists of 7 directors, including 4 directors (57%) and 3 independent directors (43%). In 2022, a total of 5 Board meetings were held, and the overall director attendance rate was 100%.

The Company shall have 7 to 11 Directors, who shall be elected by the Shareholders' Meeting as persons with disposing capacity for a tenure of 3 years, and shall be eligible for re-election. Among the seats of directors, the number of independent directors shall not be less than 3 and shall not be less than 1/5 of the seats of directors. Independent directors serve a term of 3 years and have professional skills in commerce, legal affairs, finance, accounting, or professional skills required by the Company's business operations. In addition to meeting regulatory requirements, directors shall be elected by the shareholders' meeting based on the skills and experience required by the Company. Each director has provided a written declaration to confirm that they and their immediate family members are independent from the Company, and that they do not meet any of the matters specified in Paragraph 3 and 4 of Article 26-3 of the Securities and Exchange Act (regarding being spouses or are second degree relatives among directors, supervisors or between directors and supervisors), which is in compliance with relevant laws and regulations.

In order to achieve sustainable and balanced development, the Company regards the increasing diversity of the Board as a key element in supporting its strategic objectives and maintaining sustainable development and has formulated a "Board Diversity Policy". All appointments to the Board of Directors are based on the principle of meritocracy, and the diversity of the Board of Directors is fully taken into account when considering candidates with appropriate criteria.

◆The Company's Implementation of Board Diversity Is as Follows:

Job title	Name	Nationality	Gender	Age		Term of office of independent directors		Core items for diversity		
				Age 50-70	Age 70 and above	Below 6 years	6-9 years	Commerce	Finance	Company business
Director	Louis Wu	Republic of China	Male	•				•	•	•
Director	Y.T. Wu	Republic of China	Male	•				•	•	•
Director	Hank Hsieh	Republic of China	Male	•				•	•	•
Director	Hung-An, Chen	Republic of China	Male	•				•		•
Independent Director	I-Yao, Chan	Republic of China	Male		•		•	•		•
Independent Director	Tsun-Hsiao, Wang	Republic of China	Male	•			•	•	•	•
Independent Director	Chin-Yung, Huang	Republic of China	Male	•		•		•		•

Note: For the disclosure of basic information, academic experience, expertise, and remuneration of Board members, please refer to the 2022 consolidated annual report of the Alltek.

◆Director Continuing Education and Appraisal

Continuing education for directors of Alltek is arranged each year in accordance with the regulations. The content of the course covers the functions and the performance evaluation of the Board of Directors, as well as promoting ethical management. To encourage continuing education of directors, the Company provides information on courses offered by TWSE and TPEX to directors from time to time, and arranges courses that are suitable for them. Training courses on corporate governance, economics, environment, society, and human rights are also arranged according to the personal schedules of the directors.



◆ Continuing Education of Directors in 2022:

Job title	Name	Date of continuing education	Organizer	Course title	Hours of continuing education
Director	Louis Wu	2022/4/22	Taiwan Institute for Sustainable Energy	Taishin 30 Net Zero Sustainability Summit Forum - Commit to Net Zero and Achieve Sustainability by 2030	3
		2022/10/19	Securities and Futures Institute	Legal Compliance Briefing for Insider Trading of Equity	3
Director	Hank Hsieh	2022/4/22	Taiwan Institute for Sustainable Energy	Taishin 30 Net Zero Sustainability Summit Forum - Commit to Net Zero and Achieve Sustainability by 2030	3
		2022/10/12	Securities and Futures Institute	Legal Compliance Briefing for Insider Trading of Equity	3
Director	Hung-An, Chen	2022/4/22	Taiwan Institute for Sustainable Energy	Taishin 30 Net Zero Sustainability Summit Forum - Commit to Net Zero and Achieve Sustainability by 2030	3
		2022/10/12	Securities and Futures Institute	Legal Compliance Briefing for Insider Trading of Equity	3
Director	Y.T. Wu	2022/4/22	Taiwan Institute for Sustainable Energy	Taishin 30 Net Zero Sustainability Summit Forum - Commit to Net Zero and Achieve Sustainability by 2030	3
		2022/10/19	Securities and Futures Institute	Legal Compliance Briefing for Insider Trading of Equity	3
Independent Director	I-Yao, Chan	2022/09/29	TPEX	Release of Reference Guidelines for Independent Directors and Audit Committee's Exercise of Powers and Directors/Supervisors Conference	3
		2022/12/2	Securities and Futures Institute	Advanced Seminar on Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Practices - "Independent Directors and Audit Committees from the Perspective of Court Practice"	3
Independent Director	Tsun-Hsiao, Wang	2022/4/22	Taiwan Institute for Sustainable Energy	Taishin 30 Net Zero Sustainability Summit Forum - Commit to Net Zero and Achieve Sustainability by 2030	3
		2022/10/12	Securities and Futures Institute	Legal Compliance Briefing for Insider Trading of Equity	3
Independent Director	Chin-Yung, Huang	2022/05/09	Taiwan Corporate Governance Association (On-Site Training)	Global Risk Perception - Opportunities and Challenges in the Next Decade and Net Zero Emissions by 2030/2050	3
		2022/08/09	Taiwan Corporate Governance Association (On-Site Training)	The Only Way to Achieve Sustainable Development - External Innovation	3

◆2022 Execution of Director Appraisal

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once a year	From January 1 to December 31, 2022	Board of Directors	Self-evaluation of the Board of Directors	1. Participation in the Company's operations
				2. Quality of Board's decision making
				3. Composition and structure of the Board of Directors
				4. The director's election and continuing education
				5. Internal control
Once a year	From January 1 to December 31, 2022	Board of Directors	Self-Evaluation of board members	1. Alignment of the Company's objectives and tasks
				2. Awareness of the duties of directors
				3. Participation in the Company's operations
				4. Management of internal relationship and communication
				5. The director's professionalism and continuing education
				6. Internal control

◆Remuneration Committee

The function of the Company's Remuneration Committee is to evaluate the remuneration policy and system of the Company's directors and managers in a professional and objective manner. The Remuneration Committee shall meet at least twice a year, and may call a meeting at any time as needed to make recommendations to the Board of Directors for their reference in making decisions. The Remuneration Committee is composed of 3 independent directors, with Independent Director I-Yao, Chan as the convener of the Remuneration Committee. A total of 2 Remuneration Committee meetings were held in 2022, with 100% attendance rate (excluding attendance by proxy).

#### ◆ Audit Committee

The Audit Committee of the Company is mainly responsible for establishing a sound corporate governance system, improving the audit oversight function, and strengthening the management function, with an aim to assist the Board of Directors in performing its oversight responsibilities. Matters to be reviewed include: the Company's financial statements, auditing and accounting policies and procedures, internal control system, the acquisition or disposal of material assets, the appointment, dismissal, or remuneration of CPAs, and other material matters regulated by the Company or the competent authority. The Company has established the "Charter of Audit Committee," which specifies the number of members, term of office, powers, meeting rules, and resources to be provided by the Company for the exercise of the Committee's powers.

The Audit Committee of the Company consists of 3 independent directors and meets at least once per quarter. In 2022, the Audit Committee held 4 meetings in 2022 with an attendance rate of 100% (excluding attendance by proxy).

#### ◆ Sustainability Committee

The Company's Sustainability Committee consists of 5 directors, including 3 independent directors. Its purpose is to implement the sustainable development philosophy and fulfill corporate social responsibilities. The Sustainability Committee's functions and powers are as follows:

- 1. Formulate corporate sustainability policies and overall goals, in order to achieve corporate governance, customer care, environmental protection, and social welfare in accordance with the management strategy and in compliance with laws and regulations.**
- 2. Review the annual corporate sustainability plan and related proposals.**
- 3. Review the progress of implementation and annual results of various corporate sustainability proposals.**
- 4. Review the corporate sustainability report.**

The Sustainability Committee meets at least once per year. In 2022, the Sustainability Committee held one meeting with an attendance rate of 100% (excluding attendance by proxy).

#### 4.1 Corporate Economic Performance

The main operational teams of the Company all have complete technical background, own core technology and own experimental facilities, to provide complete technical support and integrated service solutions between the upstream original factory and the downstream sales customers. Cooperate with the agent brand to develop, and deeply cultivate in the wired communication, wireless communication, telecommunication equipment, data and network communication, information software and hardware development, digital circuit design and other fields. At the same time, will break through the limitations of the general electronic parts and components agents who can only provide price and delivery, while introducing various network communication ICs and solutions to our customers to help them solve the bottleneck of product development and improve the industry standard.



Alltek Technology announced joining of Arm Flexible Access Promotion Partner! Accelerated the internationalization of the IC industry.

In 2022, Alltek Technology added several outstanding suppliers, including becoming a marketing partner to Arm Flexible Access in Taiwan and Arm's first Taiwanese cooperation and promotion partner in the IP field. ARM has a dominant position in the global chip design field. We have been working with Arm for a long time. The deepened cooperation in the field of IP is expected to help more customers and products introduce Arm IP solutions. By increasing the breadth and depth of Arm Flexible Access support services, we will enable Alltek to integrate existing products and service solutions to expand customer base. In addition, the sale of high value-added IP can also help increase profit margins, and make early contact and layout in the emerging IC design industry.

From 2022, Alltek Technology has been distributing products of Gore, a well-known US manufacturer. The product is an advanced thermal management solution for heat insulation films dedicated to electronic equipment. This innovative technology effectively enhances heat dissipation to optimize user experience.

## 2022 Business Performance

In 2022, the Alltek's revenue and profit-maintained growth. Consolidated operating revenue was NT\$60.428 billion, a year-on-year increase of 28.20%; net profit after tax was NT\$1.076 billion, a year-on-year increase of 36.84%; working capital was NT\$4.918 billion, an increase of 55.65% from the previous year. The Company invested NT\$128,191,000 in research and development in 2022.

### ◆ Direct Economic Value Generated and Distributed by the Organization from 2021 to 2022

(Unit: NT\$ thousands, except for earnings per share, which is presented in NT\$)

Item/year		2021	2022
Direct economic value generated	Consolidated revenue	47,134,253	60,428,396
Economic value of distribution	Operating costs	44,688,561	57,972,155
	Operating expenses	1,354,076	1,227,521
GRI specific items	Employee remuneration and benefits	1,004,837	808,755
	Payments to contributors (e.g. Board of Directors, shareholders)	641,703	823,185
	Payments to the government (sales tax, income tax, property tax)	214,805	337,437
	Community investment (e.g. charity donation)	0	0
Retained economic value (Note: Retained economic value = Direct economic value generated - Economic value distributed)			
Net operating income (excluding non-business income)		1,091,616	1,228,720
Net profit after tax		786,152	1,075,734
Earnings per share		4.05	5.01

◆ Proportion of Product Sales in 2021-2022

Unit: NT\$ 100 million

Year	2021		2022	
	Amount	Percentage	Amount	Percentage
Product item				
Wired broadband components	164.07	34.81%	185.47	30.69%
Wireless communication components	156.19	33.14%	281.21	46.54%
Others	151.08	32.05%	137.6	22.77%
Total	471.34	100.00%	604.28	100.00%

## 4.2 Integrity Management

We understand that the use of corruption and unethical means for business operations will cause losses to the Company's goodwill and many stakeholders, including society. Only the establishment of business policies based on integrity can create the competitiveness of the sustainable development of the enterprise. We reinforce our "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," "Procedures for Handling Material Inside Information and Procedures for Management of Prevention of Insider Trading." As well as this, we have also formulated its "Reporting System for Unlawful Conduct" to strictly prevent the occurrence of unethical practices. At least once a year, the President's Office reports on ethical governance performance to the Board of Directors.

### Ethical Values and Behavioral Standards

To emphasize the integrity of business management and to improve the management of "Ethical Corporate Management Best Practice Principles," the President's Office is responsible for the establishment and supervision of the implementation of the policies on ethical business management and the plans for unethical conducts. Implement transparent information, respect intellectual property rights, protect the privacy of each business partner, uphold a responsible attitude in procurement, establish a variety of communication channels and whistle-blowing mechanisms, and establish a special "Reporting System for Unlawful Conduct" to prevent fraud, maintain company reputation, and conduct unethical and unethical practices. In addition, in order to ensure that the behaviors of the Company's directors, supervisors, managers, and other employees comply with ethical standards, and to enable the Company's

stakeholders to better understand the Company's ethical standards, the “Code of Ethical Conduct” has been established to require all directors, supervisors, Managers and other employees are required to abide by laws and ethical standards when carrying out related business activities.

◆ Alltek’s Moral Value

<b>Prevention of conflict of interest</b>	Employees shall not use his/her position to improperly benefit their immediate blood relatives
<b>Avoidance of opportunities for personal gain</b>	Avoid the use of company property and information for personal gain or the convenience of one's position
<b>Confidentiality duty</b>	Absolute confidentiality of the information of the Company or its purchase (sale) customers
<b>Fair trade</b>	The employees shall not obtain improper benefits through manipulation, concealment, misuse of information gained from carrying out duties, or make misstatements on material matters or conduct other unfair trade practices.
<b>Protection and proper use of company assets</b>	Use company assets legally and effectively to prevent theft, negligence or waste.

◆ Reporting System for Unlawful Conduct

- There is a unit set up dedicated to accepting reports of unlawful conduct and a special mailbox for reporting.
- The operating procedures include: Case acceptance and investigation process. The results of the investigation are approved by the chairman. Director or senior executive involved in the unlawful conduct will be escalated at the meeting of the Board of Directors. The relevant documents after closing the case will be encrypted for safekeeping.



- Maintain strict confidentiality and protection of the identity of the whistleblower and the content of the report.
- The reported incidents are verified and rewarded after the investigation is closed.

The following unlawful conducts are strictly prohibited:

Embezzlement of public funds	Fraudulent claim of public expenses	Illegal use of company assets	Illegal embezzlement of company assets
Receiving kickbacks	Having dealings with stakeholders by taking advantage of their positions	Accepting of improper benefits	Dishonest and unethical conduct
Leaking trade secrets	Leaking vendor and customer information	Illegal act	Damage to the Company's reputation



#### ◆ Insider Trading Prevention Mechanism

To prevent insider trading, avoid improper leakage of information, and ensure the consistency and correctness of the information released to the outside world, we have established the “Procedures for Handling Material Inside Information and Procedures for Management of Prevention of Insider Trading.” The Company's directors, supervisors, managers, and employees are subject to these Procedures, stipulating that persons who has knowledge of material information shall not disclose it to others, nor shall he/she inquire or collect material information about the Company not yet released that is not related to his/her personal duties, in order to implement insider trading prevention and management operations.

#### Anti-Corruption Policy and Communication Procedures

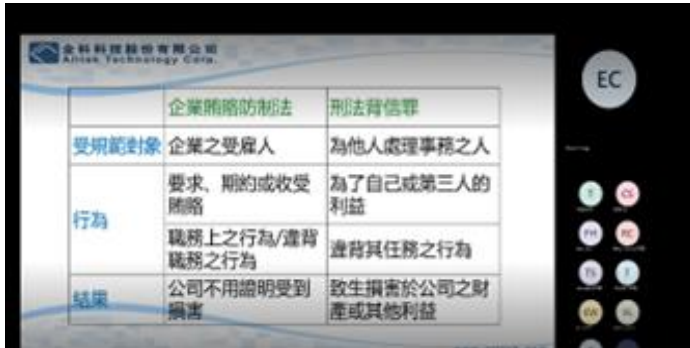
The President's Office is responsible for formulating and supervising the implementation of the ethical corporate management policy and the unethical conduct plan. The implementation status is reported to the Board of Directors at least once a year. Through the establishment of good corporate governance and risk control mechanisms, we aim to create a business environment for sustainability. The Company's Board of Directors and the management have declared in various public occasions that they will uphold the principle of ethical corporate management to run the operations of the Company. The Company has not formally assessed the risk of corruption of each operating location, but has publicly disclosed its “Ethical Corporate Management Best Practice Principles,” “Code of Ethical Conduct,” and anti-corruption-related guidelines on its official website. The Company also provides employees with education and training on integrity and ethical management and requires each employee to sign an “Integrity Pledge” and advocate ethical conduct on the intranet, ensuring ensure that everyone understands the relevant covenants and rules.

## •Internal Announcement: Training on integrity

 Eileen Cheng  
【教育訓練通知】8/17廉潔誠信及法規遵循講座提醒

Dear all,

提醒您，2022/8/17 (三)14:00-15:00 後天下午為課程時間，  
課程主題: 廉潔誠信及法規遵循  
本次為 Teams 線上講座，  
講座連結: <https://reurl.cc/bE5zeM>



	企業賄賂防制法	刑法背信罪
受規範對象	企業之受雇人	為他人處理事務之人
行為	要求、期約或收受賄賂	為了自己或第三人的利益
	職務上之行為/違背職務之行為	違背其任務之行為
結果	公司不用證明受到損害	致生損害於公司之財產或其他利益



企業誠信宣導

Jason Kao

## •Internal Announcement: Signing of the Integrity Pledge

 Eileen Cheng  
誠信廉潔承諾書簽署通知

副本


1 待處理。已於 2022年8月22日星期一 完成。

 09-誠信廉潔承諾書\_20220801.pdf .pdf 檔案

 09-誠信廉潔承諾書\_範例.pdf .pdf 檔案

Dear all,

如同 8/17 廉潔誠信及法規遵循講座內容所述，  
配合公司治理相關規定，同仁須簽署-誠信廉潔承諾書，  
檔案如附再請同仁自行印出簽署後交由各單位窗口如下表，  
請以中文進行簽署，範例如附可參考，  
再請各單位窗口於 8/25(四)五點半前交回予人資 Eileen。



**全科科技**  
誠信廉潔承諾書

茲因立書人\_\_\_\_\_任職於全科科技股份有限公司(以下簡稱「全科」)，特此同意遵循以下誠信廉潔規範：

壹、誠信廉潔承諾

- 立書人承諾嚴格遵守全科「誠信經營守則」及全科制定之所有對交易對象之誠信廉潔管理相關規定，絕不藉由本身或透過他人向全科之交易對象(及員工)之關係人要求、期約、收受、行使任何賄賂，也無其它依法或依商業倫理道德不應取得之利益往來，包括但不限於任何形式或名義之金錢、餽贈、禮品、優待、有價證券、利潤分成、回扣、佣金、疏通費、款待、應酬、職位、服務等及其他有價值之事物(以下簡稱「不正當利益」)；惟屬正常社會禮儀習俗與公務禮儀往來並依全科之「誠信經營守則」辦理者，不在此限。
- 立書人承諾執行職務時絕無貪汙、虛假、欺騙、偽造、變造之行為；立書人經手、保管、接觸或使用全科之有形或無形資產時，不為侵占、挪用或竊取全科資產之行為，亦絕不直接或間接不當圖利立書人或立書人之關係人。
- 立書人承諾確實遵守全科各項保密規範，不得洩漏所知悉之全科商業機密予他人，且不得探詢或蒐集非職務相關之全科商業機密，包括但不限於是否有價值、被公開、已經或正在採取保密措施之書面、口頭或以其他形式呈現、保存之資訊。
- 立書人承諾不為自己或他人之利益，從事任何損害全科權益之行為，也絕不唆使或利誘全科其他員工離職、違背職務或損害全科權益。

貳、獎勵措施與違約責任

- 立書人知悉全科其他員工或全科之交易對象有違反本承諾書約定之行為時，應立即向全科「誠信經營守則」指定之專責單位檢舉並提供相關證據，如經全科查證屬實並除弊興利者，全科得視情況酌予獎勵。
- 立書人違反法律規定或本承諾書內容並經查證屬實者，應負一切法律責任並賠償全科之所有損

## Compliance

The Company conducts internal audits to ensure that all business units comply with applicable laws and regulations, such as the Company Act, Securities and Exchange Act, regulations governing TWSE/TPEX-listed companies, or other laws and regulations governing business activities. This is the basic premise of ethical corporate management. The Company's external donation or sponsorship is handled in accordance with the relevant laws and regulations as well as the Company's internal rules to prevent the occurrence of bribery, acceptance of bribes, and illegal political donation. The internal control and internal audit system are used to control the shortcomings and risks of corporate governance. The establishment and implementation of the system is under the direct supervision of the Board of Directors, which is responsible for the inspection of the internal control system. Any deficiencies or anomalies found will be followed up until they are corrected. In 2022, there was no corruption, bribery, extortion, fine, nor were penalties imposed or violation material violations of law or litigation.

### ◆ Compliance With Product Trade Laws and Regulations

In response to the requirements of the “Bureau of Foreign Trade” on the management of the export of strategic high-tech goods and related regulations, the Alltek has formulated the “Procedures for Export of Strategic High-tech Commodities” to ensure that all transactions with overseas customers comply with the internal export or control policies of the Company, and filter all orders according to the latest list of rejected customers.

Beginning in 2021, Alltek has followed its “Procurement Management Procedures” and “Sales Procedures” and requires sales personnel and product planning personnel to negotiate with customers or suppliers for the addition or change of trade terms. The applicant must fill out the “Trade Terms Application Form” and follow the approval process to obtain the approval of the authorized supervisors before shipping or placing an order to ensure the subsequent fulfillment of various customs declaration obligations.

