2022
Alpha Networks
Corporate Sustainability
Report

www.alphanetworks.com

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Sustainability actions

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Cover story

Humanism

In the past two consecutive years' sustainability reports of Alpha Networks, "Words from the Chairman" has been titled with "Humanism", promoting the company's emphasis on humanistic care. We also believe that the core concept of ESG aligns with the genuine concern for "people."

Alpha Networks has comprehensive policies in place to protect employee rights, implements employee welfare measures, and is committed to building a friendly workplace. We also implement the principles of diversity and equality, including special health protection for female employees, measures that are friendly to migrant workers, so that talents of different nationalities, ages and genders can reach their full potential in the friendly and caring environment of Alpha Networks.

We invite you to read this Special Report "Migrant workers" to discover our care in ensuring that our migrant workers work in a foreign country without worries, as well as the life stories of several migrant workers at our Company.

In September 2022, when a female migrant worker went out over the weekend, she was beaten by her Filipino partner due to relationship problems; she reported the incident to the police. After our Company received a notification from the police station, we immediately contacted our management staff and translators to assist the employee with medical examination and treatment. After the employee returned to the dormitory, we monitored her injuries, paid close attention to her emotions, and provided mental support and counseling.

Alpha Networks takes care of employees regardless of nationality, and personal safety will never be compromised. Thus, our factories have achieved zero Occupational Incident. We also help employees that encounter difficulties outside the factory. If, for instance, our migrant workers encounter emotional problems or accidents in Taiwan, they often have nowhere to turn for help. At such times, our Company is their shield in Taiwan. We have an emergency rescue mechanism in close cooperation with human resources agencies that includes emergency notifications and standard procedures, so that our migrant workers won't feel helpless or overwhelmed in times of difficulty.

In 2022, four female migrant workers became pregnant. In the early stages of their pregnancy, the dormitory supervisor interviewed them every week to care about their physical conditions; For those that wanted to return to their country to deliver their baby, we helped them with flight information for their reference. During their pregnancy, we assisted them to go to the hospital for prenatal check-ups and to receive a mother handbook. Toward the end of their pregnancy, we assisted them with confirming their due date, preparing their delivery package, finding a suitable nursery for the newborn, so that the new mothers need not worry about childcare. When the child is going back to the Philippines after birth, the dormitory supervisor assists with handling the child's passport and related procedures, to save the employees hassle and worry. In addition, both the company and the dormitory have convenient breast-feeding rooms for female migrant workers.

Respond kindly to the land that nourishes us

We also extend our care to the environment. Examining the relationship between people and the environment, we recognize that all of our Company's operations should align with environmental sustainability and we should have a grateful attitude toward the land that nourishes us. This is the only way for the company to maintain growth.

The entire world is facing climate change. No one can stay out of it. Alpha Networks thus invests in environmentally friendly measures such as conserving water and electricity, reducing carbon emission and waste, purchasing raw materials that comply with green regulations, and developing green products. We strictly control noise, waste gases, sewage discharge, and the like generated during our manufacturing process, to reduce our burden on the environment.

We sincerely invite you to browse the Key indicators "Achievement of the year" understand our intentions regarding environmental protection, and review the results of our efforts in 2022.

Cover design
Report Cover Style 2022

Cover visual design meaning

Warm and fluent calligraphy combined with textured brush strokes represents our culture of care and practical action. The A logo of Alpha Networks placed on green grass like a sculptural work, nourished by the earth and moistened by rain and dew, to symbolize how Alpha Networks grows, steady and healthy.

ΛLPHΛ Networks

Alpha is the first letter of the Greek alphabet, which represents our Company's tradition of leadership and first-mover mentality. Blue represents the technology industry and a calm and stable attitude. Red represents action, and enthusiasm, while the triangle pointing upward conveys the meaning of continuous improvement.

The cover of this report was produced by our Company's Commercial Design Department, which is in charge of the production of our printed media such as product manuals and promotional materials. In addition to focusing on visual aesthetics and design ideas, the department also abides by regulations regarding marketing and labeling (refer to 2.4.2 Marketing and labeling)

The Commercial Design Department is also an important member of the "Sustainability reporting team" and participates in its design and editing work to create and appealing and intuitive experience for our readers (refer to Sustainable Development Operational Framework).

Foreword

- *About this Report*
- *From the Chairman*
- *About Alpha Networks*

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About this Report

Sustainability Report of Alpha Networks.

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/en/download.

Publication

The report was published in June 2023. 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 ESG 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.

- Alpha Networks Inc.: Corporate Headquarters. Known as Alpha Networks (Hsinchu) for short.
- Alpha Networks (Dongguan) Co., Ltd.: Known as Known as Alpha Networks (Dongguan).
- Alpha Networks (Changshu) Ltd.: Known as Known as Alpha Networks (Changshu).

Guidelines and Principles

This report has been prepared in accordance with the GRI Standards 2021 as the basic framework for the disclosure of 2022 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.

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 V3, as well as the GRI Standards 2021. 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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Words from the Chairman

"Humanism" enables sustainable development of company and career.

Post-Covid, people's lifestyles have changed significantly. Also, in general, there is a sharp increase in demand for network upgrades. In this context, Alpha Networks as a corporate citizen must shoulder the important role and fulfill its mission in network communication technology development. In 2022, Alpha Networks successfully implemented 5G end-to-end vertical market application solutions at home and abroad, and is also deeply involved in the field of low-orbit satellites, in line with our corporate vision of "building the Internet and connecting all people and all things", while adhering to our corporate core values of "ethics", "customer value", "agility" and "network performance". We believe that the growth and profitability of any enterprise must be based on a caring environmental, energy conservation, environmental protection, happy employees, and community service.

Alpha Networks sets up its "CSR Committee" in 2018, which was renamed "Sustainable Development Committee" (below referred to as ESG Committee"). The ESG Committee is responsible for our Company's strategic plans for sustainable development. It integrates cross-organizational resources and strengths, sets long-term goals, and periodically reviews the implementation results, so that ESG practices can be rooted into Alpha Networks corporate culture and management.

Alpha Networks actively invests in the conservation of water and electricity, the reduction of carbon emission and waste, and projects of environment friendly such as green purchasing of raw materials through the hazardous substance management, developing green products, and strictly controlling noise, waste, sewage, discharged water. We also practice good neighborliness and community coexistence through those environment friendly works. Alpha Networks uses technology and innovation to solve various challenges faced by mankind and creates an environment of coexistence and common prosperity. In 2022, Alpha Networks won Silver Award in the Corporate Sustainability Report Category of the 15th "TCSA Taiwan Sustainability Awards". As we grow, we remain committed to doing so in a sustainable manner.

Our management team also invests in reshaping a corporate culture of being active and accountable, breaking through the old "fear of making mistakes", encouraging employees and supervisors to fulfill their responsibilities with full authorization and enjoy a sense of achievement on the platform within the Company. Alpha Networks has formulated policies and other internal management measures that protect employees' rights and give them the care they deserve. We firmly believe that talents are our most valuable asset. Thus, we are committed to building a diverse and equal workplace environment and strengthening maternal health protection of female employees. Externally, we keep enhancing our competitiveness to recruit talent, and provide the energy needed for our sustainable development and expanding global operations.

In terms of social welfare, we have also leveraged our ICT solutions in scient experiments to enrich learning resource for schoolchildren in remote area. While promoting science and technology education, we also cultivate students' comfortable attitudes toward new knowledge. We also continue to serve the elderly to understand the online world and use the Internet to improve their quality of life. Alpha Networks will continue to implement the concept of corporate social responsibility, accumulate resources and strengths, leverage our expertise in network communication, and give back to the society through practical actions.

Sustainable development is a crucial responsibility for all companies now. Alpha Networks will continue to deploy forward-looking strategies and implement ESG in its daily operations. I would like to express my gratitude to everyone at Alpha Networks for their bold innovation and teamwork that enable our progress and growth. Moving forward, Alpha Networks will continue to expand its global presence, benchmark itself against international models, to achieve steady long-term growth, balancing sustainable management and business performance.

Chairman

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About Alpha Networks

Provide customers with outstanding solution at the best value.

About Alpha

Alpha Networks was established in September, 2003. After D-Link split the branded and OEM businesses in 2003, Networks focused on the design, development and manufacturing of network communication products. Alpha Networks now provides customer the full range of DMS services spanning product software/hardware design, system integration, mechanical design, product testing and certification. For more details on the company profile and evolution of Alpha Networks, please refer to the please refer to the "Company" section of the corporate website.

Basic information

Company Name	Alpha Networks Inc.
Chairman	April Huang
Headquarters	Hsinchu, Taiwan
Establishment Date	2003/9/04
Public Listing Date	2004/12/20 (TWSE 3380)
2022 Capital	NT 5.417 billion
2022 Revenue	NT 33.63 billion (consolidated revenues)
2022 Earnings per Share	NT $1.69
20221 Total workforce	abourt 3,000 (worldwide)

Vision Forging the Internet to connect people and things

Mission Alpha Networks is a globally recognized, professional networking DMS supplier. We use advanced technology to provide our customers with outstanding solutions at the best value.

Values

ETHICS
We value integrity and lead by example. We commit to strict confidentiality and avoid all conflicts of interest.

CUSTOMER VALUE
We put the values and needs of our customers first and commit to deliver.

AGILITY
We respond swiftly to customer needs and identify market trends to develop the best solutions.

NETWORK PERFORMANCE
We fully optimize the networking process to generate the optimal outcome.

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Global Presence

Providing comprehensive service and efficient local support.

Alpha Networks 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 Networks 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.

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.

Alpha Networks' main manufacturing facilities are located in Hsinchu, Dongguan and Changshu. In November 2020, Alpha Networks' board of directors approved plans for investment and establishment of a factory in Vietnam. The construction of production lines and preparation for mass production in Vietnam are expected to be completed gradually by 2023.

❖ The scope of this sustainability report does not include the Vietnam factory.

Macroscopic Overview with Local Support

U.S./Santa Clara

U.S./Irvine

China/Changshu

Taiwan/Taipei

Japan/Tokyo

Taiwan/Hsinchu

Vietnam/North Vietnam

China/Chengdu

China/Dongguan

❖ Detail infomatin of each base please refer to Alpha website> Global Presence

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Alpha Policies
Integrity, fairness, legal compliance and abiding by business ethics.

Sustainability Policy

To practice corporate social responsibility and promote economic, environmental, and social progress, and to pursue sustainable development, the Company takes reference from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" published by the Taiwan Stock Exchange to help formulate the Company's "Code of Practice for Sustainable Development" to manage the Company's economic, environmental and social risks and impacts.

Alpha Networks upholds the following principles in the practice of sustainability :

Implement corporate governance

Develop sustainable environment

Alpha Networks
Sustainability policy

Facilitates public welfare

Strengthen ESG information disclosure

RBA Policy

Alpha Networks actively supports the Code of Conduct - Responsible Business Alliance, RBA Version 7.0, (previously known as the EICC) 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 conduct self-evaluations on an ongoing basis in accordance with the RSA (Responsible Business Alliance) Code of Conduct to determine our progress in the labor, health & safety, environment, and ethics. Social, environmental, and ethics risks that are present in the Company's business operations are identified autonomously by relying on the Self-Assessment Questionnaire (SAQ) designed by RBA.

In 2017, the SAQ assessment score for Company HQ and the plant in Changshu, China exceeded 91. Comprehensive audit reports are disclosed on the RBA-Online platform to facilitate perusal by our customers. RBA VAP (Validated Audit Program) audits are conducted by a third-party. The Changshu Plant achieved Silver Status in the Validated Audit Process, which was completed in 2020. Alpha Networks requires all its sales & manufacturing locations and suppliers to strictly abide by all RBA standards.

We embrace integrity and take an uncompromising stance on ongoing advances in the field of RBA-related policies. This firm stance is paired with an unwavering commitment to safeguarding the rights and well-being for practitioners and communities of the network communications industry.

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RBA Code of Conduct

Labor	**Health & Safety**	**Environment**	**Moral Regulations**	**Management system**
• Free choice of employment • Young workers • Working time • Salary and Welfare • Humane treatment • Indiscrimination • Freedom of Association	• Occupational safety • Emergency preparedness • Occupational injury and occupational disease • Industrial hygiene • Laborious work • Machine maintenance • Public hygiene and accommodation • Health and safety information	• Environment permit and report • Pollution prevention and resource efficiency • Damaging substances • Sewage and solid wastes • Exhaust emission • Substance control • Storm water management • Energy consumption and greenhouse gas emission	• Ethic management • No unlawful profits • Information transparency • Intellectual property rights • Fair trade, advertisement, and competition • Identification protection and retaliation prevention • Procure minerals responsibly • Privacy	• Corporation's Promises • Duty and responsibility of management • Legal and customer's demands • Risk evaluation and risk management • Goal of improvement • Training • Communication • Employees' suggestions and participation • Inspection and evaluation • Correction measures • Documents and records • Responsibility as a supplier

Ethics Policy

Alpha Networks upholds integrity, fairness, legal compliance, and business ethics when engaging in business. It is strictly forbidden for our employees to offer or accept bribes, gifts, money or entertainment from or to suppliers, customers and stakeholders that do not conform to business etiquette. We also strictly protect confidential information, assets, intellectual property rights, and business secrets of our Company, our customers, and our suppliers. Alpha Networks took reference from the "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/TPEx Listed Companies" to establish the Alpha networks "Ethical Code of Conduct", to regulate all employees of the Company and its subsidiaries (including members of the Board of Directors) to comply with those ethical requirements.

A channel for complaints is provided if any illegal behavior is detected. A thorough investigation will be carried out by Alpha Networks 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.

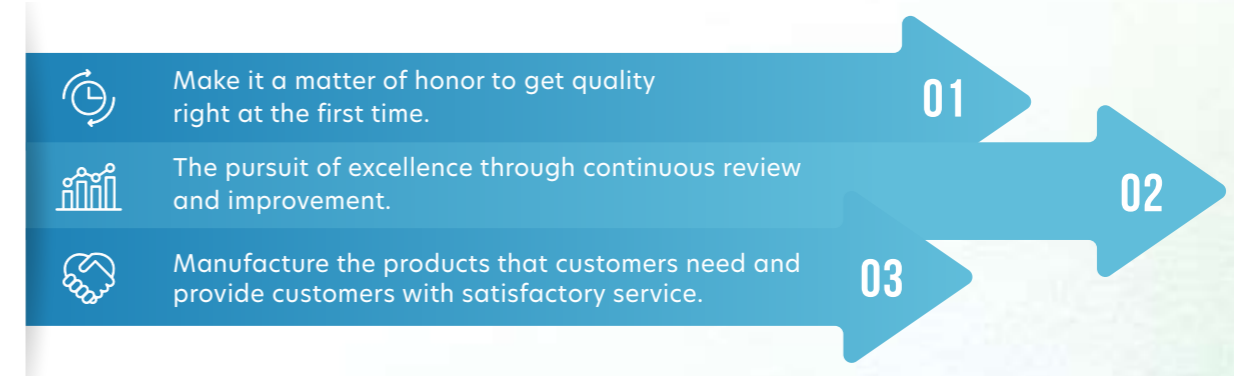About the details, please refer to 1.2 Ethical Management and Legal Compliance.

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Quality Policy

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

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.

All manufacturing basee of Alpha accord with international qaulitiy system certification, such as ISO9001、TL9000、IATF16949、QC080000. We are therefore committed to the following principles :

01 Make it a matter of honor to get quality right at the first time.

02 The pursuit of excellence through continuous review and improvement.

03 Manufacture the products that customers need and provide customers with satisfactory service.

Alpha Networks 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.

For more details on the Company's quality policy, please refer to the "Superior Quality Control" section on the corporate website.

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Alpha strategies

Alpha Networks has the most comprehensive product line in network communication industry, including regional/metropolitan networks, wireless broadband networks, digital multimedia networks, and enterprise mobile solutions. We leverage our R&D and technology expertise in high-end integrated products to enhance product value and avoid price competition with low-end products, expand sales channels, and provide customers with complete solutions to provide our unique value-added. Recently, we have continued to develop products for automotive, low-orbit satellite and other applications.

In 2022, amid the war in Ukraine, global inflation and continuous interest rate hike by the US Federal Reserve, the global economy and business environment for many industries became highly uncertain and depressed during the second half of the year. However, the network communication industry has mid and long-term development opportunities: 5G, Internet of Vehicles, AI and low-orbit satellites, and other technological developments have brought growth opportunities to the network communication industry. While the impact of the covid epidemic that has ravaged the world for three years has gradually decreased, its far-reaching impacts such as Working from Home (WFH) has become a permanent feature of corporate organizations, generating new business opportunities. Alpha Networks believes that with a correctly aimed long-term development strategy and proper responses to short-term environmental fluctuations, the Company will continue to grow.

In order to increase profitability and ensure sustainability, Alpha Networks' long-term development strategies are :

01 Develop a long-term partnership with the company's clients and suppliers, as well as expand the sales market.

02 Vigorously controls the quality and cost of manufacturing to increase operational efficiency and profitability for the Company.

03 Invest in cutting-edge technology and establish core competitive advantage.

04 Enhancing corporate governance and fulfilling corporate social responsibility.

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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 manufacturing sites of Alpha Networks.

System / Factory	Hsinchu	Dongguan	Changshu
ISO 9001:2015	■	■	■
TL 9000 R6.3/ R5.7	■		■
IECQ QC080000:2017	■		■
ISO 14064-1:2018	■	■	
ISO 14001:2015	■	■	■
IATF 16949:2016	■		
AEO	■		
C-TPAT		■	■
ISO 45001:2018		■	
ISO 27001:2013	■		

ISO 9001

TL 9000
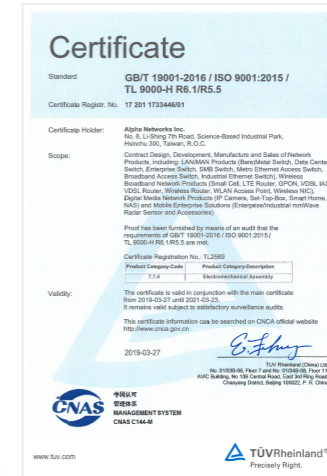
ISO14001

QC080000

ISO 14064-1

ISO 27001

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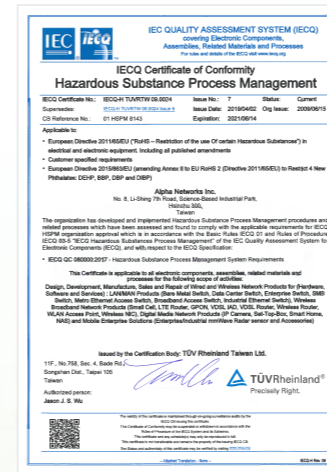
Internal organizational structure

In pursuit of sustainable development, enterprises should align their sustainability strategies with their operational goals, permeating through various aspects of their business activities. Therefore, it is necessary for various internal organizational units within the company to take action, collaborate synergistically, and build consensus.

Corporate Governance Structure

Share holders meeting

*Please refer to 1.1 Corporate Governance

Auditor committee — Board of Direcrors — Compensation committee

Internal Audit

Chairperson

Internal management structure

Legal Affairs Office

Public Relations Office — President Office — General Technology Office

- Information Technology Division
- Finance & Accounting Center
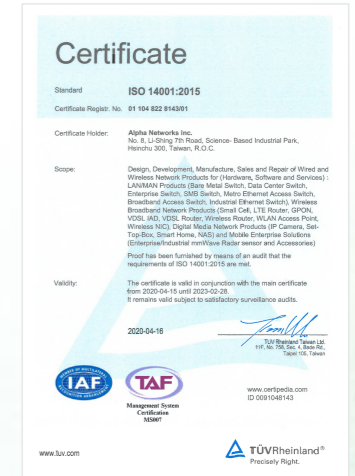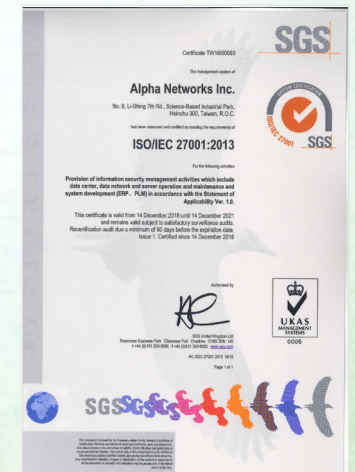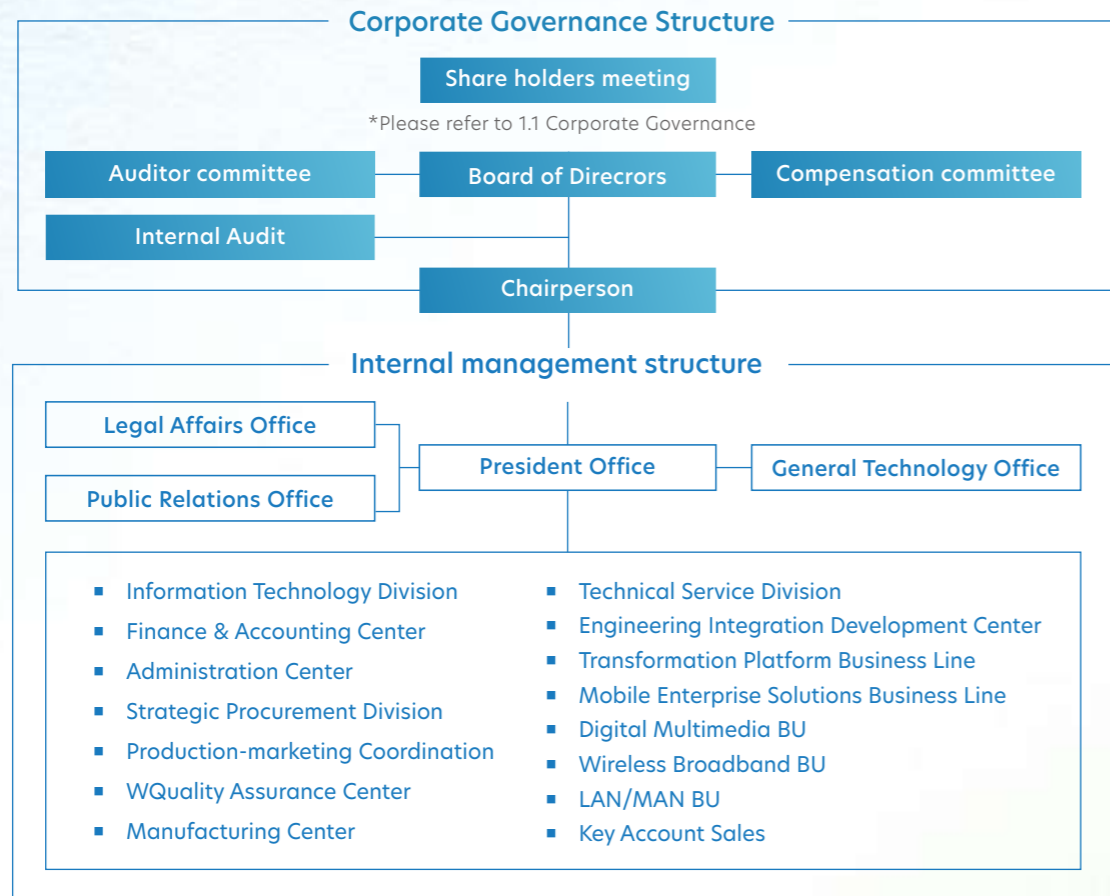- Administration Center
- Strategic Procurement Division
- Production-marketing Coordination
- WQuality Assurance Center
- Manufacturing Center

- Technical Service Division
- Engineering Integration Development Center
- Transformation Platform Business Line
- Mobile Enterprise Solutions Business Line
- Digital Multimedia BU
- Wireless Broadband BU
- LAN/MAN BU
- Key Account Sales

Unit	Role & Responsibility
President Office	Formulate strategies and implementation details with operational goals outlined by the board of directors and execute accordingly.
General Technology Office	Coordinate and handle networking technologies appropriately.
Public Relations Office	Shape corporate image and manage public relations, including duration, operation of the foundation and participation in CSR report compilation.
Legal Affairs Office	Ensure the legal status of the Company's investment, technology, procurement, marketing, creditor's rights, intellectual property rights and other related businesses. To safeguard the Company's maximum rights and interests.
Key Account Sales	Manage relationship and service with major customers; communicate with BUs and expand the markets to achieve the Company's operational goals.
LAN/MAN BU	Execution of operational goals; promotion, planning, research, development and testing of Ethernet switch and related products.
Wireless Broadband BU	Execution of operational goals; promotion, planning, research, development and testing of wireless broadband products.
Digital Multimedia BU	Execution of operational goals; promotion, planning, research, development and testing of digital multimedia products.
Mobile Enterprise Solutions Business Line	Execution of operational goals; promotion, planning, research, development and testing of mobile enterprise solution products.
Transformation Platform Business Line	Execute the Company's established business goals and complete the business promotion, product planning, product development and testing of the development of 5G multi-access edge computing and cloud native platform technology application products
Engineering Integration Development Center	Execution of the quality policy, assurance for the product design quality, establishment of the standard flow for auto test and providing the efficient technical support service to enhance customer satisfaction.
Technical Service Division	Planning and execution of cabling works, safety standards and EMC technology for network-related hardware.
Manufacturing Center	Supervise, plan and manage the production, quality, delivery and service of manufacturing departments. Explore improvements in terms of quality, cost and imeliness of shipment in line with customers' requirements.
Quality Assurance Center	Enforce quality enhancement and maintenance across the organization, ensure that product quality meets customers' requirements and develop systematic platforms for product information and experience.
Production-marketing Coordination Office	Utilize the Company's resources efficiently for stable production with the least inventory to achieve the highest output, generate the maximum profit and satisfy the needs of customers.
Strategic Procurement Division	In response to the raw material market and the Company's product trends, formulate procurement strategies and plan, implement and supervise the processes related to supplier management and procurement operations
Administration Center	Comprehensively manage human resources, environmental protection, labor safety and health planning, supervision and promotion.
Finance & Accounting Center	Planning and control of internal financial policies and accounting systems in accordance with laws and operational requirements.
Information Technology Division	Launch Information Technology and Management Information Systems of the Company and offer improvement suggestions.

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Memberships

Alpha Networks actively participates in network communications industry associations and technology alliances. We hope to stay on top of industry trends through frequent interacting with members of the industry.

We are involved in the following organizations :

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.
	SONiC	Contributor	SONiC (Software for Open Networking in the Cloud) is a comprehensive network software functionality designed to meet the requirements of cloud data centers for equipment networking needs.

Business Unit	Associations and Technology alliances.	Type	Note
DM BU	Dolby Laboratories	Authorized Manufacturer	
	Apple Authorized MFi Manufacturing Licensee	Authorized	

Business Unit	Associations and Technology alliances.	Type	Note
WB BU	Wi-Fi Alliance	Member	Can obtain Wi-Fi Alliance-related Wi-Fi Logo certification.

Business Unit	Associations and Technology alliances.	Type	Note
MES BU	Driver Information Platform Development Alliance (DIPDA)	Member	
	Taiwan Vehicle Team	Member	
	Autonomous Driving Systems Industrial Platform	Member	

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.

Business Unit	Associations and Technology alliances.	Type	Note
HCF	Association Connecting Electronics Industries	Member	

Sustainability Development

We are committed to stakeholder engagement and echoing the Sustainable Development Goals (SDGs).

• Sustainability Development Operational Framework
• Stakeholder Communication and Identification of Issues of concern
• Stakeholder Communication Mechanism
• Echo SDGs

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Sustainable Development Operational Framework

In-depth Implement the corporate sustainable development policy.

Our Company's management established a "CSR Committee" in 2018 to promote relevant policies, and changed its name to "Sustainable Development Committee" in 2021 (below referred to as "ESG Committee").

In response sustainable development around the world, the ESG Committee analyzes key issues from environmental, social, and corporate governance aspects, and links those to our Company's operational goals, focus our strategies on the sustainable development of our Company, and integrate various internal units, such as the Legal Office, Auditing Office, Accounting Center, Business Units, Manufacturing Center, Quality Center, Labor Safety Department, Human Resources Department and the Alpha Networks Culture and Education Foundation to drive our Company's sustainable development and regularly report to the Board of Directors on progress in this area.

In addition, base on the principle "Strengthen ESG information disclosure" of Sustainability Policy, the "Sustainability Reporting team" was set up to prepare browser friendly Sustainability report. Moreover, before issuance, the content of the sustainability report is verified by an external and impartial third party and checked by the ESG Committee before it is released to the public.

In August 2022, Alpha Networks participated in the TCSA Taiwan Corporate Sustainability Report Awards with the 2021 edition of its sustainability report and won the Silver Award in "Electronic Information Manufacturing Industry - Category 1" which testifies to Alpha Networks' commitment to transparency of its sustainability information Efforts and achievements that have been implemented in the sustainability report.

To root the ESG concept into the corporate culture of Alpha Networks the ESG Committee worked with the training department to hold ESG courses and seminars. In 2022, 168 ESG newcomers were trained, for a total of 350 hours; ESG lectures for 180 middle and senior managers for a total of 420 hours.

Sustainable Development Operational Framework of Alpha Netowrks is shown in the diagram below :

❖ Please refer to Stakeholder Communication and Identification of Issues of concern to see more topics.

Sustainability organization

| Alpha networks Executives | ESG Committee | Sustainability reporting team |

Aspects

| Environment Protection | Social Reponsibility | Corporate Governance |

Issues*

- Green product
- Green production
- GHG management
- Other environment issues

- Recruiting
- Compensation and benefits
- Talent development
- Social engagement

- Coporate compliance
- Performance
- Products & service
- Risk management

Departments

- Quality assurance
- Manufacturing center
- Factories
- Supliers chain mgt.

- HR/Recruiting
- Salary & benefit
- Training & development
- Employee health & safety
- Alpha foundation

- Internal auditor
- Finance & accounting
- BUs
- PR
- RMC

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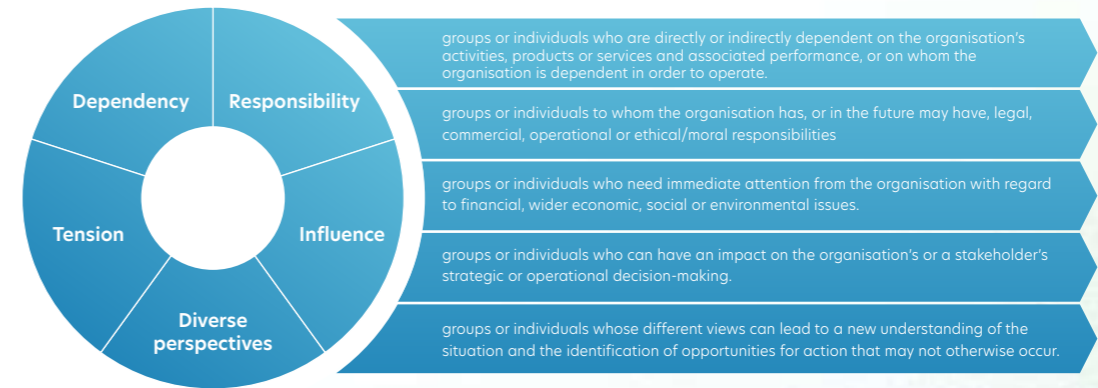
Stakeholder Communication and Identification of Issues of concern

Understanding the stakeholders' expectations towards Alpha through diverse communication channels.

Alpha Networks places high emphasis on stakeholder engagement. In order to gain a full understanding of all concerned issues of all stakeholders for as a reference for corporate sustainability strategies and compilation of report contents, ESG Committee implements relevant procedures pertaining to stakeholder identification and investigation of issues of concern in a comprehensive and proper manner.

1 Identification of stakeholders

2 Identification of material topics

3 Level of concern from stakeholders

4 Assess impact on environment

5 Conclusion - List of material issues

Identification of stakeholders

The Sustainable Development Committee has consulted the opinions of departments that have dealings with stakeholders including Finance, Investor Relations, Marketing, Customer Relations Management, Human Resources, Employee Relations, and Supplier Management. Upon discussion and analysis, the following potential stakeholders were identified: Employees, suppliers, customers, shareholders/investors, media, government authorities, societies and associations, contractors, scholars, job seekers, and neighboring communities. The following material stakeholders were identified based on the five major principles of AA1000 Stakeholder Engagement Standard 2015 (Dependency, Responsibility, Tension, Influence, Diverse perspectives) in meeting discussions: Customers, employees, investors, suppliers, and government authorities. We provide diversified communication channels for different stakeholder categories and strive to gain a clear understanding of stakeholder demands and expectations through intensive interactions with the goal of facilitating review and planning of sustainable development strategies and creating value for stakeholders.

- **Attributes of stakeholders :**

Dependency   Responsibility   Tension   Influence   Diverse perspectives

groups or individuals who are directly or indirectly dependent on the organisation's activities, products or services and associated performance, or on whom the organisation is dependent in order to operate.

groups or individuals to whom the organisation has, or in the future may have, legal, commercial, operational or ethical/moral responsibilities

groups or individuals who need immediate attention from the organisation with regard to financial, wider economic, social or environmental issues.

groups or individuals who can have an impact on the organisation's or a stakeholder's strategic or operational decision-making.

groups or individuals whose different views can lead to a new understanding of the situation and the identification of opportunities for action that may not otherwise occur.

- **Material stakeholders**

Customers   Suppliers   Investors   Employees   Government authorities   Media

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Identification of material topics

The Alpha Networks Sustainable Development Committee not only maintains positive interactions with all stakeholders in its daily operations but also casts its net wide to identify issues of concern to stakeholders through collection of internal and external information by consulting reports on international trends in the field of sustainability, customer requirements, and high priority issues of industry circles and third-party evaluation bodies. 31 sustainability issues have been determined in the general, economic (corporate governance), environmental (environmental protection), and social dimensions with reference to the definitions and categories set out in the GRI Standards

● Collection of topics :

Internal Corporate culture, business philosophy, work plans of different units, CSR Best Practice Principles, employee communication.

