

# ESG | 2022 Sustainability Report

Innovating for a Sustainable Future: Avalue's  
Commitment to Global Well-being



## About this Report

Avalue Technology Incorporation (hereafter referred to as Avalue Technology) is growing increasingly concerned about the impact of global climate change. Avalue Technology has consistently made efforts to benefit society and the environment.

It aims to imbue this commitment into the business culture by proactively publishing a Sustainability Report in 2023.

Avalue Technology aspires to extend this promise to all partner companies. Simultaneously, we will make public Avalue Technology's pertinent strategies, management policies, and accomplishments in the crucial areas of environment, society, and governance. Our aim is to adhere to the Sustainable Development Goals (SDGs) of the United Nations and demonstrate Avalue Technology's performance in corporate sustainability responsibility. Hopefully, this will lead to greater comprehension and faith among all interested parties.

### Principles & Guidelines

To ensure that all stakeholders with an interest in Avalue Technology have a clear understanding of our dedication to corporate sustainability, this report adheres to the 2021 Global Reporting Initiative (GRI) guidelines and aligns with the goals and action plans outlined by the United Nations Sustainable Development Goals (SDGs).

### Reporting Scope

The report covers information from Avalue Technology's main sites in Taiwan (Liancheng road, Lide street and Taichung) and some data from overseas subsidiaries. The report focuses on management performance, comprising operations, environment and society. Financial information is based on audited data verified by accountants. Some statistical data is obtained from annual reports, government agencies, and relevant publicly accessible information on websites.

### Reporting Period

Avalue Technology's Annual Sustainability Report has been publicly disclosed since 2022. This report discloses information for the period from 1st January 2022 to 31st December 2022. To ensure project and activity performance completeness, certain content may refer to periods before 1st January 2022 and after 31st December 2022.

### Contact Us

If you have any questions, feedback, or suggestions regarding Avalue Technology's sustainability or the report, please feel free to contact us through the following means:

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# 01 Sustainable Management



## 1.1 Chairman's Message

This is Avalue's 22nd year. Through entrepreneurship, growth and transformation, Avalue has demonstrated its robust growth in terms of revenue, sales channels, management systems and employee numbers. These business results will continue to increase over time, and shareholders, employees and customers should all be satisfied.

To be successful in business, we need to gather many professionals, invest many resources, and lead and manage in the right direction. As a leader, I have always been cautious and anxious to constantly create value for our customers, strictly control costs, focus on nurturing and developing talent, establish systems, and ensure the sustainability of the company. As the company continues to grow, we must face all stakeholders, and we should also fulfill our social responsibilities; to make our company and related companies sustainable and prosperous in the long run. In recent years, corporate sustainability and social responsibility have received global attention, and industrial development will no longer be based solely on economic growth, but also on social welfare and environmental sustainability. We still have a lot to do for society, the environment and the climate.



The ESG framework provides a system for global companies to learn together on this issue. It also provides a coaching-style evolution of corporate social responsibility, which I have been passionate about for many years.

This year is the first year of ESG for Avalue. We are responding to the United Nations SDGs, and we have clearly defined our goals using the GRI standards. We use the PDCA approach to implement them. From mobilizing the entire workforce to building consensus and execution by everyone.

### **Employee and social care**

### **Climate change and carbon reduction strategy**

### **Focus on industrial product strategy**

I often look back to my original intention of starting a business to face the challenges of management. I can rely on good governance to protect my business and my fulfillment. But when I see that everyone has a common agreement to protect our society and the earth (ESG), it is a great fulfillment.

**This is how companies should be sustainable!**

Chairman of Avalue Technology  
Alice Liu June 2023



## 1.2 Sustainability Organization

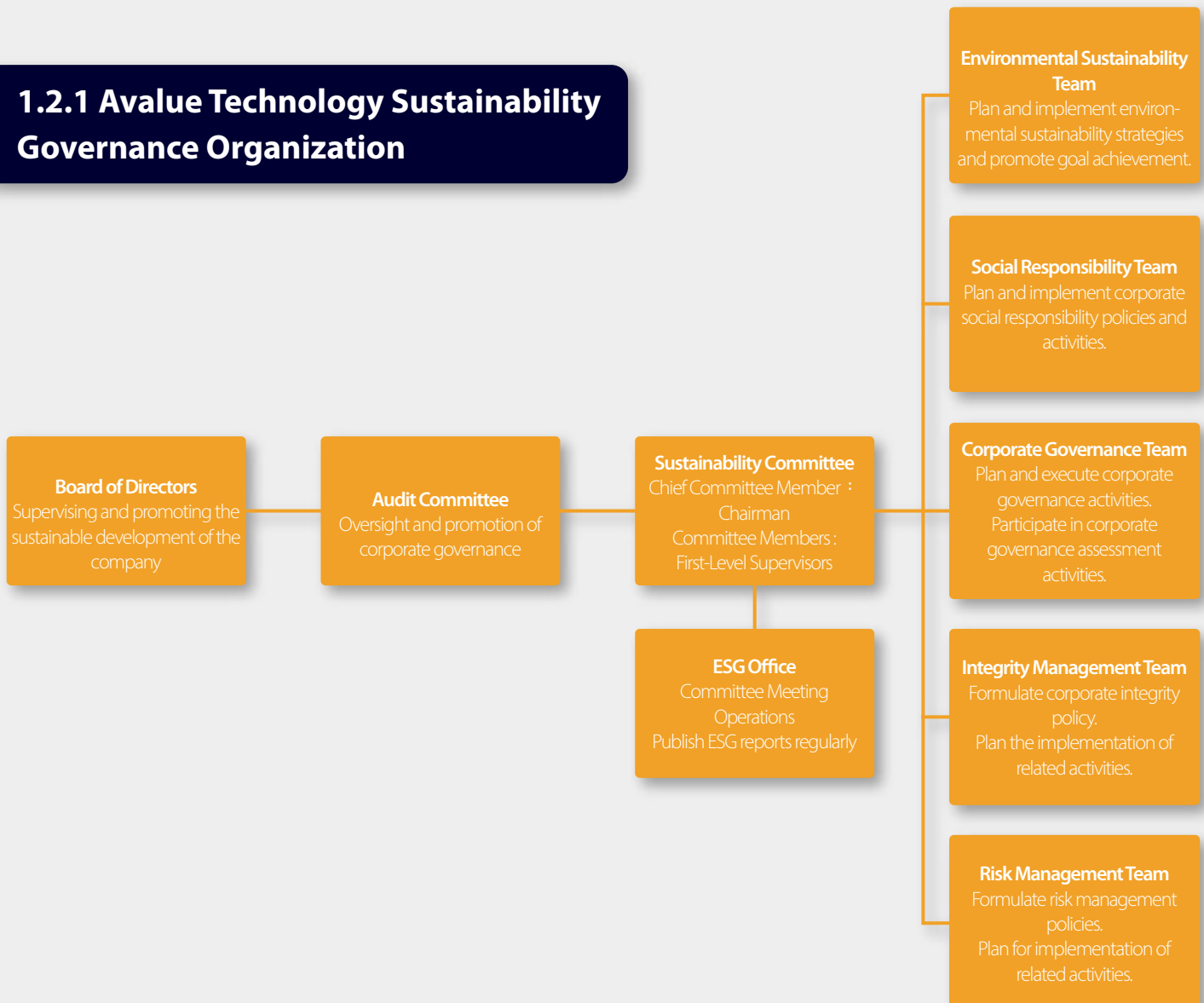
With the goal of becoming a respected, world-class company, Avalue Technology places a strong emphasis on the interests of all stakeholders.

Our company's "Sustainability Committee," headed by the Chairman, integrates various functions, including the "Environmental Sustainability Team," "Social Responsibility Team," "Corporate Governance Team," "Integrity Management Team," and "Risk Management Team," to address sustainability-related issues. Through these teams, we cover various aspects such as supply chain management, quality assurance, product development, finance, human resources and investor relations.

We continuously comply with government regulations, provide a safe workplace and actively develop green products to minimize the environmental impact of our processes and product use, taking responsibility for our employees, society and the planet.

Through this sustainability governance structure, we will continue to drive business success while positively impacting all stakeholders and working together to achieve a sustainable future.

### 1.2.1 Avalue Technology Sustainability Governance Organization



## 1.2.1 Sustainability Teams

Teams	Functions	Key Stakeholders	Responsible Unit
<p><b>Environmental Sustainability Team</b></p>	<ul style="list-style-type: none"> <li>• Customer service and satisfaction, reduction of the use of raw materials that have an impact on the environment, development of environmentally friendly products, product quality and reliability management, and customer relationship management.</li> <li>• Environmental policy and management system, supply chain management, energy use efficiency, product environmental responsibility, environmental issues management, and occupational health and safety policy management.</li> </ul>	<p>Employees ∨ Customers ∨ Society and Suppliers</p>	<p>R&amp;D Department</p>
<p><b>Social Responsibility Team</b></p>	<ul style="list-style-type: none"> <li>• Responsible for human resource development, human rights management, creating a healthy and friendly work environment, environmental protection, promoting cultural and charitable activities, and caring for vulnerable groups.</li> </ul>	<p>Employees ∨ Government</p>	<p>Administration Department</p>
<p><b>Corporate Governance Team</b></p>	<ul style="list-style-type: none"> <li>• Establish corporate governance principles and management operating procedures, regular annual board reports, financial disclosure and regulatory compliance.</li> </ul>	<p>Investors ∨ Government</p>	<p>Accounting Department</p>
<p><b>Integrity Management Team</b></p>	<ul style="list-style-type: none"> <li>• Integrate integrity and ethical values into the company's business strategy and work with legal and regulatory frameworks to establish measures to ensure the integrity of operations.</li> <li>• Assist the Board of Directors and management in reviewing and evaluating the effectiveness of the preventive measures established for ethical business conduct, and periodically evaluate compliance with relevant business processes.</li> </ul>	<p>Employees ∨ Customers ∨ Suppliers and Government</p>	<p>Audit Department</p>
<p><b>Risk Management Team</b></p>	<ul style="list-style-type: none"> <li>• Responsible for monitoring and tracking enterprise-wide risk issues.</li> </ul>	<p>Employees ∨ Customers ∨ Suppliers and Government</p>	<p>Financial Department</p>



### 1.3 Sustainability Vision

Since its establishment, Avalue Technology has been committed to addressing climate change's impact on the environment from a global perspective. By adhering to the RoHS and Halogen Free standards, we have demonstrated our dedication to sustainability and are qualified manufacturers under the IECQ system. We are excited to announce our participation in the GPM Light Professional green supply chain management system. Our products reflect our commitment to excellence through their use of pollution-free materials and processes. We encourage all suppliers in our supply chain to follow our example and embrace these sustainable practices.

We have adhered to international standards such as ISO 9001:2015 for quality management, ISO 13485:2016 for medical device quality management, ISO 14001:2015 for environmental management, and ISO 45001:2018 for occupational safety and health, achieving compliance in all areas. In addition, we aim to fulfill the requirements of ISO 27001:2015 for information security management and ISO 14064-1:2018 for greenhouse gas inventory by the year 2023, demonstrating our unwavering commitment to sustainable practices in all aspects of our operations.

In recent years, numerous global climate crises have highlighted the significance of ESG. Avalue, being pragmatic and sensible, initiated internal inquiries, set goals for energy and water conservation, regularly held eco-friendly events, and acknowledged colleagues for their resourcefulness and enthusiastic participation. We aim to achieve carbon neutrality in our headquarters by 2030 and align with the government's net-zero carbon emission policy by 2050.

We invite stakeholders to join us in our pursuit of profit growth, employee well-being, and forward-thinking practices. Through continuous innovation, we strive to implement ESG initiatives for all Avalue employees to generate meaningful impacts for all stakeholders. Let's collaborate and make a positive impact on the global environment.



## Avalue's ESG Vision

### Focusing on Industrial Product Strategy

- Introducing new products with energy consumption monitoring design.
- Goal: Energy-efficient design products make up 20% of shipments.
- Providing intelligent energy solutions.

### Employee and Social Care

- Developing ESG management talent through the Avalue Academy
- Attention to employee well-being and mental health
- Caring for local communities and helping disadvantaged children

### Climate Change and Carbon Reduction Strategy

- Green design and product responsibility
- Successful implementation of ISO 14064-1:2018
- Evaluated viable solutions for reducing greenhouse gas emissions.



### 1.3.1 Objectives and Performance

Facing the crisis brought on by global climate change, Avalue Technology recognizes the importance of taking action and has integrated sustainable development goals into its business operations. Through collaboration with our supply chain partners, we are committed to promoting the United Nations' sustainable development goals announced in 2015. We will integrate these goals into our established business philosophy, with the aim of achieving sustainable growth and a positive impact on society.

**Steady Innovation**     **Diligent Passion**

**Enjoy Work**             **Embrace Life**

All Avalue employees share a common goal of working diligently to make a positive impact on global sustainable development and contribute towards building a better future for generations to come. The figure on the right illustrates the correlation between Avalue's business philosophy and sustainable development goals.

### 1.3.1 Business Philosophy and SDGs



## Performance in Sustainable Development Goals



### Good Health and Well-being

Develop smart city-related products to improve urban traffic safety and convenience.

Develop healthcare-related products to enhance medical care quality and reduce public healthcare expenses.

Encourage physical exercise to enable employees to enjoy a healthy mind, body, and spirit.



### Quality Education

Develop the habit of lifelong self-directed learning and offer plentiful resources and assistance, such as digital learning, to promote ongoing professional development.

Facilitate career growth to safeguard personal income and amplify job satisfaction.

Engage in industry-academia partnerships with a focus on social well-being to foster the future capabilities of outstanding students and empower them to become vital contributors to society.



### Gender Equality

Implement DEI comprehensively to ensure equal rights in terms of work, leadership roles, childbearing, and family care for all genders and races.

Our retention rate for parental leave applicants has achieved 100%, and female managers account for 28.57%.

We actively promote gender respect and have zero tolerance for sexual harassment, gender discrimination, and bullying.



### Decent Work and Economic Growth

Foster a workplace culture of diversity and inclusion by implementing peer-to-peer learning and providing competitive salaries and benefits that empower employees to recognize their own worth and cultivate a sense of belonging within the company.

Additionally, maintain consistent employment with excellent benefits, expand job opportunities, and contribute to the growth of the local economy.

Ensure a safe and secure work environment, cultivate a friendly workplace with no complaints and no occupational accidents, and prioritize maternal health protection in the workplace.

Establish a long-term partnership with the Eden Foundation to employ expert blind masseurs, provide massage and stress relief services for staff, and offer regular fitness classes and wellness events for a mutually beneficial outcome.



### Industry Innovation and Infrastructure

Collaborate with various industries to create a variety of energy-saving solutions.

Work together with local governments to enhance community infrastructure and implement smart city equipment.

Reinforce information security measures (ISO27001:2013) to safeguard customer privacy and transaction data.

## Performance in Sustainable Development Goals



### Responsible Consumption and Production

The recycling rate for production line waste and recyclable office materials has reached 100%. We will continue to develop green energy products and extend the lifespan of our products. Our goal is to provide exceptional products while encouraging raw material suppliers to use pollution-free materials and processes.



### Climate Action

Inventory the greenhouse gas emissions produced by the company's operations and establish goals for conserving energy and water.

Acknowledge employees for their ingenuity and enthusiastic engagement in diverse sustainability promotional campaigns organized by the company.

Participate in the "Industrial Energy Efficiency Improvement and Management Project" organized by the Ministry of Economic Affairs. Take the lead in mentoring smaller companies and inviting suppliers to participate. Also, develop a plan to replace old equipment.



### Peace, Justice and Strong Institutions

Uphold integrity and honesty, avoid involvement in illegal transactions, and omit any violations during the production and trading process.

Adhere to tax regulations and contribute to economic growth.

Continue donating to local social service organizations and fire departments while actively assisting the building management committee to promote ESG initiatives in the park. Our annual donation target is 1 million NTD, and we aim to achieve it through a focused and concerted effort.



### Partnerships for the Goals

Explore carbon reduction possibilities, establish a green supply chain, assist partners in comprehending sustainable development goals, and cultivate green business opportunities to collaborate towards a better future.

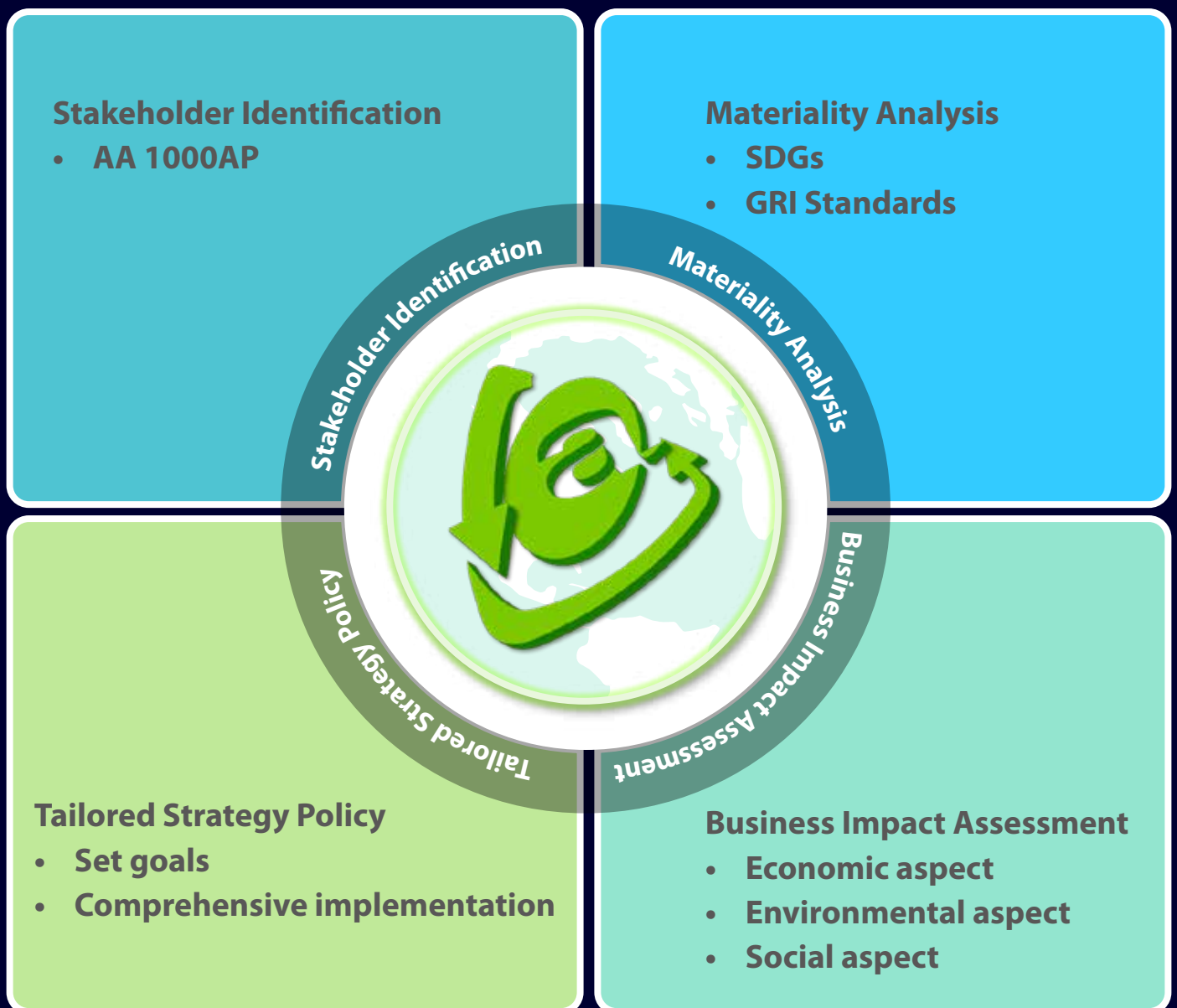
Maintain cooperation with diverse sectors, elevate multiple industries through smart technologies, and establish a sustainable value chain.

# 02 Stakeholders and Materiality



## 2.1 Stakeholder Engagement

Avalue Technology adheres to the AA1000AP(2018) accountability principle and categorizes stakeholders based on inclusivity, significance, responsiveness, and impact. It also supports the United Nations Sustainable Development Goals (SDGs) and GRI Standards for sustainability reporting. The company is developing a model and process to analyze significant issues based on specific criteria to identify the most crucial matters for both the organization and its stakeholders. This process guides the determination of the scope and content of their sustainability report, which includes relevant management policies and performance metrics. Furthermore, this analysis confirms that Avalue Technology's sustainability report covers important internal and external sustainability challenges. This information is used to formulate sustainability management objectives, which are reported to the board of directors at least once a year after review by the chairman.



