ESG

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2023
ALPHA NETWORKS

SUSTAINABILITY REPORT

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Building a sustainable and shareable world.

As a network communication OEM manufacturer, Alpha Networks Networks Networks maximizes its role as a supply chain integrator. We strive to provide our customers with products and services that fully satisfy their needs by relying on visionary product design and rigorous quality controls in the manufacturing process. This clearly demonstrates our Sector Positioning and Value Creation deep dedication to fulfilling the expectations of all our stakeholders. We continue to intensify our efforts in the field of sustainable corporate development through the full implementation of relevant actions in the environmental protection, social responsibility, and corporate governance dimensions. Proactive responses to issues of concern to all stakeholder groups (customers, suppliers, employees, investors, and the public) foster the best outcome possible for the Company, society, and the environment and all stakeholders.

In 2023, we declared our commitment to realizing a carbon reduction of 30% in the supply chain by 2030 and achieving the RE100 benchmark by 2040 and the Net Zero target by 2050 with 2021 as the base year. We have further proposed the following five major strategies: "Green Energy", "Supply Chain Carbon Reduction", "Carbon Footprint of Green Operations", "Green Transformation Platform", and "International Carbon Reduction Advocacy". On November 17, 2023, we held a "Supplier Energy Conservation & Carbon Reduction Conference" at our Hsinchu Headquarter to underscore our pledge to partner with our suppliers in our sustainability initiatives.

- For more details, we sincerely refer you to [Viewpoint 1] Vision for Sustainable Environment.

In addition to increasing the number of organized employee activities on occasion of the 20th anniversary of the Company in 2023, we spared no effort in the fields of staff family member activities, improvements of environmental facilities, and welfare measures with the ultimate goal of enhancing employee well-being, realizing workplace equality, and creating diversified, friendly work environments through the adoption of comprehensive programs.

- We sincerely refer you to [Topic 1] Well-being Enhancement /[Topic 2] Workplace Equality / Identification of Human Rights Risks

Our Alpha Networks Networks Foundation is not only deeply engaged in Social engaement such as popular science education for school children and seniors but is also steadfastly committed to biodiversity, The foundation organizes numerous activities with public welfare and ecological connotations and joins hands with all circles of society to build a harmonious society and foster the common good.

Corporate governance is one of the main pillars of business continuity. We constantly step up corporate governance actions in the fields of implementation of ethical corporate management, legal and regulatory compliance, protection of intellectual property, reinforcement of information security, and optimization of our risk management mechanism. With respect to the core dimension Board composition and operations of corporate governance, we have strengthened board diversity, added an independent director position, and carried out external performance evaluations of the board.

As of Sustainable Development Operations Framework, we established a Sustainable Development Center as a staff unit directly subordinate to the Chief Sustainability Officer (CSO) responsible for assisting the CSO and ESG Committee in the integration of sustainability trends, formulation of strategies, and coordination of the efforts of all company units in the carrying out of sustainability tasks in 2023.

Alpha Networks Networks Networks is a key member of the network communication business of Qisda Group. We are firmly committed to joint progress on the path toward sustainable development through cooperation with all member enterprises of the group.

Cover theme

Environmental Protection X Social Responsibility X Corporate Governance Building a sustainable and shareable world.

Design connotations

- The sense of three-dimensional space creates a perfect alignment of the E/S/G dimensions and the realm of sustainability and the common good is unlocked through sound sustainability concepts.

- 2023 marks the 20th anniversary of Alpha Networks, which represents a major milestone in the history of the Company. We therefore increased the number of organized employee activities including a Friend & Family (Alpha Networks) Day to strengthen staff cohesion and enhance employee well-being. In addition, we organized numerous activities of a public welfare or ecological nature such as a voluntary tea-leave picking activity in the Hengshan area, establishment of a Sustainable Development Center, and reinforcement of ESG operations.

- Our office building embodies the spirit of corporate governance. The A-shaped building not only reminds spectators that A is the first letter of our company name but also symbolizes the steady and trust-inspiring image of Alpha Networks, which always provides strong support for all its stakeholders.

- The ship imagery connotes that Alpha Networks is a formidable fighting force of the Group's fleet. We will continue to navigate toward a bright future characterized by sustainable development in complete sync with the main fleet of the group.

Foreword

About this Report | From the Chairman

Message from the Chief Sustainability Officer

About Alpha Networks

| About this Report |

Sustainability Report of Alpha Networks

Alpha Networks has published the annual sustainability report since 2018. The sustainability report will present to all stakeholders the investments and accomplishments made by Alpha Netwirks in terms of business operations, corporate governance, environmental protection, employee rights and community involvement.

This sustainability report is available in both Chinese and English. Stakeholders can download the contents of this publicly available report from our ESG website > Sustainability Report Download.

Publication

The report was published in June 2024. Alpha Networks published the inaugural CSR Report in 2018 and the company's sustainable development-related performance is disclosed in the report in June every year.

Guidelines and Principles

This report has been prepared in accordance with the GRI Standards 2021: Core option as the basic framework for the disclosure of 2022 sustainability issues and information at Alpha Networks. The GRI Standards reference table is also provided in full as an Index to the contents of each section.

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 Networks.

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

Assurance

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

Contact Information

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

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| From the Chairman |

Implementing Sustainabity to Usher the Next 2 Decades

Despite signs of economic recovery in many countries in 2023, the global economy and social and geopolitical changes still pose significant challenges, while inflationary pressures and trade tensions add a layer of uncertainty. The question of how to respond to trials posed by the macro environment represents another daunting challenge for global supply chains and enterprises. Alpha Networks takes its responsibility as a corporate citizen and therefore takes the initiative in accelerating the implementation of actions in the ESG (Environmental, Social, Governance) dimensions in its industry chain and operations. We firmly believe that corporate growth and profitability is built on the foundation of eco-friendliness, energy conservation and environmental protection, blissful employees, and community care. Our mission is to jointly forge ahead on the path toward a society that puts equal emphasis on the interests of all its members through the adoption of sustainable business practices and social engagement.

Combating climate change is a global task. Alpha Networks is therefore actively engaged in environmental protection actions such as power savings, carbon reduction, water conservation, and waste reduction and fully committed to realizing a carbon reduction of 30% in the supply chain by 2030 and achieving the RE100 benchmark by 2040 and the Net Zero target by 2050 Our all-inclusive sustainability actions in all dimensions aim to echo the highest-ranked SDGs and promote diversified ESG values. On top of that, the Company held a "Supplier Energy Conservation & Carbon Reduction Conference" to underscore our pledge to partner with our suppliers in our sustainability initiatives. In the context of this conference, we shared our five key carbon reduction measures, namely "Green Energy", "Supply Chain Carbon Reduction", "Carbon Footprint of Green Operations", "Green Transformation Platform", and "International Carbon Reduction Advocacy". Experts were invited to share practical experiences and global trends in the field of carbon reduction. We strive to partner with our suppliers in the creation of a sustainable, low-carbon supply chain to ensure joint progress toward the goal of carbon reduction.

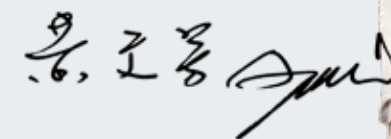We have further adopted relevant internal management regulations to clearly demonstrate our commitment to safeguarding employee rights based on a strong belief that human talent is our most precious asset. We are deeply dedicated to building a diversified and equal workplace environment paired with ongoing optimization of our salary structure and ongoing strengthening of our organizational competitiveness with a view to attracting and recruiting talent in accordance with our needs. This provides us with the capabilities needed for the ongoing development and expansion of our global operation layout.

Furthermore, we are steadfastly determined to become an eco-friendly, sustainable enterprise characterized by diversity and inclusion. In 2023, our efforts in this area were recognized with an award titled "Sustainability Comprehensive Performance Award - Top 100 Taiwanese Sustainable Model Enterprises" and a gold award for "Sustainability Reporting - in the 1st Category (Electronics and IT Manufacturing Industry)" at the 16th TCSA Awards. In addition, we entered our "Modularized Packing Material Project for Plastic and Waste Reduction" for the 3rd Taiwan Sustainability Action Awards (TSAA) and were honored with a silver award in the "Enterprise Section SDG12". Recognition with a TCSA award is not only a key ESG investment indicator of high concern to investors but also a driving force for the stabilization of society and ongoing progress in Taiwan.

In the field of social engagement, we have selected ESG and social welfare as the major themes for all activities organized on occasion of the 20th anniversary of the Company in 2023. In addition of harnessing our professionalism in the communications industry for popular science experiments and promotion of technology education, we cultivate a fearless attitude toward new knowledge in school children. On the other hand, we promote the concept of "intergenerational learning" in response to the trend of population aging. In the course of this joint learning process, young and old learners get a chance to share their respective life experien ces. This new learning concept helps bring value to seniors, fosters intergenerational understanding, and bridges the chasm between generations. In addition, our supervisors and volunteers support the eco-friendly cultivation and harvesting of tea through actual farming work. We place equal emphasis on corporate growth and implementation of sustainable operations to usher in the next two decades of the Alpha Networks saga.

We embrace sustainable development as our inevitable responsibility conducive to the creation of social value. The Company will therefore persist in its efforts to plan forward-looking strategies and implement ESG concepts in our daily operations. The path toward sustainability is arduous with no end in sight. We are extremely grateful to all Alpha Networks staff members for their contributions to achieving this lofty goal through their collective wisdom and efforts, which has enabled us to keep making strides in all dimensions. We will also persist in our efforts to expand our global deployment and strive to drive positive change in the environmental and social dimensions in the context of excellent governance performance.

Chairman

| From the Chief Sustainability Officer |

From Vision to Actions

Mankind has reached a crossroads. A Japanese news report released in November 2023 revealed that Tokyo reached the hottest November temperature over the last century. The temperature at the peak of Mount Fuji exceeded 0° C for three consecutive days and the summit was snow-free. As a result of the impact of greenhouse gases, temperatures continue to climb. Despite the fact that this dramatic phenomenon is not clearly perceived by all of us, this news report unmistakably reveals that our earth is really too hot.

At this critical moment, I have the privilege to share our joint goal of energy conservation and carbon reduction and the actions and measures adopted by Alpha Networks in the environmental sustainability dimension with the readers of this report. Since energy conservation and carbon reduction is the key to cooling down our planet, it has turned into a core global issue. In the face of the challenges arising from climate change, countries all over the world have pledged themselves to the Net-Zero Timetable. Major international brands and enterprises have started to request suppliers to full disclose their carbon inventories, which bears testimony to the fact that carbon reduction is a pressing issue. As a major network communication manufacturer, it is our responsibility to lead our supply chain partners in the joint search for solutions to the carbon reduction issue. Alpha Networks and its parent company Qisda Group have made a joint declaration pledging themselves to three core sustainability visions:

I. Realization of a carbon reduction of 30% in the supply chain by 2030

This target percentage was originally set at 20%. However, at the Qisda Investor Conference in Q4 2023, the Group decided to step up its pace by adjusting the target from 20% to 30%. This revised target also echoes the goal of a carbon reduction of 24%±1% adopted by the Taiwanese government (National Development Council). We fully understand that carbon reduction is a challenge facing all of us. Alpha Networks is determined to team with all its suppliers in a concerted effort to lower carbon emissions. We rely on subsidies provided through the mentorship program, sponsored by the Industrial Development Administration of the Ministry of Economic Affairs to build a green supply chain through mentorship, leadership by example, and collaboration with suppliers. The ultimate goal is to assist suppliers in the adoption of energy conservation and carbon reduction methods and the joint fulfillment of the commitment to carbon reduction. We also encourage our suppliers to take the initiative in the search for carbon emission reduction solutions such as production process improvements, enhancement of energy efficiency, or adoption of renewable energy alternatives coupled with cost savings and raised production efficiency. After a substantial decrease of Scope 1 and Scope 2 GHG emissions by our suppliers, our Scope 3 emissions will drop accordingly, which represents a win-win outcome for both sides.

Scope 3 carbon emissions constitute the largest share of our emissions. It is therefore evident that carbon reduction actions adopted by our suppliers represent the key link. We therefore have very high expectations regarding carbon emission actions implemented by our suppliers.

We expect our suppliers to start by conducting carbon inventories since this is a key prerequisite for clear planning and effective execution of carbon reduction actions. With a view to increasing the credibility of our carbon inventory data, we appeal to our appliers to undergo external certification audits (e.g., ISO 14064-1).

We encourage our suppliers to increase their renewable energy ratios. Despite the fact that small- and medium-sized suppliers are unable to become members of the International RE100 Initiative since they can't meet the high threshold of 100 million kWh (annual power consumption) per year, the raising of renewable energy ratios is equally important. The following actions can be taken: Implementation of power saving measures/installation of solar power facilities/purchase of green power certificates. If all suppliers raise their renewable energy ratios, the goal of carbon reduction can be achieved and the Company will be a step closer to realizing a carbon reduction of 30% in the supply chain by 2030.

II. Achievement of the RE100 benchmark by 2040

The RE100 pledge signals that Alpha Networks is firmly on the path toward 100% renewable energy use. This is not only conducive to the reduction of carbon emissions but also helps decrease the reliance on depletable energy resources in addition to enhancing profit stability. Achievement of the RE100 benchmark will bring the Company in sync with international manufacturers. This will contribute to building a camaraderie that facilitates joint efforts to slow down global warming paired with the intensification of mutual partnerships.

III. Achievement of the Net Zero target by 2050

This is our shared long-term goal. We have formulated the following five major carbon reduction measures: "Green Energy", "Supply Chain Carbon Reduction", "Carbon Footprint of Green Operations", "Green Transformation Platform", and "International Carbon Reduction Initiative" and remain relentless in our efforts to realize net zero emissions by 2050.

Chief Sustainability Officer

邱 奕 進

| About Alpha Networks |

Trustworthy developer, manufacturer, and service provider for network communication equipment decades

About Alpha Networks

Alpha Networks was officially founded in September 2003 as a spinoff of D-Link's network communication OEM business. Since its inception, Alpha Networks has specialized in the design, development, and manufacture of network communication products. The Company provides its customers with all-inclusive technical support in the categories of product design, system integration, mechanical design, product testing, and certification. It became a publicly traded company in 2004.

*For more details on the company profile and evolution of Alpha Networks, please refer to Company website > About Alpha.

Basic Information of Alpha Networks Inc.

Company Name	Alpha Networks Inc.
Chairman	April Huang
Headquarters	Hsinchu, Taiwan
Establishment Date	2003/9/04
Public Listing Date	2004/12/20 (TWSE: 3380)
2023 Capital	NT 5.417 billion
2023 Revenue	NT 28.27 billion (consolidated revenues)
2023 Earnings per Share	NT 1.01
2023 Total workforce	About 2,800 (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.

Alpha Values (E-CAN)

Ethics

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

Agility

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

Customer Value

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

Network Performance

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

| Sector Positioning and Value Creation |

Alpha Networks is devoted to creating maximum value for its customers
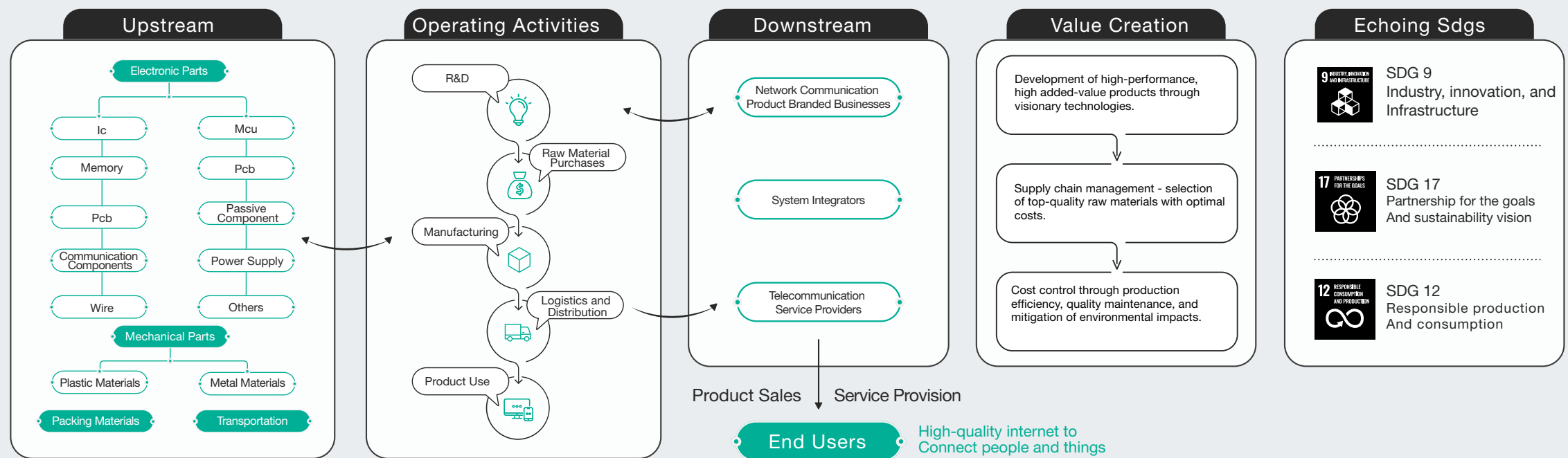
Sector positioning

Alpha Networks is a global developer, manufacturer, and service provider for professional network communication equipment. The Company harnesses its visionary technologies to search for optimal solutions and create maximum value for its customers. This represents the Company's corporate mission.

Product lines

Alpha Networks provides its customers with the most comprehensive product lines that fully satisfy the diversified needs and requirements of its customers. Our product lines include LAN/MAN products (a wide range of switches), wireless broadband products (including routers, ONT /PON equipment, and small cells), multimedia and mobile solution products (including video surveillance, Smart Home IoT Devices, and a wide range of automotive products such as ADAS, AVM, and T-Box). For more information on our product offerings, please refer to 2.1 Sustainable Products and Company website.

Value Creation

As a developer, manufacturer, and service provider for professional network communication equipment, Alpha Networks harnesses its visionary and highly advanced technologies to design and develop high-performance, high added-value network communication products for its customers. We select top-quality raw materials with optimal costs and suppliers with the best delivery times and technologies. Rigorous quality controls are implemented in the manufacturing process. The ultimate goal is to provide customers with highly satisfying products and build high-quality network environments paired with premium services. Despite the fact that, as a network communication product OEM manufacturer, Alpha Networks does not have direct contact with end consumers/users, we indirectly satisfy the demand for network services on the part of end users through our corporate clients. In addition to an unwavering commitment to realizing its corporate vision of "Forging the Internet to Connect People and Things", Alpha Networks does not relent in its efforts to put sustainability values into practice in its operating activities in every way possible.

Upstream

- Electronic Parts
  - Ic
  - Memory
  - Pcb
  - Communication Components
  - Wire
  - Mcu
  - Pcb
  - Passive Component
  - Power Supply
  - Others
- Mechanical Parts
  - Plastic Materials
  - Packing Materials
  - Metal Materials
  - Transportation

Operating Activities

- R&D
- Raw Material Purchases
- Manufacturing
- Logistics and Distribution
- Product Use

Downstream

- Network Communication Product Branded Businesses
- System Integrators
- Telecommunication Service Providers

Product Sales | Service Provision

End Users — High-quality internet to Connect people and things

Value Creation

- Development of high-performance, high added-value products through visionary technologies.
- Supply chain management - selection of top-quality raw materials with optimal costs.
- Cost control through production efficiency, quality maintenance, and mitigation of environmental impacts.

Echoing Sdgs

SDG 9 — Industry, innovation, and Infrastructure

SDG 17 — Partnership for the goals And sustainability vision

SDG 12 — Responsible production And consumption

| Milestones |

ALPHA Networks' Steps towards Progress

2003

Aug.
ALPHA Networks founded as a spin-off of D-Link Corporation.

2004

Dec.
ALPHA Networks became listed on Taiwan Stock Exchange (3380).

2016

May.
❶ ALPHA Networks ranked No.144 in Taiwan's Top 1000 Manufacturing Enterprises and No.7 in the Telecommunications and Networking industry in Taiwan for 2015 in a ranking published by CommonWealth Magazine (issue no. 597).

❷ Qisda Corporation became shareholder of ALPHA Networks Inc. through private placement.

2018

Oct.
ALPHA Networks' Hsinchu Factory obtained IATF 16949 certification for global automotive industry quality management systems.

2019

Dec.
❶ ALPHA Networks acquired 30.4% stake in Hitron Technologies through private placement.

❷ ALPHA Networks' first Hybrid VDSL/LTD IAD (Integrated Access Device) with MPTCP function started to ship to European Tier-1 operator.

2020

May.
ALPHA Networks collaborated with a US system provider with its first AVM system and obtained customer certification, successfully shipping to the largest logistics company in North America.

Oct.
ALPHA Network began shipping 5G End-to-end Enterprise Solution to Japan for Japanese Local 5G Private Network PoC Field Trial.

Nov.
ALPHA Network's truck version of the internal wheel difference radar system successfully obtained customer certification and began to ship.

Dec.
❶ ALPHA Networks shipped more than 6 million units of IP Camera.

❷ ALPHA Networks' mmwave radar obtained customer certification and began to ship to Thai automakers.

2023

Apr.
ALPHA Networks collaborated with E-Bus manufacturer to develop its Front Radar & ADAS Domain Controller for ACC/AEB/LDW.

Jul.
ALPHA Networks received the 2023 Taiwan Sustainability Action Award for its promotion of eco-friendly packaging materials that contributed to effective plastic and waste reduction.

Aug.
❶ ALPHA Networks' 400G (TD4-X11) platform successfully qualified for Broadcom's Enterprise SONiC project for TD4-X11 Data Center Switch.

❷ ALPHA Networks' Outdoor Radar Video Doorbell started shipping to retail customers in North America.

Oct.
❶ ALPHA Networks received the award for International Trade Export/Import Business Certificate for Top 500 Companies in 2022 from the International Trade Administration.

❷ ALPHA Networks (Changshu Factory) accredited to the ISO 14064-1:2018 certification.

Dec.
❶ ALPHA Networks received the Extreme Networks 2023 Supplier of the Year.

❷ ALPHA Networks participated in the "Promoting Equality in the Workplace" Competition held by the Hsinchu Science Park Bureau, NSTC and won the Excellent Award.

Nov.
ALPHA Networks won two TCSA Accolades – "Sustainability Comprehensive Performance Award – Top 100 Taiwanese Sustainable Corporates Award" and "Corporate Sustainability Reports – Gold Award".

2022

Feb.
ALPHA Networks developed a next-generation 4D radar to improve radar azimuth, improving the accuracy on ADAS.

Apr.
ALPHA Networks' Hsinchu Factory passed the ISO 14064-1:2018 verification.

Jul.
ALPHA Networks' Dongguan Factory passed the ISO 14064-1:2018 verification.

Oct.
ALPHA Networks received the Category 1 Silver Reward in the "Sustainability Report – Electronic Information Manufacturing" in the 15th TCSA Taiwan Sustainability Award.

Nov.
❶ ALPHA Networks' Vietnam Factory obtained ISO9001 and ISO14001 certifications.

❷ ALPHA Networks won orders from Asian customers for joint production of intelligent traffic detection radar.

2021

Jan.
ALPHA Networks successfully completed its in-house development of 5G private network end-to-end solution.

Aug.
ALPHA Networks acquired Aespula Technology Inc., which is known for its unique 5G PHY technology in the industry.

Dec.
ALPHA Networks officially started the research and development on the low-orbit satellite communication equipment.

*For more details on Alpha Networks' milestones, please refer to Company website > Mileston

| Global Presence |

Providing comprehensive service and efficient local support

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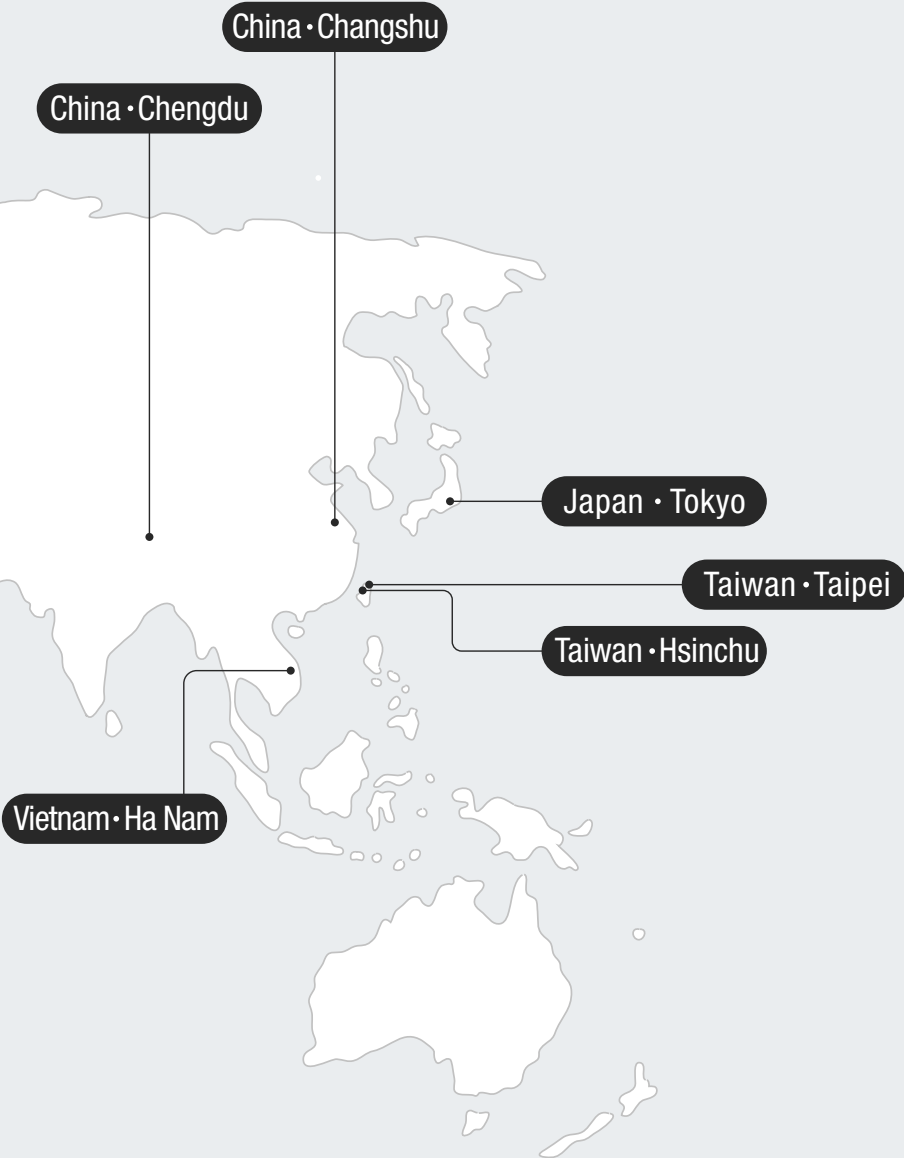
The combination of offices and workshops at Alpha Networks' headquarter support R&D, testing, sales and services, supply chain, manufacturing and RMA services. Headquarters is responsible for coordinating customer requirements and the allocation of resources.

Sales subsidiaries have also been established in Tokyo (Japan), Irvine (southern California, USA) and other places to better serve our customers.

The main production and manufacturing bases of Alpha Networks include Alpha Networks (Hsinchu Factory) in Hsinchu City, Taiwan, Alpha Networks (Dongguan Factory) in Guangdong Province, South China, and Alpha Networks (Changshu Factory) in Jiangsu Province, East China. Investments and construction operations for the Vietnam factory were approved by the Board of Directors in November 2020. Upon successive completion of production line deployment and mass production preparations, the factory was officially commissioned in Q4 2023. The Dongguan Factory terminated operations in Q4 2023.

*Please refer to Company website > Global presence for detailed information on each base.

China · Changshu

China · Chengdu

Japan · Tokyo

U.S. · Irvine

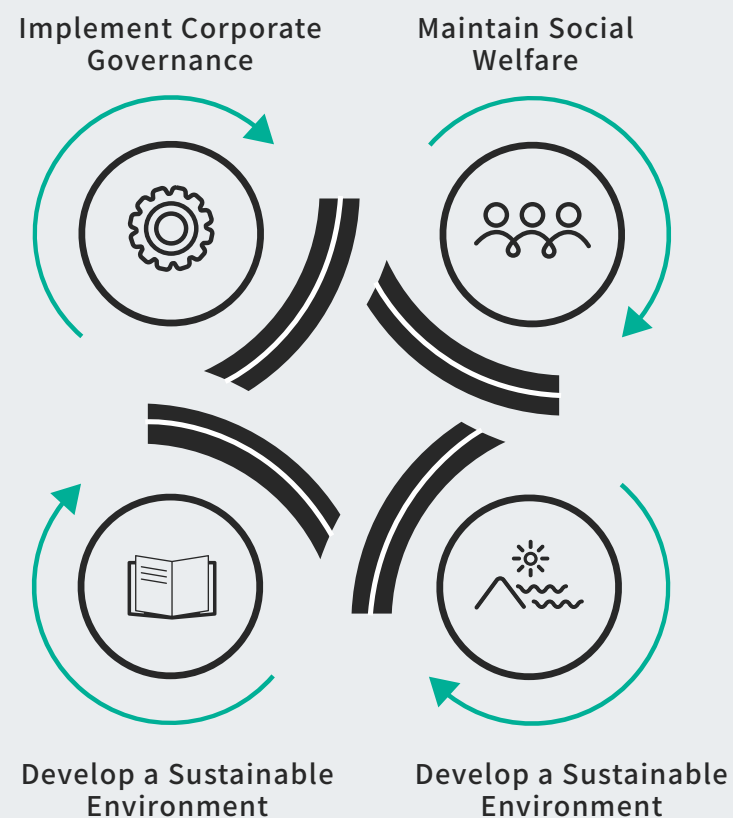Taiwan · Taipei

Taiwan · Hsinchu

Vietnam · Ha Nam

|Alpha Policies|

Uphold integrity, legal compliance, and 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 "Sustainable Development Best Practice Principles" to manage the Company's economic, environmental and social risks and impacts.

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

<< Alpha Networks Sustainability Policy >>

Implement Corporate Governance

Maintain Social Welfare

Develop a Sustainable Environment

Develop a Sustainable Environment

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 Changshu factory, 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 factory achieved Silver Status in the Validated Audit Process, which was completed in 2020. Also, Changshu factory completed the RBA re-audit in 2023 again.

Alpha Networks requires all its sales & manufacturing locations and suppliers to strictly abide by all RBA standards (please refer to 2.2.4 Corporate Social Responsibility Audition). 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 of practitioners and communities of the network communications industry.

Labor
- Free choice of employment
- Young workers
- Working time
- Salary and Welfare
- Humane treatment
- Indiscrimination
- Freedom of Association

Health & Safety
- Occupational safety
- Emergency preparedness
- Occupational injury and occupational disease
- Industrial hygiene
- Laborious work
- Machine maintenance
- Public hygiene and accommodation
- Health and safety information

Environment
- Environment permit and report
- Pollution prevention andresource efficiency
- Damaging substances
- Sewage and solid wastes
- Exhaust emission
- Substance control
- Storm water management
- Energy consumption and greenhouse gas emission

Moral Regulations
- Ethic management
- No unlawful profits
- Information transparency
- Intellectual property rights
- Fair trade, advertisement, and competition
- Identification protection and retaliation prevention
- Procure minerals responsibly
- Privacy

Management System
- 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

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, intellect ual property rights, and business secrets of our Company, our customers, and our suppliers. Alpha Networks tooks reference from the Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies to establish the Alpha Networks "Ethical Corporate Management Best Practice Principles", 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.

| Quality Policy |

At Alpha Networks, 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 Networks once a product has been shipped.

* For more details on the Company's quality policy, please refer to Company website > Superior Quality Control.

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.

In addition, each manufacturing location of Alpha Networks complies with such international quality management system certifications as ISO 9001, TL 9000, IATF 16949, QC 080000.To this end, we commit to:

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

2. The pursuit of excellence through continuous review and improvement.

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

| Development Strategy |

Eyes on the future

Alpha Networks deploys various patents to sharpen our core competitiveness (for a more detailed description of patent acquisition, please refer to 2.1.3 Development and Innovation.

Under the lingering impact of political and economic factors such as the decoupling of Sino-US trade, the Hamas-Israel conflict, global inflation pressures, and FED interest hikes, market demand gradually contracted stating in the second half of 2023. Nevertheless, the network communication industry is characterized by medium- and long-term development and growth opportunities generated by technological advances in the fields of 5G, IoV, AI, and Low-Earth Orbit Satellites. Despite the abating impact of the pandemic which has been ravaging our planet for three years, telecommuting and work-from-home (WFH) practices arising from the pandemic have turned into an irreversible trend.

These transformations have turned into business opportunities for the network communication industry. We firmly believe that accurately aimed long-term development strategies and adequate responses to short-term environmental fluctuations guarantee ongoing sustainable growth and development of the Company.

In the field of internal management, we are steadfastly committed to enhancing our organizational operations and management performance, rigorous controls of manufacturing quality and costs, and raising our operational efficiency and corporate profitability. We further strive to improve our corporate governance and ethical corporate management practices and information disclosure transparency and aim to serve as a trustworthy corporate partner for all our stakeholders. The goal is to identify opportunities for corporate development in sustainable corporate development trends.

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

Development Strategy

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

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

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

**4.** Enhancing corporate governance and fulfilling corporate social responsibility.

|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 every Alpha Networks' manufacturing sites.

System / Factory	Alpha Networks (Hsinchu)	Alpha Networks (Dongguan)	Alpha Networks (Changshu)	Alpha Networks (Vietnam)
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	●			

* The Dongguan Factory terminated operations in Q4 2023.

ISO 9001
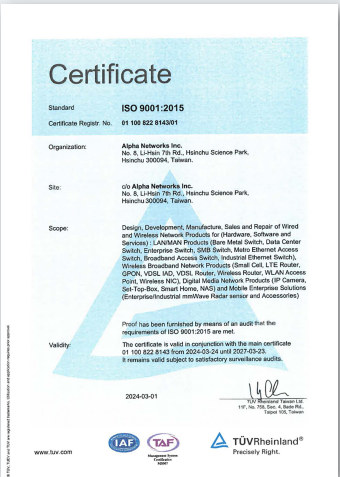
TL9000

QC080000
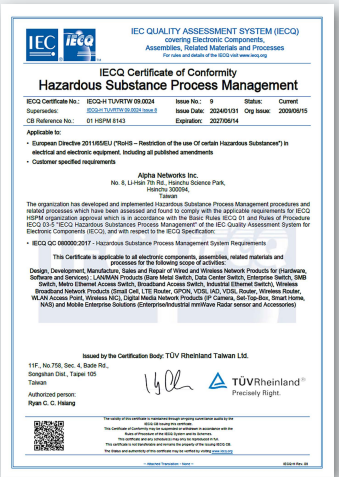
IATF16949

ISO 14001

ISO 27001
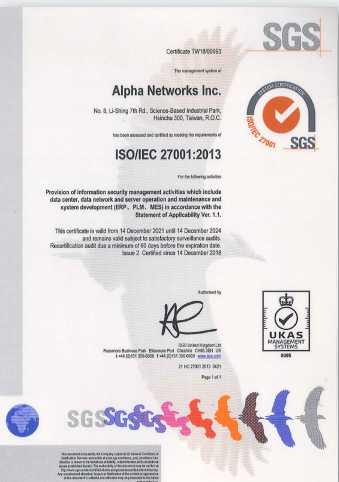
| Organization Structure |

We link our sustainable development strategies to our operational goals and deeply embed them into every dimension of our operating activities to prompt all internal organizational units within the company to take action, work in unison, and build consensus to facilitate implementation of all major sustainable development issues and thereby reinforce sustainable corporate development.

In 2023, we implemented several organizational adjustments including the addition of four units with related or similar functions subordinate to HQ, integration of RD units originally subordinate to their respective business units into the newly established R&D Center, merger of the original Digital Multimedia BU and Mobile Enterprise Solutions Business Line to Multimedia and Mobile Solution BU, dissolution of the Transformation Platform Business Line, and establishment of a new Sustainable Development Center to assist the CSO in integrating sustainability trends and strategies and implement them in each individual unit. The updated organizational structure after the aforementioned adjustments is shown below:

*Please refer to

Units	Roles and Control
Audit Office	Establish robust, reasonable and effective internal control system and execute accordingly.
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 ESG 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.
R&D Center	Responsible for the effective use of R&D resources, communication and integration with each BU, and assisting them to achieve the company's and BU'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 & Automotive Business BU	Execution of operational goals; promotion, planning, research, development and testing of digital multimedia & automotive business products.
Technical Service & Design Verification Division	Planning and execution of cabling works, safety standards and EMC technology for network-related hardware.
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.
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.
Manufacturing Center	Supervise, plan and manage the production, quality, delivery and service of manufacturing departments. Explore improvements in terms of quality, cost and timeliness of shipment in line with customers' requirements.
Sustainable Development Center	Undertake the corporate sustainable development vision of the management, collect and compile sustainable development trends and information, formulate relevant strategies and plans, and promote their implementation; formulate, plan, supervise and promote safety and health management policies and matters.
Human Resource Division	Organizational and talent development strategic planning and human resource management and development system establishment and continuous improvement.
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.

| Memberships |

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

We are involved in the following organizations:

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

Business Unit	Associations and Technology alliances.	Type	Note
Digital Multimedia & Automotive Business BU (DMA BU)	Dolby Laboratories	Authorized Manufacturer	
	Apple Authorized MFi Manufacturing Licensee	Authorized Manufacturer	
	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
Quality Center (QAC)	QuEST Forum	Member	Joined the organization in conjunction with the TL9000 system, Alpha Networks pays annual member fees and submit monthly statistics

Business Unit	Associations and Technology alliances.	Type	Note
Hsin Chu Factory (HCF)	Association Connecting Electronics Industries	Member	

Sustainable Development Operations

We are committed to the integration of stakeholder interests and responding to the Sustainable Development Goals (SDGs)
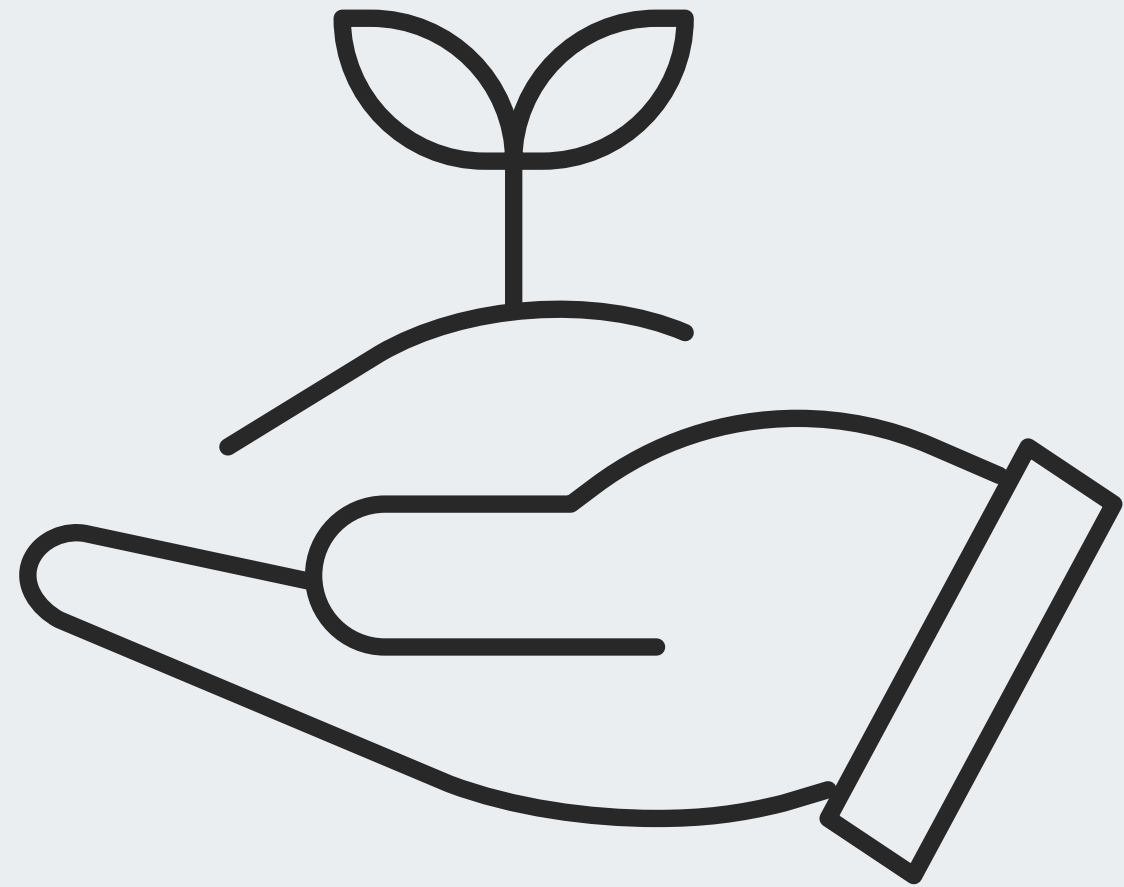
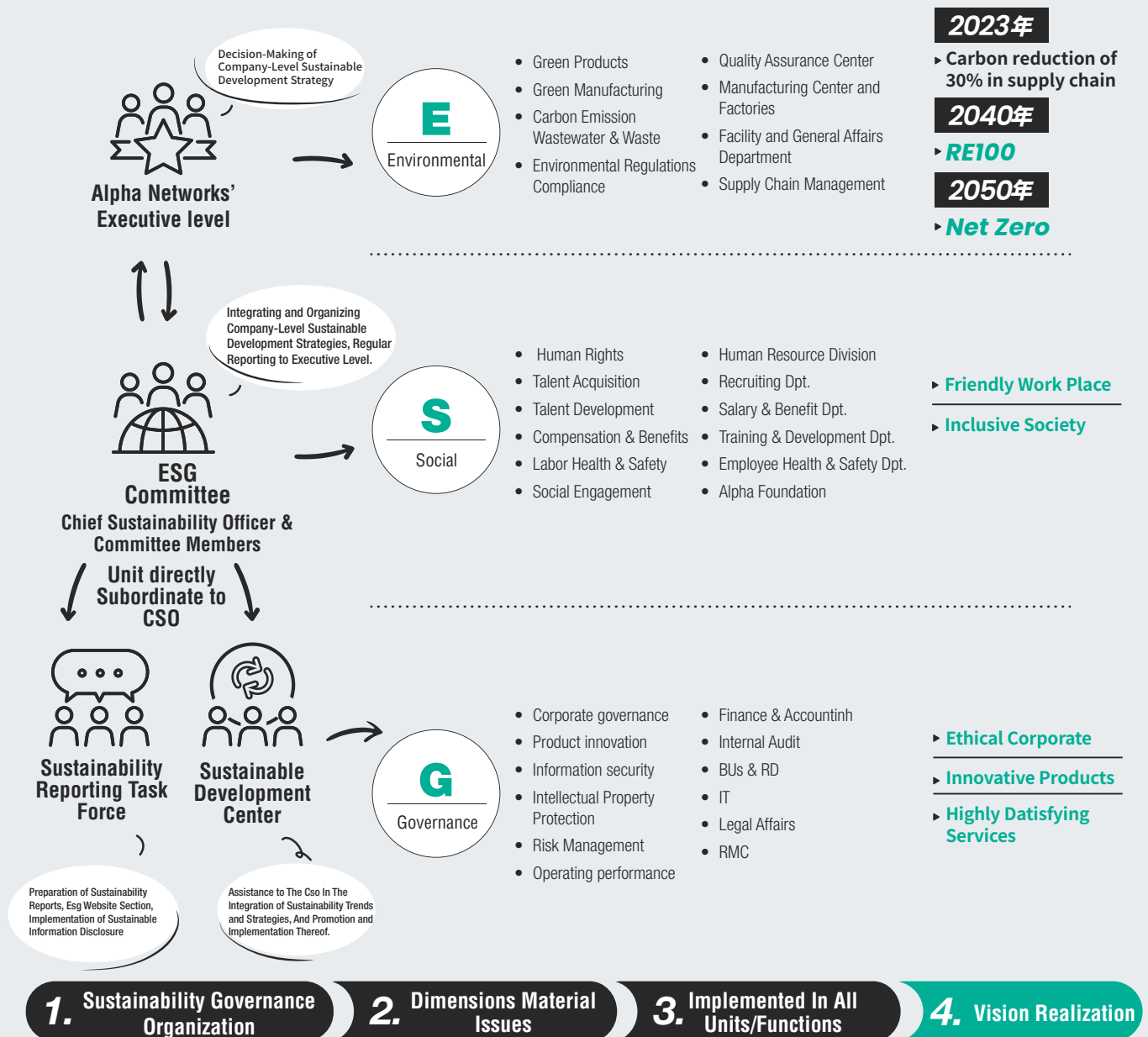| Sustainable Development Operational Framework |

Implement the corporate sustainable development policy from top to bottom

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 to sustainable development trends around the world, the ESG Committee analyzes the environmental and social impacts of our operations and material issues in the environmental, social, and corporate governance dimensions, and links those to our Company's operational. The goal is to increase the coherence of our sustainable development strategies and integrate the resources of various internal units, such as the Legal Affairs Office, Auditing Office, Finance & Accounting Center, Business Units, Manufacturing Center, Quality Assurance Center, Labor Safety Division, Human Resources Division, and the Alpha Foundation to drive our progress and ensure implementation of all tasks in this area. Current progress in the field of sustainable development is regularly reported to the Board of Directors. The board reviews sustainability strategies, programs, and goals and offers guidance to the ESG Committee, requesting adjustments as deemed necessary.

In addition, to strengthen our sustainable development information disclosure within our Sustainable Development Best Practice Principles, the "Sustainability Report Compilation Team" takes reference from our annual sustainability report, Stepped-up work task implementation (ESG Committee) and information disclosure transparency (Sustainability Reporting Task Force) and division of duties. The Report Preparation Task Force prepares and issues sustainability reports on an annual basis in accordance with our operating regulations to ensure full disclosure of all information related to our efforts and progress in the field of sustainable corporate development. Moreover, before issuance, the content of the sustainability report is verified by an external and impartial third party and checked by the Sustainable Development Committee before it is released to the public.