External International trends, customer requirements, industry practices, third-party bodies, selection criteria for awards such as TCSA and Common Wealth Magazine Excellence Corporate Social Responsibility

Concerned isssues

Environment Protection

15 Green product
16 Energy ManagementRelations
17 Water Resource Management
18 Product Carbon Footprint
19 Waste Management

20 Regulation Compliance
21 Supplier environmental assessments
22 Emissions
23 Conflict minerals

Corporate governance

1 Operational Performance
2 Business Continuity Management
3 Corporate culture
4 Industry localization
5 Environmental Protection Investments

6 Supply Chain Management
7 Research and Development
8 Information Security Management
9 Whistle blower mechanism
10 Technology and quality

11 Marketing and Labeling
12 Protection of customer privacy
13 Shareholder protection
14 Customer satisfaction

Social Responsibility

24 Talent Attraction and Retention
25 Employee Relations
26 Career Development and Training
27 Employee Rights

28 Community Care and Participation
29 Child labor
30 Forced or compulsory labor
31 Occupational Safety and Health

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Importance of issues to key stakeholders

Dimension	Material issue	Employees	Suppliers	Suppliers	Investors	Media
Corporate governance	① Operational Performance		■	■	■	■
	② Business Continuity Management	■	■	■	■	■
	③ Company Culture	■	■	■	■	
	④ Industry Localization		■		■	
	⑤ Environmental Protection Investments		■			
	⑥ Supply Chain Management		■	■	■	■
	⑦ Research and Development	■	■	■	■	■
	⑧ Information Security Management		■	■	■	■
	⑨ Whistle blower System		■	■		
	⑩ Technology and Quality	■	■	■	■	
	⑪ Marketing and Labeling		■	■	■	
	⑫ Protection of customer privacy		■	■	■	
	⑬ Shareholder protection		■		■	■
	⑭ Customer satisfaction		■		■	

Dimension	Material issue	Suppliers	Suppliers	Suppliers	Investors	Media
Environmental protection	⑮ Green product	■	■	■		■
	⑯ Energy Management		■	■	■	
	⑰ Water Resource Management		■		■	
	⑱ Product Carbon Footprint	■	■			
	⑲ Waste Management		■		■	
	⑳ Regulation Compliance		■	■	■	
	㉑ Green Supply Chain Management		■	■	■	
	㉒ Emissions		■		■	
	㉓ Conflict minerals		■	■		■

Dimension	Material issue	Suppliers	Suppliers	Suppliers	Investors	Media
Social responsibility	㉔ Talent Attraction and Retention	■	■	■	■	
	㉕ Employee Relations	■	■	■	■	
	㉖ Career Development & Education Training	■	■	■	■	
	㉗ Employee Rights	■	■	■	■	
	㉘ Community Care and Participation		■	■	■	
	㉙ Child labor		■	■	■	
	㉚ Forced or compulsory labor	■	■	■	■	
	㉛ Occupational Safety and Health	■	■	■	■	

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Importance of issues to company operations and the value chain

Dimension	Material issue	Upstream Procurement	Company operations		Downstream	Operational importance				
			Design	Production	Sale/shipping	Revenue	Profit	Customers Satisfaction	Employees Approval	Risk
Corporate governance	① Operational Performance	■	■	■	■	■	■	■	■	■
	② Business Continuity Management	■	■	■	■			■	■	■
	③ Company Culture								■	
	④ Industry Localization	■	■	■	■	■	■			■
	⑤ Environmental Protection Investments						■	■		■
	⑥ Supply Chain Management	■	■	■		■	■	■		■
	⑦ Research and Development		■	■		■	■	■		■
	⑧ Information Security Management		■	■				■		■
	⑨ Whistle blower System	■					■	■	■	■
	⑩ Technology and Quality	■	■	■		■		■		■
	⑪ Marketing and Labeling				■			■		■
	⑫ Protection of customer privacy				■		■	■		■
	⑬ Shareholder protection					■	■		■	
	⑭ Customer satisfaction	■	■	■	■	■	■	■		■

Dimension	Material issue	Upstream Procurement	Company operations		Downstream	Operational importance				
			Design	Production	Sale/shipping	Revenue	Profit	Customers Satisfaction	Employees Approval	Risk
Environmental protection	⑮ Green product	■	■	■	■		■	■		■
	⑯ Energy Management		■	■			■			■
	⑰ Water Resource Management			■			■			■
	⑱ Product Carbon Footprint	■	■	■	■		■	■		■
	⑲ Waste Management	■	■	■			■			
	⑳ Regulation Compliance		■	■			■			
	㉑ Green Supply Chain Management	■								■
	㉒ Emissions		■	■						■
	㉓ Conflict minerals	■	■							

Dimension	Material issue	Upstream Procurement	Company operations		Downstream	Operational importance				
			Design	Production	Sale/shipping	Revenue	Profit	Customers Satisfaction	Employees Approval	Risk
Social responsibility	㉔ Talent Attraction and Retention					■	■		■	■
	㉕ Employee Relations								■	
	㉖ Career Development & Education Training					■	■		■	
	㉗ Employee Rights								■	
	㉘ Community Care and Participation								■	
	㉙ Child labor								■	■
	㉚ Forced or compulsory labor								■	■
	㉛ Occupational Safety and Health			■	■				■	■

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Alignment of issues with SDGs and GRI

Dimension	Material issue	SDGs	GRI
Corporate governance	① Operational Performance	Decent Work and Economic Growth	201-1、201-2、201-3、201-4
	② Business Continuity Management		
	③ Company Culture		
	④ Industry Localization	Reduce Inequality	204-1
	⑤ Environmental Protection Investments	Climate action	
	⑥ Supply Chain Management	Partnerships for the Goals	308-1、308-2、414-1、414-2
	⑦ Research and Development	Industry, Innovation and Infrastructure	
	⑧ Information Security Management		
	⑨ Whistle blower System		RBA
	⑩ Technology and Quality	Responsible Consumption and Production	
	⑪ Marketing and Labeling		417-1、417-2、417-3
	⑫ Protection of customer privacy		418-1
	⑬ Shareholder protection	Decent Work and Economic Growth	
	⑭ Customer satisfaction		

Dimension	Material issue	SDGs	GRI
Environmental protection	⑮ Green product	Responsible Consumption and Production	302-1、302-2、302-3、302-4、302-5
	⑯ Energy Management	Responsible Consumption and Production	
	⑰ Water Resource Management	Responsible Consumption and Production	303-1、303-2、303-3、303-4、303-5
	⑱ Product Carbon Footprint	Responsible Consumption and Production / Climate action	305-1、305-2、305-3、305-4、305-5、305-6、305-7 306-1、306-2、306-3、306-4、305-5
	⑲ Waste Management		
	⑳ Regulation Compliance	Responsible Consumption and Production	307-1
	㉑ Green Supply Chain Management	Responsible Consumption and Production	308-1、308-2
	㉒ Emissions	Responsible Consumption and Production	
	㉓ Conflict minerals	Reduce Inequality	

Dimension	Material issue	SDGs	GRI
Social responsibility	㉔ Talent Attraction and Retention	No Poverty	401-1、401-2、401-3
	㉕ Employee Relations		402-1
	㉖ Career Development & Education Training	Quality Education	404-1、404-2、404-3
	㉗ Employee Rights	Gender Equality	405-1、405-2
	㉘ Community Care and Participation		
	㉙ Child labor	Reduce Inequality	408-1
	㉚ Forced or compulsory labor	Reduce Inequality	409-1
	㉛ Occupational Safety and Health	Good Health & Well-being	403-1~403-10

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Level of concern from stakeholders

• Stakeholders questionnaire

In response to the paperless trend, and to make it easier for interested parties to complete the questionnaire, Alpha Networks introduced the Online questionnaire for interested parties in the ESG area in October 2022. Through various departments that have contacts with stakeholders, such as finance, investor relations, business units, human resources, and supply chain management, etc., the invitations to fill questionnaire were sent to stakeholders, with a link to online questionnaire in various languages used by stakeholders. 278 valid questionnaires were received during the 2022 survey on material issues of stakeholders. The proportions of various stakeholder types completing the questionnaire are shown in the figure below.

72%
Suppliers

19%
Employees

4%
Customers

3%
Other

1%
Media

1%
Investors
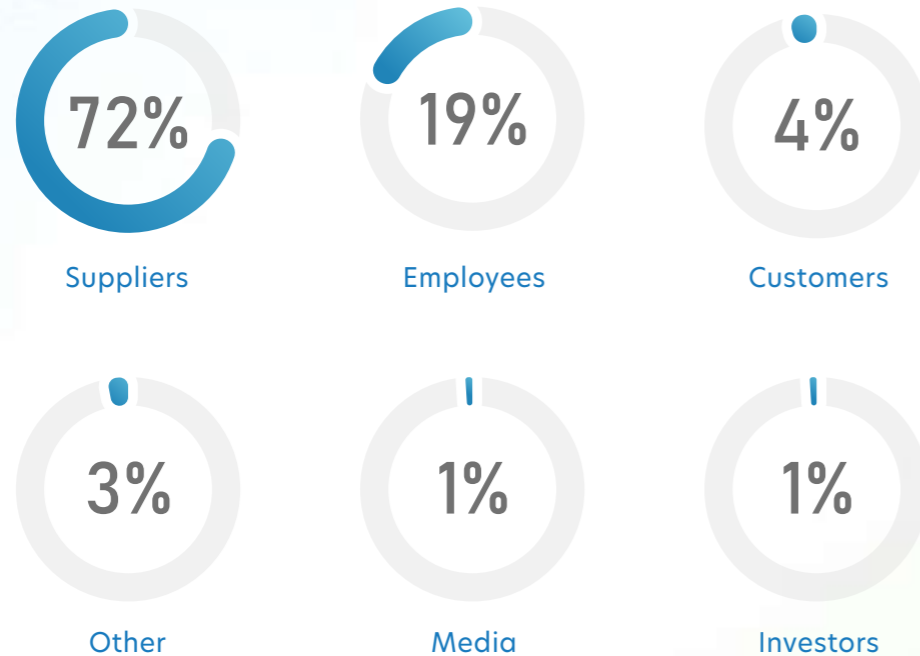
• Issues of concern to stakeholders

The Sustainable Development Committee conducts weighted calculations of the level of concern (high/medium/low/none) for each issue based on the information provided by stakeholders in the collected questionnaires. It keeps comprehensive statistics of the weighted levels of concern of all stakeholders. Based on a statistical analysis of the questionnaire contents, the following ranking of issues has been determined based on level of concern :

● **Corporate Governance**   ● **Environment Protection**   ● **Social Responsibility**

#		Topic
1	2	Business Continuity Management
2	7	Research and Development
3	1	Operational Performance
4	8	Information Security Management
5	6	Supply Chain Management
6	10	Technology and Quality
7	25	Employee Relations
8	12	Protection of customer privacy
9	24	Talent Attraction and Retention
10	16	Energy Management
11	15	Green product
12	29	Child labor
13	30	Forced or compulsory labor
14	13	Shareholder protection
15	27	Employee Rights
16	20	Regulation Compliance

#		Topic
17	3	Company Culture
18	26	Career Development and Education Training
19	21	Green Supply Chain Management
20	31	Occupational Safety and Health
21	19	Waste Management
22	4	Industry Localization
23	23	Conflict minerals
24	28	Community Care and Participation
25	11	Marketing and Labeling
26	17	Water Resource Management
27	5	Environmental Protection Investments
28	22	Emissions
29	14	Customer satisfaction
30	18	Product Carbon Footprint
31	9	Whistle blower System

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Level of impact

The impact of each issue on the business operations of the Company has been analyzed based on a comprehensive assessment of management level views, issue-related insights of relevant departments, and industry opinions in consideration of factors such as revenues, costs, business reputation, legal compliance, and risks. Corresponding scores ranging from 1 (low impact) to 5 (high impact) were awarded after discussion.

• Prioritization of Topics

List of material issues

The distribution of issues of concern on the Y-axis (stakeholder level of concern) and X-axis (level of impact on business operations) can be gleaned from the chart below. The following nine material issues of concern with average scores above 4.0 in both dimensions (level of concern and level of impact) have been identified : ① Operational performance, ② Business continuity management, ⑥ Supply chain management, ⑦ Research and Development, ⑩ Technology and quality, ⑫ Customer satisfaction, ⑯ Energy management, ⑳ Compliance with environmental laws, ㉔ Talent recruitment and retention.

Material issues	GRI	Chapter
① Operational Performa	201-1 Direct economic value generated and distributed 201-2 Financial implications and other risks and opportunities due to climate change 201-3 Defined benefit plan obligations and other retirement plans 201-4 Financial assistance received from government	1.5 Operating Performance 1.4.3 Risks and opportunities of climate change 3.3.2 Welfare Measures and Employee Insurance 1.5 Operating Performance
② Business Continuity Management	N/A	4.1.6 Business Continuity Management
⑥ Supply Chain Management	308-1 Financial assistance received from government 308-2 Negative environmental impacts in the supply chain and actions taken 414-1 New suppliers that were screened using social criteria 414-2 Negative social impacts in the supply chain and actions taken	5.1.1 Supplier Management 5.1.1 Supplier Management 5.1.1 Supplier Management 5.1.1 Supplier Management
⑦ Research & Developmen	N/A	2.3.3 Approved patents of the year
⑩ Technology and Qualit	N/A	About Alpha Networks - Quality Policy
⑫ Protection of customer privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.3.2 Information security management
⑯ Energy Management	302-1 Energy consumption within the organization 302-2 Energy consumption outside of the organization 302-3 Energy intensity 302-4 Reduction of energy consumption 302-5 Reductions in energy requirements of products and services	4.2.1 Energy Management Information unavailable / incomplete. 4.2.1 Energy Management 4.2.1 Energy Management 4.2.1 Energy Management
⑳ Regulation Compliance	307-1 Non-compliance with environmental laws and regulations	4.5 Environmental regulation compliance
㉔ Talent Attraction and Retention	401-1 New employee hires and employee turnover 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees 401-3 Parental leave	3.2.1 Manpower Allocation 3.3.2 Welfare Measures and Employee Insurance 3.3.3 Leave System

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Stakeholder Communication Mechanism
Responding to the stakeholders' expectations towards Alpha.

Alpha Networks 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 Networks, and to compile them in a systematic manner to serve as an important reference for compiling the sustainability report for next year.

Our general communication channels are : our website (https://www.alphanetworks.com/en), email (Alpha Networks website > ESG > Stakeholders), annual report, and the Taiwan Stock Exchange's Market Observation Post System (http://mops.twse.com.tw). Stakeholders can find important information of Alpha Networks through the above channels, and may also contact relevant departments through those channels.

The communication channels and frequency for issues of concern to stakeholders have been collated in the following table.
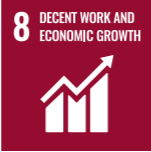
Stakeholders	Customers	Employees	Investors	Suppliers	Media	Authority	Neighboring communities
Concerned issues	• Business Continuity Management • Supply Chain Management • Innovation R&D • Customer privacy • Green product management	• Corporate culture • Labor-management relations • Talent Attraction and Retention • Training and education • Occupational safety and health	• Operating performance • Business Continuity Management • Innovation R&D • Supply Chain Management • Customer satisfaction	• Operating performance • Business Continuity Management • Industry localization • Emission and air pollution management • Compliance with environmental laws	• Operating performance • Business Continuity Management • Industry localization • Emission and air pollution management • Conflict minerals	• Energy management • Water resource management • Carbon emission management • Waste management • Compliance with environmental laws • Occupational safety and health	• Water resource management • Carbon emission management • Waste management • Compliance with environmental laws • Occupational safety and health
Communication Channels and Frequency	• 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) • Company website > contact us • Stakeholders questionnaire	• Employer-Employee Meeting (quarterly) • Employee Welfare Committee (monthly) • Education Training Platform (ad hoc) • Corporate website (ad hoc) • Stakeholders questionnaire	• Shareholders' Meeting (annual) • Investor conference (annual) • Market Observation Post System (ad hoc) • Corporate website (ad hoc) • Stakeholders questionnaire	• Supplier platform (ad hoc) • Supplier evaluation (ad hoc) • Supplier conference (ad hoc) • Supplier visit (ad hoc) • Company website > contact us • Stakeholders questionnaire	• Press release (ad hoc) • Press conference (ad hoc) • Corporate website (ad hoc) • Stakeholders questionnaire	• Official document • Corporate website (ad hoc) • Stakeholders questionnaire	• Corporate website (ad hoc) • Stakeholders questionnaire

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Echo SDGs SUSTAINABLE DEVELOPMENT G☉ALS

Escalate the value of corporate sustainable development.

To consolidate its sustainable development strategies, Alpha Networks not only actively investigates and integrates stakeholders' concerns, but also aligns those issues to SDGs to drive high level value of sustainability actions with higher vision.

Chapter	SDGs		Action and achievement
Ch1 Corporate Governance 1.1 Corporate Governance 1.2 Ethical Management & Legal Compliance 1.3 Intellectual Property and Information Security 1.4 Risk Management 1.5 Operating Performance	**8 DECENT WORK AND ECONOMIC GROWTH**	Promote equitable, inclusive, and sustainable business growth, achieve full employment, and allow everyone to enjoy decent work.	Alpha Networks continually strengthens its corporate governance with the Board of Directors as the core, upholds integrity management and legal compliance. The Risk Management Committee (RMC) identifies and manages risks that impact achieving the operational goals, ensures that the Company can achieve sound financial results, and promotes the Company's sustainable business growth, full employment, and decent work for all. • Attendance rate of the Board of Directors, Audit Committee, and Remuneration Committee 100%. • 2022 Education and training on integrity management: 379 people attending for 125 hours. Education and awareness courses on insider trading: 204 people attending for 184 hours. Online course on information security: 275 people attending for 137.5 hours. • Risk management worked well this year: reducing operational impact, Avoid physical losses (no property damage, no occupational injuries/ accidents; Proper epidemic prevention, no production line shutdowns, and no moderate or severe covid-19 cases). • Consolidated revenue in 2022 was TWD 33.63 billion, an increase of 20.7% from the previous year, EPS was TWD 1.69. • Human rights policies enable employees to work at Alpha networks with peace of mind and dignity, in accordance with Chapter 3: Fusion of Soceity.
Ch2 Sustainable Products and Services 2.1 Products and Services 2.2 Trend of sector 2.3 Development and innovetion 2.4 Marketing and promotion	**9 INDUSTRY INNOVATION AND INFRASTRUCTURE**	Build resilient infrastructure, foster an inclusive and sustainable enterprise industries, and drive innovation.	Alpha Networks has many years of expertise in network communication products, engages in innovative thinking, and invests in the research and development of online communications core technologies to create a full range of network communication products, covering: regional/metropolitan networks, wireless broadband networks, digital multimedia networks and enterprise solutions, with a key technology-oriented global patent application strategy, 5G/6G, Wired Technology Fiber, Edge Computing/AI and other core technology fields, and a number of patents that cover 5G, small base stations, cloud technology and other current core technologies of internet communications. • The number of patent applications by Alpha Networks in 2022 was 20, and we plan to file 60 patent applications in different countries. • The number of patents approved by the competent authorities of various countries in 2022 was as follows in the Table of Approved Patents (including applications before 2022).

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Chapter	SDGs		Action and achievement
	5 GENDER EQUALITY	Achieve gender equality and empower all women and girls.	To promote gender equality policy and avoid gender or pregnancy discrimination, Alpha Networks enables female employees to apply for menstrual leave, maternity check-up leave, maternity leave and breastfeeding time according to their physiological needs, and male employees can apply for paternity leave according to their needs. We also offer employees unpaid leave for childcare. In addition, employee salaries and rewards do not differentiate based on gender. Alpha Networks has a fair salary and welfare policy, whereby employees' salaries, rewards and welfare items are not treated differently based on gender, race, nationality, or age.
Ch3 Fusion of Soceity 3.1 Human rights 3.2 Human Resources 3.3 Salary and Welfare Policy 3.4 Talent Development 3.5 Occupational Safety and Health 3.6 Social Engagement	**10 REDUCED INEQUALITIES**	Reduce inequality within and between countries.	• In 2022, 11 female employees took maternity leave, and 12 male employees took paternity leave. • There is no difference in salary based on gender, and the starting salary ratio of new male and female employees is 1:1.
	1 NO POVERTY	Eradicate poverty in all its forms.	In addition to pursuing the Company's sustainable business growth, Alpha Networks also raises employee salary levels. • In 2022, the average salary of full-time non-management employees was TWD 1,116,000 (a 24% increase from 2021), and the median was TWD 1,050,000 (a 27% increase from 2021).
	4 QUALITY EDUCATION	Ensure inclusive, equitable, and quality education and provide lifelong learning opportunities for all.	Alpha Networks invests in talent cultivation, runs a comprehensive training system and learning channels according to employees' needs at different stages, and provides science education for disadvantaged people through its foundation. • In 2022, training hours totaled 32,035 hours with 21,014 people attending over the year. • Use our influence as an internet communications company and the power of our foundation to help popularize science education in remote and disadvantaged areas.
	2 ZERO HUNGER	End hunger, achieve food security and improve nutrition.	To provide safe, hygienic, and healthy group meals for employees, Alpha Networks manages food safety in each factory compound. For instance, a "food committee" checks the meals, meals are prepared with less oil, and kitchen hygiene is inspected every month from ingredients delivery, storage, processing, tableware safety, to management of kitchen personnel environmental equipment, and food safety. • The number of diners increased by 12% from Q1 to Q4, and the satisfaction rate increased by 3.6%.

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Chapter	SDGs	Action and achievement
Ch3 Fusion of Soceity 3.5 Occupational Safety and Health	**3 GOOD HEALTH AND WELL-BEING** Promote healthy lifestyles and well-being at all ages.	Alpha Networks sets much store by employee health management, carries out systematic health promotion and activities, offers employee health check-ups above and beyond the legal requirements, has a medical room in each facility staffed with 2 occupational health nurses, while 3 specialist physicians visit the factory three times a month to promote health care, raise health awareness, and provide special care. • Alpha Networks provides health check-ups above and beyond the legal requirements. In 2022 the inspection rate reached 97%. • 9 seminars on metabolic syndrome with 414 people attending were held in 2022. Three sessions on health promotion with 83 participants were held as well. • Special health management: For personnel engaged in operations with special health hazards, such as noise or ionizing radiation, we provide health check-ups with a focus on their occupational hazards. The annual completion rate in 2022 is 95%.
Ch4 Sustainable Environment 4.1 Green Product Management 4.2 Environmental and Energy Management 4.3 Carbon emission reduction operations 4.4 Wastewater and Waste Management 4.5 Environmental Regulation Compliance	**13 CLIMATE ACTION** Take urgent actions to address climate change and its impacts. **15 LIFE ON LAND** Conservation and sustainable use of terrestrial ecosystems to ensure biodiversity and prevent land degradation.	Through its hazardous substance management platform, Alpha Networks purchases raw materials that fully meet regulatory standards, complies with the environmental protection laws and customer requirements across various countries, and avoids the impacts from harmful substances. We help protect the environment through our product design that enables, dismantling recycling, energy conservation, and control of greenhouse gas emissions by way of corporate climate action. In addition, Alpha Networks supports ecofriendly and animal-friendly farming and contributes to the preservation of biodiversity. Our small actions also take care of farmers' economic rights and responds to food issues on various levels. • For further information on environmental indicators such as electricity saving, carbon reduction, water conservation, and waste reduction, please refer to Achievement of the year (Ch 4 Sustainable environment) .
Ch5 Sustainable value chain 5.1 Supply Chain Management 5.2 Customer satisfaction	**17 PARTNERSHIPS FOR THE GOALS** Strengthen sustainable development implementation methods and mobilize global partnerships for sustainable development. **12 RESPONSIBLE CONSUMPTION AND PRODUCTION** Ensure sustainable consumption and production patterns.	The mission of Alpha Networks is to be a globally recognized, professional networking supplier of design, manufacturing and services (DMS). As a network communication OEM, Alpha Networks connects the entire value chain. Alpha Networks' responsible procurement requires all suppliers to comply with all relevant laws and regulations. We pay special attention to the management of labor rights, environmental protection, safety and health risks throughout our supply chain. We also use the Conflict Minerals Reporting Template (CMRT) to collect supplier data on such prohibited substances. In addition, based on the concept of environmentally friendly operations, we take quality and manufacturing approaches that implement responsible production that fully satisfies our customers and embodies our E-CAN Values. • In 2022, there were 151 supplier evaluations, and 0 suppliers were rejected. In 2022, no supplier was suspended from virgin material transactions. • In 2022, 29 CMRT surveys were sent to suppliers, 28 of which were completed and returned (96.55% completion rate). One was not completed but is expected to be completed in 2023 Q1. • Customer satisfaction in 2022 was 87.9 points, which represents a significant improvement from 82.9 points in the previous year, and the scores of the five material issues all increased compared with the previous year.

Ch1
Corporate Governance

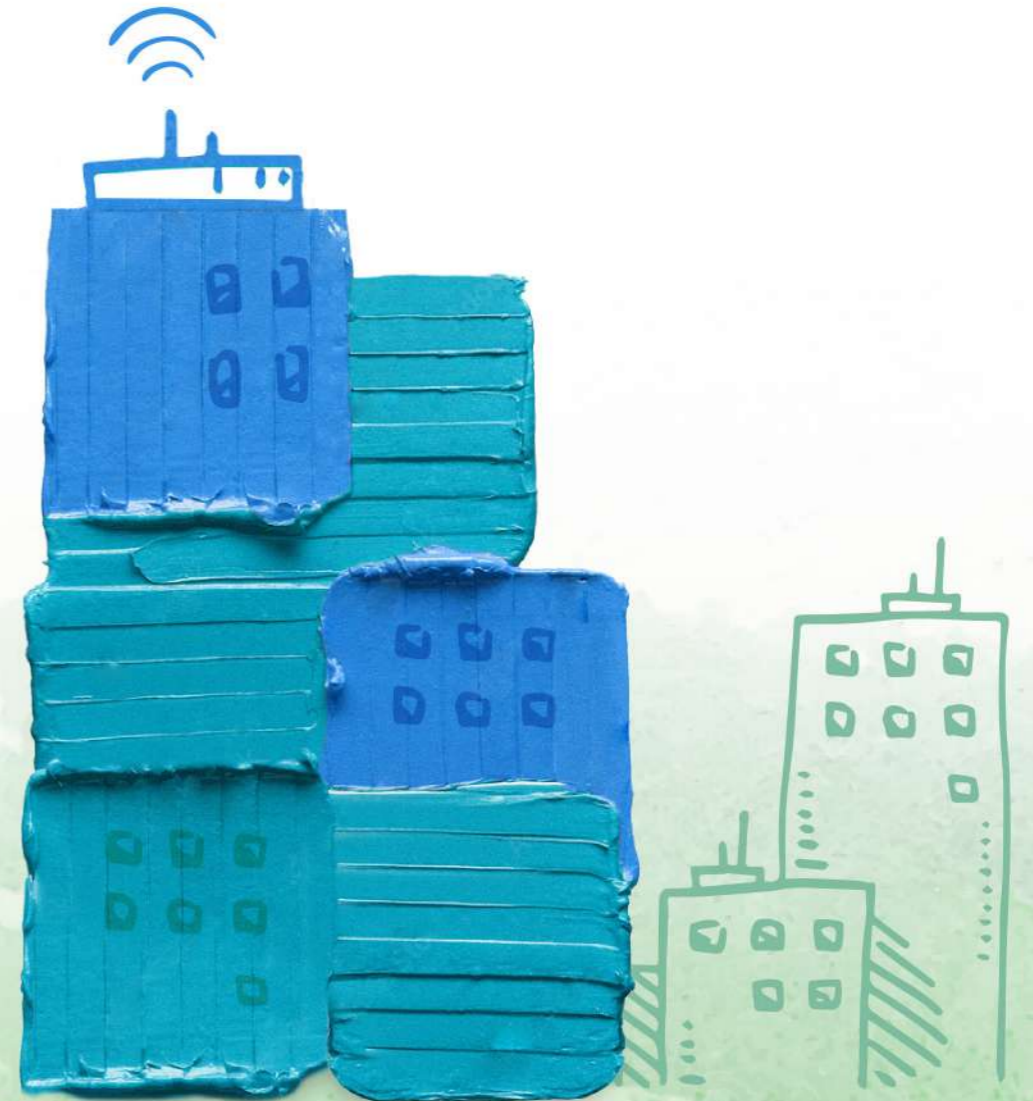*Continously strengthen corporate governance to keep the Company grow and develop.*

1.1 Corporate Governance

1.2 Ethical Management and Legal Compliance

1.3 Intellectual Property and Information Security

1.4 Risk Management

1.5 Operating Performance

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1.1 Corporate Governance

Alpha Networks is firmly committed to transparency and ongoing advances in the field of corporate governance. In addition to the establishment of a rigorous corporate governance framework, the Company directs its efforts in strengthening functionality of Board of Directors and building of a supply chain characterized by a strong emphasis on social responsibility, labor rights, safety, health, and sustainable development. Alpha Networks implements its business strategies, optimizes its corporate risk management mechanism, and strengthens operational monitoring at each level of the organization with the ultimate goal of ensuring compliance with the code of business conduct and ethics and realization of the core value of honesty and integrity. The Company also place high priority on the protection of shareholders' equity and achievement of its corporate vision.

Based on these principles, the Alpha Networks Board of Directors authorizes the Audit Committee and Compensation Committee, which are directly subordinate to the board, to assist in the fulfillment of its supervisory

responsibilities. Both committees submit regular reports on its activities and resolutions to the Board of Directors.

Commitments and Policies

We handle corporate governance-related matters in accordance with the Company Act, Securities and Exchange Act and other relevant laws and regulations. The Board of Directors is the highest management level in our corporate governance structure. We take sustainable development as our highest guiding principle, we have a corporate sustainable development committee to stay abreast with overall trends and changes in the local and international economy, society, and environment, and adjust our policies to protect stakeholder interests, in line with the goals and requirements of an international model enterprise like ours.

			Management performance
Targets	**Short term**	• No major violations of social, environmental, or economic regulations. • Improve corporate governance evaluation results. • The performance evaluation of the Board of Directors is incorporated into the external performance evaluation mechanism.	**Strengthen the governance structure** • Since its establishment, our Company has built a compliance system to help reduce the probability and impact of breaches of laws and regulations, to fulfill our responsibility of good management and reduce the risk of penalties. Events related to environmental and economic regulations. • Alpha Networks has improved the completeness and transparency of its corporate governance procedures. In the 9th corporate governance evaluation (2022), the results were 6%~20%, improve from the results in the 8th (2021). • To implement corporate governance and improve the functioning of the Board of Directors, we formulated a "board performance evaluation method" in 2020, which was included in the external performance evaluation mechanism.
	Medium	We actively respond to corporate governance-related suggestions from the competent authority to improve the operations of our Board of Directors.	**Board diversity** In accordance with the corporate governance 3.0 blueprint for sustainable development, published by the competent authority, and our "Board Diversity Policy". Alpha Networks selects board members with diverse backgrounds and viewpoints bringing in experience with different types of companies and operations, to contribute to our Company's development needs.
Management	**Communication**	Please refer to company website> Corporate Governance	**Adequate and perfect communication** • All members of the Board of Directors communicate through the channels of the Board of Directors, the Remuneration Committee, and the Audit Committee, and regularly hold meetings and discussions with accountants and the internal auditing and corporate governance offices, and those communication channels are smooth. • In 2022, the attendance rate of the board meeting was 100%, the attendance rate of the Remuneration Committee and the Audit Committee meeting was 100%. Two communication meetings were held with accountants on corporate governance-related issues.
	Evaluation	Board performance evaluation, shareholder meeting, corporate governance evaluation.	**Board performance evaluation** • In 2022, the performance evaluations of the Board of Directors, individual Directors and functional committees were all "excellent" on average. The evaluation items include "participation in the Company's operations", "improving the quality of the Board of Directors' decision-making", "the composition and structure of the Board of Directors" and "awareness of the responsibilities of the functional committees". • The corporate governance evaluation helps improve and optimize plans with relevant units for the unscored indicators.

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Supervisor of corporate governance

The corporate governance supervisor is in charge of the supervision and execution of corporate governance, and his qualifications meet the provisions of Article 3-1, Paragraph 1 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. Responsibilities include informing the Directors and the Audit Committee of the latest legal and regulatory developments that relate to the Company's operations and assisting the Directors and the Audit Committee with legal compliance, annually reporting to the Board of Directors on corporate governance operations. Meetings of the Board of Directors and shareholders' meetings are handled in accordance with the law, including making the minutes of those meetings, assisting new Directors and Audit Committee members in their duties, replying to inquiries about meeting materials and supplementing materials, and continuing education, etc.

Implement corporate governance

In the 9th corporate governance evaluation (2022), the results were 6%~20%, improved from the results in the 8th (2021). It is obvious that Alpha Networks has improved the completeness, transparency, supervision, and promotion of its corporate governance procedures across its internal departments and offices. Alpha Networks has always adhered to the principle of full information disclosure, and in accordance with the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities", "Taiwan Stock Exchange Corporation Procedures for Press Conferences Concerning Material Information of Listed Companies", and "Taipei Exchange Rules Governing Information Reporting by Companies with TPEx Listed Securities", "Regulations Governing Establishment of Internal Control Systems by Public Companies", "Proceedings Manual and Measures for Compliance Items for Shareholders Meetings of Listed Companies", published by the competent authorities, as well as our Company's four major measures, etc. Our dedicated departments and offices always timely publish the required information to the Taiwan Stock Exchange Market Observation Post System (MOPS).

Important actions in the implementation of corporate governance include :
- Upload the procedure manual 30 days before the date of the Shareholders Meeting. The annual report is uploaded 18 days beforehand.
- When the Board of Directors decides on a Regular Shareholders Meeting, it releases the most important information in both Chinese and English, including the date, method, reason for meeting, and the date when the shareholder list updates are cut.
- Disclose information on corporate governance, sustainable development, and risk control on the Alpha Networks website.
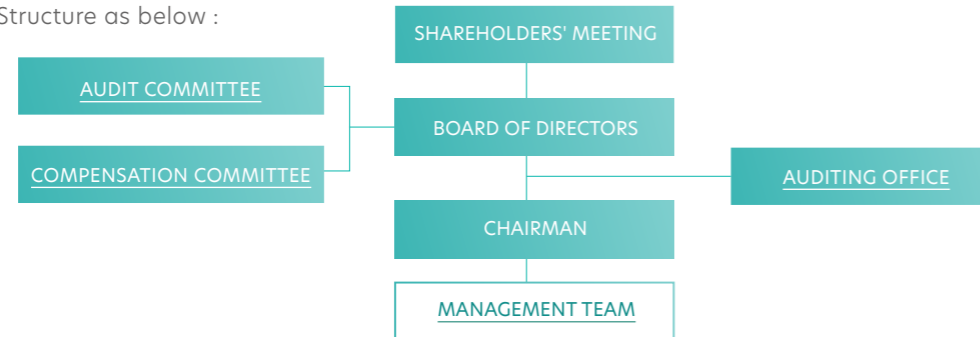
Refinement of corporate governance

Alpha Networks is committed to corporate governance, including safeguarding shareholders' rights, treating shareholders equally, strengthening the structure and operations of the Board of Directors, improving information transparency, and progressing with sustainable corporate development. Alpha Networks has an Investor Relationship area on its website, providing investors with downloadable Chinese and English annual reports, financial statements, dividend and stock price information, shareholder meeting manuals and other related information. The corporate governance area provides the Articles of Association, corporate governance code and other company rules and important resolutions of the Board of Directors. For the performance evaluation results of the Board of Directors, functional committees, and individual Directors in 2022, please refer to the corporate governance website of Alpha Networks In addition to legal requirements, to strengthen corporate governance and enhance shareholder rights and interests, Alpha Networks has a specific and clear dividend policy in place and discloses relevant information in its annual reports. To implement corporate governance and improve the functioning of its Board of Directors, Alpha Networks has adopted a "Performance Evaluation Method of the Board of Directors", which is incorporated into the external performance evaluation mechanism.

The Company regularly reports the implementation status of its intellectual property to the Board of Directors to improve intellectual property management. In addition, our Company holds investors person briefings every year to explain its business performance and long-term plans to institutional legal persons and the public, and make comprehensive information disclosures, so that investors can understand the Company's situation.

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1.1.1 Governance Structure

Governance Structure as below :

Protecting shareholders' rights and interests has always been an issue that Alpha Networks has always attached great importance. The Regular Shareholders Meeting of Alpha Networks uses an electronic voting system, and votes are cast on a case-by-case basis, to increase the proportion of shareholders attending the shareholders' meeting and ensure that shareholders can exercise their shareholder rights according to the law. We also communicate our operations and financial situation to the shareholders, and field questions from shareholders. In addition to having a management team composed of experienced managers, Alpha Networks also has board members who generally have the knowledge, skills, and achievements necessary to perform their duties, and they are committed to maximizing shareholders' interests.

Our Board of Directors regards the interests of the Company and all shareholders as its top priority, conducts business evaluation and adopts major resolutions. The Audit Committee supervises and examines the Company and the Board of Directors' execution of business with a prudent attitude.

Composition of the Board of Directors

The Board of Directors is the core of our corporate governance. A candidate nomination system is clearly stipulated in the Articles of Incorporation. It is further stated in Article 20 of the Corporate Governance Best Practice Principles that "the composition of the Board of Directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as managerial officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated." To achieve sound corporate governance, the Board of Directors needs to be diverse and competent. According to our operations, business model and development needs, we formulate appropriate diversification policies, including but not limited to the following two major aspects of the standard :

1.   Basic attributes and values: age, identity, etc.
2.   Professional knowledge and skills: specialized background, expert skills, industrial experience, etc.

The Company has seven Directors (including three Independent Directors), two Directors are between the ages of 51-60 and five are between the ages of 61-70. The Board of Directors is elected by voting according to the Directors Elections Rules. The committees under the Board of Directors are nominated and selected according to the organizational rules and resolutions of the Board of Directors. There are requirements regarding work experience, restrictions on concurrently serving as Independent Directors, and independence. The Independent Directors cannot concurrently serve as Independent Directors at more than three other listed companies. The chairperson is elected by the Directors, and all Directors have more than five years of business, legal, financial, or accounting experience as required by the Company. Every year, the Company makes of the Board of Directors and management team to continue studying economic, environmental, social, and other issues, to enhance the relevant knowledge of its highest governance unit.

