

Corporate Sustainability Report

2021



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2021 Corporate Sustainability Performance at a Glance



No occupational accidents occurred in Axiomtek's employees and contractors in 2021



Axiomtek's domestic purchases in 2021 accounted for 84%



Axiomtek's 2021 environmental regulations have no record of major violations and penalties



The 8th (2021) of Corporate Governance valuation results, Axiomtek ranked in the top 5% of the TPEX listed companies for six consecutive years.



Axiomtek's Sustainable Development Policy

In 2015, all member states of the United Nations adopted the 2030 Agenda for Sustainable Development, providing a common blueprint for the present and future peace and prosperity of mankind and the planet. With 17 sustainable development goals (SDGs) as the core, and 169 specific practical targets (targets) as the implementation direction, we hope to jointly realize the vision of promoting human survival and sustainable development by 2030.

Since its establishment, Axiomtek has focused on technology training and long-term social development in line with its original intentions, while taking care of Axiomtek's employees, customers, shareholders, suppliers, and other stakeholders, and upholding "corporate governance and integrity management" and "green products." "Protection and protection", "Accompanying employees and caring forward", to become a domestic benchmark enterprise to continue its development and pursue sustainable business development.

Our vision

- To be a benchmark enterprise, sustainable operation

Our mission

- To adhere to corporate governance and integrity management
- To care for employees and the disadvantaged
- To design green products for environmental protection

Our approach to implementation

- To adhere to corporate governance and integrity management

It has always been the Company's practice to emphasize a corporate spirit of integrity and honesty, to abide by the laws and business ethics, and to maintain excellent corporate governance. Prohibiting improper profits and unfair business competition, the Company has been respecting intellectual property rights, committed to protecting the privacy of each customer and business partner. To make life better and the society a better place to live, the Company has been contributing to the establishment of various communication channels, engagement in the community volunteering, and promotion of social responsibility.

- To care for employees and the disadvantaged

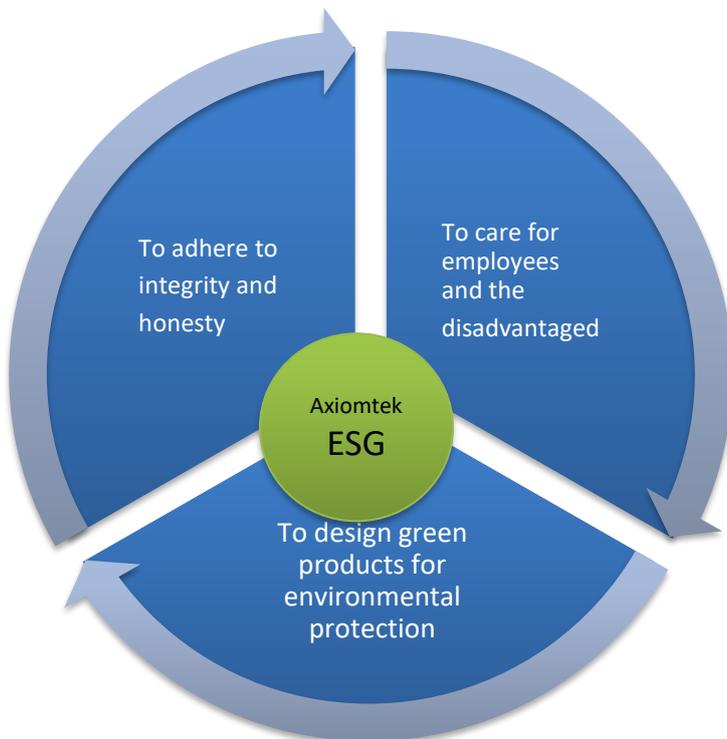
Giving priority to employee safety and health conforming to governmental regulations, the Company has been offering reasonable salaries and benefits, granting all employees equal rights, treasuring, and bringing up talents. At Axiomtek, any discrimination of any kind is strictly prohibited, so is child labor and

forced labor. With a firm stand to support the balance of life and the wellbeing of physical and mental health, the Company has been offering reasonable and flexible working hours, aiming to create a safe, healthy, stimulating, and comfortable working environment through an open management model for better communication with employees. Green design products, pay attention to environmental protection.