In July 2023, we established a Sustainable Development Center as a staff unit directly subordinate to the Chief Sustainability Officer (CSO) responsible for assisting the CSO and ESG Committee in the integration of sustainability trends, formulation of strategies, and coordination of the efforts of all company units in the carrying out of sustainability tasks.

Decision-Making of Company-Level Sustainable Development Strategy

Alpha Networks' Executive level

E Environmental
- Green Products
- Green Manufacturing
- Carbon Emission Wastewater & Waste
- Environmental Regulations Compliance
- Quality Assurance Center
- Manufacturing Center and Factories
- Facility and General Affairs Department
- Supply Chain Management

2023年
▸ **Carbon reduction of 30% in supply chain**

2040年
▸ *RE100*

2050年
▸ *Net Zero*

Integrating and Organizing Company-Level Sustainable Development Strategies, Regular Reporting to Executive Level.

ESG Committee
Chief Sustainability Officer & Committee Members

Unit directly Subordinate to CSO

S Social
- Human Rights
- Talent Acquisition
- Talent Development
- Compensation & Benefits
- Labor Health & Safety
- Social Engagement
- Human Resource Division
- Recruiting Dpt.
- Salary & Benefit Dpt.
- Training & Development Dpt.
- Employee Health & Safety Dpt.
- Alpha Foundation

▸ **Friendly Work Place**
▸ **Inclusive Society**

Sustainability Reporting Task Force

Sustainable Development Center

G Governance
- Corporate governance
- Product innovation
- Information security
- Intellectual Property Protection
- Risk Management
- Operating performance
- Finance & Accountinh
- Internal Audit
- BUs & RD
- IT
- Legal Affairs
- RMC

▸ **Ethical Corporate**
▸ **Innovative Products**
▸ **Highly Datisfying Services**

Preparation of Sustainability Reports, Esg Website Section, Implementation of Sustainable Information Disclosure

Assistance to The Cso In The Integration of Sustainability Trends and Strategies, And Promotion and Implementation Thereof.

1. Sustainability Governance Organization **2.** Dimensions Material Issues **3.** Implemented In All Units/Functions **4.** Vision Realization

*For more issues, refer to Stakeholder Communication and Identifying Material Issues

In order to incorporate ESG concepts into our corporate culture and build consensus on sustainable development among all staff members, we included "ESG & Sustainable Development" and "Ethical Corporate Governance" units in our regular orientation training for new hires starting in 2022. 678 trainees attended ESG-related courses in the context of their orientation training in 2023 for a total of 414 training hours. In addition, the ESG Committee and Sustainable Development Center cooperated with training units in the organization of advanced ESG courses and workshops to inject a wider range of new ESG concepts into our training programs. The following ESG training modules tailored to the needs of different professional fields are available: Sustainable Corporate Development and Green Supply Chain Management (procurement personnel), Process Improvements, Energy Conservation, and Carbon Reduction (production line personnel), Product Design, Energy Conservation, and Carbon Reduction (RD), Product Packaging Improvements, Energy Conservation, and Carbon Reduction (RD). Occupational Health & Safety and Social Responsibility (labor health and safety). 1,275 trainees attended such advanced ESG courses in 2023, accumulating a total of 1,278 training hours.

In addition, our CSO set an example for all staff members by attending an 80-hour training course for corporate sustainability managers organized by the Taiwan Institute for Sustainable Energy Research together with two other staff members in October with a view to strengthening our corporate sustainability methodology. All three trainees passed the required exam and were awarded Corporate Sustainability Manager certificates.

In March 2023, we entered our "Modularized Packing Material Project for Plastic and Waste Reduction" for the 3rd Taiwan Sustainability Action Awards (TSAA) and were honored with a silver award in the "Enterprise Section SDG12". In August, we participated in the selection process for TCSA and earned an award titled "Sustainability Comprehensive Performance Award - Top 100 Taiwanese Sustainable Model Enterprises" and a gold award for "Sustainability Reporting - in the 1st Category (Electronics and IT Manufacturing Industry)". We also participated in the selection process for outstanding business units in "Promotion of Workplace Equity" organized by the

Hsinchu Science Park Administration and were presented with an Excellence Award. All these outstanding achievements clearly demonstrate the excellent functioning of our sustainable development governance framework and our progress in the field of sustainable development. For the information on awards and recognitions please refer to the News section of our Company website or other media coverage.

Awards in year of 2023:

01 Corporate Sustainability Manager Certificates

02 Top 100 Taiwanese Sustainable Model Enterprises

Sustainability Comprehensive Performance Award

03 Gold Award

Sustainability Reporting

04 Silver Award

Taiwan Sustainability Action Awards (TSAA)
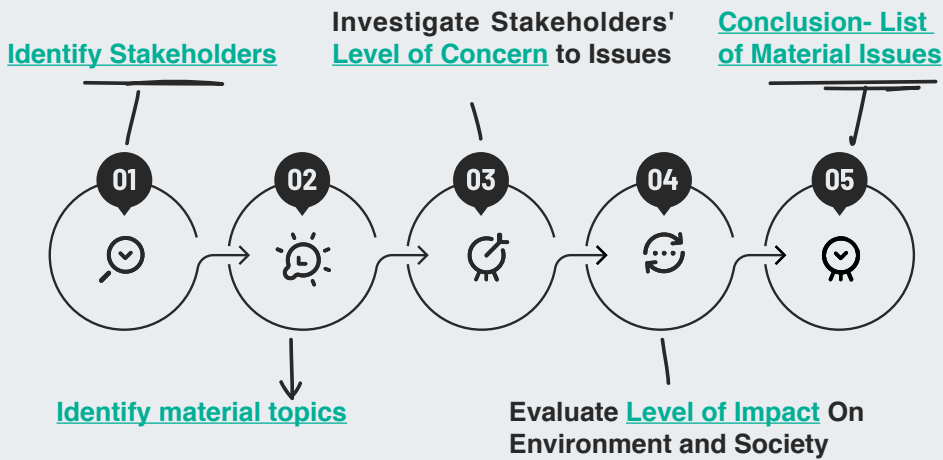
05 Excellence Award

Outstanding business units in "Promotion of Workplace Equity"

| Stakeholder Communication and Identification of Issues of concern |

Understanding stakeholders' expectations

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.
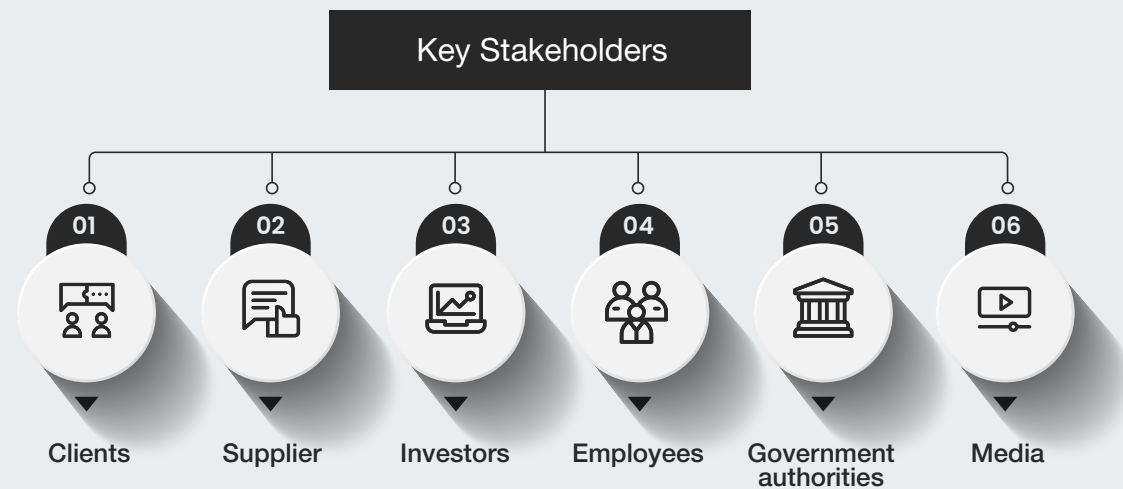
Identify Stakeholders

Investigate Stakeholders' Level of Concern to Issues

Conclusion- List of Material Issues

01   02   03   04   05

Identify material topics

Evaluate Level of Impact On Environment and Society

Identification of stakeholders

The ESG 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, clients, shareholders/investors, media, government authorities, societies and associations, contractors, scholars, position applicants, and neighboring communities. The following key stakeholders were identified based on the five major principles of AA1000 Stakeholder Engagement Standard 2015 (Dependency, Responsibility, Tension, Influence, Diverse perspectives) in meeting discussions: Clients, employees, investors, suppliers, government authorities and media.

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.

5 Attributes of Stakeholders

Dependency	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.
Responsibility	groups or individuals to whom the organisation has, or in the future may have, legal, commercial, operational or ethical/moral responsibilities.
Tension	groups or individuals who need immediate attention from the organisation with regard to financial, wider economic, social or environmental issues.
Influence	groups or individuals who can have an impact on the organisation's or a stakeholder's strategic or operational decision-making.
Diverse Perspectives	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.

Key Stakeholders

01	02	03	04	05	06
Clients	Supplier	Investors	Employees	Government authorities	Media

Identification of Material Topics

The ESG 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 topics 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 sustainability topics

Internal
Corporate culture, business philosophy, work plans of different units, Sustainable Development 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

Corporate Governance

① Financial/Economic 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 System
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 & Education Training
㉗ Employee Rights
㉘ Community Care and Participation
㉙ Child Labor
㉚ Forced or compulsory Labor
㉛ Occupational Safety and Health

Material Issues

Corporate governance / Social Responsibility / Environment Protection

Environment Protection

⑮ Green Product
⑯ Energy Management
⑰ Water Resource Management
⑱ Green House Gas
⑲ Waste Management
⑳ Environmental Regulations Compliance
㉑ Green Supply Chain Management
㉒ Emissions
㉓ Conflict Minerals

Importance of Issues to Company Operations and the Value Chain

Dimension	Issues	Upstream	Company Operations	Downstream	Operational importance					
		Procurement	Design	Production	Sale/shipping	Revenue	Profit	Customers Satisfaction	Employees Approval	Risk
Corporate Governance	① Financial/Economic 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	Issues	Upstream	Company Operations	Downstream	Operational importance					
		Procurement	Design	Production	Sale/shipping	Revenue	Profit	Customers Satisfaction	Employees Approval	Risk
Corporate governance	⑮ Financial/Economic Performance	●	●	●	●		●	●		●
	⑯ Business Continuity Management		●	●				●		●
	⑰ Company Culture							●		●
	⑱ Industry Localization	●	●	●			●	●		●
	⑲ Environmental Protection Investments	●	●	●			●			●
	⑳ Supply Chain Management	●	●				●			●
	㉑ Research and Development	●								
	㉒ Information Security Management		●	●						●
	㉓ Whistle blower System	●	●							

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

Alignment of issues with SDGs and GRI

Issues		SDGs	GRI	GRI
Corporate Governance	① Financial/Economic Performance	SDGs 8 Decent Work and Economic Growth	201-1, 201-2, 201-3, 201-4	
	② Business Continuity Management			
	③ Company Culture			
	④ Industry Localization	SDGs 10 Reduce Inequality	204-1	
	⑤ Environmental Protection Investments	SDGs 13 Climate Action		
	⑥ Supply Chain Management	SDGs 17 Partnerships for the Goals	308-1, 308-2, 414-1, 414-2	
	⑦ Research and Development	SDGs 9 Industry, Innovation and Infrastructure		
	⑧ Information Security Management			
	⑨ Whistle blower System		RBA	
	⑩ Technology and Quality	SDGs 12 Responsible Consumption and Production		
	⑪ Marketing and Labeling		417-1, 417-2, 417-3	
	⑫ Protection of Customer Privacy		418-1	
	⑬ Shareholder Protection	SDGs 8 Decent Work and Economic Growth		
	⑭ Customer Satisfaction			

Issues		SDGs	GRI	GRI
Corporate Governance	⑮ Financial/Economic Performance	SDGs 12 Responsible Consumption and Production	302-1, 302-3, 302-4, 302-5	
	⑯ Business Continuity Management	SDGs 12 Responsible Consumption and Production	302-1, 302-3, 302-4, 302-5	
	⑰ Company Culture	SDGs 12 Responsible Consumption and Production	303-1, 303-2, 303-3, 303-4 303-5	
	⑱ Industry Localization	SDGs 12 Responsible Consumption and Production	305-1, 305-2, 305-3, 305-4 305-5, 305-6, 305-7	
	⑲ Environmental Protection Investments	SDGs 13 Climate Action	306-1, 306-2, 306-3, 306-4 305-5	
	⑳ Supply Chain Management	SDGs 12 Responsible Consumption and Production	307-1	
	㉑ Research and Development	SDGs 12 Responsible Consumption and Production	308-1, 308-2	
	㉒ Information Security Management	SDGs 12 Responsible Consumption and Production		
	㉓ Whistle blower System	SDGs 10 Reduce Inequality		

Issues		SDGs	GRI	GRI
Corporate Governance	㉔ Financial/Economic Performance	SDGs 1 No Poverty	401-1, 401-2, 401-3	
	㉕ Business Continuity Management		402-1	
	㉖ Company Culture	SDGs 4 Quality Education	404-1, 404-2, 404-3	
	㉗ Industry Localization	SDGs 5 Gender Equality	405-1, 405-2	
	㉘ Environmental Protection Investments			
	㉙ Supply Chain Management	SDGs 10 Reduce Inequality	408-1	
	㉚ Research and Development	SDGs 10 Reduce Inequality	409-1	
	㉛ Whistle blower System	SDHGs 3 Good Health & Well-being	403-1~403-10	

Level of concern to stakeholders

Stakeholder questionnaire

In response to the paperless trend, and to make it easier for interested parties to complete the questionnaire, Alpha Networks introduced Online questionnaire in ESG website. Through various offices and departments that have contacts with stakeholders, including finance, investor relations, business units, customer relationship management, human resources, and supply chain management. The invitations to complete the questionnaire were released in various languages used by our stakeholders, with a link to the questionnaire. 313 valid questionnaires were received during the 2023 survey on material issues of stakeholders. The questionnaire completion percentages for each stakeholder category are shown in the figure below. The completion percentage of major stakeholder groups reached 86%. The percentages for all stakeholder categories are dispersed, which allows effective gathering and organization of issues of concern to stakeholders.

Employees **44%**

Suppliers **26%**

Clients **3%**

Investors **5%**

Government Authoritie **4%**

Media **5%**

Sum of others **14%**

Sum of others

Position Applicants **6%**

Contrctor **3%**

Scholars and Experts **1%**

Neighboring Enterprises **1%**

Surrounding Communities **3%**
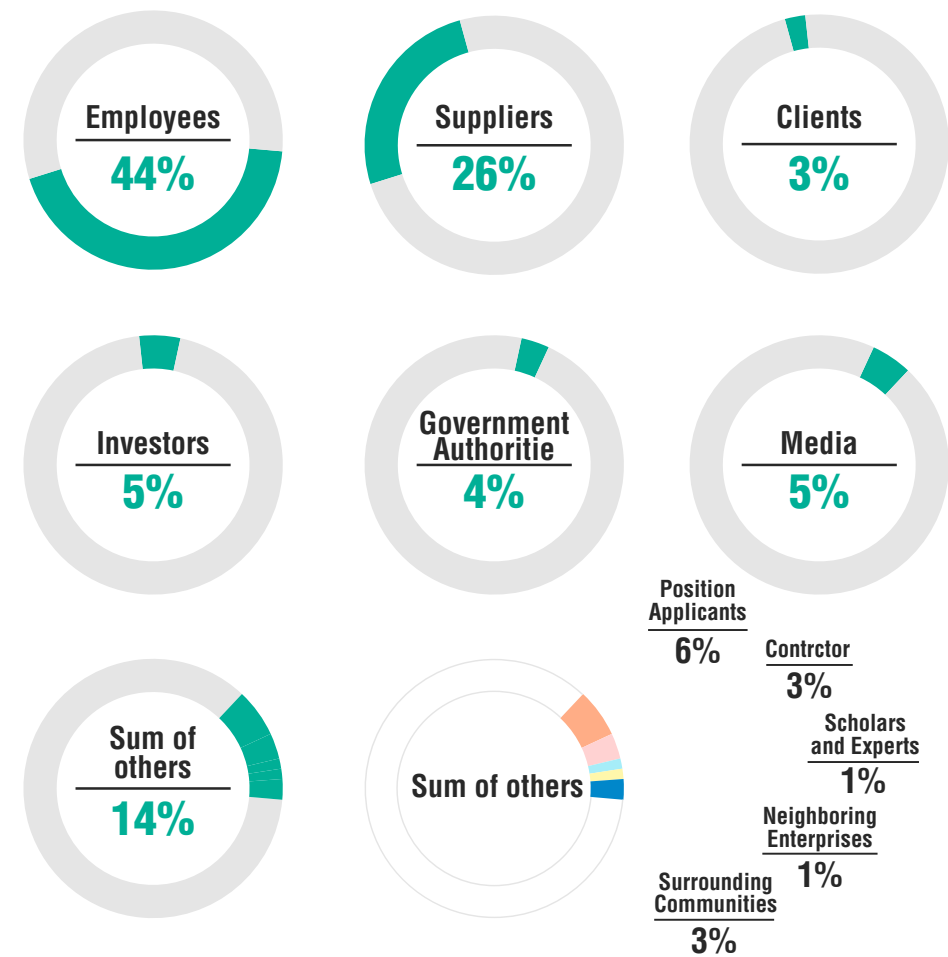
• Level of Concern

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:

#	Issues	#	Issues
1	⑦ Research and Development	17	㉑ Water Resource Management
2	② Business Continuity Management	18	⑲ Green product
3	⑩ Technology and Quality	19	⑤ Employee Relations
4	① Financial/Economic Performance	20	③ Information Security Management
5	⑭ Customer satisfaction	21	⑰ Environmental Protection Investments
6	⑥ Supply Chain Management	22	㉒ Green Supply Chain Management
7	⑫ Protection of Customer Privacy	23	㉔ Industry Localization
8	㉛ Occupational Safety and Health	24	㉓ Forced or compulsory labor
9	⑧ Information Security Management	25	⑪ Child labor
10	⑮ Green Product	26	㉙ Employee Rights
11	⑱ Green House Gas	27	⑨ Company Culture
12	⑳ Environmental Regulation Compliance	28	⑬ Whistle blower System
13	⑯ Energy Management	29	㉘ Conflict minerals
14	㉚ Forced or Compulsory Labor	30	④ Industry Localization
15	㉕ Employee Relations	31	㉖ Community Care and Participation
16	㉗ Employee Rights		

● Corporate Governance Orientation   ● Environmental Protection Orientation   ● Social Responsibility Orientation

Importance of issues to key stakeholders

Dimension	Issues	Employees	Suppliers	Clients	Investors	Government Authorities	Media
Corporate Governance	① Financial/Economic 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	Issues	Employees	Suppliers	Clients	Investors	Government Authorities	Media
Environmental Protection	⑮ Customer Satisfaction		◐	●	◐	◐	
	⑯ Energy Management		◐	●	●	◐	
	⑰ Water Resource Management		◐		◐	◐	
	⑱ Green House Gas		◐	●	◐	◐	
	⑲ Waste Management		◐	◐	◐	◐	
	⑳ Environmental Regulations Compliance		◐	●	◐	●	
	㉑ Green Supply Chain Management		◐	◐	◐	◐	
	㉒ Emissions		◐	◐	◐	◐	
	㉓ Conflict Minerals		◐	◐	◐	●	

Dimension	Issues	Employees	Suppliers	Clients	Investors	Government Authorities	Media
Social Responsibility	㉔ Talent Attraction and Retention	●	◐		●	◐	
	㉕ Employee Relations	●	◐		●	◐	
	㉖ Career Development and Education Training	◐	◐		◐	◐	
	㉗ Employee Rights	◐	◐		◐	◐	
	㉘ Community Care and Participation		◐		◐	●	
	㉙ Child Labor		◐		◐	◐	
	㉚ Forced or compulsory Labor	◐	◐	◐	◐	◐	
	㉛ Occupational Safety and Health	◐	◐	◐	●	◐	

◐ Concerned   ● Highly Concerned   Less concerned or surveys show no concern

Issues of concern to other stakeholder groups

Dimension	Issues	Position Applicants	Contractors	Scholars & Experts	Neighboring Enterprises	Surrounding Communities
Corporate Governance	① Financial/Economic 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		◐	◐		

Dimension	Issues	Position Applicants	Contractors	Scholars & Experts	Neighboring Enterprises	Surrounding Communities
Corporate Governance	⑮ Customer Satisfaction		◐	◐	◐	◐
	⑯ Energy Management		●		◐	◐
	⑰ Water Resource Management		●	◐	◐	◐
	⑱ Green House Gas		●	◐	◐	
	⑲ Waste Management		●		◐	◐
	⑳ Environmental Regulations Compliance		●	●	◐	
	㉑ Green Supply Chain Management		●	◐		
	㉒ Emissions		●	◐	◐	◐
	㉓ Conflict Minerals		◐	◐		

Dimension	Issues	Position Applicants	Contractors	Scholars & Experts	Neighboring Enterprises	Surrounding Communities
Corporate Governance	㉔ Talent Attraction and Retention	◐	◐	●	◐	
	㉕ Employee Relations	◐	◐	●	◐	
	㉖ Career Development and Education Training	●	◐	◐	◐	
	㉗ Employee Rights	◐	●	◐	◐	
	㉘ Community Care and Participation		●			◐
	㉙ Child Labor		●	◐		
	㉚ Forced or Compulsory Labor	◐	●	●		
	㉛ Occupational Safety and Health	◐	●	●	◐	◐

Evaluation of level of impact of each issue

With respect to the degree of social and environmental impact of each issue, scores (from one to five based on impact degrees in ascending order) were assigned to each issue upon extensive discussion and consideration of management level perspectives, insights of all departments related to these issues, competitor opinions, and views of experts and other parties.

Level of impact of each issue

The ESG Committee has ranked each issue based on its level of social and environmental impact in line with the results of comprehensive assessments:

High		Midium		Relatively Lower	
#	Issues	#	Issues	#	Issues
1	① Financial/Economic Performance	12	⑫ Protection of Customer Privacy	22	㉑ Green Supply Chain Management
2	⑱ Green House Gas	13	⑬ Shareholder Protection	23	㉖ Industry Localization
3	⑦ Research and Development	14	⑲ Waste Management	24	㉚ Forced or Compulsory Labor
4	⑳ Environmental Regulation Compliance	15	⑭ Customer Satisfaction	25	㉙ Child Labor
5	② Business Continuity Management	16	⑪ Marketing and Labeling	26	㉗ Employee Rights
6	㉛ Oorced or compulsory labor	17	⑰ Water Resource Management	27	③ Company Culture
7	⑯ Energy Management	18	⑮ Green Product	28	⑨ Whistle Blower System
8	⑩ Technology and Quality	19	㉕ Employee Relations	29	㉓ Conflict Minerals
9	㉒ Emission	20	⑧ Information Security Management	30	④ Industry Localization
10	⑥ Supply Chain Management	21	⑤ Environmental Protection Investments	31	㉘ Community Care And Participation
11	㉔ Talent Attraction and Retention				

• Corporate Governance Orientation
• Social Responsibility Orientation
• Environmental Protection Orientation

List of material issues

The distribution of issues of concern on the Y-axis (stakeholders' level of concern) and X-axis (level of impact on Soceity and environment) 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 Financial/Economic Performance, ② Business Continuity Management, ⑥ Supply Chain Management, ⑦ Research and Development, ⑩ Technology and quality, ⑯ Energy Management, ⑱ Green House Gas, ⑳ Environmental Regulations Compliance, ㉛ Occupational Safety and Health.

The main difference between the selection and screening results in 2023 and 2022 concerns the issue of ⑱ Carbon Emission Management. This issue has great importance for the Company's operations and value chain. However, stakeholders failed to express significant concern for this issue in the questionnaires in 2022. In the following year, a rising number of stakeholders (suppliers, customers, investors, and competent authorities) showed concern for this issue. The questionnaire results for each stakeholder group showed significant dispersal for this issue, which accentuates its importance.

Prioritization of Topics

• Corporate Governance Orientation   • Environmental Protection Orientation
• Social Responsibility Orientation
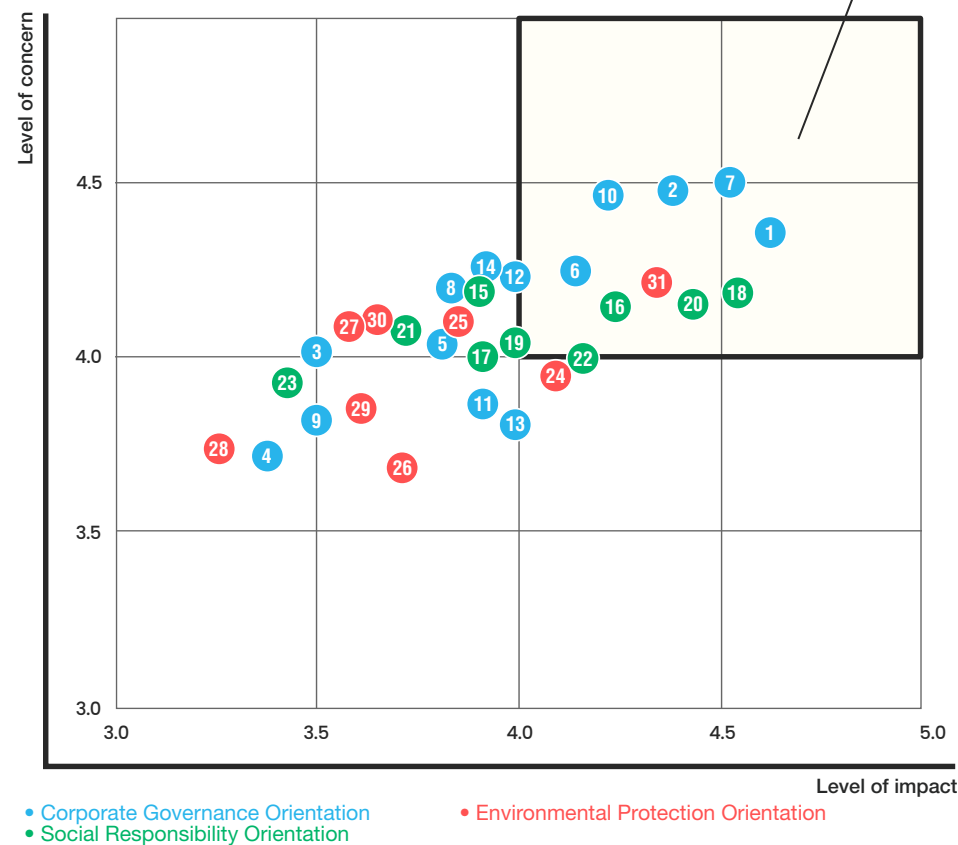
Issues	GRI		Chapter	
① Financial/ Economic Performance	201-1	Direct Economic Value Generated and Distributed	1.5	Operating Performance
	201-2	Financial Implications and Other Risks and Opportunities Due to Climate Change	1.4.3	Risks and Opportunities of Climate Change
	201-3	Defined Benefit Plan Obligations and Other Retirement Plans	3.3.2	Welfare Measures and Employee Insurance
	201-4	Financial Assistance Received from Government	1.5	Operating Performance
② Business Continuity Management	N/A		1.4.4	Business Continuity Management
⑥ Supply Chain Management	308-1	Operating performance	2.2.1	Supplier Management
	308-2	Risks and opportunities of climate change	2.2.1	Supplier Management
	414-1	Welfare Measures and Employee Insurance	2.2.1	Supplier Management
	414-2	Operating performance	2.2.1	Supplier Management
⑦ Research and Development	N/A			Approved Patents of the Year
⑩ Technology and Quality	N/A			About Alpha Networks–Quality Policy
⑯ Energy Management	302-1	Energy Consumption Within the Organization	4.2.1	Energy Management
	302-2	Energy Consumption Outside of the Organization		Information Unavailable / Incomplete
	302-3	Energy Intensity	4.2.1	Energy Management
	302-4	Reduction of Energy Consumption	4.2.1	Energy Management
	302-5	Reductions in Energy Requirements of Products and Services	4.2.1	Energy Management
⑱ Green House Gas	305-1	Direct (Scope 1) Ghg Emissions	4.3.3	GHG inventory
	305-2	Energy Indirect (Scope 2) Ghg Emissions	4.3.3	GHG inventory
	305-3	Other Indirect (Scope 3) Ghg Emissions	4.3.3	GHG inventory
	305-4	Ghg Emissions Intensity	4.3.3	GHG inventory
	305-5	Reduction of Ghg Emissions	4.3.3	GHG inventory
	305-6	Emissions of Ozone-Depleting Substances (Ods)	4.3.3	GHG inventory
	305-7	Nitrogen Oxides (Nox), Sulfur Oxides (Sox), and Other Significant Air Emissions	4.3.3	GHG inventory
⑳ Environmental Regulations Compliance	N/A		4.5	Environmental Regulation Compliance
㉛ Occupational Safety and Health	403-1	Occupational Health and Safety Management System	3.5.1	Safety and Health Policy
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	3.5.1 3.5.3	Safety and Health Policy Occupational incident
	403-3	Occupational Health Services	3.5.5	Health Promotion
	403-4	Worker Participation, Consultation, and Communication On Occupational Health And Safety	3.5.1 3.5.5	Safety and Health Policy Health Promotion
	403-5	Worker Training on Occupational Health And Safety	3.5.2	Safety and Hygiene Training
	403-6	Promotion of Worker Health	3.5.5	Health Promotion
	403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	3.5.5	Health Promotion

| Stakeholder Communication Mechanism |

Responding to the stakeholders'expectations towards Alpha Networks

Alpha Networlks 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 (www.alphanetworks.com/en), email, annual report, and the Taiwan Stock Exchange's Market Observation Post System. 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

	Clients	Employees	Investors	Suppliers	Media	Government Authorities	Neighboring communities
Concerned Issues	• Business Continuity Management • Supply Chain Management • Innovation R&D • Customer Privacy • Green Product Management * For further detail, see issues to key stakeholders	• Corporate Culture • E Mployee Relations • Talent Attraction and Retention • Training and Education • Occupational Safety and Health * For further detail, see issues to key stakeholders	• Operating Performance • Business Continuity Management • Innovation R&D • Supply Chain Management • Customer Satisfaction • Green House Gas * For further detail, see issues to key stakeholders	• Operating Performance • Business Continuity Management • Industry Localization • Emission and Air Pollution • Environmental Regulation Compliance • Green Supplier Chain * For further detail, see issues to key stakeholders	• Operating Performance • Innovation R&D	• Energy Management • Water Resource Management • Green House Gas • Waste Management • Environmental Regulation Compliance • Occupational Safety and Health * For further detail, see issues to key stakeholders	• Green product • Water resource management • Water resource management • Emission and air pollution • Community Care and Participation • Occupational safety and health * For further detail, see Issues of concern to other stakeholders
Communication Channels and Frequency	• Customers Satisfaction Survey (annual) • Quarterly Business Review • Customer Complaints Management (ad hoc) • Supplier Conference (ad hoc) • Client Information Security Questionnaire Survey (ad hoc) • Company Website> Contact Us(ad hoc) • Stakeholders Questionnaire (annual)	• Employer-Employee Meeting (quarterly) • Employee Welfare Committee (monthly) (ad hoc) • Intranet (ad hoc) • Company Performance Briefing • Stakeholders questionnaire (annual)	• Shareholders' Meeting (annual) • Investor conference(ad hoc) • Market Observation Post System (ad hoc) • Company website> IR(ad hoc) • Stakeholders questionnaire (annual)	• Supplier Platform (ad hoc) • Supplier Evaluation (ad hoc) • Supplier Conference (ad hoc) • Supplier Visit (ad hoc) • Company Website> Contact Us(ad hoc) • StakeholdersQuestionnaire (annual)	• PressRelease (ad hoc) • Company Website> News(ad hoc) • Press Conference (ad hoc) • Stakeholders Questionnaire (annual)	• Official Document (ad hoc) • Company Website> News(ad hoc) • Stakeholders Questionnaire (annual)	• Company website> News(ad hoc) • Stakeholders questionnaire (annual)

Responding to the Sustainable Development Goals (SDGs)

Escalate the Value of 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.

SUSTAINABLE DEVELOPMENT GOALS

Chapter	SDGs	Action and achievement
Ch1 Implementing Corporate Governance • Corporate Governance • Ethical Management and Legal Compliance • Risk Management • Intellectual Property and Information Security • Operating Performance	**8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO** 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. • In 223, the attendance rate in Board, Audit Committee, and Remuneration Committee meetings reached 100%. One independent director position was added in the same year (independent directors account for 3/7 => 4/8 of the board membership). External board performance evaluations have been duly completed (scheduled once every three years). • 2023 Education and training on integrity management: 1,096 people attending for 174 hours. Education and awareness courses on insider trading: 966 people attending for 302 hours. No violations of ethical corporate management or insider trading occurred in 2023. • 2023 Online course on information security: 200 people attending for 174 hours. Online courses on intellectual property rights were attended by 96 employees. Total training hours amounted to 21. No instances of customer complaints, information leakage or theft, or loss of customer data occurred in 2023. • The Risk Management Committee convened on a regular (quarterly) basis in 2023 with the goal of identifying risks, reducing operational impacts, and preventing physical losses (no financial losses or assembly line stoppages). In addition, the committee completes climate risk assessments in accordance with the TCFD framework and links physical risks to BCP and transition risks to ESG strategies. • Consolidated revenue in 2023 was TWD 28.33 billion, EPS was TWD 1.01.
Ch2 Building Sustainable Value Chain • Sustainable Products • Resilient Supply Chain • Customer Satisfaction	**9 INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA** 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 2023 was 25, and we plan to file 74 patent applications in different countries. • The number of patents approved by the competent authorities of various countries in 2023 was as follows in the Table of Approved Patents (including applications before 2023).

SUSTAINABLE DEVELOPMENT GOALS

Chapter	SDGs	Action and achievement
Ch2 Building Sustainable Value Chain • Sustainable products • Resilient supply chain • Customer satisfaction	**17 PARTNERSHIPS FOR THE GOALS** — Build resilient infrastructure, foster an inclusive and sustainable enterprise industries, and drive innovation. **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. • A total of 636 suppliers were evaluated in 2023. In 2022, the average percentage of excellent (A) and good (B) suppliers and poor (E) suppliers was 98.90% and 0.31%. We offered project-based guidance to these poor (E) suppliers and requested them to take corrective action. Ongoing guidance for corrective action regarding anomalies and other issues was also provided to acceptable (C) and inferior (D) suppliers to improve the overall quality of delivered goods. • None of the 164 suppliers rated in 2023 were listed as non-recommended suppliers (score lower than 70) and no suppliers were suspended from new material transactions. • In 2023, corporate social responsibility audits were conducted for 72 suppliers (49 suppliers audited in the context of annual audits and 23 new suppliers audited prior to adoption). • In 2023, 29 CMRT surveys were sent to suppliers, 29 of which were completed and returned (100% completion rate). • Overall customer satisfaction reached 86.9 in 2023 (exceeding the target score of 85). In the five material topic areas, satisfaction with green products exceeded 90.
Ch3 Creating an Inclusive Society • Human rights • Talent acquisistion • Salaries and benefits • Talent development • Safety and health • Social Engagement	**5 GENDER EQUALITY** — Achieve gender equality and empower all women and girls. **10 REDUCED INEQUALITIES** — Reduce inequality within and between countries.	To promote gender equality in work and avoid gender discrimination and pregnancy discrimination, Alpha Networks allows 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 discriminate or 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. • Equal vacation days and benefits are provided to male and female employees. • There is no difference in salary based on gender, and the starting salary ratio of new male and female employees is 1:1. • The percentage of female supervisors was increased from 25% to 28%. • Participation in the selection process for outstanding business units in the "Promotion of Workplace Equity" organized by the Hsinchu Science Park Administration and presentation with an Excellence Award.
	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. • 2023, training hours totaled 26,474 hours with 18,557 people attending over the year. RD training hours for the cultivation of talent in 5G, 6G, and other fields of R&D amounted to 1,505. Average training hours per trainee reached 4.67. • With a view to internalizing ESG culture, we offered ESG-related courses in the context of our orientation training for a total of 678 trainees. Training hours amounted to 414. The cumulative number of training hours and trainees having completed ESG-related training courses reached 1,278 and 1,275, respectively, in 2023 • The Alpha Foundation relies on mobile communication in its efforts to implement popular science education in local elementary schools and the Hsinchu City Senior Center. The Foundation utilizes a popular science education package with an abundance of items as teaching materials to offer perfect edutainment to both school kids and seniors.

SUSTAINABLE DEVELOPMENT GOALS

Chapter	SDGs	Action and achievement
Ch3 **Creating an Inclusive Society** • Human Rights • Talent Acquisistion • Salaries and Benefits • Talent Development • Safety And Health • Social Engagement	**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 2023, the average salary of full-time non-management employees was TWD 1,132,000 (a 1.4% increase from 2022), and the median was TWD 1,066,000 (a 1.5% increase from 2022).
	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, The selected meal service provider has acquired a HACCP certificate and a dietitian license. 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. • Meal satisfaction in Q4 of 2023 remained at around 75 (a 9% increase compared to Q1). • Staff restaurant renovations involved replacement of all dining tables, optimized heating and heat preservation effects, and significant enhancement of meal quality.
	3 GOOD HEALTH AND WELL-BEING — Promote healthy lifestyles and well-being at all ages.	Alpha Networks sets much store with 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 2023 the inspection rate reached 97%. • Three seminars on metabolic syndrome with 383 people attending were held in 2023. Four sessions on health promotion with 81 participants were held as well. • Special health management - Workers assigned to units whose operations involve special health hazards including noise, ionizing radiation, or n-Hexane, must be tracked on an ongoing basis. Work safety personnel must compile and submit lists of workers engaged in such operations. The inspection rate reached 97% in 2023. • Nurses conduct analyses of the top ten anomalies (compared over a three-year period) based on the results of health exams and implement graded health management for high-risk individuals. Different management measures are adopted based on individual grading. Physician consultations were arranged for 77 individuals. • A total of 131 employees took out-of-pocket flu shots during vaccination activities organized by Alpha Networks.
Ch3 **Creating an Inclusive Society** • Green Products • Environment and Energy Management • Carbon Emissio • Wastewater and Waste • 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 power saving, carbon reduction, water conservation, and waste reduction, please refer to Environmental Achievement of 2023.

Building a sustainable and shareable world

Implementing Corporate Governance

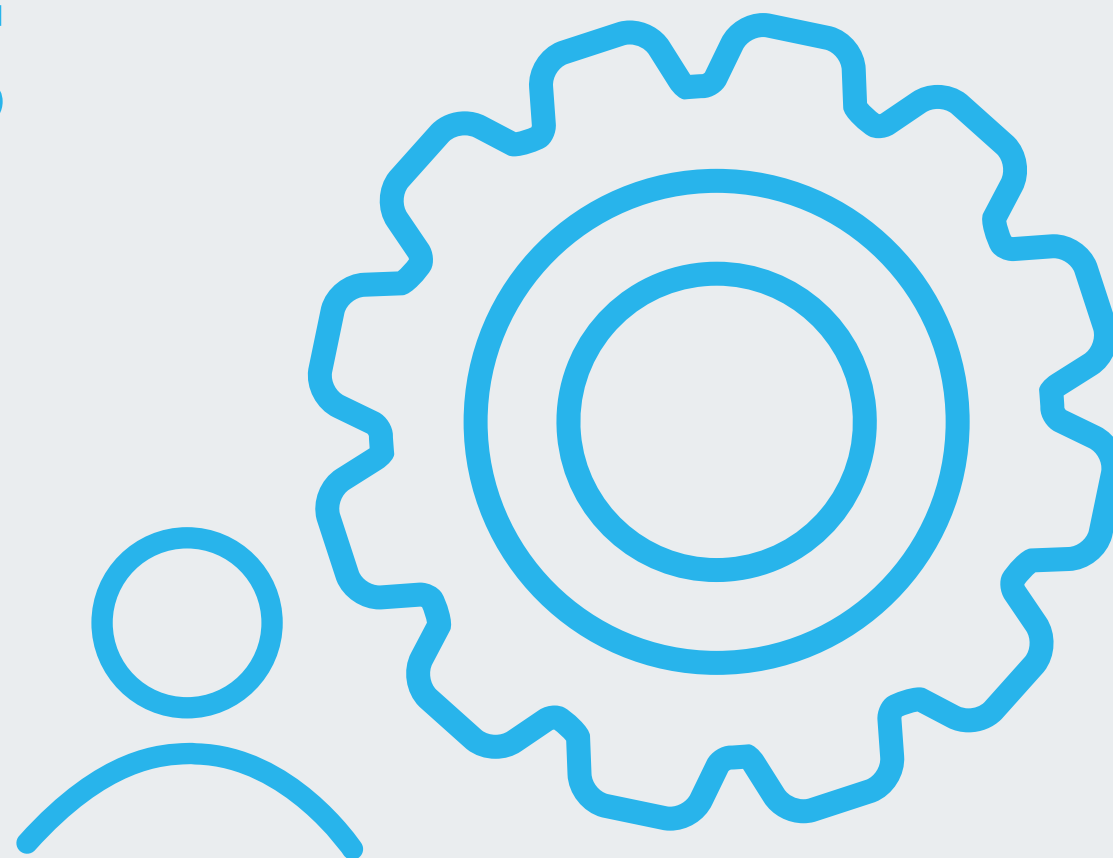**Continue to strengthen corporate governance to allow the Company to continue to operate and develop**

8 DECENT WORK AND ECONOMIC GROWTH

Chapter 1

Achievement of the year

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

🔍 [Follow-Up] Achievements of the Year

Corporate Governance

- Attendance rate of 100% in Audit Committee and Compensatio Committee meetings in 2023
- Addition of one independent director position in 2023 (independent directors account for 3/7 → 4/8 of the board membership)
- Due completion of external board performance evaluations

Ethical Corporate Governance Legal and Regulatory Compliance

- Employee code of conduct and integrity-related training courses were attended by a total of 1,096 trainees (383.5 training hours)
- No whistleblower reports/grievances were received in 2023
- No violations of local laws or instances of major litigation occurred in 2023
- No instances of insider trading occurred in 2023; relevant education courses were attended by a total of 873 trainees (218 training hours)

Information Security Confidentiality Protection

- Online information security and IPR courses were attended by a total of 200 trainees (174 training hours) and 96 trainees (21 training hours) in 2023
- No instances of customer complaints, information leakage or theft, or loss of customer data occurred in 2023

Risk Management

- The Risk Management Committee convened on a regular (quarterly) basis in 2023 with the goal of identifying risks, reducing operational impacts, and preventing physical losses (no financial losses or assembly line stoppages)
- Completion of climate risk assessments in accordance with the TCFD framework and linkage of physical risks to BCP and transition risks to ESG strategies

Financial Performance

- Consolidated revenue of NT$ 28.3 billion and EPS of $1.01 in 2023

1.1
Corporate Governance

Alpha Networks is firmly committed to operational 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 PoliciesCorporate governance implementation

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. Risk mitigation and risk response capabilities are bolstered through optimization of existing business management practices and risk control in our daily operations. 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.
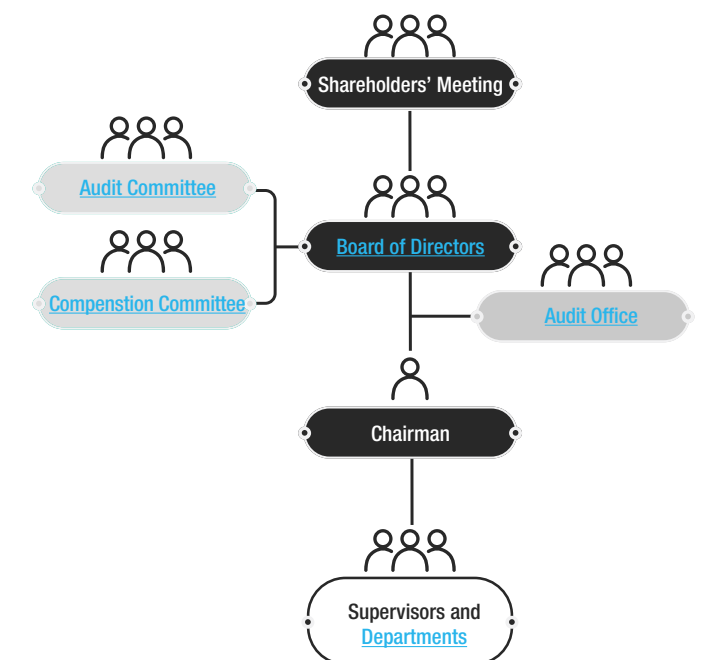
Corporate Governance Implementation

- Early convening of the Shareholders' Meeting at the end of May.
- Upload the procedure manual (both Chinese and English) 30 days before the date of the Shareholders Meeting.
- 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.
- We have an information security system in place. In addition to delivering annual reports to the Board of Directors and appointment of a Chief Information Security Officer (CISO) in 2023, we adopted the ISO 27001 Information Security Management System and acquired an ISO 27001 certificate.
- The annual report (both Chinese and English) is uploaded 18 days before the date of the Shareholders Meeting.

1.1.1 Governance Structure

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.

The organizational structure of corporate governance

Shareholders' Meeting
Audit Committee
Compenstion Committee
Board of Directors
Audit Office
Chairman
Supervisors and Departments

1.1.2 Operation of the Board of Directors

Our Board of Directors is the highest governance and decision-making body of the Company. Its members are elected by all attending shareholders in a shareholders' meeting pursuant to applicable laws, "Articles of Incorporation" and "Director election method" for a term of three years. This term's board is composed of eight members (including four independent directors). Members of committees subordinate to the Board of Directors are nominated and appointed by board resolution pursuant to the organizational charters of such committees. All our independent directors meet the criteria in the categories of professional qualifications, work experience, limitations on concurrent appointments of independent directors, and independence requirements as laid out in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The Chairperson is elected by the Board of Directors. All directors have more than five years' work experience in commerce, law, finance, or accounting, or areas otherwise necessary for the business of the company Ms. April Huang duly serves as the Chairperson of Alpha Networks pursuant to the provisions set forth in Article 208, Paragraph 3 of the Company Act. Where a director is an interested party in relation to an agenda item, he/she must recuse himself/herself from the discussion or the voting on said item provided that the relationship is likely to prejudice the interest of this Company pursuant to Article 206, Paragraph 2 of the Company Act and application mutatis mutandis of the recusal provisions set forth in Article 178 of the same Act. Where necessary, the Chairperson may appoint another director to serve as meeting chair. Where recusal due to conflict of interest occurs, the matter must be duly disclosed in the corporate governance chapter of the Company's annual report for the respective year. Minimum attendance requirements for directors will be incorporated into the Corporate Governance Best Practice Principles in the future.