Board members

Job title	Full name	Basic information			Professional background			Attendance
		Nationality	Gender	Age	Concurrent employment at this Company	Industry or Technology	Commerce/ Law/Finance	
Chairperson	Qisda Corporation Representative: April Huang	ROC	Female	51~60	●	●	●	100%
Vice Chairperson	Qisda Corporation Representative: Peter Chen	ROC	Male	61~70		●		100%
Director	Qisda Corporation Representative:Joe Huang [1]	ROC	Male	61~70		●		100%
Director	Qisda Corporation Representative: Jasmin Hung	ROC	Female	51~60			●	100%
Independent Director	Shu-Hsing Li	ROC	Male	61~70			●	100%
Independent Director	Ming-Der Hsieh	ROC	Male	61~70		●		100%
Independent Director	Cheng-Jong Chiang	ROC	Male	61~70		●		100%

Note : The legal-person Director, Qisda Technology Co., Ltd. Appointed Han-Chou Huang as its representative on April 29, 2022, and the original representative Yu-Chin Lin was dismissed.

❖ More information of board members, such as education, experience, position in Alpha Networks or other company, please refer to cimapny website > Corporate Governance.

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1.1.2 Operation of the Board of Directors

To properly supervise the Company's operations, the Board of Directors meets at least once a quarter. The Board of Directors follows the principle of maximizing shareholder interests, fulfill their duties of good management and loyalty, and exercise their powers with a high degree of self-discipline and prudence, conduct business evaluation and adopt major resolutions. Our Board of Directors held four meetings in 2022, with an attendance rate of 100%, and all members attending all board meetings in person, better than the standard of at least 80% of the board attendance rate required by our Company's board performance evaluation. To implement corporate governance and improve the functioning of the Company's Board of Directors, the "Performance Evaluation Measures for the Board of Directors" was adopted in 2020, stipulating that the Board of Directors conduct an internal performance evaluation at least once a year and an external performance evaluation at least once every three years. The Company conducts internal performance evaluation of the "Board of Directors", "Board Members", "Audit Committee" and "Remuneration Committee" every year, and completed a performance evaluation of the Board of Directors and its functional committees by the end of 2022. The evaluation results were all "excellent", reflecting that the functioning and operating efficiency of the Board of Directors and its functional committees are good. These evaluation results will be reported to the Board of Directors in the first quarter of 2023. In July 2021, the Company commissioned an external independent evaluation organization, the Taiwan Corporate Governance Association (CGA) to evaluate the efficacy of our Board of Directors in 2023.

Mechanisms for Avoiding Conflicts of Interest

Alpha Networks' "Board of Directors Procedures" and "Organizational Regulations of the Audit Committee" all contain clauses regarding the avoidance of conflicts of interest for the Directors. Regarding agenda items of board meetings, the Directors themselves or their representative legal persons may have an interest. If so, they should explain their interests at the meeting. If it might harm the interests of the Company, they may not participate in the discussion and vote, and they must recuse themselves from both discussion and vote, nor can they vote on behalf of other Directors. Alpha Networks Inc. has Independent Directors, who can make suggestions based on their expertise and experience from an objective and fair standpoint. When discussing any proposal, the Board of Directors should fully consider the opinions of the Independent Directors and include their reasons or opinions for agreement or opposition in the meeting minutes. They should also uphold the principle of avoiding conflicts of interest to protect the interests of the Company. In addition, None of the Directors has any cross-shareholding with major suppliers. Alpha Networks Inc. also has a spokesperson system, a special area on the website, and a mailbox as a channel to communicate the Company's information. Shareholder suggestions and other issues can be raised through the investor mailbox and will be handled by a dedicated staff member.

Directors' liability insurance

Alpha Networks takes out liability insurance for its Directors, annually evaluates the insurance amounts, and reports the renewal of Directors' liability insurance to the Board of Directors.

Governance of climate change issues

Amid global climate change and the low-carbon market transition, Alpha Networks pays attention to the risks and opportunities that climate change may bring. To promote transparent information disclosure on climate-related risks and opportunities, we follow the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to detect, assess and disclose climate change risks and opportunities. Based on internal rules and external regulations, market and technology changes, goodwill and substantive risks, our Company analyzes, develops and adapts mitigation strategies. Using our Company's green process technology development blueprint, our senior management transforms these into specific carbon reduction outcomes and financial contributions.

The Board of Directors instructs the relevant departments and offices and divides the labor on climate issues as follows :

1. Board of Directors and its functional committees: The Board of Directors reviews and directs climate change strategy, action plans and annual goals, while the sustainable development committee drafts, plans and implements those. Risk management committees and Sustainable Development Committee not only execute climate change risk detection/assessment each quarter, but also annually report the implementation status to the Board of Directors, with reviews the greenhouse gas reduction goals and achievements.

2. Risk Management Committee: Coordinates departments within the Company to review the Company's internal and external risks (including climate change risks), formulate risk response strategies for major company-wide risks, and annually reports on this to the Board of Directors.

3. Sustainable Development Committee: Proposes and implements the corporate social responsibility vision, tasks, systems, related management guidelines and specific action plans (including climate change), and annually reports the plans of climate action and results to the Board of Directors.

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1.1.3 Operation of the Audit Committee

The Company established its Audit Committee on June 15, 2012, composed of all Independent Directors in accordance with the law and the "Organizational Rules for the Audit Committee" adopted by the Board of Directors. The Audit Committee supervises and examines the Company and prudently reviews the Company's business and the functioning of the Board of Directors. The Audit Committee meets at least once a quarter. In 2022, the committee met four times, with an average attendance rate of 100%. The accountants report to the Audit Committee every six months, internal audits are conducted quarterly, while risk management, legal matters, financial accounting, and other units report to the Audit Committee irregularly. The Audit Committee may ask for information such as the latest financial statement reviews, internal audit results, major litigation cases, financial overviews, etc., so the Audit Committee may assist investors with credible information regarding corporate governance and information transparency, to protect the shareholders' interests.

The term of office of the current Audit Committee is from January 28, 2021 to January 27, 2024. As of the end of October 2022, eight meetings had been held as shown in the table below. The annual work priorities and operations are disclosed in the section "Operations of the Audit Committee" of the Company's annual report.

Position	Name	Attendance in person	Attendance by proxy	Attendance rate (%)
Chairperson	Shu-Hsing Li	8	0	100%
Member	Ming-Te Hsieh	8	0	100%
Member	Cheng-Jung Chiang	8	0	100%

1.1.4 Operation of the Audit Office

Audit Office organization

The Company's internal audit is an independent unit, directly subordinate to the Board of Directors, with one person in charge of the Audit Office and dedicated auditors. 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. Our auditors have the International Internal Auditor Certificate issued by the international Institute of Internal Auditors (IIA).

Alpha Networks upholds integrity and abides by the law. We have an effective internal control system in place with a dedicated unit for implementation at the management departments of our Dongguan Factory and Changshu Factory.

In addition to annual self-reviews of internal control systems, the effectiveness of Alpha Networks' 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.

How the Audit Office works

1. Formulate audit plans based on identified risks and submit those to the Board of Directors for approval before implementation.
2. Check legal and regulatory compliance, Company policies and rules.
3. Evaluate and improve the efficacy of the design and implementation of the internal control systems of the Company and its subsidiaries.
4. In addition to reporting the audit results to the management to make them aware of existing or potential deficiencies, the internal deficiencies and anomalies found in internal audits are also regularly tracked and improved.
5. Review the internal control and inspection reports of our Company's departments, offices, and subsidiaries to ensure the efficacy of the internal control system and issue statements on the internal control system.
6. Execute project audits.

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Operational Status of the Audit Office in 2022

- The Company's Independent Directors, internal audit supervisors and accountants interact and cooperate well. The summary of their main communication in the year is as follows:

Date	Participants	Communication topics	Suggestions and corrections
2022/03/04 Communication meeting	Independent Director x 3 Accountants Audit Supervisor	2021 annual financial report inspection results report. Important legal updates. The Company's own financial report.	None
2022/08/01 Communication meeting	Independent Director x 3 Accountants Audit supervisor	2022 second quarter financial report review results report. Important legal updates.	None

- The Audit Office implements the Company's internal audit and internal control, and cooperates well with the Independent Directors. The main communication items in 2022 were as follows :

Date	Participants	Communication topics	Suggestions and corrections
2022/03/04 Communication meeting	Independent Director x 3 Audit Supervisor	2021 Internal Control System Statement and Self-Assessment Results Report. 2021 October-December Audit Report and Follow-Up Inspection Instructions.	None
2022/04/29 Communication meeting	Independent Director x 3 Audit Supervisor	January-March 2022 Audit Report and Follow-Up Inspection Instructions.	None
2022/08/01 Communication meeting	Independent Director x 3 Audit Supervisor	April-June 2022 Audit Report and Follow-Up Inspection Instructions.	None
2022/10/27 Communication meeting	Independent Director x 3 Audit Supervisor	July-September 2021 Audit Industry Key Report and Subsequent Tracking Status Explanation. 2023 audit plan.	None

1.1.5 Operation of the Remuneration Committee

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). 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 Remuneration Committee meets at least twice a year or more often if needed. The Company's Remuneration Committee consists of 3 members (The term of office is from January 28, 2021 to January 27, 2024). All committee members are Independent Directors. The Remuneration Committee met three times as of the end of October 2022. There were five meetings as shown in the Table below.

Position	Name	Number of meetings Times (A)	Attendance in person Times (B)	Attendance by proxy	Attendance Rate (%) (B/A)
Convener	Ming-Te Hsieh	5	5	0	100%
Member	Shu-Hsing Li	5	5	0	100%
Member	Cheng-Jung Chiang	5	5	0	100%

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.

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1.2 Ethical Management and Legal Compliance

Commitment to ethical management and legal compliance.

1.2.1 Ethical Management Policy

Ethical management is not only conducive to business operations and long-term growth but also represents the most fundamental social responsibility of an enterprise. Unethical conduct results in losses for the enterprise, low moral standards of its employees, and mistrust between the enterprise and its clients and partners. Even worse, it is often associated with illegal conduct such as influence peddling or bribery, damage to the corporate governance mechanism, and deteriorating business environments.

The Board of Directors must exercise the due care of a good administrator in monitoring the prevention of unethical conduct by the Company and thereby ensure the implementation of ethical management policies.
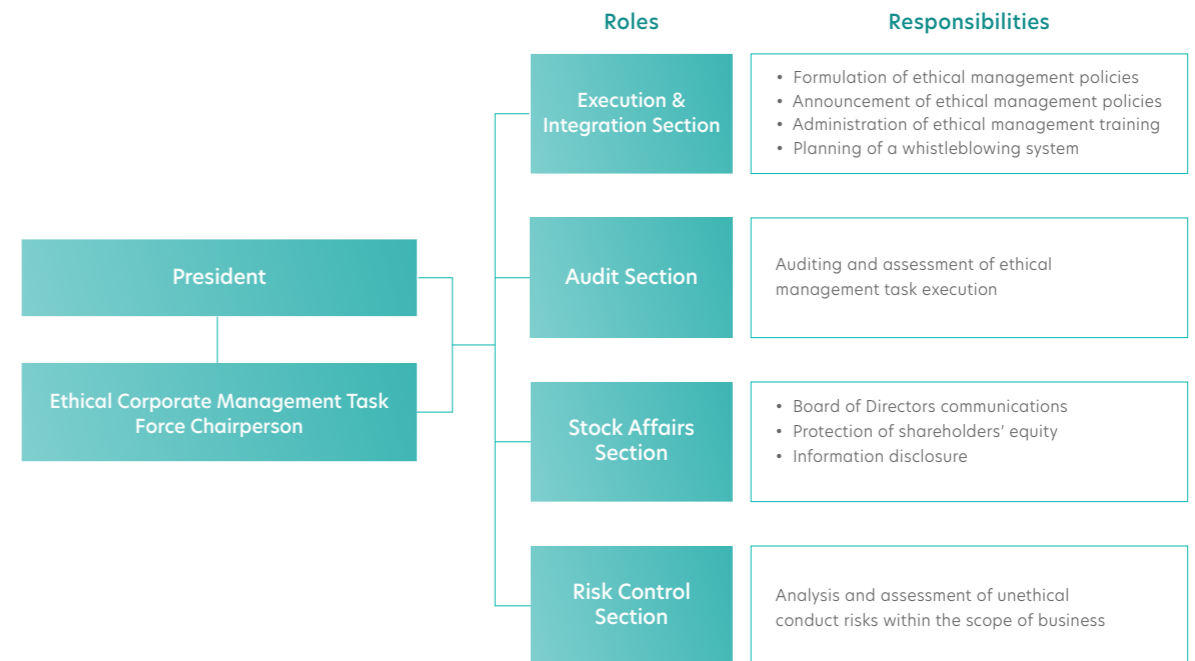
Alpha Networks has adopted Ethical Corporate Management Best Practice Principles and a Code of Ethical Conduct by board resolution as a reference for employee behavior and to ensure honest and sincere treatment of customers, suppliers, creditors, shareholders, and the general public by the Company and it employees. Adoption, amendment, and annulment of these regulations is subject to board approval.

The Company has formed an Ethical Corporate Management Task Force, which is composed of professionals in the fields of finance, HR, and auditing. In accordance with the duties and responsibilities of each unit, it assists the Board of Directors and each management level in the monitoring and execution of corporate governance-related matters including the Ethical Corporate Governance Best Practice Principles, anti-corruption, anti-bribery, legal compliance, and prevention plans with the goal of guarding against unethical conduct and ensuring the implementation of Ethical Corporate Management Best Practice Principles. The Task Force reports the implementation status and results to the board on a regular basis.

Corporate governance is the cornerstone of corporate operations. Alpha Networks is fully committed to the disclosure of corporate governance information and the enhancement of management performance transparency. Organizational activities are promoted and monitored on an ongoing basis pursuant to national and international laws to ensure sound organizational development and safeguard stakeholders' interests.

1.2.2 Organization and Operations

Ethical management framework：

Roles	Responsibilities
Execution & Integration Section	• Formulation of ethical management policies • Announcement of ethical management policies • Administration of ethical management training • Planning of a whistleblowing system
Audit Section	Auditing and assessment of ethical management task execution
Stock Affairs Section	• Board of Directors communications • Protection of shareholders' equity • Information disclosure
Risk Control Section	Analysis and assessment of unethical conduct risks within the scope of business

President

Ethical Corporate Management Task Force Chairperson

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Whistleblowing system/grievance mechanism

Alpha Networks persist in ethical management and strictly prohibits any form of improper conduct. With a view to safeguarding legitimate stakeholder rights and interests, dedicated personnel have been assigned to correspond and communicate with stakeholders and whistleblowing channels and grievance mechanisms have been established pursuant to the Ethical Corporate Management Best Practice Principles and the Code of Ethical Conduct. Where stakeholders detect any activities in violation of corporate governance or any illegal conduct, they may file reports via available channels.

The Company has assigned dedicated personnel to handle stakeholder reports submitted via the whistleblowing mailbox and relevant complaint channels. Whistleblower identities and report contents are kept strictly confidential to protect whistleblowers/grievants. Where illegal conduct is detected, Alpha Networks conducts rigorous reviews and ensures strict confidentiality of investigation contents and results to guarantee that personnel rights and interests are not prejudiced in any way. Relevant mechanisms and procedures can be described as follows :

a. Contact person or channel :

Any conduct in violation of integrity or business ethics can be reported via the employee grievance mailbox (talk@alphanetworks.com) or the stakeholder whistleblowing mailbox (improvement@alphanetworks.com) or they can report the matter to the HR unit (anonymous reporting allowed).

b. Investigation procedures :

- Upon receipt of reports/grievances, the contact person initiates investigations of the report incident and determine the report/grievance category.
- Relevant units are summoned, a project task force is formed, and corresponding investigation procedures are established.
- Where reports implicate directors or senior executives, the matter is immediately forwarded to the independent directors.
- Records pertaining to the handling, investigation procedures and results, and relevant documentation of reported incidents are fully preserved.

c. Reply method :

- Upon completion of investigations, the task force submits the investigation details to the President for final decision including the handling of external related parties and units responsible for follow-up processing.
- Where material violations are detected or the Company is in danger of sustaining material losses, the management level and all independent directors should be notified immediately (the Board of Directors should also be informed in writing). A report should be submitted to the competent authority or the matter should be handed over to judicial authorities for investigation if deemed necessary.

d. Incentive measures :

Upon verification of reported matters, the whistleblower/grievant should be rewarded accordingly to encourage reporting of any improper conduct.

Status of operations in 2022 :

A description of the implementation status of ethical corporate management is provided below in 2022. It is also planned to report it to the Board of Directors in March 2023 and made public on the corporate website for viewing by the general public.

1. Training and Education :
   Course on the Staff Code of Conduct and Ethical Management was attended by 379 employees in 2022.
2. Employee Pledge :
   All employees signed the Honesty & Integrity Statement during onboarding in 2022.
3. Employee Education :
   Employees are educated on the concept of integrity and their confidentiality responsibilities through internal informational materials.
4. No whistleblower reports/grievances were received in 2022

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1.2.3 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.

No records of violating local laws and regulations or being involved in significant lawsuits in 2022 (involving amounts exceeding NTD 2 million or related to product transactions).

1.2.4 Obey Market Mechanisms

As a global network communications DMS provider, Alpha Networks strictly abide by laws of nations and industry regulations. We further comply with market mechanisms and refrain from engaging in improper and unfair anti-competitive practices in the face of market competition. With a view to ensuring compliance with laws by the Company and its employees in the performance of duties, Alpha Networks embraces a philosophy of social responsibility characterized by integrity and self-discipline. Its Ethical Corporate Management Best Practice Principles contain clearly formulated provisions in the fields of anti-corruption, anti-trust, data protection, and political participation. All these concepts and provisions serve as the primary code of conduct that informs all business activities engaged in by Company members. In 2021, no anti-competitive or anti-trust practices or incidents occurred. In addition, Alpha Networks maintains political neutrality and encourages

its staff members to fulfill their civic duties without engaging in political PR or make any political contributions under the Company's name. No expenses associated with political contributions were incurred in 2022.

As a listed company on the Taiwan Stock Exchange, Alpha Networks strictly abides by the listing regulations and capital market rules. It has adopted Procedures Governing the Handling of Insider Trading-Related Material Information and Prevention of Insider Trading. Incumbent directors, managerial officers, and rank-and-file staff are provided with training and education on the Regulations Governing the Prevention of Insider Trading and relevant laws on an annual basis. Newly appointed directors and managerial officers are provided with information pertaining to relevant regulations when they assume office.

All incumbent directors, managerial officers, and rank-and-file staff were provided with training and education in this field. Contents of courses for related personnel included confidentiality procedures for material information, causes and identification processes for insider trading, and trading examples. 204 staff members completed insider trading-related training in 2022.

Review procedures for the scope, representative character, and contents of public statements or disclosure of information on the Company, markets, products, services, customers, or suppliers are determined pursuant to Procedures Governing the Handling of Insider Trading-Related Material Information and Prevention of Insider Trading. Alpha Networks not only relies on its spokesperson system but also discloses the latest Company news and material information in the fields of finance and sustainable development and other areas in its annual reports, meeting handbooks, sustainability reports, and in the Investor Relations section of corporate website in a transparent manner.

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1.3 Intellectual Property and Information Security

Alpha Networks respects intellectual property and adequately protects confidential and sensitive information.

1.3.1 Intellectual Property Rights

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 and the legal implications will be clearly stated in the employment contract. Online training courses on intellectual property rights held in 2022 were attended by 314 employees. Total training hours amounted to 72.7

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

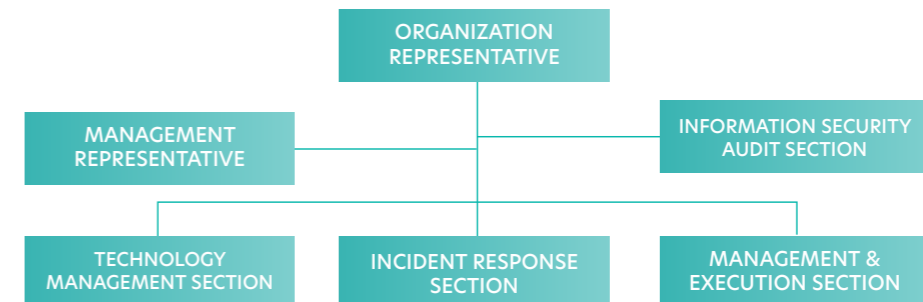### Management and Protection of Confidential Information

To ensure the reasonable protection of the company's and clients' 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 clients are used legally during business activities without violating any of the relevant laws. No instances of customer complaints, information leakage or theft, or loss of customer data were occurred in 2022.

1.3.2 Information security management

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.

Information security management framework

Alpha Networks established an information security system in 2019 with the CIO serving as management representative. Internal and external information security risks are assessed and corresponding information protection measures are adopted in information security management & review meetings are convened annually. Information security functions are performed by the Information Security Management & Execution Section, Technology Management Section, Incident Response Section, and Information Security Audit Section. Dedicated task force leaders have been assigned to ensure effective implementation of information security management policies.

ORGANIZATION REPRESENTATIVE

MANAGEMENT REPRESENTATIVE

INFORMATION SECURITY AUDIT SECTION

TECHNOLOGY MANAGEMENT SECTION

INCIDENT RESPONSE SECTION

MANAGEMENT & EXECUTION SECTION

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Information security policy

Internal and external issues are analyzed annually in accordance with the ISO/IEC27001 Information Security Management System. Special attention is paid to requirements and expectations in the field of information security. Information security management system parameters and objectives and risk improvement opportunities are defined and identified based on risk assessments and business impact analysis.

Information security control procedures

Information security control procedures encompass protection systems such as external firewalls and third-party information security vulnerability scanning systems to prevent the risk of external intrusions. Internal control procedures include management and control processes for IT equipment usage, network communications, account permissions, removal of computer equipment, physical printing and remote connections to ensure rigorous management of information at each stage of use and to reduce risks in the fields of operational data leakage and 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.

Reinforcement of information security awareness

Alpha Networks educates its employees on information security policies and regulations and conveys relevant information and security incident reports on an ongoing basis via its internal website. Professional training courses for information security personnel and general courses on information security issues for all staff member are organized on an annual basis. The company also conducts social engineering drills to heighten the alertness and awareness of staff members to information security risks in their daily operations.

Online training courses on information security held in 2022 were attended by 275 employees with total training hours of 137.5.

Strengthening of Information Security

Alpha Networks has noted that, in recent years, the industry has suffered from external attacks and that risks around operational data encryption and other information security aspects have increased. To strengthen our information security, a budget has been allocated to increase the active defense and monitoring of external attacks and enhance advanced protection of key operating systems. In addition, the four major operational systems have been scanned for vulnerabilities. An inventory of all information system management permissions was carried out to ensure decentralized management of access per system, improve password strength of privileged accounts, and force remote management connections to enable multi-factor authentication to strengthen security of our information systems and operational data.

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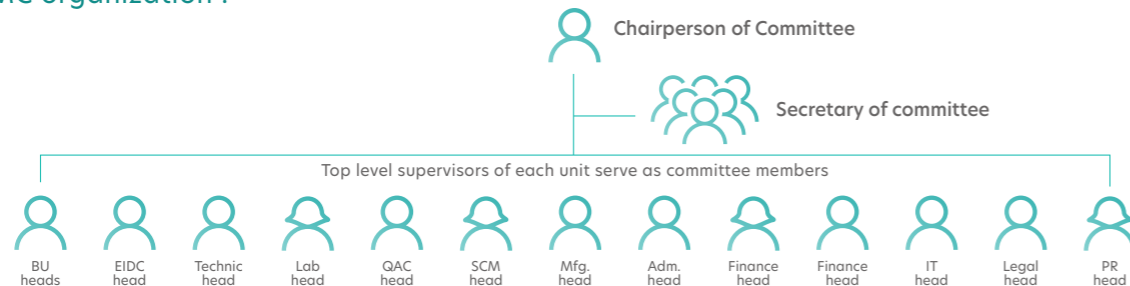
1.4 Risk Management

Identification and management of corporate risks.

Alpha Networks risk management operations focus on risk identification, risk mitigation, and risk transfer planning. Alpha Networks Risk Management Committee (RMC), as core unit in this field, utilize strategic analysis tools to assess the impact of various risks and achieve effective risk prevention and control. The goal lies in the effective management of risks above the tolerance level through the most cost-effective methods. RMC identifies and manages risks in the four major dimensions of strategy, finance, operations, and hazards.

1.4.1 Risk Management Policy and Operations

The Board of Directors has ratified the Risk Management Vision, Policy, and Procedural Guidelines. In 2021, the Company formally established a Risk Management Committee (RMC) with the President serving as Chairperson. Committee members consists of head of all units RMC serves as committee members. Top level supervisors of each unit serve as committee members in charge of assessment of risk items affecting each unit by relying on a Risk Checklist, identification of high-risk items, and proposal of concrete risk improvement plans. A newly established administrator section is responsible for the monitoring of internal and external incidents, identification of potential risks, the overall planning of risk management meetings, and tracking of risk items and the achievement status of management plans. RMC convenes to formulate risk management strategies, define annual objectives and risk performance indicators, and request confirmation of Company-level Top Risks each year. RMC operations and risk management results are reported to the Board of Directors on an annual basis and made public on the corporate website.

RMC organization :

Chairperson of Committee

Secretary of committee

Top level supervisors of each unit serve as committee members

BU heads | EIDC head | Technic head | Lab head | QAC head | SCM head | Mfg. head | Adm. head | Finance head | Finance head | IT head | Legal head | PR head

Risk management operations :

Quarterly risk management meetings are convened by the chief secretary of RMC. Extraordinary meetings may be added in accordance with actual needs.

Risk identification

1. All committee members identify risks affecting their units by relying on a Risk Checklist. They also propose risk response strategies.

2. Risk radar charts are created based on the four major risk categories (strategy, finance, operations, hazards) and compilation of internal and external risk factors.

3. RMC committee members engage in reporting, discussions, decision-making, and tracking of implementation results during meetings. The RMC chairperson is requested to determine Company-level Top Risks on an annual basis.

Risk mitigation

Affected units are requested to adopt corresponding risk mitigation measures and business continuity plans (BCP) in line with identified top risk scenarios. Business continuity is ensured through ongoing updates of risk scenarios and organization of drills.

In addition, the joint defense mechanism of nearly 200 companies in the Qisda Group is used, consisting of monthly meetings, case study discussions, best practice sharing, information exchange platforms, and reporting channels, to collect group-wide information, integrate group resources to prevent losses and reduce risks, especially physical operations hazards such as environmental safety and health, natural disasters, etc. In 2022, Qisda Group held monthly meetings on Covid updates and Covid prevention practice exchange, earthquake and typhoon warnings, electricity consumption scans, power saving actions, occupational safety reminders (such as risks of iron rolling doors pinching hands), global economic trends and risk alerts, transportation insurance introductions, etc., all to reduce the impact of disasters and operational risks.

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1.4. 2 Risk management operations process and results

In 2022, Alpha Networks' Risk Management Committee met on a quarterly basis, and an extra meeting was held in response to the Russia-Ukraine War.

Risk identification

The Risk Management Committee evaluates and identifies risks that may affect our KPIs. Based on risk examination forms and collected data on a quarterly basis, the committee draws a risk radar chart to provide relevant departments with risk response or prevention countermeasures.

According to the discussion and evaluation of Alpha Networks Risk Management Committee in the 2022 Q4, our main risks on the four major aspects in the next year include :

Strategic risks (S) : Economic downturn/demand slowdown, the United States requires ridding supply chains of Chinese content, and highly concentrated sales.

Operational risks (O) : The newly opened factory in Vietnam lacks a second source for key components (amid pressure from increasing prices), and city lockdowns have caused logistical issues.

Financial risks (F) : A slowdown in demand may cause inventory pressure, customer credit risks, and a decline in gross profit.

Hazard risks (H) : Virus variants may cause a Covid resurgence, energy policy/power shortages, and natural disaster risks.

Top Risks		Countermeasures
Market Client	• Economic downturn/demand slowdown • Highly concentrated sales	• New customers - Actively develop new customers and diversify revenue streams. • New models - innovative R&D to improve product functions/quality/ specifications, and drive demand for existing product lines with new models. • New fields – break into emerging fields, such as low-orbit satellites.
Supply chain	• US clients required non-China supply chain. • Lack of second source for key components	Supply chain management department was committed to prepare a complete range of 2ⁿᵈ source that meets the requirement (non-China makers/not produced in China site) at the Pre-BoM stage.
	• Global inflation/key component prices are still rising	• Cost reduction • Cost transfer
	• Inventory pressure	• Reduce inventory - closely track order estimates/incoming materials and prevent excess raw materials. • Activate inventory – replace, sell.
Factory	• Vietnam new factory operations	The "Vietnam Factory task force" regularly inspects the work progress.
Epidemics	• Virus variants may cause a new outbreak • City lockdowns may cause logistical issues	Although the current Covid situation has slowed down, we are still preparing an epidemic prevention and business continuity plan. If an epidemic reemerges, we'll have measures ready for immediate launch.

• Risk Radar Charts
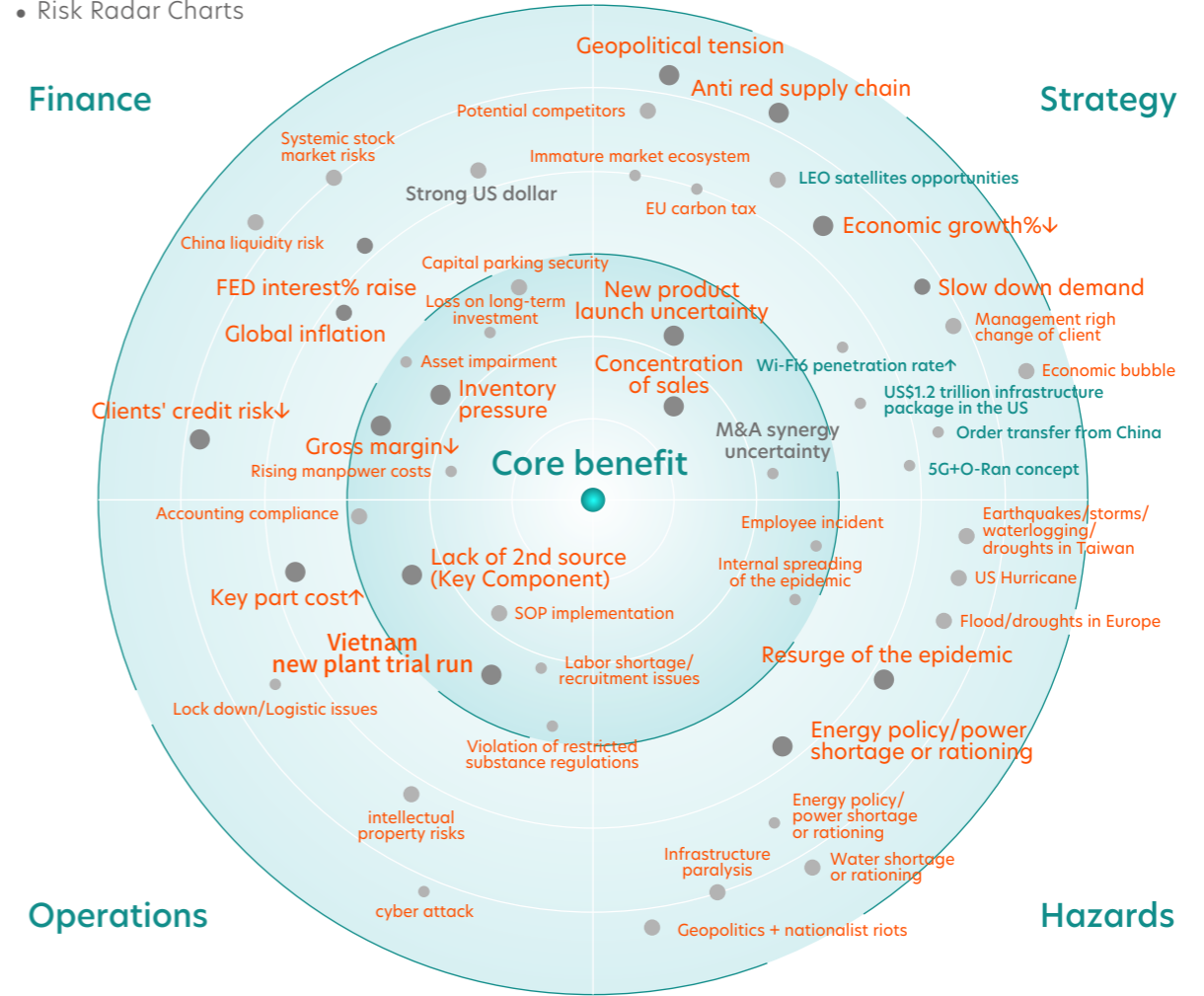
Positive
Neutral
Negative   The outer circle represents external risks   Increasing proximity to the center indicates increasing possibilities.
The inner circle represents internal risks   Increasing circle size indicates increasing impact levels

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Risk mitigation

A) Reduce operational impact

In 2022, the Ukraine War started, which caused uncertainties in operations. In addition, Dongguan, Shanghai, and other areas in China were in lockdown during the the epidemic, which directly impacted the Dongguan and Changshu factories. The Risk Management Committee required the Dongguan factory and Changshu factory to give daily updates on the local epidemic situation, the arrival of factory personnel, production status, incoming and outgoing shipments, etc., and coordinate with relevant units to take measures to reduce negative impacts. Thanks to its effective risk management mechanism, Alpha Networks maintained a stable operating performance in 2022, and its revenue is in good condition (for the annual revenue status, please refer to 1.5 operating performance) .In addition, there were no employee strikes or work stoppages in 2022 (the number of work stoppage days and the number of idle days were both 0).

B) Avoid physical loss

1. Employee safety & health measures

- New hires receive safety-related training during onboarding. In addition, general safety & health-related OTJ training is organized annually for current employees. A total of 4,962 training hours were provided for 1,657 employees in 2022.
- Internal fire drills, emergency response drills, and internal firefighting teams are organized on a semiannual basis
- The Company has made an ongoing commitment to providing its employees with a safe & healthy work environment. Automatic inspections are carried out as prescribed by law (daily prior to operations, weekly, quarterly, annually).
- OTJ training on ionizing radiation is scheduled annually. Qualified testing and certification providers are commissioned to conduct environmental monitoring on a semiannual basis.

❖ Due to the adoption of comprehensive labor safety & health measures, no occupational injuries and incident occurred in 2022.

2. Epidemic prevention measures

In response to the COVID-19 epidemic, the Company has adopted various epidemic prevention measures and implemented epidemic prevention controls for staff members, suppliers, and customers including wearing of face masks, filling out of the epidemic prevention questionnaire, temperature measurements, quarantines, adoption of video conferencing or conference calls, Besides, on the development of the pandemic, adaptability strategies will be determined, integrating resources such as epidemic prevention

supplies, retaining factory manpower, and stocking up on materials in anticipation of shortages.

❖ Due to the adequate planning and execution of epidemic prevention measures, there were no production line stoppages, no severe illness.

3. Other identified risks and response measures :

Potential Risks	Risk Sources	Response Measures
Natural disasters	Earthquake, power outage, fire, Notifiable infectious diseases	• 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	Earthquake, power outage, fire, Notifiable infectious diseases	• 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. * please refer to 1.3.2 Information security management
Financial risk	Bad debt Exchange rate	• 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.
Regulations Compliance	Legal policy/standard changes	• Establish dedicated unit • Ad hoc/regular updating of regulatory information and hosting of education & training

❖ No asset loss in 2022 due to good implementation of BCP and Risk mitigation. 2022 status of BCP please refer to 4.1.6 Business Continuity Management.