2.1.1 Identification and Analysis Flowchart

## 2.1.1 Stakeholder Identification and Communication

Environmental sustainability, social well-being, and corporate governance (ESG) issues are important directions for Avalue Technology's practice of sustainable business operations. These issues are also key factors influencing the company's sustainable development. The company has invited department heads from across the organization to identify stakeholders, with a particular focus on the AA1000AP (2018) accountability principles, which include inclusivity, materiality, responsiveness, and impact. Six priority stakeholder categories have been identified, including employees, shareholders/investors, customers/partners, suppliers, government agencies, and communities/non-profit organizations. To ensure that we fully understand the needs and opinions of all stakeholders, Avalue Technology has developed a communication policy that emphasizes two-way interactions through a variety of channels. Our approach involves engaging in daily business interactions and utilizing a range of communication channels, as outlined in the table below. By doing so, we can effectively communicate with stakeholders and receive feedback on sustainability issues that are important to them. The table on the right summarizes the communication channels that Avalue commonly utilizes, along with their respective frequencies.

Stakeholder	Priority issues	Communication Method	Communication Frequency
<b>Employees</b>	<ul style="list-style-type: none"> <li>Talent attraction and retention</li> <li>Employee benefits and DEI</li> <li>Financial performance</li> </ul>	<ul style="list-style-type: none"> <li>Employee Welfare Committee</li> <li>Labor-Management Committees</li> <li>Satisfaction Survey</li> <li>Employee Feedback Box</li> <li>Anti-Corruption Whistleblowing Box</li> </ul>	Permanent Quarterly Yearly Permanent Permanent
<b>Shareholders / Investors</b>	<ul style="list-style-type: none"> <li>Corporate governance and risk management</li> <li>Financial performance</li> <li>Green design and product responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders' Meeting</li> <li>Investor Relations Presentation</li> <li>Company Annual Report \ Sustainability Report</li> <li>Investor Hotline and Mailbox</li> <li>Release of Material Information on Public Information Observation Platform</li> <li>Anti-Corruption Whistleblowing Box</li> </ul>	Yearly Yearly Yearly Permanent Permanent  Permanent
<b>Customers / Partners</b>	<ul style="list-style-type: none"> <li>Green design and product responsibility</li> <li>Information security and customer privacy</li> <li>Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>Customer Satisfaction Survey Analysis</li> <li>Customer Response/React Handling</li> <li>Client Meetings</li> <li>Customer Audit</li> <li>Anti-Corruption Whistleblowing Box</li> </ul>	Yearly Permanent Irregularly Yearly Permanent
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Green design and product responsibility</li> <li>Financial performance</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Communication</li> <li>Quality Conference</li> <li>Supplier Social Responsibility Commitment</li> <li>Supplier Audit</li> <li>Anti-Corruption Whistleblowing Box</li> </ul>	Irregularly Meeting Monthly /Irregularly Yearly Yearly Permanent
<b>Government agencies</b>	<ul style="list-style-type: none"> <li>Integrity in business and regulatory compliance</li> <li>Occupational health and safety</li> <li>Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>Official Correspondence</li> <li>Seminar \ Briefing \ Regulatory Public Hearing</li> <li>Public Association</li> <li>Anti-Corruption Whistleblowing Box</li> </ul>	As dispatched by relevant units As announced by relevant units Yearly Permanent
<b>Community / NPO</b>	<ul style="list-style-type: none"> <li>Talent attraction and retention</li> <li>Climate change adaptation</li> <li>Social engagement and community care</li> </ul>	<ul style="list-style-type: none"> <li>Press Release and Statement Release</li> <li>Media</li> <li>Mailbox and Telephone Contact</li> <li>Community and Neighborhood Communication</li> <li>Events and Forums</li> </ul>	Irregularly Irregularly Permanent Yearly As announced by relevant units



## 2.2 Materiality Analysis

Avalue Technology uses the United Nations' 17 Sustainable Development Goals (SDGs) and the Global Reporting Initiative (GRI) Sustainability Reporting Standards as guidelines. We also reference industry experience to assess and analyze the level of stakeholder concern for each sustainability issue group. Based on the simulation results, we conduct a significant issue analysis regarding the level of concern and impact.

We invite department managers and above, as well as the sustainability development team, to analyze the internal and external impact of each sustainability issue group on the company's operations. We then formulate strategic approaches to address significant issues, aligning them with the organizational business strategy. Targets are set for each operation, and cross-departmental teams meet to discuss improvements and reviews. We periodically assess and review the effectiveness of our management policies, using them as reference indicators for our company's sustainability policies.

In the future, Avalue will actively encourage stakeholders to participate in identifying, understanding, and responding to sustainability issues and mutual concerns. We will report to stakeholders, explain decisions, actions, and performance, and invite stakeholders to evaluate our organizational performance. This will help us formulate management policies and performance measurement systems. We will use the results of these reviews to provide information for the identification process in the next reporting cycle.



**Figure 2.2.1 Process Flowchart of Materiality Analysis**

## 2.2.1 Identifying Material Issues

We analyze and prioritize the stakeholder concerns and the significant impacts on the economy, environment, and society related to various issues of concern. We then create a matrix chart of major issues for Avalue Technology.

After identification and analysis, we have identified fifteen stakeholder concern issues. Based on the level of concern for each issue and the potential impacts on the environment, economy, and society, we conduct a significance assessment and analysis. As a result of this analysis, we present responses to eight major issues: financial performance, integrity and regulatory compliance, green design and product responsibility, corporate governance and risk management, occupational health and safety, information security and customer privacy, employee rights and diversity, and supply chain management.

In addressing the key concerns of these major issues, Avalue Technology outlines the sustainability impact on the company and stakeholder concern within the scope, thematic boundaries, time frames, and other principles. For individual significant issues, we define their boundaries and, following the GRI guidelines, list the strategic policies, implementation details, and medium-to-long-term objectives for each major issue.

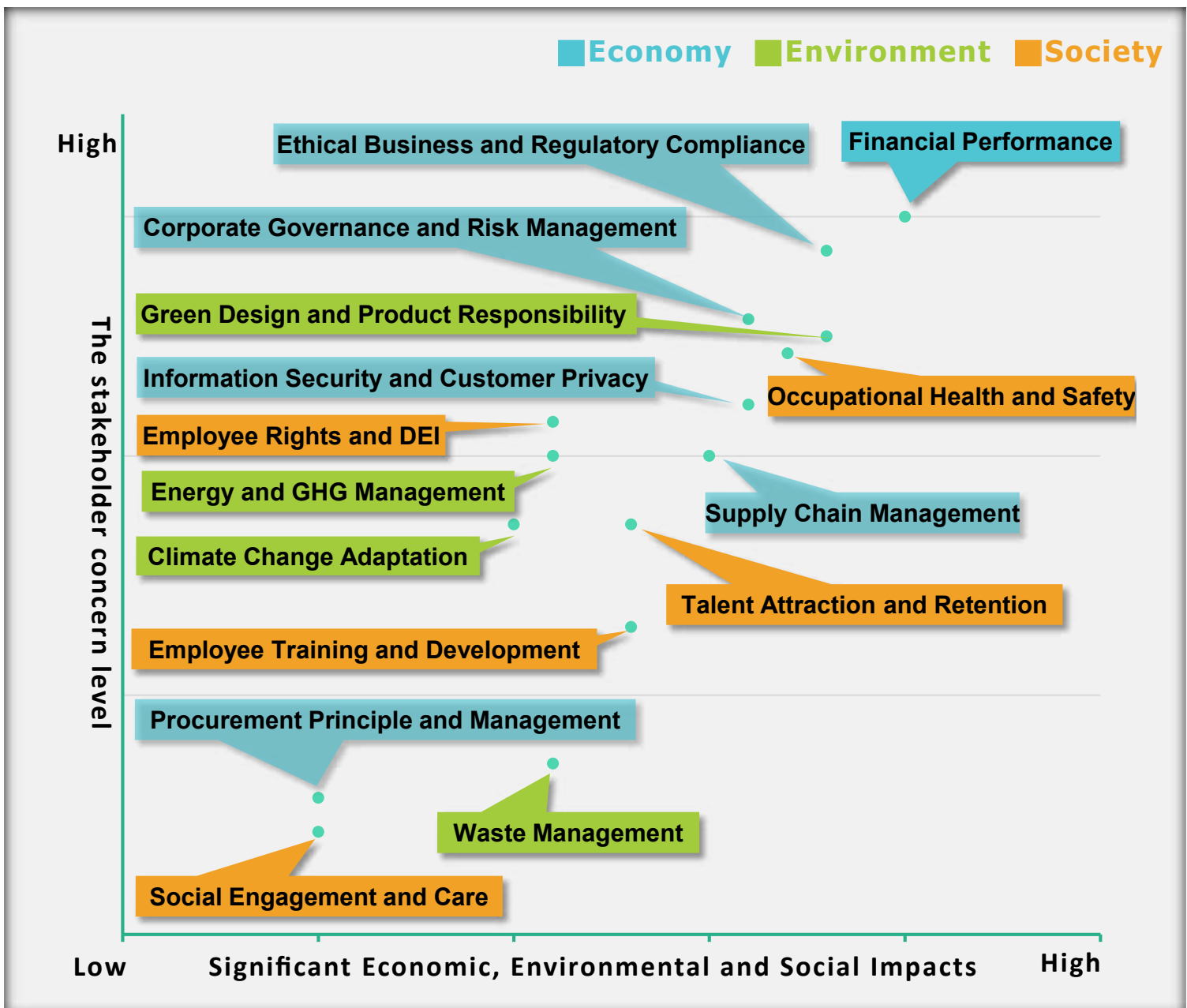


Figure 2.2.2 Results of significance analysis

**E**nvironmental

**S**ocial

**G**overnance



**Environmental**

- 3. Green Design and Product Responsibility**
- 11. Climate Change Adaptation
- 9. Energy and Greenhouse Gas Management
- 13. Waste Management



**Social**

- 5. Occupational Health and Safety**
- 7. Employee Rights and DEI**
- 10. Talent Attraction and Retention
- 12. Employee Training and Development
- 15. Social Engagement and Care



**Governance**

- 1. Financial Performance**
- 2. Ethical Business and Regulatory Compliance**
- 4. Corporate Governance and Risk Management**
- 6. Information Security and Customer Privacy**
- 8. Supply Chain Management**
- 14. Procurement Principle and Management

**Figure 2.2.3 Major Issues Identification Diagram**

**Note : The red text represents the 8 significant issues addressed in this report.**

## 2.2.2 Significant Issue Boundaries and Corresponding GRI Standard Topics

We assess the impact of the primary significant issues, whether they occur internally or externally within the organization, and determine the level of disclosure. Among these, "Information Security and Customer Privacy" and "Green Design and Product Responsibility" are unique issues that do not correspond to GRI Standards.

- Full Disclosure in this report
- Partial Disclosure in this report

Perspective	Boundary	Corresponding GRI items	Internally		Externally	
			Avalue Parent Company	Avalue Subsidiary Company	Customer	Supplier
<b>Economic</b>	Financial Performance	Economic performance	•	•		
	Ethical Business and Regulatory Compliance	Regulatory compliance	•	◦		
	Corporate Governance and Risk Management	General disclosure	•	◦		
	Information Security and Customer Privacy	-	•	◦	◦	◦
	Supply Chain Management	Supplier Environment 、 Social Assessment	•	•		◦
<b>Environment</b>	Green Design and Product Responsibility	-	•	•		◦
<b>Social</b>	Occupational Health and Safety	Occupation Health and Safety	•	•		◦
	Employee Rights and DEI	Employee Diversity and Equal Opportunity 、 Non-Discrimination 、 Child Labor 、 Forced or Compulsory Labor	•	•		◦

## 2.3 Business Impact Assessment

- Direct Impact
- Facilitating Impact

Perspective	Major Issue	Description	Impact Boundaries					
			Avalue Technology Global Sites	Stockholder / Investor	Customer / Partner	Government Department	Government Department	Community
Economic	Financial Performance	Sustainable financial performance is the foundation of a company's sustainable development. It allows the company to give back to stakeholders through the economic value it creates.	•	◦				
	Ethical Business and Regulatory Compliance	Avalue consistently upholds the principle of operating with integrity, strictly adhering to domestic and international laws, as well as ethical principles, to enhance the company's overall advantages and establish itself as a socially responsible and sustainable enterprise.	•	◦	•	•	◦	
	Corporate Governance and Risk Management	Facing the ever-changing risks and challenges in the market, effective planning and the formulation of an ideal corporate governance strategy have an impact on the company's operations, competition, and sustainability.	•	◦	◦	◦	◦	
	Information Security and Customer Privacy	Effective data flow control and information security management are critical to the operational risk of the company, as well as essential means to protect customer privacy and the confidentiality of company data.	•		•		◦	
	Supply Chain Management	Establishing stable and friendly relationships with supply chain partners is essential to simultaneously ensuring quality, reducing risks, and jointly fulfilling social responsibilities with our supply chain partners.	•			•		
Environment	Green Design and Product Responsibility	Avalue is committed to develop and manufacture highly customized and high-performance green products. Not only to enhance customer production efficiency, and to provide longer lifespans, but also to contribute to efforts in mitigating global warming.	•		◦	•	◦	◦
Social	Occupational Health and Safety	Employees are Avalue's most important asset. To create a safe and friendly working environment for employees, and to encourage them to cultivate a healthy body, mind, and spirit is key to the company's sustainable operations.	•			◦		
	Employee Rights and DEI	Be a happy enterprise is Avalue's pride. While practicing gender equality and providing generous benefits, we support our colleagues in adopting sustainable lifestyles, promoting peace and non-violence, and respecting cultural diversity.	•				◦	

## 2.4 Material Issues Strategy and Policy

Major Issue	Strategy		Corresponding Chapter
	Policy	Implementing rules	
<b>1. Financial Performance</b>	Focus on technology innovation, increase the overall economic scale, and create opportunities for profit growth.	<ul style="list-style-type: none"> <li>• Put more resources into development and innovative research.</li> <li>• Integrate resources to improve efficiency and reduce costs.</li> <li>• Offer higher-quality products and integrated services.</li> </ul>	<b>3.2.6</b>
<b>2. Ethical Business and Regulatory Compliance</b>	Establish a sense of integrity, honesty, and compliance with the law among all members, and develop a compliance management system to ensure that all members adhere to it.	<ul style="list-style-type: none"> <li>• Continuously, through advocacy and educational training, convey the concept of integrity and ethical business to all members and promote professional ethics and a culture of integrity, adhering to laws and regulations, and maintaining an anti-corruption and anti-bribery stance.</li> <li>• The company has established various procedures, including the 'Code of Ethics for Directors and Executives,' 'Corporate Integrity Operating Guidelines and Behavioral Guidelines,' 'Guidelines for Reporting Illegal, Unethical, or Non-Integrity Behaviors,' and 'Internal Handling of Material Non-Public Information and Prevention of Insider Trading Procedures.' These procedures serve as operational norms for implementing the code of integrity in the company, and their operation and execution are reported to the board of directors on an annual basis.</li> </ul>	<p><b>3.1</b></p> <p><b>3.2</b></p>

Major Issue	Strategy		Corresponding Chapter
	Policy	Implementing rules	
<b>3. Corporate Governance and Risk Management</b>	Establish risk management policies, pre-plan and promote various risk avoidance and response measures, define mechanisms for handling risks when they occur, to minimize potential impacts and consequences when risks arise.	<ul style="list-style-type: none"> <li>Corporate Governance - Director Composition, Board and Committee Operations, Director Nomination and Diversity, Board Performance Evaluation, Regular Reporting of ESG Issues to the Board, Director/Executive Compensation.</li> <li>Risk Management - Integrating and Managing Various Strategies That May Affect Operations and Profitability</li> </ul>	<b>3.4</b>
<b>4. Information Security and Customer Privacy</b>	Maintain the effective operation of company-related information systems. Protect internal and external information security to establish brand reputation and build trust with customers.	By implementing the ISO 27001:2013 Information Security Management System, we continuously strengthen information security management and risk control. We also regularly report the execution status to the Information Security Management Committee.	<b>3.4.1</b>
<b>5. Supply Chain Management</b>	<p>Ensure product and service quality, and make sure that the production process complies with regulatory.</p> <p>Ensure that suppliers adhere to the company's social responsibility commitments, including environmental protection, labor rights, and anti-corruption.</p> <p>Conduct regular assessments of supplier performance to enhance supply chain efficiency and effectiveness.</p> <p>Raise employee awareness, strengthen supply chain management capabilities, and pursue continuous improvement.</p>	<p>Conduct supplier evaluations, establish evaluation criteria, and regularly assess supplier performance.</p> <p>Suppliers should sign a Conflict Minerals Agreement or Statement and provide a certificate of not using harmful substances to "make sure" the safety of the supply chain and product safety. All suppliers are required to sign the 'Integrity Commitment'/'Non-disclosure agreement'/'Supplier Social Responsibility Commitment' to ensure compliance with codes of conduct and relevant regulations. Provide training for relevant employees to ensure proper execution of supply chain management work.</p> <p>Establish a management system to promptly address supplier violations of management policies and collaborate with suppliers to resolve issues. Continuously improve supply chain management capabilities to enhance supply chain efficiency and effectiveness.</p>	<b>3.3</b>

Teams	Strategy		Corresponding Chapter
	Policy	Implementing rules	
<b>6. Green Design and Product Responsibility</b>	<p>Establish a green product design team, continuously track international regulations and innovative design benchmarks. Develop design guidelines and integrate them into the product development process to move towards energy-efficient standardized design. Implement systematic management of the design process (Dashboard), create a visual green product dashboard, and enhance Avalue Technology's green product performance.</p>	<p>Establish standards for the four aspects of products: (1) green materials, (2) green packaging, (3) product recycling, and (4) energy-efficient products. Develop action plans to reduce the environmental impact of products at each stage and comply with international legal requirements. Continuously update international regulations. Focus on the green energy market, identify target industries, and develop corresponding products.</p>	<b>4.1</b>
<b>7. Occupational Health and Safety</b>	<p>Providing employees with a safe, healthy, and high-quality workplace</p>	<p>Establishing occupational health and safety guidelines and developing hazard identification and safety operation standards.</p>	<b>5</b>
<b>8. Employee Rights and DEI</b>	<p>Establishing harmonious labor-management relations and a diverse, inclusive relationship with employees is a crucial foundation for laying the groundwork for Avalue's sustainable operation</p>	<p>Moving towards a society of gender equality and diversity respect, providing equal employment opportunities and gender pay equality without discrimination based on gender, religion, race, nationality, or other differences.</p>	<b>5</b>



## 2.5 Strategic Objectives of Major Issues

Major Issue	Objectives		
	2022 Achieved	2023 Goals	2025 Goals
<b>1. Financial Performance</b>	The Annual revenue scale increases by 60%, and profits show significant growth.	Focusing on technological innovation, integrating resources to improve efficiency, and reduce costs.	Striving to secure OEM/ODM orders from worldwide large manufacturers, forming strategic alliances with customers or foreign companies, and expanding into the high-end system integration market.
<b>2. Ethical Business and Regulatory Compliance</b>	<p>1 ∨ Establish a culture of integrity, honesty, and legal compliance among all members and build a compliance management system to ensure full adherence by all.</p> <ul style="list-style-type: none"> <li>• Code of Ethics for Directors and Executives.</li> <li>• Company Code of Ethics and Behavioral Guidelines.</li> <li>• Guidelines for Reporting and Handling Illegal, Unethical, or Untrustworthy Behavior Cases.</li> <li>• Internal Handling of Significant Information and Prevention of Insider Trading Procedures.</li> <li>• Company Regulations.</li> <li>• Integrity in Operation Advocacy/Education and Training.</li> </ul> <p>2 ∨ Cooperate with customers to conduct regular or irregular social responsibility audits, including integrity in operation.</p> <p>3 ∨ Major legal infractions: 0 instances.</p>	<ul style="list-style-type: none"> <li>• Adhere to economic, environmental, and social regulations, and maintain a culture of integrity and core values in continuous operation.</li> <li>• Periodically disclose information on new/revised regulations.</li> <li>• Continuous education, training, and advocacy.</li> <li>• No significant legal violations.</li> </ul>	<ul style="list-style-type: none"> <li>• Adhere to economic, environmental, and social regulations, and maintain a culture of integrity and core values in continuous operation.</li> <li>• Periodically disclose information on new/revised regulations.</li> <li>• Continuous education, training, and advocacy.</li> <li>• No significant legal violations.</li> </ul>