- To design green products for environmental protection

Regarding product development, the design mentality lies in the endurance of the product life cycle from the very outset where efforts have been made throughout the entire process of material selection, product design, supplier management, and manufacturing to reduce energy consumption, enhance efficiency, streamline the process, and develop green, environment-friendly products. To meet the management guideline on banned and restricted hazardous substances as required by customers and stakeholders, all specifications of the product have been carefully designed to deliver high quality. Making every possible effort in all business aspects, the Company is proud to have been helping protect the environment, fulfilling its responsibility as a world citizen.

Axiomtek's Core Concept of Sustainable Development



- Emphasize corporate governance, integrity and honesty.
- Integrity management pays attention to the rights and interests of stakeholders.
- Protect customer and transaction information.
- Clean operation and do not engage in illegal transaction.
- Respect and protect intellectual property rights.
- Abide by laws and regulations, protect employees' rights and interests.
- Flexible working hours, high-quality working environment.
- Establish various clubs, attach importance to humanistic care and art promotion.
- Supply chain management, prohibit hazardous substances.
- Continuous product innovation and development of environmental protection design.
- Promote energy saving, encourage all employees to participate.

Axiomtek Corporate Sustainability Committee

Axiomtek is determined to become a "Benchmark Company" and "Hidden Champion" in the industry and pay attention to the rights and interests of stakeholders.

The "Sustainability Committee" (hereinafter referred to as the ESG Committee), headed by the chairman of the board of directors integrates various internal functional institutions, and is divided into "environmental protection team", "CSR team", "corporate governance team", "integrity management team" and "risk management group" 5 working teams.

Each team member manages the interests of customers, suppliers, government, employees, shareholders, and society according to their scope including legal affairs, supply chain management, quality assurance, product development, customer relations, finance, human resources, and investor relations, etc. It is systematically implemented in the daily operations of Axiomtek to realize the vision and mission of Axiomtek's sustainable development.

Different stakeholders may have different issues of concern. Axiomtek's obligations and responsibilities are to make the best response to issues of concern to stakeholders. Axiomtek has established good communication channels and dedicated personnel, who are responsible for listening to the needs of stakeholders, and incorporating feedback collected through different communication channels into the report for in-depth explanations and responses.

- Sustainable Development Committee Organization



Member	Organization Function	Stakeholder
Corporate Governance Team	Corporate governance management, financial information disclosure, compliance with laws and regulations.	Investor, Government
CSR Team	Responsible for human resources development, human rights promotion issues, establishment of a healthy and friendly workplace environment, ecological protection, promotion of arts and cultural activities and public welfare activities and care for vulnerable groups, establish a social responsibility management system, and obtain third-party certification.	Employees, Government

Member	Organization Function	Stakeholder
Environmental Protection Team	<p>1.Environmental policy and management system, pollution prevention, energy use, product environmental responsibility, environmental problem management, occupational safety, and health policy management.</p> <p>2.Customer service and satisfaction, reduce the impact of raw materials used on the environment, research and develop green products, product quality and reliability management, customer relationship management.</p>	Employees, Customers, Society, Suppliers
Integrity Management Team	<p>1. Assist to integrate integrity and ethical values into the Company's business strategy and cooperate with laws and regulations to formulate relevant anti-fraud measures to ensure integrity management.</p> <p>2. Develop plans to prevent dishonest behavior and formulate standard operating procedures and codes of conduct related to work and business in each plan.</p> <p>3. For business activities with a high risk of untrustworthiness within the business scope, plan the internal organizational structure, settings, and responsibilities, and establish mutual supervision and checks and balances.</p> <p>4. Promote and coordinate the publicity and training of clean government policies.</p> <p>5. Implement a whistleblowing system to ensure the effectiveness of the implementation plan.</p> <p>6. Assist the board of directors and management to check and evaluate whether the preventive measures formulated in the implementation of integrity management are operating effectively, and regularly evaluate and track related business processes and prepare reports.</p>	Employees, Customers, Suppliers, Government
Risk Management Team	Responsible for the monitoring and tracking of Company-wide risks.	Employees, Customers, Suppliers, Government



SUSTAINABLE DEVELOPMENT GOALS



Sustainable Development Goals · SDGs

The results of Axiomtek are as follows



Good Health and Social Welfare

- Full-paid vaccine leave in 2021.



Decent Work and Economic Growth

- The number of employees hired in 2021 continues to increase.



Sustainable City

- Import ISO14064 to effectively manage greenhouse gases, save energy and reduce carbon, and protect the earth.



