

2020 Corporate Social Responsibility Report



Table of Contents



3	About this Report
4	From the Chairman
6	Alpha Policies
7	Alpha CSR Committee
8	Stakeholder Communication and Identification
11	Stakeholder Communication Mechanism



01

Sustainable Development

13	Company Operations and Development
18	Operating Performance
20	Sustainable Products and Services
26	Corporate Governance
28	Ethical Management
29	Risk Analysis and Management

03

Sustainable Environment Development

40	Sustainable Environment Development
41	Green product Management
45	Environmental Management
51	Greenhouse Gas Inventory
54	Safety and Health
59	Supply Chain Management and Social Relations
62	Conflict Minerals Due Diligence
63	Green Production and Continuous Improvement
66	Customer Satisfaction Survey Analysis

02

Friendly Workplace

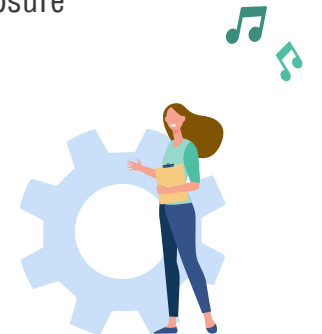
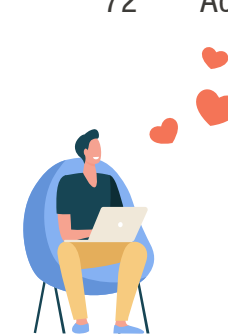
31	Recruitment
34	Compensation and Benefits
36	Talent Development
38	Social Engagement



04

Appendix

68	GRI Standard Index
72	Accuracy of Disclosure





CSR Report of Alpha Networks Inc.

Alpha Networks Inc. (hereinafter referred to as "Alpha") has published the annual corporate social responsibility (CSR) report since 2018. The CSR report will present to all stakeholders the investments and accomplishments made by Alpha in terms of business operations, corporate governance, environmental protection, employee rights and community involvement.

This CSR report is available in both Chinese and English. Stakeholders can download the contents of this publicly available report from <https://www.alphanetworks.com>.

Publication

The report was published in June 2021. Alpha published the inaugural CSR Report in 2018 and the company's sustainable development-related performance is disclosed in the report in June every year.

Scope and Boundary

This Report discloses the measures implemented by Alpha Networks in the CSR domain and their outcomes. In addition to Alpha Networks (Hsinchu), parts of the Report also encompass the following factories located in China but not its sites in Chengdu (China), Japan, the U.S. and other corporate entities not directly controlled by Alpha.

1. Alpha Networks Inc.: Corporate Headquarters. Known as Alpha Networks (Hsinchu) for short.
2. Alpha Networks (Dongguan) Co., Ltd. (hereinafter referred to as "Alpha Dongguan")
3. Alpha Networks (Changshu) Ltd. (hereinafter referred to as "Alpha Changshu")

Guidelines and Principles

This report has been prepared in accordance with the GRI Standards: Core option as the basic framework for the disclosure of 2020 sustainability issues and information at Alpha. The GRI Standards reference table is also provided in full as an index to the contents of each section.

Report Assurance

In order to ensure the transparency and reliability of information disclosure, the report has received type 1, medium level assurance from a third party TÜV (hereinafter referred to as TUV Rheinland) based on AA1000 AS(2008), as well as the GRI Standards: Core option. The Independent Verification Statement is attached in the appendix of this report.

Contact Information

Please do not hesitate to contact us with any questions or suggestions:

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From
the Chairman

Forging the Internet to connect people and things

After a year without signs of relief, the COVID-19 pandemic has disrupted interpersonal interactions and international exchanges, severely impacting the global economic and industrial activities, as well as completely changing the way people live and behave. As the Internet has replaced roads, door to door visits have been substituted by video conferencing and online activities are held instead of traditional gatherings. Alpha Networks, as a member of the network communication industry, strives to uphold the core values of "ethics," "customer values," "agility" and "concerted performance" in the face of the mounting pressure of urgent orders in this critical time during the pandemic. We believe that the Company's growth and profitability rely on materializing employee happiness, environmental friendliness, energy conservation and community care.

Despite the rampant pandemic, developments in communication technology continue to make headway and Alpha Networks aspires to become the forerunner of the private 5G network national team by consolidating the innovation and momentum of our employees and clients to unleash maximum collective strength. In 2020, we have successfully launched private 5G network application testing

projects domestically and overseas. Externally, we help enterprises and organizations to reduce costs with technological products and solutions; internally, we continue to implement smart planning in the factories and offices through internal savings and control, as well as adjusting A/C and lighting in the offices, waste classification, and requiring the entire staff to bring their tableware. We started with these little details and expanded to the overall working environment, focusing on energy conservation, carbon reduction, green energy and environmental protection. The aim is to let the company make contributions toward the environment and society in a bit to materialize the vision of sustainable management.

Alpha Foundation and TSMC Charity Foundation joined forces in 2020 to launch the "Remote Township Education Network Environment Improvement Project," donating 10 access points (AP) to Shuanglong Elementary School in Xinyi Township, Nantou County to create a wireless network that will help digital learning and education in remote townships. The aim is to build an information classroom to bridge the learning gap caused by the unbalanced distribution of resources. We have also sponsored the AI course at the Hsinchu City East District Senior Learning Center. Alpha

Chairman

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Foundation provided AI courses for Baoshih Elementary School and Nanhe Elementary School in Guanxi Town, Hsinchu County. Alpha applied its expertise and resources in network communication to give back to and look after NPOs as well as remote township education. Although all the activities during the first half of the year were canceled due to the pandemic, as the domestic pandemic situation shows signs of relief, we took the opportunity to spread our love and care. Whether or not the contributions are tangible or intangible, they symbolize Alpha's commitment to giving back to society.

The pandemic has accidentally allowed us to regain the positive cycle of Mother Nature. The highly popular photo of the blue Earth taken by NASA circulating on social media, pictures of wild animals being spotted in metropolises and the air quality index all highlight the harm inflicted by human business activities on the Earth's environment. Looking ahead, the slowing global economy and uncertainties associated with changes in world trade structure may still oppress private consumption growth in 2021. However, the climbing demand in the pandemic prevention technology and stay-at-home economy, as well as the accelerated commercial operations

of 5G in various countries may benefit Alpha Networks' sales growth since 2020. Furthermore, the addition of Qisda will unleash the group's synergy, while the Company will continue to seek strategic partners that will help Alpha Networks to strive towards the next transition. In the post-pandemic era, while pursuing performance, the Company will materialize the sustainable management vision project by reviewing how to strike a balance between corporate development and social responsibilities. The philosophy of sustainable management will be embedded in the corporate DNA by applying international benchmarks to engender a cycle of benevolence and public welfare, as well as a positive mindset of the common good. Realizing a better future for global citizens is a paramount mission of Alpha.



Integrity, fairness, legal compliance and abiding by business ethics

RBA Policy

Alpha actively supports the Code of Conduct - Responsible Business Alliance, RBA Version 7.0, to ensure a safe working environment throughout the entire supply chain and for sub-contractors, every employee is treated with respect and dignity, business operations are environmentally friendly and ethical.

We are committed to reviewing the Company's performance and progress in labor, health, safety, the environment and ethics. Besides on-site audits by third party certification agencies, we also demand that the suppliers comply with RBA standards. To fulfill this commitment and build a business environment for sustainable development, we have formulated RBA related policies based on integrity and making no compromises. We will strive to work relentlessly for the rights and interests of the electronic industry supply chain and operators.

Alpha is committed to forging a long-term relationship with our suppliers in order to foster a brighter future together. In addition, they will be expected to comply with RBA regulations, thereby fulfilling our corporate social responsibilities.

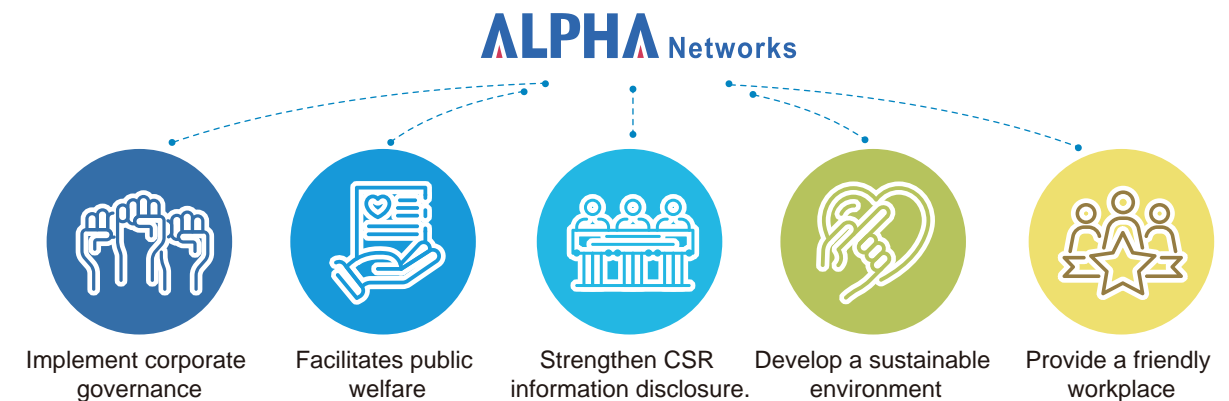
Ethics Policy

Alpha Networks has upheld integrity, fairness and legitimacy, as well as business ethics in conducting business activities. The company employees are prohibited from bribery, corruption, receiving or giving of gifts and hospitality out of proportion to business etiquette from/to suppliers, customers and stakeholders. We strive to protect the confidential information of Alpha, our clients and suppliers, their assets, intellectual property rights and trade secrets.

Alpha believes strongly in ethical business management and all forms of inappropriate behavior are banned. A system for protecting the identity of whistleblowers and the accused has been put into place.

A channel for complaints is provided if any illegal behavior is detected. A thorough investigation will be carried out by Alpha with protection given to the whistleblower. The content and outcome of the investigation will also be strictly protected to avoid harming the rights and interests of relevant personnel.

Corporate Social Responsibility Policy

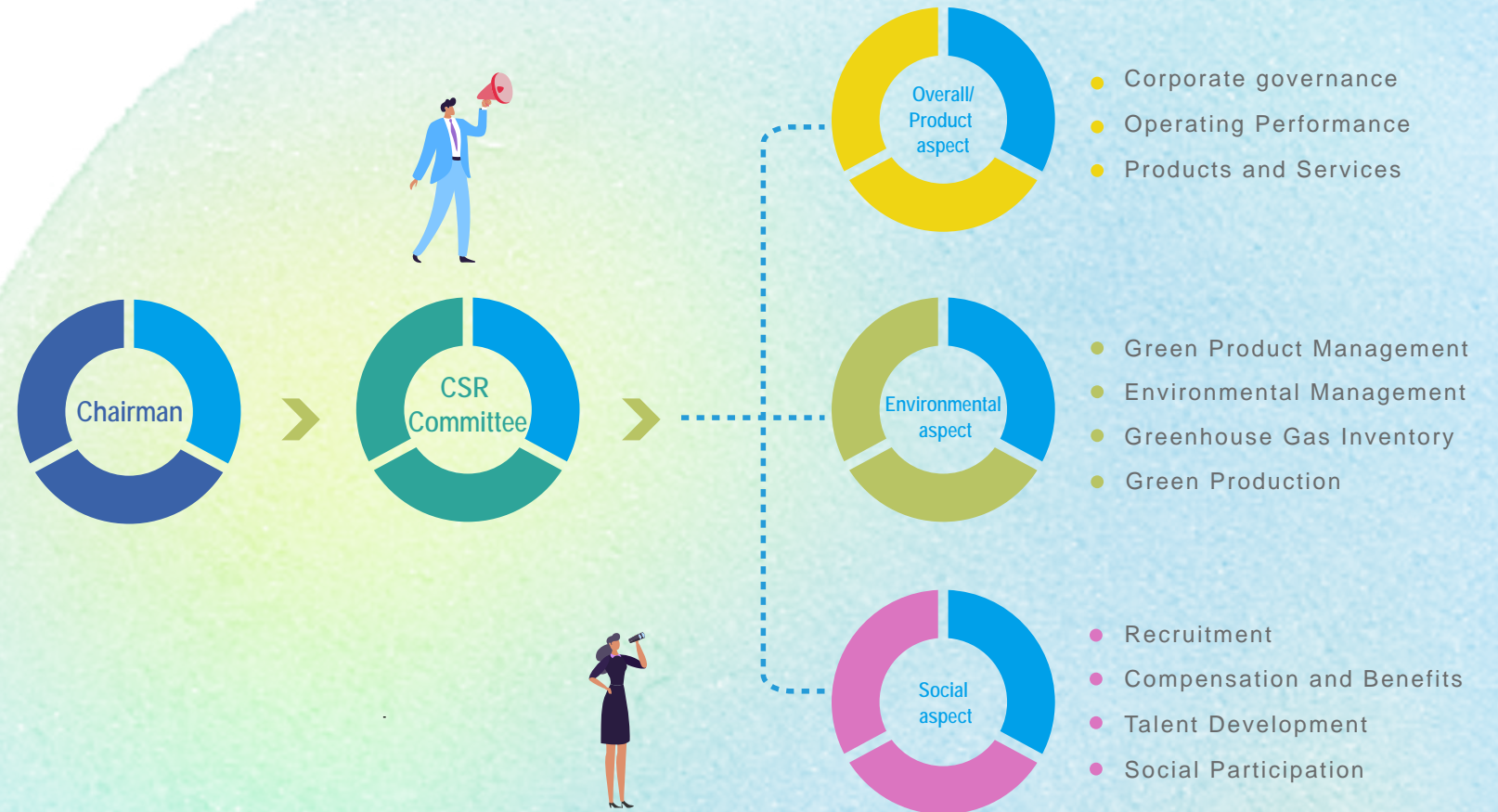


Investing diverse resources to complete the CSR report

Alpha CSR Committee

The CSR Committee is organized as follows:

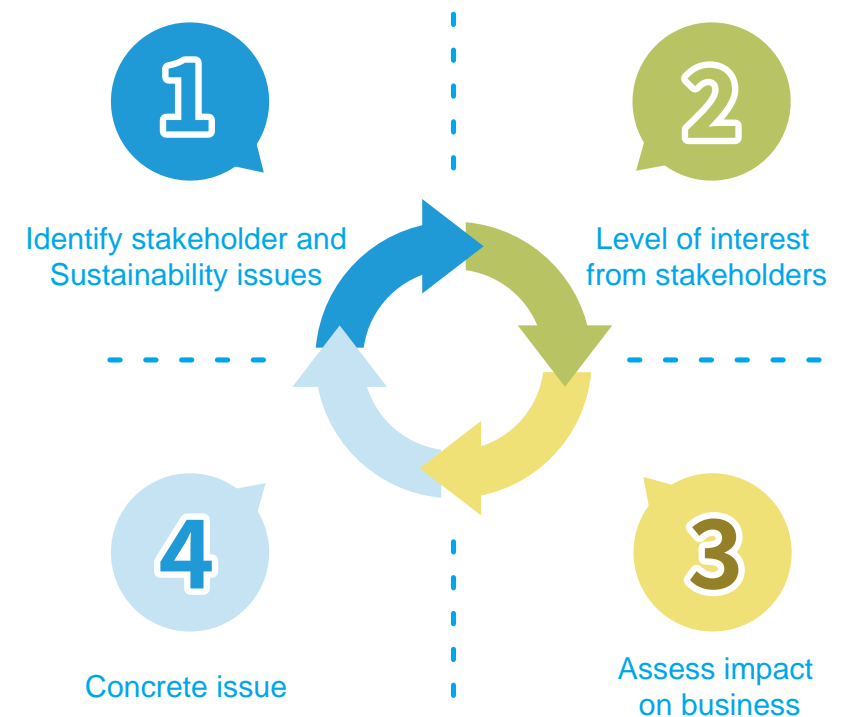
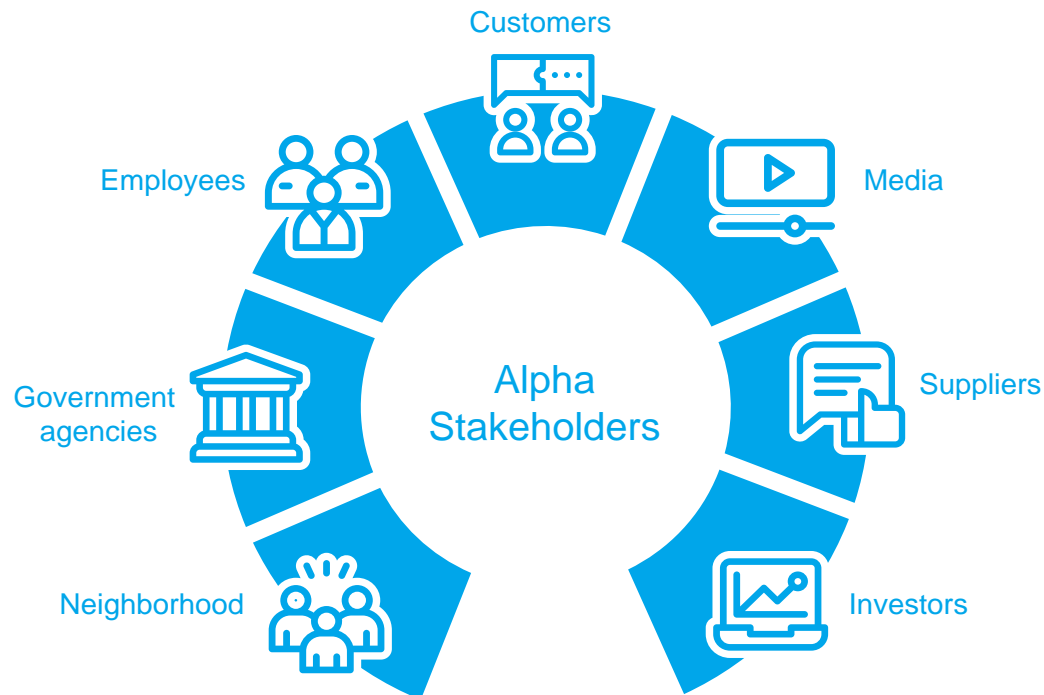
The Alpha CSR Committee was authorized by Chairman April Huang to evaluate global sustainability trends, the Company's business development targets, as well as key issues in the corporate governance, environmental, and social aspects. Organizational resources such as the Chairman's Office, the President's Office, Legal Affairs, Corporate Auditor's Office, Finance & Accounting, Business Units, Manufacturing Center, Quality Assurance, Labor Safety, Human Resources, and the Alpha Foundation were then brought together to complete this CSR report.



Understanding the stakeholders' expectations towards Alpha through diverse communication channels

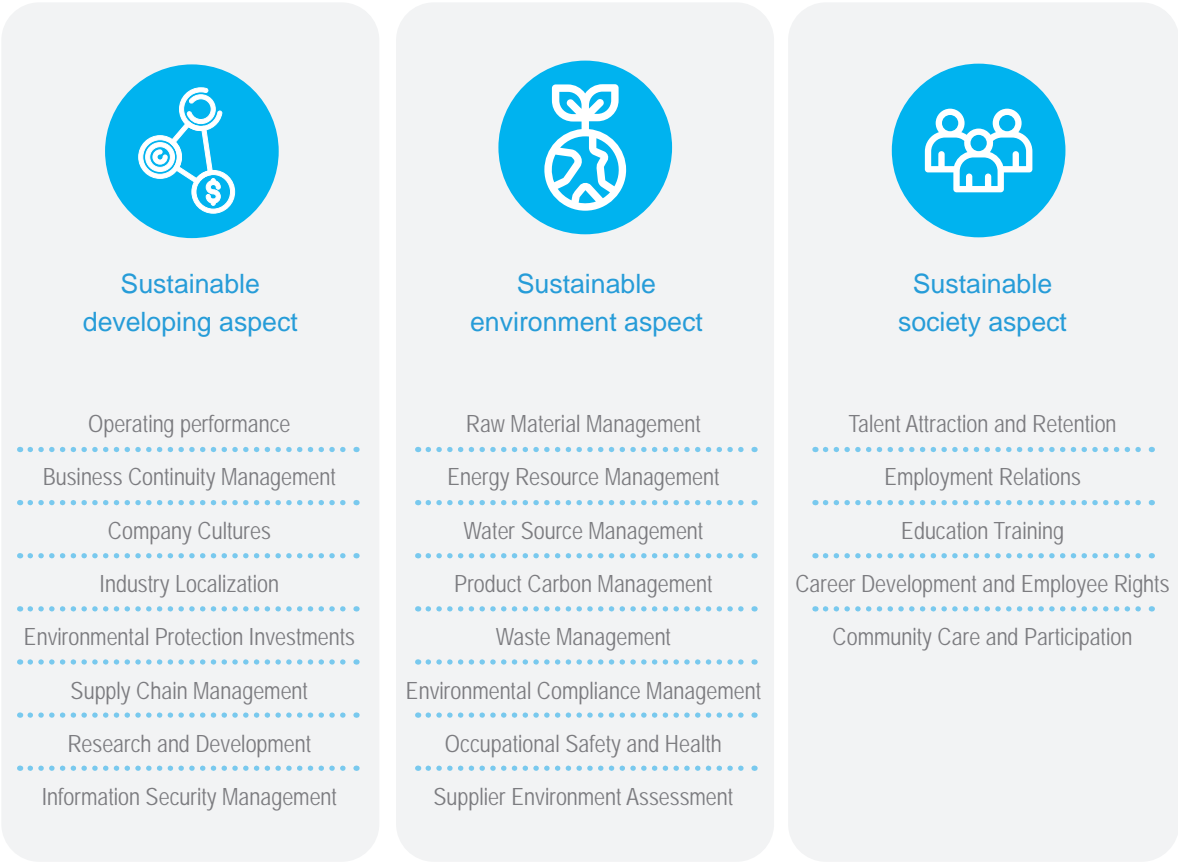
The Alpha CSR Committee convenes meetings to discuss the types of stakeholders. Seven main types of stakeholders were compiled including customers, employees, investors, suppliers, government agencies/ neighborhood and the media. Different communication channels have been established for different stakeholders. Communication with stakeholders will hopefully give us a better idea of stakeholder requirements and expectations.

The opinions of stakeholders can be used to help Alpha examine and develop its corporate strategy, and to create value for Alpha and stakeholders.



Stakeholder Issues of Concern Survey

Alpha Networks' CSR Committee takes into consideration the GRI Standards in listing sustainable development-related issues related to Alpha Networks. These dimensions include sustainable development, sustainable environment and sustainable society, totaling 21 stakeholder concerns. The survey was issued by the members of the CSR Committee to Alpha's CSR stakeholders.