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1.4. 3 Risks and opportunities of climate change

Climate change causes abnormal weather around the world, which creates unexpected concerns to the sustainable development of business operations and production activities. Of course, it also affects people's lives and property safety. Businesses and individuals should prepare and work together to face climate change. To adapt to shocks, our Risk Management Committee (RMC) coordinates relevant departments within the Company to jointly examine our Company's internal and external climate risks and propose countermeasures, while the Board of Directors reviews and guides climate change strategy, action plans and annual targets. The RMC identifies major climate risks and opportunities that may affect operations based on transition risks such as regulations, markets, technologies, such as EU CBAM, etc., and climate change trends. The RMC also proposes recommendations for climate action based on corporate sustainable development issues. Please refer to the Table below for a description of response measures, risks, and opportunities of climate change.

Risk assessment of climate change

Classification		Risk scenario	Impact	Degree of risk	Response plan
Physical Risk	Short Term	1. Typhoon/heavy rainfall. 2. Water shortage/drought.	• Capacity reduction/ interruption. • Employee attendance • Asset damage • Increased operating costs • Increased infrastructure costs • Increased insurance premiums	Low	Introduce an early warning mechanism and business continuity plan (BCP), and conduct incident drills every year to ensure that the impact on operations will be reduced, should disasters occur.
	Long term	1. Average temperature rises. 2. Sea level rises.		Low	Maintain the continuous operations through BCP, track the risks of each manufacturing location, and actively control long-term climate risks.
Transition risk	Policy, Laws & regulations	1. Relevant climate laws and regulations in various countries impose carbon fees/taxes or fines. 2. To achieve carbon neutrality, purchase carbon certificates. 3. Use renewable energy, until the cost increases.	• Increased expenses. • Rising costs.	Midium	• Develop energy-saving and low-carbon products. • Green products/green production/green operations/green supply chain.

Classification		Risk scenario	Impact	Degree of risk	Response plan
Transition risk	Technology	1. Products are crowded out by low-carbon products. 2. Transition costs of low-carbon technologies.	• Failure to meet the low-carbon requirements of the market or customers, affecting orders and revenue. • R&D spending for the transition, capital investment in technology development	Midium	• Early deployment of new materials and technologies. • Develop energy-saving and low-carbon products. • Green products/green production/green operations/green supply chain
	Market	1. Changes in market preferences, tendency toward energy-saving products, resulting in a decline in demand. 2. Customers require energy conservation and green energy, resulting in higher input costs.	• Failure to meet the market's or customers' low-carbon and energy-saving requirements may affect orders and revenue. • Increased R&D cost of carbon reduction products. • Increased operating costs.	Midium	• Develop energy-saving and low-carbon products. • Green products/green production/green operations/green supply chain.
	Reputation	The impact on the Company's image affects its perception among stakeholders	• Reduced investors' willingness to invest. • Reduced banks' willingness to lend, or only at increased interest rates. • Reduced willingness to apply, increased recruitment cost, or even interrupt the production capacity due to lack of workers. • Increased PR and marketing expenses.	Low	• Transparently disclose carbon reduction strategies, plans, and performance. • Improve international assessment scores.

Green Production

Alpha Networks examines the carbon emission reduction with product lifecycle thinking. It places emphasis on green product design and hazardous substance management, incorporates easy-disassembly design for recycling as well as energy-saving design, takes environmental impact and carbon emission reduction into consideration from the design stage, Refer to Sustainable environemnt action or Company website >Capability >Environmental sustainability.

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Green Production

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, ISO14064-1 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. Please refer to 4.1.4 Green Product design and production.

Green operations

Quantification, assessment and efficient management are majoy mindsets of Alpha Networks' carbon emission reduction. We analyze the sources of carbon emission through inventory of greenhouse gas emissions (ISO 14064-1), and take energy-saving and carbon-reduction measures. Please refer to 4.3 Carbon emission reduction operations.

Green supply chain

We encourage all key component suppliers to conduct greenhouse gas (GHG) inventories and GHG emission reduction, and provide them with education and training to drive carbon emission reduction across the supply chain and jointly take climate action. Please refer to 4.1.1 Green purchasing and 5.1.1 Supplier Management.

Climate change opportunities assessment

Classification		Scenario	Outcome	Action plan
Opportunity	Energy Efficiency	Increase productivity.	Develop IoT equipment, especially serially connected energy management systems, to seize business opportunities.	Improve energy efficiency in our plants.
	Energy Source	Use low-carbon energy.	Reduce carbon fees.	1. Focus on the renewable energy market. 2. Evaluate setting up rooftop solar panels.
	Products	Develop low-carbon products.	Reduce carbon emissions in the product manufacturing stage and improve customer benefits.	• Pay attention to the energy-saving trend in the international market. • Set up a product carbon footprint calculation mechanism and practice. • Expand inventory and deploy carbon inventory categories, adding categories 3 to 5 related to transportation, raw material use, waste and other carbon emissions inventory items.
	Resilience	Participate in renewable energy projects.	Increase renewable energy sources.	• Assess investments in the renewable energy market. • Step up cooperation with supply chain partners and assess the proportion of renewable energy used.

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1.5 Operating Performance

Looking back on the past year, Alpha Networks was able to achieve a consolidated annual revenue of NT$ 33.63 billion despite numerous unfavorable factors such as the impact of the COVID-19 pandemic, material and container shortages, port congestion due to the dedicated joint efforts of the management team and all staff members. The consolidated gross margin of 18.6% marks an increase by 2.1% over last year's rate of 16.5%. Net operating profit, net income, profit attributable to owners of the parent, and EPS amounted to NT$ 1.71 billion, 1.16 billion, 917 million, and NT$1.69, respectively.

The consolidated operating performance, related financial information, profit analysis of Alpha over the last five years as well as its 2022 revenue portfolio are presented below in graph form. For more information about Alpha's operating performance and finances, please refer to the Alpha website>finance or check with the 2022 Annual Report" or check with the Market Observation Post System.

Income statement

Unit : Thousand NTD

	2018	2019	2020	2021	2022
Operating revenue	15,608,222	15,825,808	32,170,649	27,862,336	33,634,197
Operating costs	13,504,544	13,211,807	27,164,356	23,276,437	27,380,956
Gross profit	2,103,678	2,614,001	5,006,293	4,585,899	6,253,241
Operating expenses	2,303,706	2,381,896	4,108,686	3,876,226	4,538,709
Operating profit (Loss)	(200,028)	232,105	897,607	709,673	1,714,532
Non-operating income & expenses	115,742	107,688	21,899	45,189	(180,521)
Income (loss) before tax	(84,286)	339,793	919,506	754,862	1,534,011
Tax	3,723	100,890	194,403	214,450	375,840
Net income (loss) after tax	(88,009)	238,903	725,103	540,412	1,158,171

2022 Revenues by Product Categories

5% Digital Multimedia
39% LAN/MAN
6% Other network products
50% Wireless Broadband

2022 Reveune by Region

25% Other countries
57% US
3% Chian
15% Taiwan

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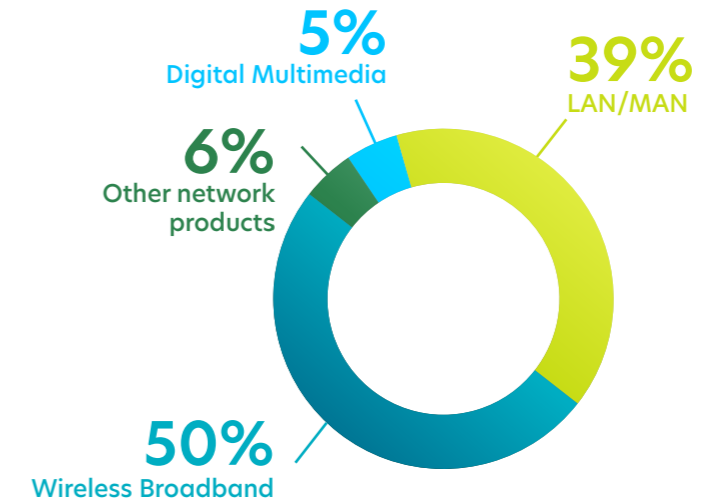
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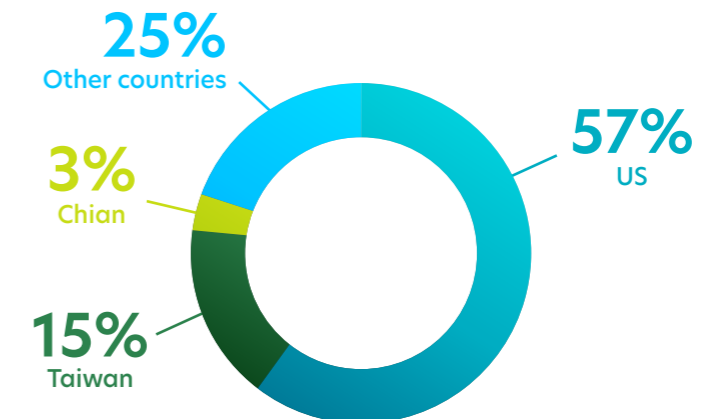
Financial Information

Unit : Thousand NTD

	2018	2019	2020	2021	2022
Total assets	14,929,075	25,000,368	27,005,583	24,730,784	27,133,014
Ordinary share capital	5,435,172	5,425,901	5,417,185	5,417,185	5,417,185
Total equity	10,393,751	14,047,294 (note3)	12,738,331	12,559,104	13,556,619
Cash dividend (Note 1)	543,743	- (note 2)	238,692	108,344	379,203
Book value per share/ Dollar	19.12	18.39	17.91	17.73	19.15
Cash dividends per share/ Dollar (Note 1)	1.00	- (note 2)	0.44	0.20	0.69
Average closing price per share/ Dollar	19.88	21.08	25.26	30.34	29.64

Note 1 : The information of cash dividend and cash dividends per share is show the information of previous year.
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 TWD 9,980,798,000 originally disclosed were equity attributable to the
stockholders of the Company was adjusted as non-controlling interests.

Profitability

	2018	2019	2020	2021	2022
Return on assets (%)	(1)	1	3	2	5
Return on equity (%)	(1)	2	5	4	9
Profit Before Tax to Capital Stock (%)	(2)	6	17	14	28
Net profit ratio (%)	(1)	1	2	2	3
Earnings per share (NTD)	(0.17)	0.44	1.03	0.80	1.69

Project Grants

Alpha Networks excels in research, development and manufacturing of network communication products. The company actively invests in 5G mobile communication technology and products. With outstanding R&D capabilities and technical integration skills, and in line with the government's "industrial innovation and upgrading" project, the company has obtained relevant grants and tax deductions as below table.

Location	Project	Grant Type	Grant Basis
Alpha Networks	Investment credit	Tax credits obtained	Statute for Industrial Innovation - Industrial Development Bureau, MOEA
Alpha Networks	Industrial Upgrading Innovation Platform Guidance Program- Development of High-Efficiency User Terminal Products for Low Earth Orbit Satellites and Supply Chain Integration	Acquire grant of NT 6,567 thousand	Industrial Innovation Act - Ministry of Economic Affairs, Industrial Development Bureau.
Alpha Networks	Industrial Upgrading Innovation Platform Guidance Program- Next-generation 5G Private Network Smart Manufacturing - Telecommunications Factory Global Supply Chain Resilience Enhancement	Acquire grant of NT 6,494 thousand	Industrial Innovation Act - Ministry of Economic Affairs, Industrial Development Bureau.

Ch2
Sustainable Products and Services

Continously invest in advanced technology to strengthen core competitiveness.

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2.1 Products and Services

Complete product line

Alpha Networks is a globally recognized, professional networking DMS supplier. We use advanced technology to provide our customers with outstanding solutions at the best value. Currently, 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. The Company strives to achieve record highs in the field of revenues and profits by harnessing the momentum generated by the launch of the private 5G network and IoV and flagship products in the fields of network switches, Wi-Fi, and 5G.

Current product (service) lineup :

* For more Alpha product information, please check company website> product.

LAN MAN Product Line

A. 5G core networkswitch(Fronthaul/ Middlehaul /Backhaul Transport Switch
B. 10G/25G/40G/100G/200G/400G Data Center Switch
C. Enterprise/Campus Ethernet Switch
D. SMB Ethernet Switch
E. Carrier-Grade Ethernet Switch
F. Industrial Ethernet Switch

LAN/MAN

Mobile Enterprise Solutions Product Line

A. Radar Sensor :   B. ADAS SOLUTION
   24 GHz Short Range Radar   C. AVM SOLUTION
   79 GHz Short Range Radar   D. T-BOX
   77 GHz long Range Radar   E. AI Dash Cam

MOBILE ENTERPRISE
SOLUTIONS

Wireless Broadband Product Line

A. VDSL/G.fast Router / IAD
B. GPON/10G-PON ONT/ONU
C. 5G/LTE FWA Mobile Router
D. 5G Small Cell
     •5G RU / 5G CDU
E. G.fast/GPON/10G-PON + LTE or 5G Hybrid IAD
F. 5G/LTE IoT Gateway /Router
G. Wi-Fi 6/Wi-Fi 6E/Wi-Fi7 Access Point
H. Wi-Fi 6/Wi-Fi 6E/Wi-Fi7 Router
I.   Wireless LAN Module

WIRELESS BROADBAND

Digital Multimedia Product Line

A. Video Surveillance System & IP Camera
B. Smart Home IoT Devices

DIGITAL MULTIMEDIA

Transformation plateformproduct line

A. MEC (Multi-Access Edge Computing)
B. UPF (Cloud-native User Plane Function)

Transformation Platform

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2.2 Trend of sector

2.2.1 Industry Competition

Global advances in technology have led to breakthroughs in wired and wireless product technologies. The rapid change of new technology makes shorter product life cycles and uncertainty of new product development. Some vendors have now adopted price competition strategy under lower product function, specification and costs.

Alpha Networks has the most complete product line among network equipment makers in Taiwan. Our many years of experience with product development and design means we can provide a one-stop solution for large international brands. The network communication industry will continue to develop in the direction of smart applications and integration in the future. Networking technology will become faster as well. Only vendors capable of developing the full range of network communication software and hardware technologies will be equipped to provide customers with the latest and the most complete solution.

• LAN MAN Product

With regard to Ethernet switches, the technology of high-speed data center switches requires long-term research and development and large investments. Therefore, just a handful of equipment manufacturers has completely surpassed almost all competitors in the market and become leaders in these technologies or products. Being and remaining a leader requires continuous improvement of product specifications, causing upward cost pressure for equipment manufacturers like us. Telecom-grade switches need to reliably interact with telecom clients for a long period of time. Only with integrated software and hardware solutions does anyone have a chance to enter the telecom switch market. In the market for switches for big corporations and small and medium-sized enterprises, hundreds of equipment manufacturers compete. To do so, they must constantly improve their technology and product competitiveness in response to rapid changes and demands in the market.

• Multimedia Product

With regard to smart surveillance solutions, Alpha Networks relies on its R&D capabilities in video and communication software and hardware, combined with its superior hardware chip/component cost control capabilities when compared with other manufacturers. We're also able to provide international manufacturers with better flexibility and cost-efficacy. Together, this enables us to cope with the intense industrial competition, also in the future.

• Mobile Enterprise Solutions Product

1. Carside blind spot detection angle radar: several Taiwanese companies have developed three technologies: 1) Radar, 2) Camera 3) Radar + Camera to meet the international specification of UN-ECE R151.

2. ADAS Domain Controller: control unit under Alpha Networks and AEB/LKA for international Tier 1 manufacturers with planned integration and implementation up to Lab verification. This solution is the first of its kind in terms of current Taiwanese electric bus customers.

3. 4D Image Radar: Only a few companies in Taiwan are developing this. Reportedly, an ES Sample will be produced this year. Manufacturers in Europe and the United States have already developed the second generation, and Chinese manufacturers shipped small amounts last year.

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2.2.2 Product Development Trends

1. Mobile broadband roll-out and upgrade

More global users enjoy mobile broadband service and the streaming of videos on the go, thereby increasing the demand for high-speed mobile Internet access. With the continuous growth of the 5G user market, many countries are actively deploying 5G network infrastructure, and more terminal devices are launched. The flexible 5G network will enable the realization of emerging application services, driving various applications with high bandwidth, low latency, and wide connectivity features. This will lead to the development of diverse application solutions for consumer, telecoms, enterprise, and vertical markets.

2. Demand for fixed bandwidth to continue increasing

Copper line broadband has been upgraded from ADSL to VDSL and G. fast, while fiber optics broadband has been upgraded from GPON to 10G PON. Since the users' need for the network applications has expanded from simple data transmission to mobile audio-video content and interaction, therefore the demand for higher bandwidth has increased as well. Moreover, MSO operators will expedite the deployment of fiber optical networks based on 10G-PON technology.

3. Increase in Wi-Fi transmission speed and applications

With the upgrading of fixed networks and mobile broadband standards moving toward the next generation, the speed of Wi-Fi in local area networks (LAN) will be increased to meet the demand for high-speed Internet connection experience in different environments. MESH Network and Wi-Fi 6 had become the mainstream market standard, and the trend is developing towards the higher speed Wi-Fi 6 and Wi-Fi 7 standard. As the mobile data traffic increases rapidly, the ratio of bypassing mobile data traffic via Wi-Fi will rise along with the need to deploy Wi-Fi hotspots.

4. Ethernet switches with even faster transmission speeds

The demand for high-speed switching equipment from enterprise users will continue to increase. Growth in cloud computing services and high-quality multimedia content traffic will drive the construction and upgrading internal networks at data centers. The bandwidth requirements of switches will be upgraded from 10Gbps and 40Gbps to 25Gbps and 100Gbps. Demand for a new generation of Ethernet networking technology with speeds of up to 400Gbps will also be increased. In addition, the 800Gbps standard was released in 2021, which ushered in the next wave of new requirements.

5. Smart home development trends

With regard to smart surveillance solutions, Alpha Networks relies on its R&D capabilities in video and communication software and hardware, combined with its superior hardware chip/component cost control capabilities when compared with other manufacturers. We're also able to provide international manufacturers with better flexibility and cost-efficacy. Together, this enables us to cope with the intense industrial competition, also in the future.

6. Trend in radar and AVM

The development of radar has evolved from back-end parking assistance to rear/front side/corner assistance and front radar in the future. Detection distances have also evolved from the past SRR (Short Range Radar) to the current popular MRR (Middle Range Radar), and are progressing toward the future LRR (Long Range Radar). Around View Monitoring (AVM) has evolved to Sensor Hubs, and even ADAS Domain Controllers have emerged.

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2.3 Development and innovetion

2.3.1 Focuses of R&D

1. LAN MAN BU

The development of Alpha Networks in the field of Ethernet high-speed network switches comprises data centers, enterprises, telecoms and industrial switches. The huge data traffic in data centers will continue to drive the penetration rate of 25G and 100G switches. The demand for 400G high-speed switches has begun to sprout, and a new era of 800G switches is also dawning. Our Company continues to develop telecom-grade 5G transmission network switches and local terminal equipment such as OLT optical cables and continues to improve its technology. As wireless networks enter the Wi-Fi 6 high-speed transmission era, the demand for Multi-G switches will increase. The application of networking devices that require higher power is gradually increasing, and the demand for switches supporting high Power over Ethernet (PoE++) will grow.

2. Wireless Broadband BU

In response to Covid-19, the demand for remote collaboration and work-from-home has risen rapidly, and remote work has become an irreversible trend. However, home offices and smart homes are highly dependent on high bandwidths and timely transmission of large amounts of alphanumerical and audiovisual data. Thus, telecom operators around the world have accelerated upgrading their fiber-optic fixed network infrastructure, have sped up the deployment of 5G networks, and have greatly increased the number of wireless base stations (Wi-Fi APs) to build volume. Therefore, in addition to our on-going focus on expanding our 5G enterprise vertical market, we are developing terminal radio frequency units (RU) and end-to-end (End-to-End) solutions, which can be customized and flexibly applied to various vertical fields. We also develop 5G fixed wireless access (5G FWA) solutions to meet the application service needs of the telecom market as well as 10G-PON solutions for optical fiber networks. In addition, telecom operators have significantly increased their number of wireless base stations (Wi-Fi Routers and APs) and high-speed wireless network Wi-Fi 6/6E terminal devices in response to the surge in demand for high-bandwidth due to remote work and smart home networks. Moreover, Wi-Fi wireless technology is entering the era of Wi-Fi7, and terminal applications will continue to drive new demand for our Wi-Fi 6, Wi-Fi 6E, and Wi-Fi7 enterprise-level wireless APs, home gateways, and home routers.

3. Digital Multimedia BU

Driven by the growing demand for IoT and 5G, smart home and home security cameras will be the driving force behind the continuous growth of digital multimedia moving forward. In addition to vertically integrating new key technologies such as millimeter waves and near-field communication (NFC), AI deep learning and software-related algorithms such as facial recognition, motion detection, and connectivity to public and private clouds will be important projects to improve our product differentiation and ODM/OEM competitiveness. In addition to IP Cameras, the proportion of video surveillance in the horizontal part of our product portfolio will continue to increase, including the integration of NVR systems and offering enterprise security and surveillance solutions. The digital multimedia business unit also acts as a solution provider for smart homes and home security monitoring within our Group.

4. Mobile Enterprise Solutions

With the development of the advanced driver assistance system (ADAS) market, our 24GHz, 77GHz, and 79GHz millimeter-wave radar sensors are successfully mass-produced and shipped to overseas markets. Our R&D will focus on the development of carside blind spot detection angle radar that complies with UN/ECE R151, AI Dash Cam on L3, Radar+AVM Sensor Fusion and industrial embedded radar. Our Company has independent development and algorithm technology capabilities for millimeter wave radar, and can adjust customized products for various customer scenarios. We will further combine radar sensing, network cameras and network communication technologies to seize business opportunities in the development of the Internet of Vehicles (IoV).

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2.3.2 New products and technologies under development

LAN MAN Product Line

A. Cloud Native base SDN Switch

B. Multi-Giga (1G/2.5G/5G/10Gbps) PoE(802.3bt) and PoE++ switch

C. 5G Mobile Fronthaul/Backhaul Ethernet Switch

D. Network Function Virtualization Platform Technology

E. Hyperscale Data Center 800G Switch

F. 10G XGS-PON OLT

G. Carrier Grade Time Synchronization

Multimedia Product Line

A. Smart Surveillance Solution

B. Intelligent Video and Audio Analytics

Wireless Broadband Product Line

A. GPON/10G-PON + Wi-Fi 6 or Wi-Fi 7 HGU

B. Wi-Fi 7 & 6E Access Point

C. Wi-Fi 6 Mesh AP/Router

D. 5G RAN End-to-End Solution

E. 3GPP R16 5G mmWave FWA CPE

F. 5G Integrated Small Cell

G. 5G massive MIMO AAU

Mobile Enterprise Solutions Product Line

A. mmWave Radar with Image Fusion Technology

B. AVM & Radar Sensor System

C. AVB Ethernet Gateway

D. AI Dash Cam

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2.3.3 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 network and corporate mobile 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 5G, Small cell, and cloud technology, demonstrating the Company's industry-leading R&D capability and its ability to protect core technologies with patents.

Alpha Networks increased 20 new patents and submitted 60 patent applications in 2022.

Approved patents in 2022 (incl. applications submitted in previous years) are shown in the table below :

Patent name	Country	Category	Certificate issuing date	Certificate number
ROTATION APPARATUS BEING ABLE TO ROTATE AROUND DIFFERENT AXES WITH ONE MOTOR AND CAMERA USING THE SAME	TW	Invention	2022.12.11	I786712
HEAT DISSIPATION STRUCTURE WITH SHELLS FORMED BY HIGH THERMAL-RESISTING MATERIAL AND ELECTRONIC APPARATUS HAVING THE SAME	TW	Invention	2022.07.01	I769874
AUTOMATIC LOUDSPEAKER VOLUME ADJUSTING SYSTEM	TW	Invention	2022.11.01	I782683
POWER SWITCHING CIRCUIT AND ETHERNET APPARATUS USING THE SAME	TW	Invention	2022.09.01	I776685
AIRTIGHT-LEVEL SENSOR AND ELECTRONIC APPARATUS HAVING THE SAME	TW	Invention	2022.11.21	784824
Adjustable and modular cushioning material	TW	Invention	2022.07.21	I772232
Aluminum foil radiator	TW	Invention	2022.12.11	I786975
Network switch	JPN	Invention	2022.11.28	7185082
INTERLACED ARRAY ANTENNA	US	Invention	2022.05.17	11336012
DISTRIBUTED SOFTWARE VERIFICATION SYSTEM	TW	Invention	2022.04.01	I759874

Patent name	Country	Category	Certificate issuing date	Certificate number
RADIO SYSTEM AND RADIO NETWORK GATEWAY THEREOF	US	Invention	2022.10.18	11477630
VOICE SIGNAL RELAY TRANSFER METHOD AND RADIO NETWORK GATEWAY	TW	Invention	2022.08.11	I774129
METHOD FOR VERIFYING DETECTION RANGE OF IMAGE DETECTOR	TW	Invention	2022.04.11	I761047
Multi I/O natenna	TW	Invention	2022.09.11	I777711
Low density foamed plastic	TW	Invention	2022.07.21	I771938
PACKAGING STRUCTURE WITH RESILIENT POSITIONING FLAPS	US	Invention	2022.08.09	11407553
CIRCUIT FOR CONFIRMING DAMAGE CAUSED BY HIGH ENERGY	TW	Invention	2022.08.11	I774177
Air volume detection device for detecting smoothness or blockage of air outlet path	TW	Invention	2022.05.11	I764654
Air volume detection device for detecting smoothness or blockage of air outlet path	JPN	Invention	2022.09.13	7141511
Multi antenna system	TW	Invention	2022.11.01	I782593
Network transmission detection system	CHN	Invention	2022.06.28	ZL201910773140.5
CHANNEL LOAD PRE-ADJUSTMENT SYSTEM FOR 5G WIRELESS COMMUNICATION	CHN	Invention	2022.04.15	ZL201911277590.1
CHANNEL LOADING PRE-ADJUSTING SYSTEM FOR 5G WIRELESS COMMUNICATION	US	Invention	2022.02.22	11259211
Cloud radio access network system and control method thereof	CHN	Invention	2022.07.01	ZL201810965787.3
CLOUD RADIO ACCESS NETWORK SYSTEM AND CONTROL METHOD THEREOF	CHN	Invention	2022.12.13	ZL201810965974.1
CLOUD RADIO ACCESS NETWORK SYSTEM AND CONTROL METHOD THEREOF	CHN	Invention	2022.07.01	ZL201810965972.2

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Patent name	Country	Category	Certificate issuing date	Certificate number
ALLOCATION METHOD OF COMMUNICATION RESOURCES AND ASSOCIATED BASE STATION FOR MOBILE COMMUNICATION	US	Invention	2022.09.06	11438832
HETEROGENEOUS NETWORK AGGREGATION STARTUP METHOD AND ASSOCIATED BASE STATION FOR MOBILE COMMUNICATION	CHN	Invention	2022.02.25	ZL201811520613.2
METHOD FOR GATHERING SMALL CELLS	CHN	Invention	2022.11.18	ZL201811434155.0
BLIND-SPOT IMAGE DEVICE WITH ADJUSTMENT RINGS	US	Invention	2022.03.01	11,260,804
Power load distribution system	CHN	Invention	2022.05.10	ZL201910531705.9
SELF-MONITORING TIRE OF VEHICLE	US	Invention	2022.10.11	11465456

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2.4 Marketing andpromotion

## 2.4.1 Participation in trade shows

In 2022, post-Covid, 5G high-frequency and high-speed networks started conquering the world. Moving forward, various communication technologies will complement the Internet of Things. In this era of Covid, Alpha Networks seizes every chance to promote its company image and the power of its products. In 2022, we participated in press events at the 2022 Taipei AMPA (for Automotive Electronics), the Broadband World Forum 2022 (aka BBWF 2022) and "Asian Silicon Valley - 5G Open Network Integration Verification and Promotion Project" to showcase our results and expand our exposure and visibility in the domestic and overseas markets.

At Taipei AMPA in April 2022, Alpha Networks exhibited short, medium, and long range 2D/3D radar, around view monitors (AVM), and advanced driver assistance systems (ADAS) and other technologies and products. Alpha Networks has long been committed to R&D in vehicle communication technology, mapping market trends, and is currently developing the most advanced 4D imaging radar technology. We also have strong competitive advantages thanks to our in-house developed millimeter wave radar and algorithm technology. We can offer customized products for different scenarios and integrate radar sensing, IP cam and network communication technologies to seize opportunities of Internet of Vehicle (IoV).

In October, we participated in the Broadband World Forum 2022 (BBWF 2022), the annual event of the global broadband industry, which was held in Amsterdam, Netherland. Post-Covid, governments and telecom operators around the world are accelerating the construction and penetration of high-speed networks to serve new business models and household needs (working/learning from home). The strong demand for 10G optical fiber network has grown significantly. Wi-Fi 7 is also expected to enter commercial use next year and will spread in 2024. Alpha Networks exhibited new-generation XGSPON and Wi-Fi 7 products in response to this trend. We also displayed 5G-related "new-generation broadband equipment end-to-end solutions". Alpha Networks offers a wide range of broadband equipment solutions, high-speed network switches, Wi-Fi 7 routers, and 5G terminal equipment, and obtains the trust of major international manufacturers, counting as a top-tier network communication equipment partner of telecom operators and vertical network application field.

▲ Alpha Networks participated in Taipei AMPA
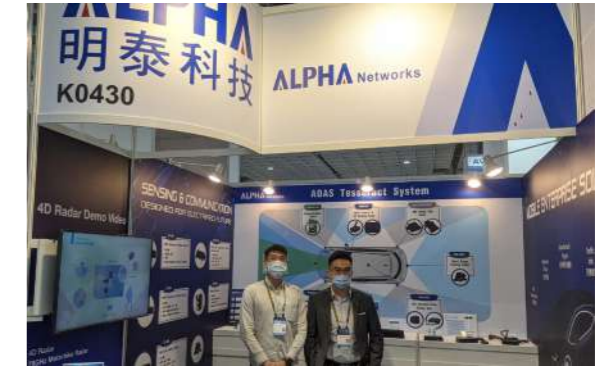
▲ Alpha Networks participated in the Broadband World Forum

In November, Alpha Networks participated in the "Asia. Silicon Valley - 5G Open Network Integration Verification and Promotion Project" held by the National Development Council. We joined the results presentation meeting, where we displayed our "5G end-to-end solutions". Alpha Networks provides a one-stop shopping service for software and hardware equipment. From 5G base stations to core networks, we can independently build networks. We can make customized and flexible adjustments for various industries, scenarios, and customers. In recent years, we have won many awards. We are trusted by international customers and have successfully entered the European, American, and Japanese markets with sales and activities in more than 40 application fields.

With regard to 5G end-to-end solutions, Alpha Networks covers wireless/wired communications, edge computing and AI key technologies. Through the integration of information technology (IT), operational technology (OT) and communication technology (CT), we provide complete solutions with strong cost performance and the system integration service provided by our subsidiary Transnet— together we've become a pioneer in Taiwan.

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2.4.2 Marketing and Labeling

Alpha Networks puts clients' values and needs first and commits to deliver and refrains from engaging in false marketing. As an OEM manufacturer of network communications products, Alpha Networks is not involved in the sale of products to end customers and has no direct contact with them. Product labels are manufactured and attached in accordance under clients' requirements in compliance with applicable laws and regulations. No violations of regulations governing product and service information and labeling or marketing communication laws (incl. advertising, promotion, and sponsorship) occurred in 2022.

Ch3
Fusion of Soceity

Building a Friendly Workplace and Promoting Social Welfare.

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3.1 Human rights

Alpha Networks sets great store with human rights.

Alpha Networks supports and abides by the "United Nations Universal Declaration of Human Rights", "United Nations Global Compact", "United Nations Guiding Principles on Business and Human Rights" and the "Declaration on Fundamental Principles and Rights at Work" of the International Labor Convention, and follows standards consistent with the Responsible Business Alliance (RBA)) Code of Conduct, abides by the laws and regulations of the jurisdictions where it is active, to protect the human rights of employees. With regard to policy, Alpha Networks has policies and other internal management measures in place that arrange for the protection of labor's rights and good care for employees.

❖ For the principles of human rights protection that Alpha is committed to, please refer to the Alpha Networks website>ESG>Social Responsibility.

Prohibition of Child Labor and Protection of Underage Employees

Alpha Networks does not employ youth under the legal minimum employment age (i.e. under the age of 16) at its Taiwan headquarters or its overseas branches. According to the RBA Code of Conduct Manual, the "prohibition of child labor" is the standard, and our internal regulations are clearly laid down in the "Administrative Measures for the Appointment of New Personnel" . When new staff reports for their first day at work, they must present proof of identity so the Company may verify it does not employ anyone under the age of 16.

➤ In 2022, Alpha Networks conducted an internal audit and found that no minors were employed at any of its locations.

Elimination of forced labor

Alpha Networks does not use forced, bonded, indentured or involuntary labor, and is committed to providing employees with good working conditions and reasonable working hours. For the work content, employees' wishes are taken into account. All employees have the right to resign freely under the law. All Alpha Networks locations are required to maintain work hours in accordance with the labor standards laws of the jurisdiction where the plant or operation is located. Alpha Networks reminds supervisors and staff that work overtime or work without days off for too long through its "Announcement regarding Overtime Working Hours" and "Announcement regarding False Work Hour Reporting", and will also send "Monthly Abnormal Working Hours Reports" to unit supervisors to remind them to take care of their staff working conditions.

Gender Equality

In accordance with the "Labor Standards Act" and the "Act of Gender Equality in Employment ", to promote gender equality at work and prevent gender discrimination and pregnancy discrimination, female staff may apply for menstrual leave, pregnancy check-up leave, maternity leave, abortion leave and breastfeeding leave according to their physical needs. Male staff can apply for paternity leave as needed, and the number of applicants for

parental leave without pay ("parental leave" for short), i.e. staff who need to take care of infants and young children, can be viewed in detail in Section 3.3 The Company will inquire about the employee's intention to return to work one month before the parental leave is to expire, and assist with the return. Alpha Networks also provides legally required facilities and various other friendly measures for employees who are pregnant, breastfeeding, or need childcare, such as dedicated parking spaces for pregnant employees, upgraded nursing rooms, occupational nurses, medical consultation services, etc., to provide employees with a safe working environment.

Transpant & open policy- Proposals and Communication Channels

Alpha Networks provides equal job opportunities to applicants and employees, and does not discriminate against employees based on race, skin color, age, gender, sexual orientation, race, disability, pregnancy, religion, political convictions, membership or marital status. The Company is committed to fairly treating and respecting every employee, and does not treat employees in inhumane, cruel, degrading or abusive ways. We respect employees' legal rights to freedom of association and protect employees who wish to communicate openly with management about working conditions without fear of reprisal, intimidation or harassment.

▼ Internal Communication Channels

Labor-Management Meeting	At the quarterly management-labor meetings, company information and reminders are announced to employees
Welfare Committee	At the monthly welfare committee meetings, employee welfare measures are adopted
Human Resources Unit	We have a dedicated email address for sexual harassment complaints and employee complaints
Internal auditor	We have a dedicated email address for complaints about business integrity
Employee mail box	We have a physical mailbox for opinions and feedback

Alpha Networks provides employees with diverse, open and transparent channels for proposals and communication. In addition to reporting to the HR unit in person, the Company provides convenient communication channels for staff such as management-labor meetings, welfare committee meetings, and physical and electronic mailboxes, to strengthen two-way, real-time communication with staff. The main communication channels of the Taiwan headquarters are the management-labor meetings, the welfare committee and physical suggestion boxes.

In 2022, in response to proposals from the management-labor meetings and the welfare committee, the Company carried out measures such as improving employee meals and beverages and optimizing the working environment.

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Special Report The Reinforcement-Migrant workers of Alpha Networks

There are about 360 direct labors in the Hsinchu factory of Alpha Networks about 2/3 of whom are migrant workers. Within Qisda Group, migrant workers are called the "A Team" to express our respect for this indispensable group.

Our migrant workers are all from Philippines. They provide sufficient and valuable manpower and energy for our manufacturing work. Our Company adheres to the spirit of implementing human rights, and provides various considerate services around life, care, and a comfortable environment for migrant workers far away from home.