Major Issue	Objectives		
	2022 Achieved	2023 Goals	2025 Goals
<b>3. Corporate Governance and Risk Management</b>	Added significance in 2022	The scope of risk project investigation has expanded from directors/accountants/senior executives to all employees, strengthening education and training for employees.	In accordance with the evolution of global corporate governance standards, further strengthen the risk management organization and mechanisms.
<b>4. Information Security and Customer Privacy</b>	<ul style="list-style-type: none"> <li>• Commencing the implementation of ISO 27001:2013 Information Security Management System.</li> <li>• Conducting employee basic information security literacy training (completion rate 93%).</li> <li>• Assessing external information security risks.</li> <li>• Critical system disaster recovery time within 24 hours.</li> </ul>	<ul style="list-style-type: none"> <li>• Obtain the ISO 27001:2013 Information Security Management System certificate.</li> <li>• Continuously strengthen personnel awareness of information security risks.</li> <li>• Enhance the assessment of information security risks.</li> <li>• Continuously reinforce information security protection.</li> </ul>	<ul style="list-style-type: none"> <li>• ISO 27001 revision in 2022 and expansion of scope.</li> <li>• Comprehensive assessment of information security risks.</li> <li>• Adopting a Zero Trust framework.</li> <li>• Establishing a Security Operations Center (SOC).</li> </ul>
<b>5. Supply Chain Management</b>	<ul style="list-style-type: none"> <li>• Do not use hazardous substance certification with a recovery rate of 100%.</li> <li>• Supplier sustainability management capabilities reach 100%.</li> <li>• Supplier sustainability assessment - on-site audit.</li> <li>• Assistance, improvement, and tracking reach 100%.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue supplier evaluation.</li> <li>• In 2023, increase the 'S' (Sustainability) component: reach 50%.</li> <li>• For key suppliers, achieve a carbon data collection and recovery rate of 10%.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue supplier evaluation.</li> <li>• In 2023, increase the 'S' (Sustainability) component: reach 100%.</li> <li>• For key suppliers, achieve a carbon data collection and recovery rate of 50%.</li> </ul>
<b>6. Green Design and Product Responsibility</b>	<ul style="list-style-type: none"> <li>• 100% of raw materials comply with international mandatory regulations and Avalue Technology's material standards.</li> <li>• Convene relevant departments to jointly establish standards, implement, manage, and check.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to achieve that 100% of raw materials comply with international mandatory regulations and Avalue Technology's material standards.</li> <li>• Experiment with specific models to obtain international energy-saving and environmental protection certifications.</li> <li>• Introduce new products with energy consumption monitoring design.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to achieve that 100% of raw materials comply with international mandatory regulations and Avalue Technology's material standards.</li> <li>• Expand the trial of models to obtain international energy-saving and environmental protection certifications.</li> <li>• Expand the adoption of low-energy design.</li> <li>• Energy-efficient design. products account for 20% of the total shipped quantity.</li> </ul>

Major Issue	Objectives		
	2022 Achieved	2023 Goals	2025 Goals
<b>7. Occupational Health and Safety</b>	<ul style="list-style-type: none"> <li>• Achievement rate of hazard identification and risk assessment in each department is 100%.</li> <li>• Maintain 0 cases of occupational diseases caused by chemical exposure.</li> <li>• Participation rate in health checkups: 85%.</li> <li>• Employee major occupational accidents: ≤ 3 cases per year.</li> <li>• Disability injury frequency: ≤ 3.2.</li> <li>• Disability injury severity: ≤ 32.</li> </ul>	<ul style="list-style-type: none"> <li>• Achievement rate of hazard identification and risk assessment in each department is 100%.</li> <li>• Maintain 0 cases of occupational diseases caused by chemical exposure.</li> <li>• Participation rate in health checkups: 90%.</li> <li>• Employee major occupational accidents: ≤ 2 cases per year.</li> <li>• Disability injury frequency: ≤ 3.</li> <li>• Disability injury severity: ≤ 30.</li> </ul>	<ul style="list-style-type: none"> <li>• Achievement rate of hazard identification and risk assessment in each department is 100%.</li> <li>• Maintain 0 cases of occupational diseases caused by chemical exposure.</li> <li>• Participation rate in health checkups: 95%.</li> <li>• Employee major occupational accidents: ≤ 1 cases per year.</li> <li>• Disability injury frequency: ≤ 2.8.</li> <li>• Disability injury severity: ≤ 28.</li> </ul>
<b>8. Employee Rights and DEI</b>	<ul style="list-style-type: none"> <li>• Maintain 0 cases of workplace misconduct or infringements.</li> <li>• 0 cases of employee complaints/mediation.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain 0 cases of workplace misconduct or infringements.</li> <li>• 0 cases of employee complaints/mediation.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain 0 cases of workplace misconduct or infringements.</li> <li>• 0 cases of employee complaints/mediation.</li> </ul>

# 03 Corporate Governance



### 3.1 Ethical Management

Avalue Technology has been adhering to the business philosophy of 『**Steady Innovation · Diligent Passion · Enjoy Work · Embrace Life**』 since its inception. We explore innovative technologies, produce, and sell life automation single-board computers. With a mission to be responsible global citizens, we fulfill our corporate responsibilities and strive for sustainable operations. The Audit Department serves as the unit responsible for promoting ethical business practices within the company. They are responsible for formulating and supervising the implementation of the ethical business policy and prevention of unethical behavior program. They report to the board of directors at least once a year and conduct internal awareness campaigns. The board of directors has a duty of care to oversee the prevention of unethical behavior within the company, ensuring the implementation of the ethical business policy.

#### Steady Innovation

No speculating, no taking shortcuts, we aim for steady growth with a sustainable business philosophy. We continuously explore innovations, hoping to produce more environmentally friendly, demand-meeting, and high-quality products that promote social well-being. Our goal is to become a professional, profit-driven, world-class international company.

#### Diligent Passion

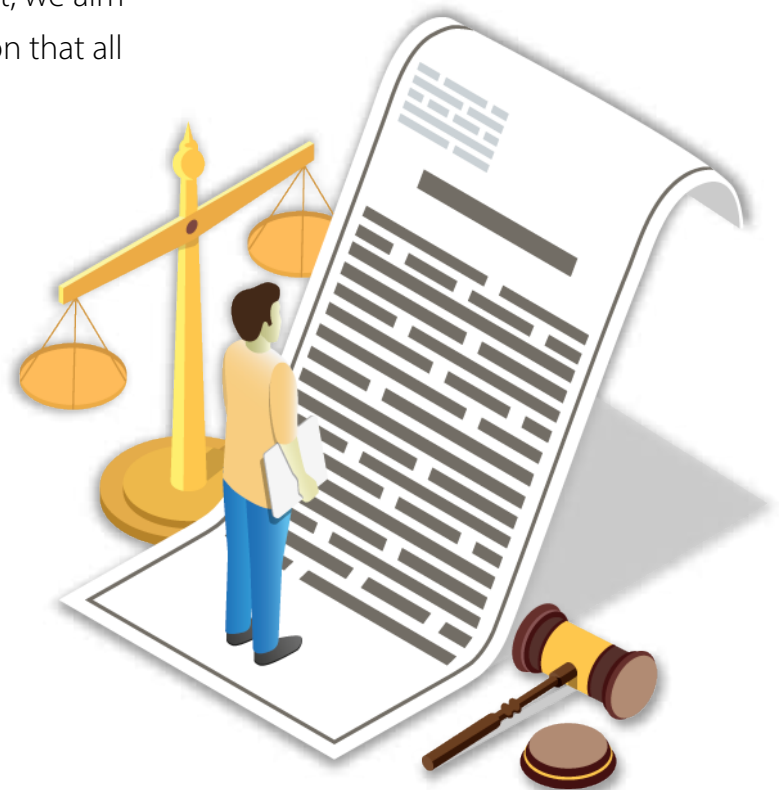
We serve our customers wholeheartedly, building excellent teams from the inside out based on mutual trust and mutual assistance. We uphold the principles of honest and responsible business, facing challenges with courage, and making the greatest effort for a better future for the planet.

#### Enjoy Work

We provide a warm and secure workplace where employees can give their best. We prepare a dazzling stage for those with the ability to unleash their full potential. Caring for each other and offering encouragement, we aim for a virtuous cycle that achieves a wonderful vision that all employees and their families can take pride in.

#### Embrace Life

We sincerely give back to all our employees as if they were family, offering diverse and enriching activities aimed at promoting the physical and mental well-being of all. This enables everyone to relax and rejuvenate their mind, body, and soul during leisure time, thus enhancing their overall quality of life.



### 3.1.1 Business Ethics Risk Management

Avalue Technology places significant importance on integrity and has formulated the "Code of Ethics for Directors and Managers" and the "Code of Business Ethics and Conduct Guidelines," which are publicly available on the company's website. These guidelines encompass the company's directors, managers, employees, appointees, and substantial controllers, all of whom are committed to upholding the principles of integrity and actively implementing the concept of ethical business.

To prevent conflicts of interest, the company has implemented relevant provisions that require all personnel to recuse themselves when dealing with parties with vested interests in a decision. If there are concerns regarding these matters, internal employees can raise them with their superiors, while external parties can provide feedback through written communication, email, or the company's public contact information. The company expects all stakeholders to acknowledge and adhere to the standards of ethical conduct.

As circumstances dictate, the company includes terms related to ethical behavior in contracts with counterparties. In the event of unethical behavior during a transaction, the company reserves the right to terminate the transaction or terminate the contract.

To maintain operational efficiency and effectiveness, the company has established robust accounting and internal control systems and conducts regular audits. External auditors, such as the KPMG, perform periodic financial statement audits and internal control system audits to ensure that the company's operations comply with legal requirements and adhere to the standards of ethical conduct.



### 3.1.2 Anti-Corruption Reporting

Avalue Technology has established the "Code of Business Ethics and Conduct Guidelines" as well as the "Guidelines for Reporting Illegal, Unethical, or Unethical Conduct Cases." Through these guidelines, both internal and external individuals can understand and adhere to the relevant codes of conduct, as well as the procedures and channels for reporting unethical behavior.

In the "Guidelines for Reporting Illegal, Unethical, or Unethical Conduct Cases," we have clearly defined the criteria for accepting reports, the related procedures, actions to be taken upon completing an investigation, and confidentiality principles. Additionally, we pledge to maintain the confidentiality and protection of the identity and content of whistleblowers. We exercise discretion in selecting suitable individuals to participate in case investigations to prevent any unfair treatment or threats to whistleblowers.

Avalue Technology is committed to upholding the principles of ethical business conduct, ensuring that the company's operations consistently adhere to moral and legal standards.



## 3.2 Operations Management

### Company Profile

Avalue Technology Incorporation is a professional industrial computer manufacturing company that leverages its technological expertise to provide specialized industrial computer solutions to its customers. The company is dedicated to developing products based on x86 and RISC architectures, which include industrial embedded motherboards, industrial computers, tablets, system modules, POS terminals, software, and various Internet of Things (IoT) compatible products.

With years of experience, Avalue Technology offers PCB manufacturing, assembly, BIOS version control, and after-sales services, ensuring quality assurance across various business areas. The company is certified under **ISO 9001:2015, ISO 13485:2016, ISO 14001:2015, and ISO 45001:2018** to guarantee its commitment to customers in these domains.

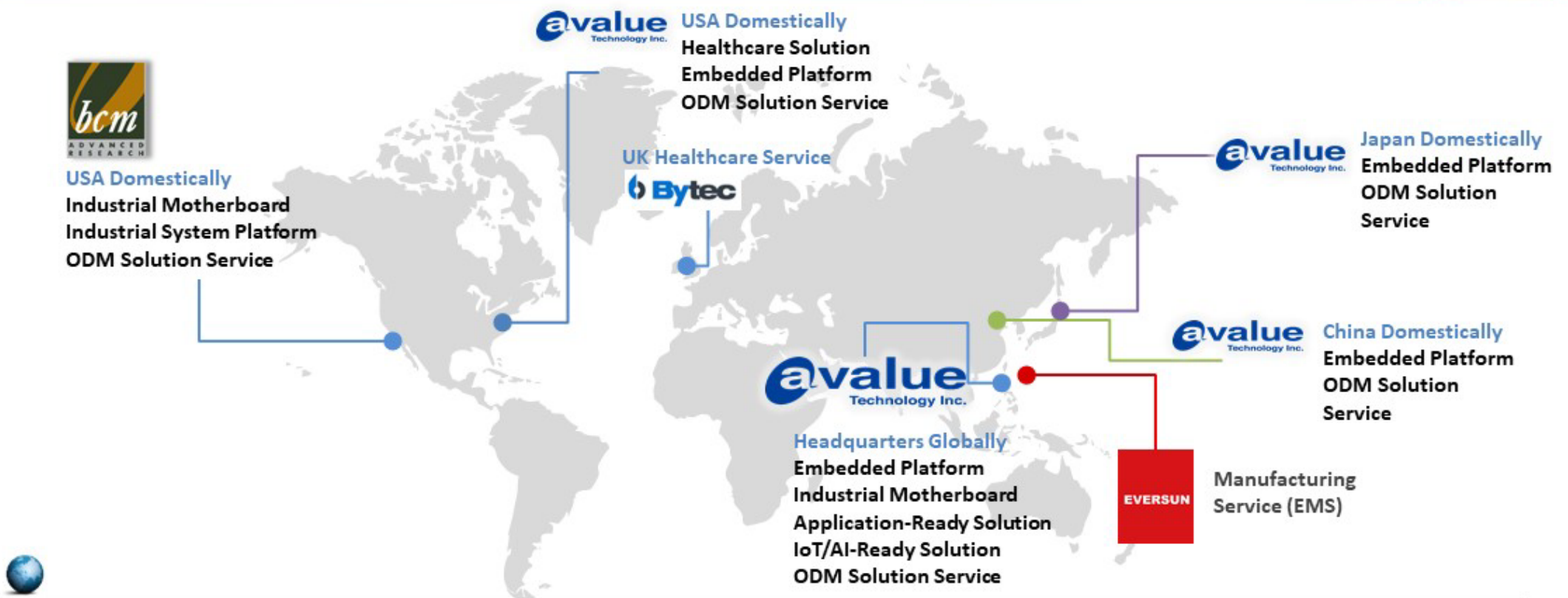
Headquartered in Taipei, Taiwan, Avalue Technology operates globally with subsidiaries in locations such as New Jersey and California in the United States, Shanghai in China, and Tokyo in Japan. Furthermore, the company has established a network of distributors worldwide to support supply chain distribution and provide on-the-ground service to meet the needs of customers around the world.

As a dedicated industrial computer manufacturer, Avalue Technology deeply understands customer needs, anticipates future trends, and continually designs and produces environmentally friendly products that comply with international standards while reducing environmental impact. The company actively collaborates with experts in various fields and strives to be an industry leader, reducing costs for customers, enhancing sustainable competitiveness, and making substantial efforts to mitigate global climate change.

Avalue Technology places a strong emphasis on the work-life balance of its employees, providing a comfortable and safe working environment. It has established a workers' welfare committee that offers a diverse range of benefits and activities to promote physical and mental well-being for employees. Simultaneously, the company values communication, encouraging employees to freely express their expectations and feedback, fostering mutual growth and development with the company.

In summary, Avalue Technology remains committed to developing innovative products, achieving sustainability, and creating more value for its customers and employees. We believe that through collective efforts, Avalue Technology will contribute to a brighter future.





**2006**  
Merged operations with Avalue Technology, Inc. to combine engineering resources and pool purchasing power, creating an industrial board and system providers while maintaining a two-brand strategy.



**2013**  
Avalue invests Eversun to unfold complete Manufacturing Service (EMS)



**2014**  
Providing mobile platforms that facilitate equipment, and clinical information access, patient-side.

Figure 3.2.1 Global Distribution Map

# Production Manufacturing Center

**Taipei  
Headquarter**



Admin./Finance  
Sales/Marketing  
Research & Development  
Laboratory

**Taipei  
Li-De Factory**



Supply Chain Management  
Warehouse  
RMA center  
Value Added MFG Service

**Taoyuan  
Compal Factory**



PCBA  
System Assembly

**Kaohsiung  
Eversun Factory**



EMS Service  
PCB/System Assembly  
PCBA Test

Figure 3.2.2 Production manufacturing center

### 3.2.1 Governance structure

Avalue Technology firmly believes that good corporate governance is the foundation of sustainable business development. Over the years, we have been committed to establishing effective governance structures, safeguarding shareholder rights, strengthening the functions of the board of directors, respecting the rights of stakeholders, and enhancing transparency. Avalue adheres to these principles and gradually implements various systems and measures to continuously improve the quality and effectiveness of corporate governance. This commitment ensures the practice of sound governance principles, allowing us to pursue the maximization of shareholder rights and the sustainable development of the company.



**Figure 3.2.3 Governance Structure Chart**

## The tasks of its principal divisions

Major Departments	Major Functions	Major Departments	Major Functions
<b>Auditing Division</b>	Perform businesses by adhering to the principles of independence and objectivity, audit the company's various operating parts and the items related to laws and regulations, provide improvement suggestions as appropriate, and confirm the effectiveness of the design and implementation of internal control system, so as to assist the Board of Directors and management to achieve the company's goals for operating profit, performance and asset preservation, and reasonably ensure the reliability of financial statements and compliance with relevant laws and regulations.	<b>Product and Technology Department</b>	<ol style="list-style-type: none"> <li>1.Introduce and develop new products and new technologies.</li> <li>2.Plan for, launch and make sales analysis on new products.</li> <li>3.Solve application problems of various products.</li> <li>4.Provide Product Status, technical information and Marketing Materials.</li> <li>5.Review and test the specifications of the parts used for development of new products, and handle, establish and control over new materials.</li> <li>6.Verify the functions and safety specification of new products.</li> <li>7.Provide technical supports for application of products for customers.</li> </ol>
<b>CEO Office</b>	<ol style="list-style-type: none"> <li>1.Manage setting of operating goals for the company in a comprehensive way, implement and make coordination for various strategic arrangement.</li> <li>2.Manage the operation of all departments and the businesses of overseas subsidiaries.</li> <li>3.Review domestic and overseas contracts and provide consulting service for legal cases.</li> </ol>	<b>R&amp;D Department</b>	<ol style="list-style-type: none"> <li>1.Design and develop boards, systems and integrated products.</li> <li>2.Design and develop BIOS/application/embedded operating system in an integrated way.</li> <li>3.Provide industrial, field, IoT application solutions and conduct intelligent integration.</li> </ol>
<b>General Management Department</b>	<ol style="list-style-type: none"> <li>1.Planning, management and control of finance and accounting affairs.</li> <li>2.Manage human resources, general administrative matters, occupational safety and health, ESG and other related matters.</li> <li>3.Maintain and manage information system.</li> </ol>	<b>Manufacturing Department</b>	<ol style="list-style-type: none"> <li>1.Conduct manufacturing or material management and purchase-related operation.</li> <li>2.Manufacture, test and package products.</li> <li>3.Provide operating guidance to and technical supports for the manufacturing technologies of outsourced manufacturing factory.</li> <li>4.Test and verify equipment quality management and technical data files, test software planning and update management.</li> <li>5.Classify and make basic analysis on verification failure problems.</li> </ol>
<b>Sales Department</b>	<ol style="list-style-type: none"> <li>1.ODM projects process.</li> <li>2.In charge of development of global distribution market.</li> <li>3.Assist overseas branches in development of businesses, coordination for production, operation and sales businesses.</li> <li>4.Establish and promote the company's brand image, formulate marketing plans, and implement various marketing strategies.</li> <li>5.Order management, logistic operation arrangement.</li> </ol>		

### 3.2.2 Diversity and Independence of Board of Directors

(1) Diversity of the Board of Directors: The Company has formulated the policies for diversification of its Board of Directors' members, and it discloses such policies on its website and MOPS. Directors are nominated through a rigorous selection process that not only diversified backgrounds, professional abilities and experience are considered, but also great importance was attached to the gender equality of the Board of Directors' members and the reputation of individual directors concerning ethical conduct and leadership. At present, there is one female director among the members of the Company's Board of Directors, which is in line with the management goal for corporate governance that there shall be at least one female director in the Board of Directors, and the nine members of the Company's Board of Directors have diversified backgrounds, including different industrial and financial, accounting and academic and other professional backgrounds and rich experience in operating company, and they generally have the knowledge, skills and quality required for performance of their duties to give play to the functions of business decision-making, leadership and supervision, and they continue to receive continued education to improve their professionalism every year legally.

(2) Independence of the Board of Directors: There are nine members of the Company's Board of Directors, including three independent directors, accounting for one-third of all directors, and there are no directors who are spouse or relatives within the second degree of kinship, so the Company's Board of Directors is independent.



**Table 3.2.4: Implementation status of the policies for the diversity of the Board of Directors' members**

Core Items of Diversity	Gender	Age	Nationality	A Concurrent Employee of the Company	Professional Qualifications and Work Experience			Professional Knowledge and Talent			
					An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs in a Public or Private Junior College, College or University	Professional and Technical Personnel Required for the Company's Business	Work Experience Required for the Company's Business	Decision-Making	Business Administration	Industrial Knowledge	Accounting and Legal Affairs
Name and Title											
Liu, Li-Chi Chairman	Female	61~70 years old	R.O.C.	V			V	V	V	V	
Chang, Chia-Che Director	Male	51~60 years old	R.O.C.	V			V	V	V	V	
Representative, of Compal Electronics, Inc. Director Mao, Hsin-Kung	Male	51~60 years old	R.O.C.				V		V	V	
Tseng, Chien-Chung Director	Male	51~60 years old	R.O.C.				V		V	V	V
Wang, Wei Director	Male	61~70 years old	R.O.C.				V	V	V	V	
Lien, Liang-Kuang Director	Male	51~60 years old	R.O.C.	V			V		V	V	

**Table 3.2.4: Implementation status of the policies for the diversity of the Board of Directors' members**

Core Items of Diversity	Gender	Age	Nationality	A Concurrent Employee of the Company	Professional Qualifications and Work Experience			Professional Knowledge and Talent			
					An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs in a Public or Private Junior College, College or University	Professional and Technical Personnel Required for the Company's Business	Work Experience Required for the Company's Business	Decision-Making	Business Administration	Industrial Knowledge	Accounting and Legal Affairs
Name and Title											
Hsiao, Kuo-Ching Independent Director	Male	71~80 years old	R.O.C.		V		V		V	V	V
Liu, Chun-Lin Independent Director	Male	61~70 years old	R.O.C.				V		V	V	V
Ku, Chi-Jan Independent Director	Male	51~60 years old	R.O.C.				V		V	V	V

### 3.2.3 Board of Directors' Functional Goals and Execution Evaluation

To strengthen corporate governance, Avalue Technology has established clear goals for the board of directors' functions and conducts assessments to ensure effective implementation.