For the supply chain partners that we are working with for the first time, the qualifications of the new suppliers are reviewed through the “New Supplier Evaluation Form.” Those who have obtained the “**Authorized Economic Operator (AEO)**” certification or other equivalent qualifications will be prioritized to be included as our qualified supplier.

### ◆ Enforcement of Intellectual Property

At Alltek, we attach great importance to information security and comply with laws and regulations. Professional ethics is our commitment to the employees and stakeholders. Ensuring that confidential information and customer privacy are respected is also a Company's competitive advantage. We adhere to the principle of business integrity. Restrictions and regulations on various types of intellectual property rights and copyrights have always been ones of our priorities. In order to implement the intellectual property policy, the specific implementation measures within the Company and the stakeholders are as follows:

1. All employees must sign the “Employment and Intellectual Property Confidentiality Declaration Form” when joining the Company. According to the law, they must undertake the obligation of confidentiality regarding the Company's intellectual property rights, copyrights, and business secrets during the tenure until after they resign.
2. The Company continues to publicize information security concepts and educate employees on information security concepts such as respect for intellectual property rights and the correct use of legally authorized software through quarterly company meetings and the Enterprise Information Portal (EIP). By doing this, we are able to ensure that employees can properly use legally authorized software and avoid infringement of rights due to misuse of unauthorized software, further protecting the Company's Information security.
3. When using cloud-based digital services such as Microsoft 365 and Teams, the Company implements two-factor authentication for all login accounts to enhance information security protection and prevent information security risks from password theft.
4. Achieving the compliance of intellectual property, trade secrets, and information security management with customers by signing non-disclosure agreements.
5. All intellectual property works produced are properly stored in the Company's information system and maintained and used continuously. For example: online training courses for new employees, audio and video courses of professional practice seminars, information system user manuals, and corporate sustainability reports.
6. As of October 31, 2022, the outcomes of the Company's trademarks and patents are as follows:  
Registered trademarks: 5.  
Patent: One utility patent has been approved.
7. The Company reports the implementation of intellectual property management to the Board of Directors once a year. The latest report was submitted on November 10, 2022, to ensure that the operation and effectiveness of intellectual property management meet the Company's expectations and plans, and to establish a continuous improvement mechanism.

## Integrity Education and Advocacy

In order to improve ethical management, the Company arranges courses on integrity and ethical conduct awareness for new employees. The percentage of new employees receiving training reaches 100%. In addition, related courses on ethical management are also arranged in supervisors' meetings, departmental meetings, and all staff meetings. Through occasional meetings or training sessions, the idea of ethical corporate management is communicated to all employees to prevent corruption. Apart from advocacy, the Company also implements ethical corporate management practices in its daily operations. During the year, education and training was arranged for senior executives and department heads at the meetings. The topics covered included insider trading, procurement, sales and payment collection, and other receipts. A total of 15 senior executives received 15 hours of training, while 23 department heads received 23 hours of training.

### ◆ Overview of 2022 Training of “Integrity and Compliance” Received by Employees

<b>[Code of Ethical Conduct] and [Anti-Corruption] Training and Communication</b>				
<b>Participants</b>	<b>Number of participants</b>	<b>Method of training</b>	<b>Total training hours</b>	<b>Training percentage</b>
Supervisory position	61	Online internal training	61	95.3%
Non-managerial position	148	Online internal training	148	90.8%

### ◆ Overview of 2022 “Anti-Corruption” Course Received by Employees

<b>Participants</b>	<b>Total Number of Board Members</b>	<b>Number of participants</b>	<b>Total training hours</b>	<b>Training percentage</b>
Members of the Board of Directors	7	6	18	85.7%

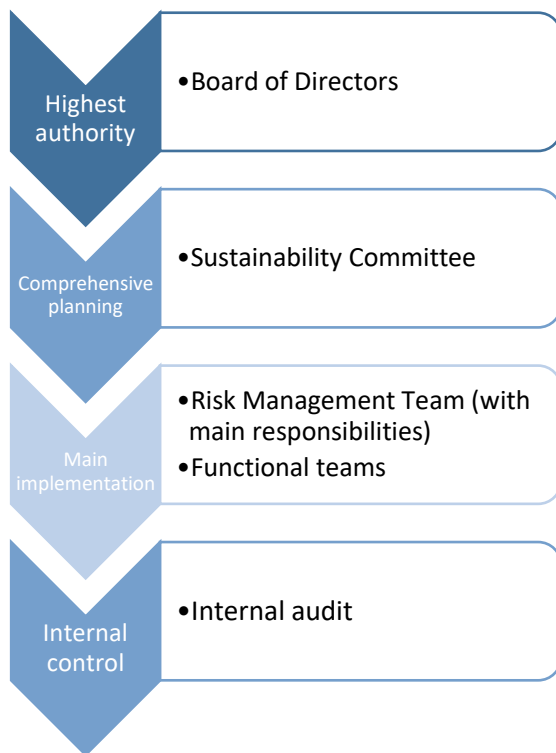
[Anti-corruption] Course title/content	Course hours/sessions	Method of training/advocacy
Legal Compliance Briefing for Insider Trading of Equity	3 hours	Seminar
Release of Reference Guidelines for Independent Directors and Audit Committee's Exercise of Powers and Directors/Supervisors Conference	3 hours	Seminar

### 4.3 Risk Management

In order to ensure the stable operation and sustainable development of the Company, improve the business philosophy of integrity, and reduce the risks that may be faced in operations, the Board of Directors of the Company approved the “Risk Management Policies and Procedures” in 2022, and risks are regularly assessed. The risk management policy defines various risks according to the Company's overall operating guidelines, and establishes a risk management mechanism for early identification, accurate measurement, effective supervision, and strict control of risks to prevent possible losses within the tolerable risk range. The best risk management practices are continuously being adjusted and improved in accordance with changes in the internal and external environment in order to protect the interests of employees, shareholders, partners and customers, while also increasing the value of the Company, and achieving the principle of optimizing the allocation of company resources.

#### Risk Management Organization

The Company's Board of Directors is the highest decision-making body for the Company's risk management, with the objective of complying with laws and regulations and promoting and implementing the Company's overall risk management. The Board of Directors has a clear understanding of the risks faced by the operations in order to ensure the effectiveness of risk management and assumes the ultimate responsibility for risk management. The “Corporate Sustainability Committee” has been established under the Board of Directors, with various functional teams formed under it to analyze and monitor related risks within the unit. The risk management team is responsible for the implementation and promotion of various risk management policies. Two or more meetings are held each year and the results of risk management are reported to the Corporate Sustainability Committee on a regular basis.



### Overview of 2022 internal audit promotion

The internal audit procedures specify the internal control of internal audit and review of the operating procedures of the Company. The adequacy, effectiveness and efficiency of the design and routine operation of such controls are reported, covering the Company's operations and its subsidiaries.

- Audits are carried out in accordance with the audit plan approved by the Board of Directors. The audit plan is formulated based on the identified risks. Special audits or reviews are also carried out as needed. The comprehensive audit and special projects above provide information on the operation status of the internal control function of the management and provide management with another channel to understand the existing or potential defects in a timely manner.

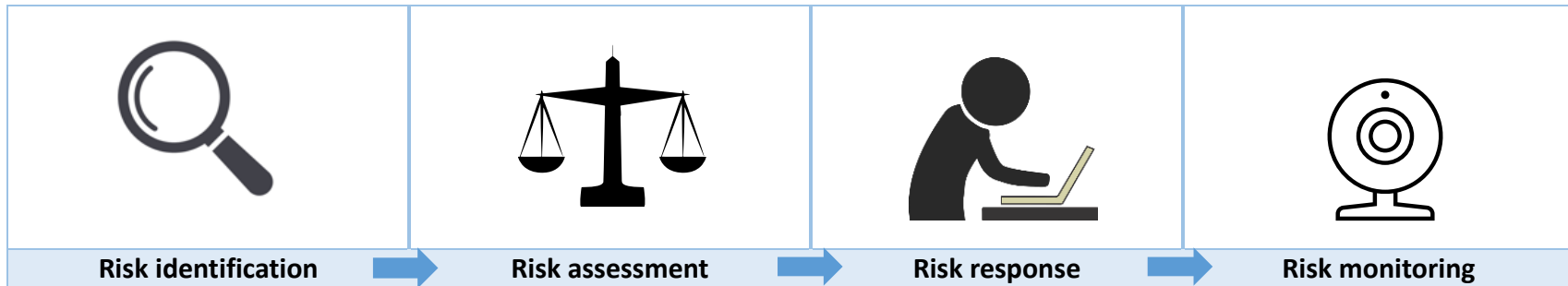
- Internal audit: Review the self-inspection performed by each unit, including checking whether the operation is implemented and reviewing the documents to ensure the quality of execution, and compile the results of the self-inspection and the results of each cycle of audit operations, and issues an annual "Statement of Internal Control System" report to the Board of Directors.

### ●Internal Control

The Company's internal audit is an independent unit, with one full-time auditor established under the Board of Directors. The internal auditor assists the Board of Directors and management in supervising various internal systems and procedures, to ensure the effectiveness of internal audit procedures, the reliability of financial reporting and compliance with relevant laws and regulations, and can provide suggestions for improvement in a timely manner. This way, the Company's internal systems can be effectively implemented, and the execution of the supervision mechanism and control of various risk management practices can be carried out effectively.

## Risk Management Procedures

The risk management process is divided into four stages. Each risk management unit examines its own business and operational characteristics, identifies possible risk factors that the Company's operations may face, develops a complete risk classification framework, and defines appropriate measurement methods as the basis for risk management.



◆ After Reviewing the Characteristics of Its Business and Operation, the Risk Categories and Management Measures Are as Follows:

Risk category	Risk management performance
Operational Risk	<ol style="list-style-type: none"> <li>1. Formulated the “Procedures for Sustainability Committee Establishment” and set up a Sustainability Committee, which includes the risk team.</li> <li>2. The annual audit plan based on the risk assessment was formulated and executed accordingly.</li> <li>3. Formulated the “Risk Management Policies and Procedures,” which were submitted to the Board of Directors in 2022.</li> </ol>
Financial Risk	<ol style="list-style-type: none"> <li>1. In terms of operations, we have strengthened the management of inventory and accounts receivable and other material assets, and maintained profit growth.</li> <li>2. Raised funds such as syndicated loans and convertible corporate bonds to supplement the working capital.</li> </ol>
Information Security Risk	Established the “Cybersecurity Management Policy” and reported the implementation status to the Board of Directors in 2022.
Environmental Risk	Supported the release of the Task Force on Climate-Related Financial Disclosures (TCFD) by the Financial Stability Board (FSB) in June 2017 to mitigate the risks and pursue opportunities associated with climate change. In addition, the annual progress and results of the work was disclosed in accordance with its proposed framework.



COVID-19 Risk Response

2021 - Pandemic outbreak escalated to Alert Level 3  
 Fear came from many forms of uncertainty  
 We stood firm  
 Got ourselves prepared to fight against the pandemic  
 We reassured colleagues and constructed a protective net  
 Hand in hand together - we feared nothing



In response to the outbreak of COVID-19 in 2019, Alltek was imperative that the Department of Health set up a pandemic prevention team and a pandemic reporting team at each work location. At the same time, the pandemic prevention mechanism was initiated, focusing on every aspect of disease prevention to protect the employees from being infected.

 [Alltek’s COVID-19 Prevention Mechanism]

<p><b>Established anti-epidemic team</b></p>	<p>Immediately set up a COVID-19 care team to provide colleagues with the latest and most accurate guidelines in line with the government’s measures. Relevant supplies were provided for colleagues with the corresponding supporting measures (working from home, work diversion, flexible work times) formulated. This enabled employees to work with peace of mind.</p>
<p><b>Phased COVID-19 measures</b></p>	<p>Adjusted the Company’s COVID-19 prevention measures in stages in line with the Central Epidemic Command Center (CECC)</p>
<p><b>Pandemic updates</b></p>	<p>An internal COVID-19 prevention section was created for employees to report on key pandemic issues and provide them with accurate guidelines to eliminate online rumors.</p>



COVID-19 guidelines

Work diversion/work from home/flexible working hours to avoid the risk of peak crowds.  
/Distribute business locations in each office and prohibit moving across locations.

Guidelines for face masks and home rapid lateral flow tests

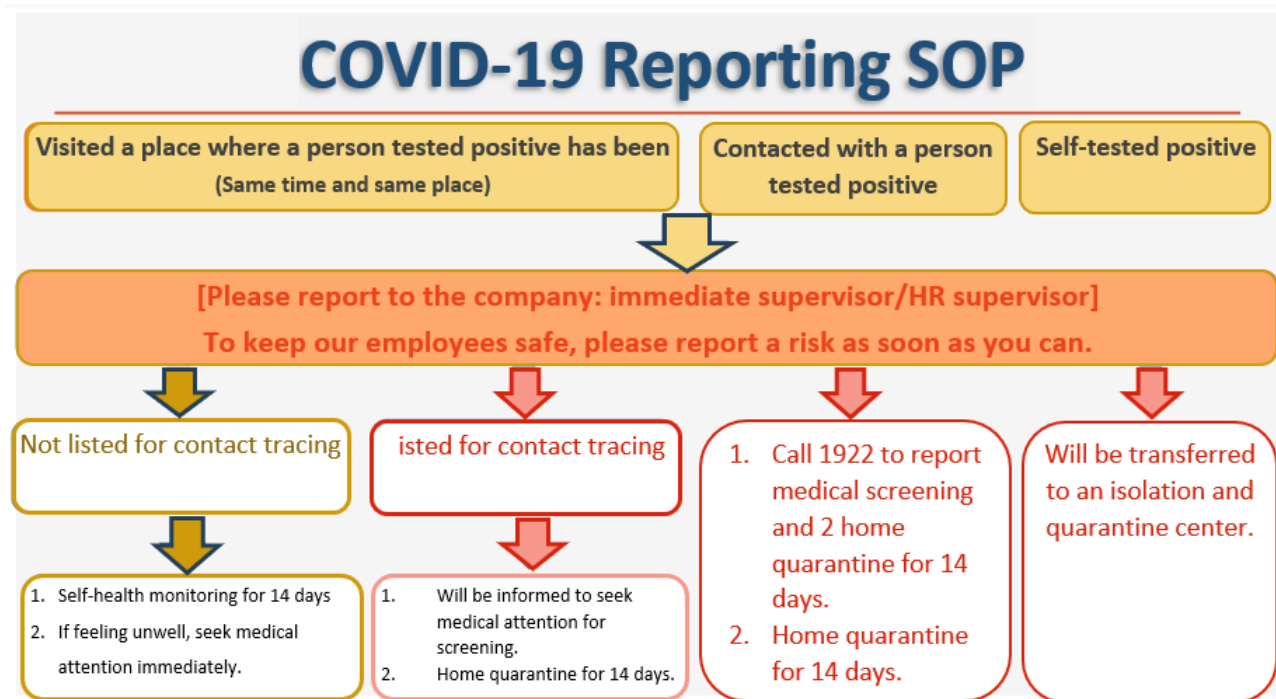
1. Provide masks and rapid tests as reserves for colleagues.
2. In response to government policies, offer guidance on the correct usage of epidemic prevention materials and remind colleagues of pre-ordering schedules.
3. Through a caring approach, remind colleagues that getting vaccinated not only enhances personal protection but also contributes to epidemic safety.



<p>COVID-19 questionnaire for visitors</p>	<p>Conduct questionnaires on visitors to ensure the safety of employees.</p>
<p>COVID-19 questionnaire for employees</p>	<p>During the peak period of the pandemic, questionnaires were conducted weekly. For consecutive holidays where there was a lot of movement of people, adjustments were made by advocacy for returning workers.</p> <div data-bbox="711 506 1478 818" style="border: 1px solid black; padding: 10px; margin: 10px auto; width: fit-content;"> <p style="text-align: center;"><b>全科同仁健康管理防疫問卷</b></p> <p>因應疫情及中央疫情指揮中心相關防疫指引，該調查表將隨時依疫情狀況來作滾動式的調整。</p> <p>此問卷為調查全科同仁疫苗施打狀況。 如有公司同仁家中或同住親友的生活圈範圍有異常狀況的，亦請隨時回報</p> <p style="text-align: center;">* * 作好防疫工作，保護自己也保護別人 * *</p> <p style="text-align: center;">(回傳表格表同意公司蒐集並調查資訊，亦同意僅將此資料作於公司內部調查用途)</p> </div>
<p>Vaccination for employees</p>	<p>Care for colleagues in stages, and the penetration rate of the third dose of vaccination reached 89%.</p>

COVID-19 reporting SOP

Accurate and fast smooth reporting system.



Supplies to combat against COVID-19 were prepared

Forehead thermometer, mask, home rapid lateral flow tests, ethanol and environmental disinfection.

COVID-19 contingency plan for inventory

A contingency plan was formulated to ensure the delivery status of the warehouse during the pandemic to ensure that the goods could shipped immediately without affecting the delivery status.

## Major Incident Handling and Response

Under the impact of the Covid-19 pandemic, the global supply chain has been tested to a great extent. Faced with the challenges that kept on coming, the Company has been able to quickly respond to the operational risks and various difficulties brought about by the pandemic with its strong corporate tenacity and flexible adaptability.



### **Suspension of land Transportation to China and Hong Kong / Lockdown of Shanghai**

After the Lunar New Year in 2022, the COVID-19 outbreak in Hong Kong worsened that the transportation between China and Hong Kong almost came to a standstill. Due to the local COVID-19 measures, the transportation time of goods was doubled with restrictions imposed such as PCR tests and cargo disinfection, increasing the transportation costs by a large margin.

In May, factors such as the intensification of the pandemic in China, Shanghai lockdown, the suspension of inland transportation operations, the surge in cargo volume at Shanghai Airport, and the reduction of flights led to a significant increase in air freight and inland truck freight. Truck drivers were unable to transport goods due to the pandemic. All industries were greatly affected, and the supply chain in Shanghai was faced with the crisis of chain interruption.

In order to avoid broken chains of customers and meet customers' demand for delivery, the Company has applied the WMS (warehousing management system) for efficient warehousing operations. The flight space is reserved to ensure safe air transportation, and coordinate with logistics for delivery by inland trucks or other short-delivery vehicles. The original China-Hong Kong vehicle transportation replaced the land transportation with other transportation alternatives such as sea and air. The goods originally delivered inland to Kunshan or Suzhou were delivered to Shanghai after coordination with customers, and customs clearance was centralized by the customs broker cooperated by customers. The latest local COVID-19 policies were also tracked with logistics providers, to flexibly make adjustments to minimize the impact of lockdown.



### **Cluster of Covid-19 Cases Reported in Farglory Free Trade Zone**

“Farglory Free Trade Zone” is Taiwan's first non-customs air cargo park and free trade port zone, and plays a very important hub center in Taiwan's international transportation. On January 21, 2022, an outbreak of Covid-19 occurred in the port area. In order to prevent the spread of the disease, the CECC immediately established an advanced command post to implement related COVID-19 measures.

Due to the fact that Farglory Free Trade Zone had a large volume of shipments before the Chinese New Year, the WMS warehousing system applied urgently performed advance warehouse operations on the first day of the infection incident. Due to the increase in the number of infected cases in the area, the CECC announced the suspension of work, while colleagues in Farglory Free Trade Warehouse took standby to resume work. On the evening of January 26, 2022, after the CECC announced the resumption of work, colleagues from Farglory Free Trade Warehouse immediately entered Farglory Free Trade Zone to carry out the remaining warehousing operations. The remaining warehousing operations. With the assistance of the WMS and the contingency measures taken by the colleagues of Farglory Free Trade Zone, the goods were successfully exported and delivered before the Lunar New Year holiday.

### **4.4 Information Security Management and Digital Optimization**

Delivering products to customers on time is the foundation of the Company's operations. A system shutdown will result in delays or failure of shipments. A high level of information security protection is the cornerstone of providing quality services, and research the collocation of various technologies to shorten the time required for system restoration.

The Company adheres to the security concept of maintaining an information safe operating environment, and adopts necessary management, operation, and technical security protection means, measures or mechanisms to ensure the confidentiality, integrity and availability of important information, and to provide comprehensive protection and safeguards for the Company's information systems and their processes, stored media and databases, and transmitted data.

## Cybersecurity Policy

Under the organization of the Sustainability Committee, an Information Security and Process Management Team (hereinafter referred to as the Information Security Team) has been established. The top supervisor of the Information Department is also the Chief Information Security Officer, responsible for coordinating information and network security management, including policies, plans, implementation, and analysis of information security incidents. A dedicated Information Security Department has also been established which reports regularly at senior executive meetings, evaluates information security policies annually and reports to the Board of Directors.

The information security team adheres to the security concept of maintaining an information safe operating environment, and adopts necessary management, operation, and technical security protection means, measures or mechanisms to ensure the confidentiality, integrity and availability of important information, and to provide comprehensive protection and safeguards for the Company's information systems and their processes, stored media and databases, and transmitted data. Establish a secure and reliable computerized operating environment to ensure the cybersecurity objectives of the Company's computer data, systems, equipment and network security. In the event of an emergency such as a malicious attack, sabotage or misuse, the Company can quickly make the necessary responses to restore normal operations in the shortest time possible in order to reduce the extent of damage that may affect and jeopardize the Company's business operations.