Board Diversity

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 must 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 board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated." This policy must include, but not be limited to, basic attributes, values, and standards in the fields of gender, age, nationality, and culture as well as professional knowledge and skills such as specialized background, expert skills, and industry experience. One of the members of this term's board of directors, who accounts for 12.50% of the total board membership, is an employee of this Company, while the four independent directors comprise 50% of the board. The board composition therefore meets the concrete management goals of the diversity policy, namely the provision requiring independent directors to exceed 1/3 of the total number of board members and the requirement that directors concurrently serving as managerial officers must constitute less than 1/3 of the total board membership.

Board of directors, committees, and diversity

Job Title	Full Name	Gender	Age	Members Of Functional Committees	Business Administration	High-Tech Industry	Venture Capital	Sustainable Development	Finance & Accounting	Risk Management	Information Security Academic Research	Academic Research	Independent directors Term of office
Chairperson	April Huang	Female	51-60	NA	V	V		V					
Vice Chairperson	Peter Chen	Male	61-70	NA	V	V	V	V		V			
Director	Han-Chou Huang	Male	61-70	NA	V	V		V					
Director	Jasmin Hung	Female	51-60	NA	V		V		V	V			
Independent Director	Shu-Hsing Li	Male	61-70	• Audit Committee convener • Remuneration Committee members	V	V			V			V	Three terms or less
Independent Director	Ming-Te Hsieh	Male	61-70	• Audit Committee convener • Remuneration Committee members		V					V	V	Three terms or less
Independent Director	Cheng-Jung Chiang	Male	71-80	• Audit Committee convener • Remuneration Committee members	V	V		V				V	Three terms or less
Independent Director	Chung-Jui Chen	Male	61-70	• Audit Committee convener • Remuneration Committee members	V	V	V		V				Three terms or less

Header spanning note: columns Business Administration through Academic Research fall under "Diversified Industry-Related Skills And Professional Competence".

Managerial Goals and Achievement of Board Diversity Policy

Category	Management Goals	Achievement Status
Board composition	Total of eight board seats (general and independent directors accounting for four seats each)	V
Gender	Two female directors	V
Term of office	Independent directors must serve for no more than three terms.	V
Concurrent appointments	• Directors concurrently serving as managerial officers must not exceed 1/3 of the total board membership. • Independent directors must not hold concurrent appointments as independent directors at more than three companies. • Independent directors must not hold concurrent appointments as directors (incl. Independent directors) or supervisors at more than five TWSE/TPEx Listed Companies.	V
Diversified professional competence	Including high-tech industry, technology R&D, industrial innovation, finance & accounting, financial investments, corporate sustainability.	V

*For more details on the academic and professional experience of board members, concurrent positions at other companies, Diversity Policy and Implementation of Board Members and Information on directors' training, please refer to to Comapany webite > Corporate Governance or Annual Report.

Board Performance Evaluations

We have adopted Rules for Performance Evaluation of Board of Directors, 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.

Internal Performance Evaluations

Internal performance evaluations for the Board of Directors and functional committees were completed at the end of 2023. The results of the self-evaluation were excellent, which signals highly effective board operations. The results of these evaluations were reported to the Board of Directors in the first quarter of 2024.

External Performance Evaluations

In 2023, we commissioned the independent assessment body, the Taiwan Corporate Governance Association (CGA) to conduct external evaluations. Appraisals were conducted in form of online self-assessment questionnaires and on-site investigations in the eight dimensions of board composition, guidance, authorization, monitoring, communication, internal control, risk management, self-discipline, and support system.

We reported the results of this evaluation to the Board of Directors on October 31, 2023. By recommendation of Taiwan Corporate Governance Association, the Board of Directors uses these results as a reference for ongoing improvement of its functions.

*For more details on the Performance Evaluation of the Board of Directors, please refer to to Comapany webite >
Corporate Governance

Governance of Climate 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 disclosure recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) for independent tools for climate change risk and opportunity assessment and climate-related financial disclosures. Based on internal rules and external regulations, market and technology changes, goodwill and substantive risks, our Company analyzes, develops and adapts mitigation strategies.

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

1. The 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. Each quarter, the risk management and corporate sustainability management committees implement climate change risk surveys and responses, while they annually report the implementation status to the Board of Directors, which reviews the greenhouse gas reduction goals and achievements.

2. Risk Management Committee: Coordinates departments and offices 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 to the Board of Directors on the climate action plans and outcomes.

1.1.3 Operation of the Audit Committee

At least one of the Audit Committee members must possess professional expertise in the fields of accounting or finance. The Audit Committee mainly fulfills a supervisory role and carefully reviews the company and the board of directors' business execution. The Audit Committee meets at least once every quarter.

Accountants conduct semiannual audits twice a year, and internal audits occur quarterly. The risk management, legal affairs, financial accounting and other units report to the Audit Committee on the latest financial statement review status, internal audit results, major litigation cases, financial business overview and other information from time to time. Moreover, the audit committee also assists shareholders to ensure the company's credibility in terms of corporate governance and information transparency, so as to protect the rights and interests of shareholders.

In 2023, we held five Audit Committee meetings with an average attendance rate of 100%. Annual work priorities and operations of the Audit Committee are disclosed in the Audit Committee Operations chapter of our 2023 Annual Report. Communication conditions, covered items, and results are disclosed in the passage titled "Communication between Independent Directors and Chief Internal Auditors/CPAs" in the corporate governance section of our corporate website.

1.1.4 Operation of the Compensation Committee

Compensation Committee was established by Alpha Networks 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.Please refer to Remuneration Committee member information.

As of the end of December 2023, this term's Remuneration Committee has convened three times. Attendance rates are shown in the table below.

Job Title	Name	Number of Meetings Times (A)	Attendance in Person Times (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A)
Convener	Ming-Te Hsieh	3	3	0	100%
Member	Shu-Hsing Li	3	3	0	100%
Member	Cheng-Jung Chiang	3	3	0	100%
Member	Chung-Jui Chen[note]	2[note]	2[note]	0	100%

Note: Mr. Chen was newly appointed on May 31, 2023. During his current term of office, he has only participated in two meetings.

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.

*For more details on Compensation Committee, please refer to to Comapany webite > Corporate Governance.

1.1.5 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 Networks Dongguan and Alpha Networks 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.

Operational Status of the Audit Office in 2023

- 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
2023/02/24 Communication Meeting	Independent Director x 3 Accountants Audit Supervisor	• 2022 annual financial report inspection results report. • Important legal updates. • The Company's own financial report.	None
2023/07/28 Communication Meeting	Independent Director x 3 Accountants Audit Supervisor	• 2023 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
2023/02/24 Communication Meeting	Independent Director x 3 Audit Supervisor	• 2022 Internal Control System Statement and Self-Assessment Results Report. • 2022 October-December Audit Report and Follow-Up Inspection Instructions.	None
2023/05/02 Communication Meeting	Independent Director x 3 Audit Supervisor	• January-March 2023 Audit Report and Follow-Up Inspection Instructions.	None
2023/07/28 Communication Meeting	Independent Director x 4 Audit Supervisor	• April-June 2023 Audit Report and Follow-Up Inspection Instructions.	None
2023/10/31 Communication Meeting	Independent Director x 4 Audit Supervisor	• July-September 2023 Audit Industry Key Report and Subsequent Tracking Status Explanation. • 2024 audit plan.	None

02 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.
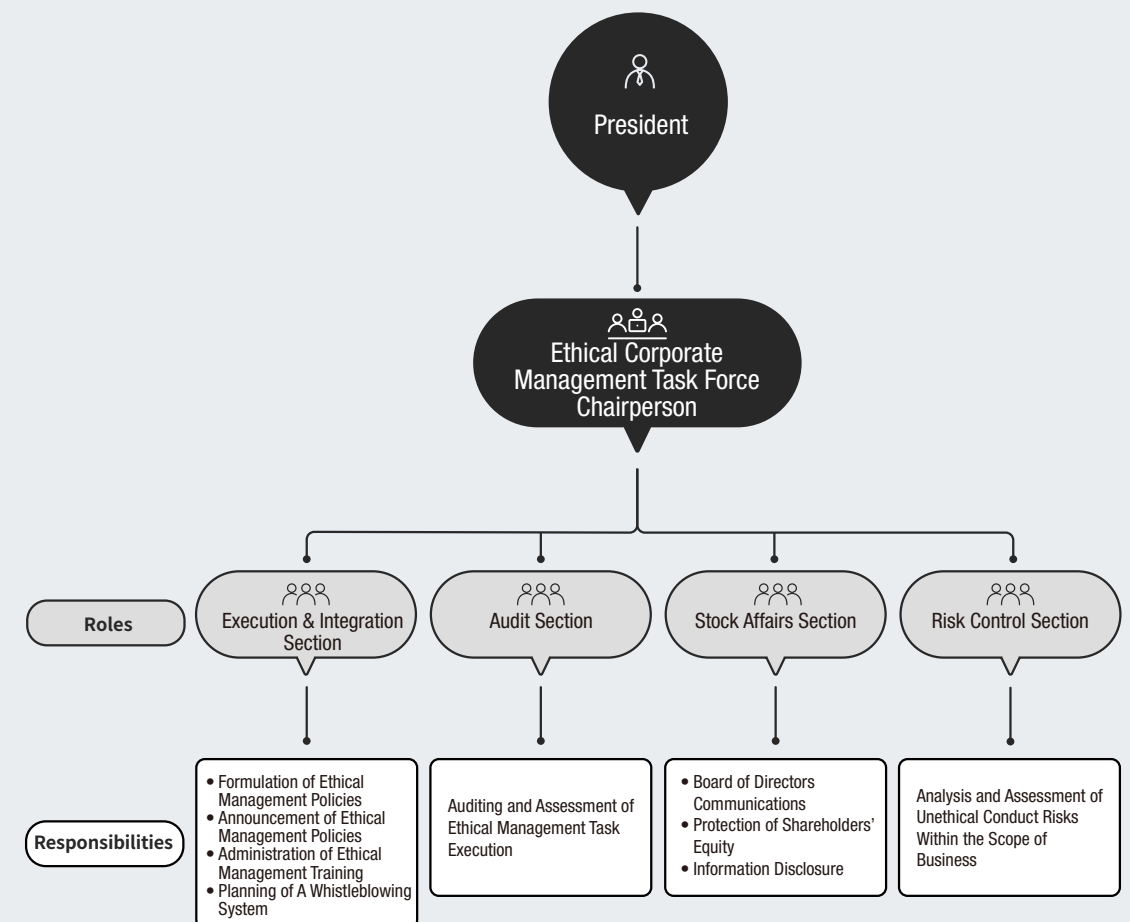
Alpha Networks has adopted Ethical Corporate Management Best Practice Principles and a Code of Ethical Conduct by board resolution as a reference for employee behavior and to ensure honest and sincere treatment of customers, suppliers, creditors, shareholders, and the general public by the Company and its 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

President

Ethical Corporate Management Task Force Chairperson

Roles:
- Execution & Integration Section
- Audit Section
- Stock Affairs Section
- Risk Control Section

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

Whistleblowing System Grievance Mechanism

Alpha Networks persists 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/ grievant. 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 managemen t level and all independent directors should be notified immediately (the Board of Directors should also be informed in writing). A report shou ld be submitted to the competent authority or the matter should be handed over to judicial authorities for invest igation if deemed necess ary.

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 2023

A description of the implementation status of ethical corporate management is provided below in 2023. It is also planned to report it to the Board of Directors in February 2024 and made public on the corporate website for viewing by the general public.

1. Training and Education:
   In 2023, as per the Employee Code of Conduct integrity management education and training was held, with 1,069 participants for 383.5 hours.

2. Employee Pledge:
   All employees signed the Honesty & Integrity Statement during onboarding in 2023.

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 2023.

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 Networks. 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 Networks 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 Networks 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.

In 2023, there was no record of violations of local laws or regulations or major litigation involving the Company, its responsible person, the chairperson, or managerial officers as defined pursuant to the criteria laid out in Article 4, Paragraph 2 of the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities.

1.2.4 Respect for 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 2023, 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 2023.

Self-prepared guidance manuals are distributed to newly appointed directors when they take office. The contents of these manuals cover Procedures for Handling Material Inside Information and Preventing Insider Trading, referred to in the preceding paragraph and relevant directions to facilitate compliance by such newly appointed directors.

As of 2022, education and guidance pursuant to the provisions set forth in Article 157 of the Securities and Exchange Act is provided for insiders, supervisors with specified duties, and other involved employees prior to release of operating results on a quarterly basis. Contents include "silence period" reminders, applicable scope and parties of insider trading bans, scope and method of disclosure of information with a material impact on stock prices, penalties, and other applicable laws and regulations with a view to ensuring effective implementation of insider trading prevention.

In 2023, a total of 873 newly appointed directors and managerial officers and newly hired employees attended educational courses on prevention of insider trading. Total training hours amounted to 218 hours.

We revised Corporate Governance Best Practice Principles on April 29, 2022 and stipulated that insiders are prohibited from trading their stocks during the closure period within 30 days period to release of annual financial statements and 15 days prior to release of quarterly financial statements. When conducting monthly investigations regarding changes in shareholdings of insiders, we remind directors by email that trading of stocks during the closure period within 30 days period to release of annual financial statements and 15 days prior to release of quarterly financial statements is strictly prohibited. We further provide education on common mistakes and omissions in insider equity reporting and regulations related to short-swing trading bans. Shareholding transfers must be carried out and declared pursuant to applicable regulations and insider and short-swing trading are strictly prohibited. Insiders are also reminded that gains derived from short-term trading are subject to disgorgement and must be handed over to the Company.

1.3 Intellectual Property Rights

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 Networks 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. In 2023, we offered an in-person course titled "Introduction to Patents" for R&D and technical personnel. This course was attended by 45 trainees and was delivered online synchronously at overseas R&D locations.

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 Networks 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 Networks 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 2023.

1.3.2 Information Security Management

In protecting the information security of the company, our clients and partners, Alpha Networks 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.
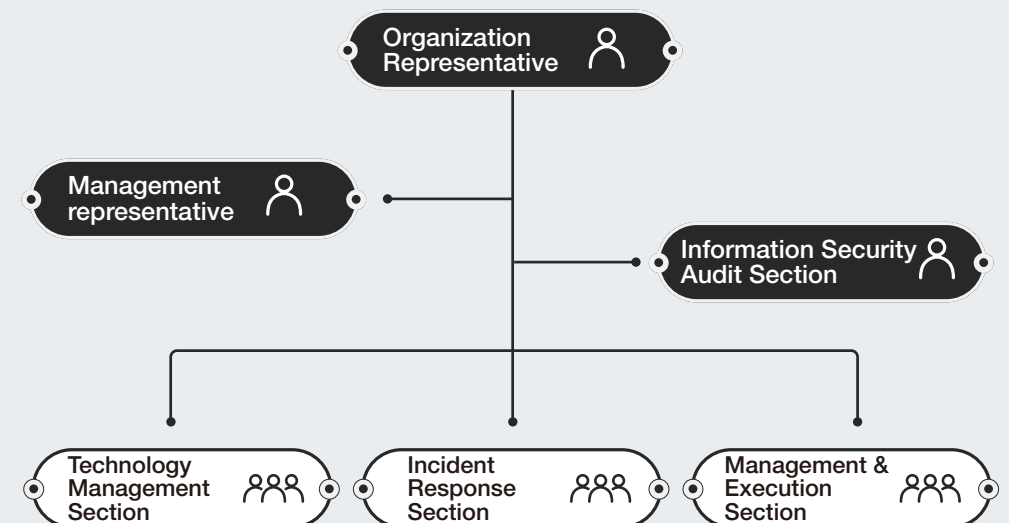
Information Security Policy

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 2023 were attended by 200 employees. Total training hours amounted to 174.

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.

1.4
Risk Management
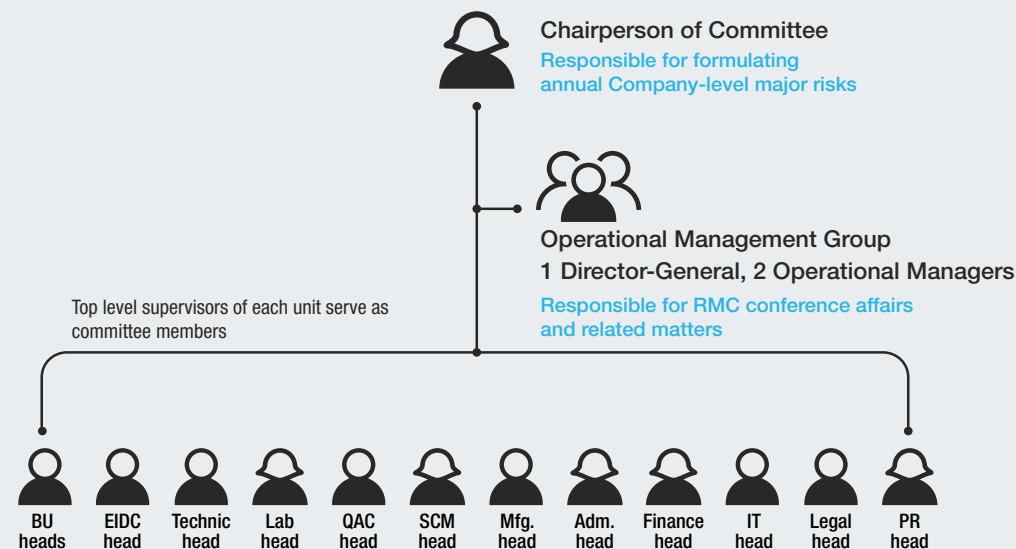
Identification and management of corporate risks

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 Policies and Procedures In 2021, the Company formally established a Risk Management Committee (RMC) with the President serving as Chairperson, CSO serves as General Director. 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.

*For more on risk management, please refer to our website ESG > Risk Management.

RMC Organization

Chairperson of Committee
Responsible for formulating annual Company-level major risks

Operational Management Group
1 Director-General, 2 Operational Managers
Responsible for RMC conference affairs and related matters

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 | 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 2023, Qisda Group held regular quarterly meetings on the following topics: nightly toxic chemical disaster drills, work-related injury incidents (pinch injuries caused by conveyor belts and slip injuries), employer liability insurance, emergency reporting procedures, earthquake reporting, typhoon warnings, power consumption inventories and power saving actions, global economic trends and risk alerts, Israeli-Palestinian conflict affecting the Red Sea region, and description of TCFD methods. The goal is to effectively mitigate the impact of disasters and operational risks and enhance the disaster response capabilities and sustainability of the Company.

1.4.2 Risk management operations process and results

In 2023, the Alpha Networks Risk Management Committee (RMC) convened every quarter to identify company risks and deliberate countermeasures. Following the outbreak of the Hamas-Israel conflict, an emergency mechanism was launched for the confirmation of raw material procurement and logistics. It has been determined that this conflict has no pressing repercussions for the Company. Nevertheless, a tracking and coordination mechanism has been initiated to minimize negative impacts.

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 2023 Q4, our main risks on the four major aspects in the next year include:
- Strategic Risks (S): economic contraction and sluggish market demand.
- Operational Risks (O): new factory in Vietnam lacks a second source for key components, and Intellectual Property Risks
- Financial Risks (F): slowdown in demand may cause inventory pressure, and a decline in gross profit.
- Hazard Risks (H): Climate-related transition risks, energy policy/power shortages.

Top Risks		Countermeasures
Market Client	Economic contraction and sluggish market demand Highly concentrated sales	New customers - Actively develop new customers and diversify revenue streams. New product development stimulates the demand for original product lines. New fields – break into emerging fields, such as low-orbit satellites.
Supply Chain	The United States requires ridding supply chains of Chinese content Lack of second source for key components	Supply chain management is required to have a complete range of non-Chinese manufacturers/second sources not produced in China at the Pre-BoM stage. Reduce inventory - closely track order estimates/incoming materials and prevent excess raw materials.
Factory	Vietnam new factory operations	The "Vietnam Factory Working Group" regularly inspects the work progress.
Climate-Related Risks	Climate-related transition risks*	Physical and transition risks arising from climate-related issues have been assessed in accordance with the TCFD framework. Please refer to 1.4.3 Climate-Related Transition Risks. Physical and transition risks are linked to the BCP Plan and ESG strategies, respectively. We have deliberated and formulated energy conservation and carbon reduction-related programs an relevant implementation plans.

Risk Radar Charts

Finance — Strategy — Operations — Hazards

Positive Neutral Negative

The outer circle represents external risks	Increasing proximity to the center indicates increasing possibilities
The inner circle represents internal risk	Increasing circle size indicates increasing impact levels

Risk Mitigation

I. Reduce operational impact

In 2022, market demand picked up due to the end of the pandemic. 2023, however, saw another contraction of demand, which can be attributed to factors such as climbing inflation, economic downturn, and geopolitical uncertainty. As a result of operational adjustments and determined efforts, our annual revenue in 2023 reached around NT$ 18.25 billion. While this represents a decline by around 10% in 2022, it still marks a growth of roughly 6% compared to 2021. For more information on our annual revenue status, please refer to 1.5 Operating Perfoemance and the Company's Financial report.

II. Avoid losses

1. Adoption of sound labor safety & health measures to safeguard the personal safety of employees In 2023, there was no record of major work safety incidents resulting in production line stoppages. However, there was one occupational injury (one employee sustained a crush injury to his left hand at the conveyor platform). After provision of adequate first-aid treatment, it was determined that the injury was light and would not result in disability. Follow-up preventive measures include reinforced education and guidance and placement of additional warning signs at operation sites.

    - 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 2,876 training hours were provided for 858 employees in 2023.
    - 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.

    ※Adoption of sound labor safety & health measures - In 2023, one employee sustained an occupational injury. Due to provision of adequate first-aid treatment, no major bodily harm was caused. In addition, there were no instances of strike or work stoppage (the number of work stoppage and idle days was 0).

2. With the implementation of BCP and other risk prevention measures, there were no production losses in 2023. Please refer to 1.4.4 Business Continuity Plan (BCP) drills and its outcomes.

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	System functionality crash/malfunction Hacker attack Protection of customer privacy	• 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 Policy
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

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
Transition Risk	Policy Laws and regulations	• Relevant climate laws and regulations in various countries impose carbon fees/taxes or fines. • To achieve carbon neutrality, purchase carbon certificates. • Use renewable energy, until the cost increases.	• Imposition of carbon fees/taxes resulting in increased expenses/costs • Required purchase of carbon credits (neutrality) resulting in increased expenses • Purchase of renewable energy certificates (expenses) and installation of solar power facilities (capital expenditures)	M	• Implementation of organization-wide carbon inventories, firm grasp of carbon emission hot spots, assessment and deliberation of reduction measures based on identified hot spots • Implementation of green products/green production • 2030/2040/2050 Sustainability Vision and carbon reduction strategies
	Technology	• Products are crowded out by low-carbon products. • 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. • Enhancement of energy efficiency, equipment updates, or replacement of outdated equipment in response to carbon reduction issues, resulting in increased capital expenditures • Mandatory selection of suppliers with lower carbon emissions but higher costs in line with low-carbon product trends, resulting in increased costs	M	• Early deployment of new materials and technologies. • Develop energy-saving and low-carbon products. • Implementation of green products/green production
	Market	• Changes in market preferences, tendency toward energy-saving products, resulting in a decline in demand. • 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. • Development of low-carbon products resulting in increased R&D expenses • Energy-saving equipment resulting in increased capital expenditures • Purchase of renewable energy certificates (expenses) and installation of solar power facilities (capital expenditures)	M	• 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.	L	• Transparently disclose carbon reduction strategies, plans, and performance. • Improve international assessment scores.

M: Medium   L: Low

Classification		Risk scenario	Impact	Degree of Risk	Response plan
Physical Risks	Short term	• Typhoon/heavy rainfall. • Water shortage/drought.	• The scenarios listed on the left cause the following outcomes: • Capacity reduction/interruption. • Attendance or personnel injuries • Asset damage • Increased operating costs	L	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.	• Increased infrastructure costs • Increased insurance premiums • Restoration/rehabilitation expenses arising from damaged equipment or injured personnel	L	

Ⓐ Climate Risk-Related Financial Impacts

The potential financial impacts of latent climate risks facing the Company, which we identified in accordance with the TCFD framework, are as follows:

Transition risks:

1. Policies
   a. If the government imposes carbon fees/taxes or requires purchase of carbon credits (neutrality) operating expenses are bound to increase.
   b. Adoption of renewable energy sources in line with national carbon reduction goals possibly leads to rising electricity tariffs and costs.

2. Technology
   a. If energy conservation or carbon reduction technologies utilized in products lag behind those of competitors, the willingness of customers to remain loyal to the Company may decrease, which in turn negatively affects order volume and revenues.
   b. Enhancement of energy efficiency, equipment updates, or replacement of outdated equipment in response to carbon reduction issues results in increased capital expenditures.
   c. Mandatory selection of suppliers with lower carbon emissions but higher costs in line with carbon reduction trends in the supply chain or lowered carbon footprints of products results in increased costs.

3. Markets
   a. Changing market preferences can negatively affect order volume and revenues if low-carbon and energy conservation requirements of the market or customers fail to be met Mandatory purchase of renewable energy certificates (increased expenses) and installation of solar power facilities (capital expenditures) in line with carbon reduction requirements of customers and commitment to RE100 goals.
   b. Reputation
   Poor carbon reduction efficiency negatively affects the company reputation and credit rating resulting in increased fund-raising or financing costs; the company reputation also affects the public image, which can lead to increased recruitment expenses or salaries required to raise the willingness of job seekers to join the Company; protection of the company reputation can also be associated with increased PR expenses.

Physical risks:

1. Plant work stoppages - Heavy rainfall and typhoons can result in plant flooding, power outages, or inability to initiate production line operations, which in turn negatively affects order volume and revenues.

2. Financial or personnel losses - Heavy rainfall, typhoons, and earthquakes can result in damage to plant equipment or personnel injuries, which can cause losses.

3. Restoration/rehabilitation expenses arising from aforementioned equipment damage or personnel injuries.

Ⓑ Climate Risk Pressure Testing

Our TCFD assessments mostly rely on the RCP4.5 scenario (in this so-called intermediate scenario emissions decline to roughly half of the current level by 2080, which is likely to result in a global temperature rise of no more than 2 °C by 2100). Hypotheses for each identified risk are reviewed, parameters are set, and variables are assessed in line with risk descriptions with the ultimate goal of calculating the potential financial impact on the Company caused by climate risks and determining the Company's risk endurance level.

Financial model		Calculation Method
Impact on Revenues		Projected Revenue X Impact on Order Volume % (customer switch to competitors + work stoppage impact)
Increased Costs	Material Labor Expence	• Projected Revenue X Share of Raw Materials in Revenue% X Increased Costs % • Increased Salary Expenses Salary Expenses X Salary Adjustments % • Increased Electricity Tariff Power Consumption (in kWh) X Cost Difference per kWh
		➡ Decreased Gross Margin
Increased Costs	• Carbon Fees/Taxes • Certificate Expenses • Depreciation Expenses • R&D Expenses • Financing Expenses • Restoration/ Rehabilitation Expenses	• Carbon Emission Amount (in tons) X Carbon Fee/Tax per Ton • Renewable Energy Certificate (RECs) Expenses* • Solar Power Capital Expenditures (Depreciation), Energy-Saving Equipment Capital Expenditures (Depreciation)* • Increased R&D Manpower RD Personnel X Salary Expenses per Person • Increased Financing Expenses Loan Amount X Interest Rate Increase % • Restoration/Rehabilitation Expenses Arising from Equipment Damage or Personnel Injuries
		➡ Decreased Operating Profits
Non-operating Loss		Disaster-related Loss (Financial, Personnel) Replacement of Outdated Equipment with Poor Energy Efficiency
		➡ Decreased Pre-Tax Income

* Based on the Transition Plan described below

Transition Plan For Climate-Related Risks

Relevant transition risks are linked to the ESG strategies. We have already officially announced our 2030/40/50 Sustainability Vision which targets achievement of RE 60 and realization of a carbon reduction by 30% in the supply chain by 2030, and achievement of the RE100 benchmark by 2040 and the Net Zero target by 2050. Please refer to the description of our Vision for Sustainable Environment in Ch4 Searching for Sustainable Environment for more details. In addition, we have developed the following five major carbon reduction strategies and plans to facilitate achievement of the 30/40/50 Vision:

- Green Energy
  With a view to achieving the RE 60 and RE 100 benchmarks, we strive to reduce carbon emissions through investment in power-saving measures to lower our power consumption, installation of solar power facilities, and replacement of fossil fuels with renewable energy options. Traditional energy forms such as electricity will still be used for other operations. We are also steadfastly committed to purchasing RECs every year. The RE (renewable energy) share will be increased to over 60% in 2030 and 100% (RE100) in 2040.

- Green supply chain
  With a view to achieving a carbon reduction of 30% in the supply chain by 2030, we held a "Supplier Energy Conservation & Carbon Reduction Conference" at our Hsinchu Headquarter on November 17, 2023 to underscore our pledge to partner with our suppliers in our sustainability initiatives. We invited experts from the Industrial Development Bureau and Institute for Information Industry to share practical experiences and global trends in the field of carbon reduction. The ultimate goal is to partner with our suppliers in the creation of a sustainable, low-carbon supply chain.

In 2023, Alpha Networks was awarded subsidies in the context of the "Low-Carbonization and Smart Transformation of the Manufacturing Industry through Mentorship" project sponsored by the Industrial Development Administration of the Ministry of Economic Affairs. These subsidies will be utilized for the setting up of a supplier (carbon emission information) platform and relevant guidance measures to foster joint efforts and ongoing progress on the path toward the goal of carbon reduction.

- **Green operations**

Quantification/assessment, management and reduction of carbon emissions inform our blueprint. We analyze carbon hotspots through our inventory of organizational greenhouse gas emissions (ISO 14064-1), and take energy-saving and carbon-reduction measures. Please refer to 4.3 Carbon Emission.
We further plan to adopt a product carbon footprint calculation method to facilitate development of low-carbon products, reduce product carbon footprints, and ensure ongoing implementation of green products and green production:

1. Green products
   Alpha Networks examines carbon emissions for the entire life cycle and identifies reduction opportunities for its products through life cycle assessment (LCA) thinking. We attach great importance to green design, products without harmful substances, and product designs that are easy to disassemble and recycle, or that save energy. We start from design to consider the environment, our impacts and carbon reduction. Please refer to: Viewpoint 2 Actions of Sustainable Environment or 4.1 Green Products.

2. 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: 4.1.4 Green Product Design and Production.

- **Green Transformation Platform**
  In addition to the aforementioned supplier (carbon emission information) platform, we plan to adopt a carbon footprint management platform in the future to facilitate the rapid execution of carbon footprint inventories for different products and thereby satisfy customer demands and raise customer satisfaction.

- **Green Initiatives**
  We plan to join the SBTi Initiative in 2024 and are firmly committed to reaching the Net Zero target by 2050. We have therefore formulated concrete, science-based carbon reduction targets and carbon reduction pathways in accordance with the SBTi guidelines and have initiated carbon reduction targets accordingly.

Climate Change Opportunities Assessment

	Outcome	Action plan
Energy Efficiency	Develop IoT equipment to seize business opportunities.	• Successful development of energy-saving processes, energy consumption improvements in factories, and reduced manufacturing costs • Carbon footprint reductions and decreased production manpower (lowered operating costs) through CIP-based process optimization
Energy Source	Reduce carbon fees.	• Focus on the renewable energy market. • Evaluate setting up rooftop solar panels.
Products	Reduce carbon emissions in the product manufacturing stage and improve customer benefits.	• Pay attention to the energy-saving trend in the international market. • Enhanced energy-saving product design through R&D efforts to create competitiveness and added value • 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. • Utilization of recyclable and reusable consumables and packing materials.
Resilience	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. • Development of a low-carbon supply chain and reinforcement of the reliability and operating capacity of the supply chain under any circumstances.

1.4.4 Business Continuity Management

We are firmly committed to the provision of high-quality network communication products and persist in our efforts to develop and intensify partnerships with our customers conducive to mutual growth. Our ultimate objective in the field of business continuity management lies in the provision of diversified, top-quality, and uninterrupted manufacturing services for networking devices.

The following procedures are strictly observed and executed in case of operating environment changes to ensure effective implementation of the business continuity management system:

- Carrying out business impact analysis and risk assessment, formulation of business continuity strategy, and resumption of normal operations as quickly as possible.

- Allocation and investment of necessary resources in the event of a disaster or serious impact and ongoing review of further improvements and corrective action.

- Safeguarding the best interests of customers and other stakeholders.

Operating Processes

With a view to ensuring the continuity of operations, the Company conducts drills for disaster events (including power outages, natural disasters, infectious diseases, IT failure, supply chain disruptions, and major production line incidents, etc.) on an annual basis as required to mitigate the impact of such disasters on our operations. The results of all disaster drills conducted in 2023 met the set targets.

With a view to ensuring effective implementation of Business Continuity Management (BCM), we have formulated Business Continuity Plans for each environmental impact. The goal is to guarantee the restoration of normal operation modes to a certain degree within the shortest time possible in case of natural or man-made disasters. Statistics pertaining to the seven BCP plans and completed drills for the Hsinchu factory, Changshu factory, and Vietnam factory in 2023 are shown below:

Hsinchu Factory	
Year	Drill Type
2023	• Flooding of the dock area on the 1st floor results in disruption of manufacturing operations • Waterproof flaws result in inability to deliver products in a timely manner • Power outage results in key equipment failure/production operation disruptions (A Line SMT Reflow Oven) • Traffic accident involving direct production line workers results in production operation disruptions

Changshu Factory	
Year	Drill Type
2023	Flooding results in inundation of the 1st floor of the warehouse

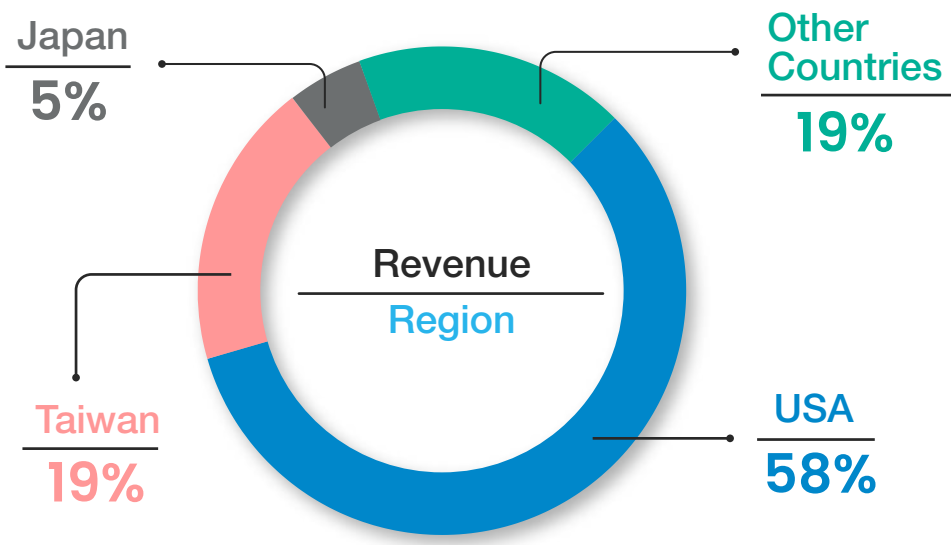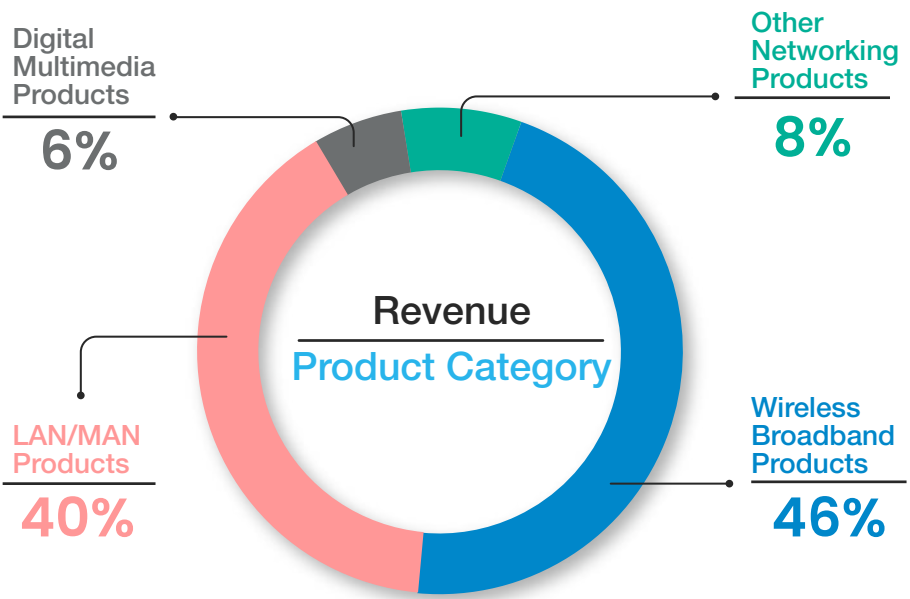| Vietnam Factory	
Year	Drill Type
2023	• Fire drill on April 21, 2023 • Chemical leakage drill on June 15, 2023

1.5 Operating Performance

Against the backdrop of unfavorable factors such as high inflationary pressures and relatively high inventories affecting the economy and markets caused by interest rate hikes, Alpha Networks still achieved excellent results due to the dedicated joint efforts of the management team and all staff members. In 2023, the annual consolidated revenue and consolidated gross margin reached NT$ 28.27 billion (parent company only NT$ 18.25 billion) and 18.4%, respectively, which marks a decrease by 0.2% over last year's rate of 18.4%. Operating income, net income, profit attributable to owners of the parent, and EPS amounted to NT$ 830 million, 640 million, 550 million, and NT$1.01, respectively.

The consolidated operating performance, related financial information, profit analysis of Alpha Networks over the last five years as well as its 2023 revenue portfolio are presented below in graph form. For more information about Alpha Networks, please refer to Alpha Networks' financial report or check with the Market Observation Post System.

Income Statement Operating Performance

	2019	2020	2021	2022	2023
Operating revenue	15,825,808	32,170,649	27,862,336	33,634,197	28,272,191
Operating costs	13,211,807	27,164,356	23,276,437	27,380,956	23,061,01
Gross profit	2,614,001	5,006,293	4,585,899	6,253,241	5,211,173
Operating expenses	2,381,896	4,108,686	3,876,226	4,538,709	4,381,903
Operating profit & Loss	232,105	897,607	709,673	1,714,532	829,270
Non-operating income and expenses	107,688	21,899	45,189	(180,521)	(21,873)
Income (loss) before tax	339,793	919,506	754,862	1,534,011	807,397
Income tax expenses	100,890	194,403	214,450	375,840	167,530
Income (loss) after tax	238,903	25,103	540,412	1,158,171	639,867

Unit: Thousand NTD

Revenue Product Category

Digital Multimedia Products **6%**

Other Networking Products **8%**

LAN/MAN Products **40%**

Wireless Broadband Products **46%**

Revenue Region

Japan **5%**

Other Countries **19%**

Taiwan **19%**

USA **58%**

Financial Information

Related Financial Information	2019	2020	2021	2022	2023
Total Assets	25,000,368	27,005,583	24,730,784	27,133,014	23,798,843
Ordinary Share Capital	5,425,901	5,417,185	5,417,185	5,417,185	5,417,185
Total Equity	14,047,294 (note3)	12,738,331	12,559,104	13,556,619	13,330,079
Cash Dividend (Note 1)	_ (note2)	238,692	108,344	379,203	915,504
Book Value Per Share (Dollar)	18.39	17.91	17.73	19.15	18.48
Cash Dividends Per Share (Dollar) (Note 1)	_ (note2)	0.44	0.20	0.69	1.69
Average Closing Price Per Share (Dollar)	21.08	25.26	30.34	29.64	36.48

Unit: Thousand NTD

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 Analysis

Profitability	2019	2020	2021	2022	2023
Return on Assets (%)	1	3	2	5	3
Return on Equity (%)	2	5	4	9	5
Profit Before Tax to Capital Stock (%)	6	17	14	28	15
Net Profit Ratio (%)	1	2	2	3	2
Earnings Per Share (NTD)	0.44	1.03	0.80	1.69	1.01

Project Grants

Technology development at Alpha Networks focuses on the development, manufacturing and support for network communications equipment. Alpha Networks is now actively engaged in the development of 5G mobile communications technologies and products. Alpha Networks is now leveraging its outstanding R&D and technology integration capability along with support for the government's "industrial innovation upgrade" and "Promotion of Innovative Communication Technology Applications" to secure related grants and tax deductions from the government.

Location	Project	Grant Type	Grant Basis
Alpha Networks	Investment credit	Tax credits obtained	**Statute for Industrial Innovation -** Industrial Development Bureau, MOEA
Alpha Networks	**Industrial Upgrading and Innovation Platform Mentoring Program -** "Development of energy-efficient user terminal products and supply chain integration plan for lo w-orbit satellites"	Subsidy obtained NT$1,631,000	Industrial Innovation Regulations - Industrial Bureau, Ministry of Economic Affairs
Alpha Networks	**Industrial Upgrading and Innovation Platform Mentoring Program -** "Smart Manufacturing for New-Generation 5G Private Networks, Netcom Factory's Global Supply Chain Resilience Strengthening Plan"	Subsidy obtained NT$ 16,236,000	Industrial Innovation Regulations - Industrial Bureau, Ministry of Economic Affairs
Alpha Networks	**Innovative Communication Technology Development and Infrastructure Installation Program -** Alpha Networks Smart Factory + 5G System Integration Program	Acquisition of subsidies NT$ 4,275,000	Program for Expansion of Innovative 5G Private Network Application - Administration for Digital Industries, Ministry of Digital Affairs
Alpha Networks	**Low-Carbonization and Smart Transformation of the Manufacturing Industry through Mentorship Subsidies -** "Alpha Networks Program to Drive Low-Carbon Transformation of the Supply Chain Through Smart Energy Upgrades"	Acquisition of subsidies NT$ 473,000	Guidelines for the Promotion of Industrial and SME Transformation by the Ministry of Economic Affairs - Industrial Development Administration, Ministry of Economic Affairs

Sustainable Value Chain

Visionary Products, Responsible Procurement and Production as a Driving Force for Sustainable Industry Chain Development

Chapter 2

Achievement of the year

2.1 Sustainable products **2.2** Resilient supply chain

2.3 Customer satisfaction

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

🔍 [Follow-Up] Achievements of the Year

Sustainable Products

- In 2023, Alpha Networks applied for 25 patents. We expect to submit applications for a total of 74 patents in different countries.

- We participated in Mobile World Congress (MWC) 2023 and Taipei COMPUTEX.

- No violations of regulations governing product and service information and labeling or marketing communication laws (including advertising, promotion, and sponsorship) occurred in 2023.

Customer Satisfaction

- The overall customer satisfaction score reached 86.9 in 2023 (exceeding the target score of 85). In the five material topic areas, satisfaction with green products exceeded 90.

Supply Chain Management

- A total of 636 suppliers were evaluated in 2023. The average percentage of excellent (A)/good (B) suppliers and poor (E) suppliers was 98.90% and 0.31%, respectively.

- None of the 164 suppliers rated in 2023 were listed as non-recommended suppliers (score lower than 70) and no suppliers were suspended from new material transactions.

- In 2023, corporate social responsibility audits were conducted for 72 suppliers (49 suppliers audited in the context of annual audits and 23 new suppliers audited prior to adoption).

- A total of 29 applications for conflict mineral investigations were submitted in 2023. All of them have been successfully completed (completion rate of 100%).

Complete and Visionary network communication product line

2.1 Sustainable Products

The mission of Alpha Networks is to "be a globally recognized, professional networking supplier of design, manufacturing and services (DMS). With forward-looking technology as the core, we seek the best solutions for our customers to create the greatest overall value". We provide customers with the most comprehensive product line in the industry to meet their needs and create maximum value.

2.1.1 Current Product (service) Lineup

LAN MAN
High-Speed Reliability Efficiency & Flexibility

A. Data Center Network
- 400G Data Center Switch
- 100G Data Center Switch
- 25G Data Center Switch
- 10G Data Center Switch

B. Enterprise Campus Network
- L3 Multi-Gigabit Ethernet Switch
- L3 Multi-Gigabit Ethernet Switch
- L3 Managed Switch

C. Small Business Network
- SMB L2 Managed Switch

D. Carrier Access Network
- Broadband Aggregation Switch
- XGSPON OLT
- Mobile Backhaul Switch
- Fronthaul Switch

E. Industrial Ethernet Network
- L2 Managed Switch

Digital Multimedia & Automotive
Smart home & mobile enterprise solutions

A. Video Doorbell
- 3MP Radar Doorbell

B. Home Security
- 2MP Wireless Camera

C. Video Surveillance
- 5MP Surveillance Camera

D. Smart Doorbell
- Industrial-Grade Smart Door Bell Monitoring System

E. Radar Sensor
- 24GHz Short Range Radar
- 79 GHz Short Range Rada
- 77 GHz long Range Radar
- 79 GHz Mid Range Radar
- 9GHz BSD Radar

F. ADAS SOLUTION
- 79GHz BSD Radar System for Commercial Vehicles
- 79GHz Universal Parking-Assistant BSD Radar System

G. AVM SOLUTION
- Universal 360° AVM + Radar Monitoring System

H. T-BOX
- T-BOX COMMERCIAL VEHICLE SYSTEM

Wireless Broadband
Connecting Life through Technology

A. Mobile Broadband
- 4G Router
- 5G Router
- 5G Small Cell*
- *5G RU (Radio Unit)/5G CDU (Centralized and Distributed Unit)

B. Fixed Broadband Acces
- xDSL IAD
- FTTx HGU
- FTTx ONT/ONU
- FTTx SFU

C. Wireless Networking
- Enterprise Wireless AP
- Wireless Router

2.1.2 Trend of Sector

Industry Competition

Global advances in technology have led to breakthroughs in wired and wireless product technologies. The rapid evolution of new technology also translates into shorter product life cycles and uncertainty during new product development. To lower costs or simplify product functionality, many vendors have now adopted a strategy of competing on price.