• Caring for new migrant workers, integrating them into the Alpha Networks family, to make their work and life worry-free

1. Migrant workers may feel homesick, especially when it's their first time working abroad, and may need time to adapt to group life. Therefore, 24-hour dormitory supervisors are at hand in the dormitory to provide on-site service and care. One month after new migrant workers enter the country, the dormitory supervisor arranges an interview with each of them to understand how they are adapting to their new life.

2. Considering that newly arrived migrant workers are not familiar with the environment and may have difficulty buying their daily necessities, we provide a set of toiletries when they arrive.

3. New employees from A Team are offered education and training on the Company's system and safety knowledge, people can quickly understand our system and the factory environment.

◄ Preparing toiletries for each new employee   ▲ Education and training for A Team newly arrived

• Training of " Depth recognition for Taiwan "-introducing Taiwan history and workplace culture

To familiarize new migrant workers with their environment and Taiwanese culture, Alpha Networks has compiled teaching materials for a course on "Taiwanese History, Culture and Workplace Culture".

The course content includes Knowing Taiwan: introducing Taiwan's diverse history and ethnic groups, Taiwan's festivals, customs, and taboos; Taiwan's workplace culture: workplace etiquette and culture, workplace value perception and habits, and taboos in the workplace.

The course also includes lectures and videos, and there are quizzes with prizes. In addition to the interaction and fun, we hope to make these foreign colleagues feel that the Company cares about their integration into the environment.

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In early 2022, a total of five sessions of courses were conducted, and the response was good, with a satisfaction rate of nearly 90%.

A-1 Content of course

8% Normal
2% Dissatisfied
49% Satisfied
41% Very Satisfied
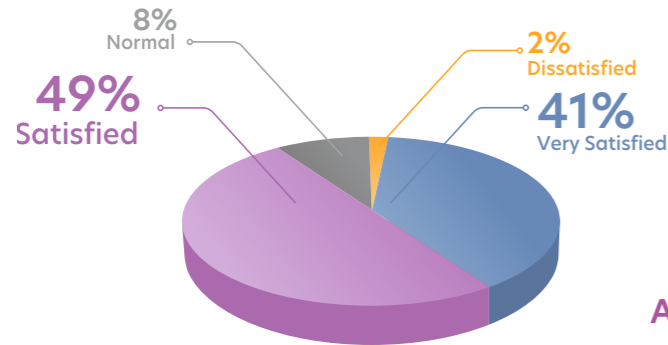
A-2 Time allocation of course

10% Normal
1% Dissatisfied
49% Satisfied
40% Very Satisfied

B-1 Performance of lectuer

7% Normal
1% Dissatisfied
2% Very dissatisf
47% Satisfied
44% Very Satisfied
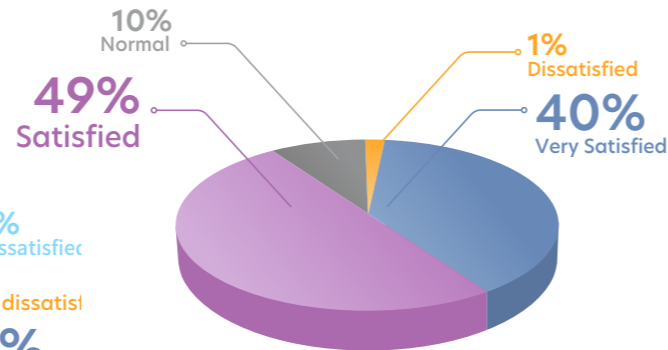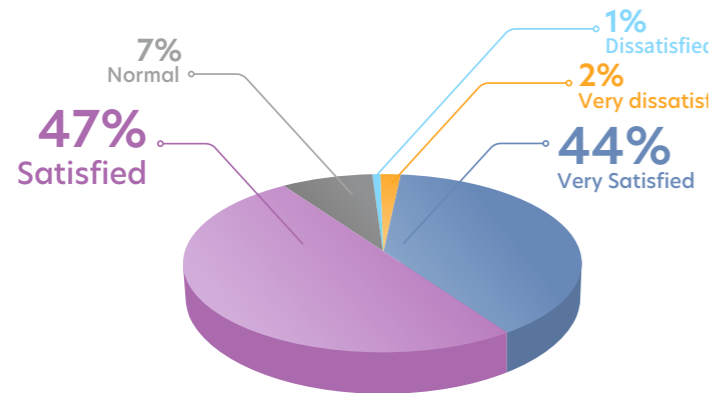
❖ Starting from 2023, this course will be included as a training module for foreign new hires.

• **We provide studio-style accommodation, with personal bathrooms, greater personal privacy, and more comfort**

1. Alpha Networks cooperates with a manpower agency that manages a dedicated dormitory exclusively for Alpha Networks migrant workers. The dormitory's living areas comply with the space regulations of the law (more than 3.6 square meters per person). Each room has its own bathroom for greater convenience and privacy.

▲ Dedicated dormitory   ▲ Hallway ecoration   ▲ Private studio

2. We conduct fire and disaster prevention drills every year, to train the migrant workers to operate fire extinguishers and descending devices. We strengthen migrant workers awareness of home safety, and transfer knowledge about disaster preparedness and emergency responses.

▲ Disaster drill   ▲ Fire drill   ▲ Descending device

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• Fight Covid together to protect everyone

1. After more than two years of Covid, late 2022 ushered in the post-Covid era. More than 90% of our migrant workers have received the third dose of Covid vaccine. During peak Covid, the dormitory was disinfected daily, and the entrances and exits were separated. The employee's buses and vans for transport between the dorm and the factory were disinfected every day, to prevent the spread of Covid.

2. Post-Covid, epidemic prevention stays strong in addition to daily epidemic prevention, we have set up isolation rooms in the dormitory that comply with government policy and consider human needs. There are three types of rooms: isolation rooms, recovery rooms, and regular rooms, to minimize infection risk.

Room type	Definition
Isolation Room 1	Diagnosed persons
Isolation Room 2	Close contact type 1 (three doses): self-management for 7 days
Isolation Room 3	Close contact type 2 (less than three doses): 3 days isolation
Recovery room	* Confirmed patients self-manage for 7 days * Self-management for 4 days for close contacts type 2 (less than three doses)
Recovery room	Isolation or self-management ends

▲ Disinfection of vehicles

▲ Entrance and exit separation

• Immediate support and counseling when migrant workers encounter violence

❖ Alpha Networks attaches great importance to the physical and mental wellbeing of its migrant workers.

1. Event :

In mid-September 2022, a female foreign migrant workers was beaten by her Filipino partner because of emotional problems when she went out on a day off. She went to the police station to report the crime. After receiving the notice from the police station, the Company immediately contacted management staff and a translator to assist the employee with the medical examinations. After the employee returned to the dormitory, we kept track of her physical injuries as well as her emotional state for two weeks after the incident and provided mental support.

2. Implementation :

Foreigners often have nowhere to turn to for help when they encounter emotional issues or accidents in Taiwan. Alpha Networks has an emergency rescue mechanism, and cooperates closely with its manpower agency to manage emergency reporting, liaising and handling of incidents, so that our migrant workers won't feel helpless or overwhelmed in difficult times.

• We offer special housing and nanny care for pregnant migrant workers

1. Event :

In 2022, four female migrant workers became pregnant. In their early pregnancy, the dormitory supervisor interviewed them every week to care about their physical condition. In the middle and late stages of pregnancy, the dormitory supervisor assisted the employees with finding a childcare organization, so that the new mothers need not worry about taking care of their children after giving birth. When a child is returning to Philippines after the birth, the dormitory supervisor assists with applying for the child's passport and other procedures, to reduce the employee's trouble. In addition, both the Company and the dormitory have nursing rooms for the convenience of migrant workers.

2. Implementation :

This includes four stages and daily care: the dormitory supervisor enquires about the physical condition of pregnant employees every week, reminds them of prenatal check-ups and pays attention to their work scheduling.

Early pregnancy : We liaise as needed, to see if the employee wishes to return home for childbirth and provides flight information.

Mid-pregnancy : We accompany the employee to the hospital for prenatal check-ups and collecting the new mother handbook.

Late pregnancy : We assist staff with confirming the date of delivery, prepare the delivery package, and find a suitable childcare place for the newborn.

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- **Training migrant workers to serve as cadres to ensure diversified communication without barriers**

1. **Origin :**

   According to a survey by the Ministry of Labor, language barriers and difficulty in communication accounted for 76.9% of issues at work for migrant workers in enterprises, leading to issues and misunderstandings in the workplace.

2. **Current situation :**

   We have trained a Filipino cadre. This employee, who has worked at our Company for more than 20 years, has rich experience at the production line and is familiar with the work processes. He acts as a communication bridge between Taiwanese and Filipino employees and greatly reduces the chances of conflicts and misunderstanding in the workplace. Timely guidance and assistance are given to new migrant workers in their work, so they can get settled in their new workplace faster.

- **We pay attention to foreign festivals, which can be celebrated at their proper time**

Alpha Networks organizes staff outings, family days, New Year's dinner party every year, and all migrant workers participate in those events. Besides working, they can experience the beauty of Taiwan first-hand. Relaxation and recharge help people return to work well-rested and motivated.

Most Filipino migrant workers at Alpha Networks are Catholic, so Christmas is as important to them as the Lunar New Year in Taiwan. Alpha Networks respects cultural diversity. In addition to providing special lunch boxes around Christmas, it also organizes fun parties and group activities, so that they can experience a festive atmosphere in Taiwan.

▼ Christmas activities: Christmas decorations, mass, lucky draw

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3.2 Human Resources

Attract, develop and engage global talent needed by Alpha Networks.

Alpha Networks was established in Hsinchu Science Park in 2003, and its locations have expanded to North America, Japan, China and Vietnam. As of the end of 2022, its number of employees worldwide was approximately 3,000.

As we believe that talents are our most valuable assets, Alpha Networks is committed to a diverse and equal workplace internally and competitive organizational power externally, to attract and recruit the talents it needs for its sustainable development and global expansion.

3.2.1 Manpower Allocation

The Alpha Networks headquarters are located in Hsinchu Science Park. Staff at headquarters, accounting for about 44% of total manpower, is responsible for product design and development, marketing and daily operations. Alpha Networks is committed to staying in Taiwan, and thus has its main R&D base in Taiwan; its R&D manpower accounts for about 37%. The main production plants, located in Dongguan and Changshu, China, account for about 45% of our workforce, while other overseas offices account for about 11% of our workforce.

- **2022 Manpower Distribution per Location**

23% Other
22% Changshu factory
11% Dongguan factory
44% Hsinchu factory
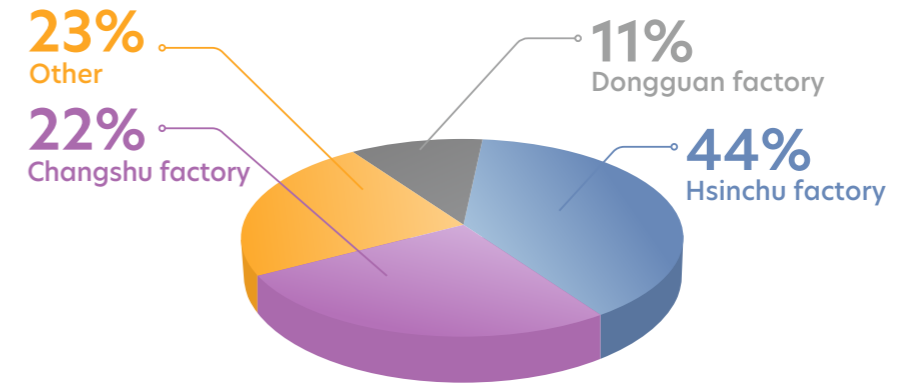
- **2022 Manpower Distribution per Job Function**

9% Sales
9% Management
29% Research & Developmen
53% Manufacturing

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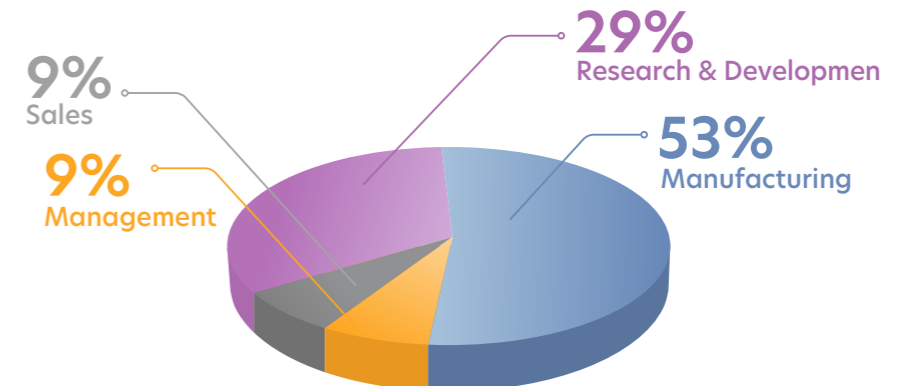
- **2022 Job Distribution per Factory**

Hsinchu factory

36.9%

12.9%   **10.2%**

40.2%

Changshu factory

3.3%

3.3%   **11.5%**

82.0%

Dongguan factory

1.7%

2.2%   **7.8%**

88.4%
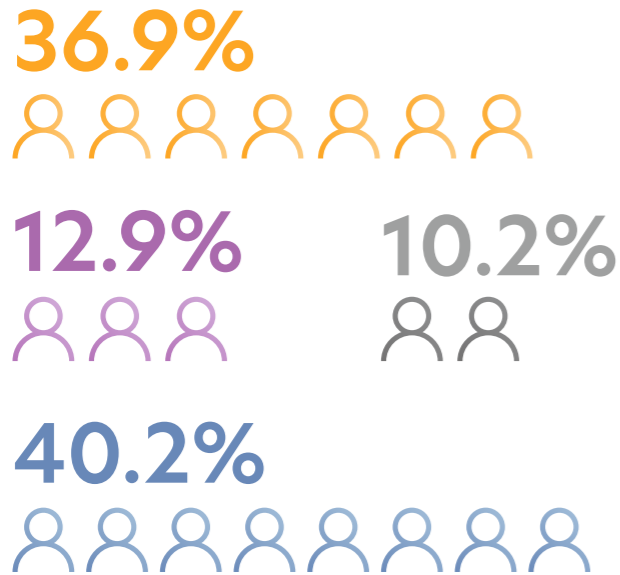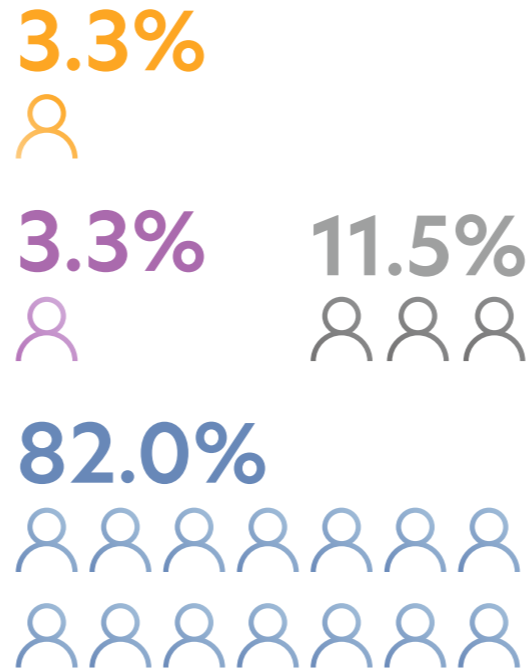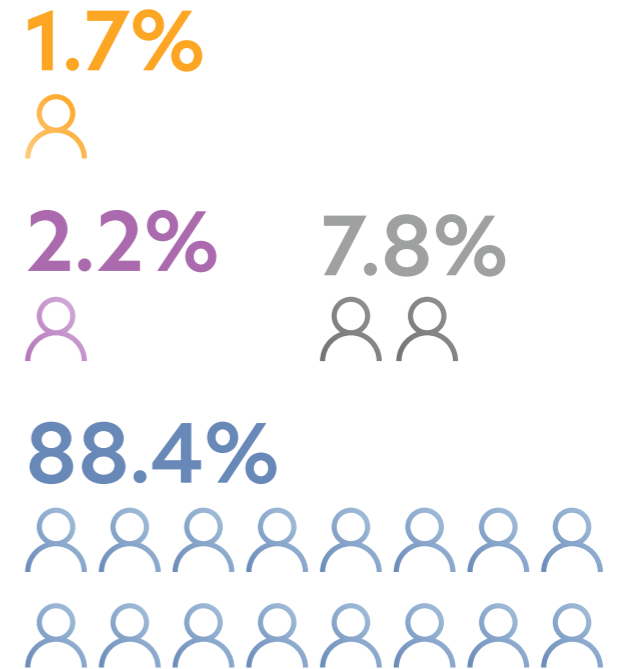
■ Manufacturing   ■ Sales   ■ RD   ■ Management

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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 male employees account for 55% employees, and female employees account for 45%. The gender ratios at Hsinchu headquarters and the Dongguan Plant have balanced gender ratios, while the Changshu Plant has a higher proportion of males.

Hsinchu factory

| 49% | 51% |

Changshu factory

| 38% | 62% |

👤 Male

👤 Female

Dongguan factory

| 43% | 57% |

Hsinchu factory

| 98% | 2% |

Changshu factory

| 73% | 27% |

👤 Permanent

👤 Contractor

Dongguan factory

| 79% | 21% |
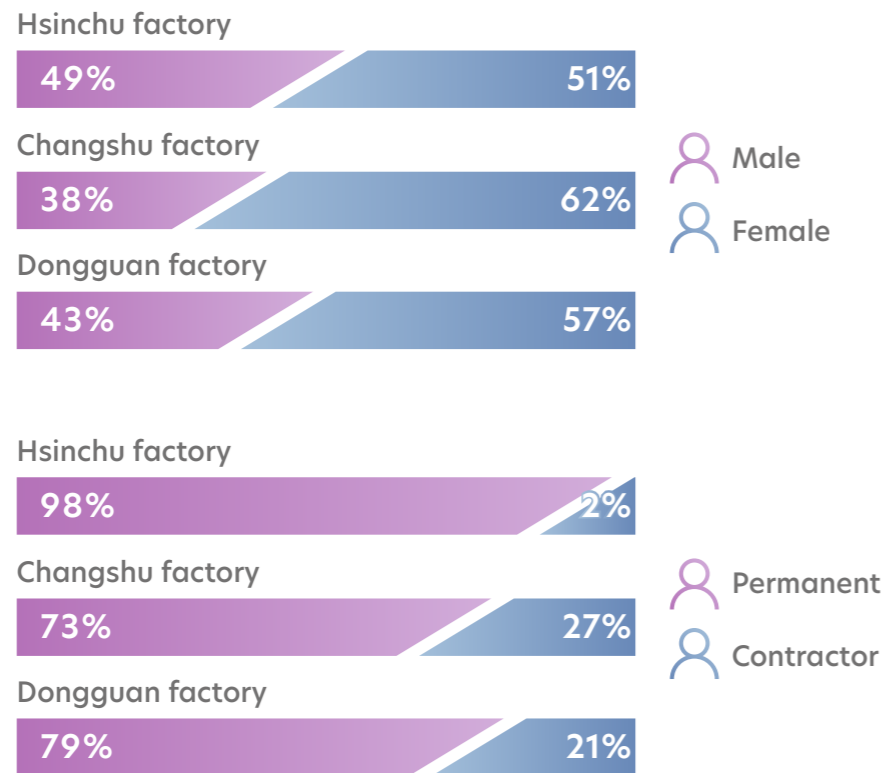
3.2.2 Talent recruitment and retention

- **Age distribution of new staff joining Alpha Networks in 2022 is as follows :**

New	Number	Age					
	%	18~20	21~30	31~40	41~50	51~60	60↑
Hsinchu	Number	1	166	93	70	24	1
	%	0%	47%	26%	20%	7%	0%
Changshu	Number	0	40	45	3	1	0
	%	0%	45%	51%	3%	1%	0%
Dongguan	Number	0	3	8	5	0	0
	%	0%	19%	50%	31%	0%	0%
Chengdu	Number	0	7	1	1	0	0
	%	0%	78%	11%	11%	0%	0%
Vietnam	Number	0	69	59	5	0	0
	%	0%	52%	44%	4%	0%	0%
Total	Number	1	285	206	84	25	1
	%	0%	47%	34%	14%	4%	0%

- **Age distribution of permanent employees that separated from Alpha during 2022 :**

Leave	Number	Age					
	%	18~20	21~30	31~40	41~50	51~60	60↑
Hsinchu	Number	1	124	106	54	19	0
	%	0%	41%	35%	18%	6%	0%
Changshu	Number	0	32	59	4	1	0
	%	0%	33%	61%	4%	1%	0%
Dongguan	Number	1	46	66	28	4	0
	%	0%	32%	46%	19%	3%	0%
Chengdu	Number	0	2	7	2	0	0
	%	0%	18%	64%	18%	0%	0%
Vietnam	Number	0	12	13	1	0	0
	%	0%	46%	50%	4%	0%	0%
Total	Number	2	216	251	89	24	0
	%	0%	37%	43%	15%	4%	0%

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3.3 Salary and Welfare Policy

Improve the salary and welfare system to retain talent for the Company's development.

3.3.1 Salary Levels

To recruit and retain outstanding talent, Alpha Networks takes into account market standards and compliance with labor laws and regulations of the jurisdictions where its plants are located, regularly reviews its salaries and welfare measures in relation to the market to remain competitive in the labor market. Alpha Networks adheres to a fair salary and welfare policy. Salaries and rewards are not affected by such personal factors as gender, race, nationality, and age. Salaries upon joining are determined on the basis of ability, education, and experience. Salary adjustments and dividends are given every year in accordance with the Company's overall operating conditions and individual performance.

❖ For more information, please check company website >careeer

- **Comparison of Average Salaries for new Alpha Employees**

Region	Type	Female	Male
Taiwan	Direct labor	1.10	1.10
	Indirect labor	1.88	1.88

Note : Starting salary for new employees / Statutory minimum wage

- **Comparison of Starting Salaries for new Alpha Employees**

Region	Type	Female	Male
Taiwan	Direct labor	1	1
	Indirect labor	1	1

Note : Starting salary of new female employees / Starting salary of new male employees

To improve the quality of corporate governance information disclosure and fulfill its social responsibility, Alpha Networks discloses the "average" and "median" salaries of its full-time employees who are not in supervisory positions, to make its employee salary statistics more informative, reliable, and comparable.

In 2022, the number of non-supervisory full-time employees was 1,137, with an average salary of TWD 1,116 thounsand and a median salary of TWD 1,015 thousand. These statistical items are shown for last year and the year before :

項目	2020	2021	2022
Total number of non-executive full-time employees	1,322	1,249	1,137
Mean salary of non-executive full-time employees (in NTD thounsand)	$856	$902	$1,116
Median salary (in NTD thounsand)	$775	$825	$1,050

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3.3.2 Welfare Measures and Employee Insurance

Welfare Measures

Alpha Network' Welfare Committee Three Festivals Gift Vouchers for employees (points). Staff have a balance between work and life, and employees travel subsidies are disbursed every year. Free indoor parking spaces for cars and motorcycles, so that staff do not have to worry about the weather when they commute. The staff restaurant provides varied and nutritiously balanced meals. There are chain convenience stores in the plants.

Through these welfare measures, we aim to provide our staff with life conveniences after work.

Employee Insurance

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 8 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.

3.3.3 Leave System

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. Eleven female employees applied for maternity leave in 2022, and 81.82% of them will return to work after their leaves expire. Two of them will apply for parental leave afterward. Eleven male employees applied for paternity leave, and 91.67% of them returned to work after the leave expired.

Hsinchu	Number of People on Maternity leave	Female employee			
		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
2020	17	8	47.10%	9	52.9%
2021	11	7	63.64%	4	36.36%
2022	11	9	81.82%	2	18.18%

Hsinchu	Number of People on Paternity leave	Male employee	
		Number of People on Returned to work after Paternity leave	Percentage of People on Returned to work after Paternity leave
2020	15	15	100.00%
2021	6	6	100.00%
2022	12	11	91.67%

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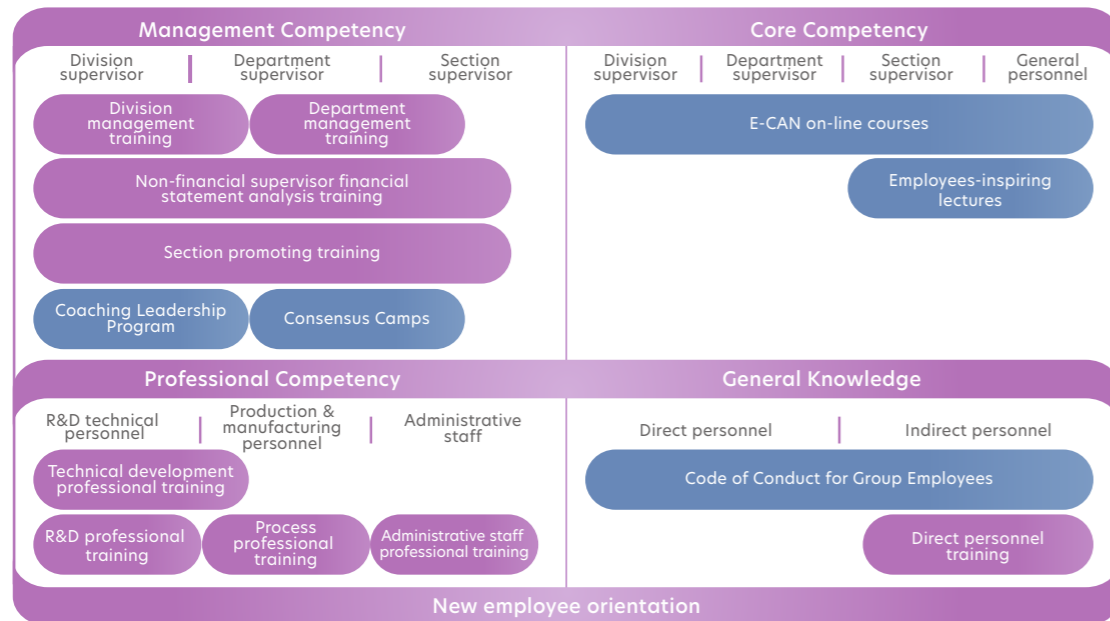
3.4 Talent Development

Growth of a company depends on the development of talents.

3.4.1 Training and Development

The sustainable development of the Company is based on continuous talent development. Alpha Networks is aware that training and development is essential for the long-term thriving of any enterprise, and talents are its most valuable asset. So the Company spares no effort in employee training and career planning. Every year, we invest a huge training budget and resources , expand learning channels, and make Employees can get the best learning and development opportunities.

❖ For information about the talent development of Alpha Networks, you can also refer to Alpha website > Learning and Growing in Alpha Networks

Management Competency

Division supervisor	Department supervisor	Section supervisor

- Division management training
- Department management training
- Non-financial supervisor financial statement analysis training
- Section promoting training
- Coaching Leadership Program
- Consensus Camps

Core Competency

Division supervisor	Department supervisor	Section supervisor	General personnel

- E-CAN on-line courses
- Employees-inspiring lectures

Professional Competency

R&D technical personnel	Production & manufacturing personnel	Administrative staff

- Technical development professional training
- R&D professional training
- Process professional training
- Administrative staff professional training

General Knowledge

Direct personnel	Indirect personnel

- Code of Conduct for Group Employees
- Direct personnel training

New employee orientation

Training system

A comprehensive training system supports the learning needs of employees at different stages. Based on their roles, we create learning blueprints for our staff：

● 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.

● Core Competency training :

Alpha Networks believes that alignment with organizational beliefs and developing employees' integrity, positive mindset and friendliness are essential to driving our long-term development. Therefore, we offer employees courses and seminars on positive thinking and self-motivation every year.

● Professional training :

In response to the coming 5G era and to disseminate and retain internal knowledge and skills, we offer various specialized skills courses to develop skill sets and interdisciplinary and cross-unit technical exchanges and thus build a learning organization. We also collaborate with academic research institutions to offer technical courses, so that our staff can keep abreast with the latest trends and keep evolving our cutting-edge vision.

● General knowledge training :

We offer general education courses to enable employees to have a consistent understanding of workplace behavior. For our own staff, we also offer regular courses every year to strengthen operational proficiency and the necessary knowledge and skills to ensure safe operations and stable production quality.

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Training implementation status

➤ In 2022, total training hours reached 32,035 hours, and the cumulative number of trainees was 21,014.

Covid-19 has changed the conditions and modes in the workplace, training has also been adjusted with a view to Covid prevention. Over the past two years or so, we have converted some physical courses into online versions. As we've not yet fully exited the Covid tunnel, we continue to optimize our online education, including purchasing a new e-learning platform, multi-channel synchronous training and information sharing, strengthening post-production, etc., to improve the quality and quantity of our online education and training.

In 2022, the portion of On line training raised to 55%.

2022

| Physical **45%** | On-line **55%** |

2021

| Physical **79%** | On-line **21%** |

Total training hours and number of trainee increased by 43% and 48% in 2022.

↑43%

training hours

| 956 |
| 544 |

↑48%

person times

| 456 |
| 237 |

■ 2022
■ 2021
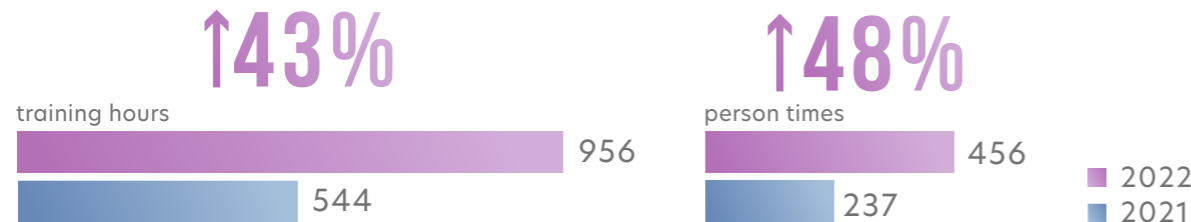
In addition to the existing curriculum system, Alpha Networks has implemented newly developed courses in response to various internal and external needs :

• Technical development professional training :

We cultivate our own 5G, 6G and other R&D talents, invite expert lecturers for technical seminars in line with our technology development trends and plans.

Mobile Broadband
5G & LTE CPE
LTE-A / 5G RAN
NB-IoT / M2M

Wireless
Wi-Fi Router / Enterprise AP
Wi-Fi Mesh / Extender
Wi-Fi 5 (802.11ac)
Wi-Fi 6 (802.11ax)

Industrial 4.0 / Edge Cloud

Mobile Enterprise Solutions
24 / 77 / 79 GHz Intelligent Radar
Radar + Image Fusion
AVM System
TBOX

Digital Multimedia
Video Surveillance
Video Conference Camera
Indoor / Outdoor IP Camera
Doorbell + Chime
Radar, PIR sensor, Gateway

Broadband
XGSPON / GPON
G.fast / xDSL

LAN/ MAN
Data Center Switch
Enterprise / SMB Switch
Carrier Switch
IoT Switch

MEC (Multi-Access Edge Computing)
SBA / Microservices
5G SA Cloud Native
Application Platform
K8s / VM
SDN
Network Slicing
Carrier / Industrial 4.0
server

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● ESG course :

To enrich ESG knowledge and make sustainable development a common issue among all employees, Alpha Networks incorporated ESG as a fixed element into newcomer training from 2022. In addition, expert lectures are held during the year, focusing on the three aspects of "environment, society, and corporate governance", where scholars and experts give seminars to middle and senior executives at the headquarters of Alpha Networks.

Integrity Governance   **Sustainable Development**   **Human Rights Lecture**

● Vietnamese language course :

We have opened a new factory in Vietnam, but most of our Taiwanese and Chinese staff there do not speak Vietnamese. To enable our management personnel to integrate into the local environment and shorten the distance with the local employees, we have hired lecturers that have immigrated to Taiwan for many years and are proficient in the languages of Taiwan and Vietnam and are familiar with various accents to teach through live online connections.

Internal lecturer system

To encourage staff to pass on their professional knowledge and valuable experience, Alpha Networks runs an internal lecturer system. Every year on the anniversary of Confucius's Birthday in September, lecturer awards are held to encourage internal talents to join the lecturer system.

Alpha Networks encourages self-study. In addition to the "Alpha Networks Academy" at headquarters, an annual budget enables the purchase of best-selling books and management magazines, which are available to staff for free to enrich themselves after work. Fixed rewards are given for foreign language test qualifications.

Newcomers

Person times：168   Total training hours：350 hrs

Middle and senior executives

Person times：180   Total training hours：420 hrs

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3.4.2 Performance and promotion management

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.

3.4.3 Employee Activities

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.

▲ Boxing Cardio Club

▲ Pop Dance Club

▲ Ukulele Club

▲ Japanese Culture Club

▲ Floral Arts Club

▲ Badminton Club

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3.5 Occupational Safety and Health

We focus on safety and hygiene to provide a good working environment.

3.5.1 Safety and Health Policy

Alpha Networks puts much store by safety and health. To offer staff a good working environment, these five safety and health policies have been formulated:

- Each unit supervisor participates in daily safety and health management.
- We prevent occupational disasters to protect employee safety and health.
- We comply with domestic safety and health regulations and other relevant norms.
- We continuously review and improve the efficacy of our safety and health management.
- Safety, production and quality are equally important.

To promote the above policies, Alpha Networks Hsinchu Plant has a Safety and Health Committee in accordance with the "Occupational Safety and Health Management Measures". The committee meets every quarter with formal worker representatives from internal operations and workers accounting for 100%. These meetings are the channels for safety and health communication between staff and the Company to maintain and improve its safety and health management.

The Changshu Plant has a Production Safety Committee, which holds quarterly production safety management meetings. Unit supervisors attend the meeting to discuss occupational safety and health management issues. All units must appoint staff to serve as safety officers, participate in externally approved safety officer training courses, and obtain safety officer certificates to ensure that they have sufficient occupational safety and health knowledge and competences.

Each unit of the Dongguan Plant appoints a staff member as a volunteer firefighter to participate in training from the Labor Safety Department to ensure that the volunteer firefighters have sufficient firefighting knowledge and competences.

In 2022, the Alpha Networks Hsinchu focused on the following safety and health management items :

1. **Automatic inspections :**
   The environment, facilities and special operations of each unit are automatically inspected on a regular basis.

2. **Safety observation and audits :**
   Safety observations and audits are carried out from time to time to reduce unsafe situations and behaviors to protect employee safety and prevent occupational incidents.

3. **Chemical classification management :**
   In accordance with hazardous chemicals assessment and classification management methodology, we carry out chemical investigations, classify and manage chemicals according to their health hazards, and arrange hazard courses to strengthen safety awareness around working with chemicals.

4. **Determination of hazard factors in the plant area :**
   In accordance with our labor operating environment measurement management procedures, we monitor the working environment in the plant, evaluate employee exposure situations and compliance laws and regulations. Every six months, Alpha Networks' Hsinchu Plant commissions a qualified company to inspect the plant's environmental status (including the offices and the production area), covering carbon dioxide emissions, organic solvents and other concentrations, illuminance and noise levels to ensure employee safety and health

The Dongguan Plant and Changshu Plant conduct labor safety management in accordance with the China government's " Atmospheric Pollution Prevention and Control Law" and "Law on Prevention and Control of Occupational Diseases", and conduct on-site hazardous substance monitoring and environmental monitoring occupational once a year.

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3.5.2 Safety and Hygiene Training

To comply with laws and regulations on safety and health, Alpha Networks gives various types of safety and health training every year:

- Fire Prevention Training :
  Fire disaster prevention, emergency response drills and internal firefighting team exercises are held every quarter. Seminars and practical drills are used to prevent disasters.
- Trespassing and Suspicious Mail Package Simulation Exercise :
  For staff engaged in security, warehousing and shipping, simulation drills for trespassing and suspicious mail packages are held to improve employees' ability to prevent and deal with disasters.
- Safety and Hygiene Training for New and Current Employees :
  Safety and hygiene training helps strengthen safety and health awareness among new and existing employees, prevent disasters, implement safety and health management regulations, and develop occupational safety and health management knowledge and competences.
- Emergency team training :
  To strengthen their safety awareness, staff on the emergency response team participate in emergency response training every year to enhance their emergency competences.
- On-the-job training on ionizing radiation :
  To increase the safety awareness among ionizing radiation operation staff, specific ionizing radiation training is given every year.