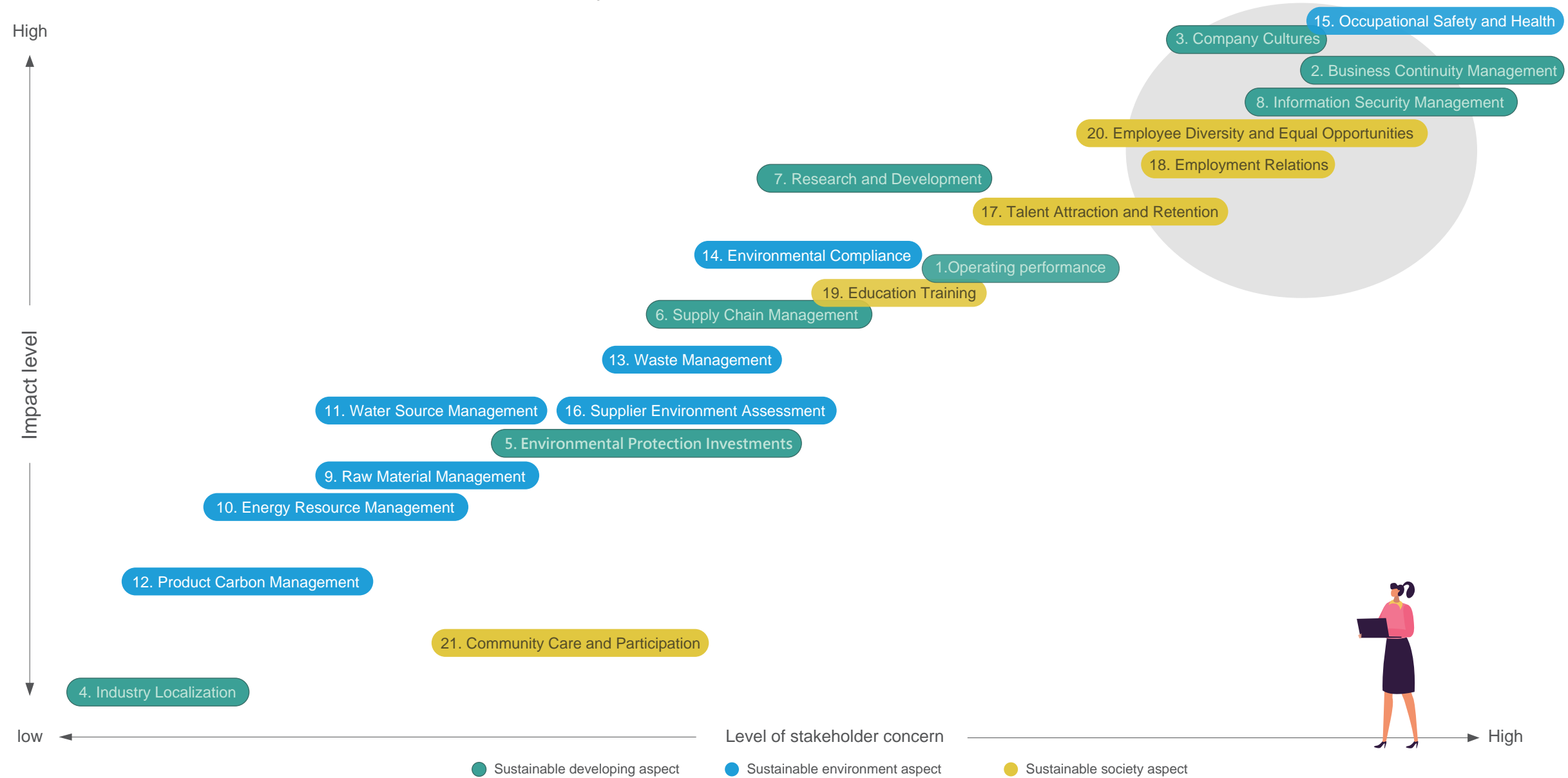
Identification and Sorting of the Stakeholders' Material Issues

Alpha Networks' CSR Committee will convene a meeting to discuss the recovered questionnaires, analyze the level of the stakeholders' concerns and their impact on operations to ascertain Alpha Networks' most important 6 material issues including operational performance management, corporate culture, data security management, employee diversity and equal opportunities, occupational health and safety and labor relations. A formal response to stakeholder concerns was issued by using the GRI Standards as the basis for disclosure in the CSR report. The handling of material issues is indicated in the GRI Index and explained for each indicator.

List of Material Issues			
1	Operating performance	12	Product Carbon Management
2	Business Continuity Management	13	Waste Management
3	Company Cultures	14	Environmental Compliance
4	Industry Localization	15	Occupational Safety and Health
5	Environmental Protection Investments	16	Supplier Environment Assessment
6	Supply Chain Management	17	Talent Attraction and Retention
7	Research and Development	18	Employment Relations
8	Information Security Management	19	Education Training
9	Raw Material Management	20	Employee Diversity and Equal Opportunities
10	Energy Resource Management	21	Community Care and Participation
11	Water Source Management		



Stakeholders' Material issues and business impact distribution chart







Responding to the stakeholders' expectations towards Alpha

Alpha assigned a corresponding internal unit or working group to each issue of concern for communicating and responding to stakeholders through a variety of channels in order to understand stakeholders' expectations of Alpha, and to compile them in a systematic manner to serve as an important reference for compiling the CSR report for next year.

The Alpha website (<http://www.alphanetworks.com>), public e-mail address (see Alpha website < CSR > Stakeholder Contact Information), annual report, and market observation post system (<http://mops.twse.com.tw>) serve as our routine channels for communication. Stakeholders can use the above channels to find out about important Alpha information and contact the relevant units. The communication channels and frequency for issues of concern to stakeholders have been collated in the following table.

Stakeholders	Material Issue of Concern	Communication Channel and Frequency
 Customers	<ul style="list-style-type: none"> • Business Continuity Management • Information Security Management • Environmental Compliance • Employee diversity and equal opportunities 	<ul style="list-style-type: none"> • Customers satisfaction survey (annual) • Quarterly business review (quarterly) • Customer complaints management system (ad hoc) • Supplier conference (ad hoc) • Client information security questionnaire survey (ad hoc) • CSR concerns survey (annual)
 Employees	<ul style="list-style-type: none"> • Employment relations • Talent Attraction and Retention • Education Training 	<ul style="list-style-type: none"> • Employer-Employee Meeting (quarterly) • Employee Welfare Committee (monthly) • Education Training Platform (ad hoc) • Corporate website (ad hoc) • CSR concerns survey (annual)

 Investors	<ul style="list-style-type: none"> • Operating performance • Business Continuity Management • Research and Development 	<ul style="list-style-type: none"> • Shareholders' Meeting (annual) • Investor conference (annual) • Market Observation Post System (ad hoc) • Corporate website (ad hoc) • CSR concerns survey (annual)
 Suppliers	<ul style="list-style-type: none"> • Business Continuity Management • Company Culture • Supply Chain Management 	<ul style="list-style-type: none"> • Supplier platform (ad hoc) • Supplier evaluation (ad hoc) • Supplier conference (ad hoc) • Supplier visit (ad hoc) • CSR concerns survey (annual)
 Government agencies	<ul style="list-style-type: none"> • Business Continuity Management • Energy Resource Management • Water Resource Management • Product Carbon Management • Waste Management • Environmental Compliance • Occupational Safety and Health 	<ul style="list-style-type: none"> • Telephone (ad hoc) • Official document (ad hoc) • Corporate website (ad hoc) • CSR concerns survey (annual)
 Neighborhood	<ul style="list-style-type: none"> • Water Resource Management • Product Carbon Management • Waste Management • Environmental Compliance • Occupational Safety and Health 	<ul style="list-style-type: none"> • Corporate website (ad hoc) • CSR concerns survey (annual)
 Media	<ul style="list-style-type: none"> • Operating performance • Business Continuity Management • Company Culture 	<ul style="list-style-type: none"> • Press release (ad hoc) • Press conference (ad hoc) • Corporate website (ad hoc) • CSR concerns survey (annual)

01. Sustainable Development

A globally recognized, professional networking DMS supplier

- Company Operations and Development
- Operating Performance
- Sustainable Products and Services
- Corporate Governance
- Ethical Management
- Risk Analysis and Management

Enjoy Your Work



Using advanced technology to provide customers with outstanding solutions at the best value.

About Alpha

Alpha Networks Inc. was established in 2003. After D-Link split the branded and OEM businesses in 2003, Alpha focused on the design, development and manufacturing of network communication products. Alpha now provides customer the full range of DMS services spanning product software/hardware design, system integration, mechanical design, product testing and certification.



Alpha Networks possesses the most comprehensive product line in the network communication industry including LAN/MAN, wireless broadband, digital multimedia and mobile enterprise solutions. The Company will continue to develop core technologies and high-end integrated products to enhance the product values and avoid being drawn into low-end product price competitions. Furthermore, we will strive to expand sales channel to provide our customers with complete solutions; in terms of environmental management, although COVID-19 remains serious, while the US-China trade and technology war is still uncertain, the COVID-19 vaccines being administered worldwide act as a support for economic recovery and outlook in 2021. Additionally, 5G, IoT V2X and AI technology applications and work-from-home are inevitable trends that are set to bring about growth opportunities for the network communication industry.

Company Name	Alpha Networks Inc.
Chairman	April Huang
Headquarters	Hsinchu, Taiwan
Establishment Date	2003/9/04
Public Listing Date	2004/12/20 (TWSE: 3380)
2020 Capital	NT 54.17 billion
2020 Revenue	NT 321.71 billion(consolidated revenues)
2020 Earnings per Share	NT 1.03
2020 Total workforce	Over 4,700 (worldwide)

Providing comprehensive service and efficient local support

Global Presence

Alpha headquarters is located at Hsinchu Science-based Industrial Park in Taiwan. We have established service or manufacturing sites in the U.S., Japan and China to provide the full spectrum of services and efficient localized support.

The combination of offices and workshops at Alpha headquarters support R&D, testing, sales and services, supply chain, manufacturing and RMA services. Headquarters is responsible for coordinating customer requirements and the allocation of resources.

Our primary manufacturing sites are located in China. They consist of the Dongguan Factory in Guangdong Province, and the Changshu Factory in Jiangsu Province,

Sales subsidiaries have also been established in Tokyo (Japan), Irvine (southern California, USA) and Santa Clara (northern California, USA), and Dongguan (China) to better serve our customers.



Management System

International management system certifications such as ISO 19001, TL9000, IATF-16949, ISO 14001, QC080000, ISO 14064-1 and AEO were actively introduced at the three Alpha manufacturing sites.

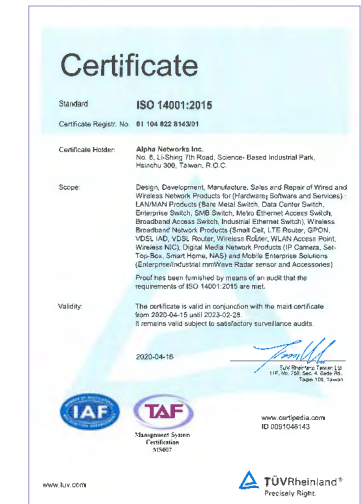
System/Factory	Alpha Networks (Hsinchu)	Alpha Networks (Dongguan)	Alpha Networks (Changshu)
ISO 9001:2015	●	●	●
TL 9000 R6.1 / R5.5	●	●	●
IECQ C080000:2017	●	●	●
ISO 14064-1:2006	●		
ISO 14001:2015	●	●	●
IATF 16949:2016	●		●
AEO	●		
C-TPAT		●	●
ISO45001:2018		●	
ISO 27001:2013	●		



ISO 9001



TL 9000



ISO 14001



IECQ QC 080000



ISO 14064-1



ISO 27001

Memberships

Alpha actively participates in network communications industry associations and technology alliances. We hope to stay on top of industry trends through frequent networking with members of the industry. We are involved in the following organizations:

Business Unit	Associations and Technology alliances	Type	Note
DM BU	HDMI (High-Definition Multimedia Interface)	Adopter	
	Dolby Laboratories	Authorized Manufacturer	
	HDCP (High-Bandwidth Digital Content Protection)	Adopter	
	ONVIF (Open Network Video Interface Forum)	User	ONIF is an international standard in the surveillance industry, its purpose is to ensure the interconnectivity between network video surveillance equipment from different manufacturers. Products supporting such standards can be sold to professional surveillance and tenders market.
	Apple Authorized MFi Manufacturing Licensee	Authorized Manufacturer	
Business Unit	Associations and Technology alliances	Type	Note
MES BU	Driver Information Platform Development Alliance (DIPDA)	Member	
	Taiwan Vehicle Team (Taiwan V-Team)	Member	
	Autonomous Driving Systems Industrial Platform	Member	
	Automotive Ethernet Alliance	Member	

Business Unit	Associations and Technology alliances	Type	Note
WB BU	Wi-Fi Alliance	Member	Can obtain Wi-Fi Alliance-related Wi-Fi Logo certification
	Taiwan Association of Information and Communication Standard (TAICS)	Member	May make proposals and speak
Business Unit	Associations and Technology alliances	Type	Note
HCF	IIPC (Institute for Interconnecting and Packaging Electronic Circuits)	Member	
Business Unit	Associations and Technology alliances	Type	Note
LAN MAN BU	25G/50G Ethernet Consortium	Adopter	
	Telecom Infrastructure Project	Member	
	OCP (Open Compute Project)	Member	
	DENT	Member	DENT aims to consolidate chip and system integrator, OEM and ODM to develop a standardized network operating system. In the early stages, the application targets include dispersed enterprises, factories, remote offices, subsidiaries and retailers, etc.
	The Linux Foundation	Member	The Linux Foundation protects and standardizes the Linux operating system by providing the standardized resources and services needed for the open-source model.
Business Unit	Associations and Technology alliances	Type	Note
QAC	QuEST Forum	Member	Joined the organization in conjunction with the TL9000 system, Alpha pays annual member fees and submit monthly statistics

Participation in trade shows

In 2020, the global industries were devastated by COVID-19; as domestic and border controls tightened up and exchanges slowed down, adjustments and changes have been made to the way exhibitions are organized and in exhibition schedules. Alpha Networks participated in #COMPUTEX Online Talks, The Healthcare+ Expo Taiwan and IEEE Globecom 2020 to maintain and expand its domestic and overseas markets, as well as enhance its corporate image, reputation and visibility.

The #COMPUTEX Online Talks was held in June in TAITRA, where the strength of Qisda Group's subsidiaries is combined under the theme of New Era of Cloud Transformation to explore the 2 key technologies of 5G and AI amid the COVID-19 pandemic. Alpha Networks proposed the private 5G network combined with mobile edge computing (MEC) to help enterprises minimize stoppage and maintenance costs, as well as remotely monitor and analyze production performance. Furthermore, customized big data processing can be conducted to achieve flexible network management and realize comprehensive remote monitoring in order to maintain corporate operations.

At the Healthcare+ Expo Taiwan held in December, the Company co-exhibited the 5G 4K remote operating room and IQOR Integrated Operating System with BenQ Medical Technology Corporation to unleash the benefits of the group's integrated resources. Private 5G network offers eMBB, URLLC and mMTC characteristics to help improve big data security, satisfy the need for increased bandwidth of corporate networks, and act as a tool for facilitating the digital transformation of industries. Even if the medical team is not in the OR, it can remotely monitor and partake in the procedure, thereby breaking time and space constraints to provide hospitals with the best solutions to optimize the efficiency of the procedure.

In late 2020, the Company was invited by Chunghwa Telecom to participate in the IEEE GLOBECOM 2020 and demonstrate its 5G O-RAN (Open Radio Access Network) product solutions. Alpha Networks is a member of the O-RAN Alliance and a purveyor of private 5G network solutions. Products include radio units (RU), distributed units (DU), and centralized unit (CU) that can be used for a variety of vertical applications such as smart campuses, smart factories, and smart healthcare, etc. 5G cell towers are based on the 3GPP standards and are compliant with O-RAN requirements. It can be customized according to the enterprises' needs to either create the core network inside the enterprises' private network or the core network of the shared telecom service provider. It is hoped that the 5G O-RAN solution demonstration will showcase Alpha's technical prowess and manufacturing capability in O-RAN internationally, thereby expanding the Company's international market and reputation in a bid to obtain more business opportunities.

● 2020 COMPUTEX Online Talks



● 2020 5G Smart Medical Private Network





Operating Performance and Financial Information

Looking back over the past year, Alpha Networks' management team and staff have worked hard to generate the Company's growth momentum that resulted in profits. Alpha's consolidated revenue for 2020 was TWD32.171 billion and the consolidated gross profit ratio was 15.6%, a 0.9% decrease compared to the 16.5% of the previous year. The Company's net operating income was TWD898 million and consolidated net income was TWD725 million. The consolidated income attributed to the stockholders of the Company was TWD557 million, equivalent to an EPS of TWD1.03. In 2020, Alpha Networks demonstrated good results in new products and new client development.

Looking ahead this year, as 5G becomes a key technology in the network communication industry, the efforts invested earlier on will gradually come to fruition. Together with the inclusion of the Qisda fleet as well as synergy unleashed through the integration of group resources after acquiring Hitron, revenue and profitability stand a chance to hit record highs.

The consolidated operating performance, related financial information, profit analysis of Alpha over the last five years as well as its 2020 revenue portfolio are presented below in graph form. For more information about Alpha's operating performance and finances, please refer to the "Alpha Networks Inc. 2020 Annual Report" or check with the Market Observation Post System.



Operating Performance – Income Statement

Item/Year	2016	2017	2018	2019	2020
Operating revenue	21,830,730	19,057,109	15,608,222	15,825,808	32,170,649
Operating costs	18,647,259	16,164,744	13,504,544	13,211,807	27,164,356
Gross profit	3,183,471	2,892,365	2,103,678	2,614,001	5,006,293
Operating expenses	2,534,479	2,280,474	2,303,706	2,381,896	4,108,686
Operating profit & Loss	648,992	611,891	(200,028)	232,105	897,607
Non-operating income and expenses	154,581	84,463	115,742	107,688	21,899
Income (loss) before tax	803,573	696,354	(84,286)	339,793	919,506
Income tax expenses	195,534	147,816	3,723	100,890	194,403
Item/Year	608,039	548,538	(88,009)	238,903	725,103

Unit: Thousand NTD

Related Financial Information

Item/Year	2016	2017	2018	2019	2020
Total assets	14,261,424	13,724,615	14,929,075	25,000,368	27,005,583
Ordinary share capital	4,344,697	4,443,967	5,435,172	5,425,901	5,417,185
Total equity	8,518,656	8,694,960	10,393,751	14,047,294 (*3)	12,738,331
Cash dividend (*1)	217,130	451,630	543,743	(*2)	238,692
Book value per share/ Dollar	19.62	19.58	19.12	18.39	17.91
Cash dividends per share/ Dollar (*1)	0.50	1.04	1.00	(*2)	0.44
Average closing price per share/ Dollar	18.36	23.80	19.88	21.08	25.26

Note 1: The information of cash dividend and cash dividends per share is show the information of previous year.

Unit: Thousand NTD

Note 2: The difference to the 2019 report lies in the presentation of cash dividends instead of capital reserve issuance

Note 3: The main difference to the 2019 report is that the TWD9,980,798,000 originally disclosed were equity attributable to the stockholders of the Company was adjusted as non-controlling interests.

Profitability

Item/Year	2016	2017	2018	2019	2020
Return on assets(%)	4	4	(1)	1	3
Return on equity(%)	7	6	(1)	2	5
Profit Before Tax to Capital Stock(%)	18	16	(2)	6	17
Net profit ratio(%)	3	3	(1)	1	2
Earnings per share(NTD)	1.40	1.26	(0.17)	0.44	1.03

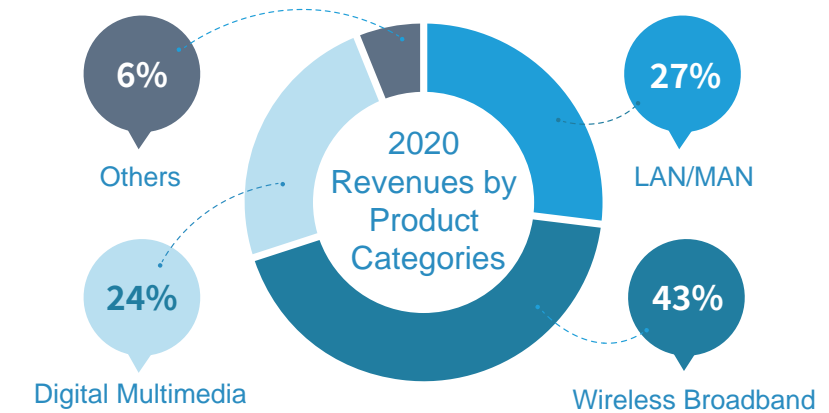
Project Grants

Technology development at Alpha focuses on the development, manufacturing and support of network communications equipment. Alpha is now actively investing in the development of 5G mobile communications, Advanced Driver Assistance Systems (ADAS), Internet-of-Vehicle applications. Alpha is now leveraging its outstanding R&D and technology integration capability along with support for the government's "industrial innovation upgrade" policy to secure related grants and tax deductions from the government.

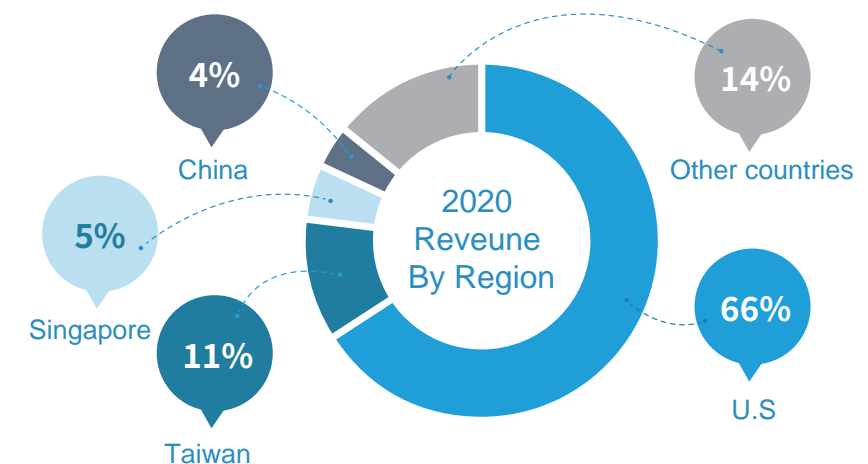
Location	Project	Grant Type	Grant Basis
Alpha Networks	Investment credit	Tax credits obtained	Statute for Industrial Innovation - Industrial Development Bureau, MOEA
Alpha Networks	Technology Development Program - A+ Industrial Innovation R&D Program - "M-ECHO Project Grant"	Grant received (note)	Statute for Industrial Innovation - Department of Industrial Technology, MOEA
Alpha Networks	Technology development project: R&D project "Subsidy Program for Creating a Work from Home Advanced Infrastructure Using-5G Mobile and Wireless Broadband"	Acquire grant (note)	Statute for Industrial Innovation - Department of Industrial Technology, MOEA

Note: Income from technology development programs are in the form of multi-year grants.

● 2020 Revenues by Product Categories



● 2020 Reveune By Region







Investing in advanced technology and reinforcing core competitiveness





Products and Services

5G has become the key technology in the network communication industry that in turn facilitates developments in various vertical application services as well as digital transformation in different industries. There will be rapid developments in IoT, AI, and edge computing applications, and the EV market will soon take off too. The company continues to research core technologies, develop high-end integrated products, rigorously expand sales channels, and provide clients with comprehensive solutions. Alpha possesses the essential technological know-how for new-age network communication, and we will carry on bolstering our core competitiveness to seize new market opportunities.

I. The company's current product (service) lineup

LAN MAN Product Line	Digital Multimedia Product Line
 <ul style="list-style-type: none"> • 5G core network Fronthaul/ Middlehaul /Backhaul High Speed Switch • 10G/25G/40G/100G/200G/400G Data Center Switch • Enterprise/Campus Ethernet Switch • SMB Ethernet Switch • Carrier-Grade Ethernet Switch • IoT Ethernet Switch 	 <ul style="list-style-type: none"> • Video Surveillance System & IP Camera • NAS • PLC • Smart Home IoT Devices
Wireless Broadband Product Line	Mobile Enterprise Solutions Product Line
 <ul style="list-style-type: none"> • VDSL/G.fast Router / IAD • GPON/10G-PON ONT/ONU • 5G/LTE Router / IAD • 5G RRH/ LTE Small Cell • G.fast + LTE MPTCP Hybrid IAD • NB-IoT Industrial Sensor • Wi-Fi 5/Wi-Fi 6 Access Point • Wi-Fi 5/Wi-Fi 6 Router • Wireless LAN Module 	 <ul style="list-style-type: none"> • 24GHz Smart Radar Sensor • 77GHz Smart Radar Sensor • 79GHz Smart Radar Sensor

II. New products and technologies under development

LAN MAN Product Line	Multimedia Product Line
 <ul style="list-style-type: none"> • Cloud-based SDN Switch • Multi-Giga (1G/2.5G/5G/10Gbps)PoE(802.3bt) and PoE++ Ethernet Switch • 5G Mobile Fronthaul/Backhaul Ethernet Switch • Network Function Virtualization Platform Technology • Multi-access Edge Computing Platform • XGS-PON OLT 	 <ul style="list-style-type: none"> • Smart Surveillance solution • Intelligent Video and Audio Analytics
Wireless Broadband Product Line	Mobile Enterprise Solutions Product Line
 <ul style="list-style-type: none"> • G.fast +Wi-Fi 6 CPE • Wi-Fi 6 & 6E Access Point • Wi-Fi 6 Mesh AP/Router • 5G RAN End-to-End Solution • 5G FWA CPE • 5G Small Cell • NB-IoT Industrial Sensor Module 	 <ul style="list-style-type: none"> • mmWave Radar with Image Fusion Technology • AVM & Radar Sensor System • AVB Ethernet Gateway

Research and Development Focus

1. LAN/MAN Business Unit

Alpha's developments in Ethernet switches span across switches designed for data centers, corporations, telecommunication operators, or industries. The enormous data traffic at datacenters stimulates an increase in the number of 25G and 100G switches, while the demand for 400G high-speed switches is also emerging. With developments in 5G edge computing and IoT, the company has not only developed switches supporting 5G mobile network needs but also the MEC software integration platform. As wireless Internet ushers in the age of Wi-Fi 6 high-speed transmission, the demand for 2.5G switches will also rise. On the other hand, with more power-hungry network equipment and applications required, the need for switches with high-power power over Ethernet (PoE++) capability will also increase.