Firstly, in order to better manage the compensation policy, the company established the Compensation Committee on November 18, 2011, consisting of three independent directors. This committee regularly evaluates and provides professional recommendations to assist the board of directors in ensuring a reasonable compensation policy to promote the company's long-term and stable development.

Secondly, on June 12, 2020, the company conducted a board of directors' election, simultaneously appointing three independent directors and establishing the Audit Committee to replace the traditional supervisory system. The Audit Committee, composed of all independent directors, is responsible for executing the legal provisions concerning the powers of supervisors under the Company Act, Securities and Exchange Act, and other regulations, ensuring the financial and audit operations of the company.

#### Board of Directors' Performance and Remuneration

The company values the effectiveness of the board of directors and, on December 17, 2020, established the Board of Directors' Performance Evaluation Method. The results of the performance evaluations for the board of directors, individual directors, and various functional committees for the year 2022 were reported to the board on March 29, 2023. Through performance evaluations, the operational efficiency of the board of directors is ensured, continually strengthening the board's functions and execution.

The establishment of the Compensation Committee ensures the fairness and reasonableness of the compensation policies for directors and executives. The involvement of independent directors guarantees the objectivity of compensation assessments and ensures alignment between the interests of board members and the long-term development of the company.

In the future, Avalue Technology will continue to enhance the functions of the board of directors, improve corporate governance efficiency, and ensure the company achieves sustainable operations and growth, creating more value for customers, employees, and shareholders. We firmly believe that through collective efforts, Anqin Technology will construct a brighter future.





### 3.2.4 Products and Applications

Avalue Technology is committed to the development of products based on x86 and RISC architectures. Its product range includes industrial motherboards and single-board computers, industrial computers, tablets, embedded computer modules, point-of-sale terminals, semi-rugged tablets, and embedded software. To better meet customer needs, the company is integrating technologies towards the development of the Internet of Things (IoT), with a focus on applications in smart health-care, intelligent retail stores, restaurants, Industry 4.0 smart factories, and intelligent transportation.

Simultaneously, Avalue Technology continuously simplifies system assembly, reduces product weight, and extends product life cycles. The company's main design principles center around high performance, easy scalability, and user-friendliness, providing more reliable, stable, and compatible products. The aim is to save costs in every stage, including labor and transportation, thereby creating more profits for customers and contributing to environmental conservation.

Avalue Technology is certified under ISO 9001:2015, ISO 13485:2016, ISO 14001:2015, and ISO-45001:2018, ensuring high-quality products. The company is also part of the Green Supply Chain Management System (GPM Light Professional), reflecting its commitment to sustainable Earth practices. Anqin Technology's outstanding performance in product quality, environmental protection, and social responsibility establishes it as a trustworthy supplier.

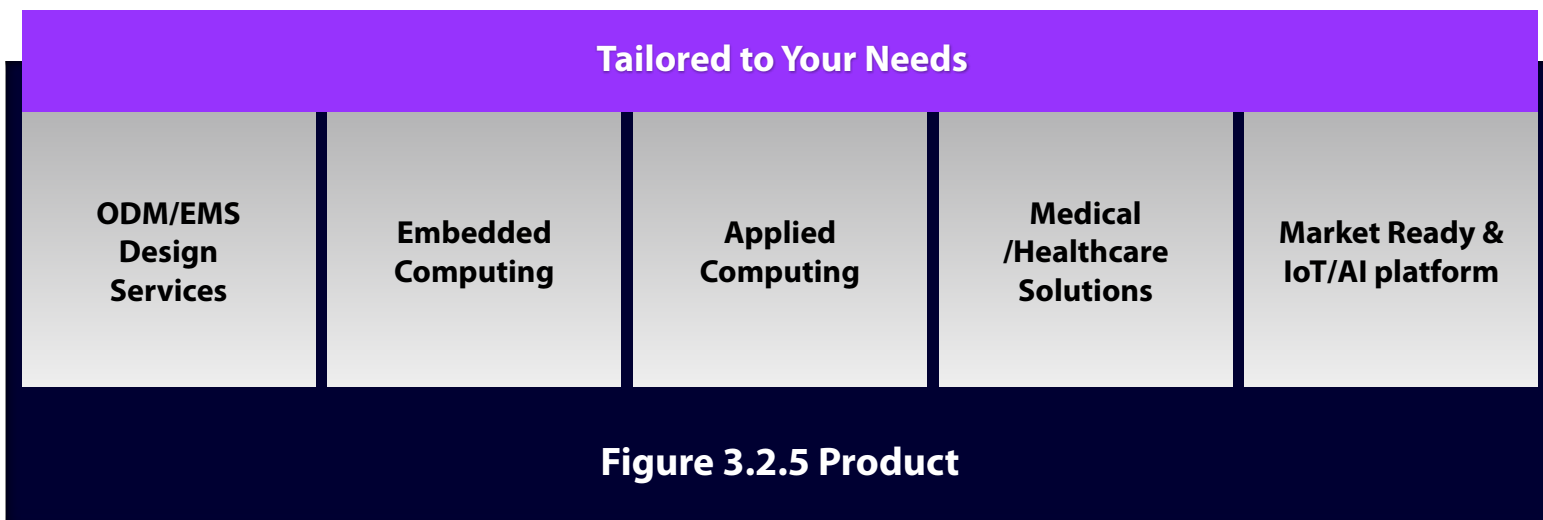


Figure 3.2.5 Product

# Avalue promotes energy-efficient electronic paper signboards

Low power consumption › solar power supply › excellent visibility even in sunlight



Avalue is one of the early partners of E Ink, collaborating on innovations in various electronic paper display applications. In particular, they have implemented intelligent electronic paper signboards in Taipei City, leveraging the unique characteristics of electronic paper, notably its extremely low power consumption. Powered by solar energy, these signboards provide real-time bus information, not only saving on electricity costs but also eliminating the need for complicated procedures such as wiring and road excavation, ultimately saving on manpower and time resources. Compared to traditional LCD screens, electronic paper remains clear and visible in sunlight, with anti-reflective and anti-glare features.

Avalue also offers professionally customized designs for water resistance and night lighting. Additionally, they have emergency backup power boxes to address prolonged periods of insufficient sunlight due to inclement weather. This 31.2-inch wide panel design not only provides real-time bus route information but also allows flexible use of the display for policy promotion and advertisements. This design has been successfully piloted in several cities in the United States. The low power consumption and highly energy-efficient features of electronic paper are expected to play an indispensable role in smart cities.





## Avalue received subsidies from the Ministry of Economic Affairs' Industrial Development Bureau to create the Taoyuan City Smart Transportation Project.

In the rapidly growing wave of global demand for smart cities, Avalue Technology has been deeply involved in this field for many years. With artificial intelligence (AI) as its core foundation, starting from the Taiwan market, Avalue has received support and subsidies from the Ministry of Economic Affairs' Industrial Development Bureau. This assistance has helped introduce AI smart intersections to Taoyuan City and further extend comprehensive solutions to other regions. Additionally, Avalue Technology actively aligns with the New Southbound Policy, seeking more opportunities arising from smart city developments abroad, further deepening our focus on the most crucial aspect of smart cities: bridging the gap between people and technology.

The challenges in urban traffic management are becoming increasingly severe. To address the vertical market demands brought by trends such as smart transportation, the Internet of Things (IoT), and artificial intelligence, Avalue Technology provides customized solutions to meet the common needs of different cities for traffic management: reducing accidents and congestion, enhancing traffic safety, and maintaining order. We look forward to collaborating with partners to build a more complete smart city, collectively facing the challenges of smart city development and bringing more convenient, safe, and efficient living experiences to urban residents. Avalue Technology will continue to dedicate itself to advancing the innovation of smart city technologies and making more contributions to the construction of smarter, sustainable cities.





## Tainan wins the Land Innovation Incubation Base, Jointly creating a smart and sustainable city.

Avalue Technology, in collaboration with the National Development Council, the Ministry of Economic Affairs, the Ministry of Science and Technology, and the Tainan City Government, has established the '5G Tainan Team.' We are dedicated to applying 5G technology in the public sector of Tainan City, aiming to become the model for the first smart city in Taiwan. With sustainability as our core philosophy and digital, experiential, and circular economy as the main directions, we are building an efficient service team that connects local and central resources. Together, we are driving the entrepreneurial service ecosystem, transitioning from local development to the international stage, and working towards the sustainable development goal of 「New Innovation Base, Winning the Future」.

In the future, Avalue Technology will continue to work tirelessly, making more positive contributions to the construction of smart cities in Taiwan. We are committed to innovating technological applications, leading the wave of smart city development, providing citizens with more convenient and intelligent life experiences, and actively promoting green and sustainable urban development. This is our promise for the future, and we believe that through collective efforts, Taiwan's smart cities will become a globally recognized success story.

**攜手南臺灣創業新原力**  
**贏地創新育成基地 安勤啟動AI共融計畫**

特展日期: 2021/9/13(一)~ 10/2(六)  
 活動地點: 台南贏地創新育成基地

記者會+研討會: 9/13(一)

WinWin 地 WinWin 地  
 avalue Technology Inc.

WinWin 先進技術交流展

**安勤科技智能方案特展**

探索AI智能技術應用於製造、醫療與零售產業

特展日期: 2021/9/13(一)~ 10/2(六)  
 活動地點: 台南贏地創新育成基地

【指導單位】 臺南市經濟發展局  
 【主辦單位】 WinWin 地 WinWin 地  
 【執行單位】 WinWin 地 WinWin 地 WinWin 地 WinWin 地 avalue



## Avalue collaborates with Innodisk to build the smart transportation infrastructure in Taipei City.

The RENITY SENTINEL 2 (RS2) intelligent solution, jointly developed by Avalue and Innodisk, collaborates with the Taipei City Traffic Bureau's signal control system. It utilizes digital monitoring systems to collect data, and through intelligent data analysis, provides adjustable real-time traffic signal control functions, improving traffic flow in Taipei City and enhancing the convenience and safety of both vehicles and pedestrians. According to data, the introduction of the smart system has effectively reduced traffic congestion by 10-15% and lowered communication costs by 85%.

Avalue's successful application of edge computing in the traffic system represents a breakthrough, ensuring that future IoT infrastructure will be equipped with more reliable and intelligent dual-frequency management. This allows for easy remote recovery even for edge devices facing severe issues such as data corruption and operating system failures.

The RS2 intelligent solution introduced by Avalue is built on a highly integrated hardware and software architecture. In collaboration with InnoAGE by Innodisk, it customizes and creates a remote management-enhanced system for clients, helping industries continually move towards goals of efficiency and reliability.



# The intelligent bedside medical entertainment system enhances the patient experience and improves the quality of healthcare.

3 GOOD HEALTH AND WELL-BEING



Taiwan is facing increasingly severe issues of population aging and declining birth rates. Family and societal caregiving capabilities are weakening, leading to a growing demand for healthcare services. To address the challenges posed by the aging population and increasing healthcare needs, it is imperative to enhance doctor-patient relationships and improve the healthcare experience.

Since 2006, Avalue Technology has been involved in the development of bedside medical entertainment systems. Starting from original design manufacturing (ODM) research and development and manufacturing, Avalue has progressed to launch its own brand of bedside medical entertainment system solutions. Over the past decade, Avalue has been dedicated to promoting smart healthcare, improving the patient experience, reducing barriers between healthcare professionals and patients, and enhancing the experience of patients who need to stay in the hospital for treatment.

For patients, Avalue's bedside medical entertainment system focuses on increasing patient convenience and facilitating healthcare professionals' use. It combines entertainment, audio-visual features, service reservations, video calls, and more. This allows family members who cannot visit in person to monitor the condition of their loved ones through the intelligent bedside medical care computer, reducing the travel time for distant relatives and friends. For healthcare professionals, the system, connected to the hospital's electronic medical records system through secure devices, enables direct explanation of pathology reports to patients and their families at the bedside. It ensures timely entry of examination data into the electronic medical records system, reducing the workload of nursing staff in repetitive copying and minimizing error rates.

The promotion of smart healthcare solutions aims to bring health and happiness to the people, contributing to the realization of the goals of sustainable cities.



- The 20th Taiwan Excellence Award
- Outstanding Information Application and Product Award in the Computer Systems Category of the 102 Information Month





## Co-creating a sustainable and better life, pioneering a new consumer experience with POS touch sales terminals.

In the post-pandemic era, consumer shopping habits have undergone significant changes. The traditional dominance of physical stores in consumer behavior has gradually shifted towards an omnichannel approach, combining both online and offline channels. Brand loyalty has decreased, price comparison has increased, and for operators, providing products that better suit consumers and offer reasonable value for money has become crucial.

The multifunctional POS touch sales terminal developed by Avalue Technology not only facilitates fast and accurate checkouts in a smarter way but also integrates various payment methods, including cash, credit cards, electronic payments, and cloud-based electronic invoices. This makes the shopping process more convenient and comfortable for consumers. Business owners can leverage various analysis tools and data visualization features, combined with the revenue reports from the POS touch sales terminal, to more accurately predict opportunities and methods to increase sales. This enables them to make optimal staffing arrangements and utilize intelligent analytics to assist in making better business decisions, ultimately delivering a better consumer experience and a more fulfilling life.



The 23rd Taiwan Excellence Award



- 2017 iF International Design Award
- 2017 Red Dot Design Award



### 3.2.5 Future Research and Development Plans

In recent years, Avalue Technology has expanded its product range beyond industrial computers, tablets, embedded boards, chassis, and others. It has also extended solutions into the High-Performance Computing (HPC) and vertical application fields. The company continues to integrate edge computing with artificial intelligence (AI), industrial Internet of Things (IoT) software and hardware modules, enhancing collaboration with open-source communities. Furthermore, it has developed partnerships with major international platform manufacturers to establish the energy of cloud platform computing and IoT services. After extracting and processing data, the goal is to generate commercial value for vertical application industries. Driving intelligent analysis and fostering innovation ecosystems through industry data is a primary objective.

The company's key R&D focus for the year 112 is outlined as follows :

Integrating key technologies such as AI, edge computing, industrial IoT, cloud computing, and 5G, Avalue Technology aims to drive intelligent innovation, connecting hardware devices. Through collaboration with key technology providers domestically and internationally, as well as science park enterprises, the company seeks to transform industries from traditional to intelligent. In vertical domains such as smart healthcare, intelligent manufacturing, and smart transportation, Avalue Technology is developing industry-specific applications to add value, fostering collaborative ecosystems and smart solutions within each sector.

Developing a high-performance computing server platform and solution tailored for specific industrial applications to meet the demands of artificial intelligence model training, machine learning, data analysis, image processing, precision medicine, deep learning, and other massive industrial data processing needs. Additionally, establishing a service framework for data streaming that can be deployed on frontend edge computing platforms. This is complemented by various industry-specific AI modules integrated into intelligent analytics and resource management systems to provide optimal solutions.

Establishing an artificial intelligence model training and deployment service framework involves developing integrated platforms for CPU, GPU, FPGA, and ASIC hardware based on the characteristics of specific applications. This integration aims to optimize intelligent algorithms across various industries, creating effective inference engines. These platforms are complemented by related graphical software for diverse industry AI solutions. Furthermore, a mechanism platform is established for remote deployment to Edge AI computing. This facilitates the processing of image computations, streaming, predictive analytics, and customer service data through AI recognition and cognitive services. This advancement promotes the evolution of medical image diagnosis, care, industrial AOI, and intelligent transportation innovative applications.

Integrating Industry 4.0, in-vehicle, and Industrial Internet of Things (IIoT) for smart manufacturing involves leveraging 5G and industrial Ethernet for real-time automation control and timely network technologies. This enables standardization, zero latency, and synchronization among devices, sensing devices, and systems in smart factories. The result is optimized intelligent analysis and proactive maintenance analysis. Combined with high-precision location tracking systems and Edge AI machine vision detection systems, this approach facilitates the development of solutions for industrial needs with an Operational Technology (OT) focus. The design is oriented towards completeness, modularity, smart manufacturing, and automation-related equipment.



### 3.2.6 The company's long- and short-term business development Strategies

	Short-Term Plans	Long-Term Plans
<p><b>Marketing Strategy</b></p>	<ul style="list-style-type: none"> <li>• In terms of regional markets, strengthen interaction and cooperation with distributors, sponsor and support the dealers from various places to participate in exhibitions as well as advertising and marketing activities, so as to enhance the development and in-depth development in regional markets.</li> <li>• Establish professional distribution partners for vertical markets, select professional software system integration providers or system manufacturers to act as its distribution partners, such as various IoT intelligence and industry 4.0 solutions and industries, etc.; develop IoT market-oriented business organizations and marketing channels to develop new markets.</li> <li>• Focus strategy: Invest resources and energy to conduct various promotions in and by using key international exhibitions, professional media, public relations activities and strategic alliances.</li> <li>• Establish a networked customer development and database information system.</li> <li>• Improve integrated technical services and business; increase customer's dependence by using highly integrated services and know how, to increase the added value and profits of products.</li> <li>• Actively strive for significant OEM/ODM in various vertical markets by virtue of the advantages in modular design and R&amp;D to create performance, brand reputation and image.</li> <li>• Actively make alliances and strive to cooperate with internationally renowned manufacturers such as Intel, M-Systems, and Microsoft, and jointly participate in promotion activities to improve its brand visibility and expand business.</li> <li>• Provide more comprehensive technical training to branches and distribution partners in different regions and increase technical service and after-sales maintenance efficiency and capability through localized technical resources to enhance customer satisfaction.</li> <li>• Actively develop new products that use the latest technologies in the market, to establish its leading position and improve its image of excellent ability to develop products.</li> </ul>	<ul style="list-style-type: none"> <li>• Make strategic alliance with ODM customers or overseas manufacturers and continue to develop towards high-end system integration market.</li> <li>• Improve the professional positioning of its brand and become a leading manufacturer for R&amp;D and manufacturing of, and integrated services for, embedded systems.</li> <li>• Strive for OEM/ODM orders from major world-class manufacturers.</li> <li>• Carefully select specific vertical fields, understand the specific environment and demands in these fields in an in-depth way, and make strategic alliance with system integration providers to jointly develop commercial solutions and markets.</li> <li>• Establish the image of a technology leader in the market.</li> </ul>

### 3.2.7 Financial Performance

Avalue Technology's order demand increased in 2022, resulting in overall revenue growth, operating profit and pre-tax profit both increased.

Expected sales volume and its basis, the possible impact on the company's future financial operations and the response plan:

The company evaluates the sales of each major product based on the industry environment and market supply and demand conditions and considers relevant information such as R&D plans, business development, current order status and outsourced manufacturers' capacity enhancement as the evaluation basis. It is expected that the sales of each major product will be optimistic in 112.

For details, please see the AVALUE TECHNOLOGY INCORPORATION 2022 ANNUAL REPORT P.101.