## Information Security Protection and Risk Management

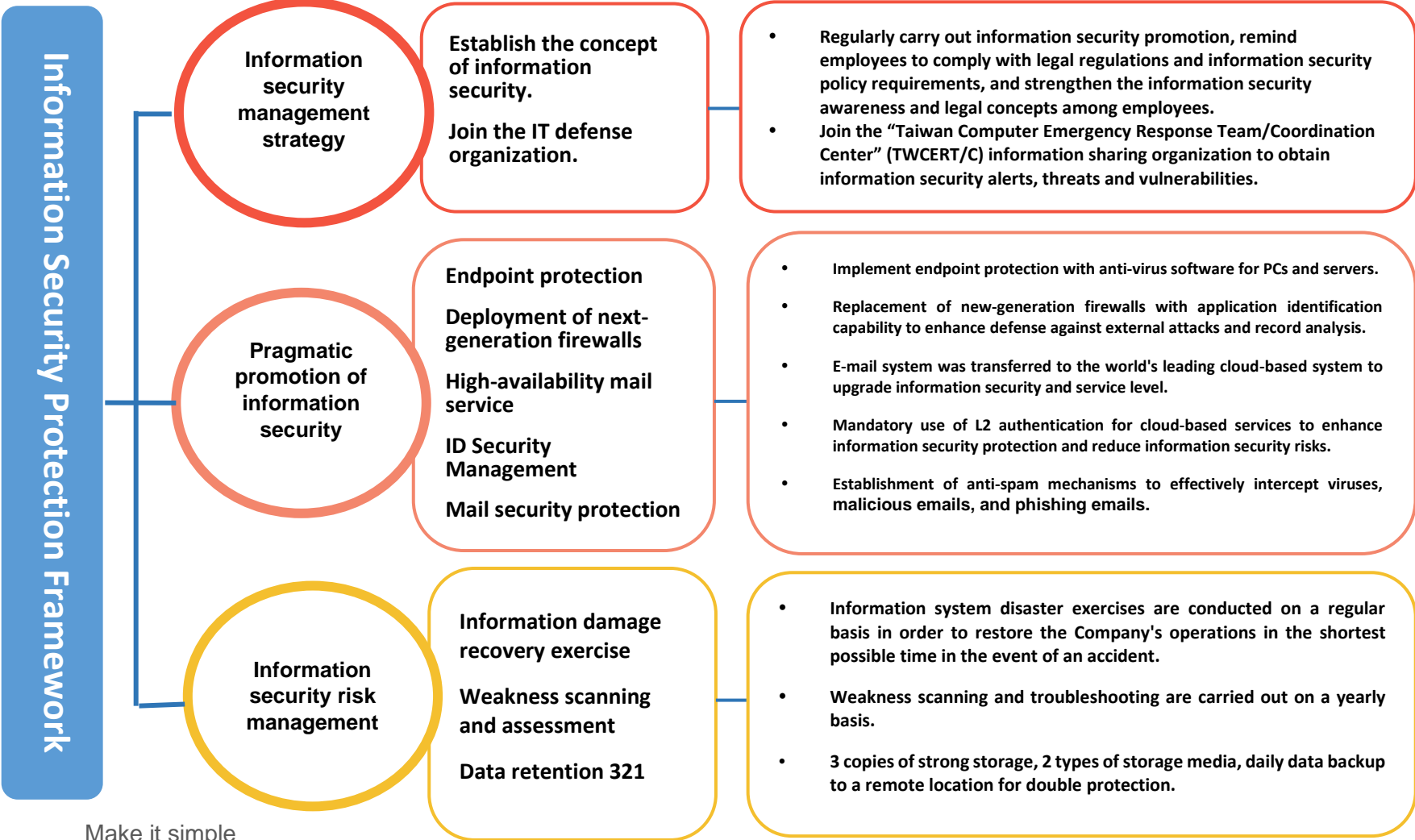
We are committed to improving various information security protection measures, continue to strengthen the information security awareness among employees, and regularly perform information hazard recovery and vulnerability scans to minimize the possibility of information security risks. In addition, to strengthen information security risk management, the Company has joined the TWCERT/CC information security joint defense organization. We exchange information security information with one another in the alliance, discuss and share information security problems encountered in operation or important information security issues recently discovered. By doing this, we are able to achieve the purpose of joint defense of information security and to improve the overall information security protection capability of Taiwan. In 2022, there was no leakage of sensitive information, and there was no significant interruption of information services, resulting in financial losses in business activities with customers or suppliers.

**Safety protection includes fire prevention. Non-conductive fire-fighting equipment is provided in our IT room.**





# Cybersecurity Defense Structure



Make it simple

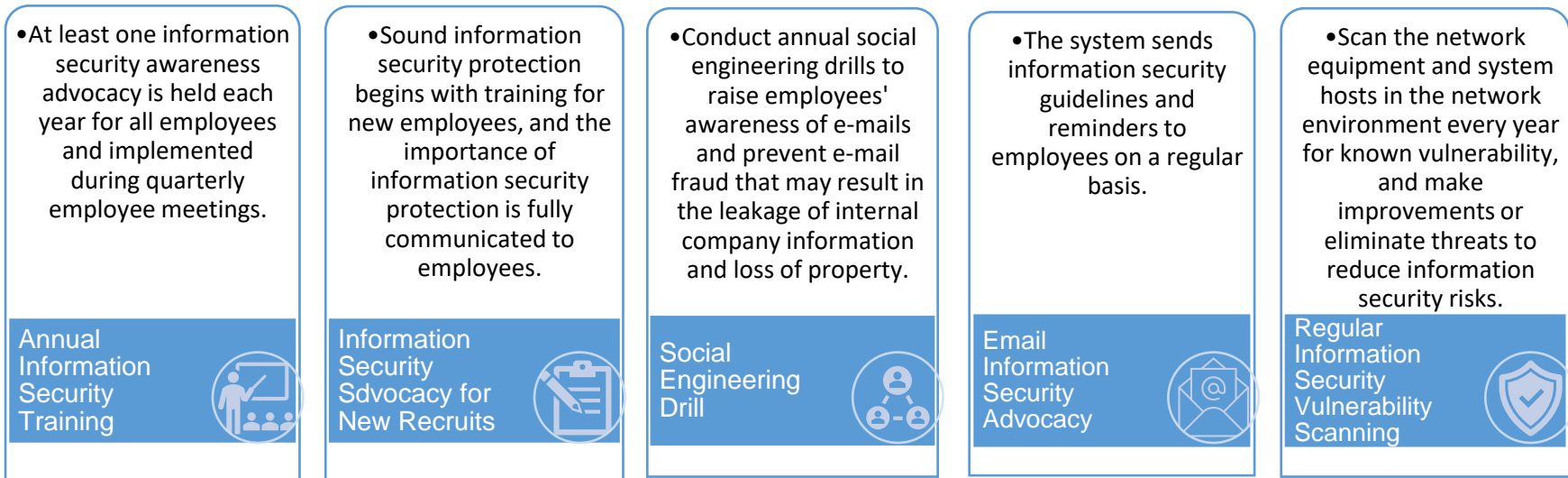
Technology

## Information Security Training and Advocacy

At Alltek, we regularly implement information security advocacy, reminds employees to abide by laws and information security policy requirements, and strengthens the information security awareness and legal awareness among employees. The comprehensive information security advocacy includes standard notification procedures for information security incidents, social engineering, cloud service activation such as Office 365 service [Phase II validation], secure VPN connection for remote office use, anti-virus software installation and system patch updates. Information security awareness advocacy is held at quarterly staff meetings at least once a year for all employees. All employees of the Company are equipped with the basic knowledge of information and communication security. Information security awareness-raising has been included as part of the training materials during the new employee training, so that all employees have the correct concept of information security protection and fulfill their information security obligations.

The Effectiveness of Information Security Training and Advocacy in 2022 Is as Follows:

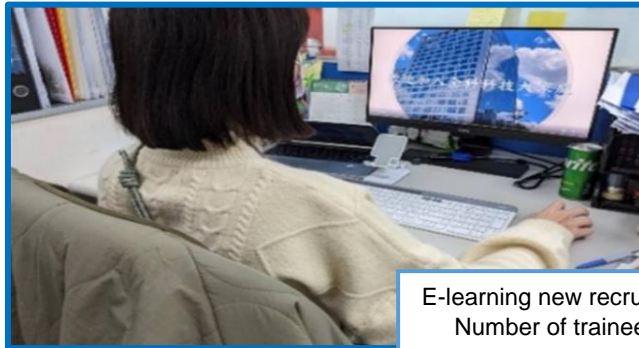
### ◆ Methods of Training and Advocacy



◆ Training Courses



Information security advocacy  
Number of trainees: 181

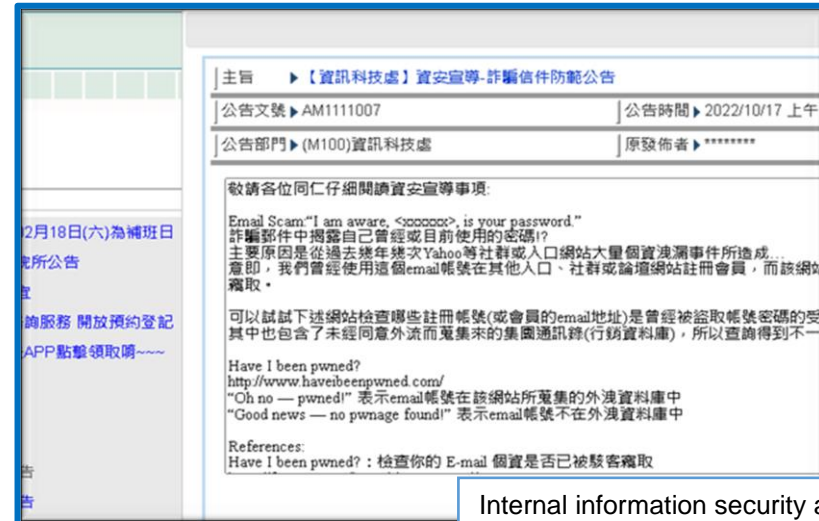


E-learning new recruits - MIS  
Number of trainees: 42

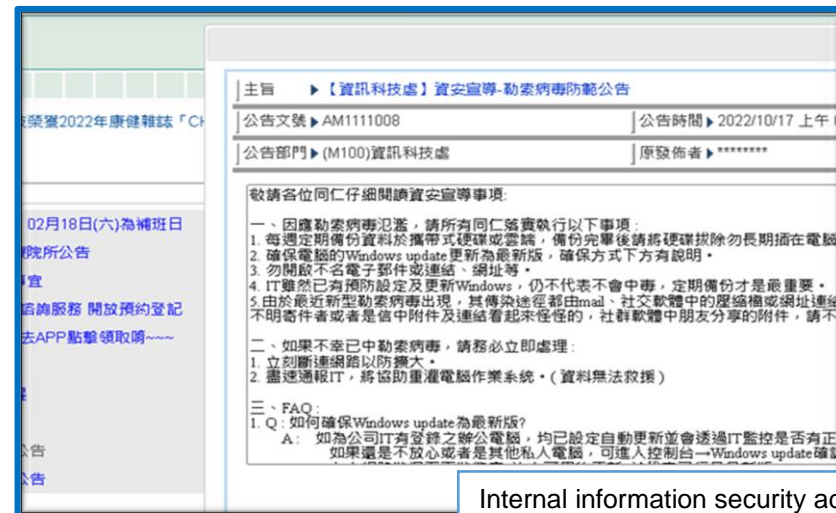


Information security and BPM  
training for new recruits  
Number of trainees: 13

• Internal System Announcement



Internal information security advocacy:  
Prevention of fraudulent letters




Internal information security advocacy:  
Ransomware prevention

## ◆ Information Security Advocacy

Content	Number of sessions of advocacy
Prevention of fraudulent letters	1
Computer usage specification	5
Software infringement case reminders and precautions	3
To prevent social engineering attacks and account theft, the cloud service enables two-factor authentication login	1
Personal data backup solution	27
Ransomware prevention	7
Cloud service two-factor authentication login and account password policy	2
Password policy revision	2
Extortion and fraudulent letter prevention	1
Phishing email alert	1

## ● Information Security Protection FAQ



**1. Teams 聊天中如何傳送圖片給他人?**  
A: 1. 在「輸入新訊息」的框框內，直接貼上欲傳輸的圖片，再點擊傳送。  
2. 點擊「附加檔案」按鈕 (迴紋針圖案)，選擇欲傳輸的圖片，點擊「開啟」。

**2. Teams 會議中分享螢幕時，要選擇欲分享的視窗時，沒有顯示出我已經開啟的視窗怎麼辦?**  
A: 可以嘗試關掉該視窗再重新開啟，或是重新進入會議，通常 Teams 就可以重新找回您開啟的視窗。

**3. Outlook 的搜尋功能是否可以僅搜尋某資料夾內的信件?**  
A: 可以，搜尋欄左方有一個選項，可以選擇當前搜尋的範圍為「當前資料夾」、「所有郵件」等不同選項。

**4. 如何搜尋 Outlook 的寄信者?**  
A: 在搜尋欄打入寄信者的名字，則下方會跑出相符的聯絡人，點擊欲搜尋的人物，僅會直接搜尋該人物，而不會搜尋關鍵字。

**5. 在 SharePoint 儲存資料，資安的部分會有疑慮嗎?**  
A: 微軟的所有產品都相當重視資訊安全，每個產品都有相對應的權限設定來確保資訊的安全性。在我們的 Microsoft 365 解決方案中，除了 Office 軟體及 Windows 11 作業系統外，完善的資安 Security 也是我們服務中非常重要的一環。

## Digital Optimization - [Paper Reduction Campaign]

In August 2021, Alltek launched the “Paper Reduction Campaign,” which was initiated by the Chief Operating Officer, and coordinated and executed by the “Business Information Management Committee.” The Group's subsidiary, Pantek Corp., was also included in the project team, changing the process of paper signing to digital signing. Announcements were also made on the intranet to promote the policy of printing on both sides of the paper, extending the spirit of the Paper Reduction Campaign in all daily operations of the Company. In doing so, we are able to strengthen the awareness of all employees to save paper and reduce waste generation and strengthen the cultivation of green awareness through daily self-management and environmental protection habits.

\*Note 1: As the Group's subsidiary, Pantek Corp., shares the procurement, sales, inventory process and logistics and warehousing resources of Alltek Technology and Pantek Corp. was included in the early stage of the Paper Reduction Campaign.

\*Note 2: The “Group” referred to in the [Paper Reduction Campaign] chapter refers to the two companies, i.e. Alltek Technology and Pantek Corp.



A Paper Reduction Campaign meeting is held on a regular basis to reinforce green awareness and is implemented in daily operations





Announcement: Paper Reduction Campaign  
Printing on both sides of the paper



### Phased Introduction of Projects

Up to 2022, the “Paper Reduction Campaign” has been gradually carried out in four stages. The implementation status of each stage is as follows.

#### Paper reduction stage 1: Current stocktaking status

Inventory the physical signature process of all logistics units and the status and quantity of related physical documents. In response to the current situation of the Group, the priority sequence is preliminarily set based on the current workload, the effect of paper reduction, and the possibility of the process system. A special Paper Reduction Campaign meeting is held every 2 weeks to discuss and propose improvement plans. It was also decided to give priority to the promotion of paper reduction in the procurement, sales, inventory process.

**Paper reduction stage 2: Two-part receipts for sales slips canceled:**

In the past, when a shipment is delivered to a customer, a two-part receipts for a sale must be printed with the Company retaining one copy and customer keeping the other. After reaching a consensus through coordination between the business unit and the customer, the printing of two-part receipts for sales slips was cancelled starting from March 14, 2022, and the electronic warehouse management system (WMS) will be used as the track for billing and auditing.

**Paper reduction stage 3: Five-part receipts canceled:**

In the past, five-part receipts were printed required for some forms for warehousing. Starting from May 1, 2022, the original five-part receipts were replaced with paperless electronic filing. The “Domestic Purchase Acceptance Form” that used to be a five-part printing receipt has been changed to one A4 printing.

**Paper reduction stage 4: Expand the scope of paperless**

Starting from September 1, 2022, the number of types of sales forms required for A4 printing for virtual outgoing operations was reduced from 8 to 1 item, and the number forms for virtual incoming operations has been reduced from 9 to 2. All other warehousing forms are retained as electronic files.

\*Note: Virtual outgoing/virtual incoming operations is the entry of goods without physical access into the warehouse of Alltek. (Example: Arrange delivery to the client through triangular trade.)

**◆ Performance Benefits**

1. Review existing processes and set up process digital control points to reduce the risk of human error. The Company has changed its physical signing to digital signing to improve the timeliness of document delivery and increase the efficiency of signatures. In 2022, the Group carried out 97,447 electronic signatures via the Business Process Management (BPM) system.
2. When accessing data, users only have to search for them in the database, instead of manually rummaging through boxes and cabinets to search for them.
3. After launching the Paper Reduction Campaign paper expenses of the procurement, sales, inventory process were reduced by 56.66% compared to the original process, reducing the quantity of paper by 36,806 sheets, or a reduction of 56.8%.



Paper Reduction Campaign 2022	Original method	After the Paper Reduction Campaign was launched	Compared to the original method Increase/decrease	Increase/decrease compared to the original method (%)
Paper expenses (Unit: NTD)	21,790	9,443	-12,347	-56.66%
Quantity of paper (Unit: sheet)	64,794	27,988	-36,806	-56.80%

Note 1: As the Paper Reduction Campaign is jointly promoted by the Group and its subsidiary, Pantek Corp., the data also includes Pantek Corp. The boundaries of the scope are Alltek Technology's Xizhi Warehouse and Taoyuan Bonded Warehouse.

- Starting from the improvement of the procurement, sales, inventory process, and through the internal promotion of the concept of paper saving, the overall paper consumption of the Taiwan Headquarters, offices, and logistics and warehousing in 2022 decreased by 96,053 sheets from 2021, or a reduction ratio of 25.95%.
- In 2022, the Group's Taiwan headquarters, offices, logistics and warehouses in Taiwan was reduced by approximately 11.53 trees from the previous year.

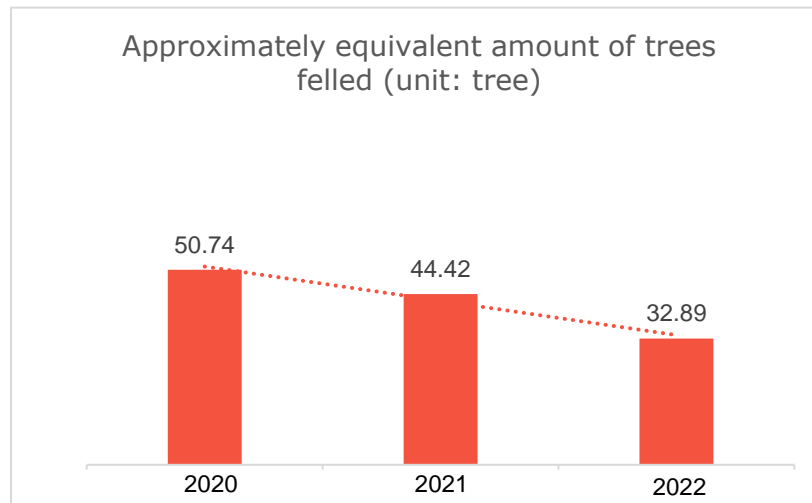
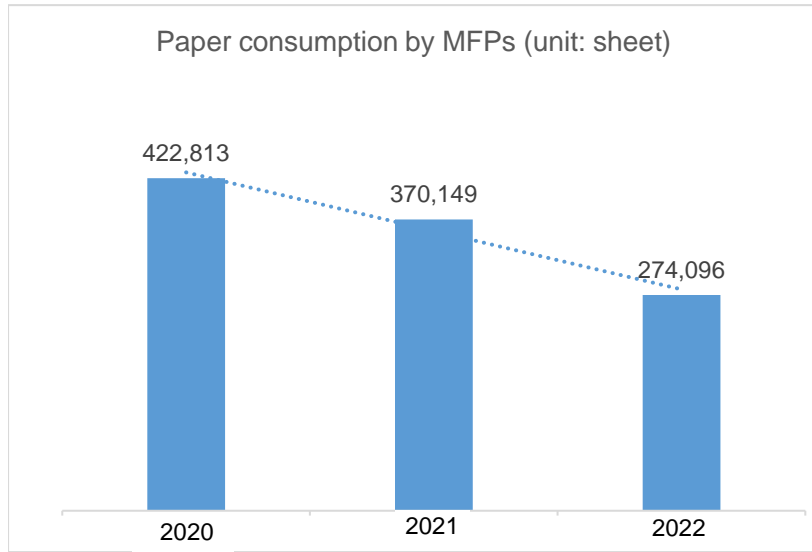


◆ From 2020 to 2022, The Paper Consumption Statistics of the Alltek Technology's Taiwan Headquarters, Offices, and Logistics and Warehouses Are as Follows:

<b>Year of inventory</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Paper consumption by MFPs (unit: sheet)	422,813	370,149	274,096
Increase/decrease in paper consumption from the previous year (unit: sheets)	Base year	-52,664	-96,053
Increase/decrease in paper consumption from the previous year (unit: %)	Base year	-12.46%	-25.95%
Approximately equivalent amount of trees felled (unit: tree)	50.74	44.42	32.89
Increase/decrease in the number of trees cut down from the previous year	N/A	-6.32	-11.53

Note: The calculation of the equivalent number of trees felled for paper consumption (unit: tree) is quoted from Conservatree, a non-profit organization in the United States. It is estimated that one tree can produce about 8,333.3 sheets of photocopying paper.