2. Wireless Broadband Business Unit

As global 5G network deployment accelerates, telecommunication operators have also deployed Fixed Wireless Access (FWA) applications that will, in turn, generate demand for the company's routers and small base stations. In the 5G corporate vertical market, Alpha has developed radio unit (RU) and end-to-end solutions that can be customized and applied flexibly to a wide range of vertical scenarios. While telecommunication operators are expediting upgrades in fixed network infrastructure, Alpha has upgraded copper line VDSL to G.fast in terms of FTTx OLT and terminal equipment development, and the demand for 10G-PON fiber optics broadband will also increase gradually. Also, the increase in the number of high-speed Wi-Fi 6 terminal devices will foster new demands in the company's Wi-Fi 6 corporate wireless AP and home routers.

3. Digital Multimedia Business Unit

Development trends in security surveillance and AI have generated needs in IP-Cams and IVA (Intelligent Video Analysis) applications. Alpha's digital multimedia network product line will

continue to focus energy on the development of IP-Cams, smart identification, and analysis applications. In the home security surveillance market, outdoor battery-powered IP-Cam, and smart doorbell surveillance application will provide the most momentum for growth. Besides continuing to focus on smart home applications, the company will develop corporate security surveillance solutions to provide our clients with competitive and differentiated products.

4. Mobile Enterprise Solutions Business Unit

With developments in the Advanced Driver Assistance Systems (ADAS) market, Alpha's 24GHz mmWave radar sensors have successfully achieved mass production and are now marketed overseas, while the mmWave radar technology is currently being applied to smart parking. The company will keep on developing 77GHz and 79GHz radars in conjunction with the passenger car Automatic Vehicle Monitoring System (AVM) to improve sensing precision. Alpha possesses proprietary mmWave radar development and algorithm technologies that can be used to create customized products for our clients. Furthermore, the company will consolidate radar sensing, IP-Cam, and network communication technologies in a bid to capitalize on the IoV market opportunities.



👑 Approved patents of the year 👑

Since its inception, Alpha Networks has acquired nearly 3 decades of expertise in network communication product manufacturing. This is combined with innovative technical thinking and ongoing research and development in core network communication to create the lineup of network communication products that include LAN/MAN, wireless broadband, digital multimedia and mobile enterprise solutions, coupled with a key technology-driven patent strategy that is applied to: Core technology areas such as wireless technology (4G/5G/6G), wired technology (Fiber), and edge computing/AI. Alpha Networks patent achievements this year include core network technologies such as Channel Loading Pre-Adjusting System For 5G Communication, small cell (Method For Gathering Small Cell), IoV (blind spot imaging device with adjustment ring) and cloud technology (Cloud Radio Access Network System and Control Method Thereof), demonstrating the Company's industry-leading R&D capability and its ability to protect core technologies with patents.

Patent name	Country	Category	Certificate issuing date	Certificate number
Self-tire pressure monitoring tire	Japan	Invention	2020.06.03	6712572
SELF-MONITORING TIRE OF VEHICLE	Germany	Invention	2020.10.28	3272558
SELF-MONITORING TIRE OF VEHICLE	France	Invention	2020.10.28	3272558
SELF-MONITORING TIRE OF VEHICLE	UK	Invention	2020.10.28	3272558
SELF-MONITORING TIRE OF VEHICLE	Italy	Invention	2020.10.28	3272558
A chassis switch for interconnecting line cards by using distributed backplane	China	Invention	2020.05.26	ZL201610037041.7
MOBILE NAVIGATION METHOD AND SYSTEM	Japan	Invention	2020.07.15	6735221
MOBILE NAVIGATION METHOD AND SYSTEM	USA	Invention	2020.06.09	10677908
モバイルナビゲーション方法及びシステム	Japan	Invention	2020.01.10	6644740
MOBILE NAVIGATION METHOD AND SYSTEM	Germany	Invention	2020.06.24	EP3279689 (DE602017018558.2)

MOBILE NAVIGATION METHOD AND SYSTEM	UK	Invention	2020.06.24	EP3279689
Antenna array	Taiwan	Invention	2020.04.21	I692151
Antenna array and antenna system with variable sensing directions	Taiwan	Invention	2020.1.1	I681594
DYNAMICALLY ADJUSTED ANTENNA SYSTEM AND ANTENNA ARRAY INCLUDED THEREIN	USA	Invention	2020.11.17	10840580
CLOUD RADIO ACCESS NETWORK SYSTEM AND CONTROL METHOD THEREOF	USA	Invention	2020.02.18	10567970
LOW-PROFILE DUAL-BAND HIGHISOLATION ANTENNA MODULE	USA	Invention	2020.09.29	10,790,583
CLOUD RADIO ACCESS NETWORK SYSTEM AND CONTROL METHOD THEREOF	USA	Invention	2020.09.22	10785685
Communication resource allocation method and related mobile communication cell site	Taiwan	Invention	2020.08.01	I700947
DATA TRANSMISSION PROCESS OF HETEROGENEOUS LWA NETWORK AND ASSOCIATED BASE STATION FOR MOBILE COMMUNICATION	USA	Invention	2020.11.10	10834787
METHOD FOR GATHERING SMALL CELLS	USA	Invention	2020.12.15	10869233
Blind spot imaging device with adjustment ring	Taiwan	Invention	2020.05.11	I693826
Electrical load distribution system	Taiwan	Invention	2020.05.11	I693770
Channel Loading Pre-Adjusting System For 5G Communication	Taiwan	Invention	2020.08.11	I701956

Manufacturing and Quality Services

At Alpha, we believe in “getting quality right the first time.”

Before the product enters production, in order to ensure the competency of the colleagues who have a direct influence over the product's quality, the company will provide related training and re-training to make sure of their qualifications. This is to guarantee that the production line colleagues will be able to manufacture products of exceptional quality.

All products undergo rigorous and thorough design validation before the start of mass production, including quality testing, product safety certification, electromagnetic interference, and resistance testing, compatibility certification testing, environmental and reliability testing, and more. All products go through a series of checks to ensure compliance with international standards.

Before products enter production, all parts go through exhaustive incoming material inspection to keep defective parts out of the production line.

Quality on the production line is constantly monitored by quality control personnel during the production process.

Once production is complete, final products are sample tested by quality control personnel to ensure that their functionality and appearance are up to standard.

An electrostatic protection policy is implemented throughout the material transport, R&D, production, production process control, inspection, testing, and repair processes to ensure that sensitive parts are not damaged by static electricity.

Comprehensive after-sales support is provided by Alpha once a product has been shipped.

We are therefore committed to the following:

1. Make it a matter of honor to get quality right the first time.
2. The pursuit of excellence through continuous review and improvement.
3. Manufacture the products that customers need and provide customers with satisfactory service.

Alpha will continue to enforce the above principles in the spirit of sustainable development and educate all of our employees accordingly. Quality-related feedback from within the company and from customers shall all be handled swiftly and appropriately.

Intellectual Property

Education and training

Through regular and irregular, training and internal announcements, the company will instill the concept of intellectual property rights, trade secret-related laws and regulations, as well as the importance of using authorized software, together with its legal implications. For new employees, Alpha will promote intellectual property rights and trade secret-related management and principles during orientation training and the legal implications will be clearly stated in the employment contract.

Respect for Intellectual Property and Boosting Competitiveness

In the early stages of R&D, prior to formally committing the company's resources, a patent search of innovative technologies will be conducted in order to minimize the risk of infringement. Besides avoiding committing duplicate resources, Alpha can also obtain information on the competitors through the patent search, thereby adjusting the company's R&D direction. During the R&D process and output, Alpha will apply for patent, trademark and copyright in order to protect innovative technology and R&D output, in turn elevating the company's competitiveness and the values of our intangible assets.

Management and Protection of Confidential Information

To ensure the reasonable protection of the company's and customer's confidential information, non-disclosure agreements are signed with external customers and business partners while employees undergo regular education and training on laws governing the protection of trade secrets. Employees are required to adhere to the terms of non-disclosure agreements in their use of confidential information. Messages shall also be transmitted through the legal and proper use of e-mail or other methods to ensure. These are to ensure confidential information owned by the company and customers are used legally during business activities without violating any of the relevant laws.

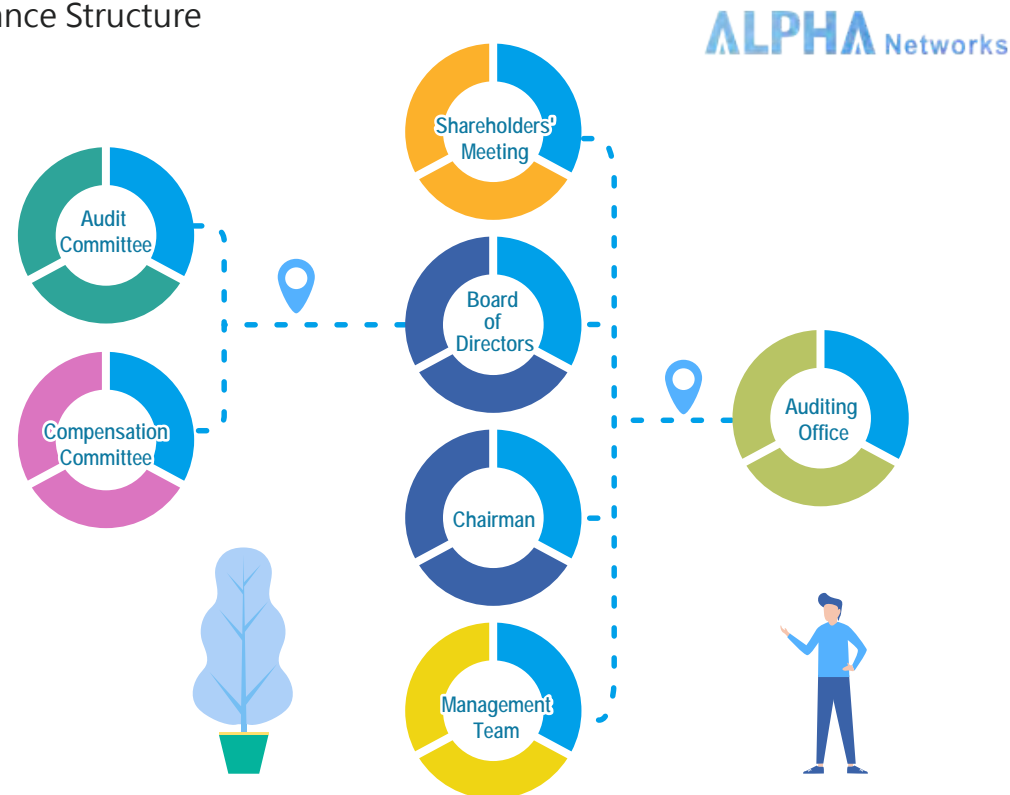




Corporate Governance

To ensure ethical business management, Alpha complies with the Company Act, Securities Exchange Act and other relevant laws. We also formulated the “Ethical Corporate Management Best Practice Principles”, “CSR Best Practice Principles”, “Insider Trading Prevention Management Regulations”, and “Code of Ethical Conduct” to protect shareholder rights and interests, strengthen the function of the Board of Directors, and boost the effectiveness of the Audit Committee and Compensation Committee in order to improve the company’s business performance and realize the ideal of sustainable corporate development.

Governance Structure



Board of Directors

The top governance body at Alpha is the Board of Directors. In accordance with the Articles of Incorporation, between 5 ~ 11 directors may be elected to the Board for terms of 3 years and for successive terms. At least 3 of all directors shall be independent directors. Directors are elected from a list of nominated candidates. The “Rules Governing the Election of Board Directors” and the “Corporate Governance Best Practice Principles” explicitly calls for diversity in the overall composition and membership of the Board of Directors such as having different professional backgrounds, professional specialties and genders.

The 6th Alpha Board of Directors is composed of Six directors that have the necessary wealth of experience or professional qualifications in business, legal affairs, finance, accounting or company operations. The six directors include three independent directors, of which one is a woman. Please refer to the Minutes for 2020 annual shareholders’ Meeting, annual report or the TWSE market observation post system website for the directors’ resumes, positions with other companies and continuing education.

The responsibilities of the Board include supervising corporate compliance, financial transparency, appointment and removal of executives, and deciding on important company issues. The management team assists the Board with its decision-making by providing information or briefings on business operations and situation. The Alpha “Rules Governing the Agenda of the Board of Directors” and “Audit Committee Organic Charter” all include regulations on avoiding conflicts of interests. If a director or the institutional investor they represent has a conflict of interest with any matter on the agenda, they shall explain the conflict of interest during the meeting of the Board or the audit Committee. If the company’s interests may be harmed then the director shall recuse himself/herself from the discussion and voting, nor may they exercise the proxy votes of other directors.

Alpha Networks convenes quarterly board meetings. In 2020, 8 board meetings were held with a 98% attendance rate (including attendance by proxy); according to the annual report, the board meeting attendance does not include attendance by proxy, thus the average attendance of board meetings was 92%. Important resolutions of the board meeting are promptly published on MOPS for full information disclosure.

The Audit Committee and Compensation Committee were established as functional committees by Alpha to achieve the goals of operational transparency, respect for shareholders’ interests and ensure the sound operation of the Board.

Audit Committee

The Audit Committee at Alpha was established on June 15, 2012. The Committee shall be convened at least once a quarter and was convened 5 times in 2020. The Committee is made up of all independent directors and shall have at least 3 members, one of whom shall come from an accounting or financial background. Committee members serve 3-year terms and may be elected for successive terms. The purpose of the Committee is to supervise the expression of financial reports, the appointment (dismissal) of accountants, ensure the effective implementation of internal controls, compliance with the relevant laws and regulations, and managing existing or potential risks to the company.

Auditing Office

The Auditing Office is an independent unit that reports to the Board of Directors. Auditors carry out the annual auditing plan approved by the Board. They also review compliance with internal controls by Alpha Dongguan and Alpha Changshu and its subsidiaries to ensure their continued effectiveness and to provide a basis for further revisions to the internal controls.

The head of auditing shall not only brief the Audit Committee regularly on auditing affairs but also attend Board of Directors meetings to present reports as well. Any defects or potential risks identified during the audits may also be immediately reported if necessary.

Alpha embraces ethical business practices and adheres to the law. Effective internal controls and a dedicated enforcement unit have been put into place and are now implemented throughout Alpha including Alpha Dongguan and Alpha Changshu.

The internal control system at Alpha is based on the relevant regulations of the “Standards for Publicly Held Companies to Internal Control Systems.”

In addition to annual self-reviews of internal control systems, the effectiveness of Alpha's internal controls are constantly being reviewed and revised in response to changes in the internal and external environments. Such revisions are then evaluated by the Audit Committee and Board of Directors.

Compensation Committee

A Compensation Committee was established by Alpha on December 23, 2011. The Committee is responsible for formulating and regularly reviewing the policies, systems, standards and structure of governing executive performance evaluation and compensation. The Committee also assesses and sets the compensation for directors and executives. Our Articles of Incorporation cap directors' compensation at no more than 1% of the annual profits (profit before tax minus employee and directors' compensation) and these are paid in cash. Executive compensation includes fixed components such as base salary, bonuses, and benefits as well as variable components in the form of bonuses, dividends (cash/stock), stocks (restricted stock/treasury stock) and stock options. The fixed components shall, in principle, maintain the average competitiveness of

the company in the industry. The variable components shall be based on company and individual performance as well as their personal contributions. Assessment items, goals and weightings are set at the start of each year based on internal and external business developments. Performance targets and industry compensation standards are then taken into account and reviewed by the Compensation Committee. It is then submitted to the Board of Directors for approval and implementation.

The Compensation Committee convenes at least biannually and a meeting may be convened at any time if necessary, 3 meetings were held in 2020. Members may invite the Chairman or CEO to attend meetings of the Committee. They shall however recuse themselves if there is a conflict of interest and not participate in the discussion. Directors, internal auditors, accountants, legal advisors and other personnel may be invited to attend the meetings to provide any necessary information.

● Members of the Board of directors

Job title	Full name	Gender
Chairman	Qisda Corporation April Huang	Female
Vice-Chairman Legal representative of the Company	Qisda Corporation Peter Chen	Male
Director and President	Yu-Chin Lin	Male
Independent director/ Audit Committee member/ Compensation Committee member	Harry Huang	Male
Independent director/ Audit Committee member/ Compensation Committee member	Mao-Chao Lin	Male
Independent director/ Audit Committee member	Ming-Der Hsieh	Male



Ethical Management

Regulation Compliance

Ethics, fairness, compliance and adherence to business ethics have always been the overriding principles in the business activities of Alpha. Company employees are prohibited from bribery, corruption, receiving or giving of gifts, and hospitality out of proportion to business etiquette from/to suppliers, customers and stakeholders. In addition to complying with the laws on labor, labor safety, information security, environmental protection, finance, intellectual property rights, and trade secret as well as business regulations in Taiwan where we are headquartered, Alpha also applies the same standard to comply with the laws and regulations of the country where our factories or offices are located during our business activities. Alpha has established a legal affairs office for legal compliance and advice. Proper compliance is enforced in concert with professional advice from external consultants and quarterly internal updates on regulations, as well as education from time to time in order to reduce and control the risks in company operations. The aim is also to protect the rights and interests of our employees and shareholders.

Whistleblower System

To protect the legal interests of stakeholders, Alpha has not only appointed dedicated personnel for communicating with the relevant stakeholders but also set up whistleblower mailbox for stakeholders to serve as the proper channel for complaints. Stakeholders can report any violations of corporate governance or illegal activity through this channel. The whistleblower mailbox for stakeholders is handled by dedicated personnel at Alpha to protect the identity of the whistleblower and the contents of their complaint.

Whistleblower mailbox for stakeholders: improvement@alphanetworks.com

Information Security Management Policy

In protecting the information security of the company, our clients and partners, Alpha is committed to building a secure information environment. On December 14, 2019, the company passed the ISO/IEC27001 information security management system certification, and relevant security policies and regulations were stipulated in accordance with the management system. Information security is implemented and improved through the ongoing internal audit mechanism in order to effectively preserve the confidentiality, integrity and availability of the information asset.

Management processes for IT equipment usage, network communications, account permissions, removal of computer equipment, physical printing and remote connections have been put into place based on the Information Security Management Regulation to ensure strict management of information at each stage of use and to reduce the risks to information security.

Encrypted connections are used throughout internal and external information systems to ensure the security of information system connections and transmissions. Transmissions are logged for traceability and particular emphasis placed on the protection of personal information defined in the Personal Information Protection Act to avoid the inappropriate use or compromise of confidential company and customer data.

For physical security, environmental control systems provide real-time monitoring of the information system's environmental status and effectively maintain the stability of data center operations. An enterprise cloud platform was also set up to centrally protect the information security of our company's R&D, manufacturing and business systems. A redundancy mechanism is also in place for the cloud system to ensure the continuity of the information system. In addition, Business Continuity Planning (BCP) was carried out in accordance with ISO 22301 specifications to ensure the security of information systems and data. Regular backups and disaster recovery drills are conducted, and backup data stored off-site at a third-party data center to ensure that company data is not lost due to human action or natural disasters.

A software asset audit system has been introduced to ensure compliance on "intellectual property

Rights". "Software real-name system" management along with quarterly user audits are used to effectively enforce proper software licensing; to strengthen information security awareness, we not only hold information security classes for employees but also continue to use internal information security bulletins to distribute information on information security and software licensing. We hope these efforts will realize the goals of enterprise information security and continuity of operations.



Observing risk-related issues in order to prevent and control them

Alpha collects and studies the risk issues of concern to each stakeholder through each functional organization. Strategic analysis tools are used to assess the impact of process risks in order to prevent and minimize the risks.

The following risks have been identified by Alpha:

Potential Risks	Risk Sources	Response Measures
Natural disasters	<ul style="list-style-type: none">• Earthquake• power outage• fire• Notifiable infectious diseases	<ul style="list-style-type: none">• Biannual fire safety education and training is held• BCP drills are conducted annually based on the risk assessment results• Carry out disaster recovery in accordance with the disaster recovery regulations
Information security	<ul style="list-style-type: none">• System functionality crash / malfunction• Hacker attack• Protection of customer privacy	<ul style="list-style-type: none">• Obtain ISO/IEC27001 information security management certification• Construct a comprehensive data center environmental monitoring system to ensure the security of physical environment for information systems.• Perform regular backups of information and data, set up off-site backup and recovery system, and in accordance with the integrity and availability of data.• Set up information security systems such as firewalls, network anti-virus and mail filtering. Define rules governing the use of network and computer equipment to prevent information security risks.• Preventive measures are implemented with regards to potential information security risks and internal information communication management is conducted in conjunction with the Legal Affairs Department per the requirements by the clients.
Supply chain disruption	<ul style="list-style-type: none">• Raw material shortage	<ul style="list-style-type: none">• Form strategic alliance with suppliers that have high supply risk• Monitor market supply and demand to adjust delivery times as necessary and prepare safety inventory levels• Establish alternative materials• Look for spot markets• Discuss response measures with suppliers or ask for materials to be supplied early
Financial risk	<ul style="list-style-type: none">• Bad debt• Exchange rate	<ul style="list-style-type: none">• Conduct general risk assessments for related businesses on correspondent banks, customers and suppliers. Implement any necessary controls to reduce credit risk.• Establish a currency hedging mechanism to avoid risks from currency rate fluctuations.
Environmental Compliance	Legal policy / standard changes	<ul style="list-style-type: none">• Establish dedicated unit• Ad hoc/regular updating of regulatory information and hosting of education & training
Product development trends	<ul style="list-style-type: none">• New technology changes the demands in the consumer market• Schedule and changes for stipulating new technology specifications, as well as the restrictions of the telecommunication laws in various countries.	<ul style="list-style-type: none">• Regularly convenes strategy meetings to discuss the digitization of the business model and production automation with the product planner of various business groups in order to confirm the accuracy of technology R&D, product development and design, and market needs.• Maintain close collaboration and contact with relevant certification laboratories in accordance with the laws of various countries in order to respond to the future market developments in network communication applications such as 5G, AI and IoT.