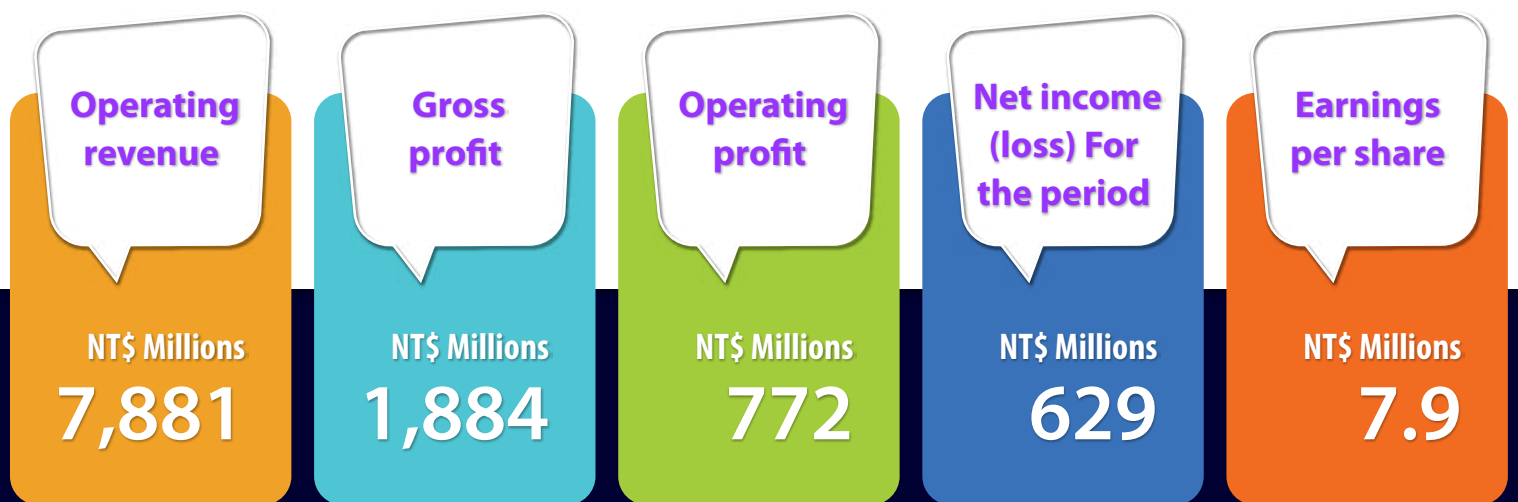


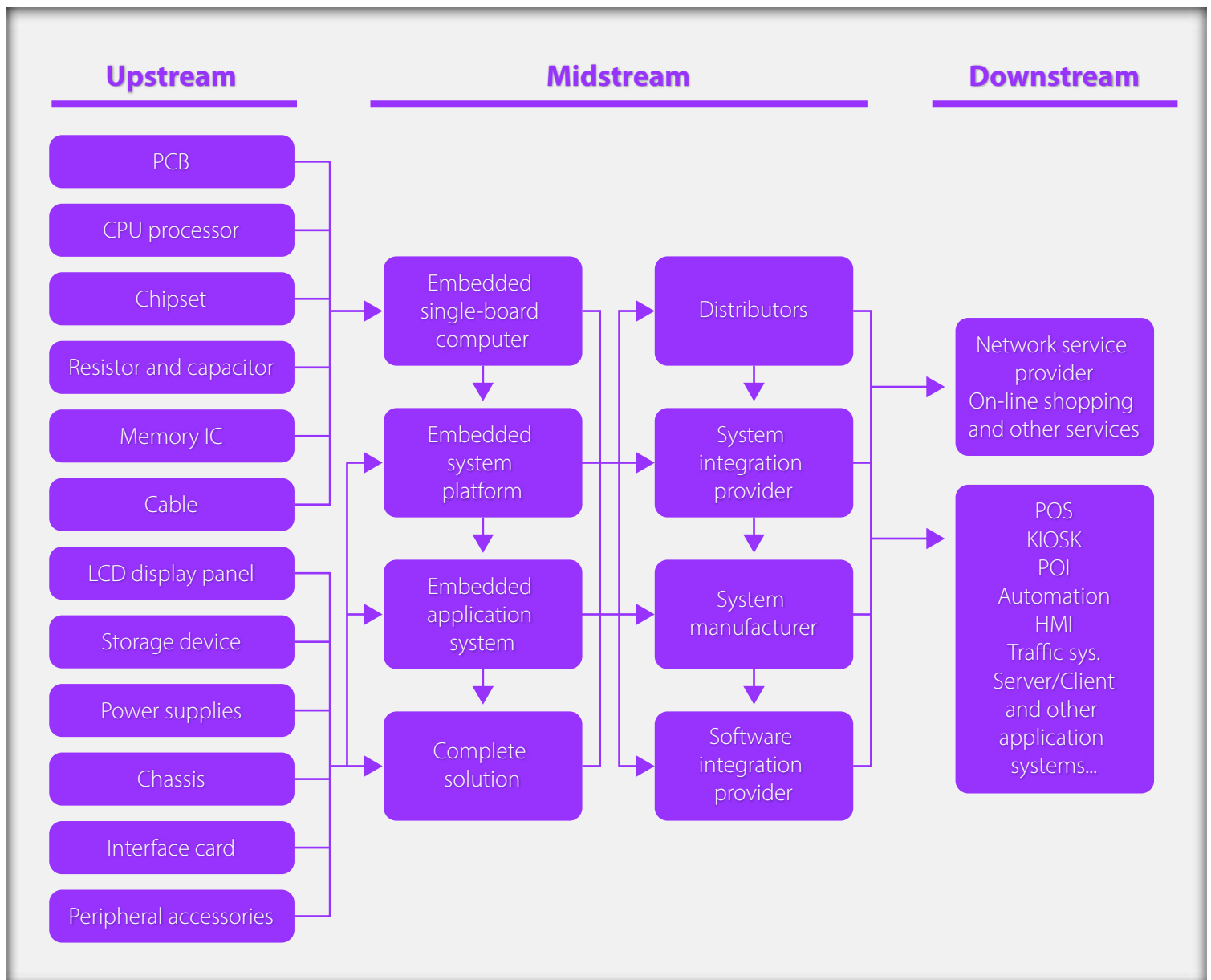
Figure 3.2.3 Financial Performance

### 3.3 Supply Chain Sustainability Management

Avalue offers a diverse selection of computer system platforms featuring embedded motherboards and industrial applications that cater to the unique system requirements of various industrial clients. Our stringent supplier management system mitigates operating risks and procurement costs while ensuring product quality and fostering growth alongside our suppliers.

Avalue's primary products include single-board computers, system platforms, and similar competitive computer offerings. The midstream industry comprises related component materials, equipment, processing, verification, and other product service providers. Meanwhile, the downstream sector primarily consists of distribution channel manufacturers, system integrators, and application system manufacturers. Furthermore, the downstream industry can be further integrated with communication technology, ISPs, and other computer network services to provide a variety of information, automation, and convenience in people's daily lives. Through the downstream industry, it can be integrated with communication technology, ISPs, and other computer network services to provide a range of information and automated, convenient computer systems.

The diagram depicting the upstream, midstream, and downstream linkages is shown on the right.



### 3.3.1 Supply Chain Management Policy

Avalue Technology expands its business with the philosophy of respecting, protecting and improving the environment, and conducts comprehensive quality management in every aspect of manufacturing and design. In addition, Avalue Technology is committed to achieving the vision of green manufacturing, aiming to reduce energy consumption and prevent the generation of harmful substances throughout the product life cycle, from the initial design, raw material procurement, production process, to product transportation, customer use and final disposal, by adopting the 3R principle (Reuse, Recycle, Reduce). In response to economic globalization, Avalue Technology refers to five aspects: labor rights, business ethics, safety and health, environmental protection, management efficiency, and the additional requirements for suppliers' factories, and establishes the "Supplier/Partner Environmental Management Survey Form" to evaluate suppliers, and incorporates it into the basic conditions of qualified suppliers, requiring suppliers to follow relevant regulations on environmental protection, occupational safety and health, or labor rights issues.

### Sustainable Supply Chain

Avalue Technology is involved in the Industrial Energy Efficiency Improvement and Management Program, which is being implemented by the Industrial Development Bureau of the Ministry of Economic Affairs of the People's Republic of China (MOEA). Avalue Technology has initiated efforts to establish a central factory and organize an energy-saving system across the supply chain to comply with policies and implement the PDCA model. The Avalue Technology headquarters and factories take the lead in systematically promoting energy-saving work in the Continuously track and review the implementation of supply chain improvements to make necessary adjustments in a rolling manner. It is hoped that the supply chain will effectively promote awareness of energy savings and achieve energy-saving benefits through the cluster effect of the energy-saving system, to attain the realm of common prosperity and good fortune.



### 3.3.2 Green Supply Chain

In recent years, climate change and hazardous substances in products have become important corporate social responsibility issues. The Company has also made these issues the focus of its green supply chain management. Taking the management of environmentally hazardous substances as an example, the Company has formulated various environmental policies (e.g. RoHS 2.0) in its internal management procedures and conducted risk control through the supply chain green information management platform.

- Complies with the environmental management substances specified in the European Union (EU) RoHS Directive (Restriction of Hazardous Substances in Electrical and Electronic Equipment) 2001/65/EU.
- Complies with the EU Hazardous Substances Directive (76/769/EEC) and Directive 006/112/EC restricting the sale and use of perfluoro octane sulphonic acid (PFOS).
- Does not contain any of the substances listed as Substances of Very High Concern (SVHC) in the European Union's chemicals policy REACH Regulation (1907/2006/EC).

### Conflict Minerals Policy

Avalue Technology is publicly committed to not using conflict minerals. In addition to declaring and committing not to accept the use of metals from conflict mines, Avalue Technology also requires suppliers to comply with and commit to sign the "Declaration of Non-Use of Conflict Minerals" to ensure that Avalue Technology's supply chain respects human rights and is not involved in conflict activities.



## 3.4 Risk Management

### Risk Policy and Risk Management Framework

The purpose of establishing the risk management policy of Avalue Technology is to identify and analyze the risks faced by the company, assess the impact of the risks, and implement relevant policies to avoid the risks. The risk management policy is regularly reviewed to reflect the changes in market conditions and company operations. And through training, management guidelines and operating procedures and other internal controls, it is committed to developing a disciplined and constructive control environment, so that all employees understand their own roles and obligations. Avalue Technology does not engage in speculative transactions of financial instruments (including derivative financial instruments). The audit office assists in playing a supervisory role and performs audits of financial and accounting related controls and procedures in accordance with the audit plan, and submits audit reports to the audit committee and the board of directors.

### Risk Response Measures for Corporate Image Change

Avalue Technology aims to become a model governance company in its management and operation, and the company has always complied with relevant laws and regulations, valued the management of employee ethics and discipline, and required supervisors to lead by example. Up to now, there has been no situation of adverse corporate image. "Integrity, pragmatism, and seeking truth from facts" are the fundamentals of Avalue Technology's management and operation. While pursuing the company's operational growth and profitability and maximizing shareholder interests, it can also fulfill its sustainable responsibility as a company, and move towards establishing a first-class corporate governance image, becoming a trustworthy company for customers, employees and investors.



### 3.4.1 Risk Management Policy

Risk Category	Factor	Source	Response
<b>Climate Change Risk</b>	Transition risk	The impact of greenhouse gas emission regulations on the company's market, reputation, and the increased costs of adaptation.	Closely monitor market and technology changes, strengthen innovation and technology upgrading, optimize business processes, understand customer needs deeply, and build an excellent team that adapts to changes, to ensure that the company can cope with the challenges brought by the transition, maintain competitiveness and achieve sustainable development.
	Physical risk	The operational impact and the increased costs of various disasters caused by climate change.	Assess risks, establish contingency plans, enhance supply chain resilience, and strengthen cooperation with relevant institutions, to ensure that the company can cope with the possible challenges of natural disasters and climate change.
<b>Supply Chain Risk</b>	Component procurement risk	The increased operational risks of procurement, inventory delivery, etc. due to the supply and demand and price fluctuations of key components.	<ul style="list-style-type: none"> <li>• Maintain good cooperative relationships with raw material suppliers, while moderately diversifying sources of goods, to avoid increasing operational risks by concentrating purchases on a few manufacturers.</li> <li>• Closely monitor the estimated supply and demand of orders, and effectively use the method of consolidating warehouse demand, to increase inventory turnover rate and reduce cost risk.</li> <li>• Join the "GPM Light Professional Green Supply Chain Management System", confirm material specifications, and fulfill the responsibility of due diligence investigation for green products.</li> </ul>
<b>Financial Risk</b>	Interest rate risk	The interest expenses generated by borrowing, which affect the company's profitability due to interest rate changes.	<p>The funds required for the operation of Avalue Technology are mainly self-owned funds. The interest expenses in 2022 accounted for only 0.18% of the net operating income, so the impact of interest rate changes on the company's profitability is limited. However, based on prudent and conservative considerations, the company has formulated the following specific measures:</p> <ul style="list-style-type: none"> <li>• Collect interest rate change information daily and take appropriate response measures in a timely manner.</li> <li>• If the interest rate goes down, adjust the borrowing of lower interest rate loans to repay the higher interest rate loans in a timely manner. If the interest rate goes up, which may erode the company's overall profitability, the company will evaluate to obtain the required funds by cash increase at a premium, to reduce the dependence on bank loans and diversify the risk of interest rate changes.</li> </ul>

### 3.4.1 Risk Management Policy

Risk Category	Factor	Source	Response
<b>Financial Risk</b>	Exchange rate risk	The company's exports are mainly quoted in US dollars, and the export amount accounts for about 90% of the revenue. The exchange rate fluctuations have a certain degree of impact on the company's profitability.	<ul style="list-style-type: none"> <li>The finance department maintains contact with financial institutions and collects real-time exchange rate information based on the development of international political and economic situations, to fully grasp the trend of exchange rate changes.</li> <li>The finance department maintains an appropriate foreign exchange position based on the future trend of the exchange rate and determines the appropriate timing to buy and sell foreign currencies, to reduce the impact of exchange rate fluctuations on the company's profitability.</li> <li>By offsetting the import and export items, the exchange rate changes produce a natural hedging effect.</li> <li>Based on the principle of hedging rather than investment transactions, conduct prudent hedging transactions with creditworthy financial institutions in advance.</li> </ul>
	Inflation risk	Affected by the rise of raw materials, the overall economic environment shows a slight trend of inflation, which may have a significant impact on the company.	Avalue Technology has not been affected by inflation immediately so far, and the company pays attention to the fluctuations of raw material market prices at any time and maintains good interactive relationships with suppliers and customers. In the future, if the selling price can be adjusted according to the cost changes, the company should be able to avoid the significant impact of inflation on the company.
<b>Occupational Safety and Health Risk</b>	Occupational hazard risk	The risk caused by occupational accidents of employees or contractors.	Avalue Technology has passed the ISO 45001:2018 Occupational Health and Safety Management System certification and complies with the relevant regulations to provide a safe and secure working environment. In addition to the company itself complying with the standards, it also requires suppliers and contractors to comply with the regulations for their employees and working environment, to provide a safe and secure working environment for their employees and to create a friendly workplace with zero injuries and zero accidents as our goal.
	Infectious disease risk	The risk of emerging infectious diseases to the operation.	<ul style="list-style-type: none"> <li>Pay close attention to government announcements and epidemic trends, implement the company's response procedures at the first time, and regularly strengthen the infection prevention training for all colleagues, to require everyone to comply with the epidemic prevention policy with the highest standards.</li> <li>With the health and safety of colleagues as the top priority, avoid assigning colleagues to go abroad for business activities unless necessary.</li> <li>Regularly track the vaccination rate and provide consultation and assistance for colleagues to develop healthy eating and living habits.</li> </ul>



### 3.4.1 Risk Management Policy

Risk Category	Factor	Source	Response
<b>Cybersecurity Risk</b>	Cybersecurity	Malicious attacks from external internet and improper use from internal sources.	<ul style="list-style-type: none"> <li>Control network access with firewall</li> <li>IPS intrusion detection system blocks abnormal network access</li> </ul>
	Access control	Unauthorized employees or departments access sensitive data, resulting in confidentiality breaches or data abuse.	<ul style="list-style-type: none"> <li>Control data access permissions according to personnel department functions</li> <li>Cancel access rights for resigned personnel</li> </ul>
	Data security protection	Hard disks that are not properly processed and destroyed when scrapped, may be recovered by unscrupulous elements, and then abuse or leak these sensitive information.	<ul style="list-style-type: none"> <li>Data destruction of scrapped computer hard disks according to procedures</li> </ul>
	Ensuring business continuity	Facing system failures, natural disasters, human errors or malicious attacks, these factors may cause system interruptions, data damage or loss, and then affect the normal operation of the enterprise.	<ul style="list-style-type: none"> <li>Regular system backup</li> <li>Regular restoration drills</li> <li>Off-site data backup</li> </ul>
	Advocacy and verification	Malware and cyberattacks.	<ul style="list-style-type: none"> <li>Regularly promote information security and conduct information security education and training, to enhance employee information security awareness</li> <li>Regularly conduct social engineering drills, to strengthen employee email protection awareness</li> </ul>
	Information security protection	Unable to avoid system or database damage or interruption, which may affect operations and damage reputation.	<ul style="list-style-type: none"> <li>Regularly update antivirus software and protect users</li> <li>Introduce MDR managed detection and response service to detect cyber threats for all computers in the company</li> <li>Regularly update software and patch vulnerabilities</li> <li>Replace outdated operating systems</li> </ul>

### 3.5 Alliance / Association



Since its establishment, Avalue has been a part of the Intel® Partner Alliance, providing dedicated resources for AI, cloud, high-performance computing, and other solution areas, assisting in planning, building, and realizing more customer value.



Avalue is not only a partner of Microsoft in embedded operating systems but also collaborates with Microsoft to promote various Microsoft products and services. This enables businesses to build secure and efficient cloud-based platforms and create more business opportunities.



**PICMG (PCI Industrial Computer Manufacturers Group)**



**Mobility In Harmony**

**MIH Open EV Alliance**

# 04 Green Manufacturing



## 4.1 Green Design and Product Responsibility

### Vision and Commitment

Avalue Technology is committed to environmental responsibility, promotes green manufacturing and supports environmental protection activities with the aim of reducing energy consumption and eliminating the use of hazardous substances throughout the entire product lifecycle, from original design, component sourcing, manufacturing, transportation, use and disposal, and strives to improve environmental performance. In order to achieve a standardized and systematic management system, we have introduced and passed the ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System dual certification in our head office and factory areas to identify the environmental impact of our supply activities, products and service processes, and to introduce control or reduction measures for items with high environmental risks in order to optimize our management in a systematic way.

Every year, each department adheres to the company's environmental safety and health policy objectives and management plan, and monitors the outcomes of the resolutions of the Environmental Safety and Health Committee and the Management Review Meeting to promote the company's environmental safety and health management, implement preventive measures and continuous improvement, and comply with environmental safety and health laws and regulations; at the same time, based on international laws and regulations, we strive to develop energy-saving products and provide customized solutions, promote a green supply chain, minimize the environmental impact of each link, implement risk assessment management and education and training, achieve the goal of zero major occupational disasters, realize the corporate vision of sustainable development, provide a safe and healthy working environment, and encourage our employees to participate in environmental protection and public welfare activities, in order to become a quality company that can cooperate with each and every colleague and each and every piece of land for mutual prosperity and well-being as the ultimate goal.

### Green Product Strategy

Since 2021, Avalue Technology has gradually integrated environmental considerations into the product development process, and initiated a high-standard green product design strategy by the R&D department, encouraging colleagues from various departments to participate in developing more sustainable product designs and processes, and setting phased goals, and adjusting them at any time to construct the most suitable green product design process and reward mechanism for our industry. In addition to complying with international regulations, safety standards and environmental regulations, Avalue's products also actively meet the sustainable needs of customers, such as passing environmental labels, standards, etc., and fulfill the responsibility of green product management.



### 4.1.1 Green Design Management Mechanism

To meet the demands of modern consumers for environmentally friendly products and to ensure that the products can reduce the environmental impact at every stage of production, manufacturing, transportation, use, recycling and disposal, Avalue Technology has established a Green Design Management Mechanism which covers the following aspects:

#### Product Design Philosophy:

##### Energy Saving

Use energy-saving technologies, such as low-power, low-water, low-energy design, and provide tips on the product instruction manual.

##### Green Materials

Use green materials that meet environmental requirements, including recyclable, biodegradable, reusable materials, etc.

##### Product Recycling

Design products to make them easy to recycle and reuse, such as separation design, marking design, etc.

##### Green Packaging

Use green packaging materials that meet environmental requirements, such as biodegradable, reusable packaging materials, etc.

#### Product Design Philosophy:

##### Establishing Standards

Establish standards for each stage of the product lifecycle, from product development to production, manufacturing, transportation, consumer use, recycling and reuse, to disposal, to ensure that the products meet the international regulatory requirements and move towards sustainable design.

##### Continuously Updating International Regulations

Closely monitor the updates and changes of international regulations, and timely adjust the green product design management mechanism, to ensure that the products comply with the latest international environmental requirements.

##### Focusing on the Green Energy Market

Pay attention to the development trend of the green energy market, customize the target industries and develop corresponding green products, to meet the consumer demand for green products, and promote the sustainable development of the enterprise.

## 4.1.2 The steps for implementing the green product design management mechanism

### 1. Convene a multidisciplinary team

Led by Avalue's R&D department, the team comprises relevant departments responsible for ensuring that all products manufactured by the company are eco-friendly, thereby showcasing Avalue's dedication to environmental protection and sustainable growth. This involves establishing green product standards, continuously updating global regulations, monitoring the renewable energy market, and fostering an ecological culture.