Responsible Consumption and Production

- The ISO14001 environmental management system is introduced, the lead-free process is fully adopted, and the generation of waste is reduced.



Global Partners

- Promote global brand localization through alliance or vertical market investment.

Integrity management

- Axiomtek's Rules of Procedure for Adoption of Codes of Ethical Conduct

Axiomtek guides the Company's directors, managers, and all employees' behaviors to conform to the organization's values and ethical standards and enables the Company's stakeholders to better understand the Company's ethical standards. According to the " Guidelines for the Adoption of Codes of ethical Conduct for TWSE/TPEX Listed companies." "Established the "Axiomtek Co., Ltd. Rules of Procedure for Adoption of Codes of Ethical Conduct "; And to ensure that the "Axiomtek Co., Ltd. Rules of Procedure for Adoption of Codes of Ethical Conduct " and " Ethical Corporate Management Best Practice Principles" can be implemented to ensure the rights and interests of the whistleblower and counterparts, the "Reporting and Unethical or Dishonest Code of Conduct" will be formulated to follow.

In 2021, Axiomtek will introduce an RBA-like CSR management system at the request of the client, and pass the factory audit of the third-party certification unit entrusted by the client. In addition, Axiomtek has implemented a one-hour online course on integrity management education and training for all colleagues in Taiwan and 87 major suppliers.

- Newcomer Training

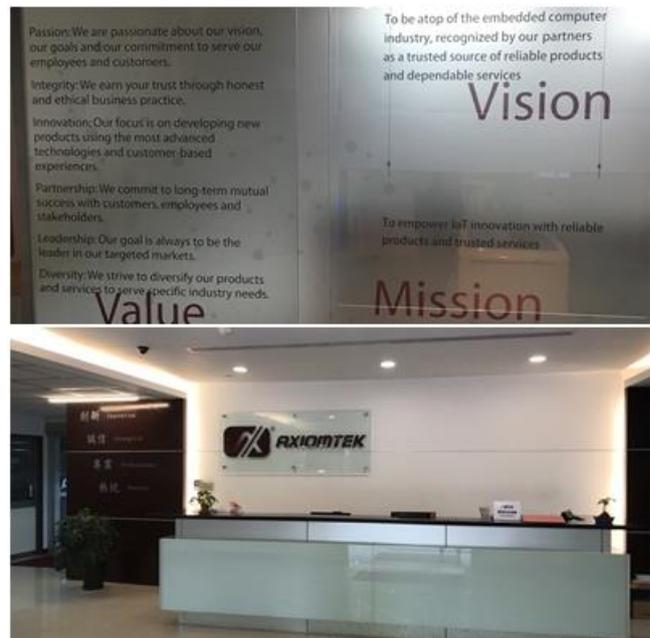
Axiomtek's general education training courses for newcomers are initiated by the general manager or senior management personally to explain the core concepts of Axiomtek to the newcomers, so that every newcomer can understand and feel Axiomtek's beliefs and values, and value their persistence of beliefs and values.

- On-job Reminder

Axiomtek's product display gallery at the Xizhi headquarters and the Beitou factory's entrance and reception area have advertising boards displaying Axiomtek's beliefs and values. In addition to continuously promoting and reminding every Axiomtek's people, we should introspect and continue to implement Axiomtek's beliefs at any time. In addition to values, it also announces to important external guests Axiomtek's persistence and persistence in its beliefs and values.

- Supplier Commitment

To establish a pure and honest long-term trading relationship with suppliers, and jointly pursue the sustainable growth of both parties' operations, all suppliers interacting with Axiomtek must sign the "Axiomtek's Integrity Commitment", once again declaring Axiomtek's beliefs to the world is our persistence and persistence of values.