02. Friendly Workplace

Attract, develop and inspire global talents

- Recruitment
- Compensation and Benefits
- Talent Development
- Social Engagement

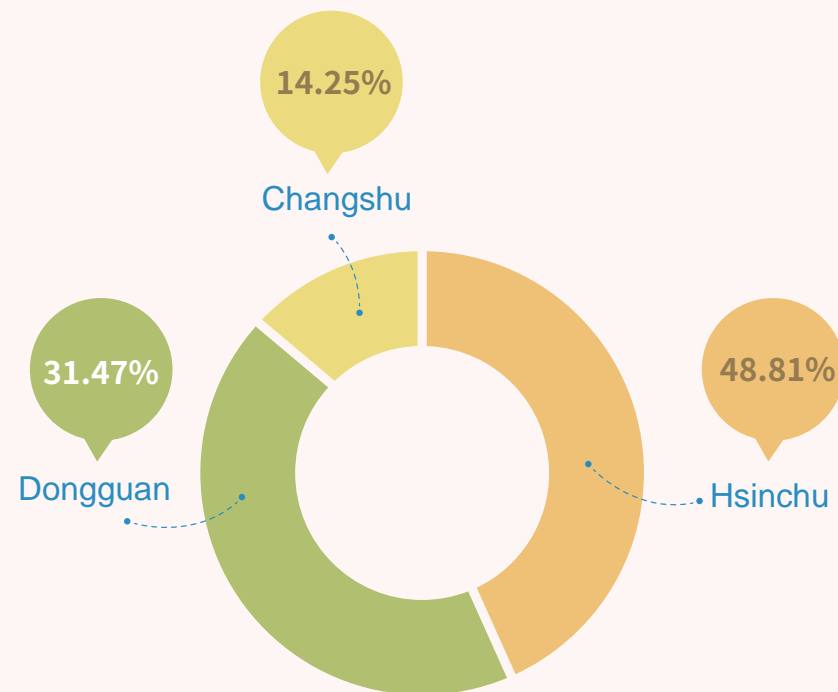




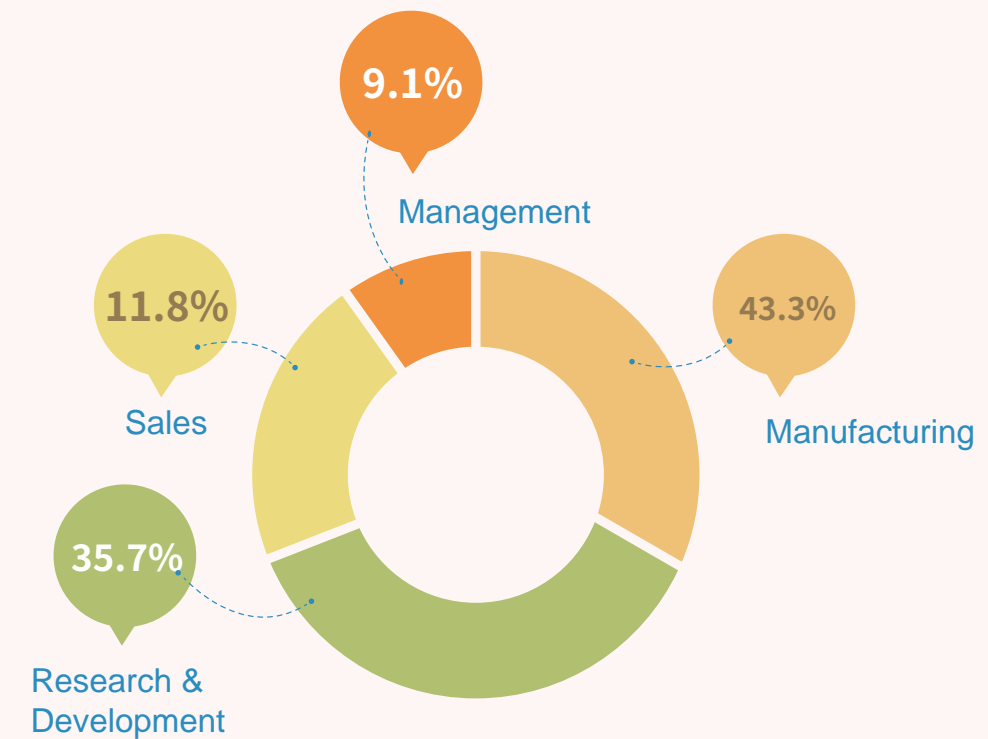
Diversity and equality at the workplace

Founded in 2003, Alpha Networks has 4,300 employees worldwide as of late 2020. Roughly 31.47% of our global workforce is located in Alpha's headquarters in Hsinchu Science Park, responsible for product development, marketing, and daily operations. Alpha's R&D locations are mainly situated in Taiwan, accounting for approximately 35.7% of the R&D staff. The primary production locations of the company are in Dongguan and Changshu, accounting for about 48.81% of Alpha's total workforce. Human resources distribution is as follows:

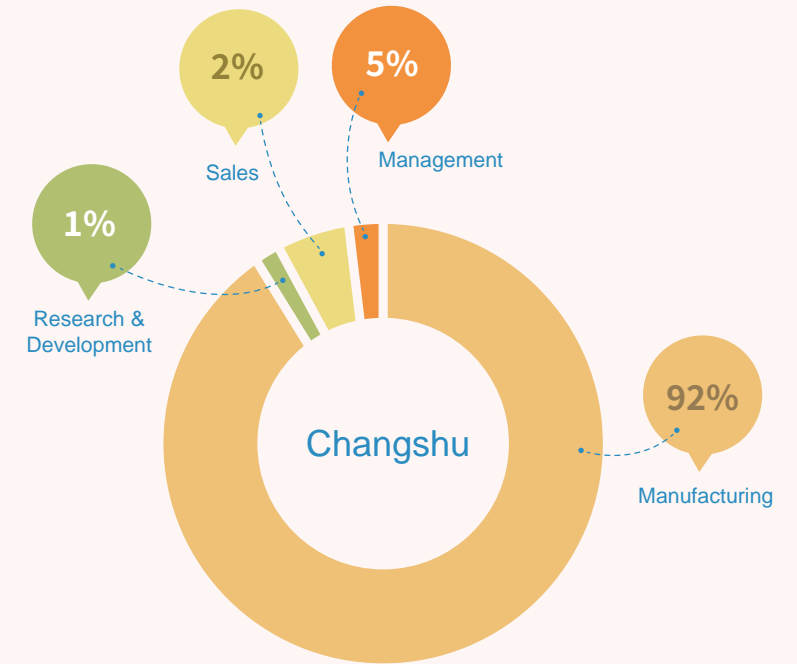
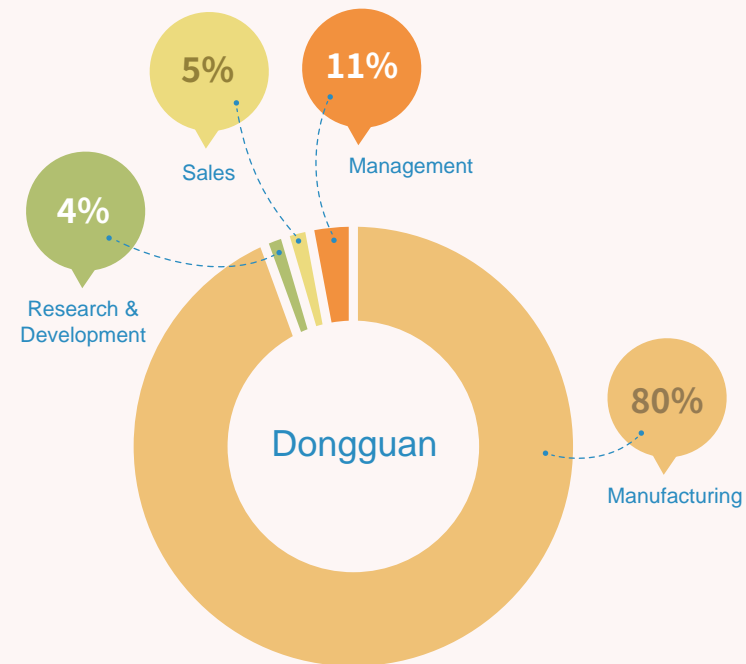
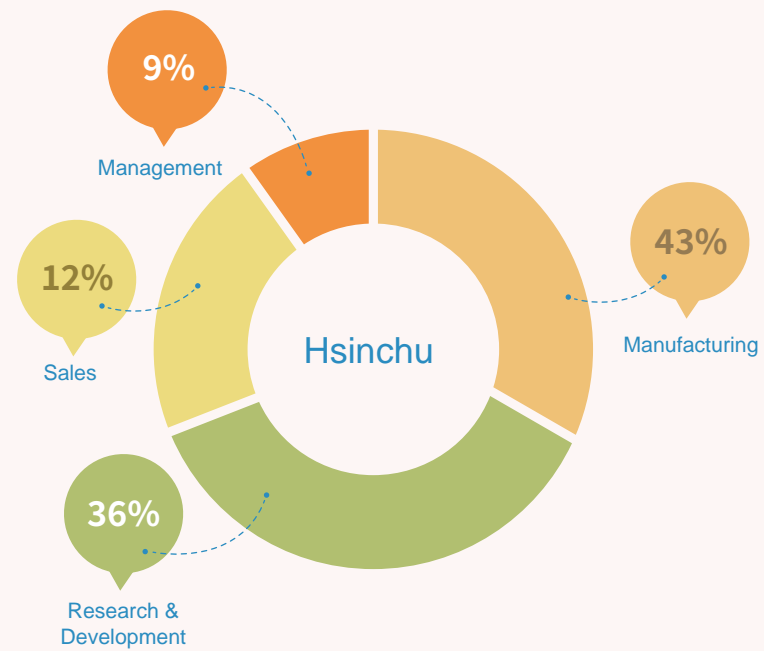
● Manpower Distribution per Plant



● Manpower Distribution per Job Function



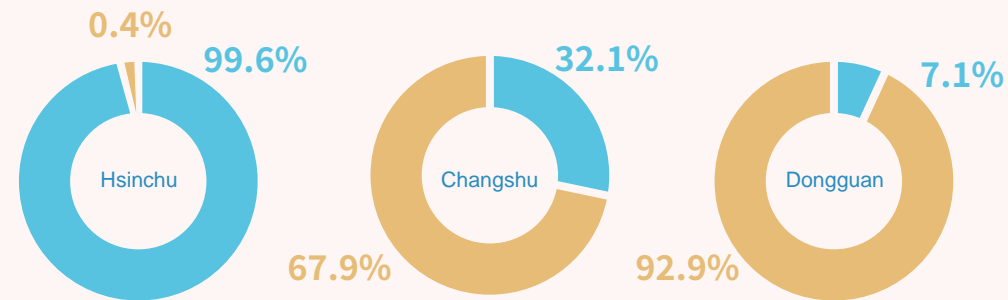
● Job Distribution per Factory



Alpha Networks uphold the spirit of the "Responsible Business Alliance's Code of Conduct" to formulate the factory hiring policy according to the "New Employee Hiring Regulations 6.0" to make sure that our employees are not discriminated against based on "ethnicity, skin color, age, gender, sexual orientation, race, religion, pregnancy and other conditions protected by the law." Alpha Networks' 47.95% and 52.05% of the total workforce, with the percentage of female employees showing an increase of 1.72% compared to last year, hence the gender ratio at the plants is relatively balanced.

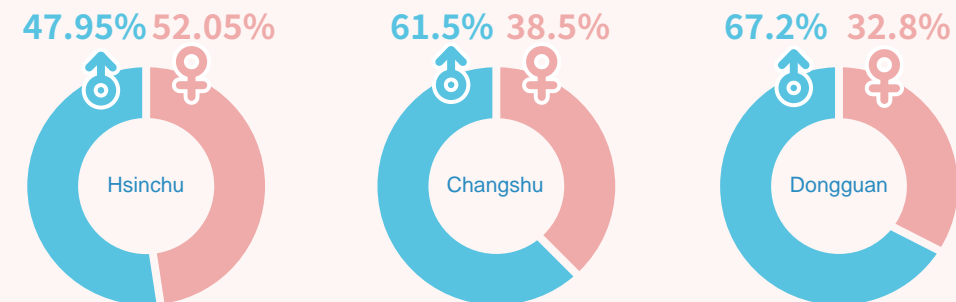
● Distribution of Permanent and Contractor

● Permanent ● Contractor

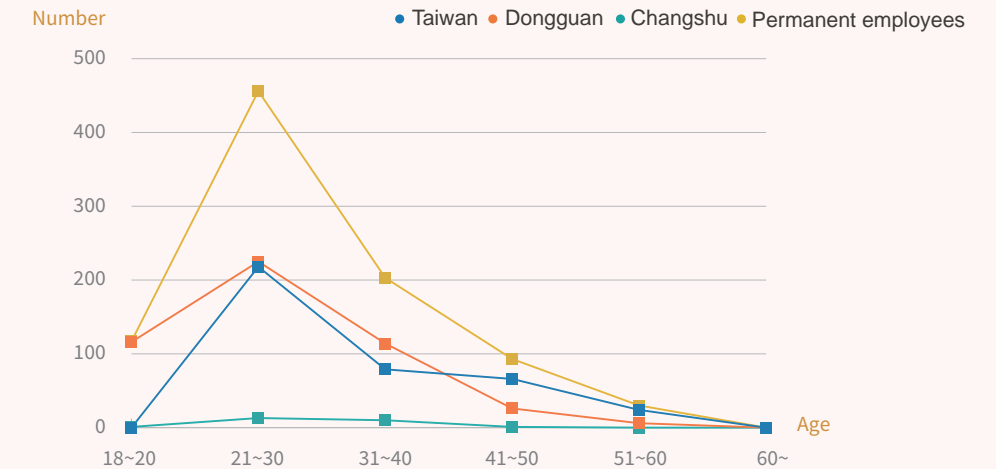


● Distribution of Gender

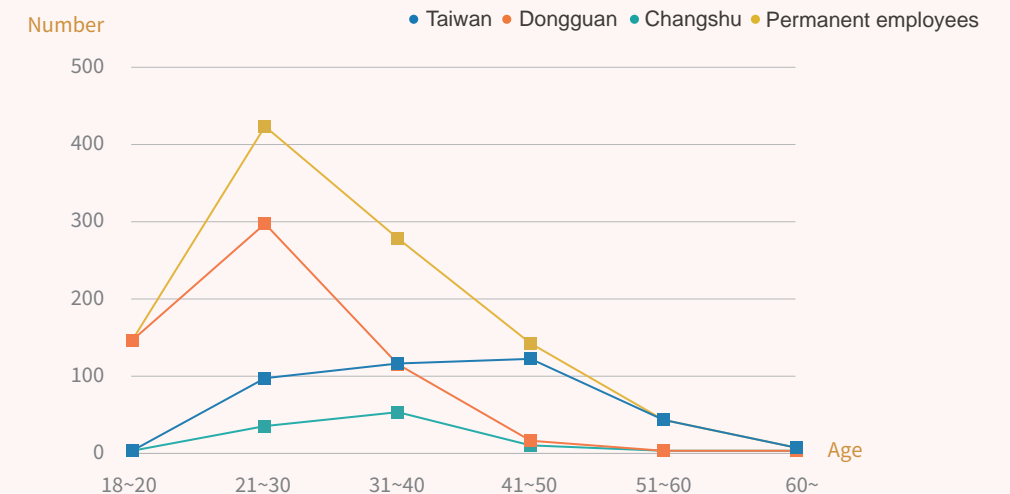
● Male ● Female



● The age distribution of new Alpha employees in 2020 were as follows:



● The distribution of ages for permanent employees that separated from Alpha during 2020 are as shown in the following table:





Fair compensation and benefits policy

In recruiting and retaining outstanding professional talents, Alpha has taken the market standard and local labor regulations into consideration to regularly review the association between the company's compensation/welfare measures and the market, so as to preserve the competitiveness of the talent market. Alpha employees' compensation and bonus are not influenced by personal attributes such as gender, race, nationality or age. The hiring and compensation of company employees are conducted based on their expertise, education and experience. Each employee's compensation is adjusted in accordance with the company's overall operating condition and individual performance evaluation.

● Distribution of Average Salaries among New Alpha Employees

Region	Type	Female ♀	Male ♂
Taiwan	Direct employees	1.1	1.1
	Indirect employees	1.5	1.5

Note: Starting salary for new employees/ Statutory minimum wage

● Distribution of Starting Salaries among New Alpha Employees

Region	Type	Female ♀	Male ♂
Taiwan	Direct employees	1	1
	Indirect employees	1	1

Note: Distribution of starting salaries for new employees = Starting salary of new female employees / Starting salary of new male employees

Alpha (Hsinchu plant) carries out retirement and the application thereof according to the Labor Standards Act and Labor Pension Act. Furthermore, where a fixed percentage of the employees' salaries is contributed to the pension account every month as per required by the law. The employer will contribute 6% and 2% of the employees' salary in accordance with the new and old labor pension system respectively. According to the Labor Pension Act, only vocational school students and foreign colleagues do not require contributions to the pension account, all permanent

employees are required to participate in the retirement plan. In particular, only 9 people chose the old labor pension system. In addition, the permanent and contract employees at Alpha (Hsinchu plant) join the coverage of group insurance that is superior to the insurance required by the law since their first day at work in order to protect the safety of their work and life. For overseas Alpha plants (Dongguan plant and Changshu plant), all employees join the coverage of social insurance according to the local regulations since day one, and other social security measures such as monthly contribution to retirement pension and medical care are also implemented.

In order to implement the leave management system at Alpha (Hsinchu plant), employee annual leave and remaining compensatory time notification will be delivered at the beginning of each month to remind the employees to plan their leave accordingly, thereby promoting the concept of a healthy workplace. For overseas plants, leaves are granted in accordance with local regulations.

At Alpha (Hsinchu plant), pregnant employees are offered parking space, breastfeeding room, prenatal examination leave, paternity leave, family leave, marriage leave, and maternity subsidy in order to encourage our employees to get married and have children. At the same time, the company complies with the labor rights stipulated by the Act of Gender Equality in Employment, where both male and female employees are entitled to apply for maternity leave and paternity leave. In 2020, 17 female employees applied for maternity leave, achieving a reinstatement rate of 52.9%. In the same year, 15 male employees applied for paternity leave, achieving a reinstatement rate of 100%.

● Overview of Maternity and Nursery Leave at Alpha (Hsinchu Factory) Maternity/paternity leave and nursery leave among Alpha personnel

Hsinchu	Female ♀					Male ♂		
	Number of People on Maternity leave	Number of People on Returned to work after Maternity leave	Percentage of Returned to work after Maternity leave	Number of People on leave without pay after maternity leave/ Resignation	Number of leave without pay after maternity leave/ Resignation	Number of People on Paternity leave	Number of People on Returned to work after Paternity leave	Percentage of People on Returned to work after Paternity leave
2020	17	8	47.10%	9	52.9%	15	15	100%

In bolstering the company's endeavors in corporate governance information disclosure and social responsibilities, Alpha provides the mean and median salary of non-executive full-time employees, hoping to endow the company's employee remuneration statistics with more reference values and comparability.

In 2020, Alpha had 1,322 non-executive full-time employees with a mean salary of NT\$856,000 and a median salary of NT\$755,000. Comparison of the aforementioned 3 attributes with that of the previous year.





Type	2019	2020
Total number of non-executive full-time employees	1153	1322
Mean salary of non-executive full-time employees	NT\$950,000	NT\$856,000
Median salary	NT\$850,000	NT\$775,000



Company's advancement relies on talent development

Training and Development

Alpha is aware that talents are the most valuable asset of the company, therefore we have spared no effort in training our employees. Every year, we invest a tremendous amount of time, money and manpower in providing them with the best learning opportunities, resources and development platform, while comprehensive training systems are designed to cater to the needs of our colleagues during various stages:

-  **Orientation training:**
 We provide each employee with complete orientation training in areas such as company organization, core competence, internal system, and environmental safety and health, etc., helping the new employees to understand and blend into the company culture quickly.
-  **Management training:**
 Relevant management courses are developed based on the management competency required by different levels of executives in order to reinforce their management ability.
-  **Professional training:**
 Professional training: In order to continue the heritage of Alpha's internal expertise and knowledge, supervisors and the HR Department have organized internal training courses to facilitate the exchange and sharing of professional experiences across different job categories, thereby fostering a learning organization.
-  **External courses:**
 Besides systematic internal training, Alpha also encourages employees to partake in related training courses such as R&D, safety regulations, labor safety, and human resources according to their function and personal development needs, thereby offering them comprehensive training channels.

In 2020, the Company accumulated a total of 24,017 training hours and 21,457 persons over the entire year. In response to the 5G era, the training unit will gather various units' technical training needs and launch technical training courses with relevant units (Tze-Chiang Foundation of Science & Technology and ITRI) including Advanced Theory and Practice of 5G Core Networks to help our colleagues acquire the latest technology trends.

In order to encourage our colleagues to share their professional knowledge and expertise, Alpha (Hsinchu plant) conducts Teacher's Day incentive activity every September, sending out e-cards and gift vouchers to internal lecturers as a token of appreciation for their contributions in training the company staff. In 2020, a total of 163 colleagues received the e-cards and vouchers. Alpha (Hsinchu plant) offers subsidies for language training in English, Japanese, French, German, Spanish, and Russian in order to improve the language proficiency of our colleagues and the company's competitiveness.



Performance Management

A comprehensive performance management scheme and system has been set up to improve employee performance and ability. The system is used to measure the accomplishment of the company's short, medium and long-term goals, and to provide a basis for internal assignments, promotions, salary adjustments, prizes, bonuses, training, and development.

Performance management at Alpha includes the measuring of tangible work targets as well as assessments of conduct. At the start of the year, supervisors interview employees based on organizational business strategy and the department's annual targets. The interviews are used to set each employee's targets, action plans, and personal development plan. Half way through the year, the progress is jointly reviewed by the supervisor and employees to see if the targets need to be adjusted. For the end-of-year performance evaluation, employees shall first complete their assessment of the work targets, core competencies, and personal development plan. The supervisor then provides the employee with feedback based on performance interviews. The feedback is incorporated into the work targets for the coming year or into the employee's personal development plan to boost their ability. Alpha places a strong emphasis on communication between the supervisor and employee as well as communication frequency during the initial target setting, interim performance review, and end-of-year performance evaluation phases. This is to ensure that both parties are on the same page when it comes to the targets set and achieved.

Promotion Management

Alpha offers both management and non-management tracks to personnel that demonstrate outstanding performance and potential. Those willing to take on greater challenges and responsibility can do so, while specialists can also demonstrate their skills in their chosen field.

Alpha provides supervisors with a list of personnel who satisfy the criteria for performance and seniority. Supervisors can then nominate candidates for promotion. The candidates are then reviewed by the authorized manager. Supervisors will arrange for employees slated for promotion to attend management competency courses if they are suitable for management roles.

Employee Events

With diverse employee activities such as year-end banquets, birthday parties, and clubs, the company also organizes various lectures from time to time, covering popular topics such as workplace communication, parenting, investment and financial management, and art appreciation. Alpha (Hsinchu plant)'s welfare committee hosts company trips to bring employees closer to one another, allowing them to strike a balance between work and personal life.

● Outside Training



● Aerobic Community Activities



Capitalize on the influence of network communication to realize the responsibility of corporate technological education

"Alpha Networks Foundation" and "Alpha Foundation" continue to consolidate internal human resources, capital and other aspects to engage in 3 major themes such as "Education in Remote Townships", "Community Development" and "Caring for the Disadvantaged" to inject resources into society by applying our expertise in network communication, so as to give back to the community and engender common good in society.

This year, Alpha Networks Foundation collaborated with TSMC Charity Foundation, China Medical University Hospital, and Lin Tseng-Lien Charity Foundation of Yoji Construction to build a network technology classroom at the Shuanglong Elementary School in Xinyi Township by combining software and hardware resources. In particular, Alpha provided the access points (AP) necessary for a wireless network, hoping students in remote townships can also enjoy an information-friendly environment.

At the same time, Alpha Foundation also visited remote township elementary schools including Nanhe Elementary School in Guanxi and Baoshih Elementary School to host "Alpha AI Network Communication Expert Lectures", where our corporate volunteers teach children about networks and AI through interesting classes. Furthermore, an AI drawing website competition was held to let them understand that similar to a human brain, AI is capable of ongoing "self-learning" and "deep learning" through database creation and linkage.

Alpha's corporate volunteers have introduced AI to the children in an easy-to-understand manner, thereby strengthening their soft power in the field of technology. Also, AI games and contests help to reinforce the positive influence of technology on school children, making it an invaluable learning experience for children living in remote townships. Children were given an opportunity to receive AI technology education, allowing them to obtain knowledge on new technology and in turn bridge the urban-rural digital divide.

On the other hand, Alpha Networks Foundation continues to serve senior citizens; we also developed the Cloud Technology and Smart Living course for senior citizens at the East District Senior Citizen Center in Hsinchu City, teaching them how about network and how to utilize the convenience of networks to enhance their quality of life.