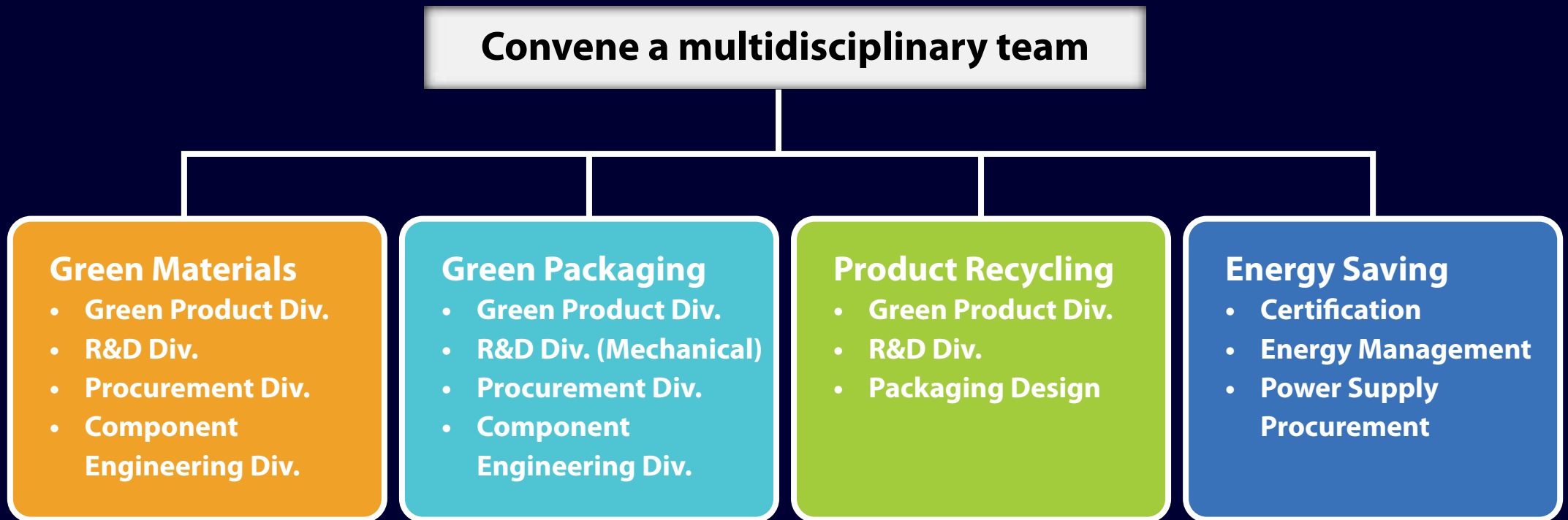


Figure 4.1.1 Green Product Design Team Diagram

## 2. Green Design Goal Setting

In 2022, Avalue's R&D department established green design goals and processes, taking into account the product's life cycle, materials, energy consumption, product usage, recycling, and reuse.

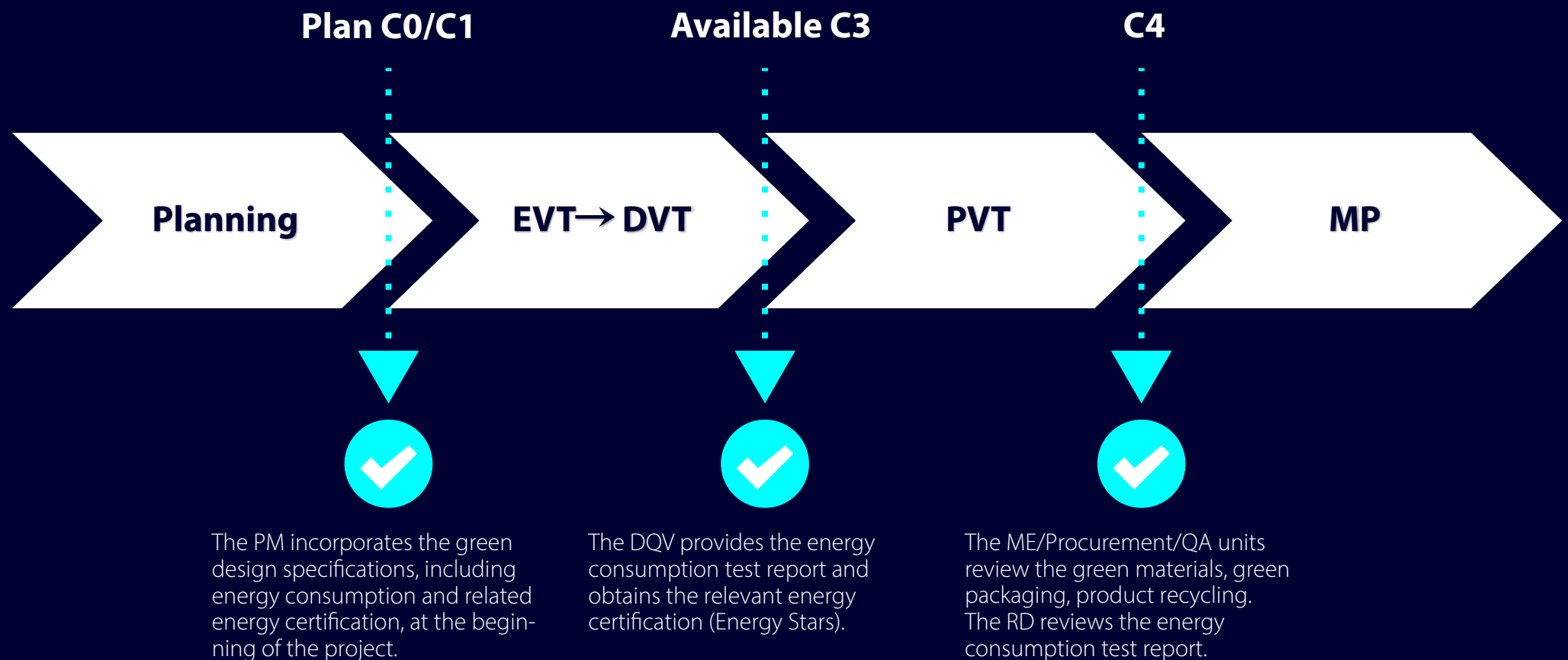
Item	Achieved in 2022	Goals for 2024-2025	Goals for 2026-2027
International Environmental Regulations (Hazardous Substance Management)	<ul style="list-style-type: none"> <li>Achieved 100% compliance of raw materials with international mandatory regulations and Avalue's controlled substance standards</li> <li>Prepared for green supply chain review and evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Conducted supplier evaluation and guidance or eliminated suppliers that did not meet the standards</li> <li>Maintained 100% compliance of raw materials with international mandatory regulations and Avalue's controlled substance standards</li> </ul>	<ul style="list-style-type: none"> <li>Continued to achieve 100% compliance of raw materials with international mandatory regulations and Avalue's controlled substance standards</li> <li>Completed the green supply chain system</li> </ul>
Energy Star	Piloted 3 specific models	Expanded to 5 models	Completed the execution of standard A/B class systems (non-HPC series) models
Green Design Guidelines	<ul style="list-style-type: none"> <li>Guideline establishment</li> <li>Integrated into product development process control</li> <li>Established design reward and process system</li> </ul>	<ul style="list-style-type: none"> <li>20% of Avalue Technology's latest development projects comply with the four main criteria of the green design standards.</li> <li>Strengthened low-energy design horizontal expansion</li> <li>(ErP European energy consumption regulation compliance introduction)</li> </ul>	<ul style="list-style-type: none"> <li>100% of Avalue Technology's latest development projects comply with the four main criteria of the green design standards.</li> <li>Strengthened low-energy design horizontal expansion (Energy Stars/European energy consumption regulation compliance introduction)</li> </ul>

### 3. Establishing Green Product Design Guidelines

Based on international environmental regulations or international assessment tools (such as the Electronic Product Environmental Assessment Tool, EPEAT, etc.) and the experience of serving brand customers, we have established the green design standard guidelines - Avalue Green Eco-Design Standard Guidelines - which aim to improve energy efficiency, ecological design and reduce environmental toxicity hazards. We also provide a standard verification tool and grant certification if passed.

### 4. Green Design Product Development Process

We have added a check point mechanism to the NPDP process, and the relevant departments perform tasks and checks to ensure that the green design goals are achieved.





## 4.2 Climate Change Strategy

Avalue Technology remains attentive to global matters related to climate change and associated regulations, keeping abreast of international trends, development and research reports. We identify and evaluate the risks and opportunities inherent in climate change, incorporating them thoughtfully into our business decisions and recommending relevant response measures to management. We implement greenhouse gas adaptation and reduction operations and are vigilant in responding to the impact of climate change on our financial performance. Furthermore, we are committed to enhancing the governance of our climate risk assessment.

### Climate Risks and Opportunities

Climate Risk		Financial Impact	Climate Opportunity	Response Actions
Transition Risk	Policy and Regulation	Failure to adhere to the applicable policies and regulations can lead to legal complications, such as fines or lawsuits. These, in turn, can escalate the operating expenses of the company.	Ensuring compliance and honesty in disclosure, as well as improving energy efficiency, can reduce operating costs and enhance the goodwill and competitiveness of the company.	Implement regulations and sustainable business strategies, promote greenhouse gas inventories, set carbon reduction targets based on the results of the inventories and review the replacement of factory equipment to enhance energy efficiency.
	Technology Risk	The creation of low carbon products and services may lead to a higher ratio of assets being held and an increase in costs for research and development.	Research and development of low-carbon and low-energy products aimed at meeting the market's demand for environmentally friendly products can enhance the range of products and services offered by the Company. Additionally, it can create more opportunities for environmentally conscious business ventures.	The organization values the R&D team and has made efforts to invigorate them to stay up to date with market trends and hasten product development, thereby earning the confidence of stakeholders.
	Market Risk	Customers are worried about low-carbon products and the possible rise in operating expenses caused by the carbon tax.	Customers are calling for improved environmental performance from the supply chain, as well as diversification into new markets and asset classes.	Bringing together downstream manufacturers to modernize traditional industries, expanding investment in the green economy and creating job opportunities, as well as enhancing industrial advantages.

Climate Risk		Financial Impact	Climate Opportunity	Response Actions
Transition Risk	Reputation Risk	Failure of the transformation or negative reviews can harm the company's brand image, consequently impacting consumer trust in the product or service.	When the model successfully relates to green and sustainable development, it can improve the enterprise's eco-friendly image and foster positive feelings from the community and investors. This, in turn, is likely to attract greater investment opportunities and encourage collaboration towards promoting green initiatives.	Improve brand management by openly disclosing corporate transformation strategies and objectives, proactively communicating with stakeholders, and prioritizing ESG factors, including environmental sustainability, social responsibility, and corporate governance. By doing so, a positive company image can be upheld.
Physical Risk	Immediate and Long-term Risk	Severe weather may cause scarcities in raw materials or personnel and disturbances in the supply chain, resulting in decreased production ability and potential delays in deliveries, leading to escalated operating expenses.	Strengthening the company's capacity to recognize high-risk supply chains, enhance operational resilience, improve supplier stability, and maximize inventory turnover rates.	Develop effective risk response measures and establish internal crisis management and control capabilities. Additionally, exercise close control over all supply chain matters, integrating resources whilst identifying and mitigating operational risks and costs with the optimal solutions available.

### 4.3 GHG Inventory and Energy Management

Under the government's policy to reduce greenhouse gas emissions in accordance with international agreements such as the United Nations Framework Convention on Climate Change and the Paris Climate Agreement, Avalue Technology will comply with the International Standards Organization's requirements to establish a greenhouse gas inventory system aligned with the ISO 14064-1 standard. This entails conducting a comprehensive emissions inventory. Breaking down complex concepts, if necessary, can improve our understanding of carbon emissions, enabling us to build efficient management plans and encourage management of greenhouse gas risks. This allows us to fulfill our social responsibility as a corporation and a member of the global community by promoting effective measures for managing greenhouse gas emissions.

Avalue believes that by implementing these measures, we can not only mitigate negative environmental impacts but also catalyze the development of a low-carbon economy, promote sustainable practices, and support a healthier, more prosperous future.



### 4.3.1 Results of Greenhouse Gas Emissions Inventory

Since March 2022, Avalue initiated the "ISO 14064-1 Organization-based Greenhouse Gas Inventory" and officially launched the operation to inventory greenhouse gases. The inventory covers the Taipei headquarters, Lide factory, and Taichung office. The inspection period is from January 1st, 2021, to December 31st, 2022, and includes inventory categories 1 to 5 (3 to 5 are partial inventory). The inspection period runs from January 1, 2021, to December 31, 2022, with inspection categories ranging between 1 to 5, where 3 to 5 indicate partial inspections. The plan is to clear the upcoming third-party inspection by SGS in July 2023 and secure the ISO 14064-1:2018 inspection declaration.

The GHG inventory will increase colleagues' comprehension of GHG emissions, align practical operations with carbon emissions, and assess the impact of operational processes on the environment.

The goal is for each department to devise suitable carbon reduction plans based on inventory results in the future. Below is the inventory of greenhouse gas emissions for 2021-2022.

Scope	Category	2021 emissions (T / CO <sub>2</sub> e)	Percentage of total emissions	2022 emissions (T / CO <sub>2</sub> e)	Percentage of total emissions
1	1	52.174	1.4555%	57.9795	1.7243%
2	2	877.5854	24.4812%	962.5032	28.6250%
3	3	16.1978	0.4519%	182.4335	5.4256%
	4	1084.2541	30.2465%	321.3312	9.5564%
	5	1554.5165	43.3650%	1838.2075	54.6686%
Total Emissions		3584.7277		3362.455	

### 4.3.2 Energy Management Plan

To achieve complete carbon neutrality in Avalue Technology's Taiwan offices by 2030, the company presents its primary energy management plan. This plan consists of two core components:

**Energy Consumption Assessment:** Conduct a thorough evaluation of the company's energy consumption, which includes both electricity and water usage, to gain an understanding of existing levels and develop objectives and strategies to decrease energy consumption.

**Energy Conservation Measures:**

Implement various measures to conserve energy. Implement energy-saving measures such as replacing lamps with energy-efficient options and installing intelligent sensors to reduce electricity and water consumption.

**Green energy:**

Plan to gradually switch to green energy, such as solar and wind power, to reduce dependence on fossil fuels.

**Energy Management System:**

Establish a comprehensive energy management system to monitor and manage energy consumption and identify and solve energy waste problems in a timely manner.

**Energy Awareness:**

Develop energy awareness training for employees so that everyone understands the value of energy and the importance of conservation. Promote energy conservation, advocate a green and low-carbon lifestyle, and increase environmental awareness.

In summary, Avalue Technology hopes to strengthen and implement these measures year by year to realize the goal of achieving carbon neutrality in Taiwan offices by 2030.



# 05 Social Responsibility



## 5.1 Attracting and Retaining Talent

### Philosophy

**Employees are the greatest asset of any company, and a strong asset is crucial for growth !**

Avalue Technology's corporate philosophy is guided by 『**Steady Innovation · Diligent Passion · Enjoy Work · Embrace Life**』. We strive to create an environment where our employees can thrive and enjoy their work. We prioritize sincerity over pretense and strive to provide a safe working environment that does not compromise the wellbeing of our employees. We avoid speculative business tactics and aim to foster a workplace where our staff can feel content, accomplished, and receive the appropriate professional development. By working collectively and with one heart, we can drive greater profitability for the company, which will allow us to reinvest in our employees and create a virtuous cycle of success that is embedded throughout the entire organization. We aspire to make this virtuous cycle the guiding principle for all employees.

### Management Policy and Commitment

Avalue Technology complies with labor laws and regulations, including the Labor Standards Law, formulates a code of conduct, responds to the international basic labor human rights principles, hires international talents, and upholds the principles of legality, fairness, justice, equality, voluntariness, honesty, credit, and diversity, equity and inclusion (DEI), etc. in matters such as recruitment, employment, salary, promotion, performance evaluation, training opportunities, etc. We have never discriminated against or treated any employee differently or in any form of discrimination based on gender, age, nationality, place of birth, ethnicity, language, disability, marital status, pregnancy, sexual orientation, religion, political affiliation, etc., and we strictly prohibit the recruitment of child labor or illegal labor. At the same time, we are committed to creating a friendly workplace that respects gender equality, intergenerational and diverse inclusion, and promises that same-sex marriage can also enjoy the same rights in the company. We respect each other's differences and wholeheartedly establish the foundation of harmony and prosperity for the company.



### 5.1.1 Employee Profile

Avalue Technology employed a total of 745 global employees in 2022, of which 317 were full-time permanent employees at the headquarters. All these employees are full-time and permanent. Due to the characteristics of the industry market, the gender ratio of employees in Taiwan was 1.6:1, and the gender ratio of managers above the supervisor level was 2.9:1. Despite the surge in demand for epidemic prevention and care due to the pandemic, all employees successfully maintained a healthy work-life balance, and thus, no employee applied for unpaid leave this year. It is worth mentioning that both turnover and arrival rates exhibited an upward trajectory this year. This trend can be attributed to changing market conditions and employees' emphasis on career growth. We are grateful to all departing employees and thank them for their contributions to Avalue Technology.

In addition, we also found that the average age and the average service years of our employees have decreased. This shows that the company continues to attract and retain young, innovative talent.

Avalue Technology is committed to creating a proactive, inclusive, equal, and respectful work environment that provides excellent career development opportunities and benefits to its employees. We value the personal growth of each team member and encourage them to continuously learn and improve.

Looking ahead, Avalue will remain attentive to changes in employee profiles and optimize its talent development and management strategies based on market needs and employee expectations. Through continuous improvement and innovation, we anticipate that Avalue Technology will continue to be an excellent enterprise that employees and customers' trust.

### The number of employees

Fiscal year		2021	2022
<b>Number of Employees</b>	Administrative personnel	82	82
	Business and marketing	117	121
	Technical support	511	537
	Total	710	745
<b>Average Age</b>		42.02	40.99
<b>Average years of service</b>		9.24	8.61
<b>Education distribution percentage (%)</b>	PhD	0%	0%
	Master's degree	11%	10%
	College	59%	61%
	Senior high school	27%	27%
	Below senior high school	2%	2%

### Annual Information for Employees at Headquarters

Year	Number of Employees	Percentage of female	Hiring rate	Turnover rate	Unpaid leave requests	Return from unpaid leave
2021	305	37%	14.61%	16.56%	0	0
2022	317	38%	20.90%	17.68%	0	0



## 5.1.2 Welfare System

**Enjoy Work and Embrace Life** is the consistent management philosophy of Avalue Technology. Therefore, we provide a range of humanized benefits, including daily afternoon tea and coffee, festival bonuses/gifts, marriage/funeral/birthday/maternity/hospitalization allowances, domestic/overseas travel subsidies/family day/sports day, year-end party, paid volunteer leave, free motorcycle parking space for employees, etc. We also follow the Labor Standards Act and establish a salary management system, performance appraisal measures and company rules, and set up a staff welfare committee, etc., to reflect the operational performance or results in the employees' salaries. We also provide various insurance benefits according to the law, including pension contributions, group insurance, overseas travel insurance for business trips, etc., to protect the workplace and personal safety of our colleagues.

## Retirement System

There are two types of pension contribution systems, and employees who joined the company before June 30, 2005, have the option to choose either the old or new system. We adhere to the monthly contribution rule in Taiwan and contribute the full amount. In accordance with the Labor Standards Law, we provide a retirement plan for our employees. We contribute 2% of our employees' salaries and wages to a pension fund each month, which is deposited into the Bank of Taiwan's employee pension account. All employees who joined the company on or after July 1, 2005, as well as those who opted for the new system before that date, are covered by the new pension plan. We make a 6% contribution of our employees' salaries and wages to the Labor Insurance Bureau (LIB) every month. Employees can also choose to contribute between 0% and 6% of their salaries and wages to their personal pension accounts. The Company will deduct their contributions from their monthly salaries and wages if requested.



## 5.2.1 Sound Career Development

### Employee Learning and Development Plan

Employees are the most asset of the company, and Avalue Technology is committed to providing comprehensive employee learning and development measures to enhance their professional and personal growth. We aim to unleash the potential of our employees, build a solid professional foundation, and create more value for the company through continuous education and training.

Our education and training goal is to enhance our employees' quality standards and operational capabilities and enable them to perform their roles and responsibilities in the organization. We have established a comprehensive learning and training plan to meet the needs of different employees. Our plan includes various courses such as professional technical training, self-development training, etc., to provide our employees with well-rounded professional skills development and growth opportunities.

In terms of education and training, we have clarified the division of responsibilities. The general manager approves the internal and external on-the-job training plans for the whole company, based on the annual budget and performance evaluation. The management units are responsible for compiling the annual training plan and registering the training results, to ensure the effectiveness and professionalism of the training.



Based on Performance Evaluation Results



Key Position Inventory

**Strategic Human Resource Planning**  
• Corporate Development Strategy  
• Future Human Resource Needs

**Core Position Inventory**  
• Management Positions  
• Key Positions

**Human Capital and Competency Inventory**  
• Succession Planning  
• Competency Assessment



Talent Development System

Senior and Middle Management Leadership Training

Frontline Management Training

New Manager Training

Elite Talent Training

New Employee Blended Training

## 5.2.2 Sound Career Development

### Employee Learning and Development Plan

Our education and training goal is to enhance our employees' quality standards and operational capabilities and enable them to perform their roles and responsibilities in the organization. We have established a comprehensive learning and training plan to meet the needs of different employees. Our plan includes various courses such as professional technical training, self-development training, etc., to provide our employees with well-rounded professional skills development and growth opportunities.

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In 2022, Avalue invested a total of 519 hours and 320 thousand yuan in employee education and training. These trainings not only improved the professional skills of the employees, but also stimulated their self-growth motivation. At the same time, we also encourage employees to actively participate in training, to continuously improve their professional competence and job satisfaction.

In the future, Avalue Technology will continue to improve and optimize the education and training plan, and through continuous investment and talent development, we expect to become the ideal choice and the best workplace.