Statistics on safety and health education and training at Alpha Networks Hsinchu Plant in 2022 :

Type	Number of trainee
Safety and hygiene training for new employees	498
On-the-job employee safety and health training	414
Fire (Evacuation) Training	72
Emergency response team training	63
On-the-job training on ionizing radiation safety	12

• Record of safety and hygiene training :

▲ Emergency response team training

▲ Fire extinguisher usage training

▲ Evacuation drill training

Statistics on safety and hygiene training at overseas plants in 2022 :

Type	Plant	Number of trainee
Hazardous Chemical Handling Training and Drills	Dongguan	37
	Changshu	4
Safety training for new employees	Dongguan	1,466
	Changshu	59
Evacuation drill training for all employees	Dongguan	734
	Changshu	70

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3.5.3 Occupational incident

Alpha Networks has a system to report, handle and investigate occupational incidents. It conducts investigations into the root causes and potential causes of occupational injuries, diseases and incidents, to identify failures of the safety and health management system and take corrective and preventive measures to prevent reoccurrence.

❖ In 2022, no employee in the Hsinchu, Dongguan or Changshu plants suffered any disabling occupational injury.

The statistics of occupational injuries in each plant in 2022 are as follows :

Type / Plant	Hsinchu		Dongguan		Changshu	
	Male	Female	Male	Female	Male	Female
Amount of disabling occupational injury	0	0	0	0	0	0
Lost days of disabling occupational injury in total	0	0	0	0	0	0
I.R.	0	0	0	0	0	0
L.D.R.	0	0	0	0	0	0
O.D.R	0	0	0	0	0	0
A.R.	1.44	1.44	3.13%	3.25%	4.82%	6.64%
Amount of death on duty	0	0	0	0	0	0

Note 1 : The Occupational Accidents Industrial Injury Records describe occupational incidents occurred during operations at the plant, and exclude employees' traffic accident injuries during their commute.
Note 2 : Injury/Illness Rate (I.R.) = number of incapacitating injuries/total working hours × 200,000
Note 3 : Long-Term Disability Rate (L.D.R.) = Total Lost Days of Disabling Injury / Total Working Hours × 200,000
Note 4 : Occupational Disability Rate (O.D.R.) = total number of occupational diseases/total working hours × 200,000
Note 5 : Absence rate (A.R.) = total absence hours (sick leave and personal leave) / total working hours × 100%

• Labor Conditions :

(1) TRIR of all factories are 0 (full time employees and contractors).

(2) NMFR of all factories are 0 (full time employees and contractors).

Type / Plant		Hsinchu		Dongguan		Changshu	
		Permanent	Contractor	Permanent	Contractor	Permanent	Contractor
Total recordable incident rate (TRIR)	Case	0	0	0	0	0	0
	Rate	0	0	0	0	0	0
Near miss frequency rate (NMFR)	Case	0	0	0	0	0	0
	Rate	0	0	0	0	0	0
Total actual hour		2,375,448	5,865	1,146,648	899,116.5	359,171	1,574,998.5

Note : in 1000000working hours

Contractor's Safety and Hygiene Management

During 2022, the safety and health management outcomes of Alpha Networks contractors were as follows :

Hsinchu Plant Construction Case Applications, of which 132 were for high-risk construction operations at the plant. 1107 persons that entered the plant for the first time received hazard notifications and safety and health training. For the Dongguan and Changshu plants, 10 companies applied for construction entry permits, 12 of which were for high-risk construction operations at the plant. 39 persons that entered the plant for the first time received hazard notifications and safety and health training.

❖ During 2022, there were no occupational accidents with losses of more than one day across all Alpha Networks' plants.

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3.5.4 Food Hygiene and Safety

To provide safe, hygienic and healthy meals for staff, all plants of Alpha Networks implement a number of food safety management measures :

1. The "Food Committee" reviews and improves group meals, and hold monthly meetings to promote employees' food safety and sanitation.

2. We use a group meal catering company that has HACCP or ISO 22000 and a nutritionist certificate

3. The kitchen assistants undergo a health check every year to ensure that employees can eat with peace of mind

4. Our group meal contract clearly specifies management rights, responsibilities, and measures, from ingredient delivery and inspection to food processing, tableware safety, catering staff management, and maintenance and control of environmental equipment.

5. We strictly select qualified group catering companies, inspect the food storage and preparation situation daily, and require compliance with food safety and hygiene related laws and regulations.

6. We provide fruit every day, to ensure balanced nutrition.

7. Regular health check-ups for catering staff to prevent infectious diseases in the kitchens and canteens.

8. We ensure a good balance of staple food and vegetables, reduce fried meals, use vegetable cooking oil, and encourage our caterers to adopt healthier cooking methods, so that our employees can eat safely and healthily.

9. The Food Committee and the occupational safety unit conduct monthly inspections and audits of kitchen safety and hygiene. It announces the key inspection results to confirm compliance with food safety and hygiene regulations.

10. We conduct surveys by questionnaire every quarter to adjust and improve issues raised by employees.

11. The number of diners/satisfaction survey in 2022, the number of diners increased by 12% from Q1 to Q4, and the satisfaction rate increased by 3.6%.

2022	Q1	Q2	Q3	Q4
Group Meal Satisfaction Score	72.3	73.5	74.0	74.9
Average number of diners/day (Note)	517	456	550	579

Note :
The number of diners is only counted for lunch. Although dinner is also provided, that number of people fluctuates greatly, so it is not included in the KPI.

• Related licenses

HACCP   ISO22000   Nutritionist license

• Kitchen staff have annual health check-ups (medical check-up form)

◄ The syphilis, hepatitis A, typhoid, and chest X-ray tests of all personnel were normal

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3.5.5 Health Promotion

- Employee Health Management
  Setting much store with employee health, the Company promotes health promotion measures and activities in a planned and organized manner.

- Employee Health Check-ups
  Alpha collaborates annually with Taoyuan Minsheng Hospital and Hsinchu Science Park Employee Clinic to conduct general health examinations for new employees, regular employees, and employees in special positions. The health checks for existing general and special workers check more health items than required by law, with a check-up rate of 97%.

- Workplace Health Care
  1. Our medical room has two occupational health nurses and three times a month specialist physicians come to the plant to promote health care, health promotion and special protection.

  2. The nurses analyze abnormal patterns and manage personal health in a tiered system based on the results of health inspections. They also hold health care and health promotion activities to help staff improve the health awareness and healthy lifestyles.
     Based on the inspection results, which are divided into five grades from 1 to 5, different management measures are takes, from regular tracking, plant health and safety education, plant physicians' consultations or outpatient and emergency re-examinations. 34 people consulted visiting physicians.

➤ A series of metabolic syndrome lectures were organized, with a total of 9 sessions and 414 attendees in the year 2022.

  3. Special health management: Every year, personnel in units exposed to special health hazards, including noise and ionizing radiation, the industrial safety staff must submit a list of at-risk staff and their operation categories, and provide physical and health examinations to monitor the hazards in their workplaces. By the end of 2022, the inspection rate was 95%.

➤ A series of health promotion lectures were organized, with a total of 3 sessions and 83 attendees in the year 2022.

In addition to caring for the physical health of staff, we also offer health education, care and notifications for staff suffering from occupational or private injuries and illnesses, including injury/illness tracking, advice on reasonable days of rest and recuperation, return to (different) work assessment, and assistance with reintegration in the workplace.

- Maternal Healthcare and Protection
  The Company provides exclusive parking spaces for female staff over six months pregnant.

  We have a "Maternal Health and Protection Regulation", and offer maternal health protection and care to female workers from pregnancy until one year after giving birth or as long as they breastfeed.

  We offer private rooms for breastfeeding or milk expression with facilities (refrigerator/sterilizer/electric heater, etc.), to offer peace of mind to working mothers.

▲ health promotion lectures

▲ cozy and convenient breastfeeding room

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- Infectious Disease Prevention and Care

As Covid-19 was raging around the world, we announced the Company's epidemic prevention measures in a timely manner, and provided safety suggestions based on domestic and foreign epidemic information.

In addition, we collected the footprints of confirmed cases every day, issued online questionnaires, and screened and isolated high-risk cases as soon as possible (i.e. persons or their close contacts with a travel history in an epidemic area, suspected contact history, return from business trips, etc.), through 100% tracking and management.

1. In 2022, footprint investigations and contact tracing and management of 548 local cases were conducted. 99 returning migrant workers were managed and tracked. We managed 565 confirmed cases.

2. We provided Covid prevention kits for business trips and personnel stationed abroad.104 kits were issued in 2022.

3. To prevent and block Covid, we provided quick tests to our employees for quick screening. We tracked the quick screening results before approving any days off.1,248 people used quick-screening tests at the start of work. 208 migrant workers were quickly screened during the Tomb Sweeping Day. 204 migrant workers were quickly screened during the Dragon Boat Festival.

4. We prepared sets of Covid-prevention materials such as ear/forehead thermometers for quick screening, infrared thermometers, automatic thermometers, 75% alcohol, and medical masks to prevent the spread of Covid.

5. We provided post-Covid information and vaccine appointment information. At our Company's, first-dose vaccine delivery rate reached 96%; the second dose reached 93%. The third dose was 76%.

Self-funded influenza vaccination activities are held every year, and in 2022 the number of participants was 141.

- Emergency Rescue Mechanism

Our plants have three AED devices, the use of which is included in the evacuation drills to train, audit and replenish the supplies of the emergency cabinets and medicine cabinets in the staircases. We signed a contract for an ambulance service with the staff clinic to ensure prompt ambulance service in case of emergency.

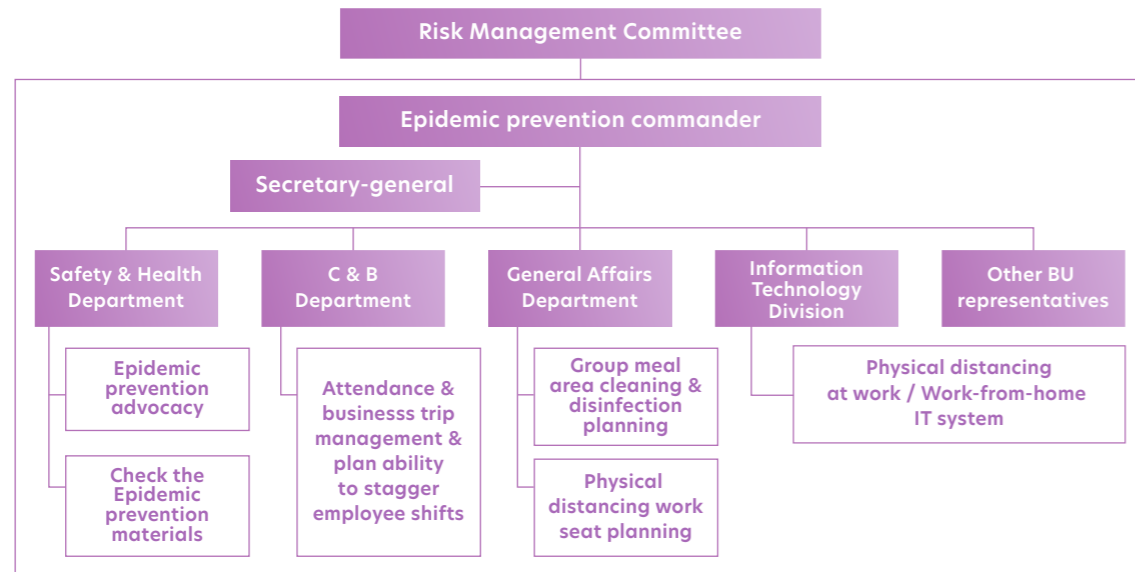▲ Provided information on covid vaccine administration to strengthen vaccine coverage.

▲ Self-funded covid vaccination activity.

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3.5.6 Epidemic Prevention Measures

Covid-19 greatly affected the global economy, society, and human physical and mental health. Maintaining the health and safety of our staff was our priority, which is why we set up a Covid-19 epidemic prevention task force. The general manager served as the commander, leading the epidemic prevention team and all staff, fully collaborating with the competent authorities to contain the worldwide epidemic.

In accordance with the "Response Plan for the Severe Special Infectious Pneumonia Epidemic" issued by the Central Epidemic Command Center of the Ministry of Health and Welfare of Taiwan, we adopted a tiered management of the epidemic situation, formulated and implemented epidemic prevention measures, including personnel access control, strengthening personal cleaning and protection, environmental cleaning and disinfection, and reduced group activities, all to protect the employee health. Under the tiered management and control, our epidemic prevention measures were adjusted as the epidemic situation changed.

Alpha Networks Epidemic Prevention Taskforce :

```
                    Risk Management Committee

                  Epidemic prevention commander

            Secretary-general

  Safety & Health    C & B         General Affairs   Information    Other BU
  Department         Department     Department        Technology     representatives
                                                      Division

  Epidemic           Attendance &   Group meal        Physical distancing
  prevention         businesss trip area cleaning &   at work / Work-from-home
  advocacy           management &   disinfection      IT system
                     plan ability   planning
  Check the          to stagger
  Epidemic           employee shifts Physical
  prevention                         distancing work
  materials                          seat planning
```

Epidemic prevention focus :

- Control personnel access :

  Control all incoming personnel, measure their body temperature, customers fill in health declaration forms and have their temperature measured when they enter the plant.

- Avoid gatherings :

  1. The restaurant seats use plum blossom seats (empty seats), tabletop partitions, meal time slots and box meal style.
  2. Wear a mask in public areas.
  3. The meeting rooms were fitted with partitions, meetings were held online.
  4. Limited number of people per elevator.
  5. During working hours, except for emergencies, elevators would not stop at levels B1-B3 to encourage staff to take the stairs to the temperature measurement station (at 1F elevator entrance).
  6. When the epidemic level went above level 3, floor partitions and elevator separation were used.

- Enhanced staff cleaning and maintenance :

  Hand sanitizers were placed at the elevator entrance, and the elevator button film was regularly replaced.

- Enhanced environmental disinfection :

  Bleach disinfection by cleaning staff three times a week, disinfection of the entire plant once a month.

- Epidemic prevention information :

  Epidemic prevention information: Daily regular monitor messages reminded staff to wear masks at the Company. Through online questionnaires, the travel history, contact history, and abnormal health conditions of staff and visitors was collected. If necessary, high-risk cases were isolated as soon as possible, and their subsequent health status was tracked. Staff could also check the latest epidemic prevention knowledge and epidemic news through the internal website, email, etc.

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3.6 Social Engagement

We harnessed the power of network communications to bring science education to the disadvantaged in rural areas.

The Alpha Networks Culture and Education Foundation focuses on mobile communication. To shorten the information gap and resource divide between urban and rural areas, the Alpha Networks Culture and Education Foundation endeavors to further equality of education. We found that the average learning speed of pupils in disadvantaged schools is only 30% of that in urban areas, and they lack extra resources for learning. We are aware of the gap between the rich and the poor and the lack of fairness in society.

This year, we continued providing our science and technology knowledge and volunteer services to enable disadvantaged students to learn in a variety of ways and promote science and technology education to connect with the world. Therefore, after a brainstorm, our volunteer group at Alpha Networks developed our core competences and products into interesting, fun and simple communication science and technology experiments to bring educational resources to disadvantaged schoolchildren and foster their curiosity and desire for learning.

Based on the concept of long-term implementation, Alpha Networks Science and Technology Culture and Education Foundation adopts the Big Hand Guides the Small Hand design method, where the Big hand is a model school in an urban area (Shuguang Girls' Middle School and Elementary School) and the Small Hand is a disadvantaged rural school (Dahu Elementary School of siangshan district in Hsinchu City; in future, other primary schools will also be chosen from this district).30 students in elementary and junior high school gave highly positive feedback on communication science experiments at the primary school of Shuguang Elementary and Girls Junior High School. In addition, we also noticed a lack of insufficient science and engineering teachers in primary schools. Therefore, we devoted attention to designing popular science experiments to help train teachers in the future. We will continue to develop natural science education in future semesters.

The Alpha Networks Culture and Education Foundation also brings its experience to Hsinchu City Sianshan Dahu Elementary School, located in the southern suburbs of Hsinchu City's Sianshan District. With only 55 students, it is currently the smallest school in Hsinchu City. Although located in Hsinchu City, its situation is similar to that of rural schools in Taiwan. This course was conducted with 28 students of various ages from grades 1 to 4. The students actively helped each other, with the middle graders leading their younger schoolmates to try together. Everyone raised their hands enthusiastically for answering questions and experiment demonstrations, and atmosphere was lively. The teachers also said that the event improved students' learning motivation and broadened the teachers' horizons. This course will be repeated and expanded in the future, and it will also be of great help to the school's participation in science and

technology competitions and exhibitions.

The Alpha Networks Science and Technology Culture and Education Foundation also continues to serve the elderly. The foundation visited the seniors activity center in the East District of Hsinchu City, offering digital mobile application classes to help them understand and use the Internet to improve the convenience quality of life.

Looking toward the future, the Alpha Networks Science and Technology Cultural and Educational Foundation will continue to fulfill its corporate social responsibility, and collaborate with more organizations and other units, mobilize resources and strengths within our enterprise, use our expertise of in Internet communication, and give back to society through practical actions.

▽ ▲ Science popularization for rural school children

▲ Seniors taking an internet class

Ch4
Sustainable Environment

Cherish our planet earth where all life lives together.

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Key indicators   # Achievement of the year

Power saving
-6.9%
Power consumption
All Plants(Hsinchu/Dongguan/Changshu)

Environment friendly

Reduce **16.2%** GHG Emission
Hsinchu plant
Compare to 2021

Reduce **≥3%** GHG reduction target

Carbon from purchased power   **-8.14%**
Carbon from purchased power
All Plants(Hsinchu/Dongguan/Changshu)

Water management

+17% **Water consumption**
Hsinchu plant
Due to Capacity
increase

-44% Dongguan plant
Compare to 2021

-8.5% Changshu plant
Compare to 2021

Waste management

-2.6% **Waste reduction**
All Plants
(Hsinchu/Dongguan/Changshu)
Compare to 2021

73.2% **Recycle%**

Hazardous Substance Management

100% **Execution rate**
Harzardous Substance
Manangement

100% **Achievement rate**
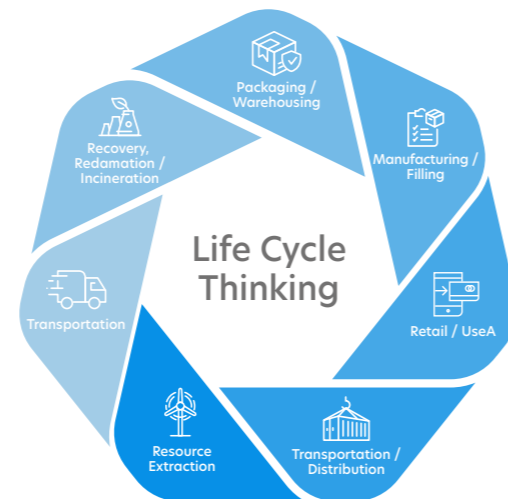Harzardous Substance
Risk Assessment

100% **Compliance rate**
RoHS Directive
REACH Regulation

≤1 year RoHS Directive
Exemption Due Date

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view point **Sustainable environemnt action**

Alpha Networks strives for strategic actions in ESG and sustainable development, with management of hazardous substances, GHG emission policies and actions for environmental sustainability. Life Cycle Thinking (LCT) is introduced to the product R&D stage to facilitate the management of hazardous substances. Green design concepts are incorporated and timely adjustments are made accordingly to updated international environmental regulations (Figure 1). Alpha Networks exercises strict control over all products, in adherence to the EU RoHS Directive and the EU REACH Regulations. To achieve environmental sustainability, continue to improve product performance to meet the EU ErP (Energy-Related Products) Directive and the customs regulations set by the U.S. DoE (Department of Energy) and CEC (Commission for Environmental Cooperation) and by the Natural Resources Canada and other countries. Moreover, the product development process focuses on (1) easy disassembly and recyclability (2) energy efficiency (3) pollution control and (4) low toxicity. The highlights are illustrated on the right. It is worth mentioning that the R&D team for products and packaging came up with "Array Modular Packaging System" in 2022 and achieved great results in plastic reduction and material reuse of packaging. Meanwhile, waste gases, waste water, waste, noise from the factories and fire prevention are managed with measures in place, to contribute to the environment. To manage GHG emissions, GHG inventory inspections commenced in 2008 for factories to keep an eye on carbon emissions and drive carbon emission activities. Alpha Networks sustainability management and operation are disclosed in accordance with "GRI 300: Environmental Disclosures" in subsequent chapters for reference of stakeholders.

❖ For more details on the company profile and evolution of Alpha Networks, please refer to the "Capability/Environmental sustainability" section of the corporate website.

Life Cycle Thinking

Packaging / Warehousing
Manufacturing / Filling
Retail / UseA
Transportation / Distribution
Resource Extraction
Transportation
Recovery, Redamation / Incineration

• LCT product development process

Design for Disassembly and Recycling

In accordance with the EU WEEE product design principles, components are made from materials that can be recycled 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 high product recycling rate has now been achieved.
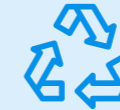
Energy conservation

Product energy efficiency is based on the guidance of the EU ErP, the (EC) No.1275/2008 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 (EU) 2019/1782 implementing directive for external power supplies.

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.

Low toxicity

Through the Green Materials Management Platform and under strict internal control within the company, apart from implementing lead-free processes, all manufactured components comply with the requirements of the European Union's RoHS and REACH regulations.

Remark :
• RoHS : Restriction of Hazardous Substances
• REACH : Registration, Evaluation and Authorization of Chemicals
• WEEE : Waste Electrical and Electronic Equipment

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Meanwhile, Alpha Networks has been gradually assessing and responding to climate change risks and opportunities according to Task Force on Climate-related Financial Disclosures (TCFD), including four core TCFD pillars, i.e., governance, strategy, risk management, and metrics and targets. Internal meetings are convened to examine the types and likelihood of potential risks and analyze the level of climate effects and financial impacts. Action plans are initiated according to the degrees of riskiness, as shown in the Table below.

• **TCFDaction plan**

❖ TCFD : Task Force on Climate-related Financial Disclosures

Risk type	Climate related risks	Likelihood	Financial impact	Impact analysis	Action plan
Green regulations	Products need to conform with mandatory regulations on energy consumption	Medium	Medium	Medium	Product tests in adherence to compulsory energy consumption requirements (e.g., ErP)
	Carbon emission disclosure required by customers	High	Medium	Medium	GHG and CDP disclosure
Corporate sustainability	Production disruption caused by typhoons	Medium	Low	Low	Business continuity plan (BCP), drills and backup production facilities
Long-term issues	Water shortage due to climate change	Medium	Low	Low	It is mainly with domestic water in factories. There is no direct impact on production activities.

Remark :

• CDP : Carbon Disclosure Project

• BCP : Business Continuity Plan

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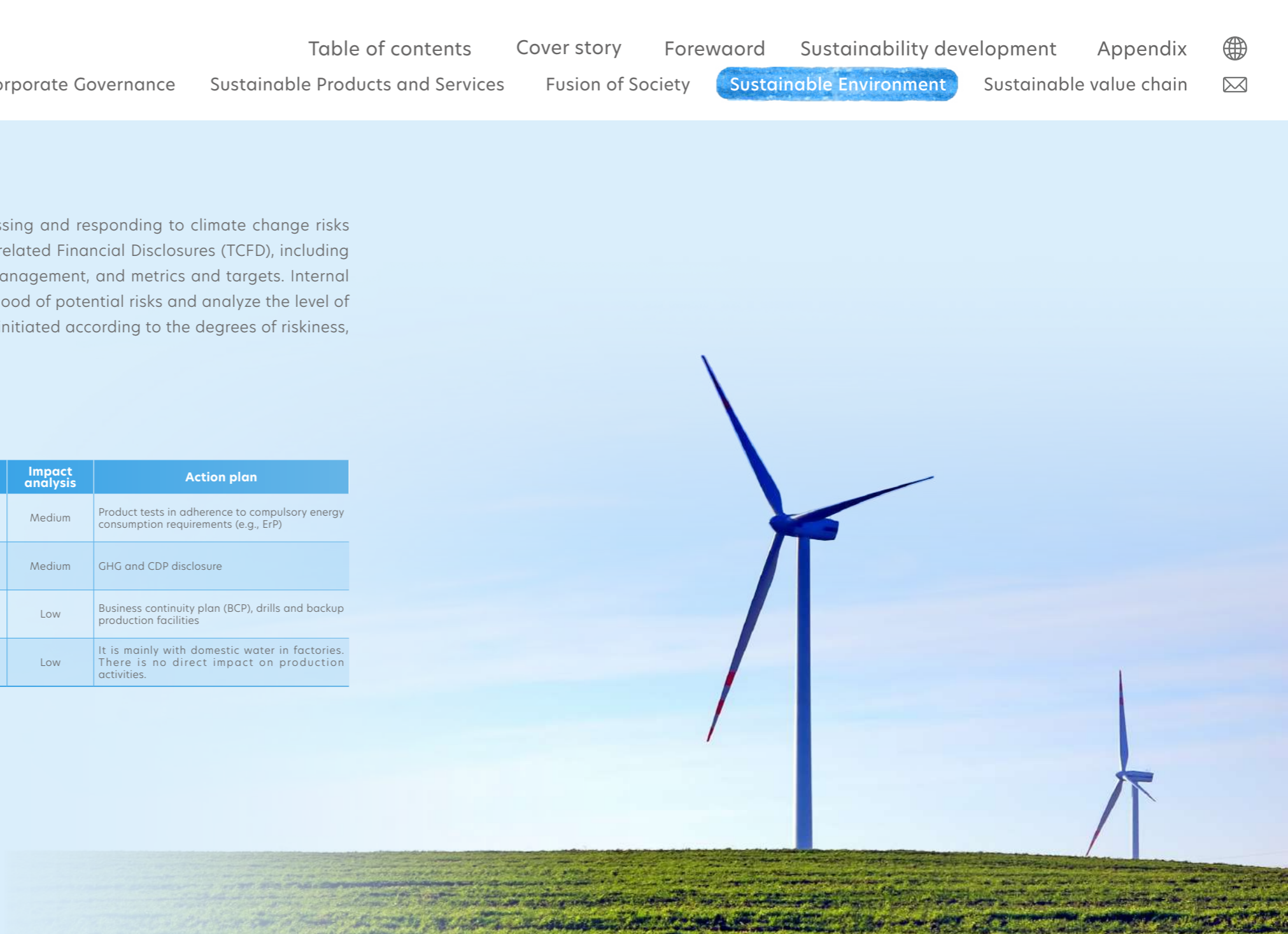
4.1 Green Product Management

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

To ensure compliance of raw materials and products, Alpha Networks has embarked on procedures and system management from procurement, hazardous substance management, product R&D and to design. Establishment of systems including ISO 9001, TL 9000, IATF16949, ISO 14001, QC 080000, ISO14064-1 and AEO, to manage each stage of the product lifecycle. Meanwhile, operational continuity management was introduced to avoid disruptions due to natural and manmade disasters and to ensure stable supply of raw materials. Finally, customer satisfaction surveys are conducted to understand customers' assessment in green products compliance and to facilitate continuous improvement. Relevant procedures are explained in subsequent chapters.

4.1.1 Green purchasing

To fulfill our environmental responsibility as a global citizen, Alpha Networks has reduced the use of natural resources and toxic substances, practiced green procurement, requiring suppliers to sign the "Non-Use Guarantee" specifications, to achieve sustainable operation of green products and implement green production Parts recognition and material compliance audit files.

- **Material compliance document approve**

Green purchasing

Electronic parts   Batteries

Mechanical materials   Packaging materials

Green products

Approve

RoHS

REACH

Batteries Directive

Report

SDS

Remark :
- RoHS : Restriction of Hazardous Substances
- REACH : Registration, Evaluation and Authorization of Chemicals
- SDS : Safety Data Sheet

4.1.2 Hazardous substance management system

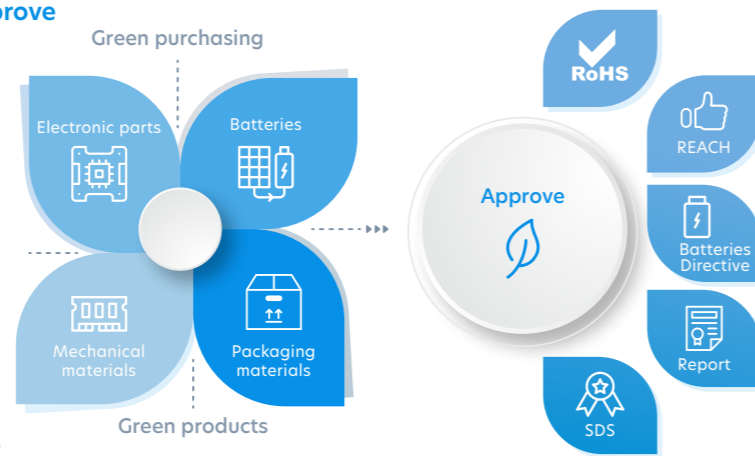In accordance with the management system required by International Electrotechnical Commission (IEC) issued in October 2005 for hazardous substances of electric machinery and electronic components and products, Alpha Networks obtained the new IECQ QC 080000: 2017 certificates for all factories. The annual system targets are shown in the Table below.

HSF Policy	No	Objective	2022 Goal
Conformity and compliance with environmental laws and Restriction of Hazardous Substances Directive	1	Full adoption of RoHS Directive,2011/65 EU, EU2015/863, Directive of Packaging and Packaging Waste (94/62/EC),2013/56/EU Directive on Batteries and Accumulators and Waste Batteries and proper maintenance and management of GPMsystem cards	Achievement rate : 100%
	2	REACHmodule purchase (SVHC,TPHC and TSCA). Accurate display for color management in theGPMsystem.	Achievement rate : 100%
	3	REACHmodule purchase (SVHC,TPHCand TSCA). Accurate display for color management in theGPMsystem.	Expiration of exemption clauses ≤ 1year
	4	GPM systemand MCD data accuracy review	Times per quarter
	5	Regulation data collection	Times per quarter
Green product R&D to achieve the HSF status	6	No. of items on the GPM system not in conformity to green materials requirements=0	Number of items per year = 0
	7	Informing colleagues of regulatory requirements via the platform	Achievement rate : 100%
	8	Hazardous substance risk assessment	Achievement rate : 100%
	9	Integration reporting and production	Achievement rate : 98%

Remark :
- SVHC : Substances of Very High Concern
- TSCA : Toxic Substances Control Act
- HSF : Hazardous substances free
- GPM : Green Product Management

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4.1.3 Hazardous substance management

In response to the environmental protection laws of various countries and customer requirements, Alpha Networks runs a Green Product Management System (GPM), that employs control procedures and requires suppliers to sign a Guarantee, submit a third-party test report to ensure that a product complies with the list of controlled substances, avoids the impact of harmful substances, and ensures that the product complies with the spirit of green environmental protection from development to production.

For more details, please refer to the GPM of Alpha Networks (https://www.ezgpm.net/)

- **Hazardous substance management process**

Statistics on 3,553 MCD approves in 2022 are shown per month in the table below. Confirmation that the raw materials from the supplier meet the standards for controlled substances.

MCD approve

Number/ Month	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug	Sep.	Oct.	Nov.	Dec.	Total
Approved Number	267	154	619	441	411	417	286	316	236	131	161	114	3,553

❖ MCD : Material Composition Declaration

01 Import data
- BOM
- Part
- Supplier

02 Specification definition
- Material Management
- Substance code Managemenst

03 MCD form
- BOM
- Data Sheet Test report
- Substance List
- Conflict minerals investigation
- REACH form
- Custom form

04 Compliance analysis
- BOM Compliance
- Material Compliance

05 Report export

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4.1.4 Green Product design and production

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, ISO14064-1 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.

❖ AEO : Authorized Economic Operator

- **System Policy Chart**

ISO9001 / TL9000/ IATF16949 Quality policy

- Do the right things at the first time
- Time continuous improvement for better quality
- 100% Customer satisfaction

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.

Note : QC 080000 (Hazardous Substance Management System)HSF (Hazardous Substance Free)

AEO Authorized Economic Operator safety policy

- Authorized Economic Operators annouc statement :
  All employees and suppliers must adhere to the policy to ensure the safety of Alpha Networks and related business partners' assets.

- Practice risk management Policy statement :
  Strengthen supply chain security management through the identification of threats to security, risk assessment and risk management process so that the necessary risk reduction and control measures can be implemented.

- Supply chain security performance Policy statement :
  Improve employee abilities and understanding through education and training. Enforce management reviews and continuous improvement to ensure the applicability and validity of the supply chain security system

Greenhouse Gas Inventory and Policy Statement

Everyone at Alpha Networks is committed to fulfilling our corporate environmental and social responsibility as a quality contract manufacturing enterprise for networking products against a backdrop of global warming. For this reason, we hereby declare that we will :

- Committed to make Carbon Disclosure, in order to facilitate the corporate really grasp the situation.
- 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.

Note : Greenhouse Gases (GHG)ISO14064-1: Guidelines for the quantification and reporting of GHG emissions and reductions at the organizational level.

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To meet our Delivery, Quality, Customer satisfaction and Service goals, Alpha Networks 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.

● **Quality Management process**

The quality goals are expanded from the top-down

Deliverty
Quality
Customer
Service

Key **P**erformance **I**ndicators

Managemnent **B**y **O**bjectives

The same set of manufacturing system and quality management standards are used at all Alpha Networks 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.

All factories include Alpha Networks (Hsinchu Factory,Dongguan Factory, Changshu Factory), all are based on ANSI/ESD S20.20 electrostatic discharge protection certification as standard, and combined with the access control management system, entering the factory area not only requires authorization but also only after passing and complying with the ESD measurement can you enter the factory area and fully implement ESD (Electro Static Discharge) protection. The work content is as shown in the figure below :

● **Quality Management activities**

Introduction of standard systems

MES SAP PLM SMS

- Green production
- Advanced protection mechanism
- Lean production
- Ongoing improvement

Proposal improvement mechanism

Business continuity management

Six Sigma program

ESD protection combined with access control

Total customer satisfaction

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4.1.5 Product design and carbon reduction

Product disassembly and recycle design

Alpha Networks 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 marked. The use of more than two types of materials should also be avoided. Recovery and disassembly (Recycle, Reuse, Reduce; 3R) and EU WEEE directive (WEEE) all form the basis of green product design. Recyclable materials are therefore chosen by Alpha Networks during system design to better comply with EU environmental requirements.

Product energy-saving design

Alpha Networks considers the enhancement of energy efficiency and the reduction of energy consumption during the product design stage. Including :

(1) EU (Energy-Related Products) directive (ErP): adherence to (EC) No 1275/2008 and (EU) No. 801/2013 requirements in energy consumption for networking and communications equipment in standby and off modes

(2) U.S. Department of Energy (DoE): DOE certificates on energy performance based on relevant regulations in the U.S. aim to achieve energy efficiency and carbon emissions and help users to reduce energy consumption and hence the greenhouse effect.

(3) California Energy Commission (CEC): The CEC's Appliance Efficiency Regulations promulgated in 1976 are applicable to all products in California. As the only compulsory energy performance legislation in the U.S. that have influence consumer behavior, these regulations play a pivotal role in energy consumption reduction.

(4) Natural Resources Canada (NRCan): The regulatory body in Canada on energy efficiency standards of industrial products and consumer goods It has established the energy consumption standards on more than 50 product categories manufactured and marketed in Canada or imported to Canada.

According to the 2022 statistics on product energy efficiency tests, the application was submitted for four product types. The results conformed to the energy consumption standards in the European Union, the U.S. and Canada. The statistics are summarized in the Table below.