Alpha Networks has a complete product range of any network equipment maker 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 communications 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 communications software and hardware technologies will be equipped to provide customers with the latest and the most complete solution.

Network Communication

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 customers 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. It has been determined that it is sufficient to cope with fierce industry competition in the future.

Automotive Electronics

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.

Product Development Trends

Mobile Broadband Roll-Out and Upgrade

The surge in mobile multimedia traffic generated by the rising number of mobile broadband users on social networking platforms and multimedia channels worldwide has catapulted the demand for high-speed mobile network access. Against the backdrop of the constantly growing 5G market, all countries have taken the initiative in the deployment of 5G network infrastructure and gradual development of terminal equipment. Flexible 5G networks will give rise to a rising number of emerging application services, which will foster the development of applications characterized by high bandwidth, low latency, and wide connectivity and diverse application solutions for consumers, the telecom sector, enterprises, and vertical markets.

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.

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.

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.

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.

Development Trends 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 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.

2.1.3 Development and innovation

R&D Focus

LAN/MAN BU

The development of Alpha Networks in the field of Ethernet high-speed network switches comprises switches for data centers, enterprises, telecom providers and industrial players. 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.

Wireless Broadband BU

In the post-pandemic era, telecommuting and work-from-home (WFH) practices arising from COVID-19 have turned into an irreversible trend. However, all-in-one telecommuting and remote collaboration solutions highly rely on the real-time transmission of large data quantities including image, video, and voice data. The rapidly rising demand for high bandwidth and smart home environments generated by home office practices has prompted telecommunication operators worldwide to accelerate upgrades of their fixed fiber-optic network infrastructure and deployment of 5G networks and substantially increase the number of wireless base stations (Wi-Fi APs). 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.

Digital Multimedia & Automotive 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 experience also acts as a solution provider for smart homes and home security monitoring within our Group.

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).

New Products and Technologies under Development

LAN MAN BU

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. XGS-PON OLT

G. Carrier Grade Time Synchronization

Wireless Broadband BU

A. PON/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

Digital Multimedia & Automotive BU

A. Smart Surveillance Solution

B. Intelligent Video and Audio Analytics

C. mmWave Radar with Image Fusion Technology

D. AVM & Radar Sensor System

E. AVB Ethernet Gateway

F. AI Dash Cam

Approved Patents of the Year

Since our spinoff from D-Link and official inception, we have accumulated close to 30 years' experience in the manufacture of network communication products.5G, Small cell, and cloud technology, demonstrating the Company's industry-leading R&D capability and its ability to protect core technologies with patents.

In 2023, Alpha Networks submitted a total of 25 patent applications. We plan on filing 74 patent applications in different countries. The number of patents approved by the competent authorities of various countries in 2023 was as follows (including applications before 2023):

Patent Name	Country	Category	Certificate Issuing Date	Certificate Number
Vehicle-mounted navigation method and system	China	Invention	2023/4/7	ZL201610622735.7
Communication resource distribution method and associated cell site installations	China	Invention	2023/4/25	ZL201811277025.0
Distributed system for software verification	USA	Invention	2023/2/21	11586435
Wireless network gateway and wireless system	Taiwan	Invention	2023/6/1	I803782
Packaging structure with resilient positioning flaps	Europe England	Invention	2023/2/22	EP4001146
Packaging structure with resilient positioning flaps	Europe Germany	Invention	2023/2/22	EP4001146
Packaging structure with resilient positioning flaps	Europe France	Invention	2023/2/22	EP4001146
Antenna cover for adjusting antenna pattern	Taiwan	Invention	2023/3/1	I794770
Antenna cover adapted to modify antenna pattern	USA	Invention	2023/3/7	11600917
アンテナパターンを変更するように構成されたアンテナカバー	Japan	Invention	2023/3/24	7250869
Airflow detection device for detecting whether air output path is obstructed	USA	Invention	2023/8/22	11733076

Patent Name	Country	Category	Certificate Issuing Date	Certificate Number
Heat dissipation structure having housing made of high thermal resistance material and electronic apparatus having the same	USA	Invention	2023/10/3	11778726
Power switching circuitry and ethernet apparatus using the same	USA	Invention	2023/8/22	11733750
Screw with stacked screw heads	Taiwan	Invention	2023/6/1	I804025
Filter driver	Taiwan	Invention	2023/4/11	I798766
Wind flow detection device for detecting wind speed	Taiwan	Invention	2023/4/1	I797852
Floating electrical connector and circuit connection structure	Taiwan	Invention	2023/11/1	I820479
Floating electrical connector	USA	Invention	2023/12/26	11855388
Periodic metal array structure	Taiwan	Invention	2023/4/21	I800065
Periodic metal array structure	USA	Invention	2023/10/3	11,777,205
Apparatus for synchronous ethernet	Taiwan	Invention	2023/9/1	I814454
Wall-mounted bracket	Taiwan	Invention	2023/1/21	I790832
Method for estimating distribution of wireless signal strength, selecting position for measuring wireless signal strength, and compensating estimated wireless signal strength	Taiwan	Invention	2023/7/11	I808858
Network switch	Taiwan	Invention	2023/2/11	I792879
Network switch	USA	Invention	2023/7/4	11695707
Doorbell mounts and doorbell components	Taiwan		2023/2/11	I792895

Patent Name	Country	Category	Certificate Issuing Date	Certificate Number
Method for uplink transmission in radio access network, radio access network and system thereof	Taiwan	Invention	2023/8/1	I810811
Radar system for vehicle and detecting method	Taiwan	Invention	2023/7/11	I808874
Suction Cup Support Structure	Taiwan	Invention	2023/1/21	I790918
SUPPORTING STRUCTURE WITH SUCKING UNIT	USA	Invention	2023/6/27	11686431
Disassemble into a package clamp cushioning material for feet	Taiwan	Invention	2023/6/1	I804299
Multi-cell handover automatic measurement method and system	Taiwan	Invention	2023/4/21	I800444
Antenna cover for adjusting antenna pattern	Taiwan	Invention	2023/12/21	I827091
Thermal module	Taiwan	Invention	2023/1/21	I790959
Routing information management method and system for a layer 3 switch	Taiwan	Invention	2023/9/1	I814643
Microstrip antenna	Taiwan	Invention	2023/11/1	I820883
A packet processing method and computing device for user plane function (upf) compatible with cloud-native virtual network layer	Taiwan	Invention	2023/12/11	I826194
Radome with double-layer double-circle structure	Taiwan	Invention	2023/12/11	I826068
Intelligent temperature control system for network equipment	Taiwan	Invention	2023/8/1	I811153
Guide rail device with side clamping mechanism and its mechanism	Taiwan	Invention	2023/5/11	M640926
Guide rail device with side clamping mechanism and its mechanism	China	Invention	2023/4/28	ZL202223177768.5

Participation in Trade Shows

Alpha Networks has been actively engaged in the development of 5G private network applications and their gradual introduction to the market for proof of business and services. In 2023, we participated in Mobile World Congress (MWC) 2023 and Taipei COMPUTEX, extending our feelers into the international telecommunication market and the vertically integrated 5G market with the ultimate goal of increasing our exposure and visibility in overseas markets.

In February 2023, we showcased our "New-generation Broadband Equipment End-to-End Solution" in the MWC Taiwan Pavilion which had been planned and designed by the Industrial Development Bureau of the Ministry of Economic Affairs. This hard-and software one-stop purchase solution, which encompasses Radio Units (RU), Distributed Units (DU), and Central Units (CU) for 5G base stations, can be flexibly adjusted and customized in line with site and proprietor requirements. In recent years, our equipment has been approved by numerous international customers and we have made successful forays into the European, North American, and Japanese markets. Deployment has been expanded into various application areas. The 5G and post-pandemic era has ushered in the age of high-frequency and high-speed networks. Alpha Networks' RUs for 5G base stations not only fully support ORAN standards but also employ 5G Massive MIMO. The goal is to enhance network coverage, site use flexibility, system capacity, and realize increased mobile capacity and efficiency in high-traffic urban areas. Furthermore, we have accelerated our global deployment beyond our principal markets through active pursuit of cooperation agreements with global telecommunication providers.

In May, we participated in BenQ/Qisda Group Computex Smart+ exhibition to showcase our latest product offerings including our Wi-Fi 7 home router and 5G Micro Radio Unit. The Wi-Fi 7 home router which features 320 Mhz broadband, 4K-QAM, and Multi-Link Operation (MLO) mode offers more stable wireless transmission rates paired with optimized signal coverage. The 5G Micro Radio Unit, on the other hand, boasts several benefits including outdoor use, small size, low power consumption, and installation flexibility. It can be applied in urban infrastructure installations for maximum design flexibility. On top of that, we also exhibited our 800G Data Center Switch, 5G virtual Multi-access Edge Computing (MEC) platform, AIoT Dash Cam, and Radio Video Doorbell Solution. This 4-day exhibition was characterized by extensive interactions and exchanges with key industry representatives. In addition to our ongoing commitment to the development of innovative 5G technologies and the promotion of communication infrastructure upgrades in line with the requirements of Industry 4.0, we have ventured into the field of diversified, new service applications based on the smart city concept. The products displayed during this exhibition also conform to SDG 4 Quality Education, SDG 8 Decent Work and Economic Growth, and SDG 9 Industry, Innovation, and Infrastructure. Consequently, they not only help unlock new business models but also echo the spirit of ESG and sustainable development.

01   Participation in Mobile World

02   Participation in Taipei COMPUTEX

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 with 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 2023.

2.2 Resilient Supply Chain

Implement supplier management to fulfill corporate social responsibilities

Alpha Networks requires all local suppliers to comply completely with all relevant laws and regulations. Alpha Network 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. A total of 10 companies were found 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 develops its own trading platform with suppliers to manage orders to suppliers. We strictly abide by the Personal Data Protection Act and confidentiality agreements and seek to create a secure and smooth platform by working together.

We have also signed procurement contracts with suppliers, conducted audits on corporate social responsibility, strengthened supplier partnerships, and due diligence on conflict minerals. The assessment on the supplier environment has become more comprehensive.

2.2.1 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.

Monthly/Quarterly Supplier Evaluations

1. Supplier Quality Performance Evaluation

- 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 2023, the average ratio of excellent (A) and good (B) suppliers was 98.90%, and the ratio of inferior (E) suppliers was 0.31%.

Alpha Networks 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.

2023 Assessment of Supplier Quality Performance

Factory\Rating	Excellent (A)	Good (B)	Acceptable (C)	Poor (D)	Terrible (E)
Hsinchu	204	2	1	1	1
Dongguan	184	3	0	0	1
Changshu	234	2	2	1	0

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 2023, 164 suppliers were evaluated, and 0 suppliers were listed as non-recommended suppliers. In 2023, no suppliers were suspended from new material transactions.

Supplier Quality Performance Evaluation Form

Content	Score Distribution			Total Core
	SQE	Supply Chain Management	Engineering Technology	
Quality	30			30
Cost		20		20
Delivery		15		15
Service		5		5
Technical			30	30
Total score	30	40	30	100

2.2.2 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.

2023 Training Schedule for Suppliers

Class location/time	Q1	Q2	Q3	Q4
Alpha Networks (Hsinchu Factory) No. 8 Li-hsing 7th Rd., Science-based Industrial Park, Hsinchu City	3/15 (Wed)	6/14 (Wed)	9/13 (Wed)	12/13 (Wed)
Alpha Networks (Vietnam Factory) Lot CN03, Dong Van 4 Industrial Park, Dai Cuong Commune, Kim Bang District, Ha Nam Province, Vietnam)	NA	6/16 (Fri)	9/15 (Fri)	12/15 (Fri)
Alpha Networks (Changshu Factory) No.369, Yintong Road, Southeast Development Zone Changshu, Jiangsu Province)	3/17 (Fri)	6/16 (Fri)	9/15 (Fri)	12/15 (Fri)
Alpha Networks (Dongguan Factory) Xingang Road, Xin'an Area, Chang An, Dongguan City Guangdong Province)	3/17 (Fri)	6/16 (Fri)	9/15 (Fri)	12/15 (Fri)

Remark
MCD: Material Composition Declaration

2.2.3
Signing of Procurement Contracts

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 this, 23 local suppliers were introduced with the signing of procurement contracts as Alpha Networks commenced its 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' RoHS-related international regulatory requirements and fulfill the goal of building a Green Supply Chain.

2.2.4
Corporate Social Responsibility Audition

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 2023, corporate social responsibility audits were conducted for 72 suppliers (49 suppliers audited in the context of annual audits and 23 new suppliers audited prior to adoption).

2.2.5
Strengthening of 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.

2.2.6
Conflict Minerals Due Diligence

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. A total of 29 Conflict Minerals Reporting Template (CMRT) applications were submitted before the end of December in 2023 and 29 CMRT surveys were completed, at a completion rate of 100%.

Remark:

*CMRT: Conflict Minerals Reporting Template
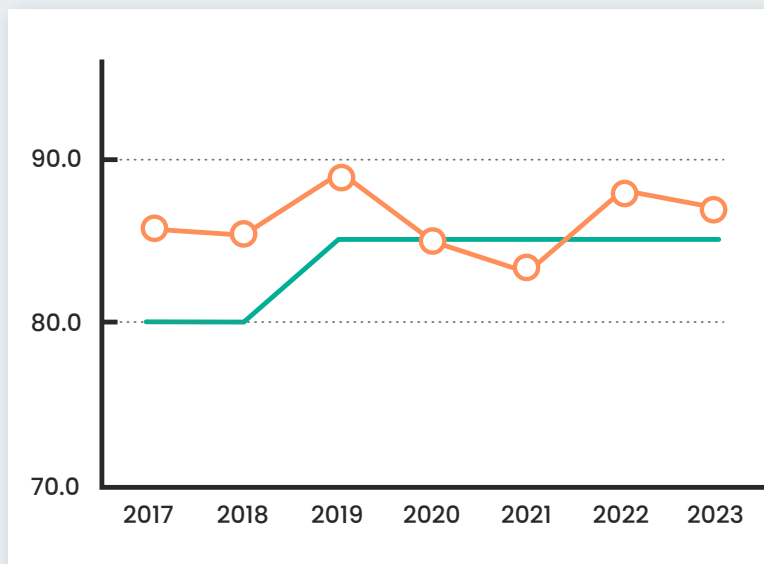
2.3 Customer Satisfaction

Customers' satisfaction is the top priority.

Customer satisfaction surveys

Alpha Networks relies on annual customer satisfaction surveys or customer feedback scores in the context of QBR to gain a better understanding of whether or not the products and services provided by the Company meet the needs of different customer groups. This feedback also serves as a key reference for ongoing improvements.

• In 2023, the overall customer satisfaction score reached 86.9, exceeding the target value
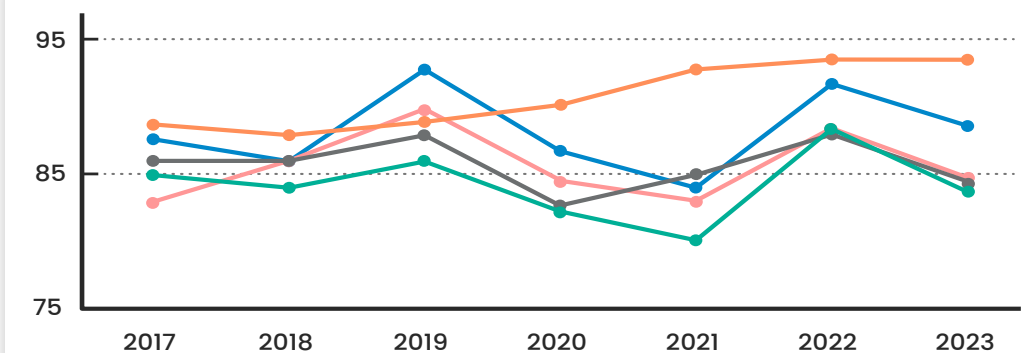
2017~ 2023 Overall Customer

Year	2017	2018	2019	2020	2021	2022	2023
Year Score	85.6	85.3	89	84.9	82.93	87.9	86.9
Target Value	80	80	85	85	85	85	85

• In the five material topic areas, satisfaction with green products exceeded 90.

2017~ 2023 Customer satisfaction with the five material topic areas

Item/Year		2017	2018	2019	2020	2021	2022	2023
Quality Measurements		85	84	86	82	80	88	84
Delivery Performance		88	86	93	87	84	92	89
Engineering Support		83	86	90	85	83	89	85
Product development and Realization		86	86	88	83	85	88	85
Green Product Implementation		89	88	89	90	93	94	94

It is evident from recent customer satisfaction scores that the satisfaction level in the "Quality Measurements" category lags behind other topic areas. As a result of the ongoing efforts and improvements implemented by responsible departments, our customers awarded us a high score in this category in 2022, reflecting their high praise and positive perception of our efforts in this area. However, the results of the 2023 satisfaction survey for which a new respondent category (Japanese customers) was added again revealed a relatively low satisfaction score which fell short of our expectations in this area. We will therefore request our responsible units to persist in their efforts to identify the root cause and offer proactive services.

In line with environmental laws and customer requirements in different countries, we are deeply committed to establishing a green product management system. We also request our suppliers to sign guarantees and submit third-party test reports to ensure that our products meet the regulations and requirements associated with controlled substance lists and thereby avoid negative impacts of harmful substances. The ultimate goal is to ensure that our products conform to the spirit of eco-friendliness and environmental protection during all stages ranging from development to post-production. Due to these rigorous controls, we have achieved good results in the field of customer satisfaction with Green Product Implementation in recent years.

Creating an Inclusive Society

Building a Friendly Workplace and Promoting Social Welfare

Chapter 3

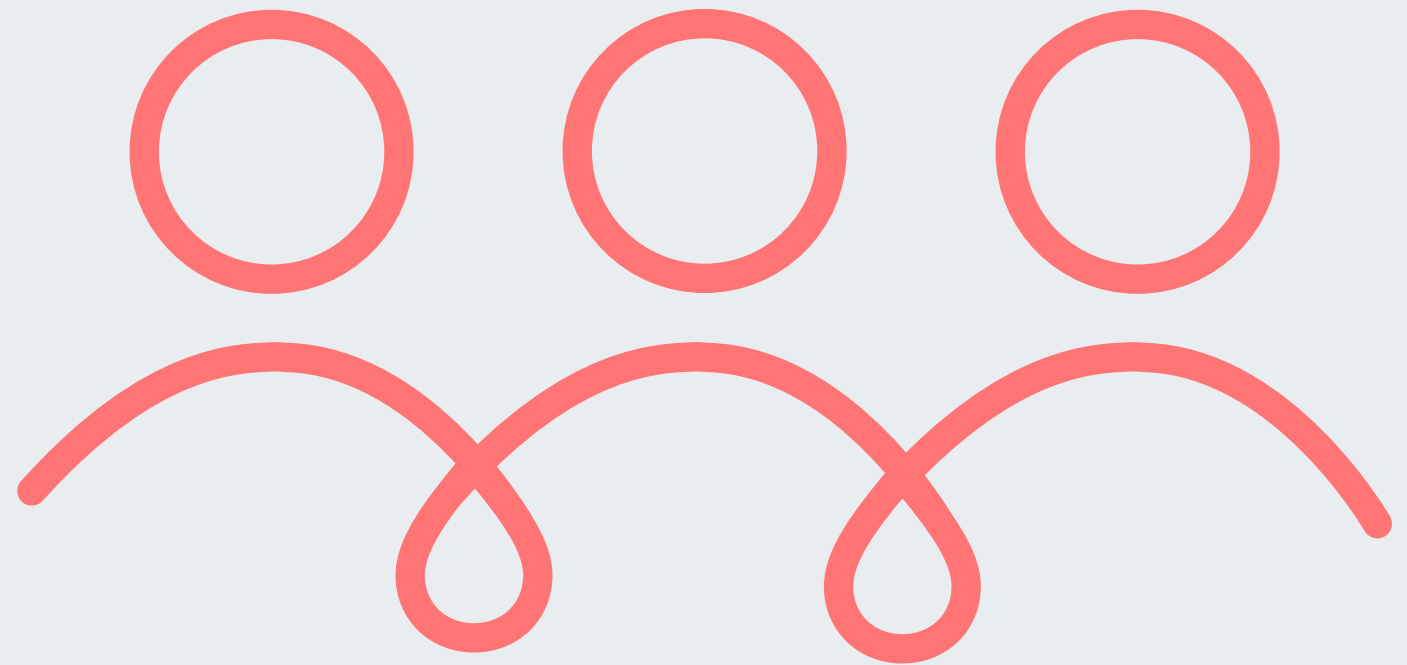**Achievement of the year**
[Topic 1] Well-being Enhancement   [Topic 2] Workplace Equality

3.1 Human rights   *3.2* Talent Acquisition

3.3 Salary and benefits   *3.4* Talent Development   *3.5* Safety and Health

3.6 Social Engagement

🔍 [Follow-Up] Achievements of the Year

Human Rights

- In 2023, Alpha Networks participated in the "Promotion of Workplace Equality" Outstanding Business Unit selection organized by the Hsinchu Science Park Administration and was awarded the "Outstanding Award".

- In 2023, Alpha Network had no incidents of child labor, forced labor, gender discrimination, or other violations.

- Completed the identification of human rights risks.

Salary and Benefits

- In 2023, the average salary for full-time employees not in managerial positions was NTD 1,132 thousand (a growth of 1.4% compared to 2022), with a median of NTD 1,066 thousand (a growth of 1.5% compared to 2022).

- IIn 2023, five female colleagues took maternity leave, while 17 male colleagues took paternity leave. Both genders received the same leave benefits.

Training and Education

- In 2023, the total training hours came to 26,474 hours, with a total of 18,557 participants trained throughout the year;

- Talent cultivation for 5G, 6G, and various research and development fields amounted to a total training duration of 1,505 hours; the average training time per participant came to 4.67 hours.

- To deepen ESG culture, new employee training on ESG-related courses totaled 414 hours, with 678 participants trained; Annual ESG courses amounted to 1,278 hours of training, for a total of 1,275 participants.

Occupational Safety and Health

- In 2023, safety and health education and training were conducted for employees at these facilities: 672 employees at the Hsinchu factory, 92 at the Dongguan factory, 755 employees at the Changshu factorie, and 374 employees at the Vietnam factory.

- Recordable incident rates were as follows: 0.084 for regular employees at the Hsinchu factory and 0.125 for contract employees at the Changshu factory, and zero for regular and contract employees at all other factories;

- Near-miss incident rates were 0.125 for contract employees at the Changshu factory and zero for regular and contract employees at all other factories.

Health Promotion

- Provided health check-up items that exceeded regulatory requirements, with a check-up rate reaching 97% in 2023.

- Conducted three sessions on metabolic syndrome with a total attendance of 383 people in 2023. Additionally, four health promotion seminars were held with 81 attendees.

- Implemented special health management measures (for personnel engaged in hazardous operations, including noise operations and hexane operations. The list of such employees has been compiled by responsible occupational safety personnel and submitted for verification); compliance with health checks in these categories reached 97% in 2023.

- Analyzed the top ten health issued based on health examination results and implemented individual health grading management. Different management measures were provided based on the severity of issues. 77 individuals sought health consultations from physicians in 2023.

- Organized voluntary influenza vaccination activities for 131 participants in 2023.

| Topic 1 |

Well-being Enhancement

For the longest time, Alpha Networks has always emphasized its "people-first" approach. "Taking care of employees" fosters a sense of belonging among employees, not only contributing to the Company's growth momentum but also serving as the first step in fulfilling our social responsibility; valuing talent is also the cornerstone of our corporate ESG sustainable development.

In recent years, we have proactively improved various hardware and software facilities in response to employees' expectations for a "friendly workplace". "Message from the Chairman" in our sustainability report highlights Alpha Networks' dedication to enhancing employee happiness and facilitating their self-fulfillment.

At the beginning of 2023, the Company finally overcame challenges from the prolonged COVID-19 pandemic. Welfare measures and activities that were hindered over the past three years due to the pandemic's impact are now gradually being realized.

• Building "happiness" requires "perceivable" experience!

At the end of 2022, internal teams at Alpha Networks began discussing various friendly workplace measures to be implemented after the pandemic comes to an end. Through several rounds of group discussions and interdepartmental dialogues, a collective brainstorming session led to the proposal of twenty initiatives. These proposals are categorized into four types based on their nature - employee activities, family activities, employee benefits, and environmental facilities.

① The 20 proposals for creating a friendly workplace that were discussed internally

Proposal	Type	Contents
01	Employee Activities	Karaoke contest
02		I Love Matchmaking: Singles mixer event
03		Sports meet: Promoting employee health through sports events
04	Family Activities	Family day event: Promoting a healthy balance between work, life and family for employees
05		Family visits at the company: Inviting employees' families to visit the company
06	Employee Benefits	Holiday benefits: Birthday leave (for birthday month)/advance special leave
07		Free tickets: Concert tickets or vouchers, charity movie screenings
08		Birthday parties/afternoon tea: Monthly birthday celebrations with charity boxed lunches
09		Visually-impaired massage service: Additional massage benefit for employees
10		Counseling services: Providing support for stress relief and mental health issues for employees
11		Digestion of excess inventory
12	Environment and Facilities	Car park improvement: Parking space organization/lighting improvement/adding anti-slip and deceleration mats
13		Replacement of old office chairs: Replacing old office chairs with new ones
14		Thoughtful implementations for public space: Anti-slip strips and floor mats in stairwells
15		Nursing room equipment improvement: improvement of the space and equipment in nursing rooms
16		Cafeteria environment renovation: renewal of tables, chairs, microwave ovens, and refrigerators
17		Overhaul of pantry rooms on 2F and 3F
18		Installation of bidets in the restrooms on 2F and 3F
19		Building beautification
20	Others	Alpha Networks APP: the APP enables employees to access their personal information and announcements

② Happiness — Reference definitions of employee values and employee experiences

EVP Overall sense of value that employees feel from working at Alpha Networks.

EX level of pleasure or ease that employees perceive from working at Alpha Networks.

Employee Value Proposition , EVP	
Opportunity Career Development and Continuous Growth	Is the company growing? Can I learn and grow here? What are the development opportunities and resources available?
People Employees (from top to bottom)	Can I communicate effectively with colleagues and supervisors? Do I have confidence in senior management?
Organization Culture, Systems, Social Responsibility	What is the company's culture? Does the company prioritize corporate social responsibility?
Work Nature of Work, Work-Life Balance	What are my tasks? Do I have autonomy in my work? Is there a balance between work and life?
Reward Salary, Benefits, Vacation	What benefits does the company provide? What is the salary level? How much paid leave is offered?

Employee Satisfaction	
Supervisor	•Overall •Supervisor motivation •Supervisor accountability •Supervisor communication •Work guidance •Team building
Colleagues	•Overall •Colleague cooperation •Teamwork
Compensation	•Overall •Benefit system •Salary competitiveness
Work	•Overall •Work environment •Work life balance •Work mastery •Job satisfaction •Organizational communication
Development	•Overall •Performance management •Training
Corporate Culture	

Employee Experience , EX				
Excellence	Inspirational	Drive	Growth	Mutual Trust
Prioritize	Inclusion	Voice/Right of Expression	Energy	Teamwork
Necessity	Understanding/ Recognition	Organization	Security	Mutual Support
	Goals	Work	Total Reward	People

In order to ensure that the subsequent implementation projects align with the actual needs of our colleagues, a sampling survey was conducted internally in the form of a questionnaire.
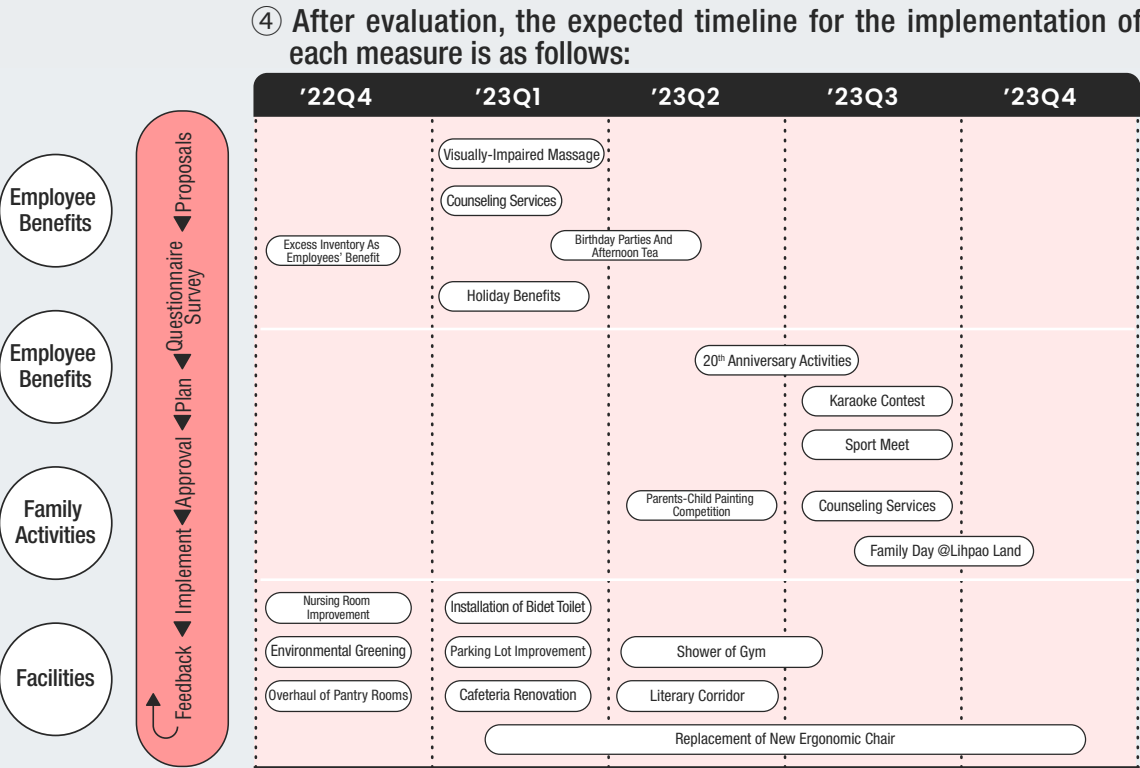
We adopted two dimensions, namely "Employee Value Proposition (EVP)" and "Employee Experience (EX)," for the questionnaire design. By comparing the results of the surveys from these two dimensions, we analyzed the ranking of employees' expectations for the new measures.

The results showed that employees prefer improvements in environmental facilities and the addition of welfare programs.

Alpha Networks has been established for twenty years, and many hardware facilities have been in use since the Company's inception. While they hold sentimental value for employees who have been with us for twenty years, they may appear outdated in design or functionality. Therefore, several environmental improvement projects were included in the existing annual improvement projects or scheduled for implementation in the following years.

③ Results of cross-comparison for the sampling survey

Ranking	Proposal#	Type	Contents	Employee Value (EV)	Employee Experience (EX)
Most Recommended	Proposal 13	Environment and facilities	Replacement of old office chairs	8.46	8.92
	Proposal 06	Employee benefits	Holiday benefits	8.17	8.08
	Proposal 16	Environment and facilities	Cafeteria environment renovation	7.46	8.42
Recommended	Proposal 15	Environment and facilities	Nursing room equipment improvement	7.42	7.67
	Proposal 10	Employee benefits	Counseling	7.21	7.33
	Proposal 09	Employee benefits	Visually-impaired massage services	7.08	7.5
	Proposal 12	Environment and facilities	Car park improvement	7.08	8.08
	Proposal 20	Others	Alpha Networks APP	7.04	7.71
Neutral/Okay	Proposal 04	Family activities	Family day activities	6.88	7.08
	Proposal 08	Employee benefits	Birthday parties, birthday afternoon tea	6.88	6.96
	Proposal 07	Employee benefits	Free event tickets	6.54	7.25
	Proposal 17	Environment and facilities	Overhaul of pantry rooms on 2F and 3F	6.50	7.13
	Proposal 18	Environment and facilities	Installation of bidets in the restrooms on 2F and 3F	6.29	7.08
Less Recommended	Proposal 03	Employee activities	Sports meet	6.42	6.75
	Proposal 14	Environment and facilities	Thoughtful implementations for public space	6.21	6.79
	Proposal 05	Family activities	Family visits to the company	6.08	6.21
	Proposal 19	Environment and facilities	Exterior wall cleaning	5.79	6.29
Least Recommended	Proposal 11	Employee benefits	Digestion of excess inventory	4.46	4.33
	Proposal 02	Employee activities	I Love Matchmaking	4.42	5.38
	Proposal 01	Employee activities	Karaoke contest.	3.83	5.29

④ After evaluation, the expected timeline for the implementation of each measure is as follows:

Employee welfare measures, which are of concern to colleagues, have been assessed through various internal and external resources and information. In the end, we have decided to collaborate with non-profit organizations (NPOs) to promote initiatives such as massage services from visually-impaired masseurs, counseling, and birthday afternoon teas. This approach allows for the enhancement of employee welfare while also supporting charitable organizations.

▼ Each of the newly available employee benefit measures has been unveiled through internal promotion

Starting from the little things, we cultivate a culture of "friendliness" that fosters a sense of care and concern

Over the past year, the implementation of various benefit measures has garnered enthusiastic responses from our colleagues, with feedback overwhelmingly positive.

During our monthly birthday afternoon teas, each colleague would receive a portion of handcrafted cake or cookies, accompanied by a birthday card personally signed by the Chairman, reinforcing our appreciation for every individual within the Company.

In addition, recognizing the pressures our colleagues may face both at work and in life, we've designed comprehensive stress-relief methods to help them better cope with relevant burdens.

Partnering with professional counseling services, we offer bilingual counseling sessions. Our colleagues could use mail, phone, or video to seek emotional outlets by talking to the counselors and transform negative energies into positive thoughts. In 2023, a total of 70 sessions were conducted, with an average satisfaction rating of 4.99 out 5.

Daily work stress often leads to various bodily discomforts for our colleagues. To address this, we collaborated with a local association for the visually impaired to provide on-site massage services. Colleagues can easily book appointments through our system, enjoying massages without leaving the premises. Each of the masseurs has been well-trained in the location of specific tendons and meridians, helping our colleagues unwind with their unique techniques. These sessions,

praised for their effectiveness in alleviating fatigue and pain, have been utilized over 1700 times since February 2023, with an average of over 150 sessions per month.

Apart from the aforementioned measures, we also value our colleagues' experiences with everyday work environments. For instance, we've adjusted meal satisfaction levels through surveys, increased the frequency of office cleaning, and upgraded cafeteria facilities, lighting, and furniture.

We believe in the idiom "Food is essential to the people" and by implementing comprehensive improvement of the dining environment, our colleagues can enjoy better dining quality during the their lunchtime (i.e. the most relaxing part of their workday), thus allowing them to better relax, recharge, and use it as a space for socializing.

Another noteworthy improvement is the optimization of attendance management. During the pandemic, many colleagues had to work remotely, and we discovered that maintaining effective communication and work arrangements could still ensure productivity while colleagues worked from home. Therefore, in 2023, as the pandemic gradually subsided, the Company continued to allow employees to apply for one day of remote work each month, saving them the time spent commuting. Additionally, on the last working day before consecutive holidays, the company offers employees two hours of paid leave before the work day is over to facilitate commuting home and avoid peak traffic.

Starting from small details and addressing aspects of colleagues' daily routines, we aim to directly enhance their quality of life. Through these changes, we hope to create a friendlier and convenient work environment and conditions.

▲ After the renovation, the restaurant has a completely new look.

▲ The handcrafted pastries produced by the commissioned charitable organizations have received high praises from our colleagues.

• Hosting of lively and engaging employee activities to celebrate Alpha Networks' 20th anniversary

2003Established in 2003, Alpha Networks welcomed its 20th anniversary in 2023.Twenty years mark a significant milestone for any company, signifying maturity and stability. Throughout this journey, Alpha Networks' employees have grown together with the Company, experiencing both hardships and successes.

To commemorate this occasion, we planned a variety of events throughout the year. These activities were not only meant for employees but also open to their family members, allowing them to witness Alpha Networks' growth and fostering stronger familial bonds.

At the beginning of the year, we held an office decoration contest where teams from each department showcased their creativity to celebrate the company's birthday. What was once a regular office space was transformed into a vibrant and joyful environment filled with decorations. Each team incorporated elements related to their department's responsibilities, creating a blend of elegance and professionalism that impressed the senior executives who served as judges.
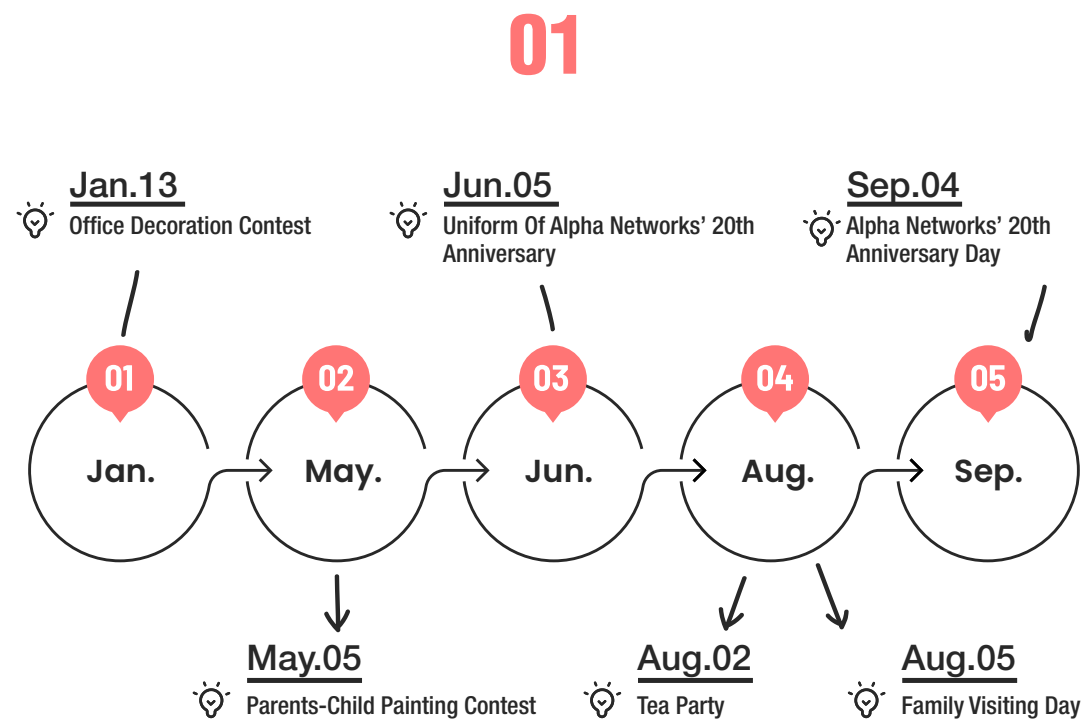
The office decorations were not only visually appealing but also durable and reusable. Each team considered sustainability when designing and producing their decorations, ensuring that they could be used throughout the year. As a result, the office spaces remained festive and uplifting, providing a pleasant work environment for all employees at Alpha Networks in 2023.

The "Parent-Child Painting Competition" in the 20th-anniversary series of activities aimed to encourage employees to spend more time with their families and increase parent-child interaction outside of work. Therefore, the competition adopted relatively open criteria for participation from the outset, allowing not only direct children but also nieces, nephews, and other relatives of employees to participate. The theme of the painting competition was "Me and My Alpha Networks Family", and the organizing committee received nearly a hundred submissions, far exceeding initial expectations.

The entries were displayed in the common area of the employee cafeteria, causing quite a sensation as soon as they were exhibited. Every day, employees and visiting clients would stop to admire the artwork. The children of Alpha Networks employees truly demonstrated their talents, with many pieces showcasing heartwarming and adorable family relationships through creativity, composition, and color selection.

The judging process involved all employees participating in the evaluation, with each age group assessed separately. Employees could participate in the voting process by scanning a QR code. The top three entries from each category were publicly recognized during the 20th-anniversary tea party.

01

Jan.13 Office Decoration Contest

Jun.05 Uniform Of Alpha Networks' 20th Anniversary

Sep.04 Alpha Networks' 20th Anniversary Day

01 Jan. → 02 May. → 03 Jun. → 04 Aug. → 05 Sep.

May.05 Parents-Child Painting Contest

Aug.02 Tea Party

Aug.05 Family Visiting Day

02

03

04

01 Schedule of Alpha Networks' 20th anniversary events

02 A playful poster promoting the parent-child painting competition

03 The parent-child painting entries were displayed in public spaces and open for evaluation

04 Each department showcased their creativity and aesthetic

Alpha Networks' 20th Anniversary Tea Party

01 | 02 | 03 | 04

The bustling 20th-anniversary afternoon tea party

The culmination of the 20th-anniversary series of activities came in August, featuring not only the tea party in the early part of the month but also the highlight event of "Family Visiting Day".

The tea party centered around the theme of "Take from Society, Use for Society, Give Back to Society, Sustainable Development for All" and was organized in collaboration with charitable organizations in a grand celebration. All the food and performance groups on that day were provided by these charitable groups, adding significant meaning to Alpha Networks' 20th-anniversary tea party.

All employees gathered together on that day, dressed in the 20th-anniversary commemorative shirts selected through employee voting, enhancing the sense of unity and cohesion.

During the event, commemorative medals were presented to long-serving employees who had been with the company for over twenty years, as well as to the winners of the Parent-Child Painting Competition. Additionally, a 20th-anniversary commemorative video produced by a preparation committee comprising departments such as HR and Commercial Design made its debut, allowing all employees to witness the trials and tribulations of Alpha Networks' growth over the past twenty years.

With delicious food and exciting performances, Alpha Networks employees left with unforgettable memories on this special day.

| 06 | 07 | 08

Alpha Networks' 20th anniversary afternoon tea party with philanthropic elements, receiving enthusiastic participation from all employees

"Alpha Networks is My Home - Family Visit Day" event.

Previously, Alpha Networks had never organized an event for employees' friends and family to get to know the working environment of the company. It is because of the support from family members behind the scenes that enable our colleagues to focus on their work diligently. And as such, we hoped to bridge this gap by organizing the "Family Visit Day" event, giving colleagues' friends and family the opportunity to visit Alpha Networks' headquarters and learn more about the working environment where our colleagues dedicate their time.Therefore, on the occasion of Alpha Networks' 20th anniversary, we held this meaningful event.

After months of preparation, we chose a Friday at the end of summer for the event.Starting with a warm welcome, we provided an introduction to the company and showed relevant videos to our visitors a basic understanding of the company, thus bringing them closer to Alpha Networks employees. The Chairman, accompanied by several senior executives, also attended the event to meet and greet the visitors.

Next, guided by our staff, visitors were taken on a tour of the various floors. Unit managers and employees warmly welcomed the visiting family members and also arranged guides to explain the main responsibilities, environment, and important facilities of each unit.

On this day, the Alpha Foundation made a special arrangement of a science classroom for colleagues' children who are still at the pre-school age. Under the guidance of volunteers, they conducted experiments and explored the wonders of science.

Before the end of the tour, the company prepared a meal for the visitors to enjoy, allowing them to taste the nutritious and varied meals that are regularly served to our colleagues. Lastly, we prepared various practical items made by charitable organizations as souvenirs for the visitors to take home.

This visit received positive feedback from both employees and their friends and families, further strengthening the bond between families and Alpha Networks.

01 | 02 | 03 | 04
▲ Family visit - A warm welcome

05 | 06 | 07 | 08
▲ Family visit - Floor tour

09 | 10 | 11 | 12
▲ Family visit - Engaging in science games, enjoying meals and returning home with satisfaction.

13
▲ Family visit - Intrigued family members at the automatic ramen vending machine on the 5th floor.

• A social corporate with sustainable and friendly workplace

In addition to the aforementioned activities, in 2023, we also held other activities such as group family days, karaoke competitions, and various sports competitions. From the series of activities, we discovered that our colleagues are not only full of vitality but also versatile and talented in multiple areas.

Needless to say, we have made a conscious effort to make good use of various resources and opportunities, dedicating ourselves to integrating with social welfare. During the group family day, Alpha Foundation invited 40 children from the local Hsinchu Family Support Center to participate in the event. It was our way of making a modest contribution to neighborhood relations and social assistance.

In this year when Alpha Networks turned 20, under the leadership of the Chairman, the management team made numerous changes and initiatives in the direction of creating a "happy workplace".

Subsequently, we received numerous positive feedback from colleagues. Colleagues who have been working diligently in the past experienced and participated in various employee activities that had never happened before.

As mentioned at the beginning of this text, Alpha Networks has adopted a firm direction to "enhance employee happiness and enable employees to achieve self-realization". In 2023, we implemented this policy with much vigor and received positive results.

Alpha Networks aims to create a workplace environment for employees that is not only conducive for a balance between work and life but facilitates better alignment between work and family relationships. This is to achieve a positive career development and to put the company in a better position in the selection, cultivation, and retention of talents, thus making the growth of the company and the retention of talents mutually reinforcing.

| Topic 2 |

Workplace Equality

Alpha Networks participated in the "Promotion of Workplace Equality" Outstanding Business Unit selection organized by the Hsinchu Science Park Administration and was awarded the "Outstanding Award" in 2023.

The Hsinchu Science Park (under the National Science Council) initiated the "Promotion of Workplace Equality" Excellent Business Unit Award to encourage companies to actively implement labor laws and foster harmonious work environments so as to enhance workplace friendliness, promote labor-management harmony, and create win-win situations for both parties.