◆ Paper Reduction Performance in the Past Three Years



**“Paper Reduction Campaign”**  
More than just digital optimization of the procurement, sales, inventory process.  
It also represents the Group's commitment to and determination for environmental protection.

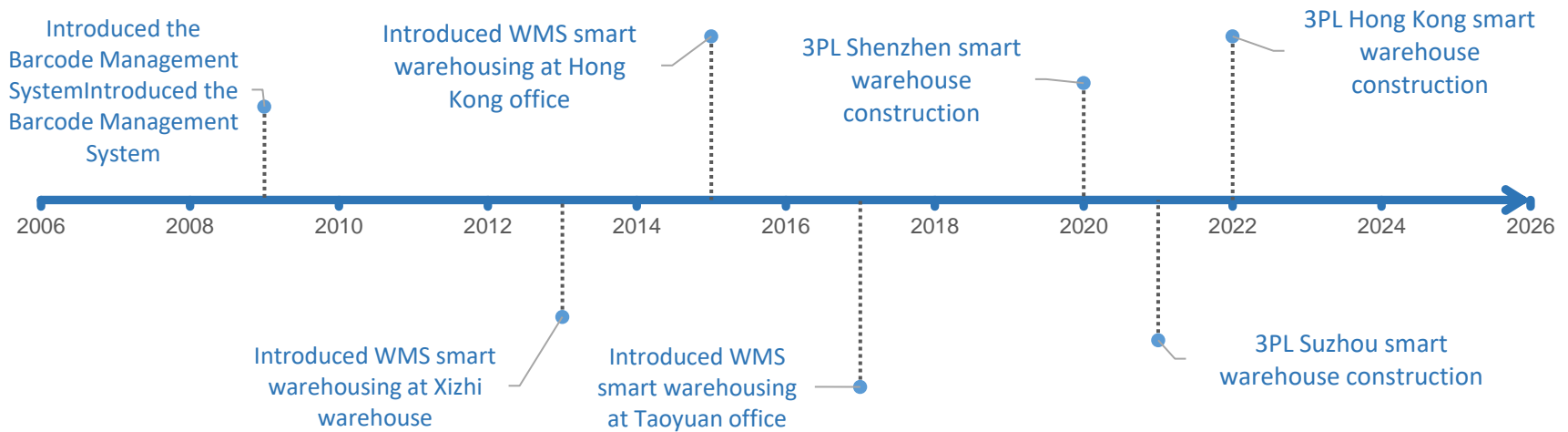


## Smart Warehousing

“Accuracy, speed, and professionalism” are deeply rooted in our corporate culture. We also uphold this belief in logistics and warehousing management in order to provide customers with efficient logistics services. The Warehouse Materials Management Department is mainly responsible for the analysis and management of warehouse operations, the management of warehouse operations in each district, the design and improvement of various operating procedures, and the management and optimization of operations research systems. We have established logistics and warehousing centers in Taiwan’s Xizhi and Taoyuan, and Hong Kong. The operating procedures of warehousing personnel are executed in accordance with the Company’s “Warehousing Management Procedures”; inbound and outbound shipments are carried out in accordance with the “Product Inbound Control Procedures” and “Outbound Control Operating Procedures”; and the “Inbound and Outbound Abnormal Control Procedures” are used as guidelines for inbound and outbound abnormalities and corrective preventive measures.

In addition to the establishment of a comprehensive operating process system, Alltek has also developed a Warehouse Management System (WMS) to integrate internal and external logistics information from receiving, packing, shipping, inventory tracking and related procedures. By bringing standardized work to online system management, the system will help the Company improve operational efficiency and reduce costs.

### Major Events in the Construction of Alltek's Smart Warehouse



The smart warehousing framework of the Company is based on the Enterprise Resource Planning (ERP) system and the Business Process Management (BPM) system as the source of smart warehouse data. Through Alltek's self-developed Middleware System and Electronic Data Interchange (EDI) framework, the information of the warehouse operations is correctly and quickly transferred into the Warehouse Management System (WMS). Through the WMS as the core of smart warehousing, we have built related hardware and software facilities, deployed a region-wide wireless network environment, realized paperless warehouse operations, and integrated a variety of tools and solutions for customer needs, while a small number of variable items are handed over to the offline line for manual processing. It is hoped that through the establishment of a smart logistics and warehousing system, we will build a collaborative value chain system with our partners.

## Warehouse Operation Process



## Benefits After the Introduction of WMS

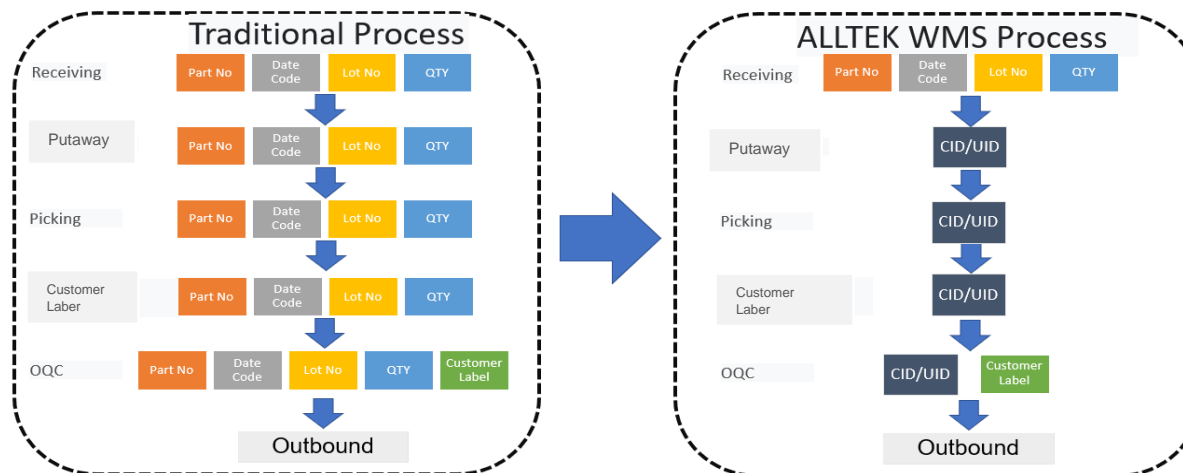
### ◆ Process Simplification

WMS simplifies the warehousing process from goods receipt to delivery. Through bar code management, the warehousing process for each piece of goods is reduced from the original four steps to one, reducing manual repetitive input and improving data accuracy and operational efficiency. For materials, only CID/UID barcode needs to be swiped to achieve in-warehouse material management and full traceability. Shipping process: WMS is aligned with the Label Total Solution to automatically convert material information into customer labels, replacing manual labeling and simplifying the shipment process.

### ◆ CID/UID Barcodes are Used for Material Management to Replace Manual Input.

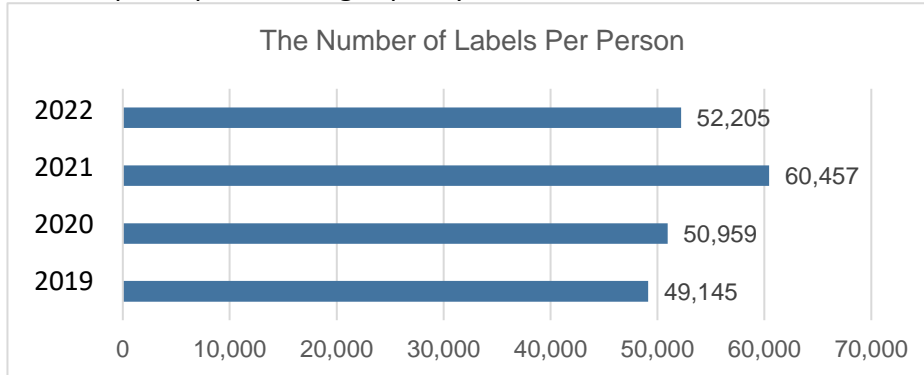


### ◆ The Warehousing Process has been Reduced from 4 Steps to 1 Step.



### ◆Efficiency Improvement

Through WMS, the Company's original Enterprise Resource Planning (ERP) and Business Process Management (BPM) systems have been integrated. After the introduction of WMS, the logistics and warehousing team can maintain the original manpower allocation, and the per capita labeling capacity from 49,145 in 2019 to 52,505 in 2022, the processing efficiency has increased by 6.23%.

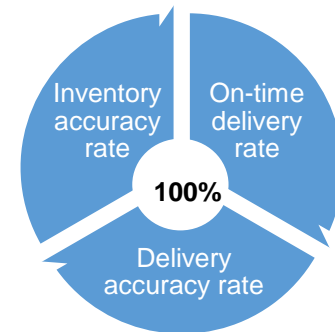


\*Note 1: The data only covers Taiwan's Xizhi Warehouse and Taoyuan Bonded Warehouse.

\*Note 2: The decrease in the number of labels per person in 2022 is due to the different packaging methods caused by product characteristics and customer needs.

### ◆Reduce Error Rate

In the traditional warehousing management, the information of purchase and shipment is recorded manually through Excel. The WMS database is used for analysis to construct a complete fool-proof design mechanism for the purchase and shipment process, and to design customized requirements for specific customers. The WMS establishes a fool-proof mechanism from the system to replace the unavoidable error caused by human operation, thereby reducing shipment delays and customer complaints.



### ◆Real-time Access to Inventory Information

A serial number (CID/UID) is created for each box, and the records of data filing, purchase management, inventory management, and shipping management are integrated in real time. The WMS enables the logistics and warehousing to create more accurate demand forecasts and facilitate the implementation of inventory strategies in real time.

## 4.5 Supply Chain Management

The Company distributes semi-conductor products for network communication in various countries, including wired broadband components, wireless communication components, optical communication components, speech processing components, and communication protection components. The main suppliers are “product suppliers” and “service providers” merchants. The global supply chain chaos and shortages caused by the pandemic will continue until 2022. We know that supply chain partners are indispensable to the sustainable growth of enterprises. In addition to maintaining close contact with our suppliers, we are also committed to preventing and avoiding environmental and social impacts caused operation of the Company itself and the supply chain. We will actively work with suppliers to establish a supply chain that protects the environment, human rights, safety, and sustainable development and implement supplier due diligence management to grow with suppliers and work together for sustainability.

### ◆Supplier Assessment

We use an assessment mechanism to ensure the competence of service providers and help service providers understand and comply with the Company's “Supplier Management Operating Procedures.” The “Supplier Assessment Sheet” is used for annual assessment. Considering the diversity of supplier management and evaluation, Alltek referred to the Code of Conduct of the Responsible Business Alliance (RBA), that regulates five aspects: labor, health and safety, environment, business ethics, and management system, and formulated its “Supplier Code of Conduct” in 2022. Therefore, before collaborating with a service provider, the Company not only evaluates the supplier's capabilities, but also requires the supplier to sign the “Supplier CSR Commitment” or to propose the supplier's related social responsibility policies. By doing this, we jointly promote sustainable environmental development, protect basic human rights and fulfill related obligations with our suppliers.

In 2022, a total of 17 service suppliers met the qualifications for supplier assessment. In terms of “Supplier Code of Conduct,” 11 of the 17 service suppliers assessed were able to meet the “Supplier CSR Commitment” requirements, and the compliance rate was 64.71%. Among them, 5 out of 7 logistics service providers were able to meet the requirements, with a compliance rate of 71.42%.



#### 供應商企業社會責任承諾書

立書人\_\_\_\_\_為全科技股份有限公司及其關係企業之供應商及合作廠商。立書人充分理解並同意遵守全科技股份有限公司供應商行為準則。立書人將恪遵本承諾書、推動環境永續發展、維護基本人權並履行相關義務。

此致 全科技股份有限公司



- New suppliers that meet any of the aforementioned conditions and pass the review will be eligible to become qualified suppliers for our company.
- For qualified supplier assessments, if the score is above 70 points (inclusive), business interactions will proceed as usual based on the current situation. If the score is below 70 points, suppliers will be required to submit improvement strategies. Failure to do so will result in a reduction of procurement allocation or the revocation of supplier qualification.

#### ◆ Conflict Minerals Management and Due Diligence

The Company complies with the “Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict or High-Risk Areas” established by the Organization for Economic Cooperation and Development (OECD) of Minerals from Conflict-Affected and High-Risk Areas) as the basis for the establishment of its due diligence framework. This investigation process identifies and assesses supplier risk and uses the Conflict Minerals Reporting Template (CMRT) published by the Responsible Minerals Initiative (RMI) as the basis for due diligence, specifically requiring suppliers to disclose the source of minerals. If the source of minerals come from conflict zones, they must be produced from a conflict free mine verified by a third party.

In response to customers' requirements not to supply conflict minerals such as tin, tantalum, tungsten, and gold that are sourced from areas with human rights disputes, we also require suppliers to provide a conflict minerals report template and a responsible sourcing policy. If a conflict mineral is used unintentionally in the Company's products, suppliers are required to disclose in detail during the



investigation. This way, we can ensure that the products supplied do not come from metals produced in conflict areas, achieving the goal of responsible sourcing management.

In 2022, 70.45% of the product suppliers represented by the Company were assessed and verified as meeting the conflict mineral free requirements. We conducted due diligence on the 5 key product suppliers identified in order to assess and trace the source of raw materials from the smelter. The results of the investigation showed that 100% of the smelter sources disclosed by the five key product suppliers were qualified suppliers of conflict minerals. In the future, we will regularly implement conflict minerals management and thoroughly implement the spirit of humanitarian care throughout Alltek's value chain.

#### ◆ Management of Hazardous Substances in Products

At Alltek, we have incorporated the requirements of international environmental protection laws and regulations into specific evaluation standards. Moreover, we implement these standards into the management mechanism of hazardous substances in products. Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) are confirmed by a third-party test report when the product is sold as an agent. Based on the written information provided by the product suppliers, the management and identification of hazardous substances in the environment are reviewed and analyzed by the Document Management Department of Alltek to confirm whether each traded item meets the environmental protection regulations and data are systematically compiled into a database. By analyzing the composition of various chemical substances in materials, we can assess which of our suppliers' products contain chemicals that may pose an impact on the global environment and human health.

#### ◆ Implementation of Hazardous Substance Management in Products

In 2022, 88.64% of the product suppliers represented by the Company were assessed and verified to be in compliance with the EU RoHS and REACH regulations. Among the five key product suppliers identified by Alltek, 100% have fully complied with the EU's RoHS and REACH regulations. In addition, according to individual customer's requirements for the management of hazardous substances in various products, product suppliers are required to provide related non-use and prohibited substances guarantee, material composition analysis reports, and hazardous substance testing reports from third-party testing institutions according to the product material number in order to comply with the environmental regulations for the products.

## Customer Relationship Management

Today's industry is changing rapidly. Sales of all walks of life are filled with various marketing models. With the advancement of technology, different service models are derived accordingly. Among them, customer relationship management (CRM) is a very important issue for companies. Alltek provides sales and services for the promotion of semiconductor electronic parts and components. At Alltek Technology, each member adheres to the five spirits of the Company: correctness, speed, professionalism, loyalty and enthusiasm, and maintains a customer-oriented service quality and business philosophy to establish long-term and stable relationships with customers and bring stable income to the Company.

Accurate	<ul style="list-style-type: none"><li>•Correct exchange of information is very important to a company. To provide sales and services to various brand distributors and customers, we must understand the business strategies of the original manufacturers on the one hand, and listen to the needs of customers on the other.</li></ul>
Prompt	<ul style="list-style-type: none"><li>•Providing the right service to meet customer needs is the performance of the Company, and prompt response and service is the demonstration of efficiency. With the advancement of technology and the rapid changes in the market, the pace of customers is getting faster and faster, and the cost of time has become critical, and mastering the speed is the key to get the first opportunity.</li></ul>
Professional	<ul style="list-style-type: none"><li>•Professionalism required in the workplace generally refers to the knowledge, skills and experience required to effectively achieve work objectives, and professionalism in customer relationship management. In addition to providing professional technologies, we also have excellent marketing capabilities and abundant logistical support, worthy of customers' trust and preferred partner.</li></ul>
Loyal	<ul style="list-style-type: none"><li>•Customer loyalty is the key to ensuring revenue. The Company thinks about how to correct, account for or make up for the mistakes we made in the process of cooperation, while also thinking about how to make customers truly feel the progress and our responsible attitude in the process of cooperation with us, and to trust the partnership from the bottom of their hearts, and further increase the loyalty between each other. This will increase the loyalty between us and make our customers feel we are responsible for our services.</li></ul>
Enthusiastic	<ul style="list-style-type: none"><li>•Enthusiasm is a very important element in maintaining customer relationships. We must maintain enthusiasm for our own work and for our customers, and for all things related to our customers. This way, the customers will find it very interesting to work with us and want to develop more cooperation with us.</li></ul>

## 5. Society

### 5.1 Happy Enterprise

#### Human Resources

We believe that employees are the foundation of our company's continued excellence. We love and cherish talent and provide fair employment and promotion opportunities. We use a comprehensive welfare system and competitive salary levels to attract talent across fields. For the development of talent, we have enforced the principle of gender equality so that women and men have the same working rights, and there is no difference in the path of talent development due to gender.

When recruiting talent, we abide by the laws and regulations, follow international standard human rights policies, including the prohibition of child labor, forced labor, and are committed to promoting an inclusive and diverse environment, without discrimination based on gender, religion, race or political party. In addition to the open recruitment channel, we also have an internal "Talent Recommendation Incentive Management System" to encourage our employees to invite talented people from all walks of life to join Alltek. Through the recognition and recommendation of existing employees, the recruitment efficiency and expansion of recruitment channels are increased. The recruitment of foreign workers, indigenous peoples, and disadvantaged workers is also based on their professional abilities and experience. There was no employment discrimination or violation of the rights and interests of indigenous peoples or related incidents during the reporting year.

◆ Manpower Structure

In 2022, the Company had a total of 237 employees (235 locals and 2 foreign nationals). There were no non-regular employees. (i.e., dispatched employees), and a male to female ratio of approximately 1.15:1. The personnel distribution and composition in 2022 are as follows:

Category		Number/ratio of males		Number/ratio of females		Total headcount	Ratio of each category
Type of employment	Part-time	1	0.40%	2	0.80%	3	1.20%
	Full-time	126	53.20%	108	45.60%	234	98.80%
Type of contract	Regular	1	0.40%	2	0.80%	3	1.20%
	Non-regular	126	53.60%	108	45.60%	234	98.80%
Non-guaranteed working hours		0	0.00%	0	0.00%	0	0.00%
Total		127	53.60%	110	46.40%	237	100.00%

Note 1: The total number of employees is the value on the end date of the reporting period (12/31), and excluding the number of employees who were retained without pay during the year.

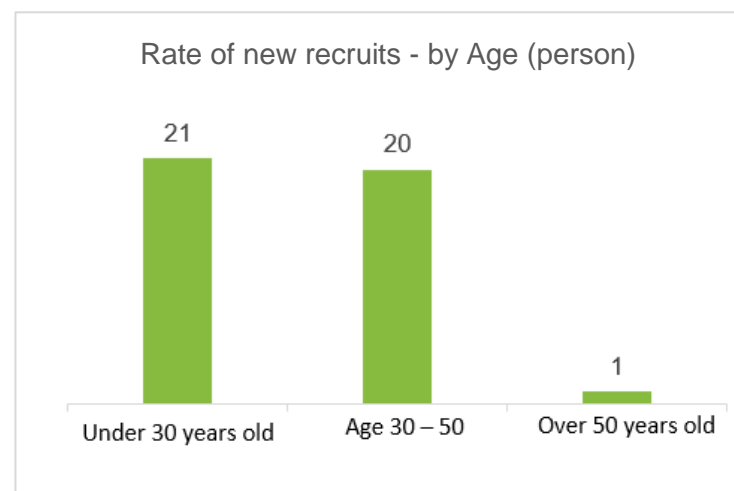
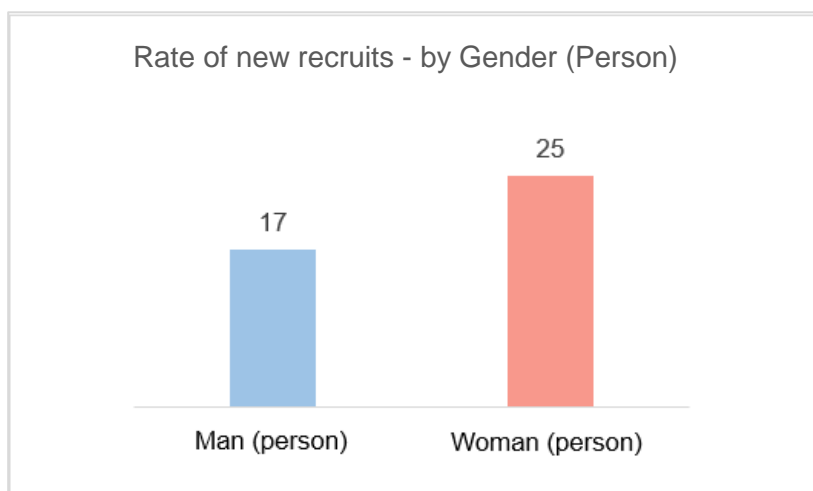
Note 2: Part-time and fixed-term employees are classified as interns. They are arranged by the employer and the work unit based on the department category.