Significant Management Policies: Integrity Management	
Item	Summary
Issue Impact	Internal organization, supplier
management policy	There is no actual case and publicity in the complaint mailbox and special line.
2021 Goals	Record online courses and promote them to all employees and suppliers at home and abroad.
2021 Effectiveness	The domestic online course recording has been completed and promoted to domestic colleagues and suppliers.
2022 Rollout Goals	Complete the English online course and promote it to overseas colleagues and suppliers of the Group.
Related Policies	Axiomtek’s “Rules of Procedure for Adoption of Codes of Ethical Conduct ” , " Ethical Corporate Management Best Practice Principles" and “Rules of Procedure for informing of Illegal, Unethical or Unseemly Conduct”

Axiomtek's Beliefs and Values

- Passion
We are passionate about our vision, our goals, and our commitment to serve our employees and customers.
- Integrity
We earn your trust through honest and ethical business practice.
- Innovation
Our focus is on developing new products using the most advanced technologies and customer-based experiences.
- Partnership
We commit to long-term mutual success with customers, employees, and stakeholders.
- Leadership
Our goal is always to be the leader in our targeted markets.
- Diversity
We strive to diversify our products and services to serve specific industry needs.

About This Report

- Axiomtek Co., Ltd. (hereinafter referred to as "Axiomtek" or "the Company") has issued "Corporate Social Responsibility Report" (CSR Report) every year since 2015. And changed to "Corporate Sustainability Report" from 2020, through this report to present the Company's strategies, policies, goals, measures, and performance in sustainable development to stakeholders. In response to the expectations and needs of stakeholders, we hope to establish long-term partnerships with customers and social groups, promote social integration, move towards sustainable growth goals, and continue to implement sustainable development efforts and determination.

- Report period and scope

The disclosure period of this report is from January 1, 2021, to December 31, 2021. The Company's practices and performance in corporate governance, corporate commitments, environmental protection, and social participation will respond to the concerns of stakeholders. The Axiomtek Sustainability Report only collects the important data points of Axiomtek Taiwan's operations (headquarters, Beitou factory), and reports some performance data of the Taichung office (Chapter 6 Environmental Protection, excluding Taichung Office). Other overseas subsidiaries and offices are mainly marketing and business, which are not included in this report at present.

For the Company's major issues and report settings, please refer to the "Stakeholder Communication and Response" section. The various information and data disclosed in this report come from the Company's own statistics. The calculation method is the basis, and the financial data quotes the financial report after the accountant's verification and visa. Unless otherwise specified, they are all expressed in NT\$ thousand. Some events or data descriptions date back to previous years for reference.

- Writing principles

This report is jointly planned by the Company's sustainable development, and the core options and the writing committee of the GRI standard issued by the Global Reporting Initiative (RI), and at the same time evaluates the results of the evaluation of stakeholders. The potential interests of the Company, distinguish the themes of theme management among the major indicators related to the Company's value chain, and jointly negotiate and formulate the attribution of each theme, which is subject to the full text of the table.

This is also one of the transparent channels for the Company to negotiate with stakeholders. We look forward to understanding each other's efforts and expectations through dissemination, communication and feedback, and continue to move towards a better future.

- Release time

This report is the second corporate sustainability report issued by the Company (the social report issued before the issuance). The Company will continue to issue the corporate sustainability report every year in the future. The corporate policy of paper sustainability, the report is announced in the "Corporate Social Responsibility Zone" of the Company's website in an electronic version.

Previous report version : Released in June 2021

Current release version : Released in June 2022

Next release version : Released in June 2023

Axiomtek's ESG Report is available at :

<https://www.axiomtek.com/Default.aspx?MenuId=AboutUs&ItemId=818&C=CSR+at+Axiomtek>

- Contact information

If you have any questions or suggestions about this report, please feel free to contact us. The contact information is as follows:

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Letter from the Chairman

In the past year, after the impact of the COVID-19 epidemic, drastic climate changes, supply chain disruptions, and international turmoil, the world and Taiwan have been affected economically, socially, culturally, and environmentally. Localization, human life, and industrial development are facing permanent changes at some levels. Axiomtek demonstrates resilience and transformation, continues to face the challenges of keeping pace with the times



in corporate operations, pays attention to ESG (Environmental, Social, Governance; Environment, Society and Corporate Governance) and corporate social responsibility, and embraces long-term corporate transformation and inclusiveness.

Axiomtek has established a sustainable development committee in February 2021, which is responsible for promoting the sustainable operation of various businesses including environmental sustainability, corporate social responsibility, corporate governance, integrity management and risk management, popularizing the concept of sustainable management, and achieving sustainable development. Participate in the implementation of all staff.