Alpha Networks participated in this selection process in September 2023, showcasing its achievements in workplace gender equality throughout 2022. We have been honored with an Outstanding Award - a significant acknowledgment of Alpha Networks' dedicated team's efforts in promoting a welcoming and inclusive work environment.
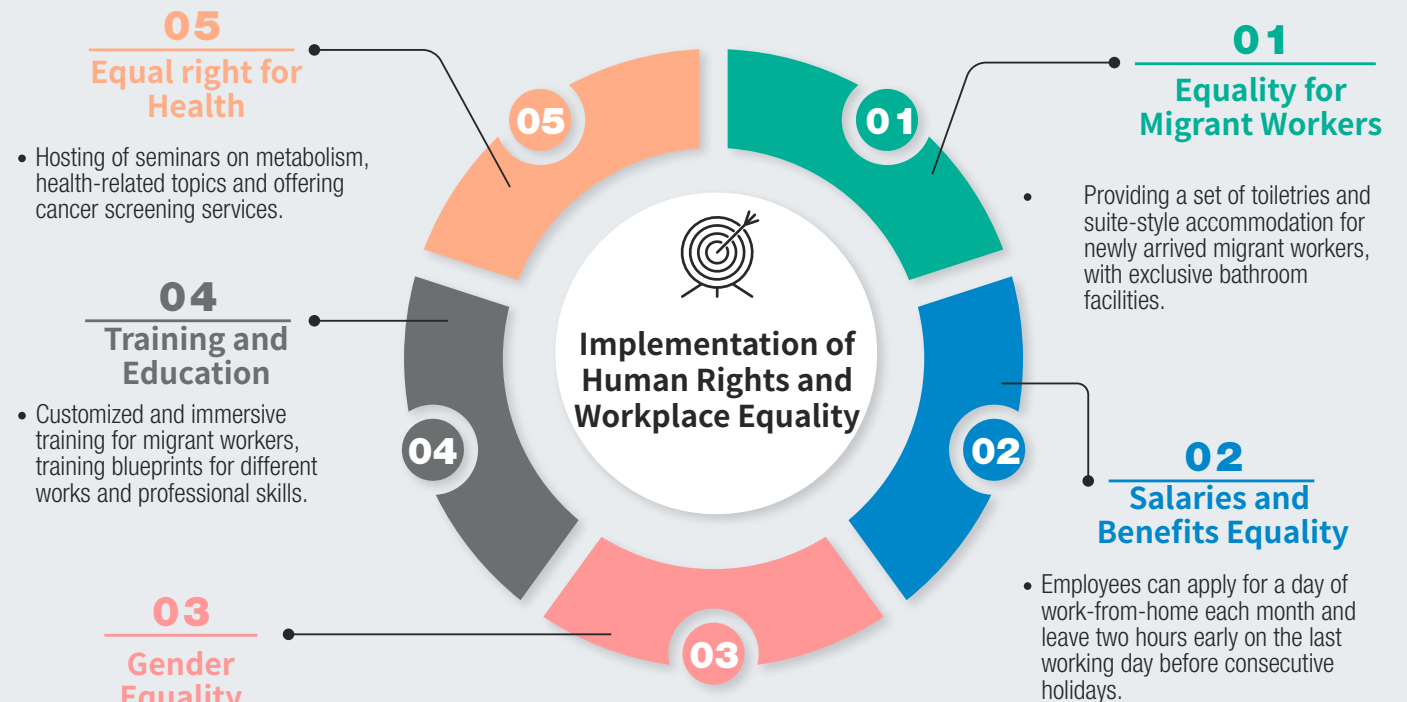
▲ The trophy of Outstanding Award

The following is a summary of highlights from Alpha Networks' participation:

- **Comprehensive approach to workplace equality**
  Reviewing Alpha Networks' performance in 2022 across six major aspects, "Equal Rights for Migrant Workers" and "Equal Pay and Benefits" have been the highlight of our efforts.

Implementation of Human Rights and Workplace Equality

05 Equal right for Health
- Hosting of seminars on metabolism, health-related topics and offering cancer screening services.

04 Training and Education
- Customized and immersive training for migrant workers, training blueprints for different works and professional skills.

03 Gender Equality

01 Equality for Migrant Workers
- Providing a set of toiletries and suite-style accommodation for newly arrived migrant workers, with exclusive bathroom facilities.

02 Salaries and Benefits Equality
- Employees can apply for a day of work-from-home each month and leave two hours early on the last working day before consecutive holidays.

- **Comprehensive channels of communications in the workplace**

Channel	Labor-Management Meeting	Welfare Committee	Human Resources Unit	Internal Auditor	Employee Mailbox
Description	Held quarterly	Held monthly	We have a dedicated email address for sexual harassment complaints and employee complaints.	We have a dedicated email address for complaints about business integrity.	We have a physical mailbox for opinions and feedback.

▲ Physical mailbox
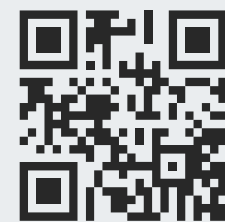
▲ On-line complaint box

• Provision of equal employment opportunities

1. Our employment ratio of individuals with disabilities aligns with standards, ensuring that their rights and interests are adequately protected in the workplace.

Year/Month	Number of Individuals with Disabilities	Compliance with Legal Requirements
2022/01	14	OK
2022/02	14	OK
2022/03	14	OK
2022/04	15	OK
2022/05	15	OK
2022/06	15	OK
2022/07	15	OK
2022/08	15	OK
2022/09	15	OK
2022/10	15	OK
2022/11	14	OK
2022/12	14	OK

2. The employment practices at Alpha Networks' HQ make no discrimination in terms of employee's nationality - with 189 employees from six different countries, including Indonesia, India, South Africa, Malaysia, Vietnam, and the Philippines.

Nationality Distribution

Philippines
180

Indonesia
1

South Africa
1

India
2

Malaysia
2

Vietnam
3
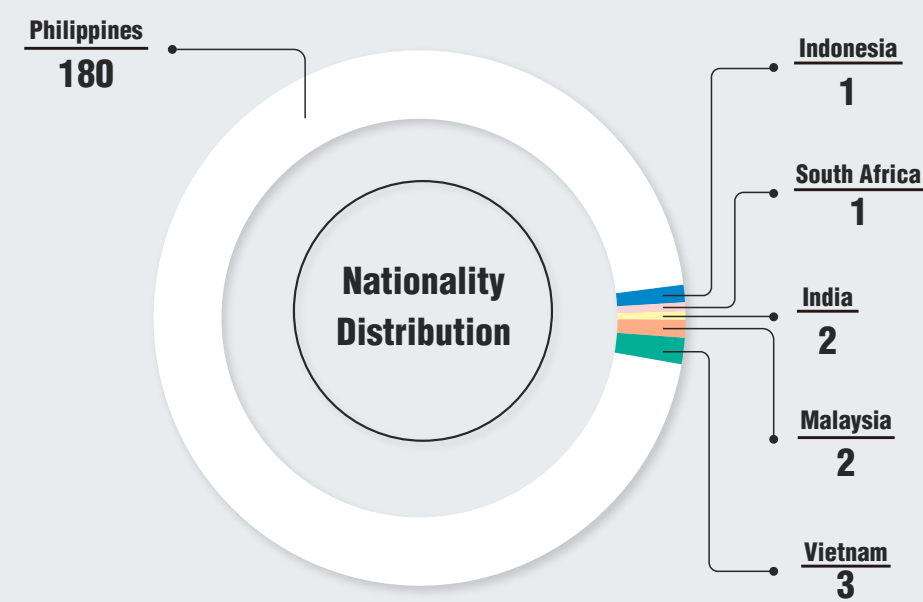
• Equal Rights for Migrant Workers - Thoughtful Services

1. **Thoughtful measures for new migrant workers**
Upon arrival, each foreign worker is provided with a set of toiletries. Dormitories are also equipped with 24-hour monitoring to provide immediate service and care.

2. **Provision of tailored training courses**
   a. Orientation training: Introduction to company policies and environmental safety courses.
   b. Taiwanese history and culture: Introduction to Taiwan's diverse history and ethnic groups, festivals, folk customs, and taboos in daily life.
   c. Taiwanese workplace culture: Workplace etiquette and culture, workplace values, and habits, workplace taboos.

3. **Suite-style accommodation with dedicated bathrooms to enhance** personal privacy. Alpha Networks collaborates with human resource agencies to ensure that each room has dedicated bathroom facilities for the convenience and privacy of employees.

4. **Fire and disaster prevention drills**
Fire and disaster prevention drills are conducted annually at the dormitories, allowing foreign employees to practice using fire extinguishers and escape slings. Such drills help to enhance colleagues' awareness of residential safety and their knowledge of disaster prevention and emergency response capabilities.

5. **Celebrating festivals together**
Many of our migrant employees come from the Philippines and are Catholic. To ensure that migrant workers can also feel the joyous atmosphere of festivals in a foreign land, various masses and recreational activities are organized in collaboration with human resource agencies.

• Gender Equality

1. Employee Gender Distribution

   The total number of employees at Alpha Networks' Hsinchu factory is 1,267.In terms of gender distribution, male employees account for 55% of the total, while female employees account for 45%. This ratio is relatively balanced compared to other companies in the technology industry, where there tends to be a higher proportion of males. The Company also takes into consideration the needs of both genders in its relevant policies and facilities.

2. Age Distribution - Alpha Network has taken steps to ensure equality in its age policy.

New	Age					
	18~20	21~30	31~40	41~50	51~60	60~
Hsinchu	0.2%	47%	26%	20%	7%	0.2%
Changshu	0%	45%	51%	3%	1%	0%
Dongguan	0%	19%	50%	31%	0%	0%
Chengdu	0%	78%	11%	11%	0%	0%
Vietnam	0%	52%	44%	4%	0%	0%
Total	0.2%	48%	36%	14%	2%	0.2%

• Salary and benefits Equality – Comprehensive salary and leave measures.

1. Salary/Gender Policy - There is no gender disparity in the average salary ratio of new employees at Alpha Networks.

Region	Category	Female	Male
Taiwan	Direct personnel	1.10	1.10
	Indirect personnel	1.88	1.88

   Note: Initial salary standards for new recruits/local statutory minimum wage

2. Salary Equality

   Alpha Networks upholds a fair salary and benefits policy where employees' compensation is not influenced by factors such as gender, ethnicity, nationality, or age. Salary determination is based on professional competence, education, and experience. After joining, salary adjustments and bonuses are made annually based on individual performance and the company's overall operational status.

3. Leave Policies

   • Pursuant to the"Gender Equality in Employment Act", both female and male employees have the right to apply for maternity leave, paternity leave, and childcare leave.

   • In 2022, the re-instatement rates for female employees after maternity leave expiration were 81.82%; the application rate for childcare leave was 18.18%.

   • In 2022, the re-instatement rate for male employees after paternity leave expiration was 91.67%; no one applied for childcare leave.

4. Some small joys for Comprehensive leave policy

   • Alpha Networks implements effective leave management measures by sending notifications to employees at the beginning of each month regarding their remaining annual leave and compensatory leave hours, encouraging employees to plan their leave properly whilst promoting the concept of a healthy workplace.

   • Employees can apply to work from home one day per month, allowing for flexible work arrangements.

   • Two hours early dismissal before consecutive holidays→ to spare employees from traffic congestion.

• Training and Education Equality Providing diverse training and deepening ESG concept

Deeply Cultivate ESG

Starting from 2022, scholars and experts will be invited to give lectures at our headquarters on the three major aspects of "environment,

Holistic Training Map

Creating tailored learning map based on competency requirements.

ESG cources for New Employees

349.5 hours   **168** individuals

Total Annual Training Hours

32,035 hours

ESG Cources for Middle/Senior Managers

420 hours   **180** individuals

Total Annual Training Participants

21,014 individuals

Health Checkup

The completion rate of health checkup among employees came to

97%

Ccompletion rate for special health check items.

95%

Consultations after health checks.

34 individuals

Health Seminars

Metabolic Syndrome Seminars

9 Seminars   **414** Participants

Health Seminars

3 Seminars   **83** Participants

• Equal right for hralth – Providing comprehensive health promotion measures

▼ Poster and situation of health seminar.

| Future Prospects |

1. Our participation in the Workplace Equality Selection promoted by the Hsinchu Science Park Administration is based on our workplace equality achievements in 2022 and relevant explanations for the six workplace equality dimensions have been provided accordingly.

2. In 2023, we have continued to implement various equality measures and introduce new measures for a happy workplace, such as massage services from visually-impaired masseurs, distributing cakes on birthdays, and personalized cards from the Chairman. In celebration of Alpha Networks' 20th anniversary, we also held activities such as parent-child painting competitions and family visits. Public welfare organizations have also been invited to offer their blessings, deepening the connection between employees and the company, and fostering a sense of belonging within Alpha Networks.

3. In 2024, efforts will be made to create a diverse workplace and continue to coordinate with the group fleet to create an inclusive and harmonious working environment. We shall continue to embrace and respect different cultures, activities such as Zero Carbon Day, adoption of wish cards, tree planting, and beach cleaning will be organized to promote sustainable living and strengthen group cohesion. The Chairman will lead participants in road run events to foster camaraderie. Employee satisfaction surveys will be conducted to better understand the needs of employees and provide services that are more tailored to them.

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 employees' rights and good care for employees.

3.1.1 Human Rights Policy

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 2023, Alpha Networks conducted an internal audit and found that no minors were employed at any of its locations.

Elimination of forced labor Working hours that comply with the law

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. The production line raises awareness of overtime related labor laws among supervisors through production management meetings.

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 3.3 Salaries and Benefits. 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.

Transparent and smooth 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.

Diverse Internal Communication Channels

Channel	Description
Labor-Management Meeting	At the quarterly management-labor meetings, company information and reminders are announced to employees.
Welfare Committee	At the quarterly welfare committee meetings, employee welfare measures are adopted
Human Resources Unit	We have a dedicated email address for sexual harassment complaints and employee complaints.
Audit Office	We have a dedicated email address for complaints about business integrity.
Employee Suggestion Mailbox	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 2023, based on information collected through labor-management meetings, welfare committee proposals, and internal opinion surveys (refer to "Special Coverage 1 - Enhancing happiness"), the company continued to implement measures such as improving employee dining facilities and optimizing workplace environments.


▲ Case Study - Comprehensive replacement of catering table equipment: The catering table equipment has been fully replaced, resulting in better heating and insulation of food, significantly improving the quality of dining services

3.1.2 Identification Of Human Rights Risks

Alpha Networks is committed to fulfilling corporate social responsibility and implementing human rights policies. Through human rights issue assessments and risk identification, the company formulates management measures and risk mitigation strategies, implements improvements, and conducts follow-up monitoring to effectively reduce the impact and repercussions of human rights risks.

Alpha Networks' human rights risk identification process
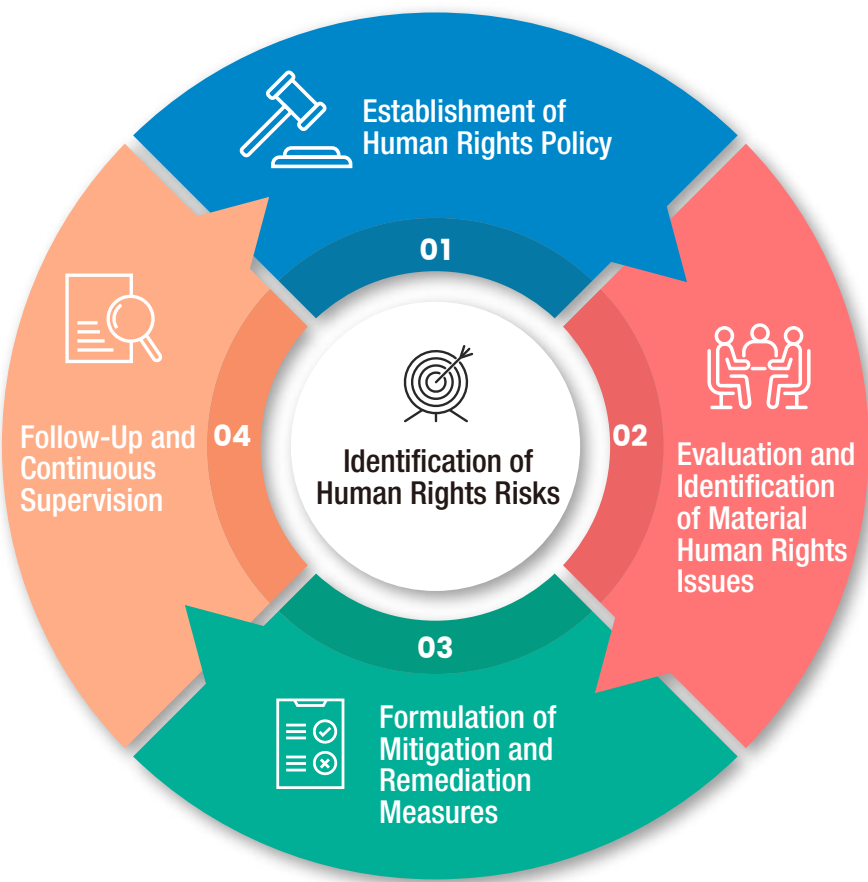
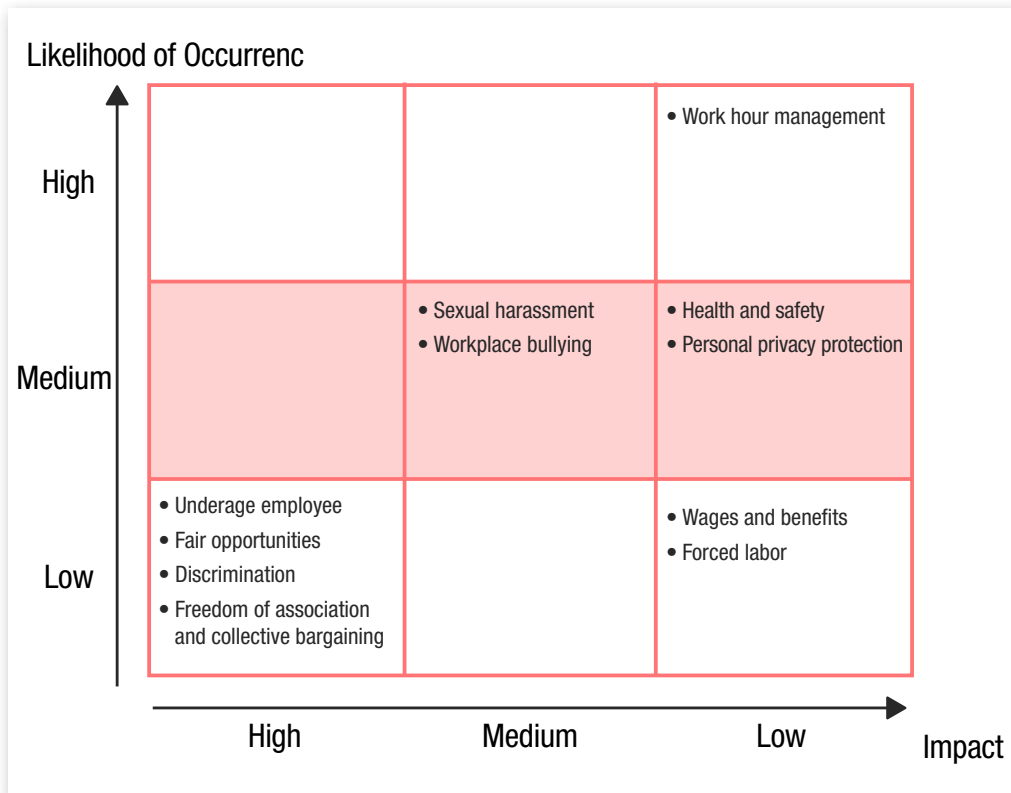### Material Human Rights Risk Issues

Referring to the RBA (Responsible Business Alliance) Code of Conduct and various international human rights policies, we have identified 11 key areas of concern to serve as focal points for our human rights risk assessment. Following the PDCA process, we have conducted evaluations of human rights risks and potential impacts through an internal expert voting process.

No	Human rights risk issue	Risk description
1	Underage employee	Employment of minors during peak production periods, arranging for them to work overtime or night shifts, or situations where labor service providers inadvertently hire underage workers or provide workers with forged documents.
2	Work hour management	Instances of overtime exceeding 36 hours, weekly working hours exceeding 60 hours, continuous work for more than 7 days, work schedule delays, requiring employees to arrive early without pay, etc.
3	Wages and benefits	Underpayment of social security contributions based on full salary calculations, payment of wages below the legal minimum wage standards, overtime rates below the legally required minimum standards, failure to pay overtime rates for holiday work as required by law, failure to pay wages in full and on time, improper withholding of employee wages, etc.
4	Fair opportunities	Unfair provision of training opportunities, promotion opportunities, and fair and reasonable provision of benefits and other payments.
5	Health and safety	Inadequate occupational safety and health training and measures exposing employees to risks of occupational injuries or diseases.
6	Sexual harassment	Failure to address incidents of sexual harassment against employees or responding to employee reports or incidents with a passive or negative attitude.
7	Workplace bullying	Failure to address incidents of bullying against employees or responding to employee reports or incidents with a passive or negative attitude.
8	Discrimination (race/nationality/age/gender)	Failure to address incidents of bullying against employees or responding to employee reports or incidents with a passive or negative attitude.
9	Personal privacy protection	Violations of personal information protection, improper exposure of employee personal privacy.
10	Freedom of association and collective bargaining	Obstruction of employee assembly negotiation and protection of employee rights.
11	Forced labor	Forcing employees to work under threat or coercion. This includes all forms of slavery practices, child labor, human trafficking, bonded labor, debt bondage, conscription, prison labor, etc.; or potential discrimination against migrant workers, withholding of documents, or forced savings.

Results of Human Rights Risk Assessment

The results of the human rights risk assessment involve a matrix-style risk evaluation using two vectors: "likelihood of occurrence" and "extent of impact". After calculating composite scores to form risk coefficients, they are used to determine the severity of potential risks. Corresponding mitigation or remediation measures are then implemented based on the identified risks.

Likelihood of Occurrenc

		• Work hour management
• Sexual harassment • Workplace bullying	• Health and safety • Personal privacy protection	
• Underage employee • Fair opportunities • Discrimination • Freedom of association and collective bargaining		• Wages and benefits • Forced labor

High — Medium — Low (vertical axis)

High · Medium · Low — **Impact**

Formulation of Mitigation And Remediation Measures

No	Human Rights Risk Issue	Status of Risk Assessment	Mitigation And Remediation Measures
1	Underage Employee	Low Likelihood of Occurrence, Low Impact	• Strict scrutiny of personal data during recruitment and selection. • Implementation of third-party security consultation for personnel hiring.
2	Work Hour Management	High Likelihood of Occurrence, High Impact	• Monitoring attendance status through HR attendance system. • Regular issuance of abnormal alerts and warnings to employees and their supervisors. • Issue reminder to employees who have reached the daily working hour quota to avoid overtime situations. • Strengthen communication within the factory management system and plan appropriate workforce reserves.
3	Wages and Benefits	Low Likelihood of Occurrence, High Impact	• Payment of employee compensation should comply with all local regulations, including basic wages and overtime fees. • Review internal and external environmental changes, participate in wage surveys to adjust wage policies and compensation planning schemes to optimize the overall competitiveness of the company's compensation.
4	Fair Opportunities	Low Likelihood of Occurrence, Low Impact	• Establish and implement performance appraisal and promotion systems. • Integrate employee performance with bonus and salary adjustment systems.
5	Health and Safety	Medium Likelihood of Occurrence, High Impact	• Specify the accident and occupational hazard reporting procedures. • Conduct regular safety evacuation drills. • Provide suitable and compliant protective equipment for employees in special working environments. • Implement various safety advocacy and protective equipment inspections. • Provide regular occupational health check-ups for employees engaged in hazardous work. • Specify investigation and handling procedures for all safety and health incidents. Record each incident in detail for proper review.
6	Sexual Harassment	Medium Likelihood of Occurrence, Medium Impact	• Establish of human rights policies at Alpha Networks. • Enhance internal training and prevention advocacy on related issues. • Establish and implement "Workplace Sexual Harassment Prevention, Complaint and Punishment Measures" • Establish diverse internal communication channels and complaint mechanisms. • Optimize employee counseling and guidance measures.
7	Workplace Bullying	Medium Likelihood of Occurrence, Medium Impact	
8	Discrimination (Race/ Nationality/Age/Gender)	Low Likelihood of Occurrence, Low Impact	
9	Personal Privacy Protection	Medium Likelihood Of Occurrence, High Impact	• Establish information security management policies to protect employees, customers, suppliers, and operational-related information assets. • Establish "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conduct" to clearly demonstrate the protection of stakeholders' information privacy.
10	Freedom of Association and Collective Bargaining	Low Likelihood of Occurrence, Low Impact	• Establish of human rights policies at Alpha Networks. • Enhance internal training on related issues. • Ensure effective labor-management meeting functions to provide effective communication channels.
11	Forced Labor	Medium Likelihood of Occurrence, High Impact	• Set up an overtime alert reminders in the attendance system and conduct daily employee working hour reviews and control. • A Team member (foreign employees) forums, sampling interviews, and providing employee complaint mailboxes.

3.2
Talent Acquisition

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 2023, its number of employees worldwide was approximately 2,800.

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' headquarter is located in Hsinchu Science Park. Staff at headquarter, accounting for about 42% 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 40%. Please refer to 2023 Job Distribution per Factory on page 91.

As for our main production sites, apart from our Hsinchu HQ, they are located in Changshu (China) and Hà Nam (Vietnam), accounting for approximately 50 % of our total workforce while other overseas business units constitute about 7.5% of the total company workforce.

Proportion of total personnel at each factory

Vietnam 23%
Other 8%
Changshu 27%
Hsinchu 42%

Proportion of job categories within the group

Sales 8%
Management 11%
Manufacturing 50%
Research & Development 31%
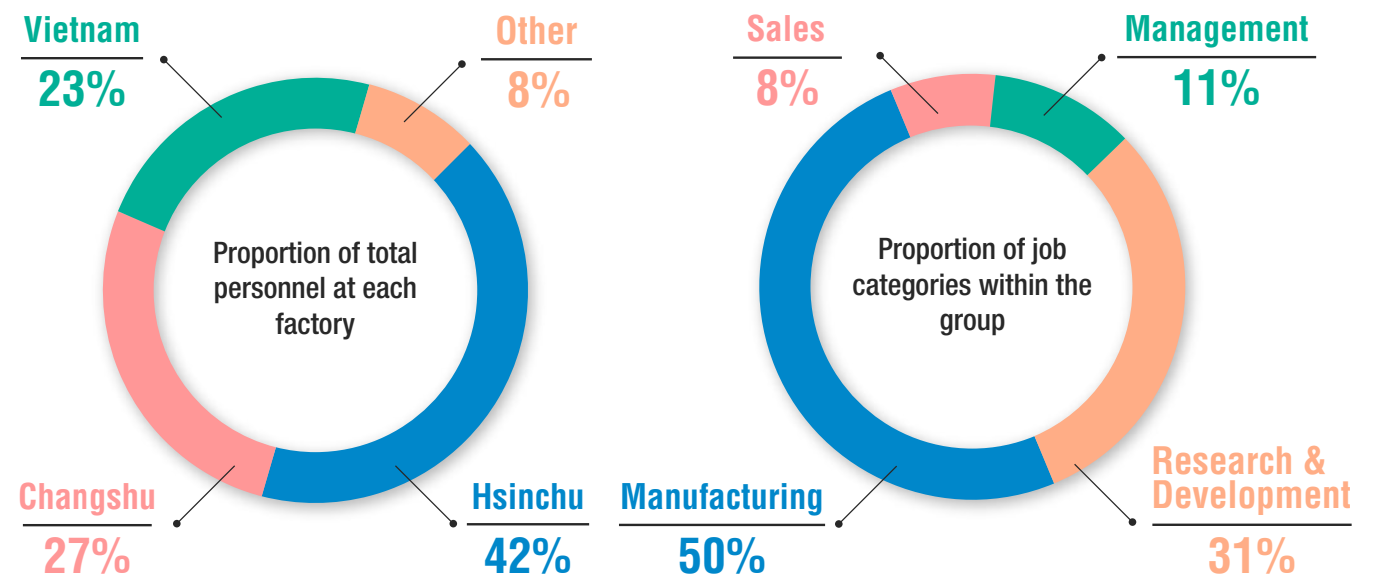
Breakdown of personnel across different job categories at Alpha Networks' major production sites

Hsinchu Factory
- 39.3%
- 10.3%
- 12.7%
- 37.6%

Changshu Factory
- 2.6%
- 11.6%
- 2.2%
- 83.6%

Vietnam Factory
- 0.4%
- 10.7%
- 0.0%
- 88.8%

0.0%   20.0%   40.0%   60.0%   80.0%   100.0%

- Research & Developmen
- Management
- Sales
- Manufacturing
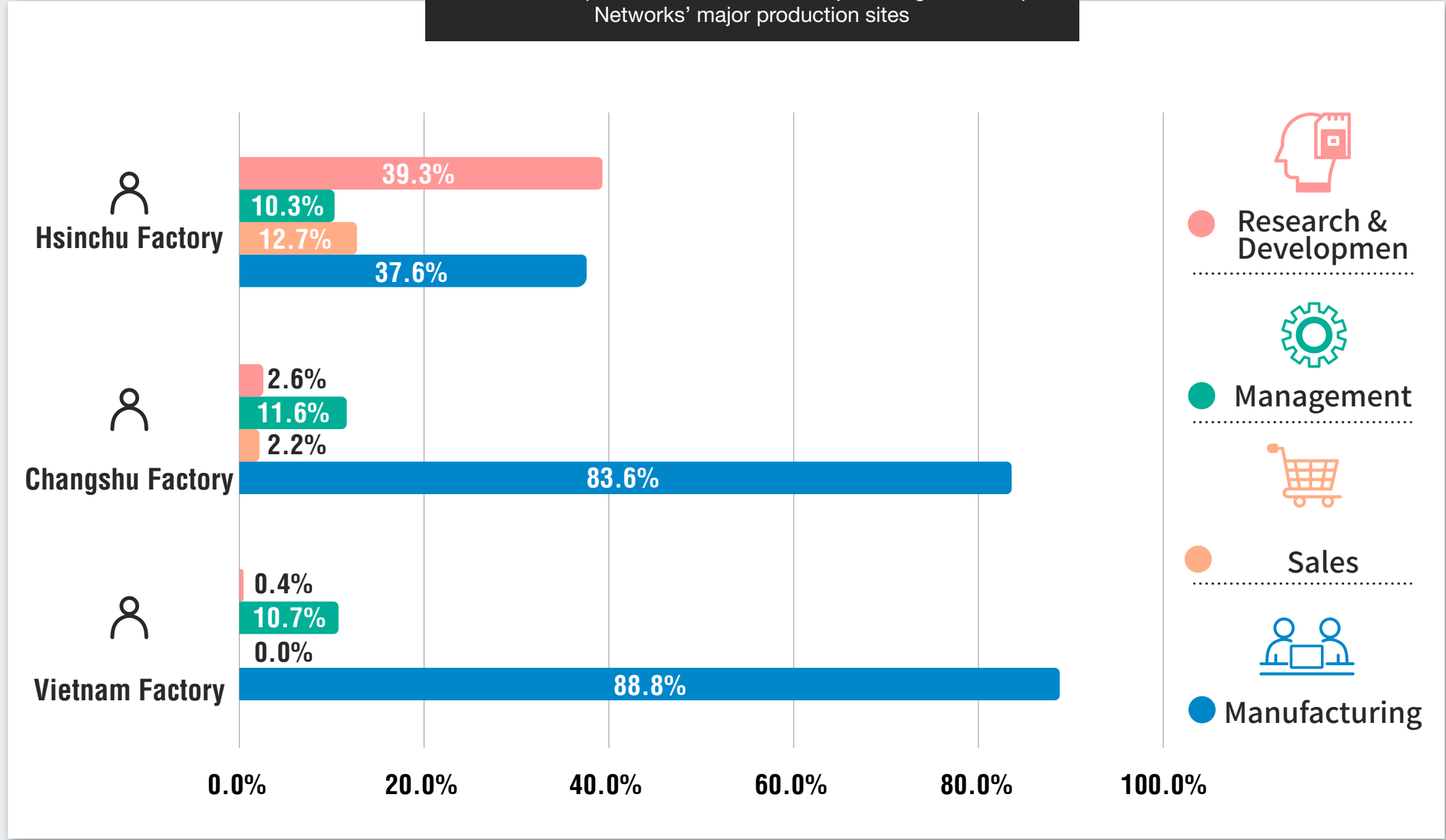
Alpha Networks uphold the spirit of the "Responsible Business Alliance's Code of Conduct" to formulate the factory hiring policy according to the "New Employee Hiring Regulations" to make sure that our employees are not discriminated against based on "ethnicity, skin color, age, gender, sexual orientation, race, religion, pregnancy and other conditions protected by the law."

Alpha Networks' male employees account for 53% employees, and female employees account for 47%. The gender ratios at Hsinchu headquarters and the Vietnam Plant have balanced gender ratios, while the Changshu Factory has a higher proportion of males.
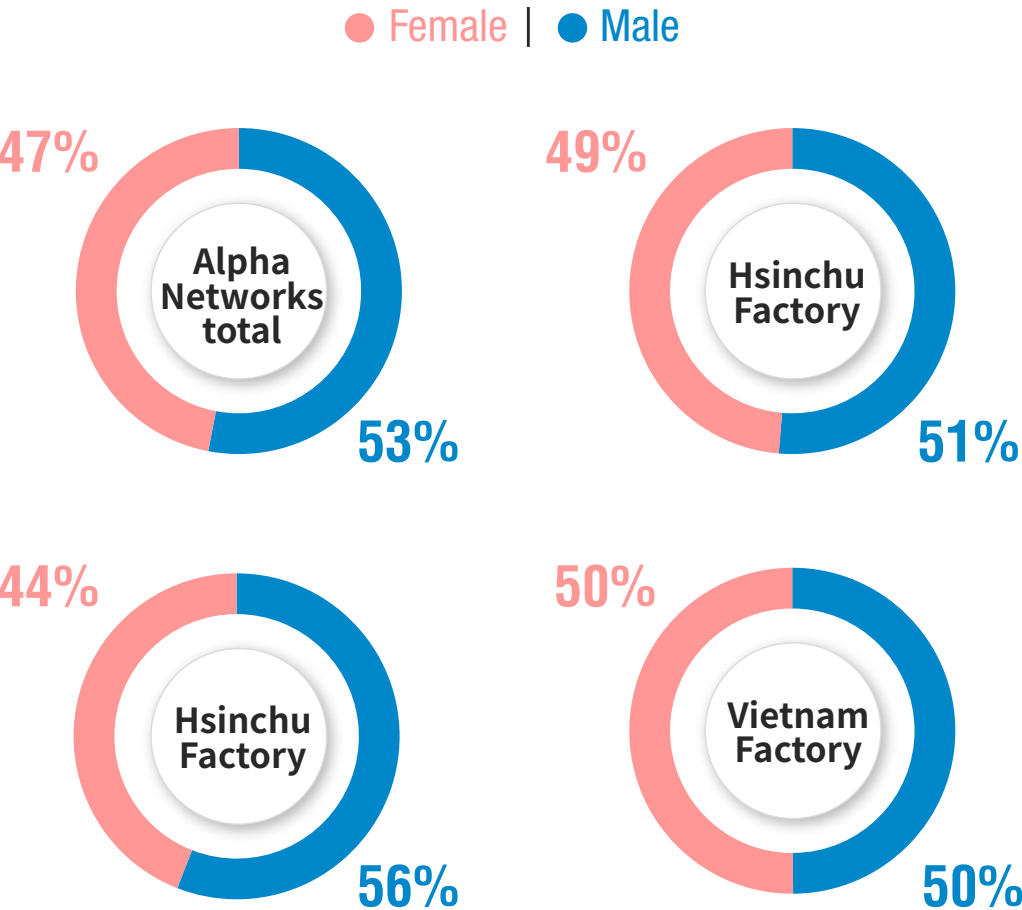
In 2023, the company employed a workforce where 74% were full-time employees and 26% were contract employees. Specifically, at the Hsinchu HQ, all employees are full-time. However, at the Changshu and Vietnam factories, due to fluctuating orders, we implemented a flexible human resource policy, with contract employees accounting for 69% and 30%, respectively.

● Female | ● Male

47% — Alpha Networks total — **53%**

49% — Hsinchu Factory — **51%**

44% — Hsinchu Factory — **56%**

50% — Vietnam Factory — **50%**

● Contractor | ● Permanent

26% — Alpha Networks total — **74%**

0% — Hsinchu Factory — **100%**

69% — Hsinchu Factory — **31%**

30% — Vietnam Factory — **70%**
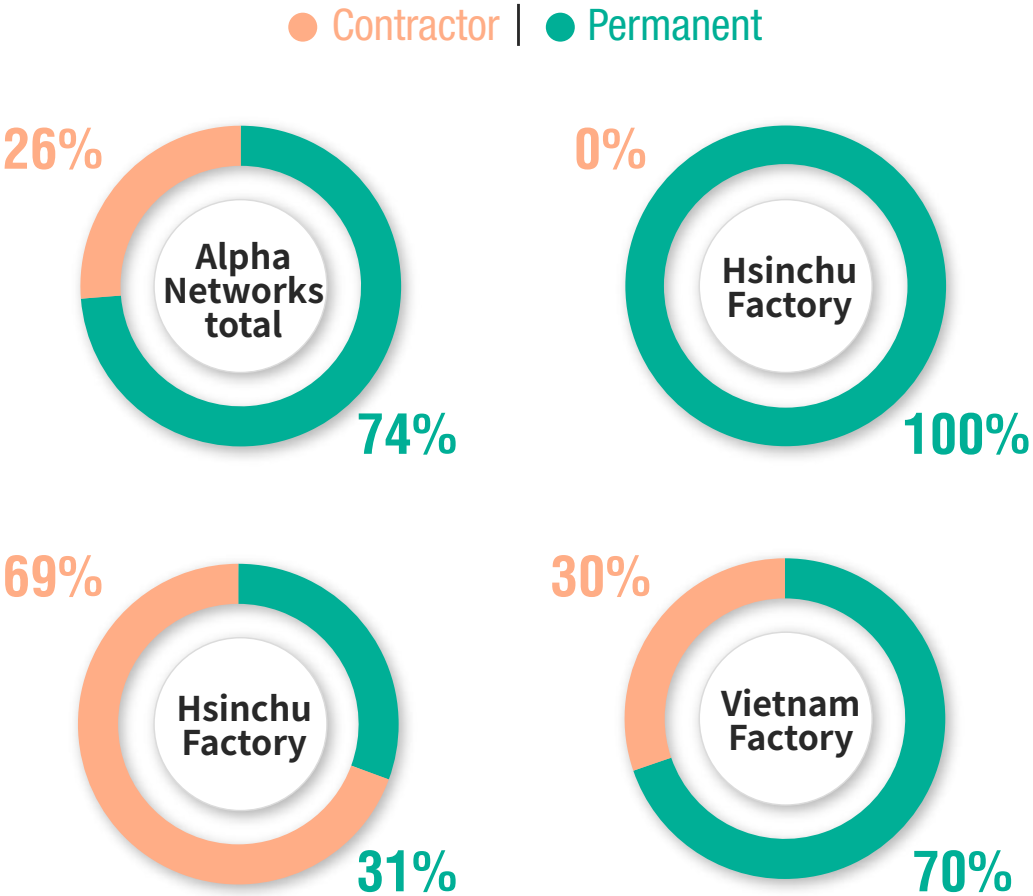
3.2.2 Talent Recruitment and Retention

The age distribution of new Alpha Networks employees in 2023 were as follows:

New	Number	Age						Subtotal
	%	18~20	21~30	31~40	41~50	51~60	60~	
HQ	Number	0	61	28	28	9	0	126
	%	0%	48%	22%	22%	7%	0%	100%
CS	Number	0	30	51	6	1	0	88
	%	0%	34%	58%	7%	1%	0%	100%
Chengdu	Number	0	2	1	0	0	0	3
	%	0%	67%	33%	0%	0%	0%	100%
Vietnam	Number	46	285	193	34	5	1	564
	%	8%	51%	34%	6%	1%	0%	100%
Total	Numbe	46	378	273	68	15	1	781
		8%	48%	35%	9%	2%	0%	100%

The distribution of ages for permanent employees that separated from Alpha Networks during 2023 are as shown in the following table:

New	Number	Age						Subtotal
	%	18~20	21~30	31~40	41~50	51~60	60~	
HQ	Number	0	97	70	42	21	2	232
	%	0%	42%	30%	18%	9%	1%	100%
CS	Number	0	17	39	5	1	0	62
	%	0%	27%	63%	8%	2%	0%	100%
Chengdu	Number	0	0	4	6	0	0	10
	%	0%	0%	40%	60%	0%	0%	100%
Vietnam	Number	32	119	81	11	2	1	246
	%	13%	48%	33%	4%	1%	0%	100%
Total	Number	32	233	194	64	24	3	550
	%	6%	42%	35%	12%	4%	1%	100%

Gender ratio of supervisors — the proportion of female supervisors increased by 3% from 2022 to 2023

Male 75% 2022 Female 25%

Male 72% 2023 Female 28%
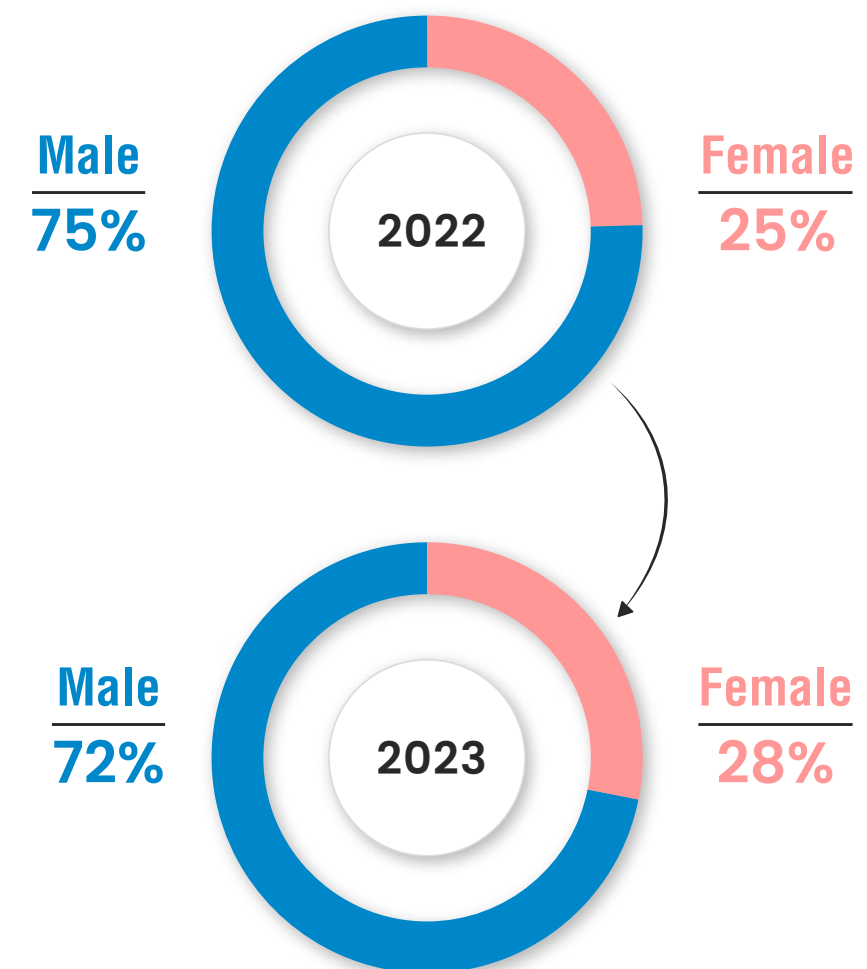
Note: The statistics are based on the sample from the Hsinchu HQ.

3.3 Salary and Benefits

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

3.3.1 Salary Level

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.

Distribution of Average Salaries among New Alpha Networks Employees

Region	Type	Female	Male
Taiwan	Direct Employees	1.10	1.10
	Indirect Employees	1.91	1.91

Note: Starting salary for new employees/ Statutory minimum wage

Distribution of Starting Salaries among New Alpha Networks Employees

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

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

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 2023, the number of non-supervisory full-time employees was 1,197, with an average salary of TWD 1,132,000 and a median salary of TWD 1,066,000. These statistical items are shown for last year and the year before:

Item	2020	2021	2022	2023
Number of Non-Supervisory Full-Time Employees	1,322	1,249	1,137	1,197
Average Salary of Non-Supervisory Full-Time Employees	NT 856	NT 902	NT 1,116	NT 1,132
Median	NT 775	NT 825	NT 1,050	NT 1,066

unit: in NTD thousand

*Alpha Networks Salaries, for information on welfare, holiday system and more, please refer to the Alpha Networks website> Career

3.3.2 Welfare Measures and Employee Insurance

Welfare Measures

Alpha Networks' Welfare Committee offers 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 Networks (Hsinchu factory) handles retirement and grant applications in accordance with the "Labor Standards Act" and the "Enforcement Rules of the Labor Pension Act". Furthermore, where a fixed percentage of the employees' salaries is contributed to the pension account every month as per required by the law. The employer will contribute 6% and 2% of the employees' salary in accordance with the new and old labor pension system respectively. According to the Labor Pension Act, only vocational school students and foreign colleagues do not require contributions to the pension account, all permanent employees are required to participate in the retirement plan. In particular, only 9 people chose the old labor pension system. In addition, the permanent and contract employees at Alpha Networks(Hsinchu factory) 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 Networks factories, Changshu factory and Vietnam factory, 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 Networks (Hsinchu factory), 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 factories, leaves are granted in accordance with local regulations.

At Alpha Networks (Hsinchu factory), 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. Five female employees applied for maternity leave in 2023, and 60.00% of them will return to work after their leaves expire. Two of them will apply for parental leave afterward Application ratio 40.40%. Seventeen male employees applied for paternity leave, and 88.24% of them returned to work after the leave expired.