◆ Manpower Mobility

In order to retain competitive talent, Alltek strives to create a friendly work environment, attach great importance to employees' work-life balance, and provide employees with training and development opportunities to promote employees' continuous self-improvement to achieve personal career development. We deeply understand that talent development cannot be accomplished overnight. Once an employee resigns, the Company will actively explore the reasons for their resignation, listen to employees' opinions, and use them as a reference for better management and further improvement of the talent retention mechanism. In 2022, 42 new employees (17 men and 25 women) were hired, with a new hire rate of 17.72%; employee turnover: 39 (15 men and 24 women), a turnover rate of 16.46%. Statistical scope of the manpower mobility data is for Alltek Technology's Taiwan region.

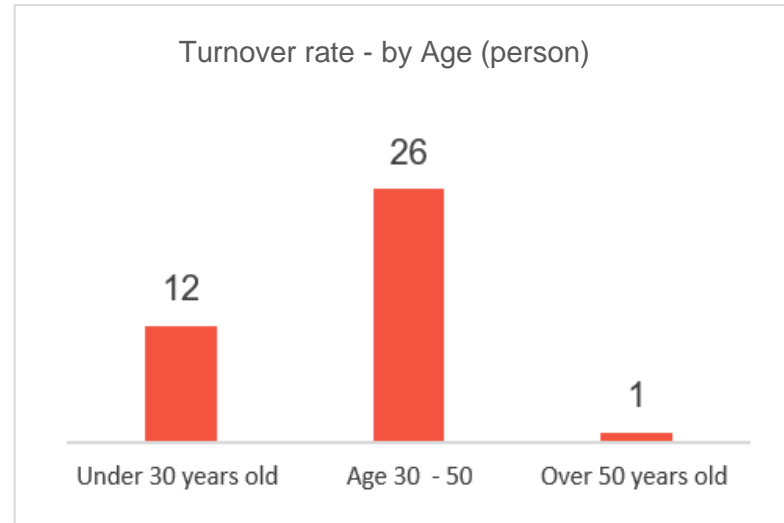
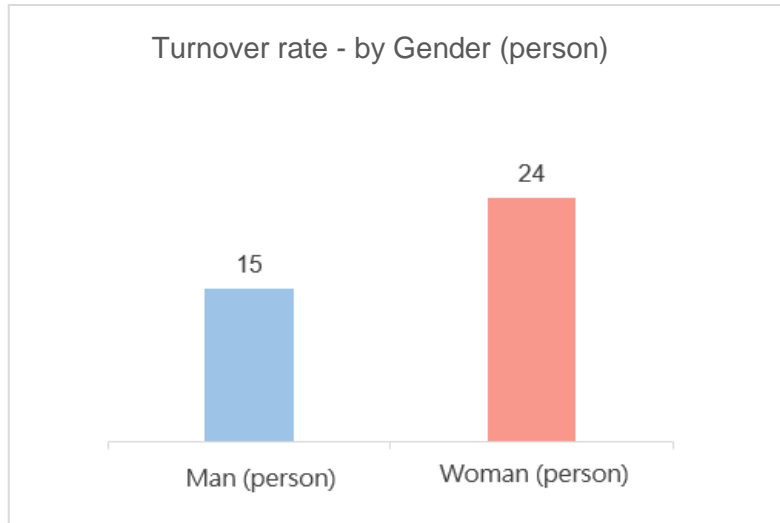
New recruits	Man (person)	Percentage (%)	Woman (person)	Percentage (%)	2022 rate of new recruits
Under 30 years old	6	2.53%	15	6.33%	17.72%
Age 30 (inclusive) - 50 (inclusive)	10	4.22%	10	4.22%	
Over 50 years old	1	0.42%	0	0.00%	
Total	17	7.17%	25	10.55%	

Note: Rate of new recruits = total number of new employees/ total number of employees in the current year



Employees resigned	Man (person)	Percentage (%)	Woman (person)	Percentage (%)	2022 turnover rate
Under 30 years old	3	1.27%	9	3.80%	16.46%
Age 30 (inclusive) - 50 (inclusive)	11	4.64%	15	6.33%	
Over 50 years old	1	0.42%	0	0.00%	
Total	15	6.33%	24	10.13%	

Note: Turnover rate = total number of employees resigned/total number of employees in the current year



◆ Alltek’s Non-Employee Workers

In addition to employees, there are two categories of non-employees. The first category involves hiring or contracting medical personnel to provide labor health services in accordance with Articles 4 and 5 of the “Labor Health Protection Principles” to provide on-site services such as health management, occupational disease prevention, and health promotion. The second category involves the cleaning of Alltek’s head office. The cleaning company provides regular cleaning services in accordance with the contract signed with the Alltek.

• Category 1 Non-Employee Workers:

1. Occupational physician	2 times/year	Two hours per time	Carry out the four major plans, employee health management, and integrated health checkup data analysis and evaluation, health care and interviews, and health education guidelines. For suspected high-risk employees, appropriate job matching assessments and care interviews are conducted.
2. Occupational nurse	2 times/month	Two hours per time	Carry out the four major plans, employee health care and interviews, and health education guidelines. For suspected high-risk employees, appropriate job matching assessments and care interviews are conducted.

•Category 2 Non-Employee Workers:

Cleaning	1 time/day	Perform daily cleaning of the office area (maintenance of the main lobby, cleaning of the men's and women's washrooms, the pantry, the independent supervisor's office, the conference rooms, the office area, and personal garbage collection to be placed at the designated location of the building.
Waxing	1 time /3 months	Waxed the PVC floor in the office area.
Disinfection	2 times/year	Perform disinfection and sterilization of office premises.

Welfare Care

We listen to the needs of each colleague and strive to build a happy, and caring local enterprise. We value every important stage of employees' lives, actively organize employee activities, care for employees' physical and mental health, and provide various employee assistance plans, through the implementation of diversified benefits while taking care of employees' daily life. By doing so, our employees can truly feel the balance between work and life and work with peace of mind.

We participate in every important stage of employees' lives		Participate in employee gatherings	
<b>Major events in life</b>	Marriage/bereavement/child birth allowance	<b>Employee movie tickets (vouchers)</b>	Me Time
<b>Emergency assistance</b>	Hospitalization and medical allowance	<b>Lounge Area</b>	Get together occasionally outside of work hours to create a friendly atmosphere for teamwork
<b>Family care</b>	Childcare allowance	<b>Birthday gift vouchers</b>	Greetings on Important Holidays
<b>Work with peace of mind</b>	Employee group insurance	<b>Overseas travel subsidy/holidays</b>	Encourage employees to travel with their families
<b>Career recreation</b>	Assistance plan for middle-aged and older employees	<b>Club subsidies</b>	Bridge the gap between departments
<b>Retirement plan</b>	Employee stock ownership trust	<b>Employee travel</b>	Raise cohesion among colleagues

◆ We Participate in Every Important Stage of Employees' Lives

We look after our employees as well as their families. We provide timely assistance to employees at various important stages in their life, including wedding and funeral allowances, maternity allowance, and hospitalization allowance. We also provide childcare allowance in an effort to reduce the financial burden of employees. To ensure the stability of life of employees, we offer group insurance to employees to make the life of employees and their dependents more secure. To improve the quality of life of employees upon retirement, an “Employee Stock Ownership Trust” is established. Regular employees who have at least 2 years of service in the Company and who have potential or good performance and are specially designated by the supervisor may apply for membership. In addition to their own contributions, the Company also contributes a certain percentage of subsidy each month, helping employees accumulate retirement funds.

### Pension Contribution & Employee Trust Fund

At Alltek, employees have an option for the new or the old pension plan. 6% of the employee’s salary is contributed as pension fund deposited to the employee's personal account with the Labor Insurance Bureau according to the law, to protect the rights and interests of employees. In addition, monthly contributions are made to the labor retirement reserve (2% contribution rate) to protect the rights of employees who opted for the old pension system. The contribution rate to employee trust fund varies by grade. The Company's additional contribution rate is 50%.

Item	Contribution rate	Employee participation rate
Old pension plan under the Labor Standards Act	2%	11.44%
New pension plan under the Labor Pension Act	6%	98.73%
Employee trust fund	50%	53%

Note 1. The appropriation of employee pension under the old and new pension plans does not include the “person-in-charge”. The total number of employees is 236 after deducting the person-in-charge as of 2022/12/31.

Note 2. Employee participation rate of employee trust fund = number of participants/those qualified.



In terms of insurance and welfare system, Alltek provides each employee with group accident insurance and business travel group accident insurance. We aim to fully protect our colleagues whether in daily life, at work, or on business trips. The coverage includes death insurance claims, funeral expenses insurance claims, disability insurance claims, injury medical insurance claims, overseas sudden illness health and medical claims, and overseas emergency relief.

The impact and challenged faced by Taiwanese companies will be older and middle-aged employees. We hope to create a workplace where employees can work with peace of mind and is considerate. Welfare measures for the elderly are included to provide a more supportive and secure environment. In 2023, we will establish a work plan and a corresponding evaluation mechanism for the middle-aged and old employees and implement related support measures and plan promotion within 3-5 years.

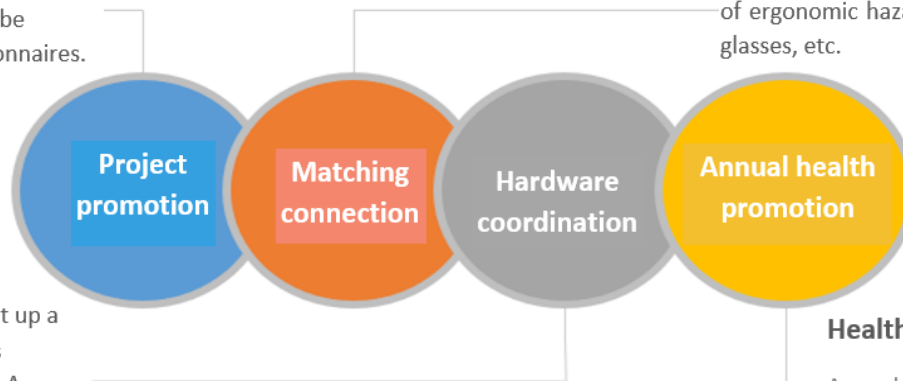
### 2023 Employee Benefits & Healthy Workplace 3.0

#### Assistance plan for middle-aged and older employee

It is expected to be the focus of implementation in 2023, and will be included in the four major questionnaires.

#### Auxiliary aid application

Review the work environment in conjunction with government subsidies. Such as eye protection lamp, laptop elevated and handling protection, reduction of ergonomic hazards, screen application, blue light glasses, etc.



#### Health station

Add hardware equipment and set up a health station to help employees monitor their health at any time. A friendly workplace will also be created. It can also be used when vendors or customers visit.

#### Health promotion activities

Annual health promotion

- 1\_ Incorporate physical fitness tests for each age group and find the corresponding and suitable improvement plans.
- 2\_ Promote long-term inclusive sports courses.
- 3\_ Extension of annual long-term health promotion activities.

◆ Participate in Employee Gatherings

In an effort to increase communication between departments, build employee loyalty, look after employees' physical and mental health, and facilitate harmonious family life of employees, the Company encourages and supports the establishment of clubs. The Company provides an establishment fund and a subsidy for quarterly event activities. We hope to organize diversified and educational activities through the clubs to narrow the gap between departments, while also encouraging non-members and family members to participate in the clubs. Our goal is to relieve employee stress, enhance employee friendship, and promote family relationships. At present, badminton, handcrafting, sports, health, and basketball clubs have been established. More than 60% of the Company's employees have participated in club activities, which shows that the clubs are highly appreciated. In addition, Alltek attaches great importance to the organizational atmosphere and encourages employee gatherings. E-tickets are distributed on employees' birthdays, and employee movie tickets are given on a quarterly basis (in response to the pandemic, movie tickets were given in the form of e-tickets so that employees were able to use them with flexibility), departmental allowances, and paid travel leave.

2022 Active Club Activities

Badminton Club



The Badminton Club meets every Tuesday to develop the habit of exercising.

## Handcrafting Club



A handcrafting activity is organized on a quarterly basis, allowing employees to relieve their stress in their spare time. The activity organized each time is different, bringing employees full of achievement with handcrafting!

## Sports Club



With a game held once per season, the club members invite their family members to join the club for fun. Due to the pandemic, only one dart game + meal party was held; however, everyone had a great time!



### Health Club



- ✚ In 2022, a two-day Smangus Trek was organized with not only members but also other employees taking part.
- ✚ In conjunction with the Company's healthy walking event, an online weekend exercise event was also held. Everyone was doing different activities at different locations and went online at the same time to share with the club members the exercises they were engaged in on that day as well as the healthy and delicious breakfast after exercise.
- ✚ Due to the COVID-19 pandemic, we were unable to travel overseas, so we took our employees on i-Ride to fly around the world and Taiwan, traveling around the world with our senses.

### Basketball Club



A quarterly basketball tournament is organized to enhance physical fitness and enhance emotional communication.

## Talent Training

To improve the work quality of employees and provide them with further education opportunities, the Company has established its Education and Training Management Regulations and Promotion Training Management Regulations to encourage employees' continuous education and assist employees in developing their professional and managerial skills according to their functions. In order to promote employees' career development, the Company also organizes internal trainings from time to time. The 2022 training categories were divided into professional training, general training, and new employee training, providing training courses in a variety of different fields. On-the-job training and external training were also arranged for employees to enhance their knowledge and experience through continuous learning.



## ◆ 2022 Employee Training Effectiveness

Employee category	Male			Female		
	Total number of employees	Total training hours	Average training hours	Total number of employees	Total training hours	Average training hours
<b>Supervisory position</b>	45	294.5	6.5	17	217.5	12.8
<b>Non-managerial position</b>	76	341.0	4.5	99	549.5	5.7
<b>Total</b>	121	635.5	5.3	116	767.0	6.7

Type of training	Number of courses	Number of training hours	Number of people trained	Training expenses
<b>Total professional training</b>	26	889.5	216	496,340
<b>Total general education</b>	2	261.0	261	0
<b>Total new recruits trained</b>	2	252.0	84	0
<b>Total</b>	30	1402.5	561	496,340

Note: The number of training hours is the total training hours of the actual number of participants.

◆ Occupational Safety Training is also Arranged for New Recruits. The Results of the Training in 2022 Are as Follows:

Training items	Number of people trained	Method of training
<b>Safety and health training for new recruits</b>	42	Online courses and online tests
<b>Total</b>	42	

## 5.2 Healthy Workplace

Given the fact that physically successful companies come from a group of healthy and active employees, Alltek actively promotes an atmosphere of exercise among employees, creates a healthy workplace, and continues to optimize and improve various measures internally. We participated the campaign of “Sporty Enterprises” jointly initiated by the Sports Administration and the National Association of Small & Medium Enterprises, hoping that, through our own corporate strength, we will pass on our philosophy to each enterprise and give back to society. In March 2022, the Company was invited by National Association of Small & Medium Enterprises to serve as the representative of enterprise sharing at the briefing in Taipei (sharing - corporate sponsorship plan for employing sports instructors). In June 2022, we were invited to an exclusive interview with the “Sports Fever” plan of the National Education Radio. In November 2022, the Company was invited by the Health Promotion Administration, Ministry of Health and Welfare to serve as the “North District Workplace Health Promotion Personnel Education and Training Course Lecturer,” sharing experience with various enterprises and help promote how to create a healthy workplace. In December 2022, the Company was invited to the North District Health Promotion Center to participate in industry-specific promotion manual meetings and share practical experience with experts to assist companies in promoting health promotion.

From 2019 to 2021, Alltek won consecutive awards from the Ministry of Health and Welfare, from “Health Initiation and Promotion to the highest award: National Outstanding Healthy Workplace - Vitality Award.” In 2021, the Company was awarded the “iTaiwan iSports Certification” by the Sports Administration and the Bronze Award in the “CHR Healthy Corporate Citizenship” award by CommonHealth Magazine. In 2022, the Company was recognized again by CommonHealth Magazine and won the silver award in the “CHR Healthy Corporate Citizenship” award.



2022 [CHR Company]  
by CommonHealth  
Magazine  
Enterprise with Less  
than 500 Employees -  
Silver Award



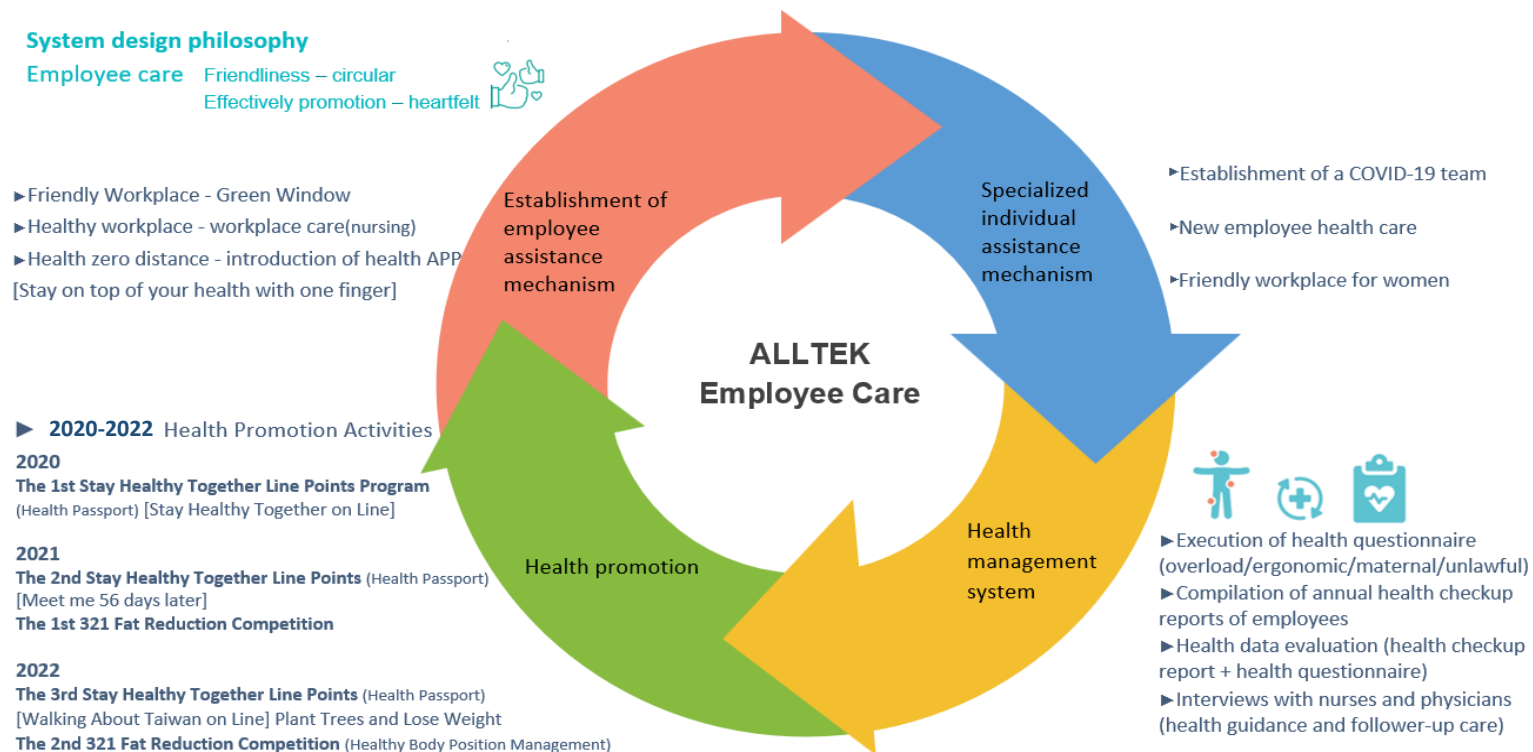
Best portrayal of healthy workplace  
- Alltek Health Club

In 2019 and 2020, the Company was awarded the Badge of Accredited Healthy Workplace and Health Promotion Label by the Promotion Administration, Ministry of Health and Welfare.