Axiomtek aims to become a "benchmark enterprise" and "hidden champion" in the industry, focusing on innovative technology, global localization, and risk management, and in the United Nations Sustainable Development SDGs17 goals, it pays special attention to (3) good health and social welfare, (8) Decent Work and Economic Growth, (11) Sustainable Cities, (12) Responsible Consumption and Production, and (17) Global Partners. Actively formulate relevant codes of conduct at different levels, care for employees and the disadvantaged, attach importance to environmental protection, abide by corporate integrity and corporate governance. In 2021, to maintain the health of colleagues, we implement paid vaccine leave, encourage colleagues to vaccinate, and improve group protection; the management system was adjusted flexibly on a rolling basis to jointly protect the health of employees.

The Company attaches great importance to customer relationship, integrity management and customer privacy protection, actively introduces RBA-like CSR management system audits, and passes the evaluation of third-party certification units entrusted by customers; implements training for all colleagues and 87 major suppliers. In 2021, Axiomtek's global total number of employees has exceeded 700. It continues to promote gender equality in work, diversity, and a friendly workplace composed of cross-generations, and encourages club activities to connect work and interests. In addition to the existing seven clubs, the newly established "Mountaineering Club", to experience the beauty of Taiwan's mountains and urban and rural areas, add more healthy leisure and diversification, and balance physical and mental health.

Axiomtek adheres to the spirit of global localization development strategy and innovative value and continues to incorporate ESG sustainable thinking into its business strategy and internalize it into its daily practice; contribute to a better future.

Yang, Yu-Te
Founder and Chairman of Axiomtek

Part 1 Company Profile

About Axiomtek

Company name : Axiomtek Co., Ltd.

Date of establishment : May 1990

Chairman : Yang, Yu-Te

Total capital : NT\$902 million

Stock code : 3088

Number of employees : 769(Group)

2021 Consolidated Revenue : NT\$5.070 billion



1.1 Company Background



Axiomtek Co., Ltd. was established in 1990. It is engaged in R&D, manufacturing and marketing under the Axiomtek brand in Taiwan, driving the domestic job market and promoting the Taiwanese brand to the world. Axiomtek listens to customers' voices, focuses on innovative designs, provides flexible and customized services, produces high-quality industrial computers, and pursues excellent customer satisfaction. Axiomtek has subsidiaries, offices or exclusive distribution bases in the United States, Germany, the United Kingdom, mainland China, Japan, Italy, Malaysia and Thailand, etc., to

provide global customers with immediate business and technical services.

Axiomtek is a leading designer and manufacturer in the field of industrial computers. Based on the integration of artificial intelligence and the Internet of Things (AIoT) and the development trend of Industry 4.0, Axiomtek actively invests in fields such as factory automation, smart transportation, and smart energy. In order to cultivate its own embedded computer technology capabilities, enhance the core value of the brand, develop into a more profitable industry, and create a win-win situation for partners and shareholders.



In terms of brand marketing and customer relations, Axiomtek listens to the voices of customers, focuses on innovative designs, continues to sell its own brands around the world, actively establishes more sales bases and technical bases, expands marketing channels and realizes localized services. Subsidiaries, close to the US, Germany, UK and European markets, in-depth understanding of customer product needs in vertical applications, formulate strategies and tactics for global Key Account, Domain-Focused SI and Channel Partner sales strategies, expand sales scale and assist customers to develop new products market.

Participating Associations and Organizations

No.	Association Name	General Membership
1	Taipei Computer Association	●
2	New Taipei City Computer Association	●
3	Taiwan CERT/CSIRT Alliance	●

Main Products

Products are mainly divided into design service products and intelligent platform and solution products. Axiomtek has strong R&D technology capabilities and has a 30-year history of international marketing. It has excellent hardware and software engineers and develops products that meet various industrial needs based on application and customer needs, including smart factories, rail transit, medical care, smart retail, and Gaming and other markets.