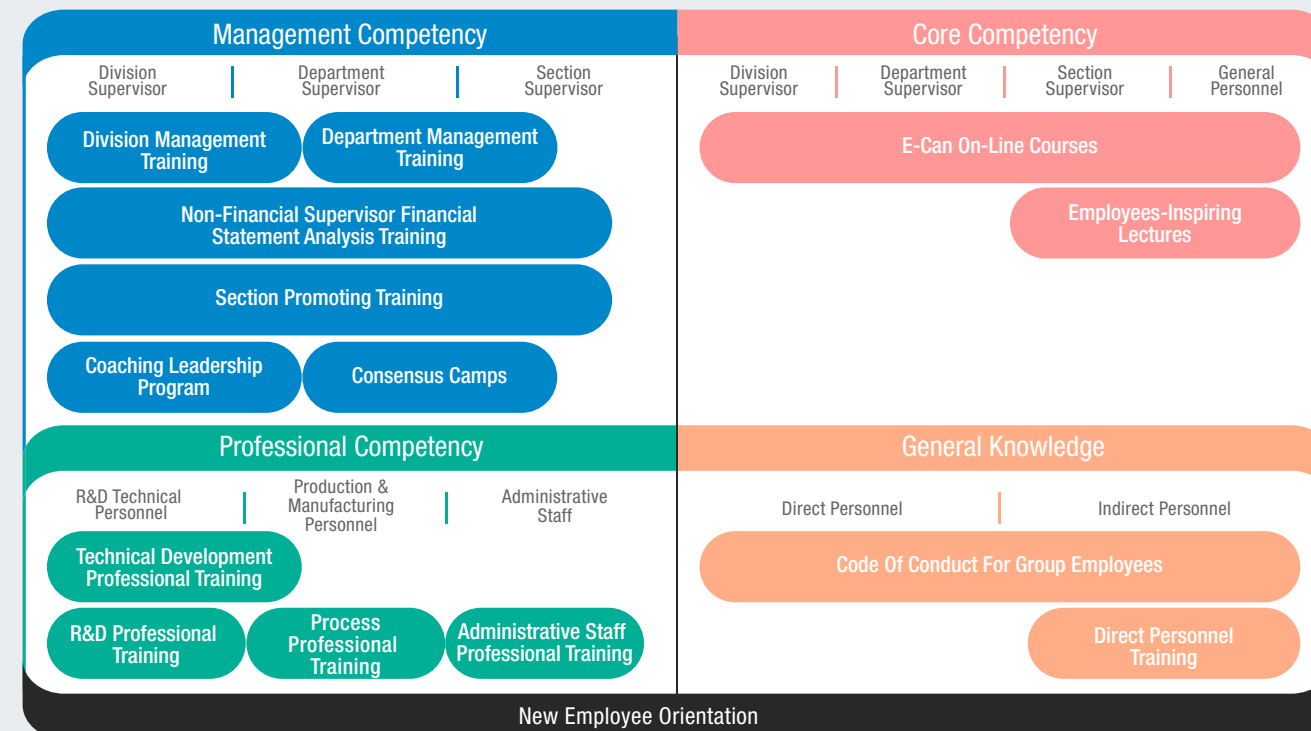| Hsinchu	Female					Male		
	Number of People on Maternity leave	Number of People on Returned to work after Maternity leave	Percentage of Returned to work after Maternity leave	Number of People on leave without pay after maternity leave/ Resignation	Number of leave without pay after maternity leave/ Resignation	Number of People on Paternity leave	Number of People on Returned to work after Paternity leave	Percentage of People on Returned to work after Paternity leave
2020	17	8	47.1%	9	52.9%	15	15	100.0%
2021	11	7	63.6%	4	36.4%	6	6	100.0%
2022	11	9	81.8%	2	18.2%	12	11	91.7%
2023	5	3	60.0%	2	40.0%	17	15	88.2%

3.4 Talent Development

Our growth as a company depends on the development of our 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 tremendous amount of time, money and manpower in providing them with the best learning opportunities, resources and development platform, while comprehensive training systems are designed to cater to the needs of our colleagues during various stages:

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

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

For indirect personnel, upon joining, they begin to undergo systematic training under the human resources training system. The main contents include:

- Orientation training: Providing each new employee with omprehensive introductory training, including both physical and online courses. The content covers company introduction, organizational structure, values and goals, rules and benefits, operation of internal systems, environmental safety and health, and other common courses. Additionally, there are individualized professional courses tailored according to different job categories. This helps employees quickly understand the company and integrate into its culture.

- 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 skills 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.

- Specialized training: For different job categories, various professional skill courses are planned to promote the enhancement of professional abilities across different departments and facilitate technical exchange. Additionally, in conjunction with the instructor training management system, instructor training sessions are conducted to improve teaching quality and internal knowledge transfer.

- General education and training: Group courses aim to provide consistent training for all employees to enhance their understanding and concepts. Workplace life seminars focus on achieving work-life balance and cover topics such as parenting, health, and personal growth.

*Alpha Networks' talent development related information can also be found on the Alpha Networks website> Career.

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

- R&D technology courses: We cultivate our own 5G, 6G and other R&D talents, invite expert lecturers (6-8 times a year) for technical seminars in line with our technology development trends and plans.

In 2023, the total training hours amounted to 1,505 hours, with an average of 4.67 hours per trainee, marking the highest figures in the company's history.
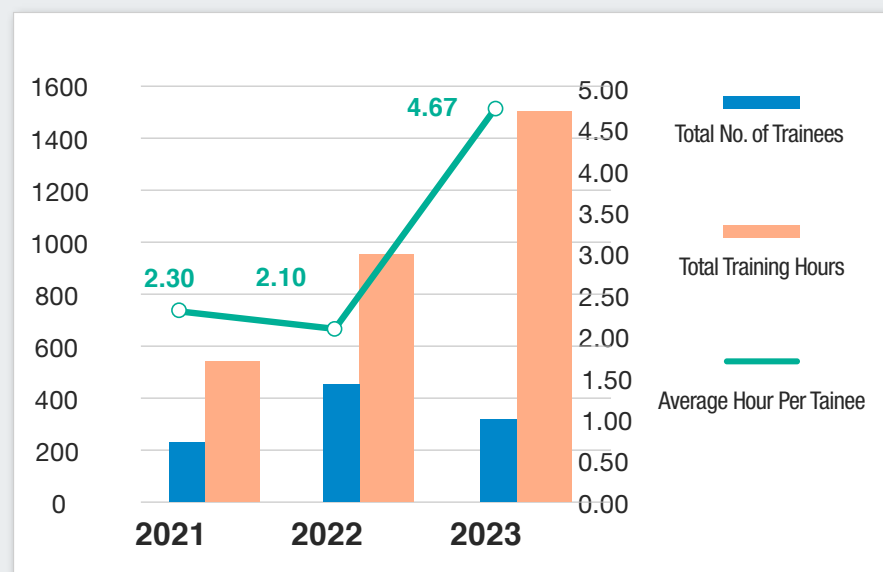
- ESG course: To enrich ESG knowledge and make sustainable development a common issue among all employees, since 2022, Alpha Networks has incorporated "Sustainable Development" and "Integrity Governance" modules into its new employee training curriculum. Additionally, external speakers have been invited to the company premises to lecture on important topics such as "Green Supply Chain", "Packaging Reduction," and "Process Reduction".

In 2023, the total training hours for ESG-related courses for new employees reached 414 hours, with 678 trainees participating.

The annual ESG course training totaled 1,278 hours, with 1,275 participants.

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.

In addition to HR training, annual courses are conducted for different job categories or business functional personnel in areas such as manufacturing technology, quality systems, safety and health, and sustainable development. These courses aim to ensure operational safety, stable production quality, and the promotion of important policies.

In 2023, as the COVID-19 pandemic subsided, some courses gradually returned to being conducted in-person to enhance training effectiveness.

The total training hours in 2023 reached 26,474 hours, with a cumulative total of 18,557 participants throughout the year.

	Participants		Hours	
	Internal Training	External Training	Internal Training	External Training
Direct personnel	10,788	0	11,992.3	0
Indirect personnel	7,515	254	12,792.6	1,689.5
Subtotal	18,303	254	24,784.9	1,689.5
Total	18,557		26,474.4	

3.4.2 Performance and promotion management

Performance Management

To achieve the company's short, medium, and long-term goals, department managers need to set performance objectives that align with the company's development goals. They should establish clear metrics and action plans, review progress midway through the year, and focus on performance targets for the second half of the year to ensure alignment between departmental objectives and company development goals. At the end of the year, managers should review the results and use employee performance as the basis for promotions, salary adjustments, bonus distribution, and training and development opportunities.

Promotion Management

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

Employee Activities

Pilates Club

Badminton Club

Breakdancing
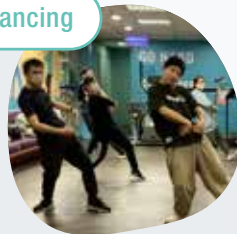
UKULELE

Latin Zumb

Basic Yoga

Floral Arts Club

Jogging and Softball

3.4.3 Employee activities

With diverse employee activities such as year-end banquets, birthday parties, clubs, family days, sports competitions, the company also organizes various lectures from time to time, covering popular topics such as health care, parenting, and stress relief.. Alpha Networks' welfare committee provides substantial subsidies for group travels each year, allowing them to strike a balance between work and personal life.

After the pandemic eased, employee activities could be held as usual, allowing the long-suppressed mind and body to be released through active participation in various activities.

In addition to active participation in internal clubs and employee activities, participation in group or external events or competitions has also repeatedly achieved excellent results.

Prolific Activities and Vigorous Employees

2023 Qisda Group Badminton games

Alpha team A- Silver Prize
Alpha team B- 4th

2023 Family Day and Fun Contest

Contest and Activities

Baseball Game

Silver Prize

3.5 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 factory 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 factory 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 and Vietnam factory 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 2023, the Alpha Networks Hsinchu factory focused on the following safety and health management items:
- Automatic inspections: The environment, facilities and special operations of each unit are automatically inspected on a regular basis.
- 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.
- 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.
- 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 factory, evaluate employee exposure situations and compliance laws and regulations. Every six months, Alpha Networks' Hsinchu factory commissions a qualified company to inspect the 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 factory and Changshu factory conduct labor safety management in accordance with the Chinese 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.

The Vietnam factory complies with the Vietnamese government's "Environmental Protection Law" and "Labor Safety and Hygiene Law" to ensure labor safety, with an occupational site hazardous substance monitoring and environmental monitoring conducted on a yearly basis.

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 factory in 2023:

Type	Number of Trainee
Safety and hygiene training for new employees	122
On-the-job employee safety and health training	388
Fire (Evacuation) Training	64
Emergency response team training	86
On-the-job training on ionizing radiation safety	12

Statistics on safety and hygiene education and training at overseas factories in 2023:

Type	Factory	Number of Trainee
Hazardous Chemical Handling Training and Drills	Changshu	4
Safety training for new employees	Dongguan	92
	Changshu	98
	Vietnam	270
Evacuation drill training for all employees	Changshu	653
	Vietnam	104

▼ Emergency Response Team Training

▼ Evacuation Drill Training

▼ Fire Extinguisher Usage Training

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.

The statistics of occupational injuries in each factory in 2023 are as follows:

Type/site	Hsinchu		Dongguan		Changshu		Vietnam	
	Male	Female	Male	Female	Male	Female	Male	Female
Amount of disabling occupational injury	0	1	0	0	0	0	0	0
Lost days of disabling occupational injury in total	0	2	0	0	0	0	0	0
I.R.	0	0.083	0	0	0	0	0	0
L.D.R.	0	0.166	0	0	0	0	0	0
OD.D.R.	0	0	0	0	0	0	0	0
A.R.	0.80%	2.09%	2.52%	3.39%	4.12%	3.08%	1.42%	1.91%
Amount of death on duty	0	0	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 working conditions:

1. The recordable accident rate for full-time employees at the Hsinchu factory came to 0.084, while for contracted employees at the Changshu factory, it was approximately 0.125. The recordable accident rate for both full-time and contracted employees at other factories is zero.

2. The near-miss incident rate for contract employees at the Changshu factory was 0.125 and zero for regular and contract employees at all other factories.

Contractor's Safety and Hygiene Management

During 2023, the safety and health management outcomes of Alpha Networks' contractors were as follows:

Hsinchu factory Construction Case Applications, of which 131 were for high-risk construction operations at the plant. 1609 persons that entered the plant for the first time received hazard notifications and safety and health training. For the Dongguan, Changshu and Vietnam factories, 30 companies applied for construction entry permits, 19 of which were for high-risk construction operations at the plant. 6 persons that entered the plant for the first time received hazard notifications and safety and health training.

- During 2023, there were no occupational accidents with losses of more than one day across all Alpha Networks' factories.

Type/Site		Hsinchu		Dongguan		Changshu		Vietnam	
		Full-Time Staff	Contract Staff	Full-Time Staff	Contract Staff	Full-Time Staff	Contract Staff	Full-Time Staff	Contract Staff
Total Recordable Incident Rate (TRIR)	Number of Events	1	0	0	0	0	1	0	0
	Percentage	0.084	0	0	0	0	0.125	0	0
Near Miss Frequency Rate (NMFR)	Number of Events	0	0	0	0	0	1	0	0
	Percentage	0	0	0	0	0	0.125	0	0
Total working hours		2,367,426	9,521	538,449	127,306	429,569.5	1,603,036	684,085	364,260

3.5.4 Food Hygiene and Safety

To provide safe, hygienic and healthy meals for staff, all factories 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. The selected catering vendor holds an HACCP certification, and both certified chefs and nutritionists undergo regular hygiene trainings.

3. The kitchen assistants undergo a health check every year to ensure that employees can eat with peace of mind. In 2023, a total of 14 outsourced catering assistants underwent screenings for hepatitis A, typhoid fever, and chest X-rays, and all results were normal.

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. 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.

8. 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.

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

10. In the dining satisfaction survey for 2023, the satisfaction rate for meals in Q1 to Q4 increased by approximately 9%, maintaining close to 75 points.

11. Covid prevention measures: Cooperate with government policies

2023	Q1	Q2	Q3	Q4
Group Meal Satisfaction Score	68.3	63.5	77.6	74.7
Average number of diner/day	573	562	573	552

▼ Clean and hygienic meal serving procedures

▼ Comfortable and cozy restaurant

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
  Every year, Alpha Networks cooperates with Taoyuan Minsheng Hospital and Hsinchu Science Park Clinic to conduct health checks for its general newcomers, general currents staff and special current staff. The health checks for existing general and special workers check more health items than required by law, with a check-up rate of 97%.

- With regards to employee health risks, we use the Framingham Cardiac Risk Score assessment tool on a yearly basis for the assessment, which considers six indicators: age, cholesterol levels, high-density lipoprotein cholesterol, blood pressure, diabetes, and smoking. It helps assess the risk of developing ischemic heart disease over the next ten years for different groups and sends email reminders accordingly.

- 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, so as to assist colleagues in raising health awareness and implementing healthy lifestyles. We tracked and completed follow-ups with all 10 employees classified as Level 5 or above.77 people consulted visiting physicians.

     We offer seminars on metabolic syndrome according to job numbers during work hours of the factory. In 2023, there were 7 sessions attended by 383 people.

  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 2023, the inspection rate was 97%.

  4. In 2023, to address the importance of addressing workplace stress among colleagues, we promoted a counseling hotline and provided spiritual digests to help colleagues understand themselves better and learn how to seek support and assistance when facing challenges.

- Health Promotion and Care
  In 2023, four health promotion lectures were held, with 81 participants.

  To help employees identify potential health problems, we offer cancer screening services (such as abdominal ultrasonography) to enable "early detection and early treatment" and reduce the severity and impact of the disease on people's lives.

  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.

▲ Health promotion lectures and poster

- 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. In 2023, 10 employees received relevant care and assistance. We offer private rooms for breastfeeding or milk expression with facilities (refrigerator/sterilizer//electric heater, etc.), to offer peace of mind to working mothers.

- Infectious Disease Prevention and Care
  Self-funded influenza vaccination activities are held in 2023, the number of participants was 131.

- Emergency Rescue Mechanism
  There are three AED devices in Hsinchu factory, 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.

- Community Care - Two blood donation events were held, with a total of 150 participants donating 217 bags of blood.

▲ Infectious Disease Prevention and Care

▲ Maternal Healthcare and Protection

▲ Emergency Rescue Mechanism

▲ Community Care

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.

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. Staff stayed separated when at home.
   - 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: 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.

Alpha Networks Epidemic Prevention Taskforce
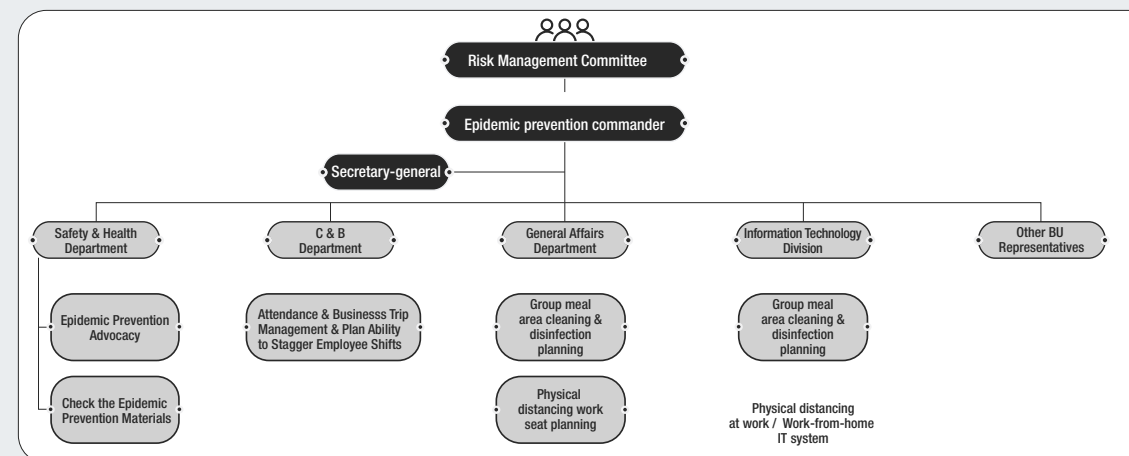
3.6 Social Engagement

Harnessing the Power of Technology to Advance Society: Promoting science education, arts & culture

The Alpha Foundation continues to promote its "Heart of Mobile Communication" initiative this year, focusing on advancing science education through telecommunications-related knowledge and technology. By integrating volunteer services and utilizing comprehensive science education materials, we aim to enhance technology education in primary schools and senior centers in Hsinchu City. We provide engaging science education materials for students and seniors, allowing them to learn scientific experiments in an enjoyable and straightforward manner. We hope that this approach will spark participants' interest in science and inspire confidence in learners to explore and try new things. Additionally, it encourages interaction between seniors and their grandchildren at home.

Furthermore, the Alpha Foundation also collaborated with academic and charitable organizations to harness innovative educational resources in Hsinchu City. With a focus on "creative thinking", we planned integrated learning journeys combining technology and humanities. Through initiatives like the "Honesty and Intelligence Experience Camp", we promoted teamwork and fostered a positive attitude towards learning among the participating elementary school students. The camp provided an

environment conducive to creative thinking, enhancing students' abilities in acuity, fluency, flexibility, originality, and precision. Practical exercises were incorporated to accumulate diverse experiences in creativity, evaluation, and improvement of others' ideas. Not only that, due to our emphasis on our people-centered approach, the camp facilitated intergenerational exchange so as to foster a collaborative learning experience that combines humanistic values with technological advancement.

Moreover, we emphasize the promotion of parent-child education principles, creating opportunities for children and elders to engage in educational interactions. This initiative also enabled children to inherit wisdom from their elders while elders experience the beauty of life's continuity through the innocence of children, fostering growth and mutual benefits for both generations.

Looking ahead, Alpha Foundation shall remain committed to fulfilling its corporate social responsibility by collaborating with more organizations and leveraging internal resources to contribute to society through practical actions by leveraging our expertise in telecommunications and networking.

Honesty and Intelligence Experience Camp

Searching for Sustainable Environment

Cherish our planet earth where

all life lives together
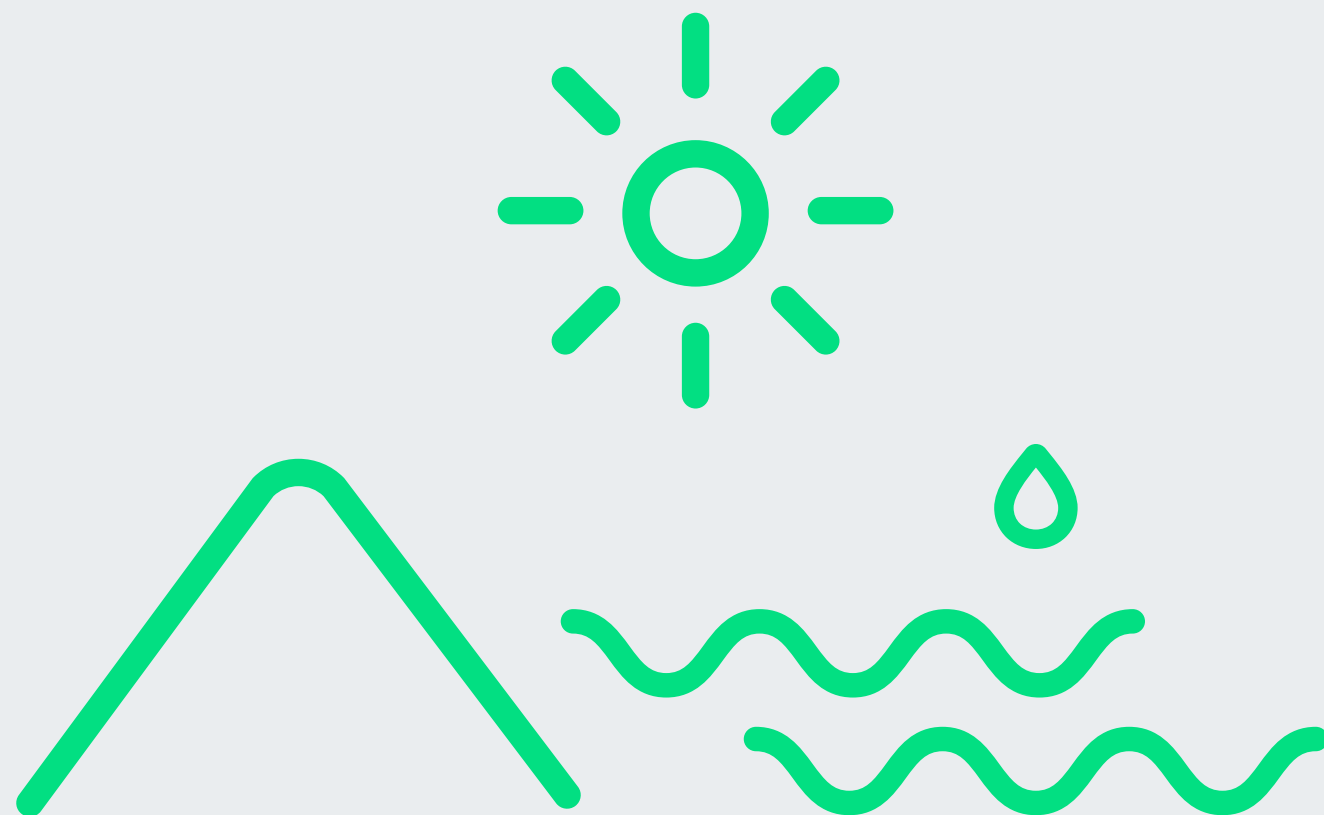
Chapter 4

Achievement of the year

[Viewpoint 1] Vision for Sustainable Environment

[Viewpoint 2] Actions of Sustainable Environment

4.1 Green Products   **4.2** Environment and Energy Management

4.3 Carbon Emission   **4.4** Wastewater and Waste

4.5 Environmental Regulation compliance

In our business operations, the Company places strong emphasis on environmental sustainability and adheres to the requirements of international trends. Alpha Networks has declared its commitment to initiatives such as achieving RE60 by 2030, RE100 by 2040, and achieving Net Zero emissions by 2050. This commitment is demonstrated through various actions, including promoting green energy, establishing a green supply chain, joining global initiatives, and conducting organizational carbon audits and product carbon footprint assessments, all aimed at realizing the

🔍 [Follow-Up] Achievements of the Year

Power Saving

Dongguan Factory

2023 Power Saving (compared to 2022)

reduce ↓ **61%**

Hazardous Substance Management

Hsinchu Factory

Waste recycling rate for 2023 (compared to 2022)

increase ↑ **1.8%** (83.57→85.37%)

Hazardous Substance Management

- 100% compliance with RoHS Directive and REACH Regulation
- Expiration of exemption clauses under RoHS Directive ≦1year
- 100% implementation in risk assessment of hazardous substances
- 100% achievement of integrated product reports in 2023

Environmental Protection

2023 GHG emissions (compared to 2022)

Target: GHG emission

reduce↓ ≧ **3%**

Water Resources Management

2023 Water Saving (compared to 2022)

Dongguan Factory

water consumption reduce↓ **42.6%**

Changshu Factory

water consumption reduce↓ **22.4%**

Carbon Reduction

Dongguan Factory

2023 Carbon Reduction (compared to 2022)

reduce ↓ **61%**

| Viewpoint 1 |

Vision for Sustainable Environment

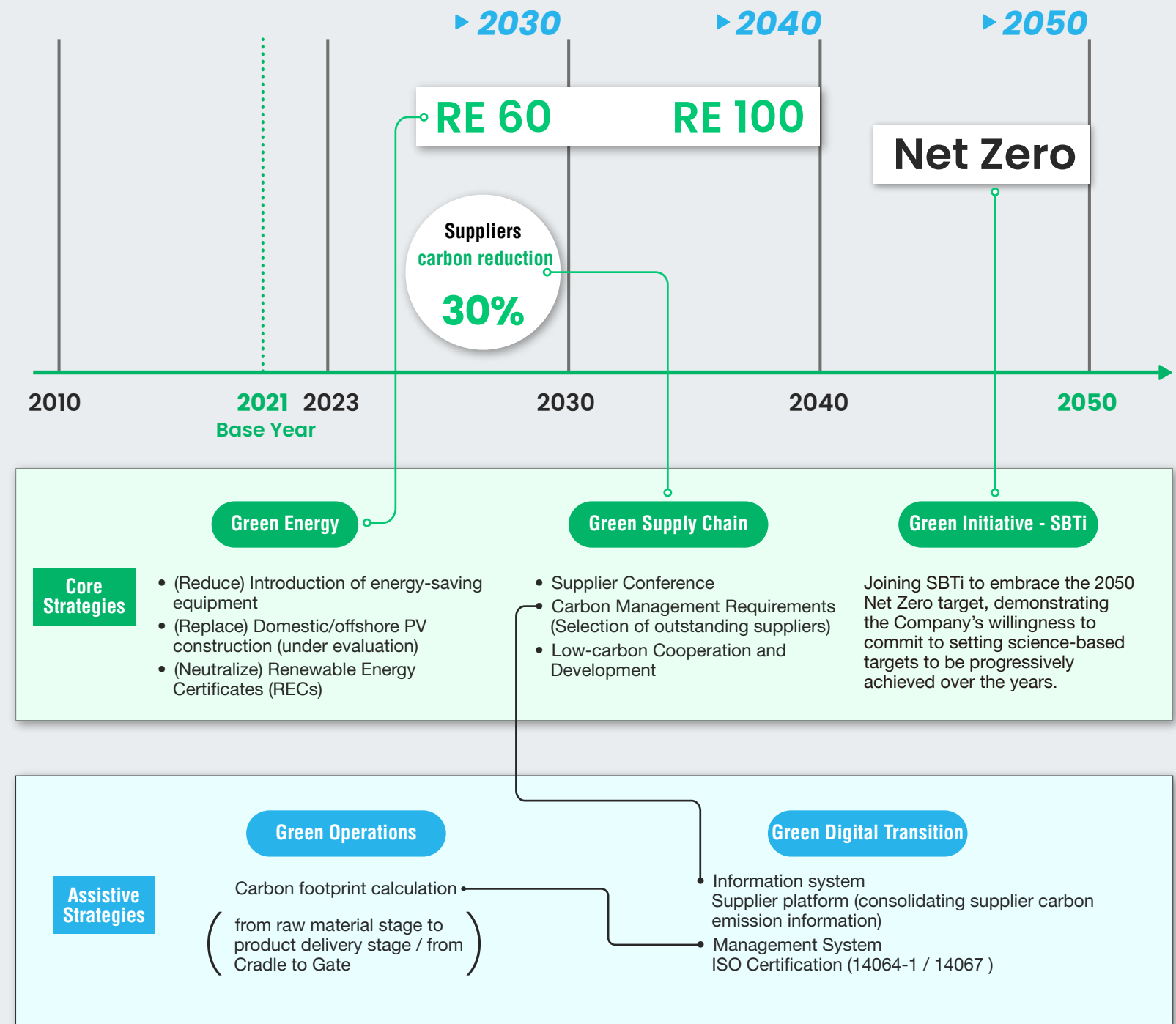Alpha Networks has declared its commitment to initiatives such as achieving RE60 by 2030, RE100 by 2040, and achieving Net Zero emissions by 2050. This commitment is demonstrated through various actions, including promoting green energy, establishing a green supply chain, joining global initiatives, and conducting organizational carbon audits and product carbon footprint assessments.

Beginning with 2021 as the baseline year, targets have been set to achieve a 60% reduction in electricity consumption-related carbon emissions (Category 2) and a 30% reduction in emissions from suppliers (Category 3) by 2030. It is estimated that by 2024, there will be a 10% reduction in electricity consumption and emissions, progressively advancing towards the RE60 target by 2030. In 2023, Alpha Networks received subsidies from the Industrial Development Bureau of the Ministry of Economic Affairs for the "Carbon Reduction and Smart Transformation Upgrade for Large and Small Manufacturing Enterprises" initiative and later in 2023 Organized the "Supplier Energy Conservation and Carbon Reduction Conference" on November 17th at the Hsinchu HQ, the Company announced its commitment to sustainable initiative with its suppliers at a conference to unveil its five major carbon reduction steps: "Green Energy," "Supply Chain Carbon Reduction," "Green Operation Carbon Footprint," "Green Transformation Platform," and "International Carbon Reduction Initiatives." Industrial Development Bureau and Institute for Information Industry experts were also invited to share their carbon reduction experiences and global trends, aiming to contribute to environmental sustainability through collaborative efforts with suppliers to create a sustainable low-carbon supply chain and collectively work towards carbon reduction goals. Specific actions include suppliers completing carbon audits by Q3 2024 and jointly developing future carbon reduction pathways and actions.

Internally, plans are underway to initiate the SBTi in Q3 2024, with the goal of achieving net zero emissions by 2050, with relevant project actions deployed. In terms of carbon footprint and carbon audits, the Company plans to conduct organizational carbon audits and third-party verifications for production sites, as well as conducting two product carbon footprint audits and verifications. Additionally, internal personnel will be trained in carbon footprint auditing capabilities. Future plans will involve the implementation of a carbon footprint management platform to facilitate rapid carbon footprint audits for different products, meeting customer demands and enhancing customer satisfaction.

▶ **2030** ▶ **2040** ▶ **2050**

RE 60   **RE 100**

Net Zero

Suppliers **carbon reduction** **30%**

2010   **2021** 2023   **2030**   **2040**   **2050**
        Base Year

Core Strategies

Green Energy

- (Reduce) Introduction of energy-saving equipment
- (Replace) Domestic/offshore PV construction (under evaluation)
- (Neutralize) Renewable Energy Certificates (RECs)

Green Supply Chain

- Supplier Conference
- Carbon Management Requirements (Selection of outstanding suppliers)
- Low-carbon Cooperation and Development

Green Initiative - SBTi

Joining SBTi to embrace the 2050 Net Zero target, demonstrating the Company's willingness to commit to setting science-based targets to be progressively achieved over the years.

Assistive Strategies

Green Operations

Carbon footprint calculation

(from raw material stage to product delivery stage / from Cradle to Gate)

Green Digital Transition

Information system Supplier platform (consolidating supplier carbon emission information)

Management System ISO Certification (14064-1 / 14067)

| Viewpoint 2 |
Actions of Sustainable Environment

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. 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 our website ESG > Environmental Protection.

Design and Recyclable for Disassembly

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

Energy Conservation

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

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

Strict internal control via green materials management platform Introduction of lead-free manufacturing processes, with all components in compliance with the EU RoHS and REACH requirements.

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

Process of Deliberation
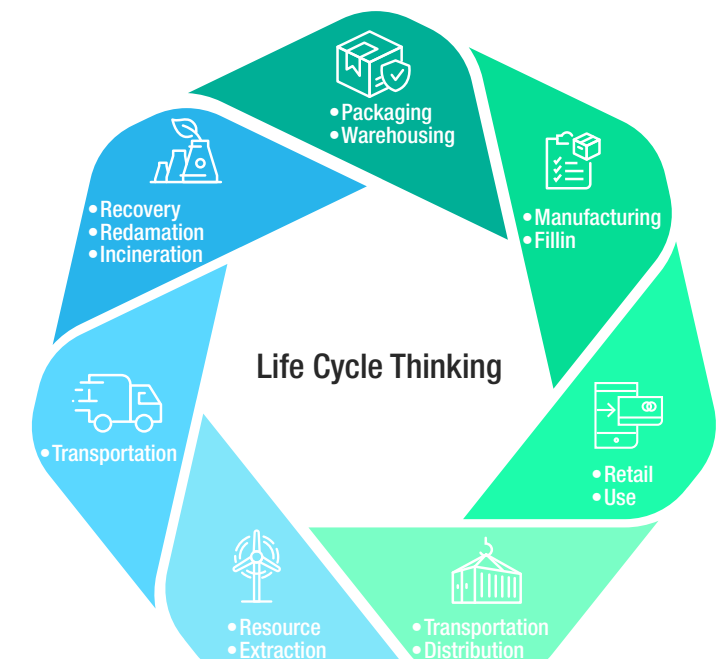**Development for Product Lifecycle**

Life Cycle Thinking

• Packaging
• Warehousing

• Manufacturing
• Fillin

• Recovery
• Redamation
• Incineration

• Retail
• Use

• Transportation

• Transportation
• Distribution

• Resource
• Extraction

4.1
Green Products

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 procurement management process

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 and green consumption.
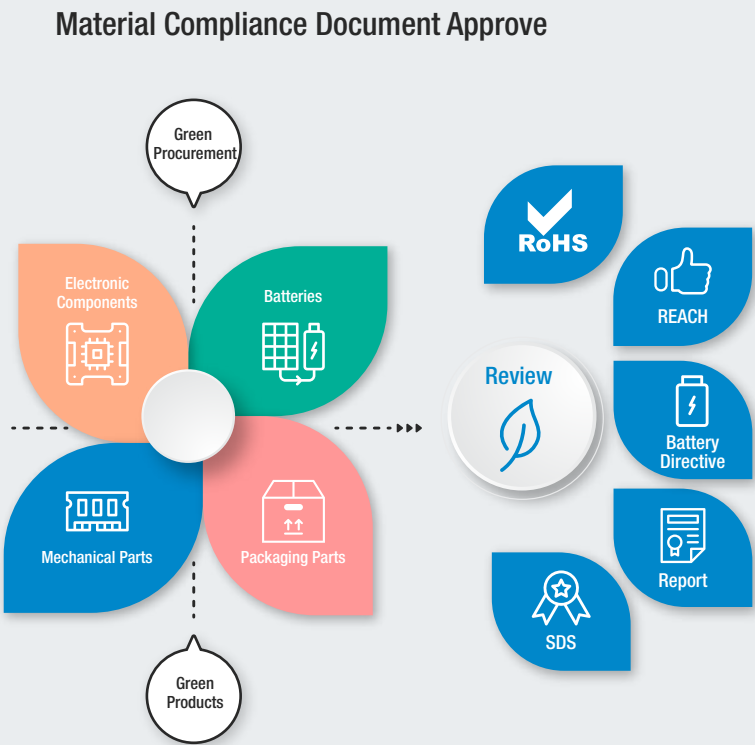
Material Compliance Document Approve

- Remark:
- RoHS: Restriction of Hazardous Substances
- REACH: Registration, Evaluation and Authorization of Chemicals
- TCFD: Task Force on Climate-related Financial Disclosures
- 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.

Table of Hazardous Substance Management Targets

HSF Policy	No	Objective	2023 Goal	Unit (responsible)
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 GPM system cards.	Achievement rate100%	Green Engineering Section
	2	REACH module purchase (SVHC, TPHC and TSCA). Accurate display for color management in the GPM system.	Achievement rate100%	
	3	Early preparedness one year before expiration of exemption clauses	Expiration of exemption clauses ≤1year	
	4	GPM system and 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 rate98%	

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

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) and employs control procedures and requires suppliers to sign a Guarantee, submit a third-party test report to ensure 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. The procedures are illustrated below.

For more details on the GPM of Alpha Networks, please refer to "GPM Platform"

Hazardous Substance Management Process

01 Import data
- BOM
- Part
- Supplier

02 Specification Definition
- Material Management
- Substance Code Management

03 MCD Form
- Substance List
- Data Sheet Test report
- Custom Form
- Conflict Minerals Investigation
- REACH Form

04 Compliance Analysis
- BOM Compliance
- Material Compliance

05 Report export

Statistics on 3,729 MCD audits in 2023 are shown per month in the Table below. Confirmation that the raw materials from the supplier meet the standards for controlled substances.

MCD Approve Table

Number/ Month	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug	Sep.	Oct.	Nov.	Dec.	Total
Audited Number	134	120	271	119	43	108	129	293	328	309	1,060	815	3,729

Remark:
- MCD: Material Composition Declaration
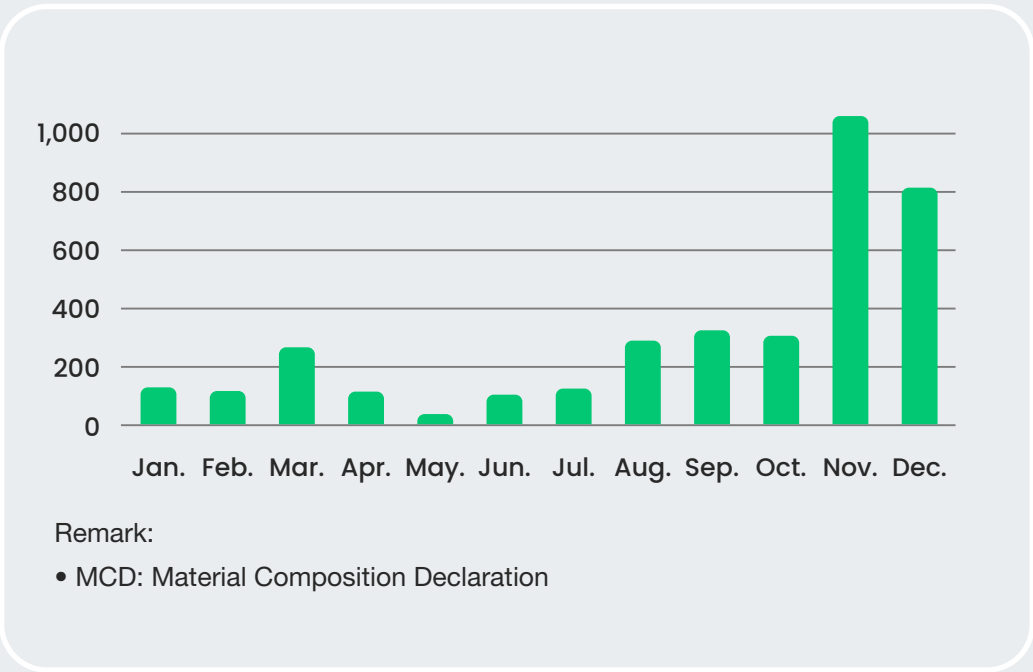
4.1.4
Green Product design and production

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. Different system policies are shown in the schema below.

System Policy Chart

ISO9001 / TL9000/ IATF16949 Quality policy

- Do the right things at the first time.
- Continuous improvement for better quality
- 100% customer satisfaction

Environmental Policy/HSF Policy

- Obey and meet environmental regulations and restricted instructions for harmful substance.
- Research and develop green products to pursue the goal of perfection in HSF product.
- Advance levels of resource recycling and promote decrement of waste amount.
- Continually improve production processes and mitigate negative environmental impacts.
- Promote knowledge of environmental protection to all employees to ensure us fulfill our mission.
- Save energy and enhance the rates of resource utilization efficiency.

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

AEO Authorized Economic Operator safety policy

- Declaration for Implementation of Safety and Quality Corporate System:
  To ensure the assets security of the Company and its business partners and the policy adherence by all of the Company's employees and suppliers.
- 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.

Remark:
AEO: Authorized Economic Operator

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.

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. The operational process is shown in the illustration below.

Quality Management process

The quality goals are expanded from the top-down

Step 1

Deliverty

Quality

Customer

Service

Step 2

Key Performance Indicators

Step 3

Managemnent By Objectves
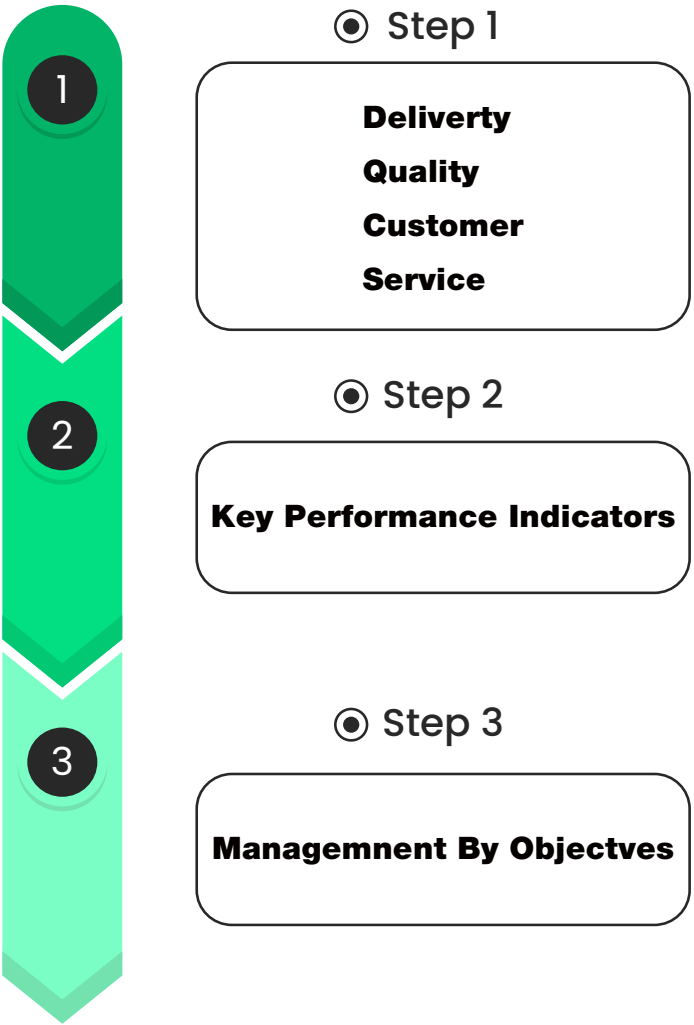
The same set of manufacturing system and quality management standards are used at all Alpha Networks production sites, including Manufacturing Execution System (MES), SAP, PLM, e-JIT (Just-in-Time) and Supplier Management System (SMS).Each production site collaborates with the Quality Center on the promotion 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.

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
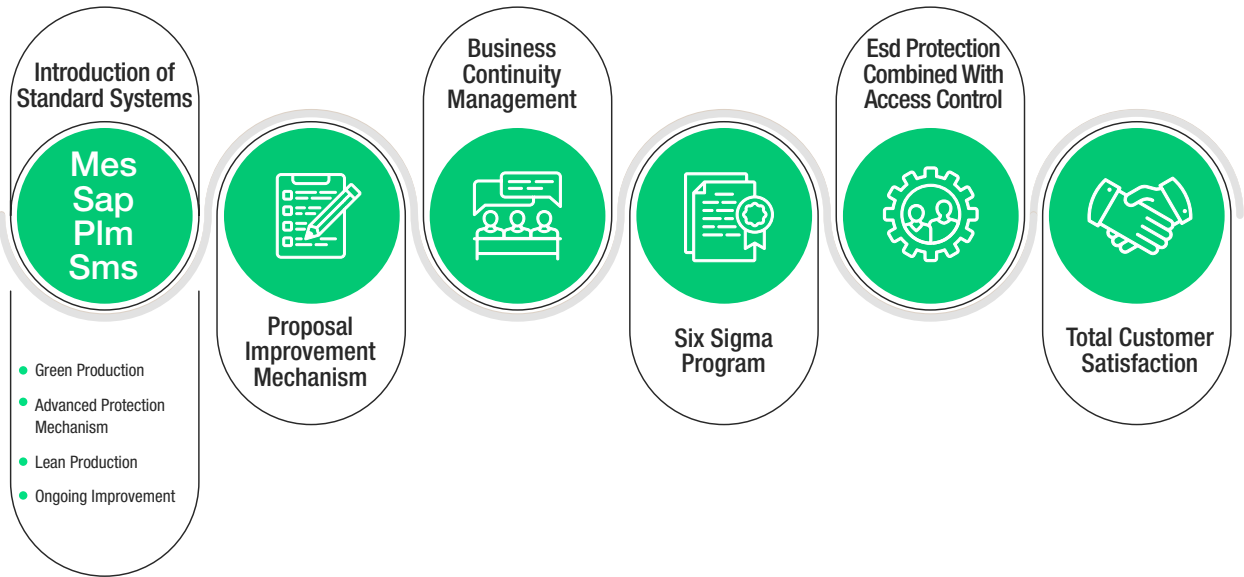
Remark:
- MES: Manufacturing Execution System
- PLM: Product Lifecycle Management

The Hsinchu Factory and Quality Center plan to collaborate on continuous quality improvement activities starting in 2024, aiming to enhance employees' quality awareness and make quality consciousness a part of everyone's DNA. The planned Hsinchu Factory QCCs statistics are as follows:

Statics of QCCs at Hsinchu Factory

NO.	Group	Name of circle
1	Manufacturing 1st Department_1	Holy Hand Circle
2	Manufacturing 1st Department_2	Pushing Hand Circle
3	Manufacturing 1st Department + 2nd Department Night Shift	Onion Ring
4	Manufacturing 2nd Department_1	Triple Circle
5	Manufacturing 2nd Department_2	Grass Circle
6	Manufacturing 2nd Department_3	Key Ring
7	Manufacturing 2nd Department_4	Hula Loop
8	Manufacturing QA Department	Happy Ring
9	Warehousing Department_1	Victory Circle
10	Engineering_1	Lifebuoy
11	Engineering_2	Doughnut
12	Engineering_3	Drawing Circle
13	Engineering_4	Network Circle

4.1.5 Product disassembly and recycle design

Alpha Networks considers 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 (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.