Badge of Accredited Healthy Workplace	
<p>Awarded with the “Badge of Accredited Healthy Workplace” in November 2019 by the Health Promotion Administration, Ministry of Health and Welfare_Badge of Accredited Healthy Workplace</p>	<p>Awarded with the “Health Promotion Label” in November 2020 by the Health Promotion Administration, Ministry of Health and Welfare_Health Promotion Label</p>

## Health and Safety Management

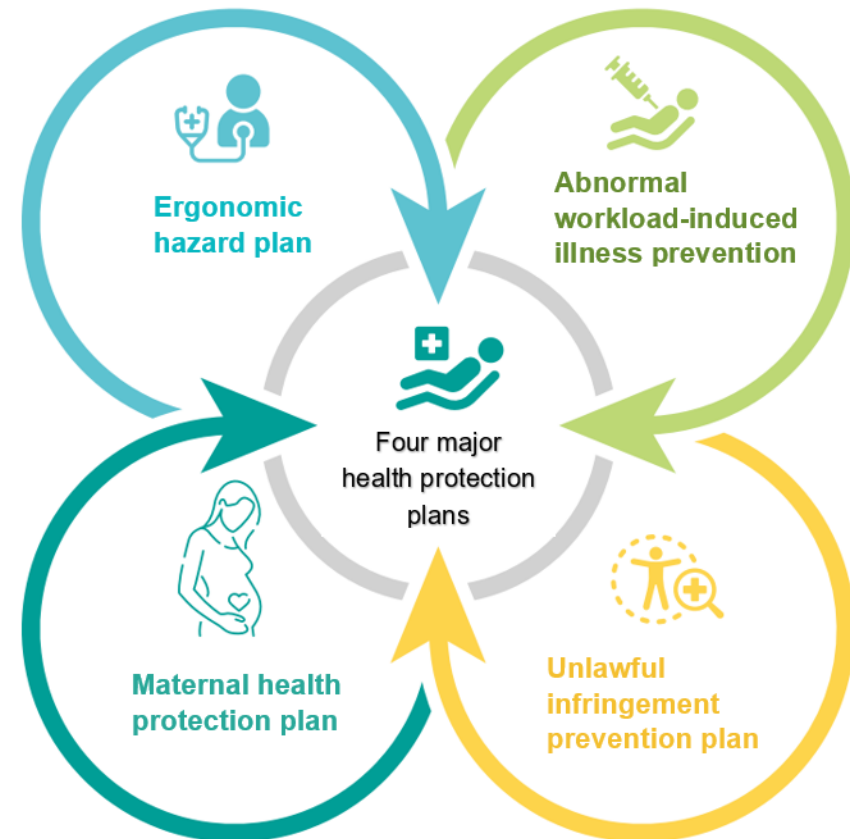
At Alltek, we attach great importance to the health and safety of its employees, and actively establishes a comfortable and safe working environment to prevent the occurrence of occupational hazards. Based on the “four major plans for labor health protection” initiated by OSHA, we have built a good workplace health environment and assessment system. In terms of risk assessment table, professional “workplace health care personnel” are assigned to assist employees in the prevention, control, and promotion of physical and mental health. Through the health APP platform, we will set up personalized health management and data tracking for our employees, provide comprehensive risk report analysis, and prevent and intervene at an early stage when an employee has physical and mental problems, keeping a close eye on the health of employees. In order to ensure that employees can work in a healthy and safe working environment, occupational safety training for new employees is organized so that employees equipped with the safety knowledge necessary for their work while also reducing the occurrence of accidents in the workplace. Employees can also use the Company's health management system APP to keep abreast of new health information and make online appointments for occupational health consultation. In 2022, a total of 42 new recruits completed safety and health education and training, and there was 0 case of occupational accident throughout the year.





## Employee Health Care

Alltek cares about the health of employees, actively promotes workplace health, and is committed to protecting the physical and mental health of employees. Regular health examinations are organized for all employees, including general health examinations and special health examinations. As of the end of 2022, the Company's employees had no physical exam abnormalities caused by special operations. Each year, health care workers engaged in labor health services are contracted to provide to provide on-site services such as health management, occupational disease prevention, and health promotion, including the implementation of four major health protection plans: workload assessment and management, human-induced hazard prevention, maternal health protection, and workplace violence prevention. In addition, the Company conducts employee health questionnaires on a regular basis every year. Occupational physicians and nurses provide employees with health consultations and arrange one-on-one interviews based on the questionnaire and employee health checkup results. In 2022, a total of 23 colleagues completed interviews and health education guidance.



◆ Management of Ergonomic and Psychological Hazards

• Repetitive Task Triggered Musculoskeletal Disease Prevention Plan

The Company conducted a questionnaire under the four major labor health protection plans in 2022. Through the results of the Musculoskeletal Pain Scale, a total of 3 high-risk cases were identified as suspected to be at risk. The Company then worked with physicians, occupational nurses, and occupational safety and health personnel to clarify the case and an on-site observation was conducted before arranging personnel visits and providing health education and guidance to prevent occupational diseases from occurring. In 2022, with health care and health promotion, the number of people with skeletal and muscle pain (suspected to be at risk) dropped from 3.7% to 1.3%.

Risk Level Statistics in 2022

Health checkup items	Non-harmful	Suspected to be at risk	At risk	Confirmed disease
Abnormality	225	3	0	0
Number of people examined	228	228	228	228
Abnormality rate	98.70%	1.30%	0%	0%

Health checkup items	Non-harmful	Suspected to be at risk	At risk	Confirmed disease
2020 Abnormality rate	96.30%	3.70%	0%	0%
Abnormality rate in 2021	98.50%	1.50%	0%	0%
Abnormality rate in 2022	98.70%	1.30%	0%	0%

- Abnormal Workload-Induced Illness Prevention Program

The 10-year risk of developing cardiovascular disease was calculated based on the Fatigue Scale survey and the results of employees' annual health checkup reports.

According to the risk level and the interview recommendation table, the number of people at medium risk of overload prevention in 2022 dropped significantly to 0 people with a high-risk score of 4.

### Risk Level Statistics in 2022

Health checkup items	Low risk (0)	Medium risk (1)	Medium risk (2)	High risk (3)	High risk (4)
Abnormality	145	51	12	1	0
Number of people examined	225	225	225	225	225
Abnormality rate	64.4%	22.7%	5.3%	0.4%	0.0%

Health checkup items	Low risk (0)	Medium risk (1)	Medium risk (2)	High risk (3)	High risk (4)
2020 Abnormality rate	64.4%	26.5%	9.1%	0.0%	0.0%
Abnormality rate in 2021	67.5%	26.6%	5.9%	0.0%	0.0%
Abnormality rate in 2022	64.4%	22.7%	5.3%	0.4%	0.0%

- Prevention Plan for Unlawful Infringement During the Execution of Duties

Cases were received through departmental questionnaires and reports by human resources personnel. A total of 84 questionnaires were recovered (none of which was abnormal). If there is any abnormality, the prevention plan for unlawful infringement will be initiated immediately in conjunction with human resources and occupational nurses.

Understand the working conditions of employees and confirm the details of the unlawful infringement case, counsel the victims on their mental health, and propose relevant health recommendations on the suitability of physical and mental health protection measures such as planning of wellness guidance, work adjustment or replacement to reduce unlawful infringement.

◆ Maternal Health Management

In 2022, a total of 2 employees were listed as the targets of maternal health protection. The risk level of their working environment and work content was confirmed, their health status cared for, with health education provided as well as health instructions, doctor consultation and interviews arranged. To help mothers in the workplace feel at ease, we provide comprehensive maternal care and safety environment. All full-time employees who meet the statutory requirements for unpaid parental leave are entitled to apply for parental leave of absence to protect the needs of their families. In terms of friendly facilities, we have a lactation room in place, parking bays for pregnant women, and gender-friendly toilets to provide a friendly workplace where maternal employees can work with peace of mind.

In 2022, a total of 12 employees were qualified for parental leave, and 2 employees actually applied for parental leave, representing an application rate of 17%. The statistics on employees' parental leave for the year are as follows:

Item		Male	Female	Total
<b>Status of the current year</b>	Number of people eligible for applying for unpaid parental leave in the current year	5	7	12
	Actual number of people applying for unpaid parental leave in the current year	0	2	2
<b>Status of reinstatement</b>	(A) Number of people taking unpaid parental leave expected to be reinstated in the current year	1	3	4
	(B) Number of people taking unpaid parental leave who were reinstated in the current year	0	3	3
	Reinstatement rate = (B)/(A)	0%	100%	75%
<b>Retention status</b>	(C) Actual number of employees reinstated in the previous year	0	1	1
	(D) Number of employees still employed in 12 months after reinstatement in the previous year	0	0	0
	Retention rate = (D)/(C)	0%	0%	0%

Note 1: The scope of statistics is Alltek Technology's Taiwan region.

\*Note 2: The number of employees eligible for applying for unpaid parental leave is based on the number of employees who took maternity and paternity leave from 2020 to 2022.

### •Employee Health Checkup

We attach great importance to the health rights of our employees and their physical and mental health at work. In addition to organizing regular health checkups and special protection for employees in accordance with laws and regulations, we also arrange diverse and enriching health promotion activities to create a healthy workplace and company culture for employees. To provide comprehensive health care services, the Company arranges health checkups for employees on a regular basis. Employees with abnormal test values are tracked and provided with necessary individual health consultation, care and guidance so that employees can keep track of their own health status. The results for employees' health checkups are received and kept. One-on-one consultations between occupational physicians and nurses are arranged for employees to comprehensively evaluate their work nature, living habits, family history and other factors, to provide employees and the company with improvement recommendations.

### ❖ Annual Employee Health Checkup



### ◆Health Station

The Company provides an advanced body fat machine that not only measures individual body weight and body fat, but also individual metabolism and visceral fat percentage, allowing employees to monitor their own health at any time. Provided with blood pressure machine, the occupational nurses assist in the operation and provide explanations and health education at the same time.

Occupational nurses give instructions to operate the body fat machine.



Occupational nurses help with blood pressure measurement and provide health education.

## Health Promotion Activities

Employees are the Company's most important asset. We encourage employees to take part in a healthy lifestyle and create a healthy and safe workplace. We make an effort to plan for each employee activity to ensure the health of our employees. As well as this, we also proactively promote each health promotion activities, including club activities, Family Day, Health Day, and Mid-Autumn Festival activities. Our activities with diverse contents have previously attracted the attention of the media, and they have taken the initiative to come to interview. The Company has become a successful enterprise in promoting workplace sports. Despite the restrictions imposed by COVID-19 in recent years, Alltek continues to monitor the health of employees. A health LINE event has been held since 2020, with a different theme set each year. This not only practices the spirit of work-life balance, and good feedbacks are also received. The event is well received by our employees, as the number of employee participants has increased year by year from 43 in the first year, to 256 in the third year in 2022.

“The resources invested by the Company and the influence of the senior executives with their actions are indispensable to each other and are without doubt the greatest assistance! To create a ‘Happy Workplace’ is not only to do the right things, but also to have the determination to do the best! We will continue to work hard to fulfill corporate social responsibilities and create a sustainable environment.”

Healthy  
Together  
on LINE



2020 1st Healthy Together on LINE  
Exercise together to get healthy together on LINE  
43 participants

## Introduction:

To give vitality, we hope to inject new ideas into the event from an interesting perspective. The pursuit of health should be a joyful experience and journey.

The 1st Healthy Together LINE - we hoped to invest in how to activate the “motivation” and “think about” how to make exercise a joy and gain a sense of accomplishment from it. “Enjoy the process” to learn from the experience and “change” to find out that it can be done by yourself.





2021 2nd Healthy Together on LINE  
321 Fat Loss Competition + Health Passport Points  
140 people participated

### Introduction:

There is a story behind each event. At the 2nd Healthy Together LINE - 321 Fat Loss Competition and Post-Competition Race, we initiated the "Meet me 56 days later" campaign. Thanks to healthy body position management, those who relied on medicine for many years to control the chronic disease, gradually returned to the normal index. It is also possible to stop relying on drugs.

### Introduction:

Reduce fat by walking for health

Small step taken by me for better life

Big step taken by us for better environment

Reduce fat and carbon emissions by walking

Plant a tree to build a forest

Carbon reduction for a healthy and happy life



2022 3rd Healthy Together on LINE  
Walking About Taiwan to Be Healthy  
256 people participated

◆ iTaiwan iSports Certification/Media Interview Invitation

**全科科技股份有限公司**

**全科科技是亞太區上市上櫃專業通訊元件設計及通路商。創立30年來，具專業硬實力，並於2021年獲得康健雜誌健康企業公民CHR第三名(500人以下組)及《遠見》110年教育部體育署運動企業認證，著重人才培育及多向發展，由「運動」串起連結打造愛運動企業的體質，除了活絡組織，也營造了工作環境好氛圍。培養同仁具有運動員精神，不管是紀律、自發性，更是自信心及正向力的培養，每一個人都可在人生舞台健康地奔馳著，與全科攜手迎向未來每一個挑戰！**

Awarded with the “Athlete Instructor Service” in November 2021 by the Sports Administration and represented the enterprise to share information on.







Media exposure - Good Morning Health\_ Interview (December 29, 2020)

**王敏慈 / 全科科技**

創立於 1993 年 4 月，為專業提供工作設計及諮詢服務，發展上市代碼 1209，成立自有實驗室專注於有線、無線通訊、電信設備、智慧聯網通訊、資訊軟體開發、數位電路設計等領域。

## 健康也可以很歡樂

### 你

上班時間可以去射籃嗎？加上公司的中秋活動很另類，他們決定把今年的場景搬到射籃場，不僅是只有射靶射籃場內的「固定行程」。

規模人數不寡的全科，在配合政府的政策導入職團系統前，早就對員工健康很重視。目前員工人數有 200 多人，但部有 5 個社團，其中 4 個是跟運動有關，例如羽球、籃球、健康活力社等。舉辦的活動不僅多樣化也非常有意思，如：七星山登山健走、室內擊岩、象鼻岩樂木舟、自由等等。全科的副總經理王敏慈 (Melody) 表示，社團活動不只鼓勵同仁積極參與，公司也給予了相當大的支持及經費的補助。身為全科人，不僅僅是有趣而已，更樂在工作，工作與生活的平衡也是我們一直以來很重視的一項且為持續努力目標。

**創意提高參與度**

全科目前的職團活動頻率是每個月 2 次，Melody 表示，為保護員工身上的健康狀況，鼓勵中如有員工個人隱私的部分，將做本

幸福企業也這樣做  
• 積極導入安全健康設備  
• 鼓勵成立社團活動推廣  
• 每週一次固定健康餐日，協助員工訂健康午餐  
• 編制團隊師

人同意，公司才會進一步地了解他們的詳細的情況。好同仁願意卸下心的，公司其實是很願協助員工。在顧及個人隱私與關心的立場，我們又不能去打擾員工的日常工作，但公司是真的很關心員工健康。」

她說，自 2017 年起專人職團管理師，初期由於大家不瞭解，預約的參與度也不高。但今年開始，職團管理師增加了專業的健康評估問卷上公司的健康檢查數據，建構了一個完善的風險評估系統將健康檢查數據，讓公司同仁加強了對自己健康重視的觀念，同時也幫助到同仁體會到：看到的不是不幸事件的全貌。

例如有位員工，平常活潑又開朗的，但經由職團師的面談中，才發現他原來在工作生活上面臨很大的壓力，有很嚴重的焦慮感，但在同事面前完全看不出來。在職團師溫柔又暖心的地談話下，讓同事卸下心防敞開談話，讓他的心理找到了另一個窗口可抒發，這讓我們覺得很開心的。另外一個員工則是因為有狀況的關係，有主動跟職團師提起，平常我們也沒有發現，因為要避開的避開水晶品管壞掉了。還好那職團師鼓勵他檢查下，目前健康無虞的。

幸福企業的花費其實不多，但全科卻用了很多真心及將心比心地，照顧每一位員工自己的家人一樣。

**第 1 階段：再提醒小心，可能出現頭痛**

第 2 階段：建議休息，以作休息與治療，少數嚴重的，應請醫師專業檢查，要是有健康問題的現象，一定要有所警覺，其中可能，請多諮詢專業，尤其足跡痛，不可輕忽。

About Safety

Source: Morning Hon Hai - Interview with Alltek

廣告企畫製作

▲ 全科科技 - 內湖射籃場舉辦員工健康餐日

▲ 全聯連鎖藥房 (台北) 內湖區推廣活動，在全聯內舉辦一起運動風采

**讓上班族運動，讓企業健康**

運動不僅能強身健體，還能提高工作效能。企業若能提供員工運動的機會，不僅能提升員工的健康狀況，還能提高員工的忠誠度和工作滿意度。在全科，我們提供多種運動選擇，讓員工在繁忙的工作之餘，也能享受運動的樂趣。

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**加入企業聘用運動指導員 讓身心健康員工 成為企業最雄厚資本**

員工的身心健康對於企業事業發展，有著極重要的關係。而運動可說是維持身心健康的最佳方式。藉由運動不僅能強身健體，還能達到最佳的精神狀態。

近年來，教育部體育委員會「企業聘用運動指導員」推動計劃，鼓勵企業聘請具有專業運動指導專才人才，藉以協助企業推行員工運動，引導員工養成熱愛運動、正確運動的習慣，同時也能促進運動人才就業、活化企業人才資源，打造更完善的健康工作環境。

▲ 全聯連鎖藥房 - 健康一日 LIME 運動課程

▲ 全聯連鎖藥房 - 各部員工中於射籃場運動活動開閉會，研習健康知識。

Source: Exposure in the media\_Business Today report\_Athletic talent 42X28 double-page editor (2021.11.15)

●Diverse and Wonderful Activities



Peak of the Alltek Group\_Employee Health Day\_Shichisei Mountain



Alltek Mid-Autumn Archery\_Employee Health Day\_Neihu Archery Range



30th Anniversary of the Alltek\_Alltek Brilliance 30\_Fun Day Exclusively to Alltek at Taipei Children's Amusement Park



Alltek Group Employee Health Day\_Yilan-Tatung-Jiuliao River Trail, Datong, Yilan (Hike together on Friday, working day)



Alltek Health Day: Fengguizui-Lengshuikeng +Xiaoyoukeng-Shichisei Mountain round trip (Hike together on Friday, working day)



Employee Health Day x Mid-autumn Alltek Olympics

## Health Seminar/Course

Due to the impact of the pandemic, organizing such events faced many challenges. Nevertheless, we continued to organize them and encourage employees to participate actively in order to reduce the risk of personal health hazards.

### ● Course Content of Each Year

Year	Health promotion courses and seminars	hours	Number of participants
2020	Human factors engineering	3hr	54
	Positive thinking, physical and mental stress relief and exercise	3hr	40
	Healthy Eating	1hr	22
	Health management	1hr	15
2021	Human factors engineering	1hr	33
	Relieve physical and mental stress	2hr	75
	Sleep improvement	1hr	50
	Healthy Eating	1hr	49
	Exercise courses	13hr	354
2022	Human factors engineering	1hr	73
	Health management	1hr	58
	Healthy Eating	1hr	68
	Health management	1hr	63



●Sports Promotion



Alltek Health Seminar



Bunker - Office Stretching



Seminar on Stress Relief Exercise



Alltek Health Event\_Healthy Together LINE  
Exercise Course\_Neihu Sports Center

◆ iTaiwan iSports Certification



Awarded with the Silver Award for “CHR Corporate Health Responsibility” in November 2022 by Health Magazine. (Under 500 employees)



Awarded with the Bronze Award for “CHR Healthy Corporate Citizenship” in November 2021 by Health Magazine. (Under 500 employees)



Awarded with the iTaiwan iSports Certification in November 2021 by the Sports Administration, Ministry of Education.



Awarded with the “Athlete Instructor Service” in November 2021 by the Sports Administration and represented the enterprise to share information on.



Awarded with the National Excellent Healthy Workplace Vitality Award in December 2021 by the National Health Administration, Ministry of Health and Welfare - award accepted by Awarded by the Vice President of General Management Office on behalf of the Company.

### 5.3 Human Rights Protection

To fulfill corporate social responsibilities and implement human rights protection, the Company refers to the International Bill of Human Rights, International Labor Organization Fundamental Conventions and Core Labor Standards, UN Global Compact, Responsible Business Alliance and its Code of Conduct, etc., the following human rights enforcement policies have been established to eliminate any violations of human rights, and to enable internal and external employees to receive reasonable, equal and dignified treatment.

Alltek Human Rights Policy			
Implementation policy	Provide a safe and healthy work environment	Support employees' physical and mental health	Avoid discrimination of any kind that affects job opportunities
Plan and measure	<ul style="list-style-type: none"> <li>Comprehensive insurance planning from the inside out allows employees to work with peace of mind. Occupational safety and health prevention drills are held on a regular basis.</li> <li>Establishment of employee assistance mechanisms and barrier-free two-way communication channels: Through various communication controls such as the Green Window, labor-management meetings, and inter-departmental meetings, to achieve barrier-free communication and a friendly workplace</li> </ul>	<ul style="list-style-type: none"> <li>Sound health management system: Implement the four major plans of the OSHA in conjunction with annual health questionnaires and employee health checkups.</li> <li>Promote health promotion activities on a yearly basis.</li> </ul>	<ul style="list-style-type: none"> <li>Creating a female-friendly workplace</li> <li>Support gender neutrality and their work rights</li> <li>Assistance plan for middle-aged and older employee</li> <li>During the pandemic, online interviews were used to provide fair job opportunities. When a colleague was infected, the pandemic prevention team took the initiative to provide care and assistance.</li> </ul>

<b>Implementation policy</b>	<b>Prohibition of child labor and illegal workers</b>	<b>Prohibition of forced labor</b>	<b>Assistance of employees in achieving work-life balance</b>
<b>Plan and measure</b>	Not to hire underage workers under the age of 18. In addition, before hiring new employees, the identity and qualifications are reviewed in detail to ensure that all employees have the legal status to perform the work.	The Company enforces the weekend system and encourages employees to maintain work-life balance.	<ul style="list-style-type: none"> <li>• Encourage and support the establishment of associations and provide subsidies.</li> <li>• Organize employee health day, family day, and charity events.</li> </ul>



## Human Rights Communication

The Company values the opinions and interests of employees and has built a variety of communication platforms and channels to build consensus among employees and promote harmonious labor-management relations. Multiple communication channels include Welfare Committee, quarterly labor-management meeting, Green Window, quarterly all-staff meeting as well as inter-departmental meetings, to openly discuss and review various human rights policies. To strengthen communication channels, the Company provides education and training to employees on the communication channel so that any occupational safety, labor or ethical issues are able to be effectively fed back and recommended to employees. We facilitate education and training to raise awareness of human rights-related issues among employees. In 2022, a total of 262 hours of workplace health and safety awareness will be provided to employees.