Item	Number of Sessions	Total Participants	Total Hours	Total Cost (NTD Thousands)
<b>1.New Employees</b>	3	40	14.5	-
<b>2.Professional Competency Training</b>	86	676	362	279
<b>3.Management Capability Training</b>	2	2	7	3
<b>4.General Knowledge Training</b>	25	335	135.5	38
<b>Item</b>	<b>116</b>	<b>1,053</b>	<b>519</b>	<b>320</b>

## 5.3 Safer Workplace

### Occupational Health and Safety

**Employees are the driving force of our organization, and we value their safety and health as the basis of our success !**

Avalue Technology adheres to the ISO 45001 standard and implements occupational safety and health policies and systems that cover all employees. At the same time, we pursue the goals of zero injuries, zero occupational diseases, and zero accidents, and create the best working environment for all employees.

We have set up a safety and health center to promote the safety and health operations, with a qualified team of occupational safety and health managers and administrators, who are registered with the relevant authorities.

We are committed to ensuring the safety and health of our employees, and continuously improving and enhancing our safety and health performance, leading to sustainable operations. We also strive to achieve the following goals:

- We are dedicated to ensuring a safe and healthy work environment that effectively prevents work-related injuries and promotes the well-being of our employees. This commitment is tailored to address factors such as the organization's unique characteristics, size, occupational safety and health risks, and opportunities.
- We comply with all applicable occupational safety and health regulations and other requirements.
- We evaluate hazards and reduce occupational safety and health risks.
- We continuously enhance the system for managing occupational safety and health.
- We foster open communication and active participation between workers and their representatives in all aspects related to occupational safety and health.

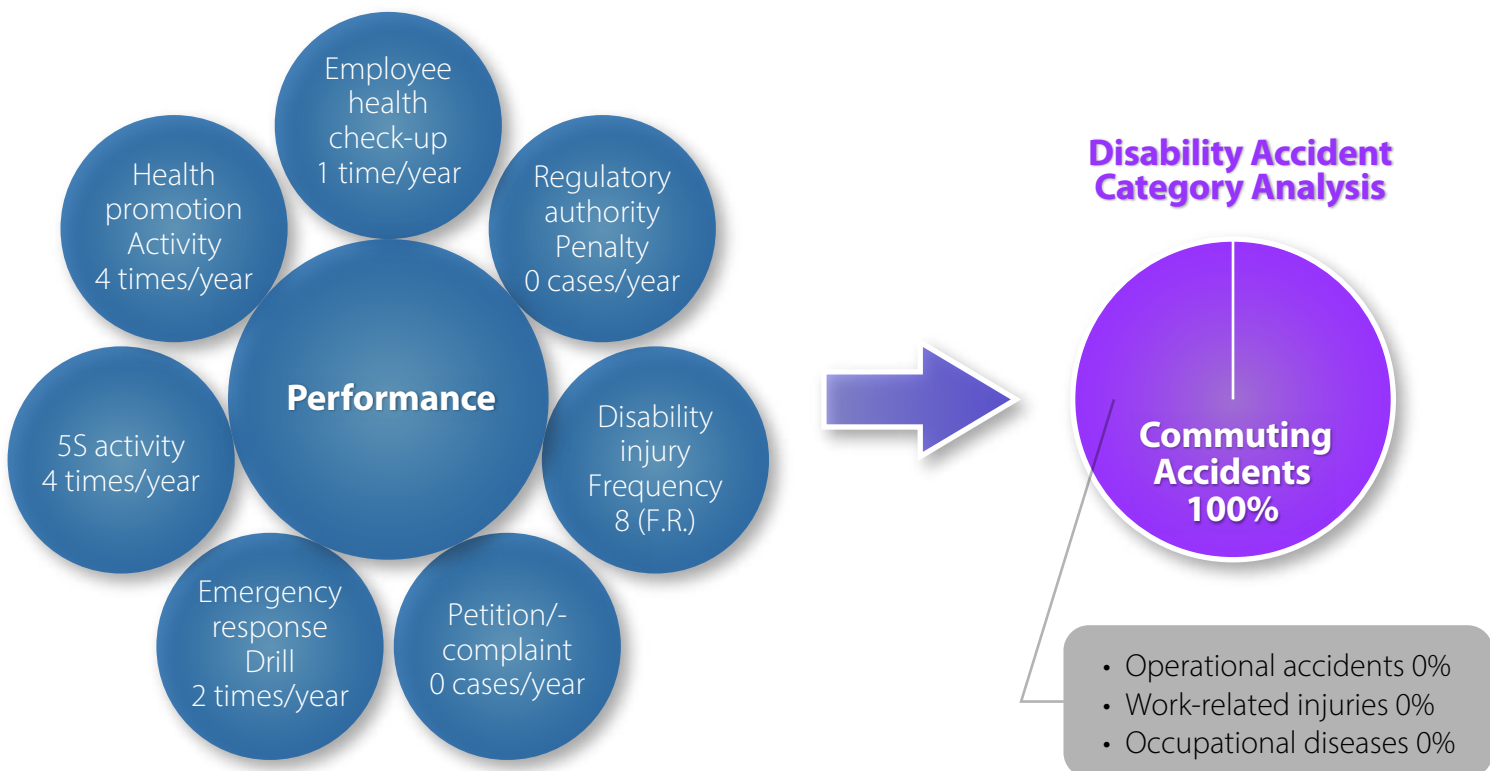


### 5.3.1 Occupational Safety and Health Performance

Avalue Technology cares for the health of our employees and strives to prevent the occurrence of major diseases. We organize annual comprehensive health check-ups for all employees. We also offer preferential health check-up packages at our contracted hospitals for our employees' family members at their own expense. We encourage our employees and their family members to manage their health through regular check-ups. We also hire professional healthcare workers to provide health education and follow-up services for employees who need to improve their health level.

We partner with the Eden Foundation, a social enterprise that employs visually impaired massage therapists, to provide massage and stress relief services for our employees. We also offer fitness classes such as yoga and aerobics and organize health promotion activities such as hiking and cycling, to encourage our employees to stay active and fit. We also provide cash or gifts as incentives for employees who participate in these activities and achieve their health goals.

In addition to caring for the physical health of our employees, Avalue also strives to create a comfortable and safe work environment. We regularly maintain and inspect various equipment in accordance with the law, and our office premises are smoke-free as required. In 2022, we recorded five traffic accidents involving our employees in Taiwan during their commuting time. Fortunately, none of them resulted in serious injuries or fatalities. To reduce the occurrence of accidents, the safety and health department actively promotes the commuting safety rules, and the company also adopts flexible working hours to reduce the risk of accidents caused by employees rushing to work. We hope to achieve a safe workplace with zero accidents for all employees.



## 5.4 Environmental Management

Avalue is committed to environmental management and has formulated an "Environmental Manual" to guide the operation of the ISO 14001 environmental management system, which is regularly monitored and reviewed. In addition to complying with all relevant environmental protection laws and regulations, we also follow the spirit of continuous improvement and pollution prevention and achieve and review our environmental goals and targets. Our environmental management policy consists of the following principles:

- We apply the 3R (Reuse, Recycle, Reduce) principle in our design, production and service activities to minimize and prevent pollution as much as possible.
- We develop management plans to promote energy conservation and reduce resource waste.
- We align our business philosophy of『**Steady Innovation · Diligent Passion · Enjoy Work · Embrace Life**』
- with our environmental commitments and ensure that our activities comply with the environmental regulations.
- We strengthen education and training, enhance environmental awareness, and fully implement environmental responsibility.

## Environmental Compliance

Avalue abides by the regulations and had no violations of environmental regulations in 2022.



## 5.5 Society Well-being

**Avalue Technology has always been dedicated to giving back to society and caring for the disadvantaged, by supporting public welfare causes through donations, volunteer services, and other means.**

This year, we actively participated in various public welfare activities, fulfilled our corporate social responsibility, and made contributions to the community.

In 2022, Avalue Technology participated in the following public welfare activities:

**Disaster relief:** We actively supported the post-disaster reconstruction work of the Hualien 918 earthquake, provided financial assistance, and helped the affected areas to rebuild.

**Children care:** We continued to pay attention to the welfare of disadvantaged children, donated gifts and supplies to orphanages in remote areas, and brought warmth and love to the children. We also actively supported the children's drama charity performance, provided meal subsidies, and promoted the healthy growth of disadvantaged children.

**Firefighters' equipment update:** We supported the New Taipei City Government Fire Bureau-Yuanshan Branch to update their disaster relief equipment and firefighters' equipment, enhanced their ability to cope with disasters, and protected the safety of firefighters.

**Remote baseball team support:** We donated funds, supported the training and development of remote baseball teams, and cultivated the sports interest and potential of disadvantaged youth.

**Community service:** We actively participated in various local community charity activities, and donated rice and living supplies to help the nearby disadvantaged families and provided them with support and assistance in various aspects.

In addition, Avalue Technology encouraged employees to participate in public welfare volunteer services, and provided paid volunteer leave, allowing employees to have more opportunities to engage in community service, and participate in various public welfare activities, and jointly make positive contributions to society.

**Avalue Technology will continue to invest in these activities, strive to give back to society, and bring positive impacts to the disadvantaged groups.**

**These actions demonstrate Avalue's commitment to sustainable development, and concretely implement the corporate social responsibility.**

**We thank all the partners who support public welfare causes, and let us work together to make positive contributions to society and the future.**





# 06 Appendix



## 6.1 GRI Content Index

[Statement of Use] Avalue Technology Incorporation published the 2022 Sustainability Report based on the GRI Standards, covering the period from January 1, 2022, to December 31, 2022.

[GRI 1 Version Used] GRI 1: Foundation 2021

GRI Standards	Disclosure Items	Corresponding Sections	Page Numbers	Remarks	
<b>GRI 2: General Disclosures 2021</b>					
Organization and Reporting Practices	2-1	Organizational Profile	About this Report \ 3.2 Company Profile	1 \ 31-33	
	2-2	Entities included in the organization's sustainability report	About this Report	1	
	2-3	Reporting period, frequency and contact person	About this Report	1	
	2-4	Restatements of information	-	-	This is a first release.
	2-5	External assurance/verification	-	-	This report has not been externally assured or verified.
Organizational Activities and Workers	2-6	Activities, value chain and other business relationships	3.2.4 Products and Applications \ 3.3 Supply chain sustainability management	40-62	
	2-7	Employees	5.1.1 Employee Profile	71	
Governance	2-9	Governance structure and composition	3.2.1 Governance structure	34-38	
	2-10	Nomination and selection of the highest governance body	3.2.1 Governance structure	34-38	
	2-11	Chair of the highest governance body	3.2.2 Diversity and Independence of Board of Directors	36	
	2-12	Role of the highest governance body in supervising impact management	1.2 Sustainability Organization	06	
	2-13	Person responsible for impact management	1.2 Sustainability Organization	06	
	2-14	Role of the highest governance body in sustainability reporting	1.2 Sustainability Organization	06	

GRI Standards	Disclosure Items	Corresponding Sections	Page Numbers	Remarks
<b>GRI 2: General Disclosures 2021</b>				
Governance	2-15	Conflicts of interest	3.1 Ethical management	28-30
	2-16	Communication of critical concerns	2 Stakeholders and Materiality	13-26
	2-17	Collective knowledge of the highest governance body	3.2.2 Diversity and Independence of Board of Directors	36-38
	2-18	Evaluation of the performance of the highest governance body	3.2.3 Board of Directors' Functional Goals and Execution Evaluation	39
	2-19	Remuneration policies	3.2.3 Board of Directors' Performance and Remuneration	39
Strategy, policies and practices	2-22	Statement on sustainable development strategy	1.1 Chairman's message 、 1.3 Sustainability Vision	04 、 08
	2-23	Policy commitments	1.3 Sustainability Vision 、 5.1 Management Policy and Commitment	08 、 70
	2-24	Embedding policy commitments	1.3 Sustainability Vision 、 5.1 Management Policy and Commitment	08 、 70
	2-25	Processes to remediate negative impacts	3.1 Ethical management 、 3.4 Risk Management	28-30 、 53-56
	2-26	Mechanisms for seeking advice and raising concerns	3.1 Ethical management	28-30
	2-27	Compliance with laws and regulations	3.1 Ethical management 、 5.1 Management Policy and Commitment	28-30 、 70
	2-28	Membership associations	3.5 Alliance / Association	57
Stakeholder engagement	2-29	Approach to Stakeholder Engagement	2.1 Stakeholder Engagement	14-15
	2-30	Collective bargaining agreements	-	Unsigned Collective Bargaining Agreements

GRI Standards	Disclosure Items		Corresponding Sections	Page Numbers	Remarks
<b>GRI 3 : Material Topics 2021</b>					
Universal Standard	3-1	Process to determine material topics	2.2 Materiality Analysis	16	
	3-2	List of material topics	2.3 Business Impact Assessment 2.4 Material Issues Strategy and Policy 2.5 Strategic Objectives of Major Issues	20-26	
	3-3	Management of material topics	2.3 Business Impact Assessment 2.4 Material Issues Strategy and Policy 2.5 Strategic Objectives of Major Issues	20-26	
<b>GRI 200 : Economic</b>					
Economic Performance	201-1	Direct economic value generated and distributed	3.2.7 Financial Performance	49	
	201-3	Defined benefit plan obligations and other retirement plans	5.1.2 Welfare System 、 Retirement System	72	
Anti-corruption	205-1	Operations assessed for risks related to corruption	3.2.7 Financial Performance	30	
	205-2	Communication and training about anti-corruption policies and procedures	3.1.2 Anti-Corruption Reporting	30	
	205-3	Confirmed incidents of corruption and actions taken	-	-	None during the period
<b>GRI 200 : Economic</b>					
Energy	302-1	Energy consumption within the organization	4.3.1 Results of Greenhouse Gas Emissions Inventory	67	
Emissions	305-1	Direct (Scope 1) GHG emissions	4.3.1 Results of Greenhouse Gas Emissions Inventory	67	
	305-2	Energy indirect (Scope 2) GHG emissions	4.3.1 Results of Greenhouse Gas Emissions Inventory	67	

GRI Standards	Disclosure Items		Corresponding Sections	Page Numbers	Remarks
<b>GRI 300 : Environmental</b>					
Emissions	305-3	Other indirect (Scope 3) GHG emissions	4.3.1 Results of Greenhouse Gas Emissions Inventory	67	
	305-4	GHG emissions intensity	4.3.1 Results of Greenhouse Gas Emissions Inventory	67	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.3.1 Results of Greenhouse Gas Emissions Inventory	67	
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	5.4 Environmental Compliance	78	None during the period
<b>GRI 400 : Social</b>					
Employment	401-1	New employee hires and employee turnover	5.1.1 Employee Profile	71	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.1 Attracting and retaining talent	70-74	
	401-3	Parental leave	5.1.1 Employee Profile	71	
Occupational Health and Safety	403-1	Occupational health and safety management system	5.3 Safe workplace	76-77	
	403-2	Hazard identification, risk assessment, and incident investigation	5.3 Safe workplace	76-77	
	403-3	Occupational health services	5.3 Safe workplace	76-77	
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.3 Safe workplace	76-77	
	403-5	Worker training on occupational health and safety	5.3 Safe workplace	76-77	
	403-6	Promotion of worker health	5.3 Safe workplace	76-77	

# ISO 9001:2015

## Quality Management System

Certificate TW14/10362

**SGS**

The management system of  
**AVALUE TECHNOLOGY INCORPORATION.**

7F, No. 228, Lian-Cheng Road, Zhonghe District, New Taipei City 235, Taiwan



has been assessed and certified as meeting the requirements of  
**ISO 9001:2015**

For the following activities  
 Overall Scope: Design, manufacture and sales of industrial computer and mainboard.  
 Site1: Design and sales of industrial computer and mainboard.  
 Site2: Manufacture of industrial computer and mainboard.

This certificate is valid from 22 May 2022 until 22 May 2026 and remains valid subject to satisfactory surveillance audits.  
 Issue 4. Certified since 22 May 2014.  
 Certified activities performed by additional sites are listed on subsequent pages.

*Jonathan Hall*

Authorized by  
 Jonathan Hall  
 Global Head - Certification Services  
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 Rosemoor Business Park, Epsom, Surrey, Middlesex, Chesham, Chis 5EN, UK  
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Page 1 / 2




Certificate TW14/10362, continued

**SGS**

**AVALUE TECHNOLOGY INCORPORATION.**

**ISO 9001:2015**

Issue 4
Site1
AVALUE TECHNOLOGY INCORPORATION. 7F, No. 228, Lian-Cheng Road, Zhonghe District, New Taipei City 235, Taiwan
Site2: Design and sales of industrial computer and mainboard. AVALUE TECHNOLOGY INCORPORATION. 7F, No. 87 & 7F, No.95, Ude Street, Zhonghe District, New Taipei City 235, Taiwan.
Site3: Manufacture of industrial computer and mainboard.

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# ISO 13485:2016

Medical Device Quality Management System

Certificate TW13/10469, continued  
**Avalue Technology  
 Incorporation**

ISO 13485:2016  
 EN ISO 13485:2016

Issue 5
<b>Sites</b>
Avalue Technology Incorporation 7F, No. 228, Lien-Cheng Road, Zhonghe District, New Taipei City, 235, Taiwan, R.O.C.  Design, Manufacture and Sales of Medical Stations
Avalue Technology Incorporation 7F, No. 95, Lide Street, Zhonghe District, New Taipei City, 235, Taiwan, R.O.C.  Design, Manufacture and Sales of Medical Stations
Avalue Technology Incorporation 6F, No. 100, Lide Street, Zhonghe District, New Taipei City, 235, Taiwan, R.O.C.  Design, Manufacture and Sales of Medical Stations
Avalue Technology Incorporation 3F, No. 232, Lien-Cheng Road, Zhonghe District, New Taipei City, 235, Taiwan, R.O.C.  Design, Manufacture and Sales of Medical Stations
Avalue Technology Incorporation 5F, No. 228, Lien-Cheng Road, Zhonghe District, New Taipei City, 235, Taiwan, R.O.C.  Design, Manufacture and Sales of Medical Stations



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SGS



Certificate TW13/10469

The management system of

**Avalue Technology  
 Incorporation**

7F, No. 228, Lien-Cheng Road, Zhonghe District, New Taipei City, 235, Taiwan, R.O.C.

has been assessed and certified as meeting the requirements of  
**ISO 13485:2016  
 EN ISO 13485:2016**

For the following activities:  
 Design, Manufacture and Sales of Medical Stations.

This certificate is valid from 18 June 2022 until 18 June 2025 and remains valid subject to satisfactory surveillance audits.  
 Issue 5. Certified since 18 June 2013.  
 Certified activities performed by additional sites listed on subsequent pages.