• Energy consumption test

Product type	Test type	BU	Result
Router	ErP	Wireless Broadband BU	Pass
Wired Router	ErP	Wireless Broadband BU	Pass
Wireless Router	ErP	Wireless Broadband BU	Pass
Spotlight Cam	1.DoE 2.CEC 3.NRCan	Digital Multimedia BU	Pass

Remark :
- ErP : Energy-related Product
- DoE : Department of Energy
- CEC : California Energy Commission's
- NRCan : Natural Resources Canada

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4.1.6 Business Continuity Management

Business continuity management policy :

Alpha Networks 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.

To ensure the continuity of operations and reduce the impact of major faults or disasters on critical business processes, Alpha Networks introduced the Business Continuity Management (BCM) in 2014. 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. At the 2022 annual disaster event drill, the outcomes were all in line with the goals.

To implement Business Continuity Management (BCM), a Business Continuity Plan (BCP) was formulated in response to various environmental impacts.If hit by natural or man-made disasters, our company can restore a certain degree of operations in a short time. Statistics of Alpha Networks' Hsinchu Factory in 2022, Dongguan Factory, Changshu Factory Total 4 BCPs and complete walkthroughs are shown below.

Hsinchu Factory：

- Shortages of Transformer result in the inability to ship products.
- The collective diagnosis of SMT night shift led to the inability to start production.

Dongguan Factory：

- The spread of the COVID-19 let to some colleagues being unable to come to work.

Changshu Factory：

- The spread of the flu virus let to some colleagues being unable to come to work.

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4.2 Environmental and Energy Management

Launching environmental protection activities to mitigate the environmental impact.

Alpha Networks is committed to effectively implementing energy management and comprehensive environmental issues. Also formulates policies and sets annual activity plans and goals to continuously contribute to sustainable environment.

Environmental Policy/HSF Policy

1 Adhere and comply with environmental laws and the RoHS directive.

2 Develop green products with fully HSF products as the ultimate goal.

3 Promote recycling of resources and waste reduction.

4 Continue to improve processes to reduce their environmental impact.

5 Improve environmental awareness among employees and to participate directly in environmental protection initiatives.

6 Conserve energy and improve energy efficiency.

Alpha Networks Environmental goals in 2022

Environment Policy	No.	Objective	2022 Goal	Compliance Rate
1. Improve environmental awareness among employees and to participate directly in environmental protection initiatives.	1.1	Alpha Networks Green website update	Per year ≥ 1 time	100%
	1.2	Biodiversity-related activities (e.g.: beach cleaning, mountain cleaning, tree planting, ecofriendly farmland maintenance…)	Per year ≥ 1 time	100%
	1.3	Monitor 'green' laws and regulations	Per year = 4 time	100%
2. Conserve energy and improve energy efficiency.	2.1	Carbon Footprint Inventory	Per year = 1 time	100%
	2.2	Number of products noncompliant with international energy-related regulations (e.g.: ErP Directive, DoE, CEC, NRCan)	0 cases per year	100%

Remark :
- RoHS : Restriction of Hazardous Substances
- ErP : Energy-related Products

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4.2.1 Energy Management

Alpha Networks 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 Networks (Hsinchu Factory) but also achieve the goals of energy conservation, GHG reduction, and safety & health management.

(1) Energy management :

Statistics of the actual electricity consumption of the Hsinchu factory from 2020 to 2022 are shown in the chart below, and the energy consumption within the organization in 2022 is revealed. The quantity details are as shown on the right, and the power resource management can be carried out effectively.

2022 Power consumption management at Hsinchu Factory
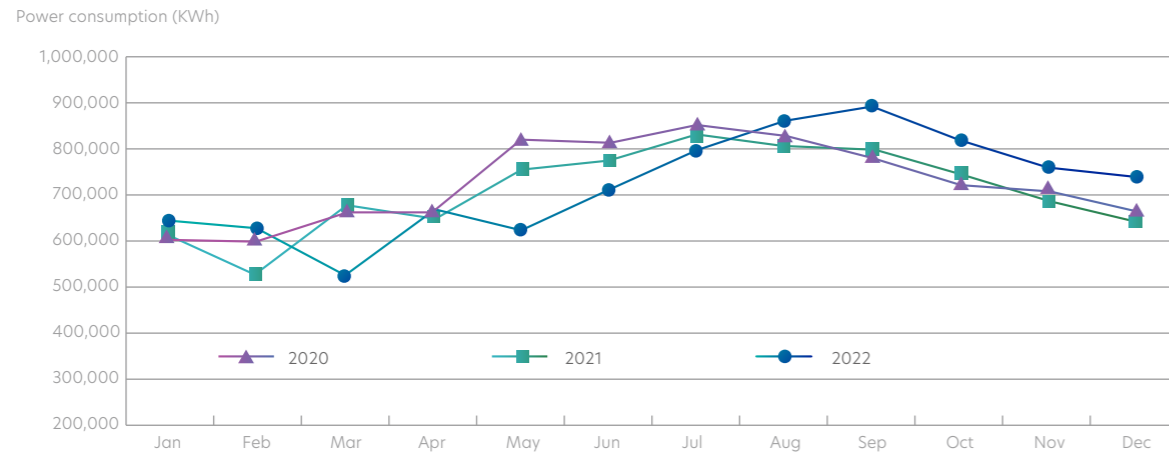
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	614,400	612,400	677,600	680,800	846,800	838,400	878,800	852,000	804,000	735,600	724,400	672,400
2021	626,400	538,800	694,800	668,000	774,400	796,800	858,000	835,200	820,400	766,000	702,000	656,800
2022	656,800	640,800	531,600	680,800	637,600	729,200	821,200	888,800	920,400	844,400	781,600	759,600

• Details of internal energy consumption in 2022 (kWh)

Unit : KWh

Month	Jan				Feb			
	Power Consumption	Heating Power Consumption	Refrigeration Power Consumption	Steam Power Consumption	Power Consumption	Heating Power Consumption	Refrigeration Power Consumption	Steam Power Consumption
2020	498,770	0	115,630	0	452,950	0	159,450	0
2021	510,750	0	115,650	0	518,060	0	176,740	0
2022	553,500	0	103,300	0	528,500	0	112,300	0

Month	Mar				Apr			
	Power Consumption	Heating Power Consumption	Refrigeration Power Consumption	Steam Power Consumption	Power Consumption	Heating Power Consumption	Refrigeration Power Consumption	Steam Power Consumption
2020	530,910	0	146,690	0	414,620	0	266,180	0
2021	528,270	0	166,530	0	416,800	0	251,200	0
2022	360,200	0	171,400	0	512,000	0	168,000	0

Month	May				Jun			
	Power Consumption	Heating Power Consumption	Refrigeration Power Consumption	Steam Power Consumption	Power Consumption	Heating Power Consumption	Refrigeration Power Consumption	Steam Power Consumption
2020	612,100	0	234,700	0	565,740	0	272,660	0
2021	500,970	0	273,430	0	489,900	0	306,900	0
2022	445,900	0	191,700	0	441,600	0	287,600	0

Month	Jul				Aug			
	Power Consumption	Heating Power Consumption	Refrigeration Power Consumption	Steam Power Consumption	Power Consumption	Heating Power Consumption	Refrigeration Power Consumption	Steam Power Consumption
2020	569,830	0	308,970	0	606,790	0	245,210	0
2021	569,000	0	289,000	0	565,100	0	270,100	0
2022	494,400	0	326,800	0	585,000	0	303,800	0

Month	Sep				Oct			
	Power Consumption	Heating Power Consumption	Refrigeration Power Consumption	Steam Power Consumption	Power Consumption	Heating Power Consumption	Refrigeration Power Consumption	Steam Power Consumption
2020	620,840	0	183,160	0	553,120	0	182,480	0
2021	598,900	0	221,500	0	609,600	0	156,400	0
2022	625,600	0	294,800	0	648,700	0	195,700	0

Month	Nov				Dec			
	Power Consumption	Heating Power Consumption	Refrigeration Power Consumption	Steam Power Consumption	Power Consumption	Heating Power Consumption	Refrigeration Power Consumption	Steam Power Consumption
2020	574,150	0	150,250	0	548,070	0	124,330	0
2021	571,300	0	130,700	0	526,100	0	130,700	0
2022	594,900	0	186,700	0	635,400	0	124,200	0

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

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To respond to the global pursuit of net zero by 2050, the government is driving net zero in the country and the society with legislations. It is hoped that companies and the public work together, to mitigate climate change and achieve carbon neutrality. The previous year witnessed global challenges one after another: climate change, energy shortages and ocean crisis. We in Taiwan should also be concerned and make changes in life. There is an increasing awareness for mitigation of climate change and a growing emphasis on carbon footprint. Those who care about environmental protection pay extra attention to the impact of their actions on the planet earth. They also advocate for actions to protect the earth and reduce the impact on and destruction of the earth. The reduction of electricity consumption in Taiwan also saves on limited resources of the earth. Alpha Networks abides by regulatory requirements by setting targets for Hsinchu Factory, Dongguan Factory and Changshu Factory in electricity consumption and carbon reduction and tracking the results and trends, as illustrated below. The target for electricity consumption and carbon reduction and the actual carbon emissions and electricity consumption (kWh) are shown in the Table.

• Electricity carbon emission target and Actual carbon emission trend

Unit : Ton CO₂e

	1	2	3	4	5	6	7	8	9	10	11	12
2022 Target	1,047.3	8,59.85	1,002.3	1,475.9	1,778.7	1,845.6	1,835.8	1,669.6	2,083.2	1,684.2	1,596.8	1,442.6
2022 Actual	1,196.1	1,056.8	1,243.7	1,299.9	1,475.5	1,697.1	1,765.4	1,825.8	1,669.9	1,239.2	1,242.3	1,249.9
2021 Actual	1,500.1	1,192.5	1,463.8	1,542.3	1,804.5	1,815.8	1,852.1	1,695.7	1,696.7	1,418.4	1,253.8	1,228.7
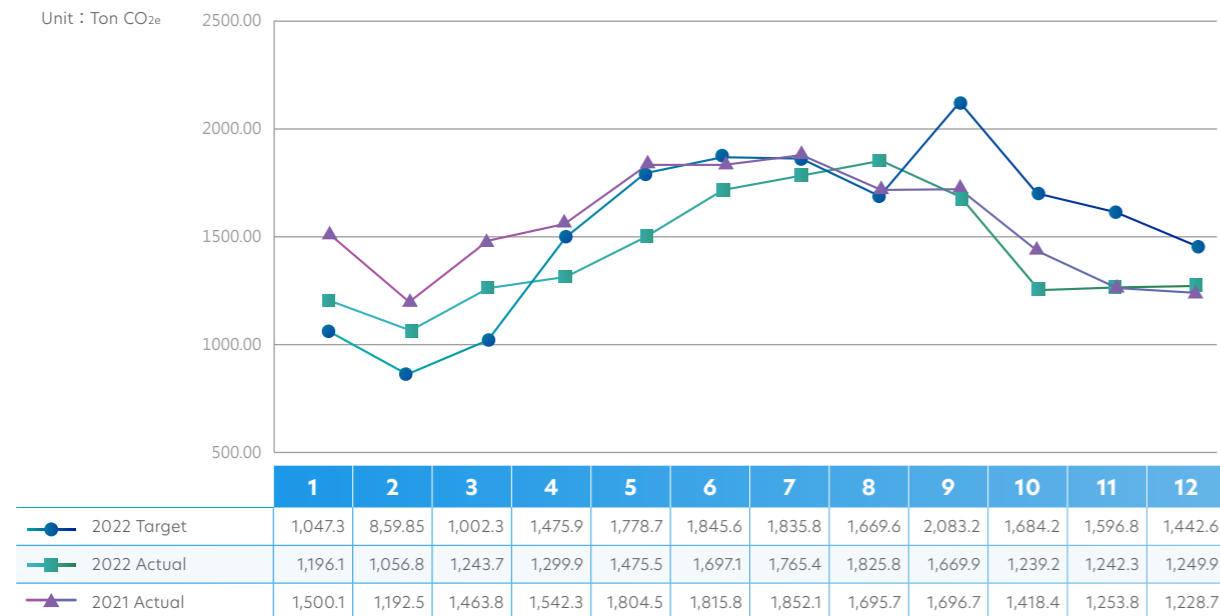
• Electricity carbon emission target and Actual carbon emission trend

Unit : Ton CO₂e

Month		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2022 Target		1,047.34	859.85	1,002.39	1,475.90	1,778.76	1,845.67	1,935.85	1,669.68	2,083.28	1,684.29	1,596.86	1,442.69
2022 Actual emission		1,196.15	1,056.87	1,243.79	1,299.94	1,475.57	1,697.19	1,765.43	1,825.80	1,669.93	1,239.26	1,242.33	1,249.95
2021 Actual emission		1,500.10	1,192.53	1,463.84	1,542.37	1,804.58	1,815.81	1,852.19	1,695.78	1,696.77	1,418.45	1,253.84	1,228.70
2022 Target	Hsinchu	294.38	284.89	256.40	322.87	313.38	351.36	436.83	474.81	455.82	379.85	313.38	294.41
	Dongguan	281.30	220.90	318.24	698.73	905.47	876.01	748.28	483.47	988.53	832.45	791.94	669.16
	Changshu	471.65	354.06	427.75	454.30	559.91	618.29	650.74	711.41	638.93	471.99	491.54	497.12
2022 Actual emission	Hsinchu	334.31	326.17	270.58	346.00	324.54	371.16	417.99	452.40	468.48	429.80	397.83	386.64
	Dongguan	381.26	311.90	462.52	512.65	606.27	633.07	655.62	645.19	590.35	359.31	368.03	353.37
	Changshu	480.58	418.80	510.68	441.29	544.77	692.96	691.82	728.21	611.10	450.15	476.46	509.95

• Electric power statistics

Unit：KWh

Month		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2022 Target	Hsinchu	578,358	559,702	503,731	634,328	615,672	690,299	858,209	932,836	895,522	746,269	615,674	578,400
	Dongguan	349,793	274,684	395,719	868,845	1,125,924	1,089,297	930,466	601,175	1,229,211	1,035,127	984,753	832,084
	Changshu	595,439	446,984	540,025	573,541	706,874	780,573	821,536	898,126	806,632	595,876	620,553	604,874
2022 Actual emission	Hsinchu	656,800	640,800	531,600	679,768	637,600	729,200	821,200	888,800	920,400	844,400	781,600	759,600
	Dongguan	474,086	387,840	575,134	637,462	753,874	787,205	815,246	802,282	734,082	446,792	457,640	439,404
	Changshu	606,720	528,720	644,720	557,120	687,751	874,837	873,397	919,342	771,495	568,302	601,514	643,793

Alpha Networks adheres to national policies. As a member of the organization, we work together to create a more pleasant and sustainable homes for ourselves and future generations. We care and we take actions by striving to reduce energy consumption and carbon. These measures include loading adjustment of water chillers and auxiliary equipment; replacement of high-performance micro-oil screw compressors and adsorption dryers at Hsinchu Factory. With collective efforts from three factories, the following was achieved in 2022: Alpha Networks's 2022 target for total carbon emissions due to electricity consumption ≤18,322.55 TCO₂e, 0.77% lower than 2021. Actual carbon emission in 2022 was 16,962.21 TCO₂e, 7.42% lower than the target and down by 8.14% from 2021. Dongguan Factory's electricity consumption dropped in 2022 due to reduced orders. Changshu Factory deployed traditional lighting fixtures in its early days. Due to higher replacement costs, the factory voluntarily adopted 60 LED lighting tubes at workshops in 2022. This is expected to save RMB23,000 in electricity bills each year.

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(2) Energy Saving and Carbon Reduction :

Energy efficiency and carbon reduction activities loading adjustment of water chillers and auxiliary equipment

Purpose : automatic temperature adjustment to achieve energy efficiency and carbon reduction

Approach : automatic loading adjustment for chillers and auxiliary equipment based on outdoor temperature and onsite air-conditioning requirements, to optimize system stability, maximize efficiency and minimize energy consumption.

Benefits : as shown in the Table below

• Electricity consumption of water-cooled servers and auxiliary equipment (Hsinchu)

Unit：KWh

Annual power consumption/Month	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
The actual electricity consumption of water-cooled servers and auxiliary equipment in 2020	115,630	159,450	146,690	266,180	234,700	272,660	308,970	245,210	183,160	182,480	150,250	124,330
The actual electricity consumption of water-cooled servers and auxiliary equipment in 2021	115,650	176,740	166,530	251,200	273,430	306,900	289,000	270,100	221,500	156,400	130,700	130,700
The actual electricity consumption of water-cooled servers and auxiliary equipment in 2022	112,300	171,400	168,000	191,700	287,600	326,800	303,800	294,800	195,700	186,700	124,200	107,700

Data source ：Digital collection meter data

(3) Energy efficiency and carbon reduction activities :

Changshu Factory's measures to reduce energy consumption and carbon in 2022

• Changshu Factory's energy efficiency and carbon reduction chart

Energy efficiency initiative	Special projects and action plans	Picture before the revamp	Estimated profit or loss			
			Operating expense before the revamp		Operating expense after the revamp	
			Electricity costs for equipment	Maintenance expense	Electricity costs for equipment	Maintenance expense
Replacement with energy-efficient LED lights at workshops	1. In the early days, the factory and the dormitories used T5 fluorescent tubes with ballast (36W each). The actual energy consumption was approximately 40 watts each. 2. Given the high cost of replacement at one go and the currently poor illumination, lighting fixtures will be modified for energy-efficient LED bulbs (20W each). 4. Approximately 60 lighting fixtures modified in 2022	Before After	RMB 43,000/ p.a. (electricity bills for 7.2KW lighting)	RMB 6,000/p.a. (maintenance and light bulb changes)	RMB 22,000/ p.a. (electricity bills for 3.6KW lighting)	RMB 4,000/p.a. (maintenance and light bulb changes)

Note : Data - Changshu Factory's 2022 report on energy

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(4) Energy efficiency and carbon reduction activities :

replacement of the old air compressor and the dryer on the top floor at Hsinchu Factory

Purpose : replacement of old and tired factory equipment. New equipment operates with high efficiency and low energy consumption. This achieves the target for energy conservation.

Approach : (1) Purchase of two new micro-oil screw variable-frequency air-cooled compressors to replace the two old screw compressors on the top floor

(2) Purchase of another heatless adsorption dryer and one dryer to replace the old adsorption dryer on the top floor

The total electricity costs are estimated to be $1,692,249 before improvement and $1,230,726 after improvement. The savings amount to $461,523.

Benefits : as shown in the Table below

• Table of replacement and improvement of the air compressor and the dryer on the top floor at Hsinchu Factory

Equipment \ benefits	Before improvement				After improvement			
	Equipment type	Equipment efficiency	Electricity consumption (Kwh)	Estimated electricity cost	Equipment type	Equipment efficiency	Electricity consumption (Kwh)	Estimated electricity cost
Air compressors	Screw	85%	323,232	NT$969,696	Micro-oil screw variable-frequency air-cooled compressors	99%	274,747	NT$824,241
Dryer	Adsorption	85%	240,851	NT$722,553	Heatless adsorption	99%	135,495	NT$406,485

Conclusion

It is also Alpha Networks mission to continue the achievement and enhancement of energy efficiency and carbon reduction. In 2023, Hsinchu Factory will improve the energy efficiency of cooling towers such as addition of variable-frequency drives for cooling water pumps and installation of separators between water towers for less energy consumption during short cycles. This is expected to save approximately 230,000 kWh in electricity consumption each year. In 2023, Changshu Factory will improve drinking water reverse osmosis (RO) equipment and solar water heaters at dormitories. For example, drinking water RO systems will be replaced with independent industrial drinking water machines, to save approximately RMB 58,500 expected per year in water and electricity maintenance. The old photothermal panels for water heating will be replaced, to save RMB63,000 estimated each year for water and electricity maintenance.

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4.2.2 Enhance environmental awareness

On top of the statutory environmental protection activities, Alpha Networks regards environmental protection as its own responsibility, and actively responds to international trends and customer needs.We actively participate in environmental protection training courses, and promote and encourage staff to practice environmental protection through internal gatherings, so that they understand the relationship between people and the environment, and take practical action to fulfil their environmental protection responsibilities. In 2022, the environmental protection training courses were as following. Through bathroom posters, employees' awareness of environmental protection was strengthened

• Environmental protection training courses :

Course title	Organizer	Date
RoHS compliance	CTI	2022.4.13
TSCA requirement and response	CTI	2022.4.13
REACH requirement and response	CTI	2022.4.13
CP65 requirement and response	CTI	2022.4.13
Carbon rreduction and green regulation seminar	CTI	2022.4.22
Carbon management under Global trend ofcarbon reduction	TÜV	2022.10.13
2022 GCSF Global corporate sustainability forum	TAISE	2022.11.21
ESG seminar	SGS	2022.12.2
Globa green product regulations- RoHS, REACH, TSCA, TPCH, CP65	SGS	2022.12.15

• Bathroom posters

To enhance employees' awareness of environmental protection, Alpha Networks launched Green News in its bathrooms with the theme of green consumption to encourage employees to integrate environmental protection into their lives.

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4.2.3 Water testing and Management

Alpha Networks 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 Factory：

According to the Enforcement Rules of the Act Governing Drinking Water Management

➤ E.coli count ≤ 6 CFU/100mL

➤ Total bacteria count ≤ *CFU/mL

Dongguan Factory： Compliant with GB 5749-2006 (Standards for drinking water quality)

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

• **2022 Drinking water quality test results (based on the data from the 4th Quarter)**

Factory \ 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	Not detected

Datea source - Alpha Networks drinking water quality test report

4.2.4 Committed to Biodiversity

Alpha Networks to understand the spirit of biodiversity and contribute to the preservation of biodiversity. Supports friendly farming, and BenQ Foundation mobilize colleagues to support Taiwan's agricultural products, support Taiwan's small farmers with actions, and initiate corporate group buying of Maliguang May peaches and other agricultural products (as shown in the picture below), and contribute to the preservation of biodiversity.

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4.3 Carbon emission reduction operations

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

4.3.1 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.

The impact of global climate is imminent. In early 2022, Taiwan experienced a sweeping drought due to insufficient precipitation. To address the resulting water shortage, local regions reduced water pressure and supply, water rationing, farming and business suspension at different levels. In July during the same year, the floods in Western European countries such as Germany, Belgium, the Netherlands, Switzerland and Luxemburg caused power outage in some regions, prompted forced evacuation and destroyed infrastructure and agricultural facilities in certain areas. In particular, Germany suffered serious damages to its infrastructures. Experts believe that extreme weathers have started to wreak havoc at all corners of the earth.

To reduce carbon emissions, countries around the world have announced that they will achieve the goal of "Net Zero by 2050". Emphasizing environmental, social and corporate governance (ESG), Alpha Networks in view of international trends and the Task Force on Climate-related Financial Disclosures (TCFD), use specific and quantitative methods to monitor and understand the risks and opportunities from its own operations and activities, to achieve sustainable development as an enterprise.

Due to the increasingly serious global warming, the international community promotes energy conservation and Greenhouse Gas (GHG) reduction. In response to global climate change, Alpha Networks Inc. has joined the Carbon Disclosure Project (CDP), committing ourselves to carbon emission disclosure (ISO 14064-1) as an enterprise and product carbon footprint (PCF; ISO 14067) to monitor, understand, control and reduce our GHG emissions in a timely manner.

❖ For more information, please refer to the "Capability/Environmental sustainability" section of the corporate website.

4.3.2 Carbon Disclosure

Due to the worsening of global warming, energy efficiency and GHG (greenhouse gas) reduction have become a worldwide pursuit. To counter the impact of climate change, Alpha Networks signed up Carbon Disclosure Project (CDP) in 2013 by entering GHG inventory data via the CDP website (https://www.cdproject.net). This is followed with annual disclosure and performance review by CDP each year, as a reference to customers and other stakeholders. The 2022 projects included disclosure of climate change, water and supplier participation. Alpha Networks Inc. will keep an eye on the global issues in relation to climate change. The annual report discloses the results to stakeholders, and the CDP results from 2020 to 2022 are shown in the table below.

Result \ Year	2020	2021	2022
Climate Change	B-	B-	B-
Water Security	B	B-	B-
Supplier Engagement Rating	C	C	Note

Data source：CDPwebsite

Note：no data on CDP website

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4.3.3 GHG inventory

As a global citizen, Alpha Networks is very much willing to contribute to the protection of the global environment and to the reduction of greenhouse gas emissions. In 2008, the ISO 14064-1:2006 greenhouse gas inventory standard was adopted, and the greenhouse gas emissions of that year were set as the base year. We remain committed to greenhouse gas emissions investigation, slowing down global warming, controlling and managing greenhouse gas emissions, and fulfilling our corporate responsibility for the global green new deal and the green economy. The trend of greenhouse gas emissions from 2008 to 2022 as shown below :
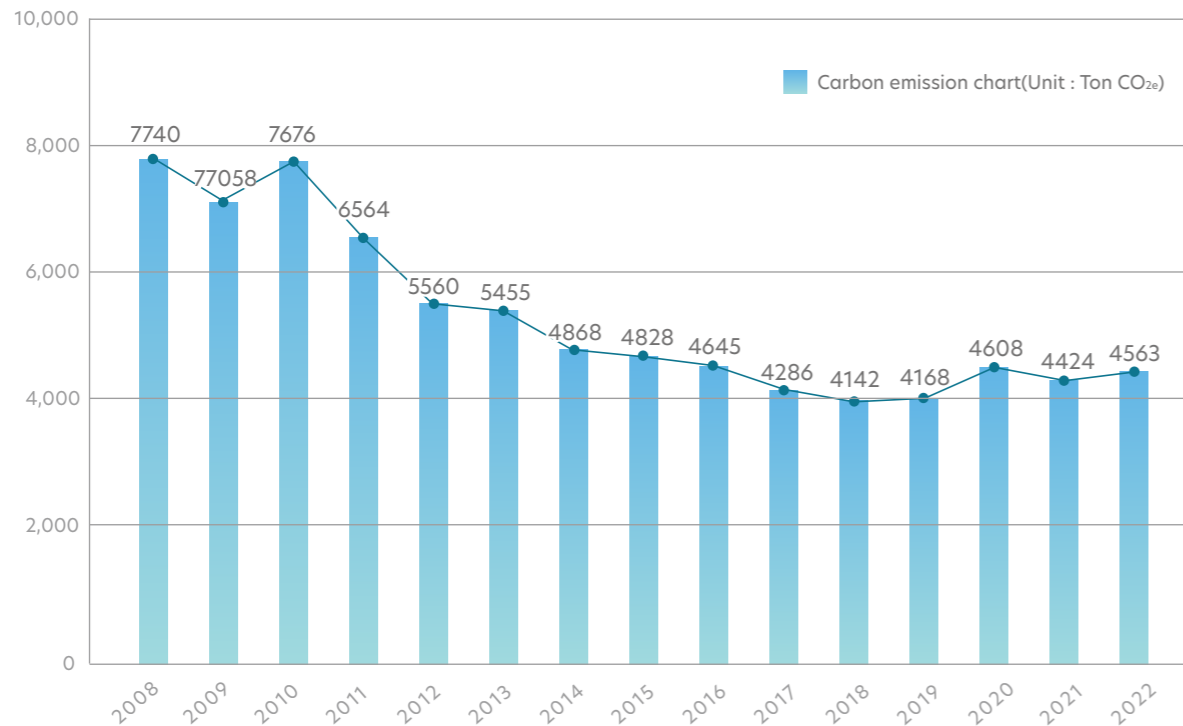
In response to the requirements of the new version of ISO 14064-1:2018, on 2021/12/8 Alpha Networks' Hsinchu Factory completed the inspection of the new version of ISO 14064-1:2018 Computational training, and updated the base year to 2021. Alpha Networks' Hsinchu Factory follows the guidelines of the Intergovernmental Panel on Climate Change (IPCC) regarding inventory statistics and the "Greenhouse Gas Reduction and Management Act" published by the Taiwan Environmental Protection Agency, and conducts greenhouse gas identification according to the Kyoto Protocol control mechanism, which covers seven greenhouses gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF_6), nitrogen trifluorides (NF_3). The operating boundary of Alpha Networks' Hsinchu Plant includes direct greenhouse gas emission sources (Category 1) and indirect greenhouse gas emission sources (Category 2, Category 3, Category 4, Category 5, Category 6). The types of greenhouse gases identified by our company: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), among which the greenhouse gases PFCs, SF_6, NF_3 and biomass controlled by the Kyoto Protocol. No emission source has been identified for projects such as carbon.

- **Greenhouse gas emissions from 2008 to 2022**

Carbon emission chart(Unit : Ton CO₂e)

Year	Value
2008	7740
2009	77058
2010	7676
2011	6564
2012	5560
2013	5455
2014	4868
2015	4828
2016	4645
2017	4286
2018	4142
2019	4168
2020	4608
2021	4424
2022	4563

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Both the Hsinchu Factory and the Dongguan Factory have completed the inventory and third-party verification of ISO 14064-1:2018 in 2022.

Hsinchu Factory had a total greenhouse gas emissions of 533,513.69 ton CO_2e in the 2022. The relevant content is as follows

• Proportion of greenhouse gases emitted Emissions and percentage source in 2022 (Hsinchu)

| Category	Category 1	Category 2	Category 3	Category 4	Category 5	Category 6	Total
Emission (ton CO_2e)	91.38	4,471.90	585.08	18,293.74	510,071.49	Not quantified	533,513.58
Persentage (%)	0.02%	0.84%	0.11%	3.43%	95.61%	Not quantified	100.00%
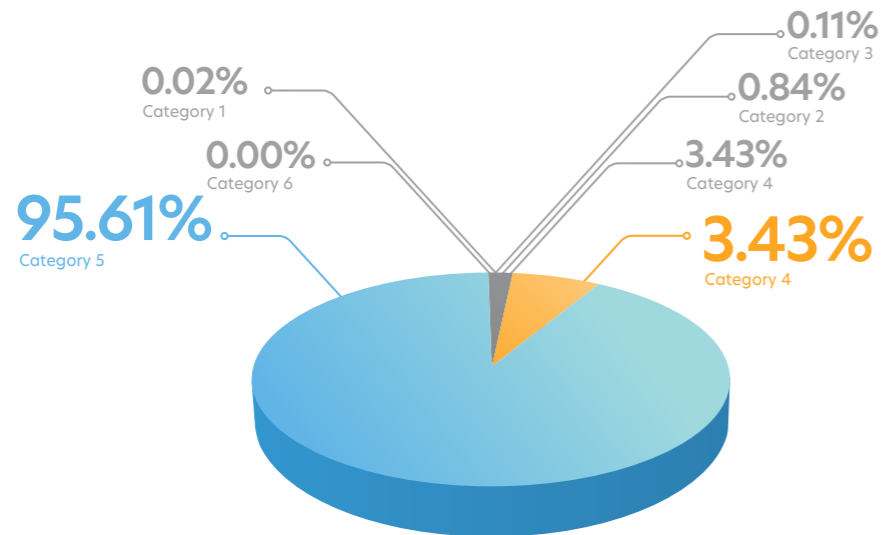
Dongguan Factory had a total greenhouse gas emissions of 21,717.60 ton CO_2e in the 2022. The relevant content is as follows

• Proportion of greenhouse gases emitted per emission source in 2022 (Dongguan)

Category	Category 1	Category 2	Category 3	Category 4	Category 5	Category 6	Total
Emission (ton CO_2e)	332.38	5554.61	83.59	15747.02	Not quantified	Not quantified	21,717.60
Persentage (%)	1.53%	25.57%	0.38%	72.51%	Not quantified	Not quantified	100.00%
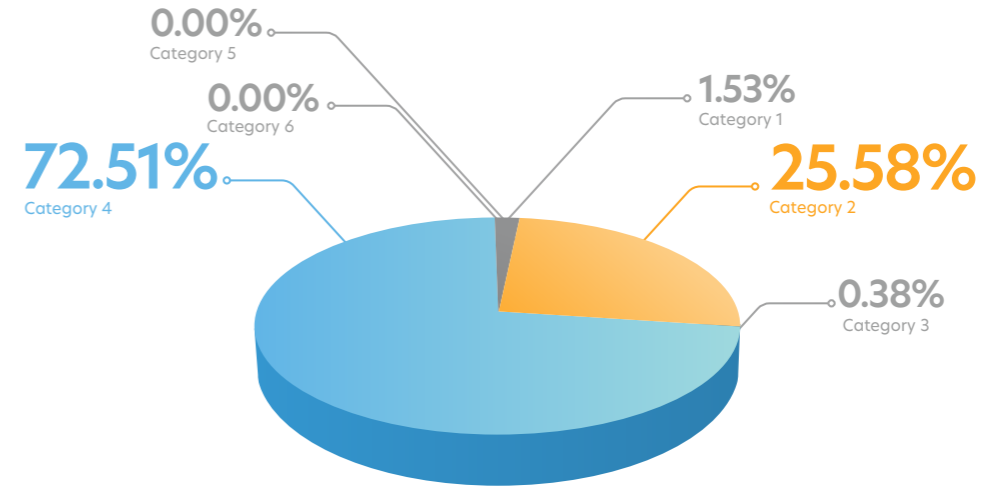
❖ For more information, please refer to the "Capability/Environmental sustainability" section of the corporate website.

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4.4 Wastewater and Waste Management

Alpha Networks is committed to wastewater and waste management, carrying out activities such as effluent testing, flow meter calibration, waste management, and waste reduction. These efforts effectively ensure compliance with wastewater discharge standards and promote waste reduction. Additionally, it further manages noise control, air emission control, fire safety maintenance declaration, and public safety maintenance declaration to strengthen overall management practices.

4.4.1 Water management

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.

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, 2020 ~ 2022 (in Tons)

Factory \ Year	2020	2021	2022
Hsinchu Factory	27,749	22,193	29,110
Dongguan Factory	71,805	48,908	27,351
Changshu Factory	81,319	79,787	73,014

Data source - Hsinchu Factory – Meter readings reported to the Science Park Administration's sewage treatment factory each month.

    - 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)

• 2022 Discharger water quality test result (depending on the test schedule of respective plants)

Factory \ Test itme	pH	COD	BOD	SS	Oil	MBAS	Ammonia-Nitrogen	Phosphate
Hsinchu Actual value	8.2	252mg/l	131mg/l	51mg/l	9.6mg/l	0.37mg/l	-	-
Hsinchu Controlled value	5.0~9.0	500mg/l	300mg/l	300mg/l	15mg/l	10mg/l	-	-
Dongguan Actual value	-	-	-	-	-	-	-	-
Dongguan Controlled value	6~9	500mg/l	300mg/l	400mg/l	100mg/l	-	-mg/l	-mg/l
Changshu Actual value	7.2	38mg/l	-	19mg/l	ND	1.38mg/l	16.9mg/l	1.02mg/l
Changshu Controlled value	6~9	500mg/l	-	400mg/l	100mg/l	20mg/l	-mg/l	-mg/l

Data 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.

Note：

Hsinchu factory - Based on the water quality standards set by the National Science and Technology Commission and the Hsinchu Science Park Administration, the sewage system in the Hsinchu Park is capable of accommodating the discharge of wastewater. (No self-conducted ammonia nitrogen testing was carried out at the Hsinchu plant in 2022.)

Dongguan factory - According to the Guangdong Province Water Pollutant Discharge Limit Standard DB 44/26-2001, (no self-conducted wastewater testing was carried out at the Dongguan plant in 2022.)

Changshu factory - According to the Integrated Wastewater Discharge Standard GB 8978-1996

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4.4.2 Waste management

A waste management procedure has been formulated by Alpha Networks 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 Factory 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.

To reduce waste, the Hsinchu Factory has since 2017 classified and labeled its waste. According to statistics, the output of general industrial waste in 2022 increased significantly compared with 2021, mainly due to increased production in some months, which increased the process packaging material waste by 15,503 kg, increase in waste paper and wood by 37,362kg. Alpha Networks keeps strengthen its waste classification, labeling and posting instructions to achieve the goal of waste reduction. (as shown in the table below)

• Waste Output of Each Factory Between 2020 ~ 2022 (Kg)

Type		Factory	2020	2021	2022	Method of disposal
General waste	Resource waste	Hsinchu	221,430.5	194,832	232,194	Recycle
		Dongguan	184,664.69	156,162.1	104,145	Recycle
		Changshu	289,240	283,807	267,116	Recycle
Hazardous industrial waste		Hsinchu	27,327.4	17,774	33,277	Incineration/Physical Disposal
		Dongguan	1,000	1,000	0	Environmental Protection Bureau issues qualified manufacturers for recycling
		Changshu	30,478	29,770	29,310	Scrap materials (recycling) Waste organic solutions (incineration) Waste oil-stained rags (incineration)
General industrial waste		Hsinchu	39,750	50,270	48,670	Incineration
		Dongguan	150	130	100	Incineration
		Changshu	108,000	109,500	109,500	Recycling by the manufacturer

4.4.3 Noise Control

Noise control at Alpha Networks (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 Networks (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 surrounding area. No protests were received from neighboring factories or residents either.