## Green Window

The Company attaches great importance to listening to the inner voice of employees and spare no effort to protect the rights and interests of employees. When formulating various policies, the Company takes into account the rights and interests of employees to ensure they are protected. To enhance two-way communication between the Company and employees, the “Green Window,” an anonymous communication channel and an open and diversified consultation channel, has been established. Employees may ask any questions that they find difficult to ask using the Green Window as their privacy is 100% guaranteed and they have the right to speak out for themselves. For example, employees who feel that they are under too much pressure or overloaded at work, or have experienced unequal or malicious treatment, where communication with their direct supervisors is ineffective, such employee may report the matter and seek assistance through the Company’s Green Window, or the email box, which is publicly disclosed on the Company’s EIP.

During the COVID-19 pandemic, the “Green Window” provided employees with diversified consultation services and helped refer cases to the relevant response teams so that relevant units were able to handle and respond these cases immediately. For example, the collection of masks, rapid lateral flow tests, and vaccination schedules, and quarantine times. There were no human rights complaints in 2022.



## 5.4 Social Care

While pursuing operational growth, the Company also undertakes its social responsibilities by giving back its profits to the society to create win-win values that are mutually beneficial for the enterprise and society. The impact of our business activities on local communities is one of our priorities, and we support disadvantaged groups with practical actions. Through the participation of all employees, we hope to contribute to public welfare and give back to society, creating a happy atmosphere in society, and fulfill our corporate social responsibilities. The Company's involvement in social care activities can be divided into three main categories, namely "social welfare activities," "environment-friendly activities," and "arts and humanities activities." Due to the impact of the COVID-19 pandemic in the past two years, many companies Business activities have been significantly reduced, but social welfare organizations have not reduced demand due to the epidemic and may make the situation of disadvantaged groups more difficult. Within the feasible range, Alltek continues to invest in various social care activities. From 2019 to 2022, a total of 8 social welfare activities were promoted, and employees participated in a total of 125 public welfare activities. The items raised and donated to social welfare groups included: Christmas gifts, used shoes and uniform invoices. When the pandemic is under control in the future, Alltek will continue to promote charity an participate in social care activities.

Encouraging public welfare engagement  
Establish a friendly cycle Awareness promotion!

## Charity Together



Promotion and execution



Supporting education  
in rural areas by  
donating books.

2021

Support environment friendly  
work (Leopard Cat Rice).



2021  
Charity sale for  
disadvantaged children.



Big hands holding small hands, charity beach cleaning

2018  
Give love to charity  
with handicrafts.



2021  
Shoe donation.







2019  
Donation of shoes by  
Alltek.



Below are Examples of Social Care Activities Undertaken by Alltek

◆ Social Care Activities

Target	Content	Participation/results
<p><b>Renewal Foundation</b></p>	<p>Hosted the Alltek Christmas Market and donated the proceeds to help disadvantaged children.</p>	
<p><b>Chinese Christian Relief Association</b></p>	<p>The “Shoe Box” Christmas gift collection event was held to collect stationery and books suitable for school-age children which were donated to rural schools.</p>	
<p><b>Hualien County Government</b></p>	<p>Set up “Book Bank” stations in each township to raise resources for donation to rural schools.</p>	 

◆ Environmentally Friendly Activities

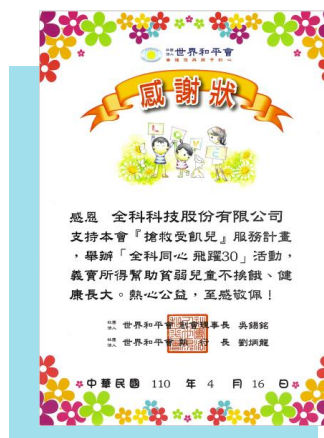
Target	Content	Participation/results	
<p><b>Northeast and Yilan Coast National Scenic Area</b></p>	<p>On Earth Day 2021, Business Today Magazine launched the 3-year: “Ocean 1095” project to respond with the support of enterprises and the public by completing the beach clean-up activity in Wai'ao Beach.</p>		
<p><b>Accton Technology Corp</b></p>	<p>Integrate the concept of conservation into the community, revitalize the community, and strike a balance between the ecology and the economy of the community. We are a contracted supplier for “Making Partnership Work” of Accton Technology for two phases.</p>	 <p>★ Donation of 960 kg of rice totaling NTD100,000.</p>	



## ◆ Arts and Humanities Activities

Target	Content	Participation/results
Rotary Club	Sponsored musical instruments and equipment and long-term training expenses of Home Run Taiwan.	The Home Run Taiwan concert was presented to let the public know about this very special "Disability Band" where people with disabilities can see their different side of people and their potential, and to encourage them to give full play to their abilities.
Rotary Club	Participated in the "Good Books on Campus - Gender-Friendly Dandelion" project.	Through reading, we can learn and understand different gender traits, gender identities, sexual orientations, etc., and jointly create a gender-friendly environment where each child can be brave and be themselves.
Ju Percussion Group	The "Team Percussion" class was established with the assistance of Ju Percussion Group.	Due to the pandemic, the activities of the Team Percussion were affected. At this time, Alltek sponsored the orchestra to perform in another form, and assisted in the establishment of a corporate class for percussion orchestras, so that colleagues could perform at the Company' year-end party and won praise.

## ◆ Certificate of Appreciation for Public Welfare



## 5.5 Industry-Academia Collaboration and Support

In addition to the promotion and sale of semi-conductor electronic components and the product function gaps demanded by the industry and the market, Alltek also uses the solid R&D experience accumulated within the Group to focus on the components it represents. We are committed to integrating products that meet market needs and providing partners with the most accurate and rapid solutions. The Group's proprietary products cover a variety of different applications in the industry. For example, health care, smart home, marine communications, and smart IoT.

In view of this situation, the Group's subsidiaries, Alltek Marine and Pantek Corp began to work with the National Taiwan University of Science and Technology since 2015. As an alumnus, the founder and chairman, Mr. Louis Wu, has devoted himself to repaying his alma mater and practicing sustainability to alumni, and continues to carry out a number of innovative R&D projects with the university in the form of industry-academia collaboration, hoping to combine theory and practice to cultivate IT R&D professionals for the future industry.

School unit	Name of plan	Project duration
National Taiwan University of Science and Technology	Radar Doppler signal echo image recognition	2021/01/01~2021/04/30
	Harbor Control Software Development II	2019/09/01~2020/08/31
	Artificial intelligence facial recognition system	2018/10/01~2019/06/30
	Vehicle target simulator and vehicle detection research	2017/05/01~2018/07/31
	Development of UHF/VHF dual-band antenna	2017/12/01~2018/11/30
	Remote UAV tracking remote control system	2015/09/15~2016/09/14
	24GHz/77GHz automotive radar system	2015/09/15~2016/09/14

Target	Contents
National Taiwan University of Science and Technology	Scholarships for disadvantaged students.
Taipei Municipal Da'an Vocational High School	Scholarships for disadvantaged students.
National Taiwan University Foundation for Business Studies and Accounting	Support the Foundation's projects to raise the standard of business and accounting academic research and education.
National Taiwan University of Science and Technology Alumni Association	Assist the development of university affairs and link the industry-academia cooperation resources between alumni enterprises and the university.
Department of Music, National Taiwan Normal University	Support the cultivation of higher education talent in vocal music by establishing the "Outstanding Vocal Music Scholarship."

## 6. Environment

### 6.1 Climate Risk

As extreme weather has become a common occurrence in recent years, energy conservation and carbon reduction are not just a corporate slogan; it is an important indicator for fulfilling corporate sustainability responsibilities. In addition to identifying operational risks, Alltek also adopts the Task Force on Climate-Related Financial Disclosures (TCFD) issued by the International Financial Stability Board (FSB) to disclose climate-related financial information in four major areas: “governance,” “strategy,” “risk management,” and “indicators and targets” to disclose climate-related information so that the Company can understand its risks and opportunities associated with climate change issues and to mitigate and adapt to the operational impacts of climate change.

#### Framework for Disclosure of Climate Change-related Risks and Opportunities

<b>Governance</b>	<p>With respect to the governance structure of climate change related risks, the Company's Board of Directors is the top unit for risk management, with the objective of complying with laws and regulations and promoting and implementing the Company's overall risk management. The Board of Directors has a clear understanding of the risks faced by the operations in order to ensure the effectiveness of risk management and assumes the ultimate responsibility for risk management. Under the Board of Directors, a “Corporate Sustainability Committee” has been established, and a “Corporate Governance and Risk Management Team” has been established under the Board of Directors. The Chief Corporate Governance Officer serves as the convener and assesses four major types of risks: operational risk, financial risk, information security risk, and environmental risk (climate change). The risk management reports of each unit are regularly reviewed to track the progress of implementation and improvement to be submitted to the Corporate Sustainability Committee.</p> <p>The Corporate Sustainability Committee reports the implementation of risk management policies to the Board of Directors on a yearly basis, proposes necessary improvements, and sets the priority of risk control according to the changes in the internal and external environment and the resolutions of the Board of Directors.</p>
<b>Strategy</b>	<p>The Company pays close attention to the trend of global climate change and the direction of international response, and incorporates this as a major issue of corporate sustainability which is continuously analyzed and controlled. The key points of each strategy are summarized as follows:</p> <ol style="list-style-type: none"><li>I. Greenhouse gas (GHG) inventory and verification: To meet the needs of the competent authority, we have gradually completed the GHG inventory and third-party verification of all offices and warehouses.</li></ol>

	<ul style="list-style-type: none"> <li>II. Distributor and sale of low-carbon products: Regularly evaluate the distributorship of suitable green component production lines; continue to pay attention to market demand and low-carbon issues, and promote green component product lines to customers.</li> <li>III. Enhanced climate resilience: Cargo is regularly monitored during the rainy season, and the cargo is subject to moisture-proof treatment to enhance climate resilience.</li> <li>IV. Energy management and monitoring: Improve energy efficiency and reduce carbon emissions through the promotion of air conditioning temperature settings in offices and regular inspections of temperature and humidity monitoring equipment in warehouses.</li> <li>V. Warehousing management training: Warehouse practical training courses are used to broaden employees' understanding of warehousing management procedures and maintain efficient distribution processes and transportation modes.</li> <li>VI. Cultivation of talents for low-carbon technology transformation: Through internal and external resources, actively understand carbon-related issues and improve the Company's awareness of low-carbon technologies.</li> </ul>
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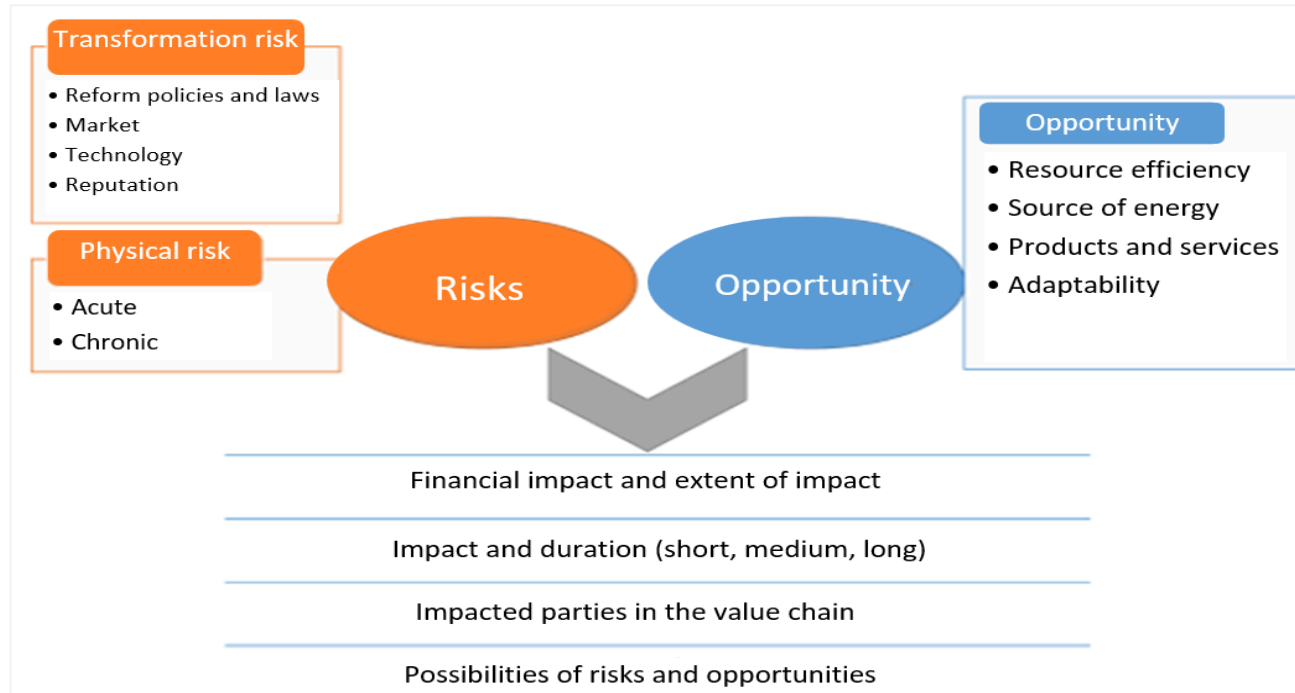
## Risk and Opportunity Management

### ◆Risk and Opportunity Identification Process

The Company's risk management team is responsible for collecting information on the risks and opportunities of climate change and energy and conducting reviews each year. Consider transition risks (policy and legal/market/technology/company reputation) and physical risks (chronic and acute), and conduct risk assessments for possible events, including the degree of financial impact, impact time (short, medium and long term), impacted parties in the value chain, and the likelihood of risks.

When drafting scenarios for opportunities, we consider resource efficiency, energy sources, products and services, markets, and adaptability, and conduct an opportunity assessment that includes the degree of financial impact, the duration of impact (short, medium, and long term), the affected parties in the value chain, and the likelihood of opportunities.





◆Climate Risk Scenario Analysis

In accordance with the TCFD guidelines, the Company used the worst-case scenarios for the two risk types of transformation and entity to incorporate the analysis results into the strategic resilience assessment.

For information on transition risk, please refer to Taiwan's 2050 net-zero emissions pathway and strategy and the EU's Carbon Border Adjustment Mechanism (CBAM). After incorporating the relevant scenarios above, we analyze the impact on the Company from the market, technology, reputation, finance and operation.

Physical risks are estimated with reference to the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and the National Disaster Preparedness Technology Center. The average rate of change in the total number of days with a single day of rainfall exceeding 200 mm from 2021 to 2040.

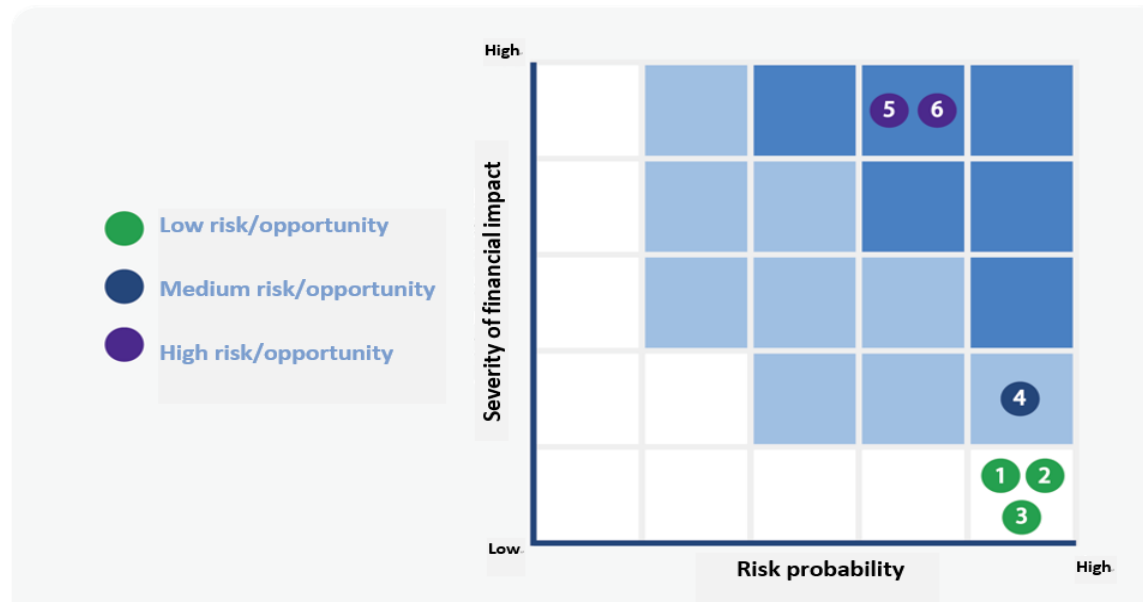
Note: RCPs stand for concentration pathways. In the IPCC’s Fifth Assessment Report, the “Representative Concentration Pathway” (the ROCAL route refers to the change history of concentration) is used to redefine the future change scenarios, and the difference in radiative forcing between 2100 and 1750 is used as an indicator value to distinguish them. The scenario named RCP2.6 means that the radiative forcing per square meter in 2100 will increase by 2.6W, while RCP4.5, RCP6.0, and RCP8.5 represent an increase of 4.5, 6.0 and 8.5W.

RCP 8.5 Situational Assessment Factor	Taipei	New Taipei	Taoyuan
Temperature rises from 2021 to 2040	1.7°C	1.67°C	1.63°C
The average rate of change of the total number of days in a year with a single day rainfall exceeding 200mm	75%	75%	94%

◆ Risk and Opportunity Assessment

The financial impact and the likelihood of risks and opportunities are used to determine the degree of risk and opportunity. Score of 1-5 represents low risk/opportunity, 6-14 represents medium risk/opportunity, and 15-25 represents high risk/opportunity. the evaluation results are as follows:

- Climate Change Risk and Opportunity Matrix



Serial number	Category of issue	Potential financial impact	Risk or opportunity analysis of current situation (Possible impact on the Company)	Countermeasure	Impact time	Risk/Opportunity Grade
1	Transition risk/policy and law	Increase in operating cost	The government has committed to moving towards the net zero goal in the future, and the electricity mix will increase the proportion of low-carbon and renewable energy. Based on Taiwan Power Company's estimation, if the proportion of gas and renewable energy is increased in the power generation structure, industrial electricity may face price hikes in the future.	Climate change will increase the proportion of environmental management cost year by year. To fulfill Alltek's environmental sustainability responsibilities, the Operational Support Department promotes energy management and monitoring to effectively improve energy efficiency.	Short-term	Low risk
2	Physical risk/chronic	Increase in operating cost	Climate change will affect the average temperature increase in the future. Under the circumstance of increasing heat load, it will lead to increased power consumption of chillers and air conditioners.	Alltek promotes energy management and monitoring through the Operational Support Department: 1. Public notices (E-mail/intranet) are made each year to promote the optimal temperature setting (26~28°C) in the office. 2. Audit the storage location environment/temperature/humidity record sheet and industrial dehumidifier equipment maintenance card on a monthly basis to ensure the effective operation of temperature and humidity equipment.	Medium-term	Low risk
3	Physical risk/acute	Increase in operating cost	The precision products related to chip parts and components represented by the Company have certain requirements for controlling the temperature and humidity of chips. If the intensity and frequency of typhoons and rainstorms caused by climate	For the transportation process of high-precision products, the Company requires logistics providers to protect the goods with moisture-proof wrapping if the weather is poor or in rainy seasons to improve the safety of cargo transportation. The	Short-term	Low risk

			change in the future increase, the anomalies such as moisture damage or damage to the goods during transportation will increase.	Company also continues to track and maintain the safe transportation insurance of the goods regularly to enhance the climate resilience.		
4	Transition risk/policy and law	Increase in operating cost	In response to the “Sustainable Development Roadmap for Listed Companies” and “Regulations Governing Information to be Published in Annual Reports of Public Companies,” the Company is required to commission an external party to assist in the inventory of GHGs and hire a third-party agency to conduct verification.	To meet the needs of the competent authority, the GHG inventory of all offices and warehousing locations will be completed in 2026. At the same time, the Company is expected to cultivate talent for low-carbon technology transformation through external course resources and internal book clubs.	Short-term	Medium risk
5	Opportunity/products and services	Increase product revenue	In response to market trends, expand the scope of agency and set foot in green high-performance semi-conductor components. Such as: electric vehicles, smart electronic locks, GPS trackers, LED lighting, wireless sensing network of the Internet of Things, etc., will create revenue and gross profit growth, and improve the annual profit performance.	Agency and sales of low-carbon products: 1. Actively strive for the agency rights of green component production lines to increase low-carbon product portfolio. 2. Make full use of the supplier's reputation and trademark awareness to improve the series of low-carbon products and expand the scale of cooperation with suppliers. 3. Continue to pay attention to market demand and low-carbon issues, promote green component product lines to customers, and seek opportunities for customers to develop new products.	Long-term	High chance

6	Efficiency of opportunity/ resource utilization	Reduction of operating costs	In response to the global trend of carbon reduction, more efficient distribution processes and transportation modes have been adopted. We continue to consolidate orders and shipments to avoid individual shipments, thereby reducing carbon emissions and lowering operating costs.	A warehouse management system (WMS) is used to process consolidated orders and shipments according to the customer and shipping destination. In addition, we provide training to our warehouse management staff to ensure that all staff can handle the integrated orders with the accurate control of the WMS.	Short-term	High chance
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In the face of risks and opportunities, Alltek responds to risks and opportunities through personnel training, development, transportation management, and warehousing management. Operating expenses are expected to account for approximately 0.09% of the Company's operating expenses

### Indicators and Targets

Strategy	Future Goals
<b>Greenhouse gas inventory and verification</b>	Completion of GHG inventory at all offices and warehousing sites in Taiwan by 2026
	Completion of GHG verification for all offices and warehouses in Taiwan by 2028
<b>Agency and sales of low-carbon products:</b>	Collection of green product-related components from customers on a regular basis to strive for orders
	Regular evaluation of agency rights for suitable green component production lines
<b>Building of climate resilience</b>	Regularly monitor the rainy season and apply moisture-proof coating on the cargo
<b>Energy management and monitoring</b>	Public notices (E-mail/intranet) are used each year to promote the concept of energy saving in the office.
	Audit the storage location environment/temperature/humidity record sheet and industrial dehumidifier equipment maintenance card on a monthly basis
<b>Warehousing management training</b>	One "inbound and outbound flow" practical course each year
<b>Cultivation of talent for low-carbon technology transformation</b>	Cultivate four low-carbon technology transformation talent by 2028

## 6.2 Sustainable and Innovative Design

The development of sustainable and innovative products with low energy consumption and low carbon emission is not only an energy-saving and carbon-reducing trend, but also a key driving force for corporate green design and development in extreme climates around the world. Although we act as a distributor of semi-conductor, we still make an effort to use the professional and technical capabilities of the Field Application Engineer (FAE) of its Technology R&D Department to assist in providing customers with sustainable innovative technology-related product solutions, thereby assisting the industrial value chain to transform into a low-carbon, green enterprise. In the future, the Group will continue to respond to the various opportunities derived from the risks of global climate change and continue to expand the business opportunities of various green products brought about by sustainability issues.