Remark:

• 3R: Recycle, Reuse, Recovered

4.1.6 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 2023 statistics on product energy efficiency tests, the application was submitted for three 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.

Product Type	Test Item	BU	Test Results
Wi-Fi 6	ErP	Wireless Broadband Business Unit	Compliance

Remark:

• ErP: Energy-related Product

• DoE: Department of Energy

• CEC: California Energy Commission's

• NRCan: Natural Resources Canada

4.2
Environmental and Energy Management

To ensure an effective environmental energy management and response to environmental issues on all fronts, Alpha Networks formulates policies and initiates campaigns and targets each year, to contribute to environmental management.

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. Energy conservation and enhancement of energy utilization efficiency, as annual targets shown in the Table below.

Environmental Goals in 2023

Alpha Networks Environmental Goals

Environment Policy	No.	Objective	Goal	Unit
Improve employees' awareness of environmental protection, and join in environmental protection work.	1.1	Alpha Networks Green website update	Per year ≥1 time	Green Engineering Section PR dpt.
	1.2	Green News Update (Update of featured topics and themes on the three billboards at B1 Cafeteria)	Per year ≥ 1 time	Green Engineering Section Commercial Design Department
	1.3	Biodiversity practice activities (such as: beach cleaning, mountain cleaning, tree planting, environmentally friendly farmland maintenance...)	Per year ≥ 1 time	Green Engineering Section Alpha Foundation
Conserve energy and improve energy efficiency.	2.1	Collection of green-related regulations	Per year = 4 time	Green Engineering Section
	2.2	CDP carbon disclosure score improved to B- or higher	Per year = 1 time	Green Engineering Section Relevant BU & Departments

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

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. Statistics of actual electricity consumption and results of carbon reduction projects are detailed as follows.

Energy resource management: The actual electricity consumption at Hsinchu Factory in 2021-2023, along with the disclosure of actual consumption details within the organization has enabled effective management of electricity and energy resources.

2021-2023 Actual Power Consumption at Hsinchu Factory

Unit: Kwh
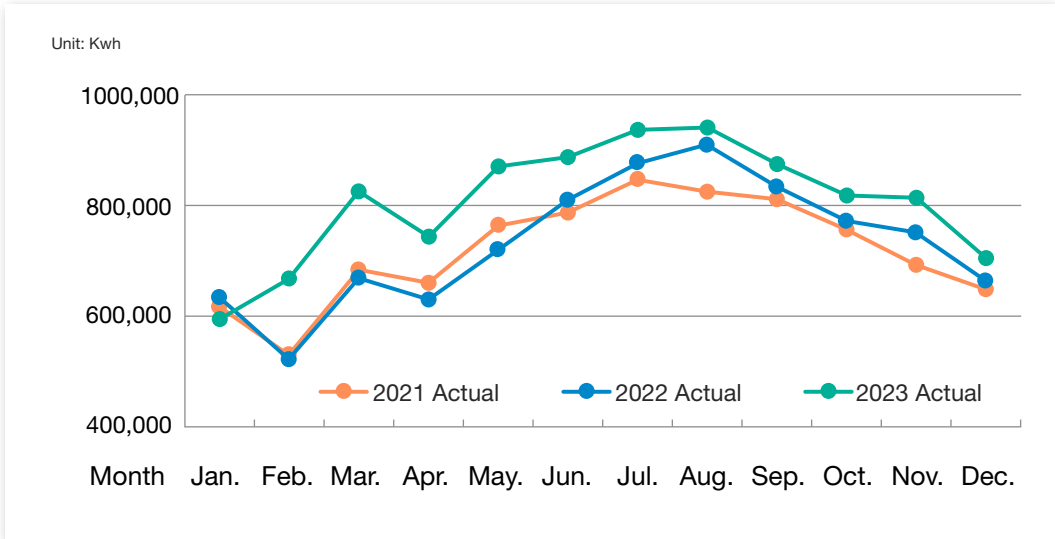
Month	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2021 Actual Electricity Consumption	616,580	530,114	684,084	659,267	764,694	786,629	847,322	824,528	810,565	756,403	692,176	647,990
2022 Actual Electricity Consumption	631,738	522,359	668,883	659,267	719,685	809,903	877,360	909,499	833,057	771,863	749,981	663,276
2023 Actual Electricity Consumption	595,113	667,889	825,255	743,393	871,129	887,340	936,989	941,230	875,027	817,880	814,160	704,905

Remark:
1. The electricity consumption for FETnet base stations and 7-11 convenience stores has been deducted
2. The actual electricity consumption in 2023 increased by 894,654 kWh compared to 2022, representing a growth of 10.2%
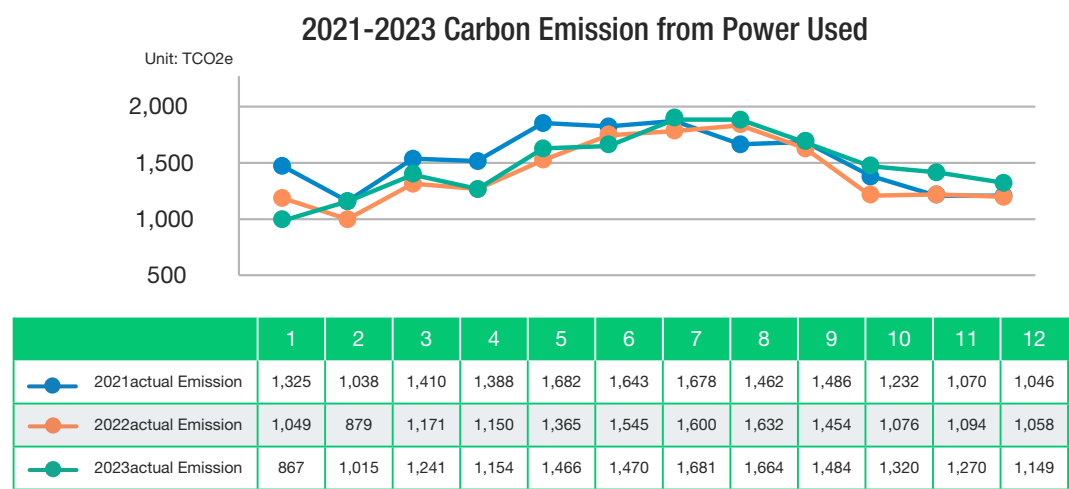
Details of internal energy consumption in 2023 (kWh)

Month	Jan.				Feb.				Mar.				Apr.			
	Electricity Consumption	For Heating	For Cooling	Steam Consumption	Electricity Consumption	For Heating	For Cooling	Steam Consumption	Electricity Consumption	For Heating	For Cooling	Steam Consumption	Electricity Consumption	For Heating	For Cooling	Steam Consumption
2021 Actual Electricity Consumption	492,250	0	124,330	0	414,464	0	115,650	0	507,344	0	176,740	0	492,737	0	166,530	0
2022 Actual Electricity Consumption	528,438	0	103,300	0	410,059	0	112,300	0	497,483	0	171,400	0	460,052	0	168,000	0
2023 Actual Electricity Consumption	488,113	0	107,000	0	554,029	0	113,860	0	676,455	0	148,800	0	574,893	0	168,500	0

Month	May.				Jun.				Jul.				Aug.			
	Electricity Consumption	For Heating	For Cooling	Steam Consumption	Electricity Consumption	For Heating	For Cooling	Steam Consumption	Electricity Consumption	For Heating	For Cooling	Steam Consumption	Electricity Consumption	For Heating	For Cooling	Steam Consumption
2021 Actual Electricity Consumption	513,494	0	251,200	0	513,199	0	273,430	0	540,422	0	306,900	0	535,528	0	289,000	0
2022 Actual Electricity Consumption	527,985	0	191,700	0	522,303	0	287,600	0	550,560	0	326,800	0	605,699	0	303,800	0
2023 Actual Electricity Consumption	632,929	0	238,200	0	585,740	0	301,600	0	647,489	0	289,500	0	636,830	0	304,400	0

Month	Sep.				Oct.				Nov.				Dec.			
	Electricity Consumption	For Heating	For Cooling	Steam Consumption	Electricity Consumption	For Heating	For Cooling	Steam Consumption	Electricity Consumption	For Heating	For Cooling	Steam Consumption	Electricity Consumption	For Heating	For Cooling	Steam Consumption
2021 Actual Electricity Consumption	540,465	0	270,100	0	534,903	0	221,500	0	535,776	0	156,400	0	517,290	0	130,700	0
2022 Actual Electricity Consumption	538,257	0	294,800	0	576,163	0	195,700	0	563,281	0	186,700	0	539,076	0	124,200	0
2023 Actual Electricity Consumption	642,027	0	233,000	0	619,880	0	198,000	0	658,960	0	155,200	0	572,105	0	132,800	0

Note: Date source – Monthly power consumption statement and electricity bills throughout the year (The electricity consumption for FETnet base stations and 7-11 convenience stores has been deducted.

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, Changshu Factory and Vietnam 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 on the right.

2021-2023 Carbon Emission from Power Used

Unit: TCO2e

	1	2	3	4	5	6	7	8	9	10	11	12
2021actual Emission	1,325	1,038	1,410	1,388	1,682	1,643	1,678	1,462	1,486	1,232	1,070	1,046
2022actual Emission	1,049	879	1,171	1,150	1,365	1,545	1,600	1,632	1,454	1,076	1,094	1,058
2023actual Emission	867	1,015	1,241	1,154	1,466	1,470	1,681	1,664	1,484	1,320	1,270	1,149

Note:
Data source - Actual carbon emissions statistics from 2021–2023

2021~2023 Actual Power Consumption

Unit: Kwh

	1	2	3	4	5	6	7	8	9	10	11	12
2021actual Emission	2,065,464	1,623,044	2,171,188	2,145,837	2,596,458	2,565,515	2,658,550	2,403,636	2,404,157	2,010,460	1,775,486	1,741,141
2022actual Emission	1,712,544	1,438,919	1,888,737	1,822,634	2,161,310	2,472,866	2,566,003	2,631,123	2,338,598	1,786,957	1,811,085	1,746,473
2023actual Emission	1,459,491	1,686,551	2,059,806	1,900,997	2,371,711	2,411,946	2,745,330	2,746,372	2,445,656	2,169,042	2,100,199	1,892,186

Actual Carbon Emissions from Electricity Statistics Table

Unit: TCO$_{2e}$

Month	Jan.	Feb	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Actual Carbon Emissions for 2021	1,325	1,038	1,410	1,388	1,682	1,643	1,678	1,462	1,486	1,232	1,070	1,046	16,459
Actual Carbon Emissions for 2022	1,049	879	1,171	1,150	1,365	1,545	1,600	1,632	1,454	1,076	1,094	1,058	15,075
Actual Carbon Emissions for 2023	867	1,015	1,241	1,154	1,466	1,470	1,681	1,664	1,484	1,320	1,270	1,149	15,780
Carbon Emissions for 2023 (Hsinchu)	295	331	409	368	431	439	464	466	433	405	403	349	4,792
Carbon Emissions for 2023 (Dongguan)	210	286	341	316	379	294	233	121	59	40	9	9	2,297
Carbon Emissions for 2023 (Changshu)	291	322	380	341	393	448	532	566	465	367	356	330	4,791
Carbon Emissions for 2023 (Vietnam)	72	77	112	128	263	288	452	512	527	508	503	461	3,901

Note: Data source - Actual carbon emissions statistics
Carbon emissions for 2023 increased by 4.7% compared to 2022 (including Hsinchu, Dongguan, Changshu, and Vietnam factories)

Power Consumption Statistics

Unit: Kwh

Month	Jan.	Feb	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Actual Electricity Consumption for 2021	2,065,464	1,623,044	2,171,188	2,145,837	2,596,458	2,565,515	2,658,550	2,403,636	2,404,157	2,010,460	1,775,486	1,741,141	26,160,936
Actual Electricity Consumption for 2022	1,712,544	1,438,919	1,888,737	1,822,634	2,161,310	2,472,866	2,566,003	2,631,123	2,338,598	1,786,957	1,811,085	1,746,473	24,377,249
Actual Electricity Consumption for 2023	1,459,491	1,686,551	2,059,806	1,900,997	2,371,711	2,411,946	2,745,330	2,746,372	2,445,656	2,169,042	2,100,199	1,892,186	25,989,285
Electricity Consumption for 2023 (Hsinchu)	595,113	667,889	825,255	743,393	871,129	887,340	936,989	941,230	875,027	817,880	814,160	704,905	9,680,310
Electricity Consumption for 2023 (Dongguan)	260,775	355,091	423,913	393,258	471,328	365,532	290,108	150,627	72,904	50,007	11,292	11,467	2,856,300
Electricity Consumption for 2023 (Changshu)	510,607	564,393	665,990	598,352	688,634	785,522	932,834	991,938	815,818	643,690	623,838	579,208	8,400,824
Electricity consumption for 2023 (Vietnam)	92,996	99,178	144,648	165,994	340,620	373,553	585,399	662,577	681,907	657,465	650,910	596,606	5,051,852

Note: Data source - Kwh statistics
Power consumptions for 2023 increased by 4.7% compared to 2022 (including Hsinchu, Dongguan, Changshu, and Vietnam factories)

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. Including the optimal operation of the chiller and its ancillary equipment system, and the installation of energy-saving equipment such as variable frequency cooling tower fans at the Hsinchu Factory, the combined efforts of our employees at the four factories have yielded the following achievements in 2023: The estimated annual electricity savings from the variable frequency energy-saving effect of the cooling tower at Alpha Networks will come to roughly 230,000 kWh. The Dongguan Factory ended production in July 2023 and shifted its focus to the Vietnam factory, resulting in a decrease in electricity usage. In the initial phase, the Changshu factory installed relatively traditional lighting fixtures. Considering the high cost of replacement, in 2023, a total of 60 sets of LED light tubes were replaced in the defective goods warehouse, with an estimated annual electricity savings of RMB $23,000.

1. **Energy efficiency and carbon reduction activities:** Optimized operation of the chiller and its ancillary equipment.
   Purpose: automatic temperature adjustment to achieve energy efficiency and carbon reduction.
   Approach: automatic loading adjustment for chillers and auxiliary equipment based on outdoor emperature and onsite air-conditioning requirements, to optimize system stability, maximize efficiency and minimize energy consumption. Benefits: as shown in the Table below

Control and Management of Electricity Consumption at Hsinchu Factory

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 2021	124,330	115,650	176,740	166,530	251,200	273,430	306,900	289,000	270,100	221,500	156,400	130,700
The actual electricity consumption of water-cooled servers and auxiliary equipment in 2022	103,300	112,300	171,400	168,000	191,700	287,600	326,800	303,800	294,800	195,700	186,700	124,200
The actual electricity consumption of water-cooled servers and auxiliary equipment in 2023	107,000	113,860	148,800	168,500	238,200	301,600	289,500	304,400	233,000	198,000	155,200	132,800

Note:
- Source: Digital aggregated electricity meter data / Electricity consumption control table for Hsinchu Factory
- In 2023, the actual power consumption of the chiller and its ancillary equipment decreased by 3.0% compared to 2022

2. **Energy efficiency and carbon reduction activities:** Changshu Factory's measures to reduce energy consumption and carbon in 2023

Changshu Factory's Energy Efficiency and Carbon Reduction Chart

Energy Efficiency Initiative	Special Projects And Action Plans	Picture Before The Revamp	Picture After The Revamp
Replacement with energy-efficient LED lights (60 sets) at workshops	• 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. • 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).		

Estimated Profit or Loss				Expenses Saved Each Year
Operating Expense before The Revamp		Operating Expense Aater The Revamp		
Electricity Costs for Equipment	Maintenance Expense	Electricity Costs for Equipment	Maintenance Expense	
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)	RMB 23,000/p.a.

Note: Data - Changshu Factory's 2023 report on energy efficiency and carbon reduction

3. Energy efficiency and carbon reduction activities:
Installation of variable frequency energy-saving cooling tower fans at Hsinchu Factory

Purpose:
By utilizing the temperature difference between the cooling water inlet and return water, coupled with automatic control of fan speed based on outdoor dry and wet bulb temperatures, energy consumption of the equipment is reduced, thus achieving energy-saving goals.

Approach:
a. Installation of baffles in the cooling tower to mitigate turbulence and short-circuiting, thereby reducing energy consumption.
b. Variable frequency drives were installed on a total of 6 cooling tower fans (CT1~CT6), achieving energy savings through varying the rotation frequency.

Total: The improvements are expected to save 230,000 kWh of electricity annually, resulting in approximately NTD 700,000 in electricity cost savings.

Benefit: Between 2023/11/1–2023/12/31, the energy-saving rate is calculated to be at 81.7%.

Summary

Period	2023-11-01~2023-11-30
Baseline Operation (Kwh)	13955.543
Energy-Saving Operation (Kwh)	2547.9
Electricity Saved (Kwh)	11,407.6
Energy-Saving Rate	81.7%

Cooling Tower Fans Operation Record

Cooling Fans #	Baseline info (kWh/min)	Operating duration (minutes)	Baseline operation (kWh)	Energy-saving operation (kWh)	Energy saved (kWh)
CT1_KW	0.125	15,440	1,930	352.3	1,577.7
CT2_KW	0.126	15,026	1,893.3	333.7	1,559.6
CT3_KW	0.113	16,422	1,855.7	344.6	1,511.1
CT4_KW	0.128	19,630	2,512.6	446.7	2,065.9
CT5_KW	0.115	32,375	3,723.1	689.9	3,033.2
CT6_KW	0.123	16,592	2,040.8	380.7	1,660.1
Total	-	-	13,955.5	2,547.9	11,407.6

Installation of variable frequency energy-saving cooling tower fans at the top floor of Hsinchu Factory

Energy-saving operation data for November 2023
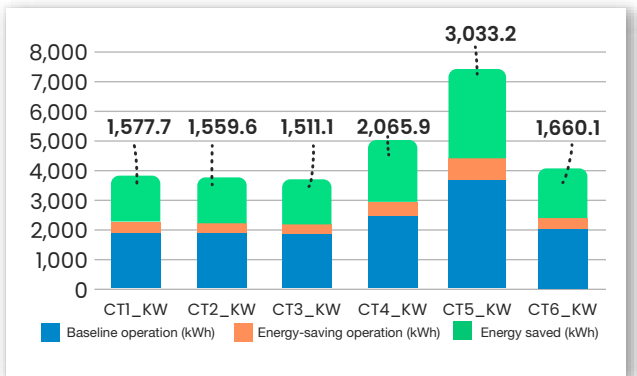
Conclusion

In order to effectively manage the benefits of energy input for Alpha Networks, we have collected statistics on our energy intensity. Energy refers to any form of energy carrier resources that can provide light, heat, power, and other forms of energy needed by humans, including coal, oil, natural gas, etc. Enterprise energy intensity refers to the amount of energy consumed per unit of product produced and is used as an indicator to measure the energy efficiency of a company. The lower the energy intensity, the better the energy efficiency.

The energy intensity of the Hsinchu factory in 2023, measured by the amount of energy input per unit of revenue, is as follows:

Energy Intensity and Total Energy Use Table

Item	2021	2022	2023
Liquefied Petroleum Gas (GJ)	4.54	5.16	2.86
Purchased Non-Renewable Electricity (GJ)	31,033.27	31,628.36	34,849.12
Diesel (GJ)	22.45	9.49	6.15
Gasoline (GJ)	22.97	10.19	7.17
Energy Intensity (GJ/NTD million)	18.11	15.56	19.10
Total Energy Use (GJ)	31,083.23	31,653.19	34,865.29

1. Data sources:
   Electricity usage is based on the data listed in the monthly electricity bills of each operating location; gasoline and diesel are mainly based on actual usage.

2. Conversion coefficients for similar energy heat values:
   Electricity conversion coefficient: 1 KWh = 0.003600 GJ
   Heat value conversion coefficient: Diesel - Taiwan = 0.035169 GJ/L, Gasoline - Taiwan = 0.032657 GJ/L.
   Liquefied Petroleum Gas 1L = 6635 kcal (from 1991 onward), 1 kcal = 4.186 KJ

3. 1 Gigajoule (GJ) = 109 Joules (J).

4. Individual business turnover is changed to "NTD million" to comply with climate-related information disclosure on the Taiwan Stock Exchange, and the information from 2021 to 2023 has been adjusted accordingly.

Note: Data Source - Energy Intensity and Total Energy Use Table for the Hsinchu Factory from 2021 to 2023

Continuing the goal of energy conservation and carbon reduction and ongoing improvement is another mission for Alpha Networks. Improvement of the following facilities has been planned for our Hsinchu Factory in 2024:

1. Establishment and implementation of Energy Management System (EMS).

2. Installation and integration of solar power generation system.

The rooftop project will involve the installation of a solar power generation system with a capacity of approximately 150 kwp, yielding an annual power generation of around 160,000 kWh. This system aims to reduce reliance on conventional electricity sources, aligning with government energy policies for energy efficiency and carbon reduction goals. Additionally, the use of green energy sources will be incorporated into our energy management system.

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. 2023 training classes related to green and environmental protection please refer to the table below.

Environmental Protection Training Courses

Course title	Organizer	Date
Global Green Product Standards Awareness: PFAS Management Strategies and Trends in Environmental Protection Regulations (Webinar)	ezGlobal.NET	2023.10.13
Creating Sustainable Products and Packaging - Regulations on Mineral Oils and Circular Economy Practices in France and Responses (Zoom Webinar)	SGS	2023.03.23
Corporate Carbon Reduction Workshop: How Enterprises Can Develop Carbon Reduction Plans to Address Export Carbon Regulations	International Trade Administration, Ministry of Economic Affairs	2023.03.30
ESG Series Course II: Corporate Sustainable Development and Green Supply Chain Management	Taiwan Safety Health & Environment Management Consulting Co., Ltd.	2023.02.20

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. The results of tests performed at Hsinchu Factory, Changshu Factory, and Building A of Vietnam Factory are shown below.

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

Changshu factory:

Compliant with GB/T 57TT50 (Standards for drinking water quality)

Vietnam factory (Plant A):

Based on QCVN 6-1:2010/BYT National Standards for Natural Mineral Water and Bottled Water and QCVN 01-1:2018/BYT National Standards for Drinking Water Quality.

2023 Drinking Water Quality Test Results
(based on the data from the 4th Quarter)

Test Item/Factory	E.coli Count (Unit: CFU/100mL)	Total Bacteria Count (Unit: CFU/mL)
Hsinchu Factory	<1	-
Changshu Factory	Not detected	Not detected

Test Item/Factory	E.coli Count (Unit: CFU/100mL)	Total Bacteria Count (Unit: CFU/mL)
Vietnam Factory (Plant A)	KPH (Note)	KPH (Note)

Note:
- Source Alpha Networks drinking water quality test report
- KPH: not detected.

4.2.4　Committed to Biodiversity

🌱 01

Tea-Picking Ecological Activity

In celebration of Alpha Networks' 20th anniversary, our volunteers participated in a tea-picking activity organized by the BenQ Foundation in Hengshan, Hsinchu. The tea plantation is rich in biodiversity, with spiders, grasshoppers, leafhoppers, ants, caterpillars, and weeds, showcasing the diversity and the authenticity of eco-friendly farming practices. Through a day of agricultural work, our volunteers shared the cultural significance nurtured by the land and also had the opportunity to learn about tea culture. At the age of 20, it's a time of youthful vigor and growth. In 2023, Alpha Networks' supervisors and volunteers insisted on staying close to the land despite the biting sun in Hengshan township in order to show their support for the eco-friendly tea plantation through hands-on agricultural work.

02

Rice-Harvesting Ecological Activity

The conservation and restoration of terrace fields and ecology In the golden October of the lunar calendar, with ripe rice beckoning, Alpha Networks' volunteers participated in the autumn harvest event in Cizhou, Changhua, enjoying the warm sunshine of central Taiwan while embodying sustainability in action by working in the soft muddy fields. Supporting local farmers committed to land stewardship through the "Friendly Co-farming" initiative, we led our employees and their families in the physical labor, working hand in hand to complete our "ESG for Shangshui" mission. Through the concerted efforts of the volunteers, we were able to transform sustainability into actionable deeds, changing it from a mere slogan to a tangible reality.

03

Beach-Cleaning Ecological Activity

Following the UN Biodiversity Conference (COP15), there's now a more concrete blueprint for global biodiversity conservation, aiming to protect 30% of land and sea by 2030, known as the "30x30" goal. Alpha Networks participated in beach cleaning activities to contribute to the preservation of marine ecosystems.

04

Tree-Planting Ecological Activity

Trees thriving in open, healthy environments nurture lichens, fungi, and invertebrates, which in turn provide ecological "services" to other organisms. Alpha Networks rallied its employees to participate in tree-planting activities, establishing a nature-based ecosystem that helps propagate and enrich local native plants, thus enhancing biodiversity.

4.3 Carbon Emission

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 isclosure 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 has joined the Carbon Disclosure Project (CDP), committing ourselves to carbon emission disclosure (ISO 14064-1) as an enterprise and product carbon footprint to monitor, understand, control and reduce our GHG emissions in a timely manner.

For more details on the company profile and evolution of Alpha Networks, please refer to our website ESG > Environmental Protection.

4.3.2 Carbon Disclosure

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 2023 projects included disclosure of climate change, water and supplier participation. Alpha Networks will keep an eye on the global issues in relation to climate change. Annual reports disclose the achievements to stakeholders every year.

Summary of CDP Scores for 2021–2023

| Result/Year	2021	2022	2023
Climate Change	B-	B-	C
Water Security	B-	B-	C
Supplier Engagement Rating	C	A-	Note

Note:
- Data courtesy of CDP official website
- No disclosure on the CDP website

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. Alpha Networks responses the updated requirements of ISO14064-1:2018, Alpha Networks Hsinchu factory has completed training on ISO14064-1:2018 and updated the baseline year to 2021 on December 8, 2021. The Hsinchu Factory shall follow the statistical guidelines of the Intergovernmental Panel on Climate Change (IPCC) and the regulations of the Environmental Protection Administration's "Greenhouse Gas Reduction and Management Act," and conduct greenhouse gas identification in accordance with the Kyoto Protocol, including carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3), among seven types of greenhouse gases. The operational boundaries of Alpha Networks Hsinchu factory include direct greenhouse gas emissions sources (Category 1) and indirect greenhouse gas emissions sources (Category 2, Category 3, Category 4, Category 5, Category 6). The greenhouse gas types identified by the Company include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and hydrofluorocarbons (HFCs). However, we have not identified emission sources for greenhouse gases such as perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), nitrogen trifluoride (NF_3), and biogenic carbon, which are subject to regulation under the Kyoto Protocol. The trend of greenhouse gas emissions from 2008 to 2023, as shown below:
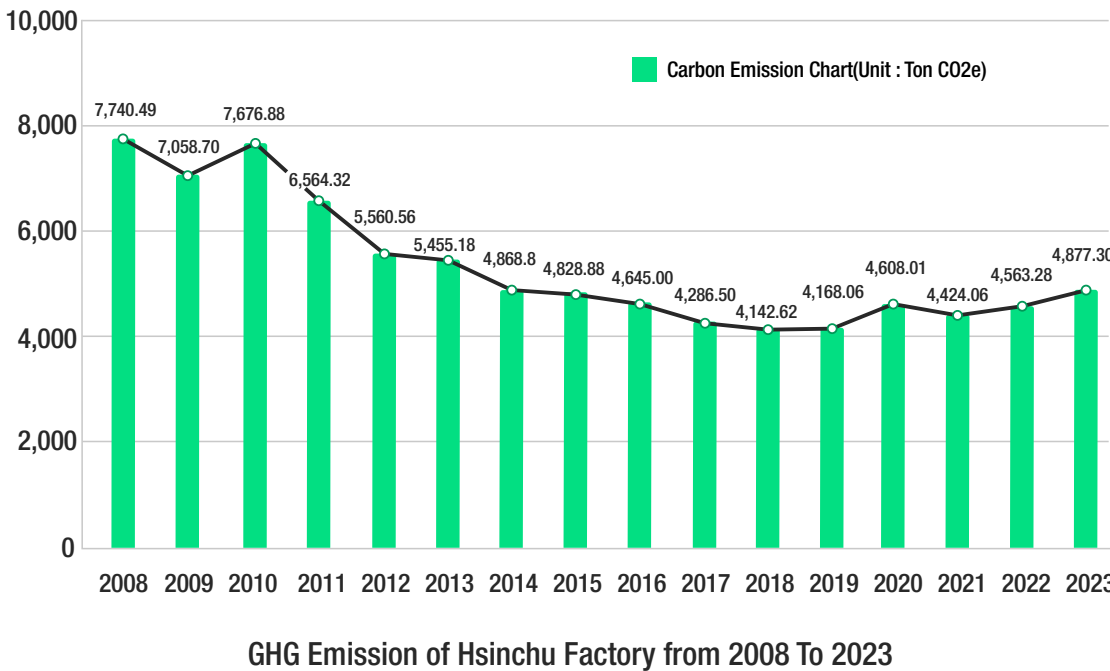
In 2023, both Hsinchu Factory and Changshu Factory completed the ISO14064-1:2018 inspection and the results were verified by third parties. The details are as follows.

Alpha Networks (Hsinchu factory): total GHG emissions in 2023 667,473.82 ton CO_2e. The emissions in each category are shown in the Table below.

GHG Emission of Hsinchu Factory from 2008 To 2023

2023 GHG Emission Volumes and Percentages by Category
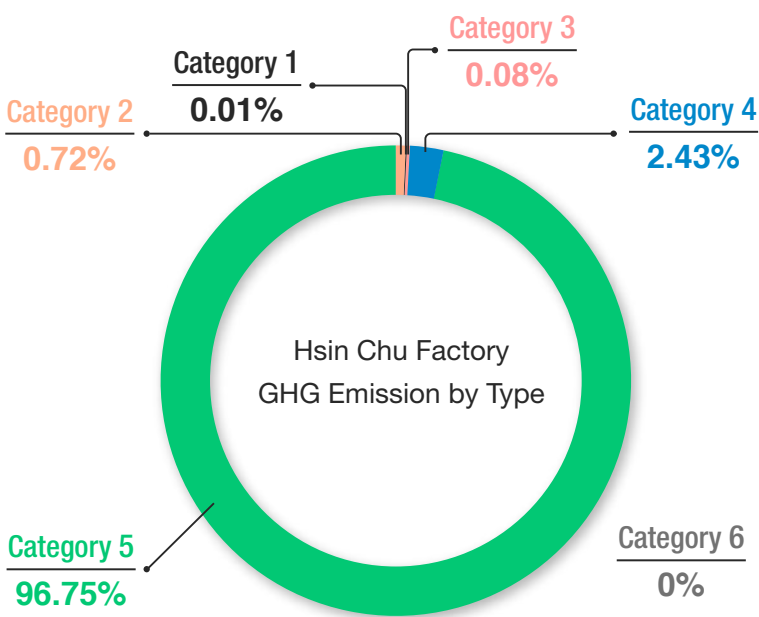
Hsin Chu Factory GHG Emission by Type

Category	Category 1	Category 2	Category 3	Category 4	Category 5	Category 6	Total
Emissions (ton CO_2e)	85.55	4,791.75	549.17	16,242.90	645,804.45	0.0000	667,473.82
Percentage (%)	0.01%	0.72%	0.08%	2.43%	96.75%	0.0%	100.0%

Based on the principles of sustainable development and the obligation to fulfill corporate social responsibility, Alpha Networks (Changshu) Co., Ltd. is actively committed to greenhouse gas emission inventory and control to mitigate global warming. Through our management efforts, we aim to conserve energy resources and uphold the sustainable development of the global ecological environment. With the baseline year for greenhouse gas inventory conducted according to ISO 14064-1:2018 standard set between January 1 to December 31, 2022, our operational boundary includes direct greenhouse gas emissions (Category 1) and indirect greenhouse gas emissions (Categories 2, 3, 4, 5, 6). The greenhouse gases inventoried by Alpha Networks include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3). Our total greenhouse gas emissions for 2023 amounted to 18,267.26 tons of CO_2 equivalent. The emissions for each category and their respective percentages are as follows:

Category	Category 1	Category 2	Category 3	Category 4	Category 5	Category 6	Total
Emissions (ton CO_2e)	249.06	4,104.89	13,911.41	1.90	0.0	0.0	18,267.26
Percentage (%)	1.36%	22.47%	76.16%	0.01%	0.0%	0.0%	100.0%
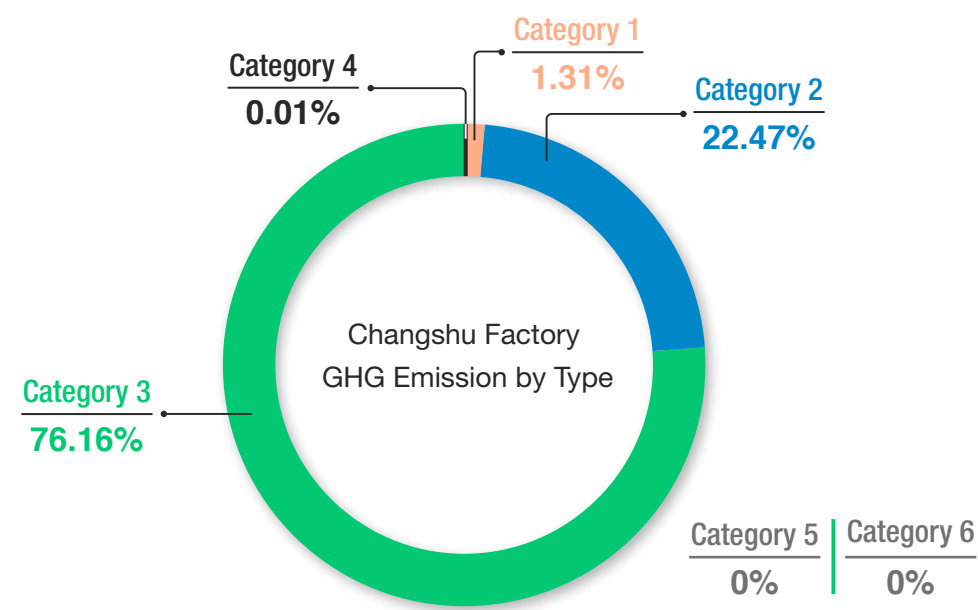
Alpha Networks (Changshu) Co., Ltd., based on the environmental principles of sustainable development and the obligation to fulfill corporate social responsibility, achieved the following reduction in greenhouse gas emissions from 2022 to 2023:

Year	2022	2023
GHG emissions	18,907.06	18,267.26
Percentage of GHG reduction (%)	0.00%	-3.38%
Goals	-3%	-3%

Category 1 **1.31%**

Category 4 **0.01%**

Category 2 **22.47%**

Category 3 **76.16%**

Changshu Factory
GHG Emission by Type
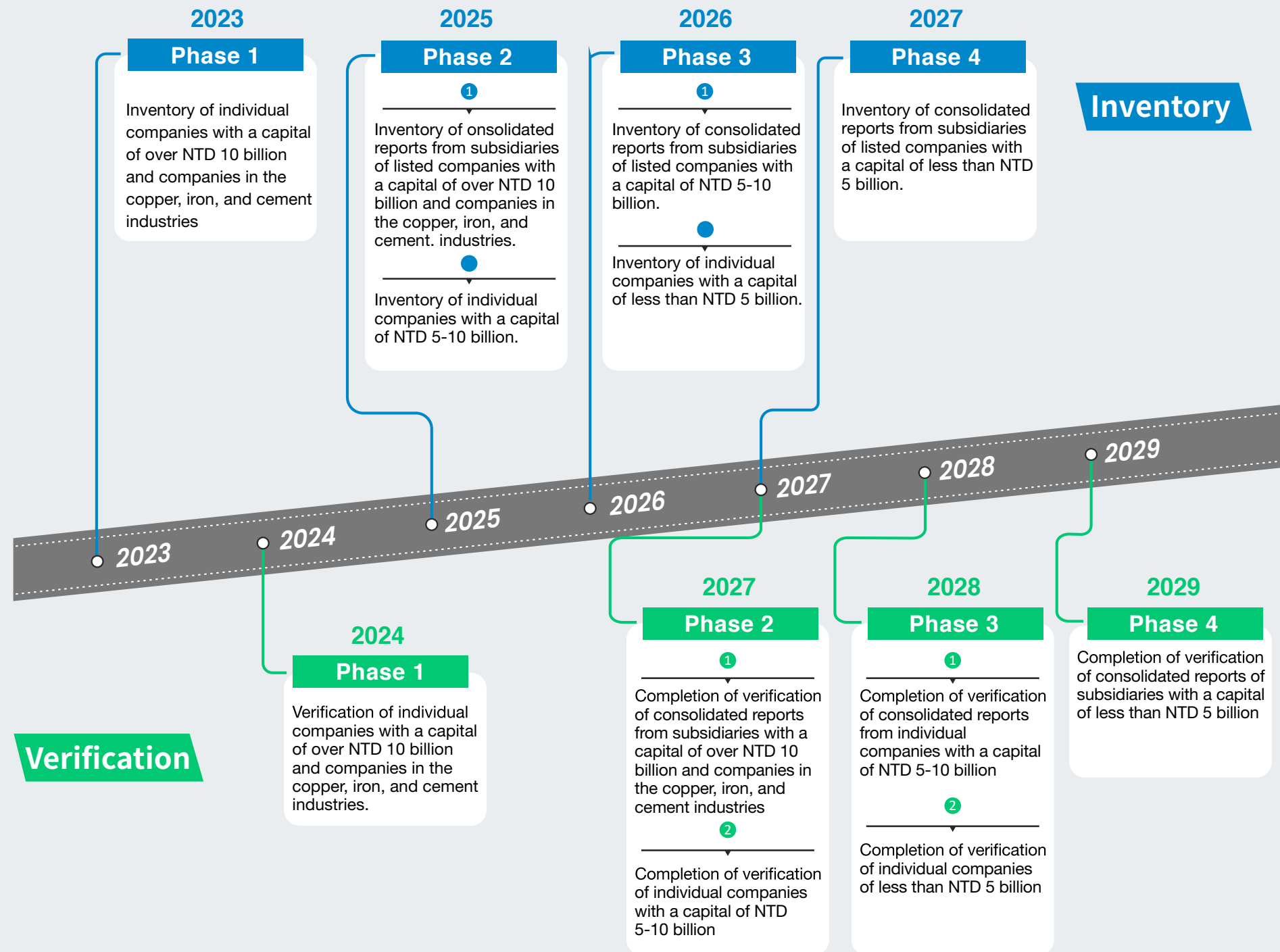
Category 5 **0%** | **Category 6** **0%**

*For more information, please visit our website ESG > Environmental Protection.

4.3.4

Sustainable Development Roadmap

(Inventory & Certification Schedule)

Pursuant to the Financial Supervisory Commission's (FSC) Sustainable Development Roapmap, Alpha Networks is implementing the plan outlined by the FSC for listed companies to complete greenhouse gas inventories by 2027 and verification by 2029. Alpha Networks, with a total of 26 subsidiaries included in the consolidated financial statements, has decided to commence the first phase of inventory in 2023, ahead of schedule. This initiative involves tracking and reporting energy consumption and greenhouse gas emissions at each location, providing a baseline for subsequent carbon reduction plans. This not only helps mitigate the impacts of climate change but also enhances the company's competitiveness in the global market.

Inventory

2023 — Phase 1

Inventory of individual companies with a capital of over NTD 10 billion and companies in the copper, iron, and cement industries

2025 — Phase 2

1. Inventory of onsolidated reports from subsidiaries of listed companies with a capital of over NTD 10 billion and companies in the copper, iron, and cement. industries.

2. Inventory of individual companies with a capital of NTD 5-10 billion.

2026 — Phase 3

1. Inventory of consolidated reports from subsidiaries of listed companies with a capital of NTD 5-10 billion.

2. Inventory of individual companies with a capital of less than NTD 5 billion.

2027 — Phase 4

Inventory of consolidated reports from subsidiaries of listed companies with a capital of less than NTD 5 billion.

Verification

2024 — Phase 1

Verification of individual companies with a capital of over NTD 10 billion and companies in the copper, iron, and cement industries.

2027 — Phase 2

1. Completion of verification of consolidated reports from subsidiaries with a capital of over NTD 10 billion and companies in the copper, iron, and cement industries

2. Completion of verification of individual companies with a capital of NTD 5-10 billion

2028 — Phase 3

1. Completion of verification of consolidated reports from individual companies with a capital of NTD 5-10 billion

2. Completion of verification of individual companies of less than NTD 5 billion

2029 — Phase 4

Completion of verification of consolidated reports of subsidiaries with a capital of less than NTD 5 billion

Road timeline: 2023 • 2024 • 2025 • 2026 • 2027 • 2028 • 2029

4.4

Wastewater and Waste

....

Alpha Networks is dedicated to wastewater and waste management with effluent inspections, flow measurement and calibration, waste management and reduction. The purpose is to effectively ensure compliance to wastewater emission standards and achieve waste reduction. Further management measures have been adopted for noise control, waste gas control, fire safety inspection and reporting and public safety inspection and reporting. The enhancement of the managed scope is explained below.

4.4.1 Effluent control

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, 2021~2023 (Tons)

Factory/Year	2021	2022	2023
Hsinchu Factory	22,193	29,110	28,445
Changshu Factory	79,787	73,014	56,649
Vietnam Factory (Plant A)	-	5,042	9,886
Vietnam Factory (Plant B)	-	297	10,424

Note 1: Source - Hsinchu Factory – Meter readings reported to the Science Park Administration's sewage treatment factory each month.
Note 2: Source - Changshu 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)
Note 3: Source - Vietnam Factory – Calculated based on 80% of the water consumption, according to QCVN 40:2011 / BTNMT (National Industrial Wastewater Regulation), classified as Category B for testing purposes.

2023 Discharger Water Quality Test Result (depending on the test schedule of respective plants)

Factory/Test item	pH	COD	BOD	SS	Oil	MBAS	Ammonia Nitrogen	Phosphate
Hsinchu Actual Value	7.2	221 mg/l	112 mg/l	49.7 mg/l	13.6 mg/l	0.6 mg/l	-	-
Hsinchu Controlled Value	5.0~9.0	500mg/l	300 mg/l	300 mg/l	15 mg/l	10 mg/l	-	-
Changshu Actual Value	7.1	198 mg/l	-	80 mg/l	0.06 L	0.38 mg/l	19.2 mg/l	2.04 mg/l
Changshu Controlled Value	6~9	500 mg/l	-	400 mg/l	100 mg/l	20 mg/l	mg/l	mg/l
Vietnam (Plant A) Actual Value (1st)	7.39	97.3 mg/l	48.2 mg/l	56 mg/l	4.3 mg/l	-	9.16 mg/l	3.47 mg/l
Vietnam (Plant A) Actual Value (2nd)	7.38	122.7 mg/l	47.3 mg/l	69 mg/l	4.9 mg/l	-	9.8 mg/l	4.55 mg/l
Vietnam Controlled Value	5.5~9	150 mg/l	50 mg/l	TSS 100 mg/l	10 mg/l	-	10 mg/l	6 mg/l

4.4.2 Waste Management and Reduction

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 Networks' waste.

To reduce waste, each factory has since 2017 classified and labeled its waste. According to the statistics, the total volume of waste in 2023 increased by 94.22 metric tons compared to 2022. The main reason for this increase is the 42.43% rise in production capacity of LAN/MAN Switch products at the Hsinchu Factory, resulting in a 38.08 metric ton increase in cardboard waste. Additionally, waste from the Dongguan Factory decreased by 75.65 metric tons in 2023 compared to 2022 due to factory shutdown. On the other hand, waste from the Vietnam Factory, which commenced operations in 2023, contributed 154.32 metric tons to the total waste. The Company shall continue to strengthen waste classification and labeling efforts to achieve waste reduction goals.

Waste Output of Each Factory Between 2021- 2023
unit: Kg

Category	Treatment method		2021	2022	2023
General industrial waste	Recyclable	Incineration (energy recycled)	28,690	41,170	38,730
		Recycled for reuse	476,279.5	562,565.4	608,524.3W
		Others	0	0	0
		Subtotal	504,969.5	603,735.4	647,254.3
	Non-Recyclable	Incineration (no energy recycled)	50,270	48,760	82,260
		Landfill	0	0	0
		Others	0	0	0
		Subtotal	50,270	48,760	82,260
	Total for general industrial waste		555,239.5	652,495.4	729,514.3
Hazardous industrial waste	Recyclable	Incineration (energy recycled)	0	0	0
		Recycled for reuse	27,824	45,430.96	41,113.02
		Others	0	0	0
		Subtotal	27,824	45,430.96	41,113.02
	Non-Recyclable	Incineration (no energy recycled)	16,601	15,335.7	36,847.2
		Landfill	0	0	0
		Others	0	0	0
		Subtotal	16,601	15,335.7	36,847.2
	Total for hazardous industrial waste		44,425	60,766.66	77,960.22
Total volume of waste cleared			599,664.5	713,262.06	807,474.52

Remark: The scope of waste management includes Hsinchu Factory, Dongguan Factory, Changshu Factory, and Vietnam Factory.

CASE STUDY

Modular Packaging to Reduce Waste and Plastic Use

With manufacturing facilities in Hsinchu, Dongguan, and Changshu in China, Alpha Networks is preparing to operate new factory in Vietnam in 2023. The Company has experienced a significant increase in the use of transit packaging materials due to the demand for transporting semi-finished or component parts to non-Chinese factories (e.g., from Changshu to Hsinchu) for subsequent processing since 2020, amidst the US-China trade war. Consequently, there has been a substantial increase in the usage of transit packaging materials. Previously, transit packaging materials used were mostly plastic (such as PS, PET, PC) or foam materials (such as EP) trays, which did not comply with the trend of "biodegradability". Moreover, these packaging materials required specialized mold manufacturing based on product shapes, making it impossible to share different shapes and resulting in a large amount of non-reusable transit packaging waste.

As a responsible producer, Alpha Networks aims to reduce the generation of waste packaging materials by adopting the 3R approach for the conceptualization of a modular and reusable transit packaging. Firstly, recycled paper materials are used instead of plastics and foam materials, which aligns with the environmental call for recycling. Additionally, a modular design approach is adopted to enable different products to be shared and support reuse, thereby achieving the goal of waste reduction.