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4.4.4 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 Networks (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.

• **2022 Flue Exhaust Inspection Result**

Hsinchu factory						
Flue No. P002	Lead		Particulate pollutant		Total Hydrocarbons	
	Actual value	<0.05 (mg/Nm³)	Actual value	<1 (mg/Nm³)	Actual value	315ppm
	Emission standard	10 (mg/Nm³)	Emission standard	100 (mg/Nm³)	Emission standard	*
Flue No. P003	Lead		Particulate pollutant		Total Hydrocarbons	
	Actual value	<0.05 (mg/Nm³)	Actual value	<1 (mg/Nm³)	Actual value	6ppm
	Emission standard	10(mg/Nm³)	Emission standard	100 (mg/Nm³)	Emission standard	*
Flue No. P004	Lead		Particulate pollutant		Total Hydrocarbons	
	Actual value	<0.05 (mg/Nm³)	Actual value	<1 (mg/Nm³)	Actual value	6ppm
	Emission standard	10 (mg/Nm³)	Emission standard	100 (mg/Nm³)	Emission standard	*

Data source - Alpha Networks (Hsinchu Factory) flue exhaust test report

Changshu factory			
Flue No. #1	Items	Tin and its compounds	Non-methane hydrocarbon (counted as carbon)
	Emission concentration (mg/m³)	ND (mg/m³)	1.05 (mg/m³)
	Limit value (mg/m³)	8.5	120
Flue No. #2	Items	Tin and its compounds	Non-methane hydrocarbon (counted as carbon)
	Emission concentration (mg/m³)	0.002 (mg/m³)	1.25 (mg/m³)
	Limit value (mg/m³)	8.5	120

Data source - Alpha Networks (Changshu) Emissions test report

Note : Dongguan factory has no Flue Exhaust Inspection in 2022.

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4.4.5 Fire Safety Equipment Inspection and Reporting

The three types of maintenance cycle for fire safety equipment at Alpha Networks (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.

- **2022 Fire Safety Equipment Maintenance Results (Hsinchu factory)**

4.4.6 Building Public Safety Inspection, Certification and Registration

Alpha Networks (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.

- **2022 Building public safety maintenance inspection labels and declarations - Results**

Note : 2021 Inspection result, inspect in every 2 years.

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4.5 Environmental Regulation Compliance

4.5.1 Compliant with hazardous substance 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 noncompliant electronic, information and communication products was prohibited as well. With the Eco-design principles were therefore incorporated into the design and manufacture of products during manufacturing, recycling and export.

• Product life cycle

Recovery	Sales	Packaging	Manufacturing	Purchasing	Design and R&D

To effective stay on top of laws and regulations in force, 20 green and environment related legislations were updated in 2022, covering the European Union, France, the U.S., Japan, Vietnam and Taiwan. The details are shown in the Table below.

• Updated Green Environmental Protection Regulations in 2022

Regulation	Content	Effective date
SASO RoHS	The enactment date of the Saudi Standards, Metrology and Quality Organization (SASO) RoHS was postponed from the originally scheduled January 5, 2022 by six months. The effective dates are different for different product categories.	2022/7/4
EU RoHS	On January 13, 2022, The European Union issued the evaluation results of the RoHS Exemption regarding nine exemptions on use of lead in Annex III.	2022/01/13
EU REACH	On February 2, 2022, the European Chemicals Agency (ECHA) issued the consultation regarding the addition of eight Substances of Very High Concern (SVHC) into the REACH list of substances subject to authorization (Annex XIV). Interested groups could raise opinions before May 2, 2022.	2022/02/2
EU RoHS	On February 24, 2022, the European Union published on its official website 12 amendments to the EU RoHS Directive 2011/65/EU, to end the exemptions for the use of mercury in Annex 3.	2022/02/24
USA California Proposition 65	On February 25, 2022, the Office of Environmental Health Hazard Assessment (OEHHA) added perfluorooctanoic acid (PFOA) to the list of chemicals known to the State of California to cause cancer.	2022/02/25
EU RoHS	The European Union issued the final evaluation results of the eight RoHS Exemption Clause in total, i.e., III 5(b), 18(b), 18(b)-I, 24, 29, 32, 34 and IV 34. Based on the evaluation results, Exemption Clause in Annex IV 34 and III 18(b)-I are combined into a new clause III 18(b)-II. Exemption 24 will be replaced by Exemption 24(a). There are changes to the applicable categories of other exemption clauses.	2022/02/25
USA Environmental Protection Agency	The U.S. Environmental Protection Agency (EPA) announced on March 8, 2022 that final compliance date is October 31, 2024. However, there are differences between industries and the regulator in the definition of compliance date, i.e., date of sale or date of manufacture. There, the EPA will conduct wider discussion in 2023 on rules PIP (phenol, is propylated, phosphate) (3:1) and the other four PBTs (persistent bio-accumulative toxics).	2022/03/08

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Regulation	Content	Effective date
EU REACH	On March 4, 2022, the European Chemicals Agency (ECHA) on its official website announced the inclusion of one substance into the 27th candidate list of Substances of Very High Concern (SVHC). There are 224 items on the current SVHC list. The inclusion is the same as the 27th candidate list Substances of Very High Concern (SVHC) announced by the ECHA at the beginning of this year.	2022/03/04
EU REACH	On April 11, 2022, the European Parliament promulgated the Regulation (EU) 2022/586 by adding the five substances in the following Table into Annex XIV of the REACH Regulation No 1907/2006 as the seventh batch of the substances subject to authorization. Currently, Annex XIV lists 59 substances subject to authorization.	2022/04/11
EU RoHS	In May 2022, the European Commission announced on its official website the initiative regarding the RoHS Directive. The proposal is to include tetrabromobisphenol A (TBBP-A) and medium-chainchl orinated paraffins (MCCPs) into the RoHS list. By that time, the number of restricted substances under the EU RoHS Directive will be increased to 12.	2022/05
FRANCE Mineral oils	The French government promulgated Law n 2020-105. This law consists of multiple measures and among this, Article 112 imposes a ban on the use of mineral oils in packaging, effective on January 1, 2022. The detailed implementation rules are issued by competent authorities. On May 3, 2022, the formally enacted law provided defines the definition of mineral oils. The ban is postponed from January 1, 2022 to January 1, 2023, with a period of 12 months for inventory work-through.	2022/05/03
EU POPs	In the press release on June 21, 2022 issued by the European Council indicated its provisional agreement with the European Parliament concerning the revision of annexes to the persistent organic pollutant regulation in order to set further restrictions to the presence of these substances in waste. Persistent organic pollutants are particularly hazardous chemicals.	2022/06/21
Vietnam MoIT	On August 23, 2022, Vietnam's Ministry of Industry and Trade (MoIT) proposed the extension of its existing RoHS regulations. According to the draft Circular 30/2011/TT-BCT on restrictions of hazardous substances, the MoIT is expected to add the following four phthalates (PAEs) as plasticizers.	2022/08/23
California AB2247	e, starting on July 1, 2026, the registration of all products and parts to be added with per-and polyfluoroalkyl substances (PFAS) one year in advance. The information should include the names of the products/components, purpose and volume of the additive. It is known as AB 2247 California Assembly Bill.	2022/08/26
EU REACH	The SVHC candidate list released by the ECHA on September 2, 2022 include nine substances, due to endocrine disruptiveness, reproductive toxicity, persistency and bio-accumulation.	2022/09/02
Saudi SASO	In August 2022, the SASO updated its Technical Regulation for Restriction of Hazardous Substances in Electrical and Electronic Equipment (SASO RoHS). The amendment requires the products exported to Saudi Arabia to obtain SASO compliance certificates for partial regulations.	2022/08
Methods and Facilities Standards for Storage, Clearance and Disposal of Industrial Waste	Amendment to Article 17 of the Methods and Facilities Standards for Storage, Clearance and Disposal of Industrial Waste Attached is the amendment to Article 17 of the Methods and Facilities Standards for Storage, Clearance and Disposal of Industrial Waste. Amended Article 17 of the Methods and Facilities Standards for Storage, Clearance and Disposal of Industrial Waste To promote a wide range of reporting channels, the first paragraph added the regulations on electronic correspondence forms for network transmissions.	2022/02/16
Drinking Water Quality Standards	According to the amendment, if the turbidity of tap water, simple water supply and community-installed public water supply systems exceeds 1,500 NTU due to torrential rains or other natural disasters, the following water quality standards regarding free residual chlorine may apply to (only to the water supply systems with chlorine for disinfection). The amendment specifies the drinking water quality standard of the water supply regions when tap water needs to be rationed by area during the emergence response period due to natural disasters mentioned in the preceding clause.	2022/05/23
Fire Services Act	Amendment of Article 9 of the Fire Services Act The amendment stipulates that managers of different venues shall adhere to the rules governing regular inspections of fire safety equipment. Inspection results shall be submitted before deadlines to local competent authorities for review. Competent authorities may send personnel for second inspections.	2022/05/11

Remark :

● RoHS: Restriction of Hazardous Substances
● WEEE: Waste Electrical and Electronic Equipment
● REACH: Registration, Evaluation and Authorization of Chemicals

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All Alpha Networks 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.

• GPM System Survey Management Diagram

Custom form process (GPM)

- 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
- BOM Tracing of green materials and BOM

Product Integration Report According to Management Mechanism, Products Declaration submitted to the customer, to prove product compliance with regulations on hazardous substances.

• Product Integration Report (2022)

Number\Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Monthly target %	98	98	98	98	98	98	98	98	98	98	98	98	98
Achievement rate%	100	100	100	100	100	100	100	100	100	100	100	100	100
Number of cases to be completed	64	23	63	58	61	82	64	159	41	23	24	25	687
Actual number of cases completed	64	23	63	58	61	82	64	159	41	23	24	25	687

• Product Declaration (2022)

Year	Type	Number
2022	China RoHS	19
	REACH	97
	RoHS	125
	Substances List	8
	TSCA	206

Remark :
- RoHS : Restriction of Hazardous Substances
- REACH : Registration, Evaluation and Authorization of Chemicals
- TSCA : Toxic Substances Control Act
- Product Integration Report : Product Hazardous Substances Report

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4.5.2 Establish a Regulatory Database

Alpha Networks clearly defines hazardous substance usage standards for products able to and environment-related control requirements by regularly updating the green product control guidelines. Alpha Networks 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 Networks 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 Networks Regulatory Database" has been set up for storage and queries to facilitate effective communication.

Statistics In 2022 Alpha Networks has not been subject to lawsuits or major fines for violating laws and regulations related to green products.

- **Regulatory management architecture**

Ch5
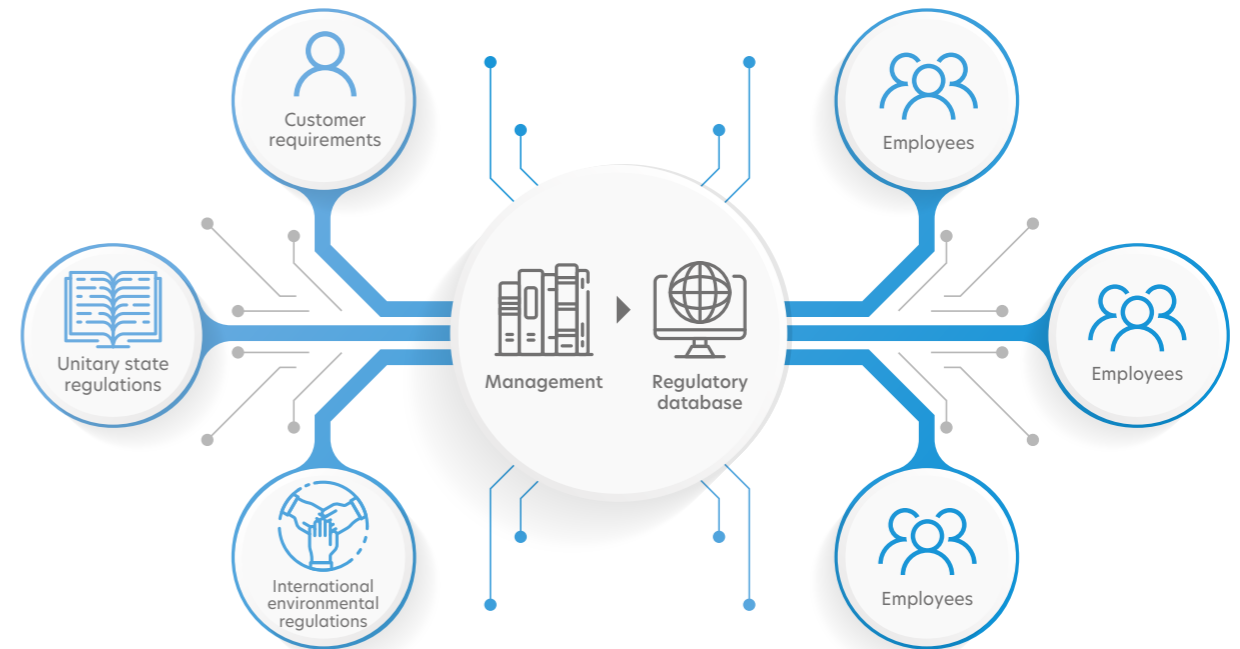
Sustainable value chain

Responsible procurement and production, to drive sustainable development of the supply chain.

5.1 Supply Chain Managemen

5.2 Customer satisfaction

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5.1 Supply Chain Management

Implement supplier management to fulfill corporate social responsibilities.

Alpha Networks requires all local suppliers to comply completely with all relevant Directive and regulations. Alpha Networks also takes a close interest in the management of labor rights, environmental protection, safety and health risks by the supply chain. Alpha Networks 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. Alpha Networks conducted annual audits and introduced new suppliers. And asked all suppliers 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. Alpha Networks 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

5.1.1 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 Networks 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.

There are Monthly and Quarterly Supplier Evaluations.

1. Supplier Quality Performance

Evaluation time: List of manufacturers by supplier status rating, 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 2022, the average ratio of excellent (A) and good (B) suppliers was 98.46%, and the ratio of inferior (E) suppliers was 0.58%.
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.

- **2022 Supplier Quality Performance Evaluation result-numbers by grade**

Factory/Grade	Excellent (A)	Good (B)	Acceptable (C)	Inferior(D)	Poor(E)
Hsinchu	209	3	1	0	1
Dongguan	119	4	1	1	1
Changshu	174	3	1	1	1

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2. Supplier Status Evaluation

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 Networks 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 60 will be listed as disqualified suppliers. If the score was lower than 70 points, it was listed as Non- recommended supplier. In 2022, 151 suppliers were evaluated, and 0 suppliers were listed as non-recommended suppliers. In 2022, no suppliers were suspended from new material transactions.

• Supplier Quality Performance Evaluation Form

Category	Score distribution			Total score
	SQE	Management	Engineering Technology	
Quality	30	–	–	30
Cost	–	20	–	20
Delivery	–	15	–	15
Service	–	5	–	5
Technical	–	–	30	30
Total score	30	40	30	100

5.1.2 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 Networks (Hsinchu Factory), Alpha Networks (Dongguan Factory), Alpha Networks (Changshu Factory). The supplier is expected to upload the MCD with Alpha Networks in order to comply with international regulations.

• Training Schedule for Suppliers in 2022

Class location/time	Q1	Q2	Q3	Q4
Hsinchu Factory (No. 8, Li-Hsin 7th Rd., Hsinchu Science Park, Hsinchu 300094, Taiwan, R.O.C.)	3/16 (Wed)	6/15 (Wed)	9/14 (Wed)	12/14 (Wed)
Dongguan Factory (Xingang Road, Xin'an Area, Chang An, Dongguan City Guangdong Province)	3/18 (Fri)	6/17 (Fri)	9/16 (Fri)	12/16 (Fri)
Changshu Factory (No.6, Yintong Road, National New & Hi-Tech Industrial Development Zone, Changshu, Jiangsu Province, China)	3/17 (Thu)	6/16 (Thu)	9/15 (Thu)	12/15 (Thu)

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5.1.3 Supplier maintainance

Supplier Purchasing Contract

To build a green supply chain, Alpha Networks 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. In 2022, material suppliers signed a "Supplier Procurement Contract" with 56 companies. Among them, 23 companies have signed procurement contracts with local suppliers in response to the activation of Alpha's Vietnam factory. In the future, Alpha Networks 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' hazardous substance management of 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 2022, Alpha Networks implemented the introduction of 56 new suppliers. They underwent corporate social responsibility due diligence investigations, with a compliance rate of 100% for all 56 suppliers. There were no suppliers identified as non-compliant with significant actual or potential negative impacts on society, accounting for 0 suppliers and 0%.

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.

5.1.4 Conflict Minerals Due Diligence

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

Alpha Networks 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

As of the end of December in 2022, a total of 29 applications for CMRT investigations were received. Out of these, 28 investigations have been completed with CMRT forms, resulting in a completion rate of 96.55%. One investigation remains incomplete, with an estimated completion date set for Q1, 2023.

❖ CMRT : Conflict Minerals Reporting Template

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5.2 Customer satisfaction

Customers' satisfaction is the top priority.

Alpha Networks through the customer satisfaction questionnaire survey, establish a quality system oriented to meet customer needs, use objective methods, comprehensive evaluation. Assess customer satisfaction with the company's products or services to understand the gap between customer needs and expectations, as a basis for quality system improvement, to achieve the goal of sustainable operation.

Alpha Networks hopes to understand from the survey on satisfaction among different groups of customers whether our products and services cater to customers' needs. This serves as the basis for continuous improvement. The graph below shows the targets and results of customers' satisfaction in 2017-2022. The questionnaire consists of five categories, i.e., Quality Measurements, Delivery Performance, Engineering Support, Product Development and Realization, and Green Product Implementation and consists of a total of 19 questions. The customers surveyed are the customers for the three business units, i.e., LAN/MAN Business Unit (LAN/MAN BU), Wireless Broadband Business Unit (WB BU) and Digital Multimedia Business Unit (DM BU).

- **2017 - 2022 Customer Satisfaction Chart**
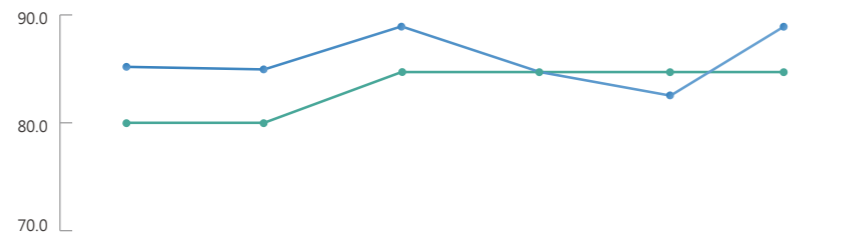
	2017	2018	2019	2020	2021	2022
Score of the year	85.6	85.3	89	84.9	82.93	87.9
Target score	80	80	85	85	85	85

- **2017-2022 5 Major Theme Annual Trend**
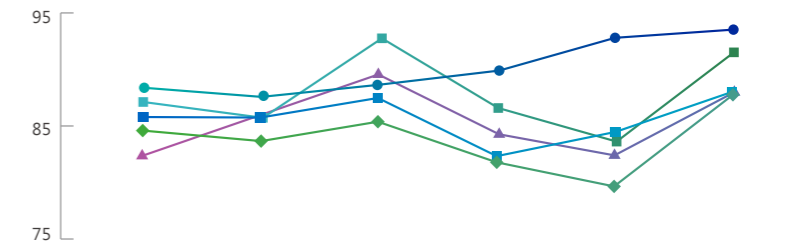
	2017	2018	2019	2020	2021	2022
Quality Measurements	85	84	86	82	80	88
Delivery Performance	88	86	93	87	84	92
Engineering Support	83	86	90	85	83	89
Product development and realization	86	86	88	83	85	88
Green Product Implementation	89	88	89	90	93	94

The review on the satisfaction results from customers during recent years indicates that "Quality Measurements" was the source of dissatisfaction. The responsible department with the collaboration of relevant departments has identified the causes and implemented preventive measures accordingly. In the 2022 satisfaction survey, this topic attracted high scores from customers.

The Group will continue to launch new products such as 5G small cell base stations, Wi-Fi 6 extenders, DOCSIS 3.1 cable modems with Wi-Fi 6 products, high-end switches and PC cameras. We are also working on Low Earth Orbit Satellite (LEOS). It is hoped that customers will assign positive satisfaction scores on "Product Development and Realization".

Whilst the 2022 satisfaction survey received higher scores compared to 2021, we will maintain the areas where customers expressed good levels of satisfaction and identify the causes and solutions for the areas with poor levels of satisfaction, in order to continue to provide the best products and services.

Appendix

- GRI Standard Index
- SASB Index
- TCFDIndex
- Assurance Statement

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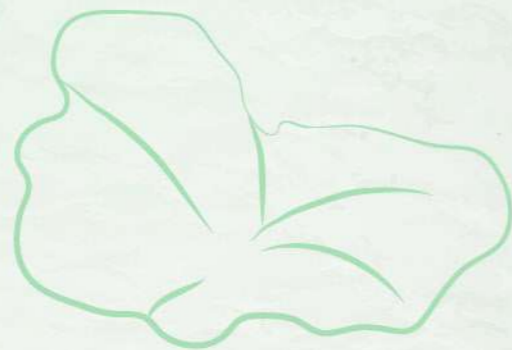
GRI Standard index

Statement of use	The 2022 Alpha networks Sustainability Report complies with the requirements of new GRI Standards (2021). The scope of data and information disclosed is January 1 to December 31, 2022
GRI 1 used	GRI 1 : Foundation 2021
Applicable GRI Sector Standard(s)	No applicable GRI Sector Standard(s)

GRI 2 : General Disclosures 2021

Disclosure Title		Chapter	Page	Remark
The organization and its reporting practice				
2-1 Organizational details		About Alpha Networks	5~13	
2-2 Entities included in the organization's sustainability reporting		About this Report	3	
2-3 Reporting period, frequency and contact point		About this Report	3	
2-4 Restatements of information			N/A	There is no restatements of information to previous reports
2-5 External assurance		About this Report	3	
		Appendix-Assurance Statement	122	
Activities and workers				
2-6 Activities, value chain and other business relationships	2.1	Products and Services	47	
	1.5	Operating Performance-2022 Reveune by Product Categories or Region	44	
	5.1	Supply Chain Management	108~110	
	5.2	Customer satisfaction	111	
		About Alpha Networks-Memberships	13	
2-7 Employees	3.2.1	Manpower Allocation	62~64	

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Disclosure Title		Chapter		Page	Remark
Governance					
2-9	Governance structure and composition	1.1.1	Governance Structure	30	
2-10	Nomination and selection of the highest governance body	1.1.1	Governance Structure	30	
2-11	Chair of the highest governance body	1.1.1	Governance Structure	30	
2-12	Role of the highest governance body in overseeing the management of impacts	1.4.1	Risk Management Policy and Operations	39	
2-13	Delegation of responsibility for managing impacts	1.4.1	Risk Management Policy and Operations	39	
2-14	Role of the highest governance body in sustainability reporting		Sustainability Development Operational Framework	15	
2-15	Conflicts of interest	1.1.2	Operation of the Board of Directors	31	
2-16	Communication of critical concerns	1.4.1	Risk Management Policy and Operations	39	
2-17	Collective knowledge of the highest governance body	1.1	Corporate Governance	28~29	
		1.1.1	Governance Structure	30	
		1.1.2	Operation of the Board of Directors	31	
2-18	Evaluation of the performance of the highest governance body	1.1.1	Governance Structure	30	
		1.1.2	Operation of the Board of Directors	31	
Strategy, policies and practices					
2-22	Statement on sustainable development strategy		Words from the Chairman	4	
			Alpha Policies- Sustainability Policy	7	
			Sustainability Development Operational Framework	15	
2-23	Policy commitments		Words from the Chairman	4	
2-25	Processes to remediate negative impacts	1.4.1	Risk Management Policy and Operations	39	
2-27	Compliance with laws and regulations	1.2.3	Regulation Compliance	36	
2-28	Membership associations		About Alpha Networks-Memberships	13	
Stakeholder engagement					
2-29	Approach to stakeholder engagemen		Stakeholder Communication and Identification of Issues of concern	16~22	
2-30	Collective bargaining agreements			N/A	No union organization at present.

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GRI 3 : Material Topics 2021

Disclosure Title		Chapter	Page	Remark
3-1	Process to determine material topics	Stakeholder Communication and Identification of Issues of concern	16~22	
3-2	List of material topics	List of material issues	22	
3-3	Management of material topics	List of material issues	22	
		1.4.2 Risk management operations process and results	40~41	

Material Topics

Topic	Disclosure Title		Chapter		Page	Remark
Operating performance						
GRI 201 Economic Performance	201-1	Direct economic value generated and distributed	1.5	Operating Performance	44~45	
	201-2	Financial implications and other risks and opportunities due to climate change	1.4.3	Risks and opportunities of climate change	42~43	
	201-3	Defined benefit plan obligations and other retirement plans	3.3.2	Welfare Measures and Employee Insurance	66	
	201-4	Financial assistance received from government	1.5	Operating Performance - Project Grants	45	
Supply chain management						
GRI 308 Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	5.1.1	Supplier Management	108~109	
	308-2	Negative environmental impacts in the supply chain and actions taken	5.1.1	Supplier Management	108~109	
GRI 414 Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	5.1.1	Supplier Management	108~109	
	414-2	Negative social impacts in the supply chain and actions taken	5.1.1	Supplier Management	108~109	
Protection of customer privacy						
GRI 418 Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.3.1	Intellectual Property Rights	37	No substantiated complaints concerning breach of client privacy and losses of client data.

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Topic	Disclosure Title		Chapter		Page	Remark
Energy Management						
	302-1	Energy consumption within the organization	4.2.1	Energy Management	90~93	
	302-2	Energy consumption outside of the organization			N/A	Information unavailable / incomplete.
GRI 302 Energy	302-3	Energy intensity	4.2.1	Energy Management	90~93	
	302-4	Reduction of energy consumption	4.2.1	Energy Management	90~93	
	302-5	Reductions in energy requirements of products and services	4.2.1	Energy Management	90~93	
Regulation Compliance						
GRI 307 Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	4.2.1	Hazardous substance management system	83	No violation of environmental regulations has occurred.
			4.1.3	Hazardous substance management	84	
			4.5	Environmental regulation compliance	103~106	
Talent Attraction and Retention						
	401-1	New employee hires and employee turnover	3.2.2	Talent recruitment and retention	64	
GRI 401 Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.3	Salary and Welfare Policy	65~66	
	401-3	Parental leavec	3.3.3	Leave System	66	

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Other topics

Topic		Disclosure Title		Chapter	Page	Remark
GRI 202 Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	3.3.1	Salary Levels	65	
	202-2	Proportion of senior management hired from the local community	3.2.1	Manpower Allocation	62~64	
GRI 203 Indirect Economic Impacts	203-1	Infrastructure investments and services supported	1.4.2	Risk management operations process and results	40~41	
	203-2	Significant indirect economic impacts	1.4.2	Risk management operations process and results	40~41	
GRI 205 Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures		Ethical Management-Status of operations in 2022	35	
	205-3	Confirmed incidents of corruption and actions taken		Ethical Management-Status of operations in 2022	35	No incidents of corruption.
GRI 206 Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.2.4	Obey Market Mechanisms	36	No anti-competitive behavior.
GRI 301 Materials	301-2	Recycled input materials used		Sustainable environemnt action	81	
	301-3	Reclaimed products and their packaging materials		Sustainable environemnt action	81	
			4.1.5	Product design and carbon reduction	87	
GRI 303 Water	303-4	Water withdrawal	4.4.1	Water management	99	
GRI 304 Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas			N/A	Not adjacent to, protected areas and areas of high biodiversity value outside protected areas.
	304-2	Significant impacts of activities, products and services on biodiversity	4.2.4	Committed to Biodiversity	95	
	304-3	Habitats protected or restored			N/A	Not adjacent tHabitats protected or restored.
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations			N/A	No habitats in areas affected by Alpha's operation.
GRI 305 Emissions	305-1	Direct (Scope 1) GHG emissions	4.3.3	GHG inventory	97~98	
	305-2	Energy indirect (Scope 2) GHG emissions	4.3.3	GHG inventory	97~98	
	305-3	Other indirect (Scope 3) GHG emissions	4.3.3	GHG inventory	97~98	
	305-4	GHG emissions intensity	4.3.3	GHG inventory	97~98	
	305-5	Reduction of GHG emissions	4.3.3	GHG inventory	97~98	

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Topic		Disclosure Title		Chapter	Page	Remark
GRI 306 Waste	306-3	Waste generated	4.4.2	Waste management	100	
	306-4	Waste diverted from disposal	4.4.2	Waste management	100	
	306-5	Waste directed to disposal	4.4.2	Waste management	100	
GRI 403 Occupational Health and Safety	403-1	Occupational safety and health management system Hazard identification, risk assessment, and incident investigation	3.5.1	Safety and Health Policy	71	
			3.5.2	Safety and Hygiene Training	72	
	403-2	Occupational health services	3.5.3	Occupational Incidents	73	
	403-3	Worker participation, consultation, and communication on occupational safety and health	3.5.5	Health Promotion	75~76	
	403-4	Worker training on occupational health and safety	3.5.5	Health Promotion	75~76	
	403-5	Promotion of worker health	3.5.2	Safety and Hygiene Training	72	
	403-6	Prevention and mitigation of occupational safety and health impacts directly linked by business relationships	3.5.2	Safety and Hygiene Training	72	
	403-7	Workers covered by an occupational safety and health management system	3.5.5	Health Promotion	75~76	
	403-8	Work-related injuries	3.5.2	Safety and Hygiene Training	72	
	403-9	Work-related ill health	3.5.3	Occupational Incidents	73	
	403-10	Occupational safety and health management system	3.5.3	Occupational Incidents	73	No occupational accident in 2022.
GRI 404 Training and Education	404-1	Average hours of training per year per employee	3.4.1	Training and Development	67~69	
	404-2	Programs for upgrading employee skills and transition assistance programs	3.4.1	Training and Development	67~69	
GRI 405 Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	1.1	Corporate Governance	28	
			1.1.1	Governance Structure	30	
	405-2	Diversity of governance bodies and employees	3.3.1	Salary Levels	65	
GRI 406 Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	3.1	Human rights	57	No incidents of discrimination.

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Topic		Disclosure Title		Chapter		Page	Remark
GRI 408	Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	3.1	Human rights	57	No incident of child labor.
GRI 409	Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	3.1	Human rights	57	No incident of forced or compulsory labor.
GRI 410	Security Practices	410-1	Security personnel trained in human rights policies or procedures	3.4.1	Training and Development	67~69	
GRI 411	Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples			N/A	No incident of violation involving rights of indigenous peoples.
GRI 412	Human Rights Assessment	412-2	Employee training on human rights policies or procedures	3.1	Human rights	57	
				3.4.1	Training and Development	67~69	
GRI 415	Public Policy	415-1	Political contributions	1.2.4	Obey Market Mechanisms	36	No political contribution.
GRI 416	Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services			N/A	No incident of non-compliance concerning the health and safety impacts of products and services.
GRI 417	Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information and labeling	2.4.2	Marketing and Labeling	55	No incident of non-compliance concerning product and service information and labeling.
		417-3	Incidents of non-compliance concerning marketing communications	2.4.2	Marketing and Labeling	55	No incident of non-compliance concerning marketing communications.
GRI 419	Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area		Ethical Management-Status of operations in 2022	35	No non-compliance with laws and regulations in the social and economic area.
				1.2.3	Regulation Compliance	36	

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SASB index

Topic	Code	Measures	Chapter		PAge	Remark
Water Management	TC-ES-140a.1	(1) Total water withdrawn, (2) total water consumed.	4.2.3	Water testing and Management	95	
Waste Management	TC-ES-150a.1	Amount of hazardous waste from manufacturing, percentage recycled.	4.4.2	Waste management	100	
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products.	1.3 1.4.2	Intellectual Property and Information Security Risk management operations process and results	37~38 40~41	
Labor Practices	TC-ES-310a.1	(1) Number of work stoppages and (2) total days idle.	1.4.2	Risk management operations process and results	41	(1)Number of work stoppages and (2)total days idle are both 0.
Labor Conditions	TC-ES-320a.1	(1) Total recordable incident rate (TRIR)；(2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees.	3.5.3	Occupational Incidents	73	TRIR & NMFR are both 0.
Employee Diversity & Inclusion	TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees.	3.2.1	Manpower Allocation	62~64	
Supply Chain Management	TC-ES-320a.2 TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities.	5.1.1	Supplier Management	108	
	TC-ES-320a.3 TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances.	5.1.1	Supplier Management	108	
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials.	1.4.2	Risk management operations process and results	40~41	

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TCFD index

Core element	Description	Management	Chapter	Page
Governance	Disclosure the governance mechanisms for Corporate climate risks and opportunities.	• Describe the mechanisms that board of director oversight the climate-related risks and opportunities. • Describe the role of management in assessing and managing climate-related risks and opportunities.	1.1.2　Operation of the Board of Directors-Governance of climate change issues 1.4.3　Risks and opportunities of climate change	31 42~43
Strategy	Disclosure the actual and potential impacts that climate risks and opportunitiescause. And influence on company operations, strategies, and financial planning.	• Describe the organization's awareness of short-term, medium-term, and long-term climate-related risks and opportunities. • Describe the potential impacts of climate-related risks and opportunities on an organization's operations, strategies, and financial planning. • Describe the flexible strategies for organizations to adapt to different climate scenarios.	1.4.3　Risks and opportunities of climate change	42~43
Risk management	Describe the process of assessing, evaluating, and managing climate-related risks within an organization.	• Describe the process of identifying and assessing climate-related risks within an organization. • Describe the process of managing climate-related risks within an organization. • Describe how organization integrates the mechanisms for reviewing, assessing, and managing climate-related risks into the overall risk management system.	1.1.1　Risk Management Policy and Operations 1.4.3　Risks and opportunities of climate change	39 42~43
Metrics and Targets	Disclosure key indicators and objectives for assessing and managing climate-related risks and opportunities within an organization.	• Describe the indicators used by organizations to assess climate-related risks and opportunities in their strategic and risk management processes • Disclosurethe GHG emission and related risks. • Describe the goals and achievement levels set by organizations for managing climate-related risks and opportunities.	Achievement of the year Sustainable environemnt action-TCFD	80 82

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Assurance Statement of the Corporate Sustainability Report

This Report was prepared in accordance with the GRI Standards 2021 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.

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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 Networks Corporate Sustainability Report 2022 (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 2022.

The intended users of this assurance statement are stakeholders having relevance to the Alpha overall Sustainability Performance and impacts of its business activities during 2022 (January 2022 – December 2022). 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 v3 and related standards AA1000 AccountAbility Principles (2018), AA1000 SES (2015), Principles of Inclusivity, Materiality, Responsiveness and Impact, Global Reporting Initiative (GRI) Universal Standards 2021.

Scope & Type of Assurance:

Our Assurance engagement covers the following:

- Alpha Corporate Sustainability performance as described in the report 2022 in accordance with GRI Universal Standards 2021 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 v3

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 Sustainability strategy 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 2022 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 2022 meets the requirement of Type-1, Moderate Level Assurance according to AA1000AS v3 and Global Reporting Initiative (GRI) Universal Standards 2021.
- The Report includes statements and claims that reflects Alpha achievements and challenges supported by documentary evidence 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.

⬡ AA1000
Licensed Assurance Provider
000-188

For TÜV Rheinland Group

Vito Lin

Vito C. C. Lin

Lead Verifier

Taipei, May 30, 2023

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