- A total of 66 sustainable technology-related solutions have been developed by the Group and customers in 2022.
- The sustainable and innovative design solutions of the Company cover five major areas: Connected car development, industrial automated distribution, smart metering devices, smart home applications, and LED lighting applications.

### ◆ Sustainable, Innovative Design and Development Results

Application category	Development achievements
Connected car development	BSD Automotive Blind Spot Detection and Assist Warning System, AVM 360-degree Driving Surrounding View Assist System, ADAS Advanced Assisted Driving System, TCU In-vehicle Information Control Unit, Electric Vehicle Motor Module, Electric Motor Vehicle Electronic Control System, OBD In-vehicle Diagnostic System, OBU Programmable In-vehicle Component, Automotive Ethernet Switch, Automotive Computer Module, Automotive Gateway, Vehicle Tracker, 60GHz Automotive Radar Sensor, 77-79GHz Automotive Radar Sensor, Electronic Rear-View Mirror.
Industrial automation transportation and distribution	Unmanned trucks and GPS trackers.
Smart metering device	Smart electricity meter.
Smart home applications	12V/24V electronic locks, smart doorbells with wireless network monitoring, smart home security control panels, and smart energy-saving gas stoves.
LED lighting applications	LED lighting for firefighting, LED taillight for sedan, LED warning light for police, LED modified car light.

### 6.3 Energy Resource Management

Due to the nature of its operations, Alltek Technology does not have manufacturing operations. All statistics are based on the headquarters, offices, and the logistics and warehousing of the Taiwan base. Appropriate control measures are in place to control GHG emissions and water resource management to minimize negative impact on the environment.

#### Greenhouse Gas Management

At Alltek, we strive for gaining sustainable competitive advantages and winning the trust of all stakeholders in accordance with the “Sustainable Development Roadmap for Listed Companies” issued by the FSC in March 2022. The Company is a company with paid-in capital of more than NT\$2 billion, and the parent company should be subject to the third stage of GHG inventory (i.e., inventory completed in 2026 and verification in 2028). The Company will continue to control the completion of the GHG inventory and the verification and disclosure schedule in accordance with the reference guidelines and applicable regulations issued by the competent authorities. The parent company's GHG inventory and verification schedule is as follows, which has been submitted to the Board of Directors and is controlled on a quarterly basis.

Projects	Expected time for completion or completed
Formulate the inventory plan	December 2024
Establish a verification plan	December 2025

In the fight against climate change and global warming, GHG inventory has become the basis reduction effectiveness and continuous improvement. Given this, Alltek is in line with the global trend of environmental protection and the development of the overall national GHG reduction strategy to achieve the goal of sustainable development of energy saving and carbon reduction. Although the Company is not listed as a source of GHG that should be inventoried, an independent GHG inventory is carried out based on the operational control to grasp the Company's GHG emission volume.

With 2021 as the base year, the Group aims to reduce carbon emissions by 1% each year compared to the base year. In 2022, the total GHG emission was 254.17 tons, a 3.56% reduction from the base year, and the carbon reduction target of 1% per year from 2021 has been achieved. In the future, we will further introduce the ISO14064-1:2018 GHG inventory and obtain third-party verification to expand the implementation of carbon reduction operations.



◆ GHG Data

Operating locations	Year	Scope 2 Ton CO2e	Total turnover (NTD million)	Emission intensity
				CO2e/NTD million
Office area	2021	142.28	47,134.253	0.00302
	2022	143.74	60,428.396	0.00238
Logistics and warehousing	2021	121.26	47,134.253	0.00257
	2022	110.43	60,428.396	0.00183
*Note 1: The emission factor is 0.509 kg CO2e/kWh in 2021 based on the standard published by the Bureau of Energy, Ministry of Economic Affairs. As the publication date of the calculation standards for the previous year (2021) was in early November 2022, the calculation standards for 2022 were temporarily based on 2021.				
*Note 2: The inventory of GHG emissions from office areas covers the Company's Taiwan headquarters and offices in Taiwan.				
*Note 3: The inventory of GHG emissions in warehousing covers the Company's logistics and warehousing in Taiwan.				

### Energy Management

As Alltek's main service is to distribute IC parts and components, there is no electricity used in the production process. The head office is located in an office building, so all the energy used is electricity. The total electricity consumption in 2022 reduced by 18,417 KWH from the total electricity consumption in 2021. Energy conservation measures are as follows:



- Turn off office lights for one hour during the lunch break to save energy.
- The office equipment is set to the power saving mode.
- For long periods of non-use of electrical appliances or computer information equipment, we instruct our employees to turn off the power of the mainframe and peripheral equipment at the end of the day to reduce the waste of standby power.

◆ Electricity Consumption in the Past Two Years

Operating locations	2021		2022	
	Electricity		Electricity	
	kWh	GJ	kWh	GJ
Office area	279,533	1,006.319	282,399	1,016.636
Logistics and warehousing	238,240	857.664	216,957	781.045
<b>Total</b>	<b>517,773</b>	<b>1,863.983</b>	<b>499,356</b>	<b>1,797.682</b>

Note 1: The inventory of GHG emissions from office areas covers the Company's Taiwan headquarters and offices in Taiwan.


Note 2: The inventory of GHG emissions in warehousing covers the Company's logistics and warehousing in Taiwan.

Note 3: The energy calorific value conversion information is based on the "Unit calorific value table for energy products" of the Bureau of Energy, Ministry of Economic Affairs. Purchased electricity 1kWh = 860 Kcal; 1 Kcal = 4.1868E-6 GJ

### Water Resource Management

Water is an indispensable resource for daily life. Faced with water resource challenges, we used the Water Aqueduct of the World Resources Institute (WRI) to identify pressure on water resources at our operating locations. The risk is considered to be Low Medium. However, due to the uneven spatial and temporal distribution of rainfall in Taiwan, each enterprise should make an effort to manage water resources. The Company's water is mainly used by its employees in the office area. We continue to promote the concept of water conservation to employees and cherish all hard-won resources.

With 2021 as the base year, the Company aims to reduce water consumption by 1% each year compared to the base year. Water consumption in 2022 reached 1,504 cubic meters, a decrease of 2.33% from the previous year (base year). The water reduction target of 1% per year from 2021 has been achieved. In terms of water reduction, the Company will continue to promote the improvement of overall water use efficiency and promote water conservation information to employees.

◆ Water Consumption in the Past Two Years 

Unit: cubic meters

Type of water source	2021	2022
Tap water consumption	1,504	1,469

Note 1: Except for the Operations Headquarters, water bills for the Company's offices, logistics and warehousing sites in Taiwan are handled by the Building Management Committee, with no additional water bill collected from the Company each month. Therefore, the scope of water consumption inventory only covers the Company's headquarters in Taiwan.

Note 2: All water intake is freshwater from third parties and does not come from water stressed areas.

## 6.4 Green Warehousing

In addition to committing to the intelligentization of warehousing operations, Alltek also pays special attention to how to thoroughly implement environmental issues in the warehousing environment. With the goal of developing a “green warehousing” and a “circular economy,” we have implemented a number of energy conservation and environmental protection measures.

### Green Warehousing

- Introduce smart devices to create a green warehousing environment.
- Energy saving warehouse: Our logistics warehouse is fully equipped with LED intelligent human sensor lighting, which will automatically turn on the lighting when it detects that there is a person operating in the warehousing area.
- Intelligent warehousing: Shelf and inventory transfer are conducted by PDA scan product and storage barcode. The system will carry out accounting adjustment and storage conversion in real time without the need for inventory paper card for recording.



Alltek is committed to creating an eco-friendly and energy-saving green warehousing, and fully uses LED smart human body sensors.

## Circular Economy System

The concept of circular economy is facilitated. The warehousing environment focuses on the recycling and reuse of packaging materials, and the goal is “zero waste” and “resource saving.”

- Zero waste: There is no packaging waste generated in the warehousing environment of the Company. If products need to be repackaged after storage, all the cartons and filling materials inside are recycled at the time of entering the warehouse, to be retrieved at the time of shipping, further reducing the use of new packaging materials.
- Resource saving: Paperless shipping has been adopted, and all documents are retained in electronic files to avoid unnecessary waste of paper.



Recycle all cartons and packing materials.



Recycled buffer materials are stored in categories and are retrieved preferentially at the time of shipment.

## Measures for Consolidation of Cartons for Shipping

In the past, products that did not need to be repackaged and reshipped were mostly packaged in the original factory and shipped directly to the warehouse. Carton consolidation has been adopted since 2020. For the same product purchased by the same customer, the same product that does not fit a full case will be consolidated and packed before shipping. By doing this, we are able to increase the utilization rate of cartons and further reduce the use of packaging materials. In 2022, the carton consolidation operation saved a total of 668 cartons.

Year	Cost saving	Increase/decrease in cost savings compared to the previous year	Increase/decrease in cost savings	Saving of cartons	Increase/decrease in carton savings from the previous year	Increase/decrease ratio of carton savings from the previous year
	Unit: NTD	Unit: NTD	Unit: Percentage	Unit: Carton	Unit: Carton	Unit: Percentage
2020	62,422	Omitted; base year	Omitted; base year	650	Omitted; base year	Omitted; base year
2021	103,550	-41,128	-65.89%	737	-87	-13.38%
2022	139,881	-36,331	-35.09%	668	69	9.36%

Note 1: As the product attributes of the Taoyuan bonded warehouse are not applicable to the carton consolidation operation, the scope boundary of the consolidation data only covers Alltek Technology's Xizhi Warehouse in Taiwan.

Note 2: "Cost saving" refers to the savings in domestic freight, external freight and carton charges for the Xizhi Warehouse from the consolidation operation. As most of the goods in Xizhi Warehouse are light in weight, the "volumetric weight" is adopted for the calculation of shipping cost instead of weight. The fewer the boxes, the lower the volumetric weight and the lower the shipping cost.

## GRI Disclosure Comparison Table

<b>Statement of use</b>	Alltek Technology Crop. published the 2022 Sustainability Report with reference to GRI Standards. Data and information cover the period from January 1 to December 31, 2022.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Standards for Industry</b>	None

General disclosure			
Disclosure guidelines	Disclosure items	Comparison of chapters in the report	Omission/Remark
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	1. About Alltek and This Report	-
	2-2 Entities included in the organization's sustainability reporting	About This Report	-
	2-3 Reporting period, frequency, and contact person	About This Report	-
	2-4 Restatement of Information	About This Report	-
	2-5 External assurance/assurance	About This Report	-
	2-6 Activities, value chain and other business relationships	1. About Alltek	-
	2-7 Employees	5.1 Happy Enterprise	-
	2-8 Workers who are not employees	5.1 Happy Enterprise	-
	2-9 Governance structure and composition	4. Governance	-
	2-10 Nomination and selection of the highest governance body	4. Governance	-
	2-11 Chair of highest governance body	4. Governance	-
	2-12 Role of highest governance body in overseeing management of impacts	4. Governance	-
	2-13 Delegation of responsibility for managing impacts	4. Governance	-

2-14 Role of the highest governance body in sustainability reporting	2. Sustainable Action	-
2-15 Conflicts of interest	4. Governance	-
2-16 Communication of critical concerns	4. Governance	-
2-17 Collective knowledge of the highest governance body	4. Governance	-
2-18 Evaluation of the performance of the highest governance body	4. Governance	-
2-19 Remuneration policies	4. Governance	-
2-20 Process to determine remuneration	4. Governance	-
2-21 Annual total compensation ratio	-	Confidentiality restrictions
2-22 Statement on sustainable development strategy	From the Operator	-
2-23 Policy commitments	5.3 Human Rights Protection	-
2-24 Embedding policy commitments	5.3 Human Rights Protection	-
2-25 Processes to remediate negative impacts	4.2 Integrity Management 5.3 Human Rights Protection	-
2-26 Mechanisms for seeking advice and raising concerns	4.2 Integrity Management 5.3 Human Rights Protection	-
2-27 Compliance with laws and regulations	4.2 Integrity Management	-
2-28 Membership associations	1. About Alltek	-
2-29 Approach to stakeholder engagement	3. Management of Sustainability Issues	-
2-30 Collective bargaining agreements	-	No trade union has been established at Alltek, and there is no collective bargaining agreement



Material Topics			
Disclosure guidelines	Disclosure items	Comparison of chapters in the report	Omission/Remark
GRI 3: Material Topics 2021	3-1 Process for determining material topics	3. Management of Sustainability Issues	-
	3-2 List of material Topics	3. Management of Sustainability Issues	-
<b>Sustainability Issue: Economic Performance</b>			
GRI 3: Material Topics 2021	3-3 Material topic management	3. Management of Sustainability Issues	-
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	4.1 Corporate Economic Performance	-
	201-2 Financial implications and other risks and opportunities due to climate change	6.1 Climate Risk	-
	201-3 Defined benefit plan obligations and other retirement plans	5.1 Happy Enterprise	-
<b>Sustainability Issue: Corporate Governance and Integrity Management</b>			
GRI 3: Material Topics 2021	3-3 Material topic management	3. Management of Sustainability Issues	-
GRI 205: Anti-Corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	4.2 Integrity Management	-
<b>Sustainability Issue: Employee Benefits and Care</b>			
GRI 3: Material Topics 2021	3-3 Material topic management	3. Management of Sustainability Issues	-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	5.1 Happy Enterprise	-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.1 Happy Enterprise	-
	401-3 Parental leave	5.2 Healthy Workplace	-
<b>Sustainability Issue: Information Security</b>			
GRI 3: Material Topics 2021	3-3 Material topic management	3. Management of Sustainability Issues	-
No comparison of GRI indicators	None	4.4 Information Security and Digital Optimization	Custom topic


## SASB Disclosure Comparison Table

### 【 Electronic manufacturing service and OEM design 】

Disclosure No.	Indicator description and response	Chapter comparison
<b>Water management</b>		
TC-ES-140a.1	<p><u>Indicator description: Total water intake, water consumption, and impacts to areas of high or very high baseline water stress.</u></p> <p>The Company's operations mainly use water for people's livelihood. The water source is tapping water, which is not a water stress area, and wastewater generated is limited to general domestic wastewater. Therefore, the total intake and total water consumption in each high or very high water stress area are zero.</p>	6.3 Energy Resource Management
<b>Waste management</b>		
TC-ES-150a.1	<p><u>Indicator description: Total hazardous waste produced and its percentage recycled.</u></p> <p>The Company is not a manufacturing company. Waste is generated from office activities and the warehousing environment is committed to the recycling of packaging materials. Therefore, no hazardous waste is produced.</p>	6.3 Energy Resource Management
<b>Labor practices</b>		
TC-ES-310a.1	<p><u>Description of Indicator: Number of Downtime and Total Days</u></p> <p>Not applicable, as there were no work stoppages or strikes at Alltek Technology in 2022.</p>	-
<b>Labor situation</b>		
TC-ES-320a.1	<p><u>Indicator description: (1) Accident rate and (2) False alarm rate of (a) direct employees and (b) contract employees</u></p> <p>In 2022, there were no cases of occupational diseases or occupational injuries at Alltek Technology. The annual disabling injury rate was zero, and the false alarm rate was not counted.</p>	5.2 Healthy Workplace
TC-ES-320a.2	<p><u>Indicator description: Percentage of (1) self-owned factories and (2) first-tier suppliers that were audited by RBA VAP or equivalent based on (a) all factories and (b) high-risk factories</u></p>	-

	Not applicable as the Company is not in the manufacturing-related industry and does not involve actual production.	
TC-ES-320a.3	<p><u>Indicator description: Percentage of self-owned factories and (a) first-tier suppliers' factories that have (1) defect rate and (2) related improvement rate for major deficiencies and other deficiencies differentiated by RBA VAP or equivalent audit</u></p> <p>Not applicable as the Company is not in the manufacturing-related industry and does not involve actual production.</p>	-
<b>Product life cycle management</b>		
TC-ES-410a.1	<p><u>Indicator description: Total volume and percentage of recycled product and electronic waste at the end of the product life cycle</u></p> <p>Not applicable as the Company is not a manufacturing-related industry and does not involve actual production and has no management at the end of the product life cycle.</p>	-
<b>Material procurement</b>		
TC-ES-440a.1	<p><u>Indicator description: Describe the risk management related to the use of key materials</u></p> <p>Alltek Technology adheres to the management of hazardous substances and conflict minerals and avoids the use of raw materials that may pose an impact to the global environment and human health.</p>	4.5 Supply Chain Management
<b>Activity indicator</b>		
TC-ES-000 A	<p><u>Description: Total number of factories</u></p> <p>Not applicable as the Company is not in the manufacturing-related industry and does not have factories.</p>	-
TC-ES-000 B	<p><u>Description: Factory floor area</u></p> <p>Not applicable as the Company is not in the manufacturing-related industry and does not have factories.</p>	-
TC-ES-000 C	<p><u>Description: Total number of employees</u></p> <p>237 employees.</p>	5.1 Happy Enterprise

# Independent Third-Party Assurance Statement



## ASSURANCE STATEMENT

**SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ALLTEK TECHNOLOGY CORP.'S ESG REPORT FOR 2022**

**NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION**  
 SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by ALLTEK TECHNOLOGY CORP. (hereinafter referred to as ALLTEK) to conduct an independent assurance of the ESG Report for 2022. The scope of the assurance, based on the SGS ESG and Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during verification (2023/03/06–2023/03/31). 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 ALLTEK's Stakeholders.

**RESPONSIBILITIES**  
 The information in the ALLTEK's ESG Report of 2022 and its presentation are the responsibility of the directors and management of ALLTEK. SGS has not been involved in the preparation of any of the material included in the ESG Report.

Our responsibility is to express an opinion on the report content within the scope of verification with the intention to inform all ALLTEK'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 organization's reporting practices and other organizational detail, GRI 3 2021 for organization'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.

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)	n/a
B	AA1000ASv3 Type 1 (AA1000AP Evaluation only)	Moderate

Assurance has been conducted at a moderate level of scrutiny.

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**SCOPE OF ASSURANCE AND REPORTING CRITERIA**  
 The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

**Reporting Criteria Options**

- GRI Universal Standard (2021) (Reference)
- 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 ALLTEK, 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 specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.  
 We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

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

**INCLUSIVITY**  
 ALLTEK 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, ALLTEK may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

**MATERIALITY**  
 ALLTEK 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**  
 ALLTEK 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, ALLTEK's ESG Report of 2022, complies with the Requirements for reporting with reference to the GRI Standards set out in Section 3 of GRI 1. The significant impacts are assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021. The report has properly disclosed information related to ALLTEK's contributions to sustainability development. For future reporting, it is recommended to have more descriptions on how the organization has applied due diligence as a method for the identification and the evaluation of its impacts on the economy, environment, and people. Moreover, ALLTEK is encouraged to optimize the mechanism for managing impacts so that the impact management becomes more credible, clear, replicable, defensible and can be subject to external assurance.

Signed:  
 For and on behalf of SGS Taiwan Ltd.




Stephen Pao  
 Knowledge Deputy General Manager  
 Taipei, Taiwan  
 23 May, 2023  
[WWW.SGS.COM](http://WWW.SGS.COM)

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