This modular packaging project was chosen to participate in the 3rd Taiwan Sustainable Action Award (TSAA) and won the Silver Award under SDG12. Furthermore, the concept of this project has been chosen patent application, inspiring colleagues to continue innovating environmentally friendly practices from operational practices.

Responding to Global Trends

Circular economy has become a global trend, with major international companies calling for the reduction of plastics throughout the supply chain to promote environmental sustainability. Several international brands have committed to ensuring that packaging meets the requirements of being "recyclable", "multi-use", and "biodegradable" by 2025, thereby reducing the use of single-use packaging. Moreover, international electronics giant Apple has replaced multiple materials with 100% recyclable or renewable materials.

The materials used in this project are "biodegradable", an ideal alternative to replace plastics and foam materials used in the past, making them more environmentally friendly.

Being a Responsible Producer

As a professional electronics OEM service provider, Alpha Networks not only adheres to quality policies but also acts as a "responsible producer", actively promoting green production and striving to reduce environmental burdens in operations. This packaging project utilizes innovative methods to replace plastic materials and reduce waste generation, fully supporting SDG12—ensuring sustainable consumption and production models.
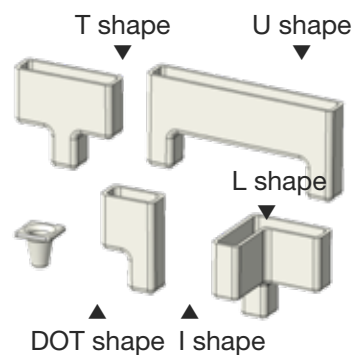
Project Includes

This project includes:

A: Array Perforated Base, with multiple openings perforated based on the array distance, currently in square shape but not limited to it.

B: Module Plug-in Set, currently available in five shapes: I, L, U, T and DOT but not limited to these shapes.

**A.** Array Perforated

B. Plug-in pieces in different

+

T shape   U shape

L shape

DOT shape   I shape

Multiple Advantages

This project not only responds to environmental requirements for waste reduction and plastic reduction but also brings other operational benefits:

1. Economic Benefits - Reduced costs for mold and packaging development. Plastic trays and foam trays are customized for product shapes, requiring expenses for mold development, design, and related costs. This project uses several module inserts with an array base to create combinations that adapt to the packaging needs of various product shapes, increasing the reusability of packaging materials and reducing the costs of developing molds and packaging.

2. Enhanced Effectiveness - Improved design thinking reduces product compression and impact, making it less prone to compression failure and reducing the likelihood of rework and costs. Interlocking components between layers are securely connected, ensuring stability between upper and lower bases, and module plugs are less prone to detachment or tipping due to squeezing or impact. The modular design utilizes materials such as molded pulp or vacuum-formed plastics, with a hollow and flexible structure that provides excellent stress absorption and resilience. This not only creates suitable buffering areas for products but also achieves protective and shock-absorbing effects.

How to Use

1. Place the product on the base.

2. Affix multiple standard plug-in pieces. All of these pieces can be easily fitted into each opening on the base. Different packaging module plugs can be used to enclose products of different shapes and contours to create buffer zones.

3. Within the same base space, different module plugs can be used to enclose different-shaped and sized internal buffer zones, allowing different products to share this packaging system. Several bases, along with module plugs.

4. It can also be stacked vertically.

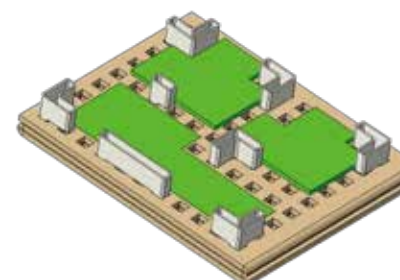Place the product on the array perforated base
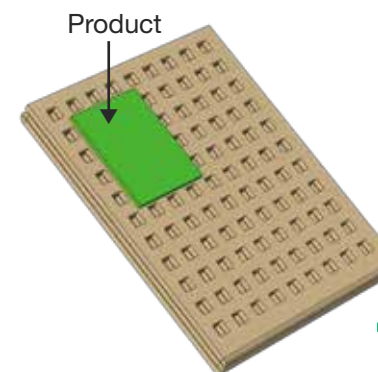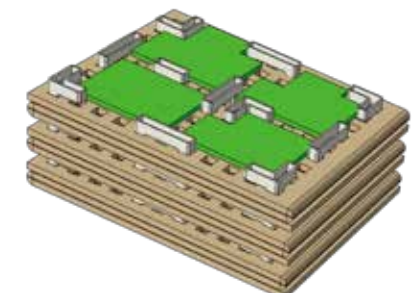
Embed the required module plugs onto the base
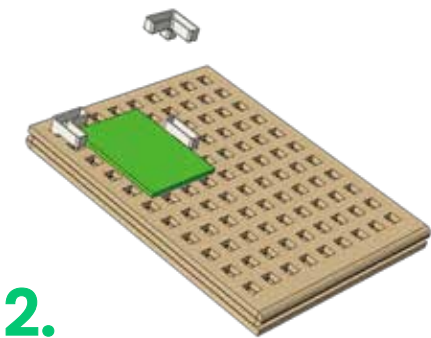
Product

1.   **2.**

The same base, when combined with different module plugs, creates different product buffering areas

3.   **4.** The base can be stacked upwards with module plugs

4.4.3 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.

2023 Flue Exhaust Inspection Result

Hsinchu Factory

	Lead		Particulate Pollutant		Total Hydrocarbons	
Flue No. P002	Actual Value	<0.02 (mg/Nm³)	Actual Value	2 (mg/Nm³)	Actual Value	31ppm
	Emission Standard	10 (mg/Nm³)	Emission Standard	100 (mg/Nm³)	Emission Standard	*
	Lead		Particulate pollutant		Total Hydrocarbons	
Flue No. P003	Actual Value	<0.02 (mg/Nm³)	Actual Value	1 (mg/Nm³)	Actual Value	5ppm
	Emission Standard	10 (mg/Nm³)	Emission Standard	100 (mg/Nm³)	Emission Standard	*
	Lead		Particulate pollutant		Total Hydrocarbons	
Flue No. P004	Actual Value	<0.02 (mg/Nm³)	Actual Value	2 (mg/Nm³)	Actual Value	11ppm
	Emission Standard	10 (mg/Nm³)	Emission Standard	100 (mg/Nm³)	Emission Standard	*

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

Changshu Factory

	Item	Tin and its compounds	Non-Methane hydrocarbon (counted as carbon)
Flue No. 1	Emission Concentration (mg/ m³)	0.014(mg/ m³)	1.98(mg/ m³)
	Limit Value (mg/ m³)	5	60
	Item	Tin and its compounds	Non-Methane Hydrocarbon (counted as Carbon)
Flue No. 2	Emission Concentration (mg/ m³)	ND(mg/ m³)	1.47(mg/ m³)
	Limit Calue (mg/ m³)	5	60

Note: Source - Alpha Networks (Changshu) Emissions test report

Vietnam Factory

	Dust	NOx	CO	SO2	Isopropanol	Xylene	Toluene
Flue No. KT1 (Building A)	23	0.38	Not Detected	Not Detected	<0.01	<0.003	<0.003
Flue No. KT2 (Building A) (First test)	38	-	-	-	-	-	-
Flue No. KT1 (Building A) (Second test)	22	Not Detected	Not Detected	Not Detected	<0.01	<0.003	<0.003
Flue No. KT2 (Building A) (Second test)	35	-	-	-	-	-	-
Emission Standard	200 mg/Nm³	850 mg/Nm³	1000 mg/ Nm³	500 mg/Nm³	980 mg/Nm³	870 mg/Nm³	750 mg/Nm³

Note: Source - Applicable standards for Environmental Testing Report of Alpha Networks (Vietnam factory):
QCVN 19:2009/BTNMT - National standards for industrial dust and inorganic emissions.
QCVN 20:2009/BTNMT - National standards for industrial emissions of certain organic substances.

4.4.4 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's surrounding area. No protests were received from neighboring factories or residents either.

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.

Results of Fire Safety Equipment Inspection Report for 2023

Note: Source: Alpha Network (Hsinchu Factory) Fire Safety Equipment Inspection and Declaration Form

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.

2023 Building public safety maintenance inspection labels and declarations - Results

建築物公共安全檢查網路申報掛號憑證

掛號日期/送件日期	113年01月09日	掛號號碼/報備序號	113-K5000007-01
檢查登記號碼	B11121107027	檢查人	陳展任
檢查機構	全國建築物公共安全檢查股份有限公司		
申報人	黃文芳		
場所名稱	明泰科技股份有限公司		
場所地址	新竹市東區科學工業園區力行七路8號		
檢附文件	申報書1份 檢查報告書總表1份 改善計畫書0份 檢查報告書1份 昇降設備使用許可證記錄表9份 檢查記錄範圍0份 建築物疑似石綿建材標示表0份 現況照片69份 使用執照影本3份 建物權利證明影本3份 保險證明文件1份 室內裝修合格證明1份 專業機構或檢查人認可證影本3份 主用途及從屬用途檢查表0份 營利事業登記證影本1份 防火標章附件0份 合法房屋證明文件0份 其他0份		

注意事項

一、本掛號憑證係由線發，茲證明"檢查人"利用本作業進行建築物公共安全檢查之申報掛號作業，委託人（申報人）可自行上網查證本掛號資料是否正確。

二、提醒您收到本掛號憑證後，請先上網查驗本次建築物公共安全檢查申報掛號作業之完整性與正確性。

三、本作業之網址為https://cloudbm.cpami.gov.tw/bccs/LoginPage?apkey=f9e177d4-0ced-472c-9bc0-e6381e9e8309&backurl=https://cloudbm.cpami.gov.tw/BLS/bccslogin.

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

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

| 01	02	03	04	05	06
Design and R&D	Purchasing	Manufacturing	Packaging	Sales	Recovery
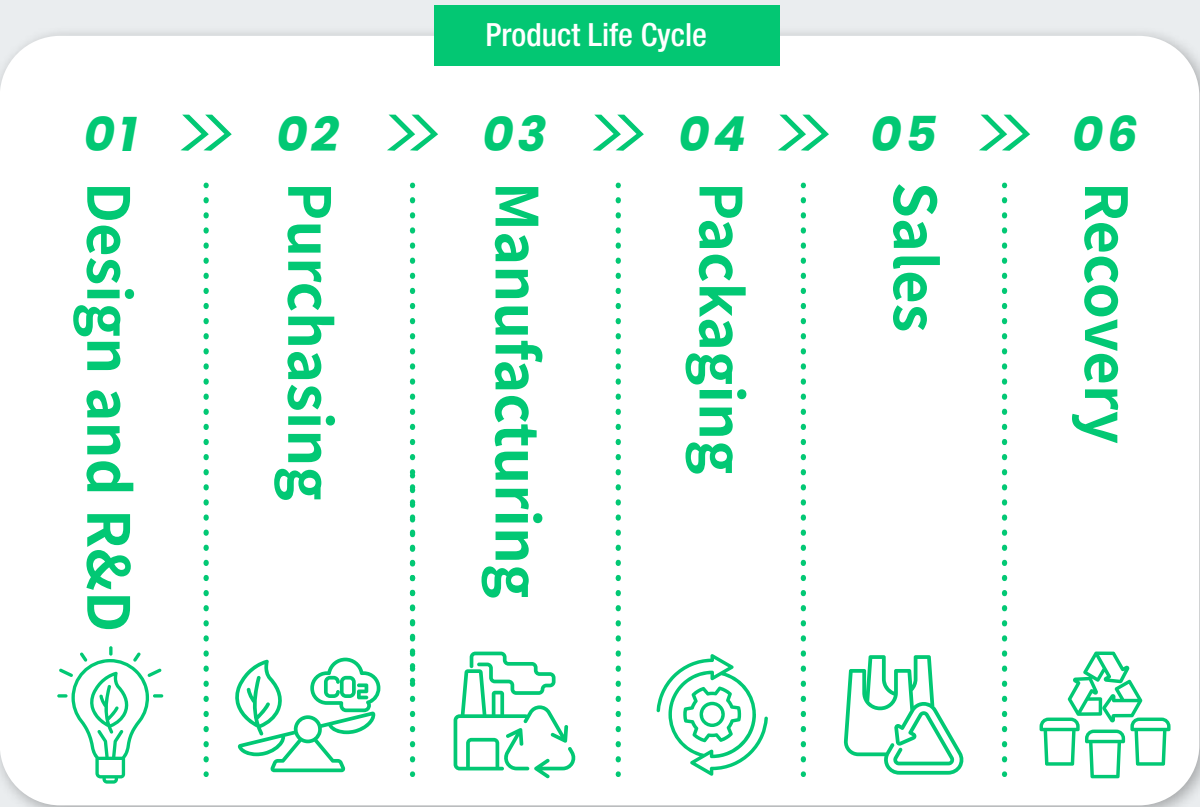
To effective stay on top of laws and regulations in force, 15 green and environment related legislations were updated in 2023, covering the European Union, France, the U.S., Japan, Vietnam and Taiwan. The details are shown in the Table below.

Regulation	Content	Effective Date
EU REACH	EU REACH (SVHC) candidate list updated to 223 substances	2023/1/17
CA Prop65	3 substances have been added to the California Proposition 65, totaling 973 substances	2023/1/27
CA Prop65	Added 2 listed substances, 1,1,1-Trichloroethane and Leucomalachite green	2023/4/21
EU REACH	EU REACH (SVHC) candidate list updated to 235 substances	2023/6/14
(EU) No 833/2014	EU implemented import ban on steel products due to Russia's destabilization of Ukraine situation	2023/6 /23
EU REACH	EU REACH restricts formaldehyde content in controlled products - Annex 17	2023/7/14
EU Battery Directive	EU issues new regulations on batteries and waste batteries - Regulation (EU) 2023/1542	2023/7/28
EU POPs	EU POPs - added restrictions on perfluorohexane sulfonic acid (PFHxS)	2023/8/8
EU REACH	California Proposition 65 updated to add carcinogenic chemicals anthracene, 2-bromopropane, and dimethyl phosphite to CP65	2023/8/11
DCCEEW	Australia proposed regulations on four classes of persistent organic pollutants	2023/8/30
(EU) 2023/2055	The EU Commission takes measures to restrict plastic microbeads	2023/9/27
CA Prop65	California Proposition 65 bill reinitiated amendment process to establish short-form warning label regulations.	2023/10/27
EPA	The United States Environmental Protection Agency issued comprehensive PFAS reporting rules.	2023/11/13
Standards for Air Pollutant Emission from Stationary Pollution Sources	Articles 2, 3 amended and published by Environmental Protection Administration of Executive Yuan by order Huan-Shu-Kong-Zi No. 1121064054D dated Jun 14, 2023; the responsibilities and duties listed under Article 3, Section 28, Article 9, Section 2, Article 10, Article 12, and Article 13, Section 2 of the Executive Yuan's Notice Yuan-Tai-Gui-Zi No. 1121028221 dated August 18, 2023, originally assigned to the Environmental Protection Administration of the Executive Yuan, will be transferred to the jurisdiction of the Ministry of Environment effective August 22, 2023	2023/6/14
Fire Services Act	Amended and promulgated article 1,3,7,11,13,15-2,18,36~40,42,42-2,43,46 ;Addition of Articles 11-1,13-1,15-5,15-6,19-1,26-1,35-1,35-2,42-3,42-4 ; deleting Article 45 ;by Presidential Order Hua-Tsung-I-Yi-Tzu No. 11200052791 June 21, 2023	2023/6/21

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

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. The management mechanism generates integrated product reports. The statistics are organized according to the integrated product reports in 2022. This is submitted to customers as product declarations and to the customs for inspection.
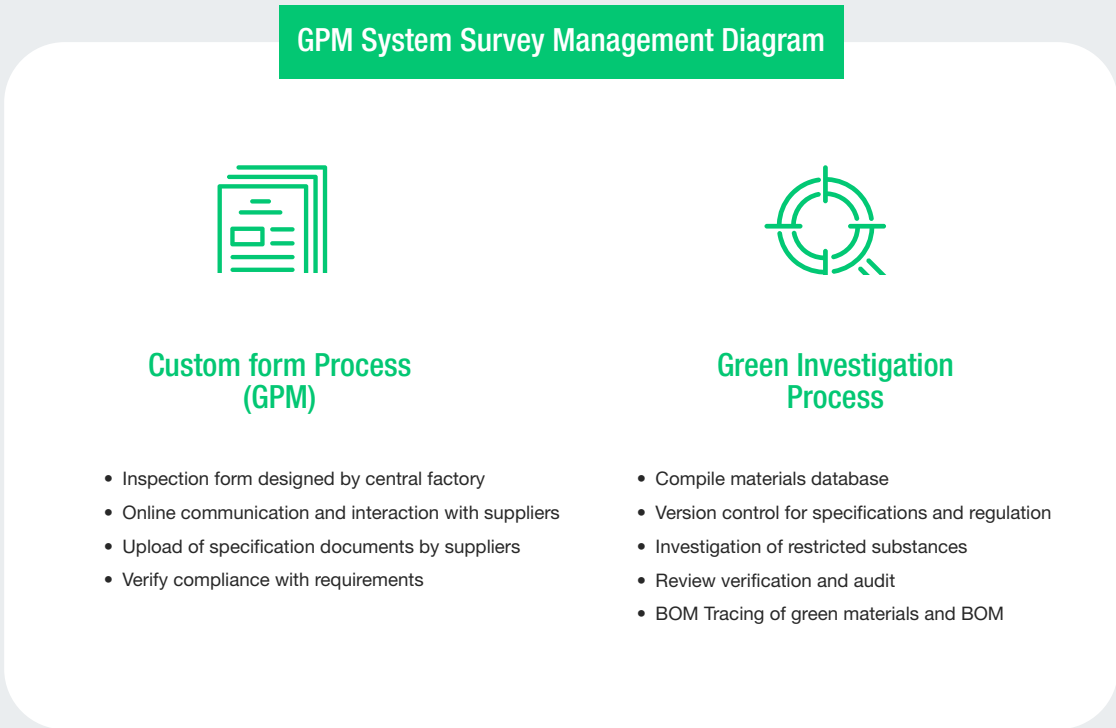
2023 Product Integration Report Compilation Statistics (DGF settled as of 2023/5/31)

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	6	31	67	69	102	72	123	109	137	84	133	133	1,066
Actual number of cases completed	6	31	67	69	102	72	123	109	137	84	133	133	1,066

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

GPM: Green Product Management

Product Declaration (2023)

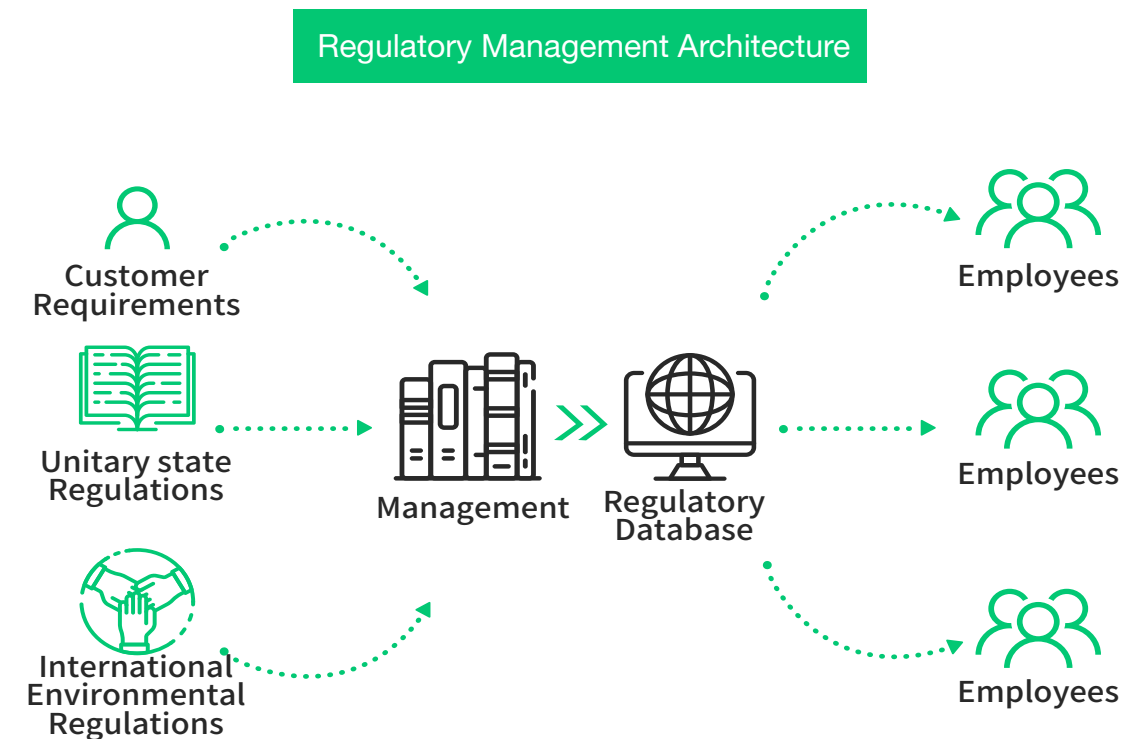| Year	Type	Number
2023	China RoHS	45
	REACH	251
	RoHS	198
	EU Sanction on Restricted Iron	9
	Other(Ex: TCPH, POP etc.)	17
	Substances List	8
	BSMI	6
	TSCA	26

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

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 Networks ' 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 2023 Alpha Networks has not been subject to lawsuits or major fines for violating laws and regulations related to green products.

Regulatory Management Architecture

Customer Requirements

Unitary state Regulations

International Environmental Regulations

Management

Regulatory Database

Employees

Employees

Employees

Appendix

Table of Content   Cover Story   Foreword
Sustainable Development   Appendix

GRI Standard Index ｜ **SASB** Index ｜ TWSE Sustainability Disclosure Indicators Communications and Internet Industry

TCFD Index ｜ Climate related information disclosure ｜ Principles of the United Nations Global Compact

SDGs Index ｜ Assurance Statement

GRI Standard

Statement of Use	The 2023 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, 2023
GRI 1 Used	GRI 1 : Foundation 2021
Applicable GRI Sector Standard(s)	No applicable GRI Sector Standard(s)

GRI 2 General Disclosures 2021

Disclosure Item		Chapter	Page	Remark
The organization and its reporting practice				
2-1	Organizational Details	About Alpha Networks	8~18	
2-2	Entities Included in The Organization's Sustainability Reporting	About This Report	5	
2-3	Reporting Period, Frequency and Contact Point	About This Report	5	
2-4	Restatements of Information		N/A	There is no restatements of information to previous reports.
2-5	External Assurance	About This Report	5 155	
Activities and Workers				
2-6	Activities, Value Chain and Other Business Relationships	1.5 Operating Performance -2023 Reveune by Product Categories or Region 2.1 Sustainable Products 2.2 Resilient Supply Chain 2.3 Customer Satisfaction About Alpha Networks - Memberships	54 58~65 66~69 70 18	
2-7	Employees	3.2.1 Manpower Allocation	90~92	
2-8	Workers Who are Not Employees	3.5.3 Occupational incident - Contractor's Safety and Hygiene Management	102	

Disclosure Item		Chapter	Page	Remark
		Governance		
2-9	Governance Structure and Composition	1.1.1 Governance Structure	37	
2-10	Nomination and Selection of The Highest Governance Body	1.1.1 Governance Structure	37	
2-11	Chair of The Highest Governance Body	1.1.1 Governance Structure	37	
2-12	Role of The Highest Governance Body in Overseeing The Management of Impacts	1.4.1 Risk Management Policy and Operations	47	
2-13	Delegation of Responsibility for Managing Impacts	1.4.1 Risk Management Policy and Operations	47	
2-14	Role of The Highest Governance Body in Sustainability Reporting	Sustainable Development Operational Framework	20~21	
2-15	Conflicts of Interest	1.1.2 Operation of The Board of Directors	38~39	
2-16	Communication of Critical Concerns	1.4.1 Risk Management Policy and Operations	47	
2-17	Collective Knowledge of The Highest Governance Body	1.1.1 Governance Structure 1.1.2 Operation of The Board of Directors	37 38~39	
2-18	Evaluation of The Performance of The Highest Governance Body	1.1.1 Governance Structure 1.1.2 Operation of The Board of Directors	37 38~39	
2-19	Remuneration Policies	1.1.4 Operation of The Compensation Committee	40	
2-20	Process to Determine Remuneration	1.1.4 Operation of The Compensation Committee	40	
		Strategy, Policies And Practices		
2-22	Statement on Sustainable Development Strategy	From the Chairman Alpha Policies - Sustainable Development Policy Sustainable Development Operational Framework	6 12 20~21	
2-23	Policy Commitments	From the Chairman Viewpoint 1- Vision for Sustainable Environment	6 111	
2-25	Processes to Remediate Negative Impacts	1.4 Risk Management	47-53	
2-27	Compliance with Laws and Regulations	1.2.3 Requlation Compliance	44	
2-28	Membership Associations	About Alpha Networks - Memberships	18	
		Stakeholder Engagement		
2-29	Approach to Stakeholder Engagement	Stakeholder Communication and Identification of Issues of Concern	22~29	
2-30	Collective Bargaining Agreements		N/A	No union organization at present.

GRI 3 Material Topics 2021

Disclosure Item		Chapter	Page	Remark
3-1	Process to Determine Material Topics	Stakeholder Communication and Identification of Issues of concern	22~29	
3-2	List of Material Topics	List of material issues	29	
3-3	Management of Material Topics	List of material issues 1.4.2 Risk management operations process and results 1.4.3 Risks and opportunities of climate change	29 48~49 50~52	

Material Topics

Topic	Disclosure Item		Chapter		Page	Remark
			Operating Performance			
Gri 201 Economic Performance	201-1	Direct Economic Value Generated and Distributed	1.5	Operating Performance	54~55	
	201-2	Financial Implications and Other Risks And Opportunities Due To Climate Change	1.4.3	Risks and Opportunities of Climate Change	52~54	
	201-3	Defined Benefit Plan Obligations and Other Retirement Plans	3.3.2	Welfare Measures and Employee Insurance	95	
	201-4	Financial Assistance Received from Government	1.5	Operating Performance- Project Grants	55	
			Supply Chain Management			
Gri 308 Supplier Environmental Assessment	308-1	New Suppliers That Were Screened Using Environmental Criteria	2.2.1	Supplier Management	66~67	
	308-2	Negative Environmental Impacts in The Supply Chain And Actions Taken	2.2.4 2.2.6	Corporate Social Responsibility Audit Conflict Minerals Due Diligence	68 69	
Gri 414 Supplier Social Assessment	414-1	New Suppliers That Were Screened Using Social Criteria	2.2.4	Corporate Social Responsibility Audit	68	
	414-2	Negative Social Impacts in The Supply Chain And Actions Taken	2.2.4	Corporate Social Responsibility Audit	68	
			Energy Management			
Gri 302 Energy	302-1	Energy Consumption Within The Organization	4.2.1	Energy Management	120~123	
	302-2	Energy Consumption Outside Of The Organization			N/A	Information unavailable / incomplete
	302-3	Energy Intensity	4.2.1	Energy Management	120~123	
	302-4	Reduction of Energy Consumption	4.2.1	Energy Management	120~123	
	308-5	Reductions In Energy Requirements of Products and Services	4.2.1	Energy Management	120~123	

Topic		Disclosure Item	Chapter	Page	Remark
		GHG Emissions			
Gri 305 Emissions	305-1	Direct (Scope 1) Ghg Emissions	4.3.3 Ghg Inventory	129~130	
	305-2	Energy Indirect (Scope 2) Ghg Emissions	4.3.3 Ghg Inventory	129~130	
	305-3	Other Indirect (Scope 3) Ghg Emissions	4.3.3 Ghg Inventory	129~130	
	305-4	Ghg Emissions Intensity	4.3.3 Ghg Inventory	129~130	
	305-5	Reduction of Ghg Emissions	4.3.3 Ghg Inventory	129~130	
	305-6	Emissions of Ozone-Depleting Substances (Ods	4.3.3 Ghg Inventory	129~130	
	305-7	Nitrogen Oxides (Nox), Sulfur Oxides (Sox), and Other Significant Air Emissions	4.3.3 Ghg Inventory	129~130	
		Regulation Compliance			
Gri 307 Environmental Compliance	307-1	Non-Compliance with Environmental Laws and Regulations	4.1.2 Hazardous Substance Management System 4.1.3 Hazardous Substance Management 4.5 Environmental Regulation Compliance	113 114 138~140	No violation of environmental regulations has occurred.
		Occupational Health And Safety			
Gri 403 Occupational Health And Safety	403-1	Occupational Health and Safety Management System	3.5.1 Safety and Health Policy	100	
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	3.5.1 Safety and Health Policy 3.5.3 Occupational Incident	100 102	
	403-3	Occupational Health Services	3.5.5 Health Promotion	104~105	
	403-4	Hazard Identification, Risk Assessment, and Incident Investigation	3.5.1 Safety and Health Policy 3.5.5 Health Promotion	100 104~105	
	403-5	Worker Training On Occupational Health and Safety	3.5.2 Safety and Hygiene Training	101	
	403-6	Promotion of Worker Health	3.5.5 Health Promotion	104~105	
	403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	3.5.5 Health Promotion	104~105	
	403-8	Workers Covered By An Occupational Health and Safety Management System	3.5.1 Safety and Health Policy 3.5.2 Safety and Hygiene Training	100 101	
	403-9	Work-Related Injuries	3.5.3 Occupational Incident	102	
	403-10	Work-Related Ill Health	3.5.3 Occupational Incident	102	No work-related ill health case in 2023.

Other Topics

Topic	Code	Measures	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 Level	94	
	202-2	Proportion of senior management hired from the local community	3.2.2	Talent recruitment and retention	93	
GRI 203 Indirect Economic Impacts	203-1	Infrastructure investments and services supported	1.4.2	Risk management operations process and results	48~49	
	203-2	Significant indirect economic impacts	1.4.2	Risk management operations process and results	48~49	
GRI 205 Anti-corruption	202-2	Communication and training about anti-corruption policies and procedures	1.2	Ethical Management and Legal Compliance	42~44	
	205-3	Confirmed incidents of corruption and actions taken	1.2	Ethical Management and Legal Compliance	42~44	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	44	No anti-competitive behavior
GRI 301 Materials	301-2	Recycled input materials used	Viewpoint 2- Actions of Sustainable Environment		112	
	301-3	Reclaimed products and their packaging materials	Viewpoint 2- Actions of Sustainable Environment 4.4.2 Waste management and reduction		112 133~134	
GRI 303 Water and Effluents	303-4	Water withdrawal	4.4.1 Effluent control		132	
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	125~127	
	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 306 Waste	306-3	Waste generated	4.4.2	Waste management and reduction	133~134	
	306-4	Waste diverted from disposal	4.4.2	Waste management and reduction	133~134	
	306-5	Waste directed to disposal	4.4.2	Waste management and reduction	133~134	
GRI 401 Employment	401-1	New employee hires and employee turnover	3.2.2	Talent recruitment and retention	93	
	304-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.3	Salary and Benefits	94~95	
	401-3	Parental leavec	3.3.3	Leave System	95	
GRI 404 Training and Education	404-1	Average hours of training per year per employee	3.4.1	Training and Development	96~98	
	404-2	Programs for upgrading employee skills and transition assistance programs	3.4.1	Training and Development	96~98	

Topic	Code	Measures	Chapter	Page	Remark
GRI 405 Diversity and Equal Opportunity	405-1	Diversity of Governance Bodies and Employees	1.1.1 Governance Structure 1.1.2 Operation of The Board of Directors	37 38	
	405-2	Diversity of Governance Bodies and Employees	3.3.1 Salary Level	94	
GRI 406 Non-discrimination	406-1	Incidents of Discrimination and Corrective Actions Taken	3.1 Human Rights Topic 2 Workplace Equality	86~89 81~85	No incidents of discrimination
GRI 408 Child Labor	408-1	Operations and Suppliers At Significant Risk For Incidents of Child Labor	3.1 Human Rights	86~89	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 2.2.4 Corporate Social Responsibility Audit	86~89 68	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	96~98	
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 Rightscompliance 3.4.1 Training and Developmen	86~89 96~98	
GRI 415 Public Policy	415-1	Political Contributions	1.2.4 Obey Market Mechanisms	44	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	2.1.4 Marketing and Promotion	55	No incident of non-compliance concerning product and service information and labeling.
	417-3	Incidents of Non-Compliance Concerning Marketing Communications	2.1.4 Marketing and Promotion	55	No incident of non-compliance concerning marketing communications
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.
GRI 419 Socioeconomic Compliance	419-1	Non-Compliance With Laws and Regulations in The Social and Economic Area	1.2 Management and Legal Compliance	42~44	No non-compliance with laws and regulations in the social and economic area.

SASB Index

Topic	Code	Measures	Chapter	Page	Remark
Water Management	TC-ES-140a.1	(1) Total water withdrawn, (2) total water consumed.	4.4.1 Effluent Control	132	
Waste Management	TC-ES-150a.1	Amount of hazardous waste from manufacturing, percentage recycled	4.4.2 Waste Management and Reduction	133	
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products.	1.3 Intellectual Property Rights 1.4.2 Risk Management Operations Process and Results	45~46 48~49	
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	48~49	(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 Incident	102	
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	90~92	
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.	2.2.1 Supplier Management 2.2.4 Corporate Social Responsibility Audit	66~67 68	
	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.	2.2.1 Supplier Management 2.2.4 Corporate Social Responsibility Audit	66~67 68	
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	48~49	

TWSE Sustainability Disclosure Indicators-Communications and Internet Industry

#	Indicator	Type	Chpater	Unit	Remark
1	Total Energy Consumption, Percentage of Purchased Electricity, Utilization Rate(Renewable Energy)	Quantitative	4.2.1 Energy Management	120~123	Gigajoules (GJ), Percentage (%)	
2	Total Water Withdrawn, Total Water Consumption	Quantitative	4.4.1 Effluent Control	132	Thousand cubic meters (m3)	
3	Total Hazardous Waste Generated and Percentage Recycled	Quantitative	4.4.2 Waste Management and Reduction	133~134	Metric tons (t),percentage (%)	
4	Types of, Number Of Employees In And Rate of Occupational Accidents	Quantitative	3.5.3 Occupational Incide	102	Percentage (%), Quantity	
5	Product Lifecycle Management Disclosure: Including Weights Of Scraps and Electronic Waste and Percentage Recycled (Note 1)	Quantitative	Viewpoint 2- Actions of Sustainable Environment 4.4.2 Waste Management and Reduction	112 133~134	Metric tons (t), Percentage (%)	
6	Description of The Management of Risks Associated With The Use Of Critical Materials	Qualitative Description	1.4.2 Risk Management Operations Process and Results	48~49	Not applicable	
7	Total Amount of Monetary Losses As A Result of Legal Proceedings Associated With Anti-Competitive Behavior Regulations	Quantitative	1.2.3 Requlation Compliance 1.2.4 Obey Market Mechanisms	44	Reporting currency	No violation of anti-competition regulations has occurred.
8	Production By Product Category	Quantitative	1.5 Operating Performance - 2023 Reveune by Product Categories	54	Varies by product category	

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 Issues 1.4.3 Risks And Opportunities of Climate Change	39 50~52
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	50~52
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.	1.4.1 Risk Management Policy and Operations 1.4.3 Risks and Opportunities Of Climate Change	47 50~52
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.	Environmental Achievement of The Year 4.2.1 Energy Management 4.3.3 Ghg Inventory	110 119~123 129~130

Climate related information disclosure
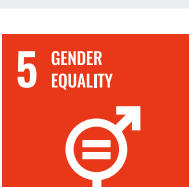
Items	Chapter	Page	Remark
	Description of execution status		
1 — The supervision and governance of climate related risks and opportunities by the board of directors and management.	1.1.2 Operation of The Board Of Directors - Governance of Climate Issues 1.4.3 Risks and Opportunities of Climate Change	39 50~52	
2 — Identified climate risks and opportunities affect the business, strategy, and finances of the enterprise (short term, medium term, long term).	1.4.3 Risks and Opportunities of Climate Change - Risk Assessment of Climate Change	50	
3 — The impact of extreme weather events and transition actions on finances.	1.4.3 Risks and Opportunities of Climate Change - Climate Risk-Related Financial Impacts	50	
4 — The process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	1.4.1 Risk Management Policy and Operations 1.4.3 Risks and Opportunities of Climate Change - Transition Plan for Climate-Related Risks 1.4.4 Business Continuity Management	47 51~52 53	
5 — If scenario analysis is used to assess resilience to climate change risks, details should be provided on the scenarios, parameters, assumptions, analysis factors, and key financial impacts.	1.4.3 Risks and Opportunities of Climate Change - Climate Risk Pressure Testing	51	
6 — If there is a transformation plan to address and manage climate-related risks, describe the content of the plan, as well as the indicators and objectives used to identify and manage physical risks and transition risks.	1.4.3 Risks and Opportunities of Climate Change - Transition Plan for Climate-Related Risks	51~52 111	
7 — If using internal carbon pricing as a planning tool, details should be provided on the pricing basis.		N/A	No internal carbon pricing mechanism at present.
8 — If climate-related goals are set, details should be provided on the activities covered, greenhouse gas emission scopes, planning timeframe, progress achieved annually, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these goals, details should be provided on the source and quantity of carbon offsets or the quantity of RECs.	• The goals of RE 60 in 2030 and RE 100 in 2040 (category 2 carbon emissions) include several activities such as power saving measures, construction of solar power generation devices, and purchase of renewable energy certificates (RECs). Estimate the future power demand based on the operational outlook, plan power saving measures (Reduce), convert (Replace) the net power demand to solar power generation, and purchase a certain proportion of RECs for the insufficient self-generated power. A. Energy-saving project - equipment is updated year by year and eliminate old equipment. It is estimated that by 2030, about 20% of the estimated electricity consumption will be reduced through energy-saving measures. B. Solar power generation - Based on the current conditions of each factory, the planned power generation capacity will be assessed and constructed in phases from 2024 to 2026. It is expected that solar power generation will account for approximately 5% by 2030. C. Eenewable energy certificates - In order to achieve RE 60 by 2030, RECs will be purchased to make up for the shortfall in self-generated power. (one REC represents 1,000 KWH). • The supply chain carbon reduction target of 30% (Category 4 carbon emissions) by 2030, the Company has held a "Supplier Energy Saving and Carbon Reduction Conference" on November 17, 2023, announcing its commitment to a sustainable vision to suppliers and planning and implement Supplier (carbon emission information) platform to collect carbon emission information from suppliers and provide relevant coaching measures, expecting that through joint efforts with suppliers, we can jointly move towards carbon reduction goals. • 2050 Net Zero target - Join the SBTi initiative and commit to achieve Net Zero in 2050, set up carbon reduction targets and carbon reduction path based on SBTi standard guidelines within 24 months (2 years), submit plan and pass SBTi review.		
9 — GHG inventory and certification	4.3.3 GHG Inventory	129~130	

Principles of the United Nations Global Compact

Principles	Chapter	Page	Remark
Human Rights			
Businesses should support and respect the protection of internationally proclaimed human rights.	3.1 Human Rights	86~89	
Businesses should make sure that they are not complicit in human rights abuses	3.1 Human Rights	86~89	
Labor			
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	3.1 Human Rights - Transparent and Smooth Policy	87	No union organization at present. Offer diversified communication channel for employees.
Businesses should uphold the elimination of all forms of forced and compulsory labour.	3.1 Human Rights	86~89	
Businesses should uphold the effective abolition of child labour.	3.1 Human Rights	86~89	
Businesses should uphold the elimination of discrimination in respect of employment and occupation.	3.1 Human Rights Topic 2 Workplace Equality	86~89 81~85	
Environment			
Businesses should support a precautionary approach to environmental challenges.	Viewpoint 1 Vision for Sustainable Environment Viewpoint 2 Actions of Sustainable Environment	111 112	
Businesses should undertake initiatives to promote greater environmental responsibility.	Viewpoint 1 Vision for Sustainable Environment Viewpoint 2 Actions of Sustainable Environment	111 112	
Businesses should encourage the development and diffusion of environmentally friendly technologies.	Viewpoint 2 Actions of Sustainable Environment 4.1 Green Products	112 113~118	
Anti-Corruption			
Businesses should work against corruption in all its forms, including extortion and bribery.	1.2 Ethical Management and Legal Compliance	42~44	

SDGs Index

SDGs		SDG Targets	Actions	Chapter	Page	Remark
1 NO POVERTY	SDG 1 No Poverty	Ensure that everyone has equal rights and access to economic resources, basic services, property, natural resources, new technologies, and financial services.	Implement a non-discriminatory recruitng policy and provide a comprehensive training system and learning pathways, offering a platform for employee growth and development. In addition to pursuing sustainable economic growth for the company, we actively strive to enhance the salary levels of our employees.	3.4 Talent Development 3.3.1 Salary Level	96~99 94	
2 ZERO HUNGER	SDG 2 Zero Hunger	Double rural productivity and increase the income of small-scale food producers. Ensure that all people have access to safe, nutritious, and sufficient food.	Combining charity and ecology, Alpha Networks organizes tea-picking and rice-harvesting ecological activities to support local small farmers. To provide employees with safe, hygienic, and healthy group meals, ensure food safety through strict control of ingredient sourcing, food processing, utensil safety, and environmental facilities.	4.2.4 Committed to Biodiversity 3.5.4 Food Hygiene And Safety	125~127 103	
3 GOOD HEALTH AND WELL-BEING	SDG 3 Good Health And Well-being	Promote healthy lifestyles and well-being at all ages.	Alpha Networks systematically promotes health enhancement measures and activities, offering health check-ups with items exceeding regulatory requirements, and establishing a medical room to collaboratively advance healthcare, health promotion, and special protection.	3.5.5 Health Promotion 3.5.6 Epidemic Prevention Measures	104~105 106	
4 QUALITY EDUCATION	SDG 4 Quality Education	Ensure inclusive and equitable quality education, providing lifelong learning opportunities for all.	Alpha Networks provides employees with a comprehensive training system and learning pathways. In collaboration with the Alpha Foundation, Alpha Networks continually promotes science education, enabling students and the elderly to engage in diverse and lifelong learning.	3.4.1 Training And Development 3.6 Social Engagement	96~97 107	
5 GENDER EQUALITY	SDG 5 Gender Equality	Achieve gender equality and empower women and girls.	Upholding a fair compensation and benefits policy, employee salaries, rewards, and benefits are not subject to discriminatory treatment based on gender, race, nationality, age, or other factors.	3.1 Human Rights 3.3 Salaries snd Benefits	86~89 94~95	
10 REDUCED INEQUALITIES	SDG 10 Reduced Inequalities	Reduce inequality both domestically and internationally.				

SDGs		SDG Targets	Actions	Chapter	Page	Remark
8 SDG 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 is committed to promoting full employment and ensuring everyone to enjoy decent work, while maintaining the company's sustainable economic growth and sound financial results.	1.5 Operating Performance	54~55	
9 SDG 9 Industry, Innovation and Infrastructure		Build resilient infrastructure, foster an inclusive and sustainable enterprise industries, and drive innovation.	Alpha Networks has decades of expertise in network communication products. With innovative thinking, the company continuously invests resources in the research and development of core network communication technologies and global patent applications driven by key technologies.	2.1.3 Development and innovetion	61~64	
12 SDG 12 Responsible Consumption and Production		Ensure sustainable consumption and production patterns.	Alpha Networks is committed to responsible procurement, requiring all suppliers to comply with relevant laws and regulations, focusing on suppl chain's impact on labor rights, environment, safety, and hygiene. Our commitment to green products and environmentally friendly practices is integrated into our quality and manufacturing processes to ensure responsible production.	4.1 Green Products 2.2 Resilient supply chain	113~118 66~69	
13 SDG 13 Climate Action		Take urgent actions to address climate change and its impacts.	Alpha Networks is committed to implementing environmentally friendly measures such as energy saving, carbon and waste reduction, and water conservation to support climate action.	Viewpoint 1 Vision for Sustainable Environment 4.2 Environment and Energy Management 4.3 Carbon Emission 4.4 Wastewater and Waste	111 119~127 128~131 132~137	
15 SDG 15 Life on Land		Conservation and sustainable use of terrestrial ecosystems to ensure biodiversity and prevent land degradation.	Alpha Networks organizes eco-friendly activities such as tea-picking, rice-harvesting, tree planting, and beach cleaning to support sustainable ecosystems, ensuring biodiversity and preventing land degradation.	4.2.4 Committed to Biodiversity	125~127	
17 SDG 17 Partnerships for The Goals		Strengthen sustainable development implementation methods and mobilize global partnerships for sustainable development.	Alpha Networks' mission is "be a globally recognized, professional networking supplier of design, manufacturing and services (DMS). Alpha Networks connects the entire value chain, from design of innovative products, responsible procurement, and manufacture with a focus on both quality and efficiency, thereby ensuring high customer satisfaction.	2.1.3 Development and Innovetion 2.2 R esilient Supply Chain 2.3 Customer Satisfaction	61~64 66~69 70	

Assurance Statement

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

Alpha Networks Inc. 2023 Corporate Sustainability Report

Introduction:
TÜV Rheinland Taiwan Ltd., member of TÜV Rheinland Group, Germany (TÜV Rheinland Taiwan, We) has been entrusted by the management of Alpha Networks Inc. (Alpha, the Company) to conduct independent assurance of Alpha Networks Inc. 2023 Corporate Sustainability Report (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 Networks Inc. 2023 Corporate Sustainability Report.

The intended users of this assurance statement are stakeholders having relevance to the Alpha overall Sustainability Performance and impacts of its business activities during 2023 (January 2023 ~ December 2023). TÜV Rheinland Group 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 Sustainability performance as described in the 2023 report 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 Rheinland Taiwan 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.

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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.

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, quality, and corporate sustainability. The 2023 report 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 Networks Inc. 2023 Corporate Sustainability Report 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 evidences and internal records.
- The performance data we found in the report are collected, stored and analyzed in a systematic and professional manner and were plausible.
- TÜV Rheinland Taiwan shall not bear any liability or responsibility to a third party for perception and decision about Alpha based on this Assurance Statement.

Vito Lin

AA1000
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000-734/V3-X7RKJ

Vito C. C. Lin

Technical Manager

TÜV Rheinland Taiwan Ltd.

Taipei, May 30, 2024

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20th ANNIVERSARY

2023 ALPHA NETWORKS
SUSTAINABILITY REPORT

ALPHA Networks