Alpha Networks Foundation and Alpha Foundation will continue to uphold the goal of contributing to society based on the "Company's mobile communication core competence". Furthermore, network equipment will be combined with corporate volunteers to promote technology and network communication education. By upholding the philosophy of "giving back to society", Alpha aspires to bring together people's benevolence using our expertise in network communication to engender warmth and hope.

Alpha Foundation Activities



03. Sustainable Environment Development

Environmental protection is an important element of the Alpha business spirit

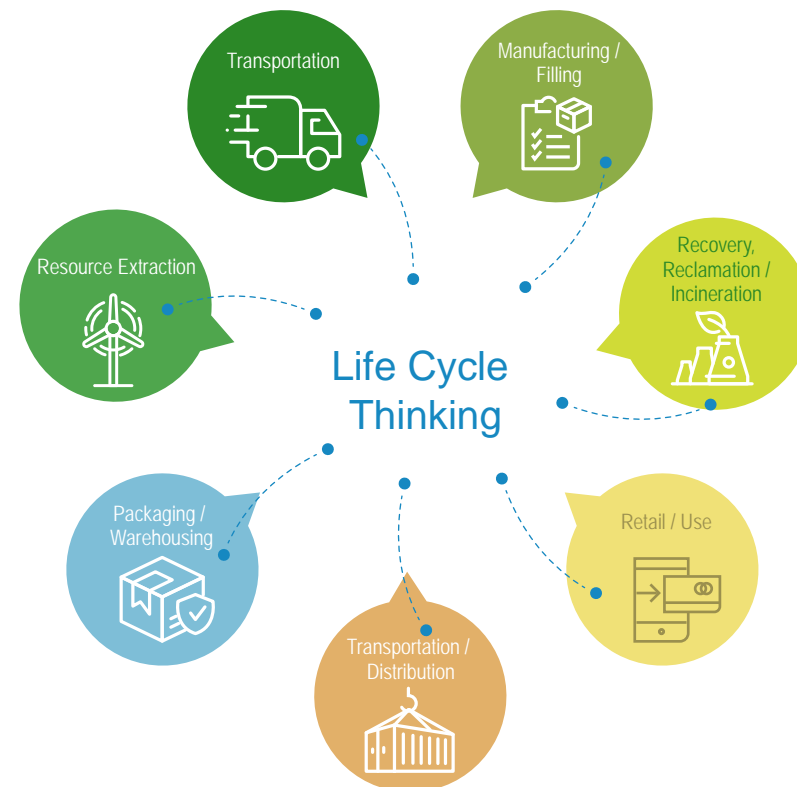
- Sustainable Environment Development
- Green product Management
- Environmental Management
- Greenhouse Gas Inventory
- Safety and Health
- Supply Chain Management and Social Relations
- Conflict Minerals Due Diligence
- Green Production and Continuous Improvement
- Customer Satisfaction Survey Analysis



Alpha Networks values environmental sustainability

Sustainable Environment Development

Stringent measures are taken by Alpha to ensure that all products comply with the EU RoHS, WEEE and other directives. Product performance is also continuously being refined to comply with the requirements of the EU ErP directive. Life Cycle Thinking (LCT) is already introduced in the product development phase. The green design philosophy is also being progressively added with adjustments made as necessary based on changes in international environmental protection regulations.



Design and recyclable for disassembly

In accordance with the EU WEEE product design principles, components are made from materials that can be recovered and reused where possible. Design that hampers disassembly such as paint coatings, welding and adhesives are avoided where possible. Technical documents such as product disassembly manuals and WEEE 3R report are also produced. The goal of achieving a high product recycling rate has now been achieved.

Pollution prevention

LCT is introduced at the product development phase in the hopes of identifying a product's key environmental considerations and minimizing its environmental impact during resource extraction, manufacturing, distribution and sale, use, disposal and recovery.



Energy conservation

Product energy efficiency is based on the guidance of the EU ErP, the (EU) 2019/1782 implementing directive for Parliament and of the Council with regard to Ecodesign requirements for standby and off mode electric power consumption of electrical and electronic household and office equipment, and (EC) No.278/2009 implementing directive for external power supplies.

Low toxicity

In addition to the introduction of lead-free production processes through the green product management platform and strict internal controls, all parts manufactured by Alpha comply with the requirements of EU RoHS directive and REACH regulations.



Alpha purchases and manages legal raw materials through the hazardous substance management platform.

Green Purchasing

To fulfill our environmental responsibility as a global citizen, practice sustainable development of green products, embrace green production and green consumption, as well as reduce the use of natural resources and toxic substances, Alpha has now adopted green purchasing and requires suppliers to comply with the requirements of the signing the Non-use Guarantee Statement.



Green Regulation and Database Establish

International Green Regulations

Rules banning the use of hazardous substances and on waste recovery have been imposed by international regulations such as the "Waste Electrical and Electronic Equipment" (WEEE) directive and the "Restriction of the use of certain hazardous substances in electrical and electronic equipment" (RoHS). The use of six kinds of hazardous substances was specifically banned from July, 2006 and add 4 new hazardous substances under control form July 22, 2019, for a total of 10 banned hazardous substances. and the importation of non-compliant electronic, information and communication products was prohibited as well. With the Ecodesign principles were therefore incorporated into the design and manufacture of products during manufacturing, recycling and export.



● International, regional, national and customer-defined green regulations:

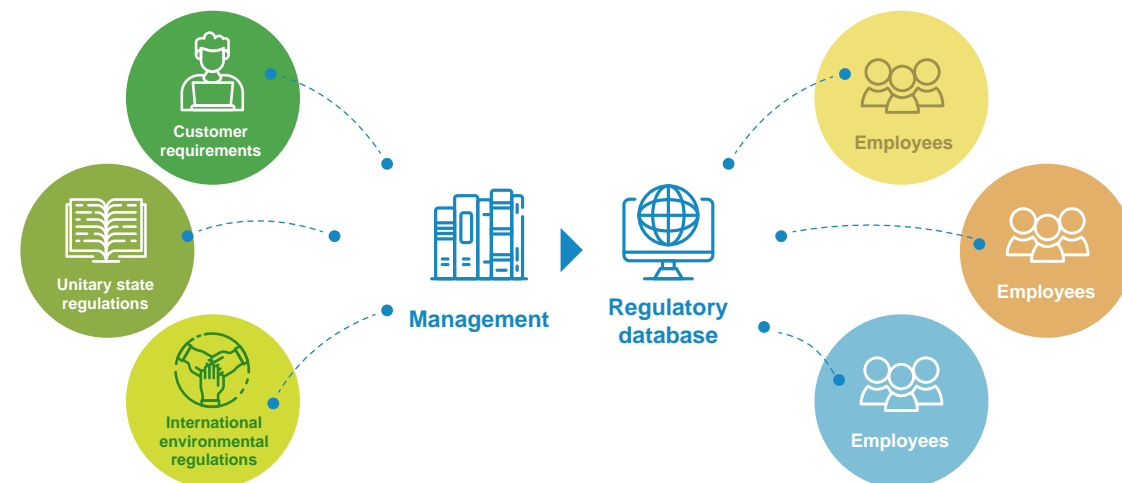
Regulation	Content	Effective date
RoHS directive (Restriction of Hazardous Substances)	The RoHS Directive is an environmental protection directive that took effect on July 1, 2006, in the EU restricting the use of six major chemical substances (Pb/Cd/Hg/Cr6+/PBB/PBDE) in electronic and electrical products in the EU market. The directive was updated on July 1, 2011 to formally include RoHS into the declarations for the CE Mark; On June 24, 2015, the (EU) 2015/863 amendment took effect adding four Pthalates (PAEs) (DEHP/BBP/DBP/DIBP) to the restricted list as well.	2002/95/EC: 2006.07.01 2011/65/EU: 2011.07.21 2015/863/EU: 2019.07.22
China- Restriction of Hazardous Substances	The China-RoHS was formally issued on February 28 2006. All electronic IT products manufactured in or imported into China are now required to undergo CCC verification of hazardous substances based on the product list defined the "Key Management Catalogues."	2006.2.28
Bureau of Standard, Metrology and Inspection	The BSMI in Taiwan added electronic and electrical products in 91 IT and audio-visual categories to the CNS 16663 section 5 requirements on "Content labeling." RoHS was added to the "required commodity inspection" standard along with the CNS 15663 Section 4"content labeling" testing requirements as well. Mandatory testing for RoHS took effect from July 1, 2017.	2017.7.1 BSMI Commodity Inspection Mark
Waste Electrical and Electronic Equipment Directive (WEEE)	The EU 2002/96/EC - Waste Electrical and Electronic Equipment (WEEE) Directive was announced in 2003 with the aim of reducing electrical and electronic equipment waste, encouraging the restoration, re-use and recycling of electrical and electronic equipment. The directive aims to encourage sustainable production and consumption, as well as improve the environmental protection performance throughout the life cycle of electrical and electronic equipment.	2002/96/EC: 2003.02.13 2012/19/EC:2012.07.04
California Proposition 65 (Safe Drinking Water and Toxic Enforcement Act of 1986)	The Safe Drinking Water and Toxic Enforcement Act of 1986 required all businesses selling goods within the boundaries of California to inform residents of the state the amount of chemicals that the home furnishings they purchase or the products in their workplace may contain or emit into the environment.	Implemented from 1986
Sweden offers tariff reductions or exemptions for restricting the use of certain chemical compounds in electrical and electronic products	The Swedish government offers tariff reductions and exemptions on the restricted use of Bromine, Chlorine and Phosphor compounds in some electrical and electronic products	Took effect on April 1, 2017, and enforced from July 1, 2017
TÜV Green Product Mark	A voluntary standard for consumer products and their impact on the environment. A variety of related certification requirements and standards are compiled for different products. Products that pass testing are issued the green product mark to facilitate identification of eco-friendly products by the consumer.	Voluntary certification mark
Eco-design Requirements for Energy-related Products Directive(ErP)	The ErP Directive (2005/32/EC) of the European Council is aimed at reducing the environmental impact of energy-related products including total energy power consumption throughout the product life cycle. The directive sets out a framework for defining the energy- saving requirements for all energy-using products in homes, tertiary industries and the industrial sector. <ul style="list-style-type: none"> Implementing Directive (EC) No.1275/2008 for standby and off mode electric power consumption of electrical and electronic household and office equipment Amending Directive (EU) 2019/1782 for external power supplies Implementing Directive (EC) No.107/2009 for simple set-top boxes Amending Directive (EU) No.801/2013 for network communications equipment with power consumption in standby mode. 	Implemented from 2008
California Energy Commission	Encompasses all products that use external power supplies (such as chargers and adapters) including mobile phones, home cordless phones, portable music players, hand-held gaming devices, and toys. These products were also required to make more efficient use of energy in standby mode and during use.	New mandatory testing method for battery charging systems introduced on November 16, 2016.
EU Code of Conduct on Energy Consumption of Broadband Communication Equipment	The eco-design objectives for broadband infrastructure must conform to the EU Code of Conduct on Energy Consumption of Broadband Communication Equipment	2019 Announcement Broadband Equipment Code of Conduct – Version 7.0

Building a Regulatory Database

Alpha clearly defines hazardous substance usage standards for products able to and environment-related control requirements by regularly updating the green product control guidelines. Alpha is therefore fulfilling its commitment to social responsibility by ensuring product compliance with all the relevant requirements. Apart from complying with existing standards on restricted, banned and controlled substances, Alpha monitors international regulations and requirements on environmental substances including regional or national laws and regulations restricting or banning the use hazardous substances. In keeping with Alpha's commitment to environmental protection, suppliers are asked to conform to and adhere to the relevant laws and regulations as well as their reporting obligations. To strengthen the enforcement of relevant regulations, a fast and detailed regulatory management database has been set up to improve company personnel's understanding of enforcement efforts and progress.

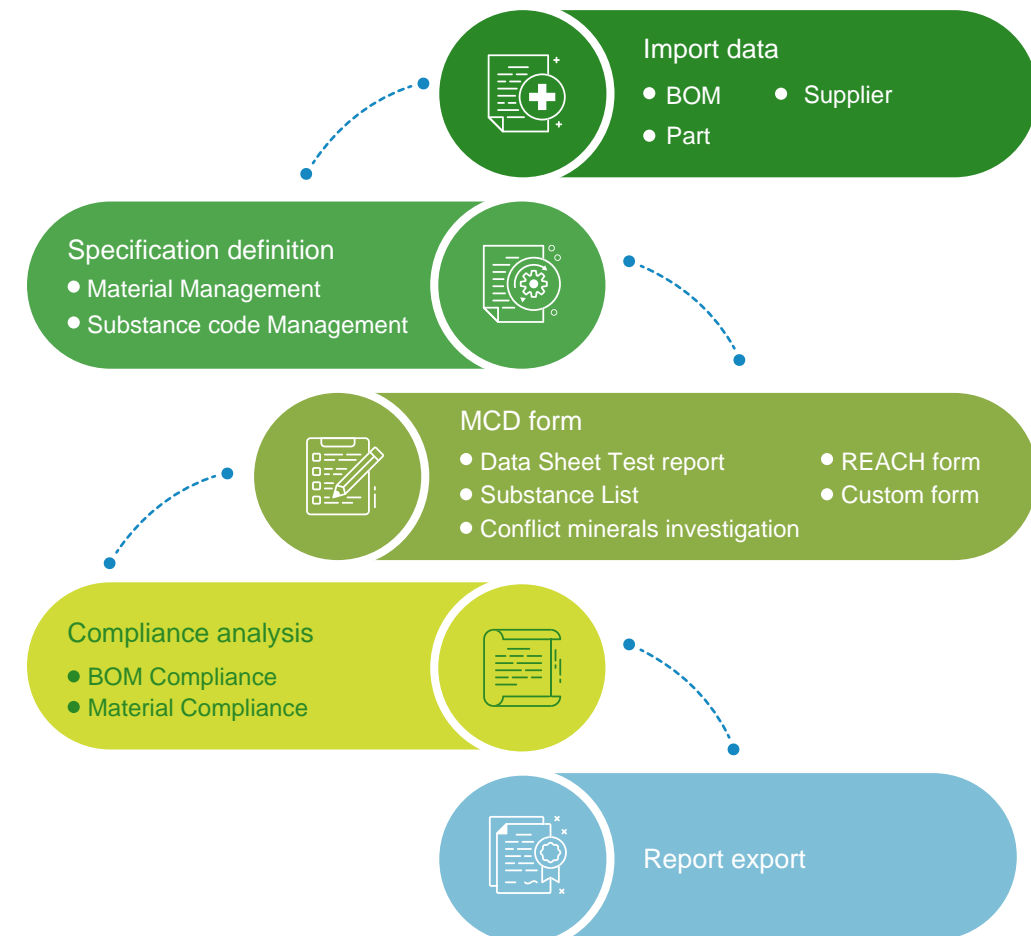
For substances whose use may be restricted or banned in the future, we will continue to evaluate our options where the technology does not impact product quality, safety reliability, human health and increase environmental impact. We will consider revising the timetable for restricted/banned substances, and look at alternatives or improvements that will reduce the level of environmental impact and effect in order to comply with customer requirements as well as international, regional, and national green regulations. An "Alpha Regulatory Database" has been set up for storage and queries to facilitate effective communication.

According to 2020 statistics, Alpha Networks did not violate any green product-related laws and regulations that resulted in lawsuits and major fines.



Hazardous Substance Management

A Green Product Management System (GPM) has been implemented by Alpha in response to the international environmental regulations and customer. In addition to control procedures, suppliers are also required to sign written declarations and submit third-party test reports to ensure that products comply with the rules of the restricted substances list, avoid the effects of hazardous substances, and to ensure that the product adheres to the spirit of environmental friendliness from development through to after production.



1. Compliant with hazardous substance regulations

All Alpha products, semi-assemblies, raw materials, packaging and auxiliary materials conform to current EU RoHS directive and REACH international regulations. All chemical substances used in products, parts and components as well as during the production process are strictly managed in accordance with the usage, restricted use or banned use requirements for hazardous substances through the GPM system. The GPM system's management mechanism ensures that all products are in compliance.



Custom form process

Inspection form designed by central factory

Online communication and interaction with suppliers

Upload of specification documents by suppliers

Verify compliance with requirements



Green investigation process

Compile materials database

Version control for specifications and regulation

Investigation of restricted substances

Review verification and audit

Tracing of green materials and BOM

2. System certification

The Electrical and Electronic Components and Products Hazardous Substance Process Management System Requirements (HSPM) were issued by the International Electrotechnical Commission (IEC) in October 2005. Alpha has obtained the latest IEC QC 080000:2017 system certification.

Product disassembly and recycle design

ALPHA consider the product disassembly and recovery design at the design stage. Product assembly design does not use complex tools and linking processes for production. Plastic components weight 25g or more should also be marked. The use of more than two types of materials should also be avoided. Recovery and disassembly (3R) and EU WEEE directive (WEEE) all form the basis of green product design. Recyclable materials are therefore chosen by Alpha during system design to better comply with EU environmental requirements.

Product energy-saving design

ALPHA in product design stage, consider energy efficiency and reduction of energy consumption. While product in standby and off modes, compliance EU related Product directive (EC) No.1275:2008 (Lot6) and (EU) No.801:2009 (Lot26) the networks equipment standby and off modes energy consumption requirement.



Launching environmental protection activities to mitigate the environmental impact

Environmental Policy/HSF Policy

- Adhere and comply with environmental laws and the RoHS directive
- Develop green products with fully HSF products as the ultimate goal
- Promote recycling of resources and waste reduction
- Continue to improve processes to reduce their environmental impact
- Improve environmental awareness among employees and to participate directly in environmental protection initiatives.
- Conserve energy and improve energy efficiency.

In elevating our employees' environmental protection awareness, Alpha Networks update the Green News publication inspired by the theme of green consumption, hoping to encourage them to engage in environmental protection in everyday life.

● Green News in Toilet



Alpha Networks has planted trees in the Hsinchu plant to love Earth and protect biodiversity. Afforestation not only enhances the view, the green environment is also aesthetically pleasing. It is hoped that the afforestation activity will encourage our colleagues to perceive the importance of environmental protection and sow the seeds of environmental sustainability.

● Planting Activity



In 2020 ,Alpha Networks did not violate any environmental laws and comply with all local laws. Details are described below.

Drinking Water Maintenance Management

Alpha takes measures to ensure that the quality of drinking water is up to standard to protect the safety and hygiene of all employees' water supply. Water dispenser equipment is maintained in-house or by contractors every month. An environmental testing organization accredited by the EPA is retained to test the quality of the treated water for level of E.coli and total bacteria count every three months. Maintenance tasks and water quality test results are recorded in the “Water Dispenser Water Quality Testing and Equipment Maintenance Record Form” and posted prominently near the water dispensers.

HsinChu: According to the Enforcement Rules of the Act Governing Drinking Water Management: e.coli count \leq 6 CFU/100mL
Total bacteria count \leq * CFU/mL

Changshu plant: Compliant with GB 5749-2006 (Standards for drinking water quality)

Dongguan plant: Compliant with CJ 94-2005 (Water quality standards for fine drinking water)

● 2020 Drinking water quality test results (based on the data from the 4th Quarter)

Test item	E.coli count (Unit: CFU/100mL)	Total bacteria count (Unit: CFU/mL)
Hsinchu Factory	< 1	-
Dongguan Factory	Not detected	-
Changshu Factory	Not detected	6 (complied with standards)

Note: Source - Alpha Networks drinking water quality test report

Wastewater Management

Wastewater produced by Alpha consists of domestic wastewater and kitchen wastewater. As the wastewater is not from the production process so voluntary disclosure covers only domestic wastewater.

1. Discharge Testing:

Environmental testing organizations accredited by the Environmental Protection Administration of the Executive Yuan are commissioned every year to carry out testing and keep a record of the test results. All wastewater discharges comply with the rules of the Regulation for the Use and Management of Wastewater Treatment and Sewage System in the Science Park, where the sampling well is cleaned and the flow meter is calibrated annually.

2. Flow meter calibration:

A calibration rule is used to measure and record the overflow height of the triangular weir conduit at the site. The flow rate shown on the display is then compared against the flow rate calculated using the formula.

● Factory Wastewater Discharge, 2018~2020 (Tonnes)

Year	2018	2019	2020
Hsinchu Factory	24,008	257,61	27,749
Dongguan Factory	45,511	44,739	71,805
Changshu Factory	100,704	88,275	81,319

Note 1: Source - Hsinchu Factory – Meter readings reported to the Science Park Administration's sewage treatment factory each month.

Note 2: Source - Changshu Factory and Dongguan Factory – Data is based on tap water consumption statistics (local regulations do not require the tracking of sewage volume so the sewage discharge figures are based on tap water consumption)

● 2020 Discharger water quality test result (depending on the test schedule of respective plants)

Test item	pH	BOD	COD	SS	Oil	MBAS	Ammonia-Nitrogen	Phosphate
Hsinchu Actual value	8.5	117 mg/L	279 mg/L	86.5mg/L	21.3 mg/L	0.13 mg/L	-	-
Hsinchu Controlled value	5~9	300 mg/L	500 mg/L	300 mg/L	25 mg/L	10 mg/L	-	-
Dongguan Actual value	6.19	13 mg/L	34 mg/L	27 mg/L	0.08 mg/L	-	0.283 mg/L	0.11 mg/L
Dongguan Controlled value	6~9	300 mg/L	500 mg/L	400 mg/L	100 mg/L	-	-	-
Changshu Actual value	7.14	-	190 mg/L	62 mg/L	0.10 mg/L	1.02 mg/L	4.43 mg/L	3.97 mg/L
Changshu Controlled value	6~9	-	500 mg/L	400 mg/L	100 mg/L	20 mg/L	45 mg/L	8 mg/L

Note: Source - Discharge water test report

Sewage from various plants is collected by sewer pipes and channeled to the sewage treatment plant for processing. The sewage is only discharged to the environment after making sure that it complies with the regulations stipulated by various authorities.

Waste Management

A waste management procedure has been formulated by Alpha to establish an effective internal waste management system to prevent the polluting of the environment through improper waste management. Waste is divided into general waste, hazardous industrial waste and general industrial waste. Hsinchu plant is equipped with a compliant waste storage area, and a waste disposal company approved by the government and with no fines over the past year is hired to dispose of Alpha's waste.

Waste generation: according to 2020 statistics, recyclable waste and general industrial waste were increased compared to 2019, analysis shows that this is attributed to an increase of waste plastic mixture by 25,195kg, an increase of equipment and construction-generated waste by 11,776.8kg, processing of semi-finished products in Taiwan (increasing waste cardboard boxes by 85,340kg), an increase of kitchen waste by 27,690kg. In particular, recyclable waste and general industrial waste increased by 129,804.2kg and 25,370kg, respectively.

The amount of hazardous industrial waste in 2020 decreased by 6,125.7kg compared to 2019.

The company continues to strengthen the labeling of waste categories in order to achieve the goal of waste reduction.

● Waste Output of Each Factory Between 2018 ~ 2020 year (Kg):

Type		Factory	2018	2019	2020	Method of disposal
General waste	Resource waste	Hsinchu	23,618	91,626.3	221430.5	Recycle
		Dongguan	208,711.82	206,219.73	184664.69	Recycle
		Changshu	731,242.6	275,866.1	289240	Recycle
Hazardous industrial waste		Hsinchu	12,933	33,453.1	27,327.4	Incineration/Physical treatment
		Dongguan	600	600	1000	Processed by EPA-accredited contractors
		Changshu	26,231.46	24,973.18	30,478	Trimming (Recycle) Waste organic solvent (Incineration) Waste oil rags (Incineration)
General industrial waste		Hsinchu	8,960	14,380	39,750	Incineration
		Dongguan	180	160	150	Incineration
		Changshu	127,072.1	202,475	108,000	Recycled by contractor

Noise Control

Noise control at Alpha (Hsinchu) is divided into a work area and surrounding environment in accordance with Occupational Safety & Health Act and Noise Control Act regulations.