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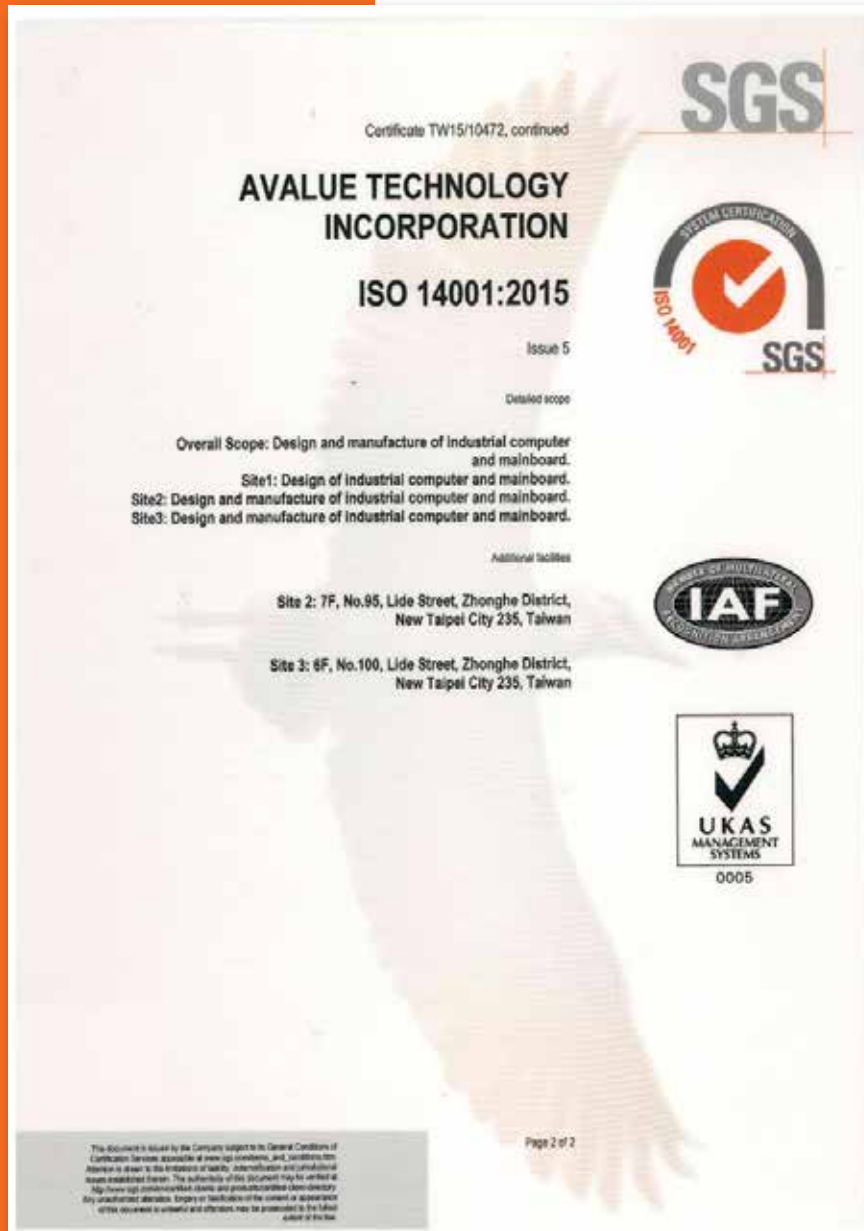


SGS



# ISO 14001:2015

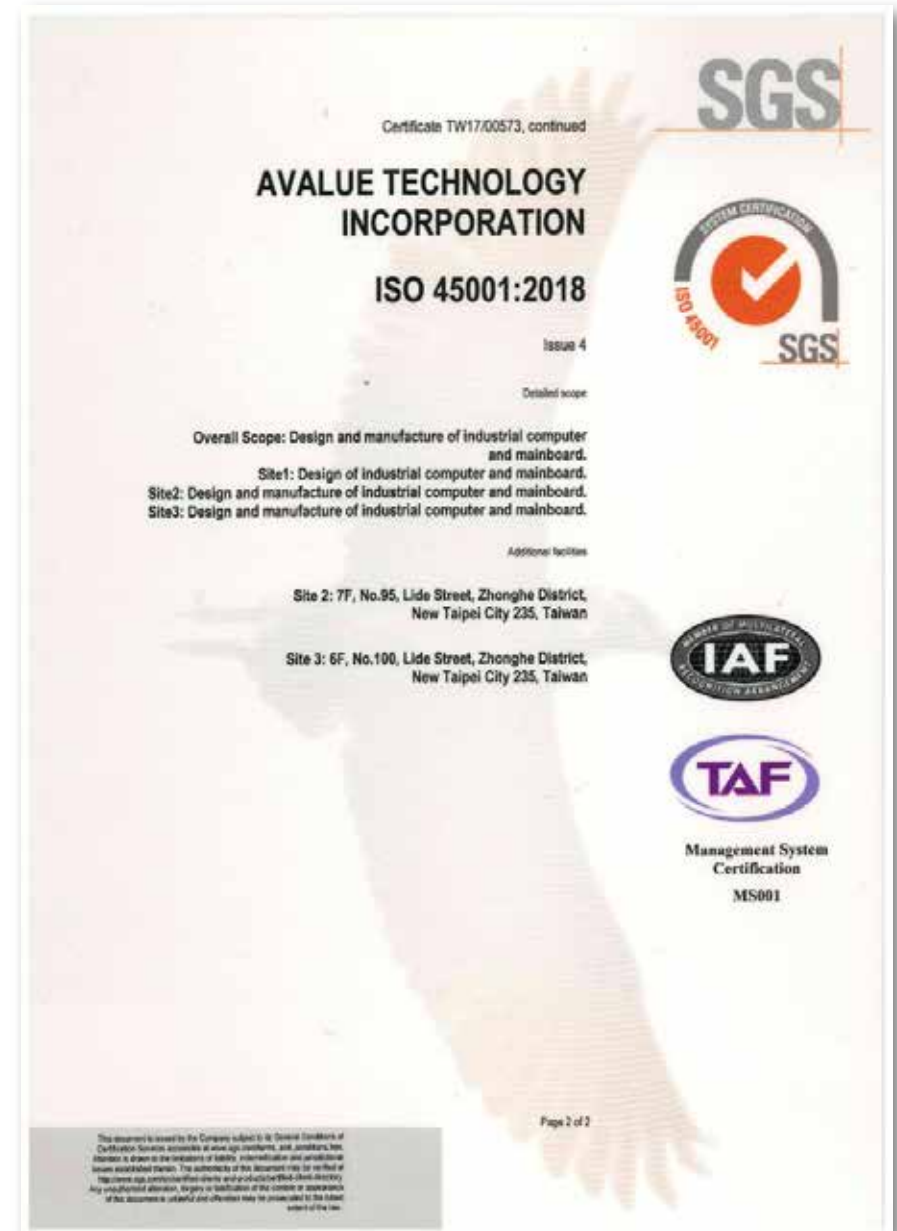
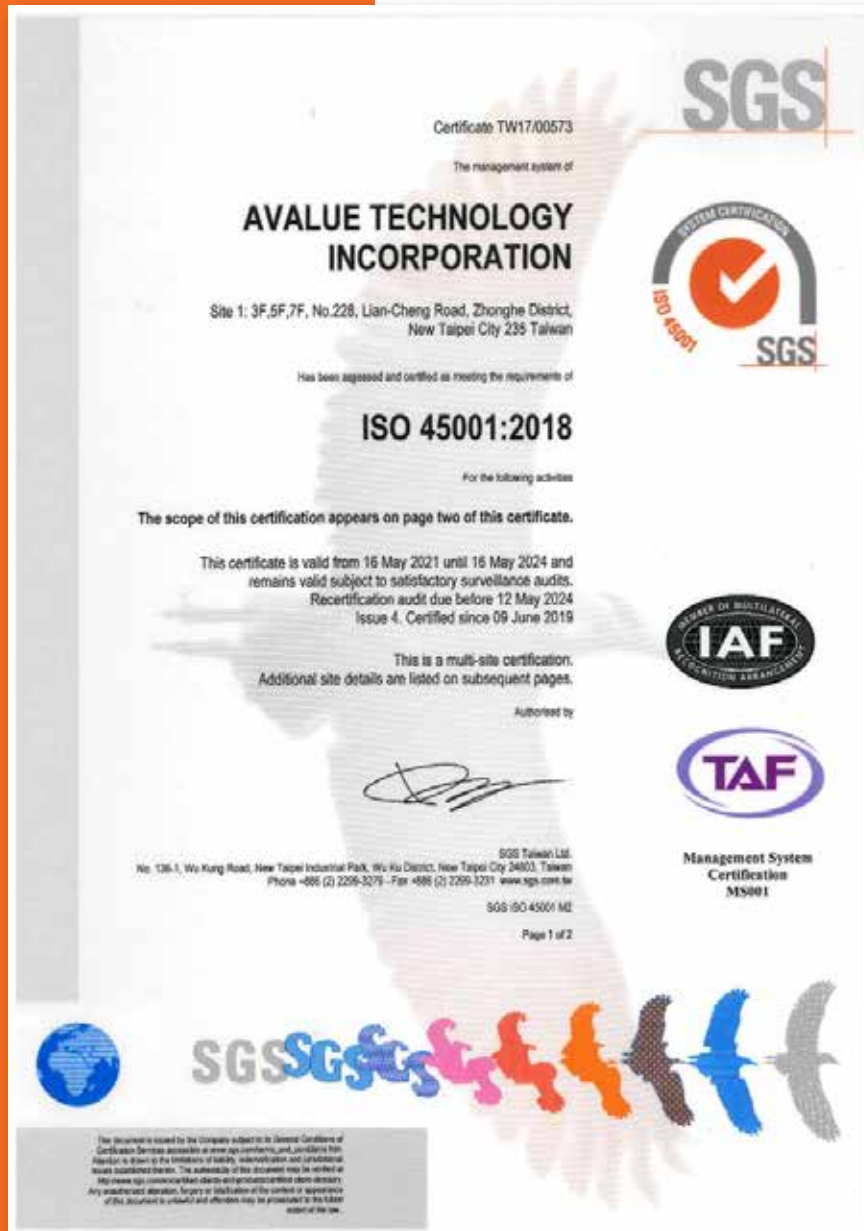
## Environmental Management System





# ISO 45001:2018

Occupational  
Health and Safety  
Management System



# ISO 27001:2013

Information Security  
Management System

Certificate TW23/00000484

SGS

The management system of  
**AVALUE TECHNOLOGY INCORPORATION**

7F., No. 228, Liancheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan (R.O.C.)

has been assessed and certified as meeting the requirements of

**ISO/IEC 27001:2013**

For the following activities:

The provision of related information security management activities in accordance with the Statement of Applicability version A4.

The activities include:

1. The management and maintenance of the headquarters server room, the Lite A server room and related network and infrastructure services provided by the MIS Division.
2. The SRS (Smart Retail Solution) software development, operation and maintenance provided by the RD Software Division 4.

This certificate is valid from 11 June 2023 until 31 October 2025 and remains valid subject to satisfactory surveillance audits.

Issue 1. Certified since 11 June 2023

Certified activities performed by additional sites are listed on subsequent pages.

*Jonathan M. Hill*

Authorized by  
Jonathan Hill  
Global Head - Certification Services

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Certificate TW23/00000484, continued

SGS

**AVALUE TECHNOLOGY INCORPORATION**

**ISO/IEC 27001:2013**

Issue 1

Sites

AVALUE TECHNOLOGY INCORPORATION  
7F., No. 228, Liancheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan (R.O.C.)

The provision of related information security management activities in accordance with the Statement of Applicability version A4.

The activities include:

1. The management and maintenance of the headquarters server room, the Lite A server room and related network and infrastructure services provided by the MIS Division.
2. The SRS (Smart Retail Solution) software development, operation and maintenance provided by the RD Software Division 4.

AVALUE TECHNOLOGY INCORPORATION Lite A server room  
6F., No. 100, Lide St., Zhonghe Dist., New Taipei City 235, Taiwan (R.O.C.)

The provision of related information security management activities in accordance with the Statement of Applicability version A4.

The activities include:

1. Management and maintenance of the headquarters server room, Lite A server room and related network and infrastructure services provided by MIS Division.



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# ISO 14064-1:2018

## Greenhouse Gas Verification Statement

Statement TW23/00474GG

**SGS**

### Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in year 2022 of  
**AVALUE TECHNOLOGY INCORPORATION**


7F, No. 228, Liancheng Road, Zhonghe District,  
235038 New Taipei City, Taiwan

has been verified in accordance with ISO 14064-3:2006 as meeting the requirements of

### ISO 14064-1:2018






Direct emissions  
57.9795 tonnes of CO<sub>2</sub>e  
 Indirect emissions  
3,304.4754 tonnes of CO<sub>2</sub>e  
 Direct emissions and indirect emissions  
3,362.455 tonnes of CO<sub>2</sub>e

Authorized by



Stephen Pao  
Knowledge Deputy General Manager  
Date: 07 September 2023  
Version 1

TGP80A-15-6 2207  
SGS Taiwan Ltd.  
No. 136-1, Wu Kung Road, New Taipei Industrial Park, Wu Ku District,  
New Taipei City 24803, Taiwan  
t (02) 22993279 f (02) 22994453 www.sgs.com

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This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement.

Statement TW23/00474GG, continued

**SGS**

The emission of each category is described as below: Unit: tonnes of CO<sub>2</sub>e

Reporting Boundaries		GHG Emissions	
Inventory categories	Description		
Direct emissions	Direct emissions from stationary combustion	0.0000	
	Direct emissions from mobile combustion	0.0000	
	Direct emissions from industrial processes	0.0000	
	Direct fugitive emissions from anthropogenic systems	57.9795	
	Direct emissions from land use changes	0.0000	
Indirect emissions	Imported energy	Indirect emissions from purchased electricity	962.5032
	Transportation	Indirect emissions from employee commuting (cars, locomotives, electric locomotives, MRT, buses)	163.8134
		Indirect emissions from employee business travel (high-speed rail, taxi, MRT, car, locomotive)	15.6668
		Indirect emissions from downstream product transport	2.9533
	Products used by an organization	Indirect emissions from purchases of products/services	130.3791
		Indirect emissions from upstream of purchased energy	184.7228
	Associated with the use of products from the organization	Indirect discharge of solid or liquid waste outsourced treatment	0.2293
Indirect emissions from downstream investments		1,838.2075	
Other sources	Undisclosed	NA	
Direct emissions and indirect emissions		3,362.455	

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This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement.

# ISO 14064-1:2018

## Greenhouse Gas Verification Statement

Statement TW23/00474GG, continued

SGS

SGS has been contracted by AVALUE TECHNOLOGY INCORPORATION (hereinafter referred to as "AVALUE"), 7F, No. 228, Liancheng Road, Zhonghe District, 235038 New Taipei City, Taiwan for the verification of direct and indirect Greenhouse Gas emissions in accordance with

### ISO 14064-3:2006

as provided by AVALUE TECHNOLOGY INCORPORATION (hereinafter referred to as "AVALUE"), 7F, No. 228, Liancheng Road, Zhonghe District, 235038 New Taipei City, Taiwan, in the GHG Assertion in the form of GHG report covering GHG emissions of the period 01 January 2022 to 31 December 2022.

### Roles and responsibilities

The management of AVALUE is responsible for the organization's GHG information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation and determination of GHG emissions information and the reported GHG emissions.

It is SGS's responsibility to express an independent GHG verification opinion on the GHG emissions as provided in the GHG Assertion for the period 01 January 2022 to 31 December 2022.

SGS conducted a third-party verification of the provided GHG assertion against the principles of ISO 14064-1:2018, ISO 14064-3:2006 in the period 04 July 2023 to 31 July 2023. The verification was based on the verification scope, objectives and criteria as agreed between AVALUE and SGS on 28 September 2022.

### Level of Assurance

The level of assurance for category 1 and category 2 agreed is that of reasonable assurance. Category 3 till category 6 agreed is that of limited assurance.

### Scope

AVALUE has commissioned an independent verification by SGS Taiwan of reported GHG emissions of AVALUE arising from design, manufacture and sales of industrial computer and mainboard activities, to establish conformance with ISO 14064:2018 principles within the scope of the verification as outlined below:

Statement TW23/00474GG, continued

SGS

This engagement covers verification of emission from anthropogenic sources of greenhouse gases included within the organization's boundary and is based on ISO 14064-3:2006.

- Title or description activities: GHG verification for AVALUE in year 2022.
- Location/boundary of the activities:
  - Head Office
    - 5F & 7F, No. 226, Liancheng Road, Zhonghe District, 235038 New Taipei City, Taiwan
    - 5F & 7F, No. 228, Liancheng Road, Zhonghe District, 235038 New Taipei City, Taiwan
    - 5F & 7F, No. 230, Liancheng Road, Zhonghe District, 235038 New Taipei City, Taiwan
    - 3F & 7F, No. 232, Liancheng Road, Zhonghe District, 235038 New Taipei City, Taiwan
    - 7F, No. 232-1, Liancheng Road, Zhonghe District, 235038 New Taipei City, Taiwan
    - 7F, No. 232-2, Liancheng Road, Zhonghe District, 235038 New Taipei City, Taiwan
  - Lide Plant
    - 7F, No. 79, Lide Street, Zhonghe District, 235602 New Taipei City, Taiwan
    - 7F, No. 87, Lide Street, Zhonghe District, 235602 New Taipei City, Taiwan
    - 7F, No. 95, Lide Street, Zhonghe District, 235602 New Taipei City, Taiwan
    - 7F, No. 101, Lide Street, Zhonghe District, 235602 New Taipei City, Taiwan
  - Lide Office
    - 6F, No. 100, Lide Street, Zhonghe District, 235602 New Taipei City, Taiwan
    - 6F, No. 136, Lide Street, Zhonghe District, 235602 New Taipei City, Taiwan
  - Taichung Office
    - B1, 10F., No. 499, Zhongming S. Rd., West Dist., 403611 Taichung City, Taiwan
- Physical infrastructure, activities, technologies and processes of the organization: Design, manufacture and sales of industrial computer and mainboard.
- GHG sources, sinks and/or reservoirs included: Sources as presented in the inventory spreadsheet provided by AVALUE
- Types of GHGs included: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>
- The IPCC 2021 AR6 GWP values are applied in this inventory.
- Emission factor:
  - o Direct emissions: Greenhouse Gas Emission Factor Table (6.0.4), EPA.
  - o Indirect emissions:
    - Electricity emission factor is 0.495 kgCO<sub>2</sub>e/kwh (Announced by Bureau of Energy, Ministry of Economic Affairs in 2023).
    - The secondary database has Carbon Footprint Information Platform.
- Directed actions: NA

# ISO 14064-1:2018

## Greenhouse Gas Verification Statement



Statement TW23/00474GG, continued

- GHG information for the following period was verified: 01 January 2022 to 31 December 2022
- The version of inventory sheet: 11 August 2023
- The version of GHG assertion: 11 August 2023
- Intended user of the verification statement: Private

### Objective

The purposes of this verification exercise are, by review of objective evidence, to independently review:

- Whether the GHG emissions are as declared by the organization's GHG assertion
- The data reported are accurate, complete, consistent, transparent and free of material error or omission.

### Criteria

Criteria against which the verification assessment is undertaken are the principles of ISO 14064-1:2018.

### Materiality

The materiality required of the verification was considered by SGS to 5%, based on the needs of the intended user of the GHG Assertion.

### Conclusion

AVALUE provided the GHG assertion based on the requirements of ISO 14064-1: 2018. The GHG information for the period 01 January 2022 to 31 December 2022 disclosing emissions of 3,362.455 metric tonnes of CO<sub>2</sub> equivalent and 0.0000 metric tonnes of direct CO<sub>2</sub> emissions from the combustion of biomass are verified by SGS to a reasonable level of assurance, consistent with the agreed verification scope, objectives and criteria.

The emission of each category is described as below:

Unit: tonnes of CO<sub>2</sub>e

Reporting Boundaries		GHG Emissions
Inventory categories	Description	
Direct emissions	Direct emissions from stationary combustion	0.0000
	Direct emissions from mobile combustion	0.0000



Statement TW23/00474GG, continued

Reporting Boundaries			GHG Emissions
Inventory categories	Description		
Indirect emissions	Imported energy	Direct emissions from industrial processes	0.0000
		Direct fugitive emissions from anthropogenic systems	57.9796
		Direct emissions from land use changes	0.0000
	Transportation	Indirect emissions from purchased electricity	962.5032
		Indirect emissions from employee commuting (cars, locomotives, electric locomotives, MRT, buses)	163.8134
		Indirect emissions from employee business travel (high-speed rail, taxi, MRT, car, locomotive)	15.6668
		Indirect emissions from downstream product transport	2.9533
	Products used by an organization	Indirect emissions from purchases of products/services	136.3791
		Indirect emissions from upstream of purchased energy	184.7228
	Associated with the use of products from the organization	Indirect discharge of solid or liquid waste outsourced treatment	0.2293
Indirect emissions from downstream investments		1,838.2075	
Other sources	Undisclosed	NA	
Direct emissions and indirect emissions			3,362.455

SGS's approach is risk-based, drawing on an understanding of the risks associated with reporting GHG emissions information and the controls in place to mitigate these. Our examination includes assessment, on a test basis, of evidence relevant to the amounts and disclosures in relation to the organization's reported GHG emissions.

We planned and performed our work to obtain the information, explanations, and evidence that we considered necessary to provide a reasonable level of assurance that the GHG emissions of category 1 and category 2, and limited level of assurance of category 3 till category 6 for the period 01 January 2022 to 31 December 2022 are fairly stated.

# ISO 14064-1:2018

## Greenhouse Gas Verification Statement



Statement TW23/00474GG, continued

We conducted our verification with regard to the GHG assertion of AVALUE which included assessment of GHG information system, monitoring and reporting plan/protocol. This assessment included the collection of evidence supporting the reported data, and checking whether the provisions of the protocol reference, were consistently and appropriately applied.

In SGS's opinion the presented GHG assertion

- is materially correct and is a fair representation of the GHG data and information, and
- is prepared in accordance with ISO14064-1:2018 on GHG quantification, monitoring and reporting.

#### Confidentiality

The reports and attachments may contain relevantly confidential information of the clients. In addition to being submitted as governmental application or certification documents, the reports and attachments are not allowed to be edited, duplicated, or published without the clients' agreement in written form.

#### Avoidance of Conflict of Interest

The reports and attachments are completely complied with the standards and procedures that related authorities established. The reports and attachments of auditing process are conduct with fairness and honesty. If not, the auditing institution not only has to bear the relevant compensation duties, but also to receive legal charge and punishment.

This statement shall be interpreted with the GHG assertion of AVALUE as a whole.



Statement TW23/00474GG, continued

#### Verifier Group

Above statements coincide with auditing process with fairness and impartiality and aim at the emission of year 2022 of clients.

Lead Verifier:

*Kyle Lu*

Verifier:

*Steve Hsiao*

*Rex Lee*

Note: This Statement is issued, on behalf of Client, by SGS Taiwan Ltd. ("SGS") under its General Conditions for Greenhouse Gas Verification Services available at [http://www.sgs.com/terms\\_and\\_conditions.htm](http://www.sgs.com/terms_and_conditions.htm). The findings recorded herein are based upon an audit performed by SGS. A full copy of this statement, the findings and the supporting GHG Assertion may be consulted at AVALUE TECHNOLOGY INCORPORATION, TF, No. 228, Liancheng Road, Zhonghe District, 236038 New Taipei City, Taiwan. This Statement does not relieve Client from compliance with any bylaws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client.