For noise control in the surrounding environment, the Noise Control Zone Designation Guidelines require class 3 controls at the Alpha (Hsinchu) site as it is located within a science-based industrial park. If a significant noise source is installed or moved around the site then the noise level must be measured by an outside contractor to ensure compliance with control standards.

There were no significant noise sources in the Hsinchu Factory's surrounding area. No protests were received from neighboring factories or residents either.

Emission Control

Industrial emissions can be divided into particulate emissions and gaseous emissions. To ensure the effective control and reduction of emissions from the production process, Alpha (Hsinchu) retains an EPA-accredited environmental testing organization to measure the composition of emissions from the production process and reduce their environmental impact. All emissions must conform to the discharge standards set by law.

● 2020 Flue Exhaust Inspection Result

Note: Source - Alpha (Hsinchu Factory) flue exhaust test report						
Flue No. P002	Lead	Particulate pollutant			Total Hydrocarbons	
	Actual value	ND<0.0165 (mgNm³)	Actual value	<1(mg/Nm³)	Actual value	36(ppm)
	Emission standard	10(mgNm³)	Emission standard	100(mgNm³)	Emission standard	*
Flue No. P003	Lead	Particulate pollutant			Total Hydrocarbons	
	Actual value	ND<0.0165 (mgNm³)	Actual value	<1(mg/Nm³)	Actual value	5(ppm)
	Emission standard	10(mgNm³)	Emission standard	100(mgNm³)	Emission standard	*
Flue No. P004	Lead	Particulate pollutant			Total Hydrocarbons	
	Actual value	ND<0.0165 (mgNm³)	Actual value	<1 (mg/Nm³)	Actual value	6(ppm)
	Emission standard	10(mgNm³)	Emission standard	100(mgNm³)	Emission standard	*

Note: Source - Alpha (Hsinchu Factory) flue exhaust test report

Dongguan Factory							
	Test Item	Emission concentration (mg/ m³)	Emission limit mg/m³		Test Item	Emission concentration (mg/ m³)	Emission limit mg/m³
SMT workshop exhaust 1#	Benzene	0.01	12	SMT workshop exhaust 2#	Benzene	0.01	12
	Toluene	0.01	40		Toluene	0.01	40
	Xylen	0.01	80		Xylen	0.01	70
	Lead	0.02	0.70		Lead	0.002	0.70
	Tin	0.02	8.5		Tin	0.002	8.5
	Test Item	Emission concentration (mg/ m³)	Emission limit mg/m³		Test Item	Emission concentration (mg/ m³)	Emission limit mg/m³
SMT workshop exhaust 3#	Benzene	0.01	12	SMT workshop exhaust 4#	Benzene	0.01	12
	Toluene	0.01	40		Toluene	0.01	40
	Xylen	0.01	70		Xylen	0.01	70
	Lead	0.02	0.70		Lead	0.002	0.07
	Tin	0.02	8.5		Tin	0.002	8.5
	Test Item	Emission concentration (mg/ m³)	Emission limit mg/m³		Test Item	Emission concentration (mg/ m³)	Emission limit mg/m³
SMT workshop exhaust 5#	Benzene	0.01	12	SMT workshop exhaust 4#	Benzene	0.01	12
	Toluene	0.01	40		Toluene	0.01	40
	Xylen	0.01	70		Xylen	0.01	70
	Lead	0.02	0.70		Lead	0.002	0.07
	Tin	0.02	8.5		Tin	0.002	8.5

Note: Source - Alpha Networks (Dongguan Factory) environmental testing report

Changshu Factory			
Flue No. 1	Item	Tin and its compounds	Non-methane hydrocarbon (counted as carbon)
	Emission concentration (mg/ m³)	0.006	1.60
	Limit value (mg/ m³)	8.5	120
Flue No. 2	Item	Tin and its compounds	Non-methane hydrocarbon (counted as carbon)
	Emission concentration (mg/ m³)	0.003	3.24
	Limit value (mg/ m³)	8.5	120

Note: Source - Alpha (Changshu) Emissions test report



Fire Safety Equipment Inspection and Reporting

The three types of maintenance cycle for fire safety equipment at Alpha (Hsinchu Factory) are monthly maintenance, quarterly maintenance, and annual inspection/registration. For monthly and quarterly inspections, the condition of the equipment is recorded by the inspection personnel in the inspection form. Annual inspections of fire safety equipment are contracted to fire safety companies and registered in accordance with the Operational Criteria for the Inspection and Registration of Fire Safety Equipment in All Premises.

Building Public Safety Inspection, Certification and Registration

Alpha (Hsinchu) not only complies with the relevant laws and regulations but also attach great importance to the working and living environment of employees. Every effort is made to create a workplace where employees can feel safe.

- Outcome of 2020 declaration for examination and repair of fire safety equipment

[illegible]

Note: Source - Fire safety equipment inspection and registration form

- Building public safety inspection, certification and registration results, 2020

[illegible]

Note: Source: Alpha (Hsinchu Factory) - Alpha (Hsinchu Factory)
building public safety inspection, certification and registration form

Energy Resource Management

Alpha is committed to promoting energy conservation and carbon reduction, making improvements to energy-intensive equipment, as well as upgrading environmental safety and health facilities of the company. This will not only improve the software and hardware for energy conservation and carbon reduction at Alpha (Hsinchu Factory) but also achieve the goals of energy conservation, GHG reduction, and safety & health management.

- Loading adjustment of chillers and related equipment

Objective: Automatic adjustment according to the ambient temperature to achieve energy conservation and carbon reduction.

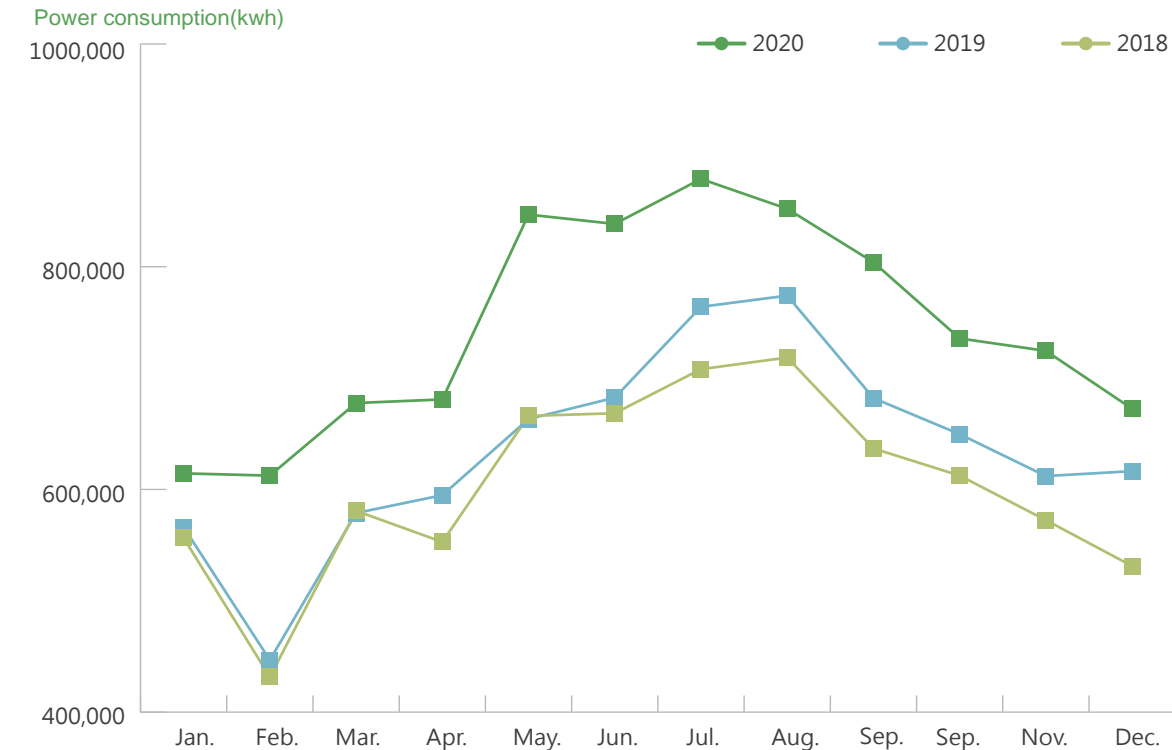
Method: The loading of the chillers and related equipment is adjusted automatically based on the ambient temperature and the desired temperature in order to attain optimal system stability, efficiency, and minimal energy consumption. Benefits:

Annual power consumption/Month	January	February	March	April	May	June
Actual power consumption of chillers and related equipment in 2018	73,510	129,660	144,360	208,910	209,270	268,830
Actual power consumption of chillers and related equipment in 2019	107,600	114,410	160,510	196,850	207,100	248,180
Actual power consumption of chillers and related equipment in 2020	115,630	159,450	146,690	266,180	234,700	272,660

Annual power consumption/Month	July	August	September	October	November	December
Actual power consumption of chillers and related equipment in 2018	221,320	189,110	174,610	140,880	114,410	202,470
Actual power consumption of chillers and related equipment in 2019	264,630	209,090	160,910	142,280	117,640	124,150
Actual power consumption of chillers and related equipment in 2020	308,970	245,210	183,160	182,480	150,250	124,330

Note: Source: Digital power meter

● Power consumption management at Hsinchu Factory



Month	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Y2018	558,400	496,600	602,800	583,200	670,000	702,400	725,600	798,000	715,600	634,600	592,000	532,400
Y2019	556,400	431,600	580,800	552,800	666,000	668,400	708,000	718,400	636,800	612,400	572,400	531,200
Y2020	614,400	612,400	677,600	680,800	846,800	838,400	878,800	852,000	804,000	735,600	724,400	672,400

Note: Date source – Monthly power consumption statement and electricity bills throughout the year (including external units such as convenience stores and telecom companies)

● Actual Power Consumption Statistics(kwh)

Month	Jan.				Feb.				Mar.			
	Power Consumption	Heating Power Consumption	Cooling Power Consumption	Steam Power Consumption	Power Consumption	Heating Power Consumption	Cooling Power Consumption	Steam Power Consumption	Power Consumption	Heating Power Consumption	Cooling Power Consumption	Steam Power Consumption
Y2018	482,890	0	73,510	0	301,940	0	129,660	0	436,440	0	144,360	0
Y2019	458,400	0	107,600	0	332,390	0	114,410	0	418,290	0	160,510	0
Y2020	498,900	0	115,630	0	452,950	0	159,450	0	530,910	0	146,690	0

Month	Apr.				May.				Jun.			
	Power Consumption	Heating Power Consumption	Cooling Power Consumption	Steam Power Consumption	Power Consumption	Heating Power Consumption	Cooling Power Consumption	Steam Power Consumption	Power Consumption	Heating Power Consumption	Cooling Power Consumption	Steam Power Consumption
Y2018	343,890	0	208,910	0	456,730	0	209,270	0	399,570	0	268,830	0
Y2019	397,950	0	196,850	0	456,100	0	207,100	0	434,200	0	248,180	0
Y2020	414,620	0	288,180	0	612,100	0	234,700	0	565,740	0	248,180	0

Month	Jul.				Aug.				Sep.			
	Power Consumption	Heating Power Consumption	Cooling Power Consumption	Steam Power Consumption	Power Consumption	Heating Power Consumption	Cooling Power Consumption	Steam Power Consumption	Power Consumption	Heating Power Consumption	Cooling Power Consumption	Steam Power Consumption
Y2018	486,680	0	221,320	0	529,290	0	189,110	0	520,770	0	194,830	0
Y2019	499,370	0	264,630	0	564,910	0	209,090	0	462,190	0	174,610	0
Y2020	499,370	0	264,630	0	564,910	0	209,090	0	624,840	0	183,160	0

Month	Oct.				Nov.				Dec.			
	Power Consumption	Heating Power Consumption	Cooling Power Consumption	Steam Power Consumption	Power Consumption	Heating Power Consumption	Cooling Power Consumption	Steam Power Consumption	Power Consumption	Heating Power Consumption	Cooling Power Consumption	Steam Power Consumption
Y2018	497,850	0	136,150	0	477,040	0	114,960	0	415,310	0	117,090	0
Y2019	471,520	0	140,880	0	457,990	0	114,410	0	328,730	0	202,470	0
Y2020	553,120	0	182,480	0	574,150	0	150,250	0	548,070	0	124,330	0

Note: Date source – Monthly power consumption statement and electricity bills throughout the year (including external units such as convenience stores and telecom companies)



Conduct greenhouse gas (GHG) emissions audit to monitor the effect of the greenhouse effect

Alpha is keenly aware of the impacts that greenhouse gases (GHG) are making on the Earth's climate, ecology and environment. Due to global green policies, the green economy and to fulfill our corporate responsibility as a global citizen, GHG inventories are conducted by Alpha to help slow the pace of global warming, effectively track and manage GHG emissions, as well as promote voluntary GHG reduction plans. As a result, Alpha won an excellence award from the Hsinchu Science-based Industrial Park Carbon Reduction Awards.

The increasing severity of global climate change has led to a concerted international push on energy conservation and GHG reduction initiatives. In response to the impact of global climate change, Alpha has joined the Carbon Disclosure Project (CDP). We also engage in disclosure of enterprise emissions (ISO 14064-1) and product carbon footprint inventory (ISO 14067/PAS 2050) to track our GHG emissions and make reductions when appropriate.

Greenhouse Gas Inventory and Policy Statement

Climate anomalies caused by global warming is now threatening our living environment. As a leading network communications equipment maker, we fulfill our social responsibility by creating a toxin-free, healthy and sustainable living environment for future generations. To this end, we promise the following:

- Facilitate the tracking of internal carbon emissions by committing to the disclosure of enterprise carbon emissions.
- Work with our business partners to expand the scope of reduction initiatives.
- Provide our consumers and users with more low-carbon options.
- Increase transparency and reduce product carbon footprints.

Carbon Disclosure

Since 2013, Alpha has participated in the Carbon Disclosure Project (CDP) by registering a GHG emissions audit on the project website (<https://www.cdproject.net>). After completing the disclosure, CDP will announce the company's annual disclosure score and performance for the reference of our clients and related stakeholders. In 2020, the project consists of disclosure items such as climate change, water, and supplier engagement. Alpha will continue to monitor global climate change-related topics and strive to make improvements.



Alpha disclosure and performance in recent 3 years

Result/Year	2018	2019	2020
Climate Change	D	C	B-
Water Security	D	B-	B
Supplier Engagement Rating	B-	B-	C

Note: Data courtesy of CDP official website



Greenhouse Gas Emissions

The operational boundaries of Alpha (Hsinchu Factory) encompass direct, energy-indirect and other indirect greenhouse gas emissions. Types of GHG identified by Alpha: Carbon dioxide (CO₂), Methane (CH₄), Nitrous oxide (N₂O) and Hydrofluorocarbons (HFCs). In particular, PFCs, SF₆, and biochar within scope 1 and 2 are not identified as sources of emissions.

Alpha (Hsinchu Factory) set the 2008 inventory as the baseline year. Our Scope 1 direct emissions of GHG in the baseline year amounted to 130.11 tons of CO₂e and accounted for 1.68% of all Company emissions. Scope 2 indirect emissions came from electricity and in 2008 amounted to 7610.38 tons of CO₂e, or 98.32% of all Company emissions. Total emissions (Scope 1 and Scope 2) were therefore 7740.49 tons of CO₂e.

● 2008 GHG emissions ratio by category

Greenhouse Gas Category	CO ₂ (Tons of CO ₂ e/year)	CH ₄ (Tons of CO ₂ e/year)	N ₂ O (Tons of CO ₂ e/year)	HFCs (Tons of CO ₂ e/year)	(Tons of CO ₂ e/year)	Ratio (%)
scope 1	76.31	52.94	0.82	0.03	130.11	1.68%
scope 2	7610.38	0.00	0.00	0.00	7610.38	98.32%
Total	7686.69	52.94	0.82	0.03	7740.49	100.00%
% of total emissions	99.30%	0.68%	0.01%	0.00%	100.00%	-

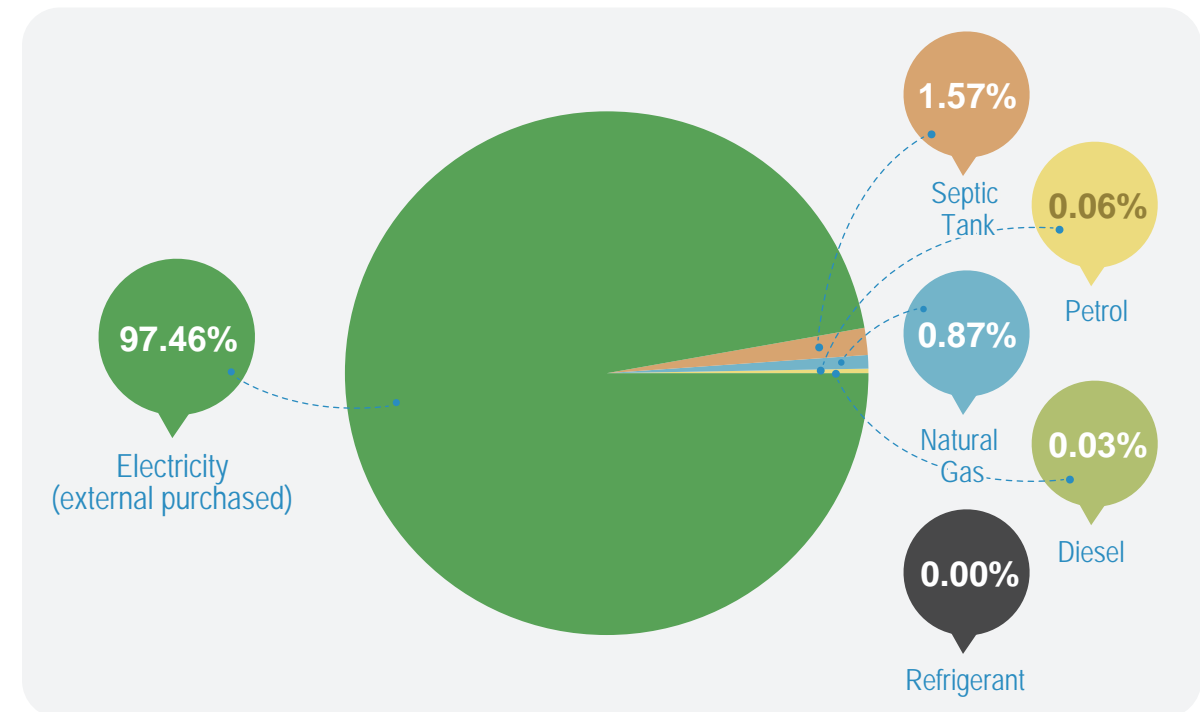
In 2020, Alpha (Hsinchu Factory) GHG emissions from all sources (Scope 1 and Scope 2) totaled 4608.01 tons of CO₂e. Scope 1 direct GHG emissions were 117.24 tons of CO₂e and accounted for 2.54% of all Company emissions. Scope 2 indirect GHG emissions were 4608.01 tons of CO₂e, or 97.46% of all Company emissions.

2020 external verification was carried out by TÜV Rheinland Taiwan, Ltd. Electricity (externally purchased) 97.46%, septic tank 1.57%, gas 0.87%, refrigerant 0.00%, petrol 0.06%, diesel 0.87%.

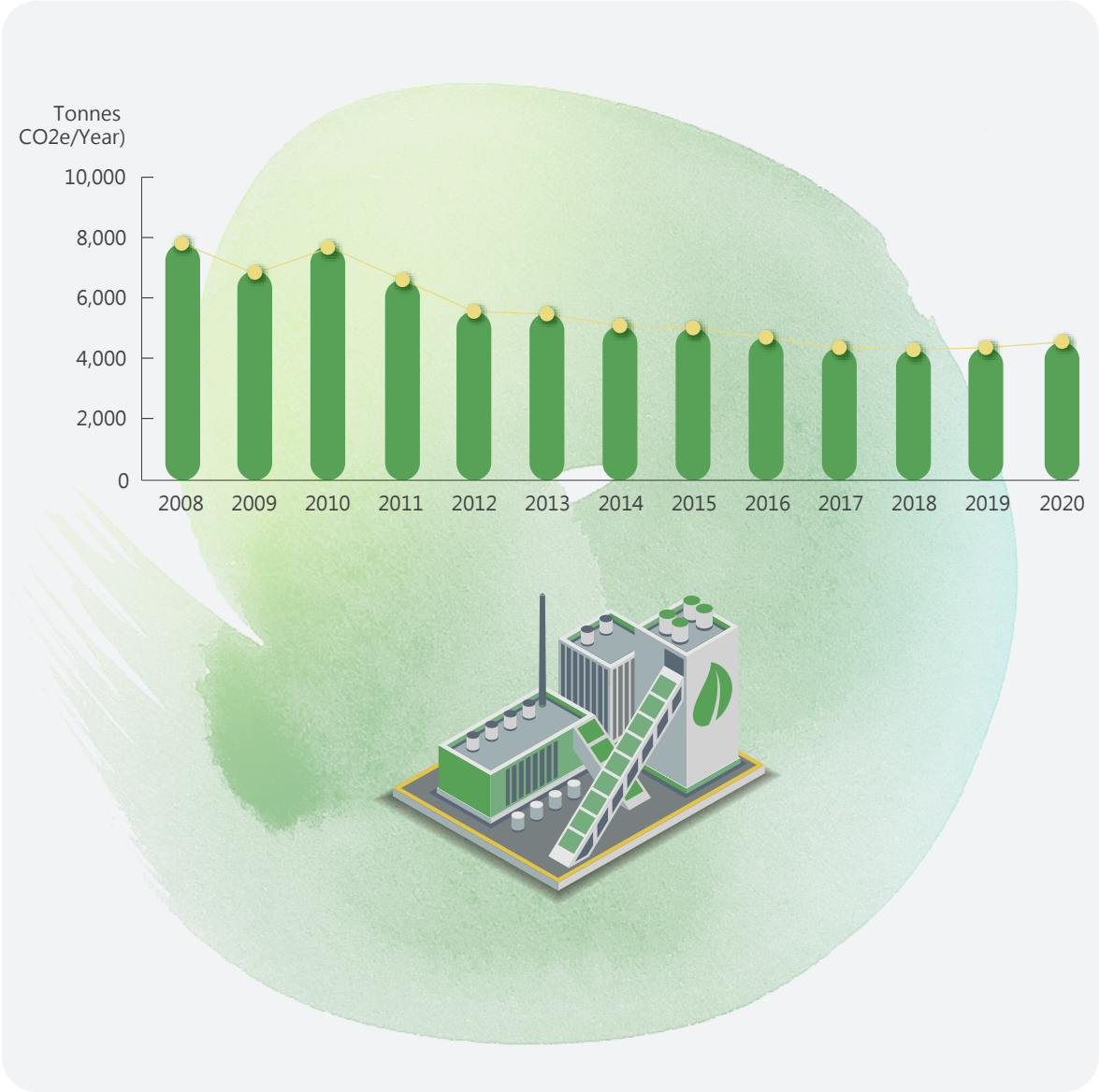
● 2020 GHG emissions ratio by category

Greenhouse Gas Category	CO ₂ (Tons of CO ₂ e/year)	CH ₄ (Tons of CO ₂ e/year)	N ₂ O (Tons of CO ₂ e/year)	HFCs (Tons of CO ₂ e/year)	(Tons of CO ₂ e/year)	Ratio (%)
scope 1	44.57	72.55	0.12	0.00	117.24	2.54%
scope 2	4490.77	0.00	0.00	0.00	4490.77	97.46%
Total	4535.34	72.55	0.12	0.00	4608.01	100.00%
% of total emissions	98.42%	1.57%	0.00%	0.00%	100.00%	-

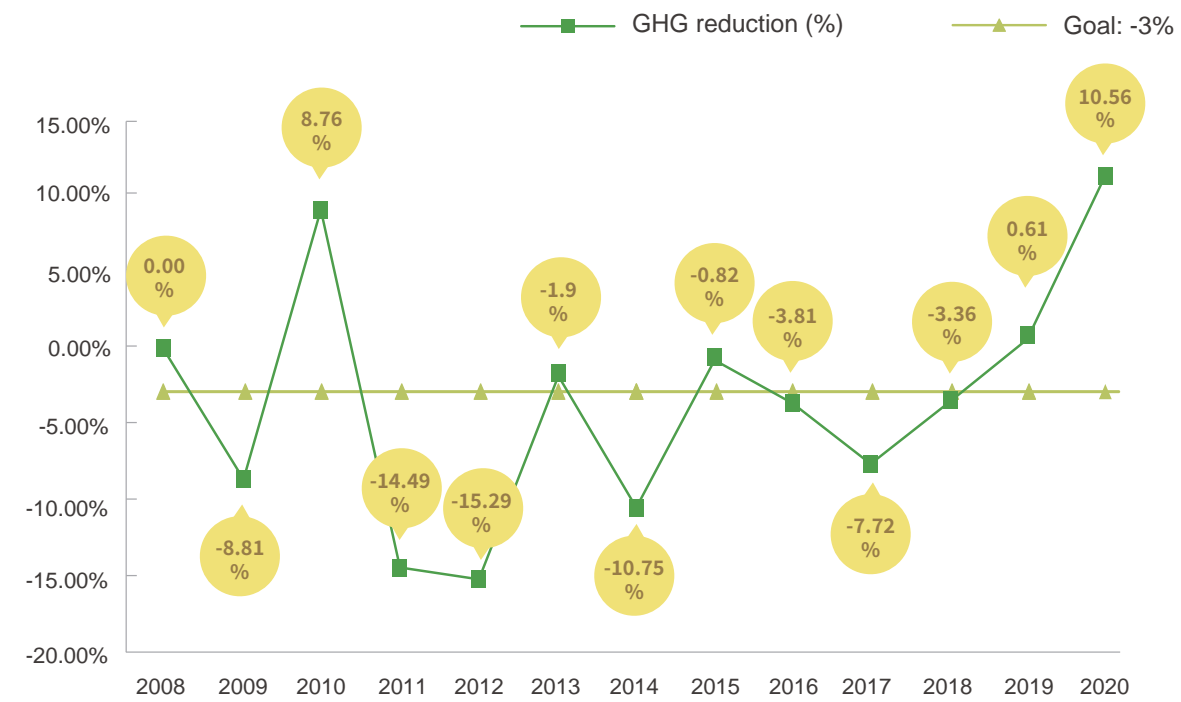
● Distribution of GHG emissions from each source, 2020



● Greenhouse Gas Emissions between 2008 ~ 2020



● Greenhouse Gas Emissions between 2008 ~ 2020



● Percentage of Reduction in Greenhouse Gases between 2008~2020

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GHG reduction (%)	0.00%	-8.81%	8.76%	-14.49%	-15.29%	-1.90%	-10.75%	-0.82%	-3.81%	-7.72%	-3.36%	0.61%	10.56%
Goal	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%



Caring about safety and health – Providing employees with a sound working environment

Alpha Safety and Health Policy:

- All unit managers are committed to enforcing and participating in routine safety and health management activities.
- Protect the safety and health of all employees by preventing the occurrence of occupational disasters. Obey and comply with domestic safety & health laws as well as any other related regulations.
- Improve the effectiveness of safety and health management through continuous reviews and improvements.
- Safety, production and quality are all of equal importance.
The Alpha Safety and Health Committee is made up of workers' representatives in accordance with the
- “Safety and Health Committee Regulations.” Workers make up 100% of the Committee including those involved in internal organizational administration.

Safety and health activities at Alpha (Hsinchu Factory) in 2020 focused on

Voluntary inspection: Voluntary inspections were regularly conducted on the environment of each unit, facilities and special operations.

Safety observation and audit: Random safety observations and audits were conducted to protect the safety of employees and prevent the occurrence of occupational disasters by reducing the number of unsafe environments and behaviors.

Chemical control banding management: Chemical investigations are conducted in accordance with the Management Regulations Governing the Evaluation and Control Banding of Hazardous Chemicals, control banding is enforced for health-related hazardous chemicals. Hazard education courses are held to strengthen awareness on safe use of chemicals.

Detection of Factory risk factors: To monitor the working environment of factory employees and assess their level of exposure to determine if it is in compliance with the law, Alpha commissions external measurement organizations to carry out environmental monitoring at the factory (including the offices and workshops). CO₂, illumination, organic solvent concentrations and noise measurements are taken in accordance with the “Working Environment Measurement Management Procedure” to protect the safety and health of workers.

Safety and Health training

- ✓ **Fire prevention training:** Internal fire drills, response exercises and internal firefighting teams are organized every quarter. Classes and actual exercises are used to help prevent disasters.
- ✓ **Intruder and abnormal postal package exercise:** Intruder and abnormal postal package exercises are held for security and receiving room personnel to improve their disaster prevention and response skills.
- ✓ **Safety and Health training for new and current employees:** Safety and health management regulations are enforced to strengthen the safety, hygiene and health awareness of new and current employees as well as prevent disasters. Occupational Safety and Health management knowledge and skills are also cultivated to support the company's occupational Safety and Health management program.
- ✓ **Civil defense corps training:** To strengthen the safety awareness of employees assigned to the response teams, emergency response and civil defense corps training are organized every year to improve their emergency response capabilities.
- ✓ **Ionizing radiation in-service training:** To strengthen the safety and protection awareness of employees working with ionizing radiation, in-service training for ionizing radiation is organized every year.

● Number of people that underwent safety and health training at Alpha (Hsinchu Factory) in 2020

Type	No. of employees
New employee safety and health training	242
Current employee safety and health training	118
Fire training	42
Civil defense corps training	72
In-service training for ionizing radiation safety	12

● Safety and health education and training records:



● Number of people that underwent safety and health training at overseas sites in 2020

Type	Factory	No. of employees
Hazardous chemical operator training and spill drill	Alpha (Dongguan Factory)	8
	Alpha (Changshu Factory)	6
New employee occupational safety training	Alpha (Dongguan Factory)	330
	Alpha (Changshu Factory)	14
Factory-wide fire evacuation drill	Alpha (Dongguan Factory)	1,080
	Alpha (Changshu Factory)	598

Occupational Injury Statistics

Alpha has defined management regulations on incident reporting and investigation. Work-related injuries, ill health, disease and accidents are investigated through an effective investigation and response mechanism to trace the origin and potential causes. Mistakes in the Safety and Health management system are identified for effective corrective and preventive measures to be taken. This ensures that the same work-related injuries, ill health, disease and incidents do reoccur.

● The 2020 occupational injury statistics for each factory are tabled below

Factory	Alpha (Hsinchu Factory)		Alpha (Dongguan Factory)		Alpha (Changshu Factory)	
	Male	Female	Male	Female	Male	Female
Type						
Frequency of Disabling Injuries	0	0	0	0	0	0
Days lost due to disabling injuries	0	0	0	0	0	0
Disabling Injury Frequency Rate (I.R.)	0	0	0	0	0	0
Lost Days Rate (L.D.R.)	0	0	0	0	0	0
Occupational Disease Rate (O.D.R.)	0	0	0	0	0	0
Absentee Rate (A.R.)	0.64%	1.72%	2.80%	2.62%	3.76%	4.76%
Work-related Fatalities	0	0	0	0	0	0

Note 1: Occupational injury records cover occupational injuries that occur on-site while working. It does not include injuries from traffic accidents while commuting to and from work.

Note 2: Disabling Injury Frequency Rate (I.R.) = Frequency of Disabling Injuries / Total work hours x 200,000

Note 3: Lost Days Rate (L.D.R.) = Days lost due to disabling injuries / Total work hours x 200,000

Note 4: Occupational Disease Rate (O.D.R.) = Incidence of Occupational Diseases / Total work hours x 200,000

Note 5: Absentee Rate (A.R.) = Total Absentee Hours (Sick leave and special leave) / Total work hours x 100%

Contractor Safety and Health Management

The outcomes of contractor safety and health management at Alpha (Hsinchu Factory) are compiled below: A total of 163 applications for construction work were made including 118 cases related to special high-risk operations on-site. A total of 208 people entering the site for the first time received hazard warnings and safety & health training. No occupational injuries resulting in more than one day of lost work occurred at Alpha (Hsinchu Factory) during the course of 2020.

● Management statistics for contractor carrying out work on-site at Alpha (Hsinchu Factory) in 2020

Control type	Work application	Special operations applications	Industrial safety training for on-site contractors
Number	163 cases	118 cases	208 people

Food Hygiene and Safety

Food safety management measures have been implemented at all Alpha sites to provide employees with safe, hygienic and health group catering:

A “Catering Committee” was set up to review group catering, make improvements, and ensure food safety/hygiene for all employees.

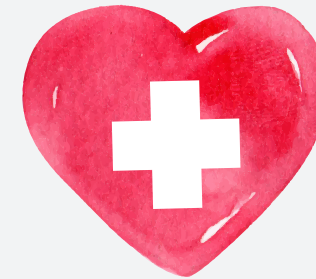
Catering contracts were defined with clearly defined management responsibilities and measures for incoming ingredients, ingredients processing, utensil safety, caterer management, and environment/equipment maintenance management.

Qualified catering contractors are chosen through a strict selection process. Catering conditions are inspected daily, and caterers are required to comply with food safety and hygiene related laws.

Health Promotion

Employee Health Care

1. A dispensary staffed with two occupational health nurses have been set up. Contract specialists also hold clinics on-site three times each month to promote health care, health promotion and special protection.
2. On-site health exams that exceed statutory requirements are provided every year. The results of the health exams are categorized for management. Full-time factory health instructors and on-site physicians provide management measures such as one-on-one interviews, re-exams and follow-ups. Data from the past three years are provided in the health report to help employees manage their health over time. In 2020, the annual health exam participation rate was 97.4%.
3. A list of personnel assigned to special hazardous operations such as noise and ionizing radiation is compiled by industrial safety personnel every year and provided with physical and health exams appropriate to their workplace. The examination rate in 2020 was 100%. Two key management initiatives “Prevention of Work-triggered Cerebrovascular Disease” and “Maternal Health Protection” were developed in accordance with the law. One-on-one follow-up measures such as risk assessment and tiered management are used to prevent the occurrence of cerebrovascular disease and to ensure the maternal health of female employees. To take care of mothers, a reporting system lets the company occupational health nurse keep track of pregnant employees. Protective care and interviews can then be conducted to eliminate potential hazards at work and provide related consultation/care during and after the pregnancy. A warm and comfortable expressing environment is provided for the use of female employees.
4. A “Musculoskeletal Symptoms Survey Form” is filled out by employees during their annual health exam. The data is analyzed so that suitable health education, physician interviews, and follow-up preventive/corrective actions can be provided. A “Preventive Human Factor Engineering in the Office” seminar is hosted every month when the physician is on-site. All employees are required to attend.



- In order to help employees discover potential health problems in advance, Alpha regularly organizes cancer screening services (including abdominal ultrasound and women's healthcare), hoping to achieve “early detection and early treatment”, and thereby lowering the severity of the illness and its impact on personal life.
- Organized preventive services such as influenza vaccination at their own expense. A total of 174 persons signed up for the service.

● Annual employee health examination



Pandemic prevention measures

As of January 30, 2020, all colleagues returning to Taiwan, suppliers, and clients visiting Alpha's Hsinchu plant are subject to COVID-19 prevention measures. The pandemic prevention measures formulated are:

Business trip and traveling restrictions

- Traveling to China in groups for pleasure is temporarily suspended.
- Traveling to China for business is temporarily suspended.

Returning colleague restrictions

- Please inform the infirmary
- Colleagues returning to Taiwan are quarantined for 14 days (effective from the date of entry). HR will announce the attendance management regulations separately.
- During the quarantine period, the colleagues are subject to 14 days of self-health management and wear masks for 14 days.
- If you exhibit flu symptoms (fever, cough, sore throat, body aches, chills, fatigue, diarrhea, vomiting), please wear a mask and notify the infirmary immediately.

Colleagues coming in contact with those who have returned to Taiwan

- Please notify the infirmary
- Please wear a mask to work for 14 days and take temperature measurements twice daily.
- If you exhibit flu symptoms (fever, cough, sore throat, body aches, chills, fatigue, diarrhea, vomiting), please wear a mask and notify the infirmary immediately.

If anyone in your family is tested positive for COVID-19 and if you live with them or have come in contact with them over the last 8 hours, please complete a 14-day quarantine at home. Please also notify the infirmary

- Please notify the infirmary



Supplier and customer restrictions when entering the plant

- Please fill in the pandemic prevention questionnaire before entering the plant.
- For instance, you may not enter the plant within 14 days of returning to Taiwan.
- Please wear a mask when entering the plant; those with flu symptoms and body temperature of $\geq 37.5^{\circ}\text{C}$ may not enter the plant.
- Please disinfect your hands before entering the plant.
- All meetings must be held on the first floor.

Do not go to the hospitals, public venues and buildings with high population density unless necessary.

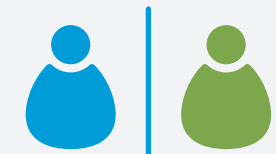
If you have not traveled to affected regions and have never come in contact with those returning to Taiwan from abroad, but you exhibit flu symptoms (fever, cough, sore throat, body aches, chills, fatigue, diarrhea, vomiting), please wear a mask.

Plant disinfection

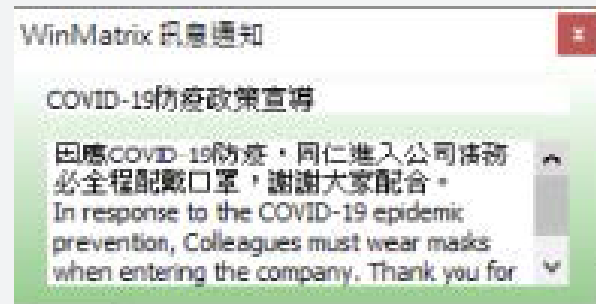
- The cleaning staff must wipe down the public facilities such as stair railings and door handles with bleach twice daily.

Please wear a mask to attend meetings or make use of video conferencing or telephone instead.

Please maintain a good hygiene habit of washing your hands regularly.



- Pandemic information and policy announcements in Chinese and English



- Visitor and contractor entry application during COVID-19

ALPHA Networks

新型冠狀病毒防疫期間訪客、承攬商入廠申請書

申請日期： 年 月 日

本人 之訪客、承攬商 (名稱、人數)

於 年 月 日 時 至 年 月 日 時，因特約需求 (原因) 入廠地點： 廠區管制範圍之相關範圍(不一而足)

同時遵守公司所有防疫規定，並全程配戴口罩，承攬商必須由受訪員工全程陪同，並遵守廠區之防疫、承攬商須於以下 3-5 之狀況發生，一律禁止入廠。

訪客及承攬商人廠管制規定如下：

1. 入廠前應填妥防疫表。
2. 21 天內無海外入境、或無不健康症狀。
3. 21 天內無接觸過新型冠狀病毒確診者不能進入入廠。
4. 21 天內無接觸過國外回家有發燒、感冒症狀者不能進入入廠。
5. 有感冒症狀及發燒量達 37.5℃ 者不能入廠。
6. 請自備口罩並於入廠期間全程配戴。
7. 入廠前應進行手部消毒。
8. 訪客及承攬商應一律在 30 分鐘內離開廠區。

● 上述規定已於 年 月 日告知訪客及承攬商。

受訪員工	訪客/承攬商	陪同員工	陪同員工
姓名/職稱	姓名/職稱	姓名/職稱	姓名/職稱

- Alpha Networks Hsinchu plant employee cafeteria pandemic prevention measures

研新科技新竹廠員工餐廳防疫應變措施說明

新型冠狀病毒防疫期間：為嚴防人員、避免集中用餐情形，自 2 月 22 日(一)起實施防疫期間，員工餐廳暫停開放，實施原則如下：

- 一、防疫期間員工餐廳暫停開放，每日 AM11:30-PM2:30 期間，餐廳全區(含廚房)關閉。
- 二、防疫期間員工餐廳暫停開放，並由廠區防疫小組，以防疫工作人員巡迴巡視，並請員工在指定地點用餐，將餐盤及餐具帶回指定地點回收。
- 三、中午及晚餐時間，7-11 提供，並由廠區防疫小組巡視員工用餐情形，並請員工在指定地點用餐。

以下為防疫期間員工餐廳應遵守之規定：

- 用餐時間 11:30-12:00 範圍-每桌僅坐 2 人
- 用餐時間 12:00-12:30 範圍-1F、2F、3F 樓辦公人員
- 用餐時間 12:30-1:00 範圍-4F、5F 樓辦公人員

防疫期間員工餐廳應遵守之規定，請員工在指定地點用餐，並請員工在指定地點用餐。

防疫期間員工餐廳應遵守之規定，請員工在指定地點用餐，並請員工在指定地點用餐。

研新科技安全衛生課 敬啟

- Employee/supplier temperature measurement before entering the plant and placement of isopropyl alcohol by the entrance



- Pandemic control dividers in the conference room



- Pandemic control dividers in the cafeteria





Implement supplier management to fulfill corporate social responsibilities

Alpha requires all local suppliers to comply completely with all relevant laws and regulations. Alpha also takes a close interest in the management of labor rights, environmental protection, safety and health risks by the supply chain.

Alpha used the Code of Conduct - Responsible Business Alliance (RBA) to develop the Basic Supplier Code of Conduct. All suppliers are required to comply with the relevant commitments on social responsibility and ethics.

All new suppliers are now required to sign the "Responsible Business Alliance (RBA) Statement" and explicitly commit to the fulfillment of their to be compliant with the standards on labor rights, health and safety, environmental protection, ethics, management systems and social impact.

Suppliers are not only required to conduct quality, cost, delivery, service and technical assessments but to also practice purchasing management based on the Green Supply Chain. Hazardous substance controls have also been incorporated into the incoming material verification procedure. For raw materials that violate the controlled substance rules, suppliers are required to propose corrective and preventive measures right away.

Supplier order management

Alpha has developed its own supplier transaction platform. We adhere rigorously to privacy laws and confidentiality agreements in order to create a secure and smooth-running platform environment.



Supplier Management

Supplier Selection/Evaluation/Reward and Punishment

The selection of suppliers is based on set criteria. Qualified suppliers must also undergo on-site audits or host review meetings to examine their performance. A high-priority supplier management list is maintained by Alpha based on each department's evaluation of vendor performance in five domains: quality, cost, delivery, service and technical. The evaluation outcomes are used as the basis for adoption of key parts and to motivate suppliers.

Monthly/Quarterly Supplier Evaluations

Supplier Quality Performance Evaluation

Evaluation time: An evaluation of supplier performance during the preceding month is provided by the 15th day of each month.

Supplier evaluation standard: Supplier quality is graded in the following manner as defined in the "Incoming Material Management Procedure":

Excellent (Grade A): ≥ 95 ,

Good (Grade B): 94~90,

Acceptable (Grade C): 89~85,

Inferior (Grade D): 84~80,

Poor (Grade E): < 80 .

A supplier quality evaluation score of 80 is required for a qualified supplier.

In 2020, the excellent (A), good (B) grade suppliers accounted for 94.63% of total suppliers and there were 1.34% poor (E) grade suppliers.

Alpha offered guidance to these poor (E) grade suppliers and demanded them to make improvements, while ongoing guidance was also provided to acceptable (C) and inferior (D) grade suppliers to address their problems in order to improve the overall quality of delivered products

Supplier Rating

The Supplier Evaluation Operation Guidelines set the quarter as the statistical interval. The evaluation results are reported in the following month of each quarter.

All key Alpha suppliers (involving large quantities and transaction amounts) are evaluated by the Purchasing, Engineering, and QA units in terms of quality, cost, delivery time, service, and technical capability (see table below). Those with a score of less than 70 will be listed as disqualified suppliers.

In 2020 a total of 149 suppliers were evaluated, and none of them were non-recommended suppliers. In 2020, no suppliers were suspended.

● Supplier Education and Training

Content	Score distribution			Total score
	CQC	Supply Chain Management Center	Engineering Units	
Quality	45			45
Cost		20		20
Delivery		10		10
Service	5	5	5	15
Technical			10	10
Total score	50	35	15	100

Supplier Education and Training

In order to let the suppliers accurately deliver the green Material Composition Declaration (MCD) information, quarterly supplier training course “GPM Green Product Management Information Platform: Completing and Uploading the Declaration Form, Test Report, and Material Composition Form” is conducted at Alpha (Hsinchu plant), Alpha (Dongguan plant), Alpha (Changshu plant). The supplier is expected to upload the MCD with Alpha in order to comply with international regulations.

● 2020 Training Schedule for Suppliers

Class location/time	Q1	Q2	Q3	Q4
Alpha Networks (Hsinchu Factory) No. 8 Li-hsing 7th Rd., Science-based Industrial Park, Hsinchu City	3/11(Wed)	6/11(Thur)	9/9(Wed)	12/9(Wed)
Alpha Networks (Dongguan Factory) Xingang Road, Xin'an Area, Chang An, Dongguan City Guangdong Province)	3/20(Fri) (Stop holding due to pandemic)	6/19(Fri)	9/18(Fri)	12/18(Fri)
Alpha Networks (Changshu Factory) No.369, Yintong Road, Southeast Development Zone Changshu, Jiangsu Province	3/13(Fri) (Stop holding due to pandemic)	6/12(Fri)	9/11(Fri)	12/11(Fri)

Supplier training is conducted once quarterly at the Hsinchu, Dongguan, and Changshu Factory. In 2020, a total of 44 employees from 31 suppliers were trained at the said factories.

Supplier Purchasing Contract

To build a green supply chain, Alpha suppliers are required to adhere strictly to our “Hazardous Substance Guidelines.” Test report from independent third-party bodies must be submitted where necessary. Source management is practiced for supplier production processes, green product design and hazardous substances. Green management principles have also been incorporated into the supplier management system. “Supplier Purchasing Contracts” were signed with a total of 41 material suppliers in 2020. In the future, Alpha will continue to sign purchasing contract guarantees with the suppliers that we deal with to ensure the products we design and manufacture can also comply with customers' RoHS-related international regulatory requirements and fulfill the goal of building a Green Supply Chain.

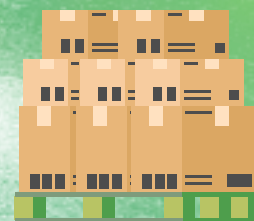
Corporate Social Responsibility Audit

Alpha Networks aspires to form a sustainable partnership with our suppliers; besides valuing the suppliers' product quality, shipping date, and price, we also stipulated the Supplier Corporate Social Responsibility Management Operational Regulations based on the Code of Conduct - Responsible Business Alliance (RBA), hoping to fulfill corporate social responsibilities with our suppliers, implement risk management and operational sustainability. New suppliers must sign a supplier statement of commitment to ensure compliance with RBA requirements and fill in the Supplier RBA Self-Evaluation Questionnaire. The aim is to understand the suppliers' performance in labor, health and safety, environmental protection, management system, and business ethics before launching on-site audits according to the supplier category and follow-up supervision, in turn making sure that the shortcomings are adequately improved. In 2020, Alpha Networks conducted a supplier audit on 42 suppliers including one annual supplier audit and 41 new supplier audits.

Supplier Partnerships

Alpha Networks value the interactions and learning with our suppliers. Besides routine business review meetings, we also organize supplier conventions from time to time to present awards to outstanding suppliers or suppliers that have made special contributions in order to thank the suppliers for their support. At the same time, we conduct reviews and future outlooks of our suppliers' product and service quality, as well as update the latest industry information with each other in a bid to unveil products and services that cater to the market's needs.

SUPPLIER



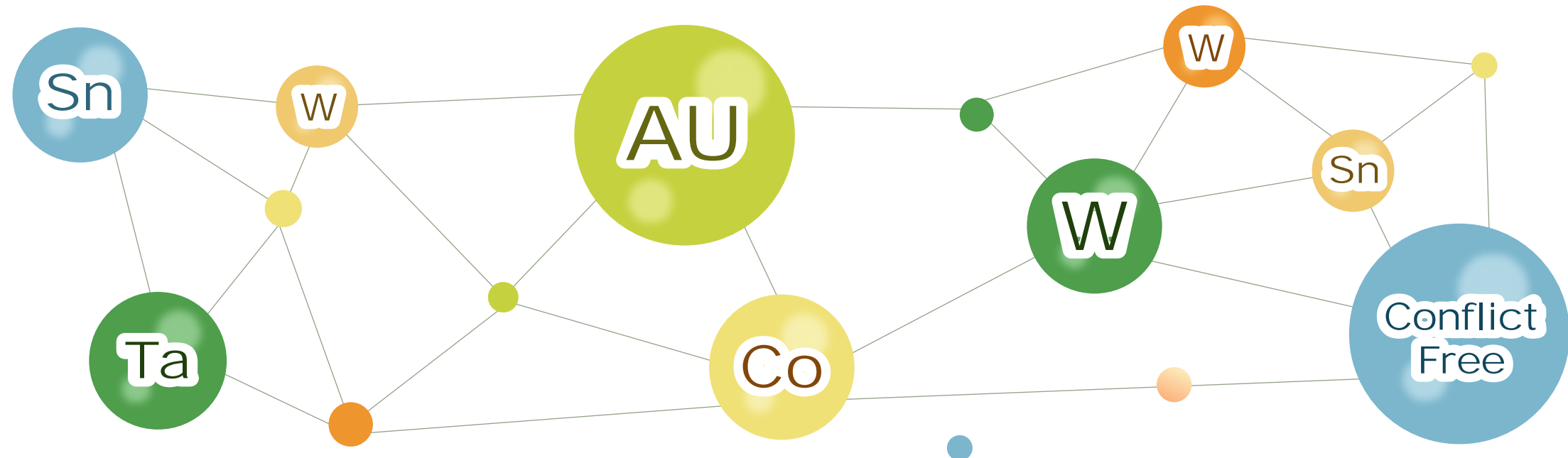


Disclose the source of raw materials – Banning the use of conflict minerals

Conflict Minerals Policy

Alpha is committed to monitoring the issue of conflict minerals, and to investigate the sources of gold (Au), tin (Sn), tantalum (Ta), Tungsten (W) and Cobalt (Co) minerals to ensure they are “conflict-free.” We promise to form long-term partnerships for mutual success with our suppliers. We expect and require suppliers to disclose the refineries and mines they work with. Suppliers are also asked to comply with the RBA Code of Conduct in fulfilling their corporate environmental and social responsibilities together.

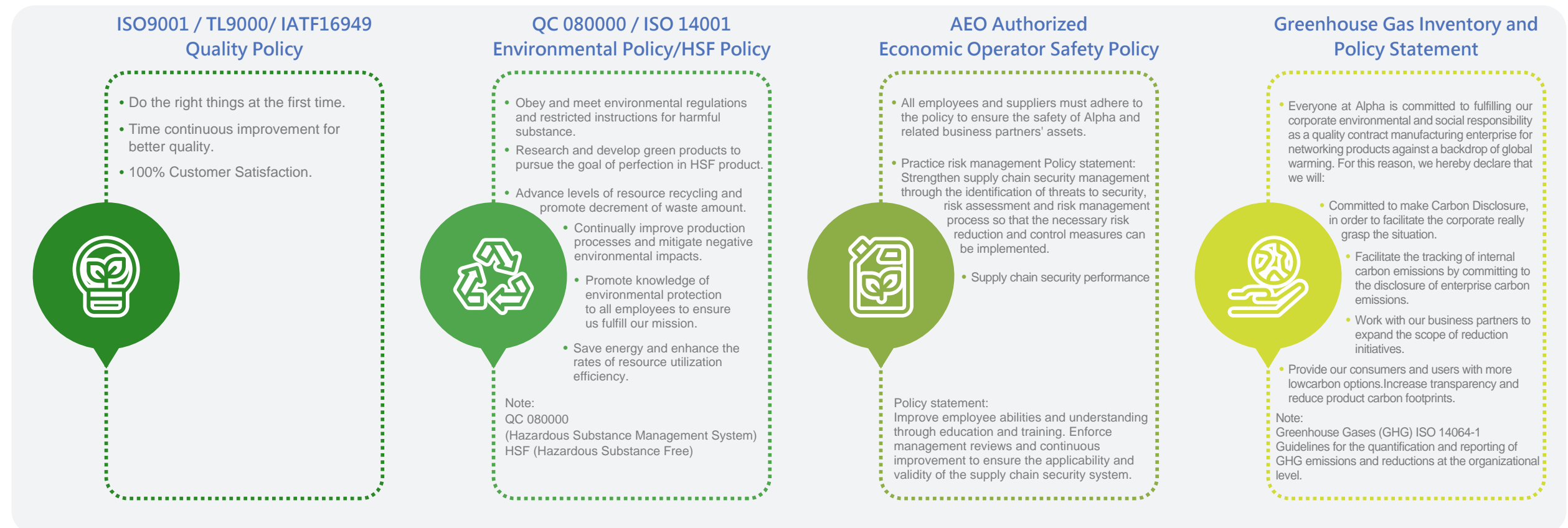
Suppliers have been required to sign the “Declaration on Non-use of Conflict Minerals” since 2013. CMRT conflict mineral investigations are also regularly conducted. The latest survey was started from June 2019 till the end of January of 2020, 408 suppliers have signed the declaration and responded to the CMRT survey.



Investing in the R&D and manufacturing of green products and implementing ongoing improvement

Green Commitment

Alpha Networks proactively engages in green product R&D and manufacturing process in order to promote environmental concepts to the entire workforce. During the product manufacturing process, ISO 9001, TL 9000, IATF16949, ISO 14001, QC 080000, ISO 14064-1 and AEO management system-based measures are implemented to various production activities to unleash the maximum potential of the green movement and generate the greatest benefits.



To meet our Delivery, Quality, Customer satisfaction and Service goals, Alpha develops our corporate vision, unit organizational goals (KPI, MBO) and employees' individual performance goals from the top to down every year. Different quality techniques, tools and systems are introduced around our corporate values of "Integrity", "Customer Value", "Agility" and "Collaboration" to ensure compliance with the quality management standards of green production from product development through to production and manufacturing.

The same set of manufacturing system and quality management standards are used at all Alpha production sites, including Manufacturing Execution System (MES), SAP, PLM, e-JIT (Just-in-Time) and Supplier Management System (SMS). Each production site collaborates with the Quality Center on the promotion of continuous improvement projects and the introduction of performance management such as Total Productive Management (TPM), Total Customer Satisfaction (TCS), 6 Sigma, Quality Control Cycle Circle (QCC), Quality Improvement Team (QIT) and the improvement proposal mechanisms. Everyone participates in the analysis and discussion to prevent the same problems from happening again. The registration and tracking of the Key Performance Indicators (KPI) and Management by Objective (MBO) set by each unit each year is also used to predict potential risks so that preventive mechanisms can be planned in advance. Continuous improvement through the PDCA cycle is used to do our part in corporate responsibility.

To ensure proper anti-static protection measures and mechanisms are in place for all parts and products during the manufacturing process, all sites including Alpha (Hsinchu), Alpha (Dongguan), and Alpha (Changshu) follow the ANSI/ESD 20.20 electro-static discharge protection certification standard. An access control system also permits only authorized personnel to enter the site after passing ESD measurement to ensure that ESD protection is fully enforced.



Business Continuity Management

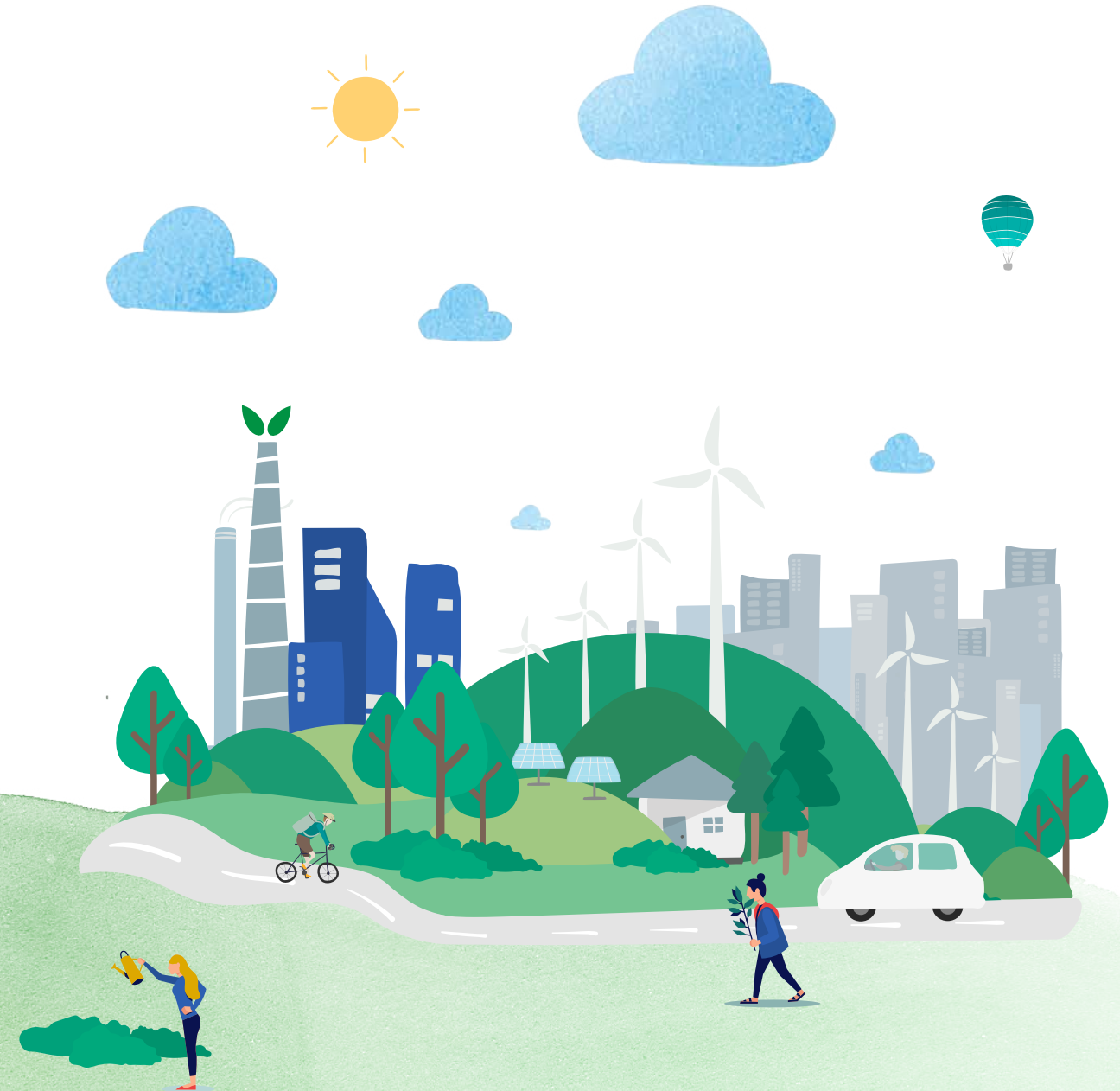
To ensure the continuity of operations and reduce the impact of major faults or disasters on critical business processes, Alpha introduced the Business Continuity Management (BCM) in 2014. Two disaster drills (including power outage, natural disaster, infectious diseases, IT failure, supply chain interruption and major accident on production line, etc.) are conducted at different times each year to contain operational impact of any disasters.

In 2020, the Hsinchu plant carried out 4 disaster drills: production interruption caused by a typhoon, defect in the product's waterproofing function leading to delayed delivery, production interruption caused by utility disruption (Taiwan Power Company short circuit) resulting in a blackout; Changshu plant conducted 2 disaster drills: shutdown of the airport in Shanghai, resulted in interrupted shipping of general products and production line interruption caused by an influenza virus. All the drills produced the expected results.

Business continuity management policy : Alpha Networks Inc. strives to provide quality networking products and to form partnerships for mutual growth with our customers.

The top priority in our business continuity management is to provide customers with diverse, high-quality and uninterrupted manufacturing services for networking products.

- Conduct business impact analysis and risk assessment. Formulate business continuity strategy and restore operations to normal as quickly as possible.
- Allocate and invest the necessary resources in the event of a disaster or impact. Continue to review further improvements.
- Protect the interests of customers and stakeholders as much as possible.





Listening to the voices of the customers through the customer satisfaction survey

Alpha conducts customer satisfaction surveys to establish a customer need oriented quality system, where objective techniques are applied to evaluate the level of customer satisfaction towards the company's products or services. The aim is to ascertain the gap between customer needs and expectations in order to use it as the basis for improving the quality system, ultimately achieving the objective of sustainability.

Survey result analysis

The questionnaire includes Quality Measurements, Delivery Performance, Engineering Support, Product Development and Realization, as well as Green Product Implementation, totaling 19 questions across 5 sections. Sampling survey will be conducted. The respondents are asked to express their satisfaction level for each question. Each question can receive a maximum weighted score of 5 (excellent) and a minimum weight score of 0 (very poor).Alpha hopes to ascertain whether or not the products and services provided by the Company cater to the needs of different customer groups and use the information as the basis for ongoing improvements.

The goals and results of the annual satisfaction survey from 2015 to 2020 are tabulated below

Annual trend chart of various themes from 2015 to 2020.

It can be determined from the above charts that the customer satisfaction levels towards services provided by the Company in 2020 have declined. For items of the survey that fail to reach a score of 85 points, the responsible unit will propose improvement measures and follow through to resolve the customers' dissatisfaction.

Conclusion and recommendation

Through the customer satisfaction survey, the aim is to objectively assess whether Alpha's products and services can meet the needs of our diverse clients' and new clients, so as to achieve the objective of ongoing improvement and sustainable management.

● Satisfaction investigate annual run chart of various themes

Year	Quality Measurements	Delivery	Engineering Support	Customer Service	Green Product Implementation
2015	73	86	82	86	91
2016	83	84	84	86	89
2017	85	88	83	86	89
2018	84	86	86	86	88
2019	86	93	90	88	89
2020	82	87	85	83	90

● The annual satisfaction targets and outcomes during 2015-2020 are tabulated below

	2015	2016	2017	2018	2019	2020
The goals of annual satisfaction levels	80	80	80	80	85	85
The outcome of annual satisfaction levels	82	84.2	85.6	85.3	89.3	84.9

04. Appendix

- GRI Standard Index
- Accuracy of Disclosure

5G

*Forging The Internet To
Connect People & Things*

ALPHA Networks, your reliable networking partner





GRI Standard Index

General Disclosure

GRI Content Index	Disclosure	Chapter	Page	Exclusion
GRI 102: 2020 General Disclosure	102-1	Name of the organization	About Alpha	13
	102-2	Identifying and selecting stakeholders	About Alpha	13
	102-3	Location of headquarters	About Alpha	14
	102-4	Location of operations	About Alpha	14
	102-5	Ownership and legal form	About Alpha	13
	102-6	Market served	About Alpha	14
	102-7	Scale of organization	About Alpha	13
	102-8	Information on employees and other workers	Recruitment	31
	102-9	Supply chain	Supply Chain Management and Social Relations	59
	102-10	Significant changes to the organization and its supply chain	No significant changes	N/A
	102-11	Precautionary Principles or approach	Risk Analysis and Management	29
	102-12	External initiatives	Alpha Policies	6
	102-13	Membership of associations	About Alpha	16
	102-14	Statement from the senior decision-maker	From the Chairman	4
	102-16	Values, principles, standards and norms of behavior	Alpha Policies	6
	102-18	Governance structure	Corporate Governance	26
	102-40	List of stakeholder groups	Stakeholder Communication and Identification	8

GRI Content Index		Disclosure	Chapter	Page	Exclusion
GRI 102: 2020 General Disclosure	102-41	Collective bargaining agreements	No union organization at present	N/A	
	102-42	Identifying and selecting stakeholders	Stakeholder Communication and Identification	8	
	102-43	Approach to stakeholder engagement	Stakeholder Communication Mechanism	11	
	102-44	Key topics and concerns raised	Stakeholder Issues of Concern Survey	9	
	102-45	Entities included in the consolidated financial statements	Operating Performance	18	
	102-46	Defining report content and topic boundaries	About this Report Stakeholder Communication and Identification	3 8	
	102-47	List of material topics	Identification and Sorting of Material Issues	10	
	102-48	Restatements of information	None	N/A	There is no restatements of information to previous reports
	102-49	Changes in reporting	Stakeholder Communication and Identification	8	
	102-50	Reporting period	About this Report	3	
	102-51	Date of the most recent report	About this Report	3	
	102-52	Reporting cycle	About this Report	3	
	102-53	Contact point for questions regarding this report	About this Report	3	
	102-54	Claims of reporting in accordance with GRI Standards	About this Report	3	
	102-55	GRI Content Index	GRI Content Index	68	
	102-56	External assurance	Accuracy of Disclosure	72	

Material Topics

Business Continuity Management

GRI Standards		Disclosure	Chapter	Page
GRI 103: 2020 management approach	103-1	Explanation of the material topic and its Boundary	Risk Analysis and Management	29
GRI 103: 2020 management approach	103-2	The management approach and its components	Risk Analysis and Management	29
		Risk Analysis and Management	Risk Analysis and Management	29

Company Cultures

GRI Standards		Disclosure	Chapter	Page
GRI 103: 2020 management approach	103-1	Explanation of the material topic and its Boundary	Operating Performance	18
GRI 103: 2019 management approach	103-2	The management approach and its components	Operating Performance Financial Information Project Grants	18 19
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	Operating Performance Financial Information Project Grants	18 19

Information security Management

GRI Standards		Disclosure	Chapter	Page
GRI 103: 2020 management approach	103-1	Explanation of the material topic and its Boundary	formation security management policy	28
GRI 103: 2020 management approach	103-2	The management approach and its components	Information security management policyw	28
		Information security management policy	Information security management policy	28

Recruitment and Retention

GRI Standards		Disclosure	Chapter	Page
GRI 103: 2019 management approach	103-2	The management approach and its components	Recruitment	31 32 33

Labour Relations

GRI Standards		Disclosure	Chapter	Page
GRI 103: 2019 management approach	103-2	The management approach and its components	Compensation and Benefits	34
GRI 403: Occupational safety and health	103-2	The management approach and its components	Talent Development	36

Environmental Compliance

GRI Standards		Disclosure	Chapter	Page
GRI 103□GRI 103: Management Approach 2020	103-1	Explanation of the material topic and its Boundary	Green Products Management	41
GRI 103: Management Approach 2019	103-2	The management approach and its components	Green Products Management	41
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Green Regulation and Database Establish Environmental Management Hazardous Substance Management	43


Occupational Health and safety

GRI Standards		Disclosure	Chapter	Page
GRI 103: Management Approach 2020	103-1	Explanation of the material topic and its Boundary	Safety and Health	54
GRI 103: Management Approach 2020	103-2	The management approach and its components	Safety and Health	54
GRI 403: Occupational health and safety	403-1	Workers representation in formal joint management worker health and safety committees	Safety and Health	54
GRI 403: Occupational health and safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Injury Statistics	55



Accuracy of Disclosure

This Report was prepared in accordance with the GRI Standard issued by the Global Reporting Initiative. Independent verification was conducted by TÜV Rheinland Taiwan Ltd. in accordance with the AA1000 Account Ability Assurance Standard and GRI Standard. The report has been certified to AA1000 Type 1 with a moderate level of assurance. The Assurance Statement is included in the Appendix for reference.



Independent Assurance Statement

Introduction:
TÜV Rheinland (Guangdong) Ltd., member of TÜV Rheinland Group, Germany (TÜV , We) has been entrusted by the management of Alpha Networks Inc. (Alpha, the Company) to conduct independent assurance of Alpha Corporate Social Responsibility Report 2020 (the Report). All contractual contents for this assurance engagement rest entirely within the responsibility of Alpha. Our task was to give a fair and adequate judgment on the Alpha Report 2020.

The intended users of this assurance statement are stakeholders having relevance to the Alpha overall Sustainability Performance and impacts of its business activities during 2020 (January 2020 ~ December 2020). TÜV Rheinland is a global service provider of CSR & Sustainability Services in over 65 countries, having qualified professionals in the field of Corporate Sustainability Assurance, Environment, Social and Stakeholder Engagement. We have maintained complete impartiality and independence during the assurance engagement and were not involved in the preparation of report contents.

Assurance Standard:
The Independent Assurance was carried out in accordance with AccountAbility, U.K Standard AA1000 Assurance Standard (2008) with 2018 Addendum and related standards AA1000 AccountAbility Principles (2018), AA1000 SES (2015), Principles of Inclusivity, Materiality, Responsiveness and Impact, Global Reporting Initiative (GRI) , 'In accordance'-Core option" reporting guidelines as per GRI-Standards.

Scope & Type of Assurance:
Our Assurance engagement covers the following:

- Alpha Corporate Sustainability performance as described in the report 2020 in accordance with GRI reporting guidelines and performance indicators and according disclosure on management approach (DMAs) from Economic, Environment & Social category, also defined in Reporting boundaries.
- Evaluation of disclosed information in the report as per the Assurance Standards.
- Type-1, Moderate Level as per AA1000 Assurance Standard (2008) with 2018 Addendum

Limitation: The assurance engagement was carried out at Alpha Hsinchu Headquarters at Hsinchu Science Park, Hsinchu City, Taiwan. The consultations with external stakeholder were not carried out. We have not observed any significant situations to limit our assurance activity. The verification is carried out based on the data and information provided by Alpha, assuming they are complete and true. We did not verify the reported financial data as same is verified by another third party in annual report.

Assurance Methodology:
TÜV has challenged the report contents and assess the process undertaken by Alpha from source to aggregate in disclosure of information related to Sustainability performance. Our judgment is based on the objective review of reported and based on the principles defined in the assurance standards, the principles of inclusiveness, materiality, responsiveness and impact, and the integrity of the data provided in the report.

Analytical methods and the performance of interviews as well as verification of data, done as random sampling, to verify and validate the correctness of reported data and contents in light of contractual agreement and the factual Alpha Corporate Social Responsibility strategy (CSR) as mentioned in the report. Our work included consultation with over 15 Alpha representatives including senior management and relevant employees. The approach deemed to be appropriate for the purpose of assurance of the report since all data therein could be verified through original proofs, verified database entries.

The Assurance was performed by our multidisciplinary team of experienced professionals in the field of Corporate Sustainability, Environment, Social and Stakeholder Engagement. We are of the opinion that our work offers a sufficient and substantiated basis to enable us to come to a conclusion mentioned below and based on the content of our contract.

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Adherence to AA 1000 principles:
Inclusivity: Alpha has continually sought the engagement of its stakeholders, identify and understand their stakeholder, and use the communication mechanism to identify the material issues and achieve an accountable response.

Materiality:
Alpha has implemented the material issues identification processing. The identification was based on the requirements and focus of attention of the stakeholder, the consideration of the company internal policy, shareholders meeting, questionnaires and the understanding and communication on the sustainable development content. The sustainability information disclosed enables its stakeholders to make informed judgements about Alpha's management and performance.

Responsiveness:
Alpha has implemented the policy including environment and safety, hazardous substances, quality, and corporate social responsibility. The report 2020 disclosed the management system of the company and stakeholder engagement, responding to their stakeholders against material issues of the sustainable development.

Impact:
Alpha has identified and fairly represented impacts that were measured and disclosed in effective way. Alpha has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within the organization.

Conclusion:
In conclusion, we can mention that no instances or information came to our attention that would be to the contrary of the statement made below:

- Alpha Corporate Social Responsibility Report 2020 meets the requirement of Type-1, Moderate Level Assurance according to AA1000AS (2008) with 2018 Addendum and Global Reporting Initiative (GRI) , 'In accordance'-Core option" reporting guidelines as per GRI-Standards.
- The Report includes statements and claims that reflects Alpha achievements and challenges supported by documentary evidences and internal records
- The performance data we found in the report are collected, stored and analyzed in a systematic and professional manner and were plausible.
- TÜV Rheinland shall not bear any liability or responsibility to a third party for perception and decision about Alpha based on this Assurance Statement.



For TÜV Rheinland Group

Vito Lin

Vito C. C. Lin
Lead Verifier

Taipei, April 26, 2021

2 |