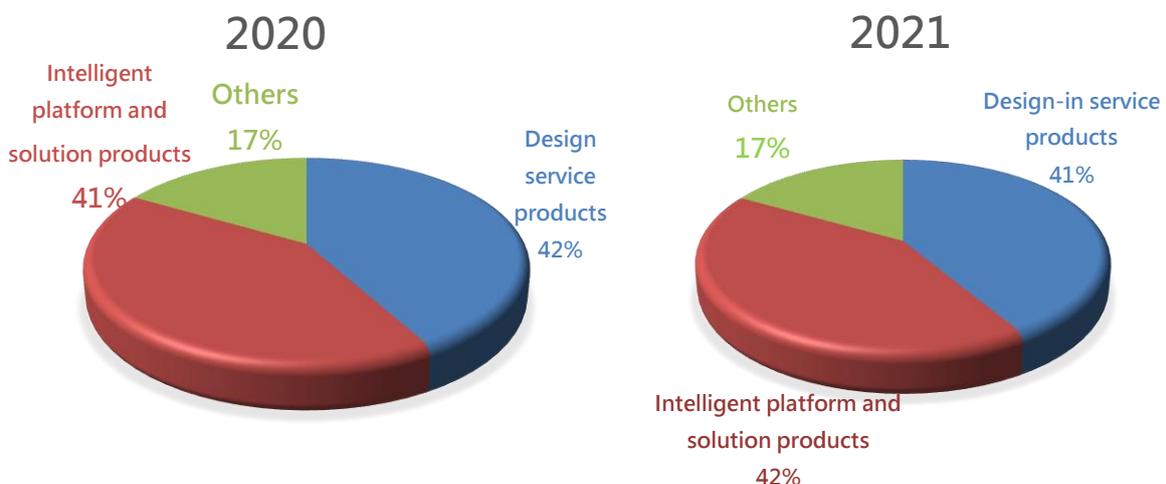
Intelligent Platform and Solution Products

- It is used in the most potential vertical application industries such as factory automation, process automation, smart energy, and rail transit applications.
- Edge computing computer platforms designed according to the vertical application industry environment, including: touch panel computer, machine vision system, AI artificial intelligence platform and embedded computer, etc.; with professional certification, modular design, flexible integration and durability principles.

Design-in Service Products

- Develop core technology products for smart medical, smart retail and gaming markets, develop modular application platforms, self-service Kiosks, digital signage players, and provide fast customized services.

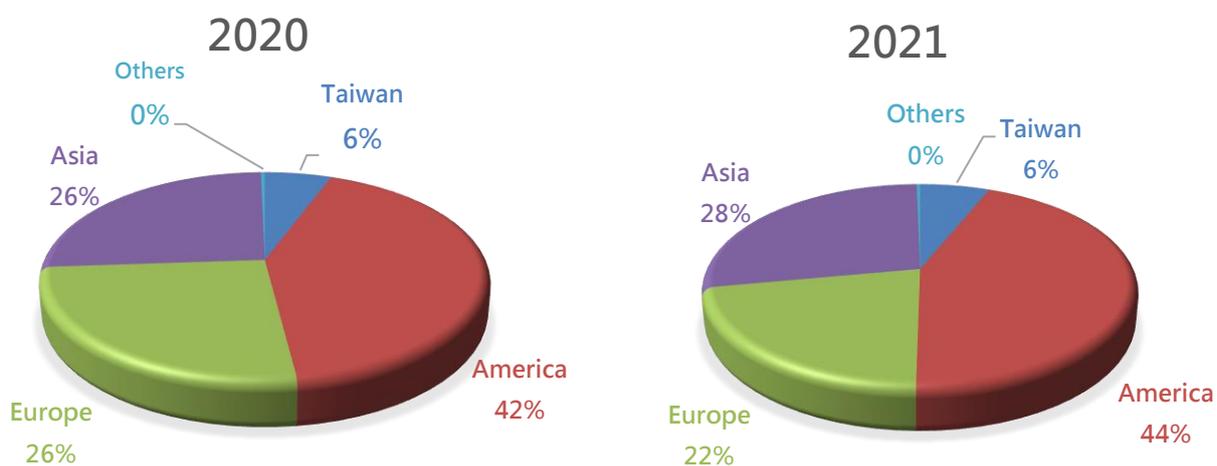
- Proportion of product operation in the past two years (consolidated revenue)



- Output value table for the past two years (consolidated revenue)
Unit: PCS; Thousand New Taiwan Dollars

Main products	2021			2020		
	Capacity	Quantity	Amount	Capacity	Quantity	Amount
Intelligent platform and solution products	788,767	921,900	2,315,021	733,581	787,879	1,656,447
Design-in service products	859,406	838,469	1,997,964	763,669	727,354	1,352,553
Others	80,000	153,992	388,427	80,000	98,747	184,388
Total	1,728,173	1,914,361	4,701,412	1,577,250	1,613,980	3,193,388

- Sales area of main products in the past two years (consolidated revenue)



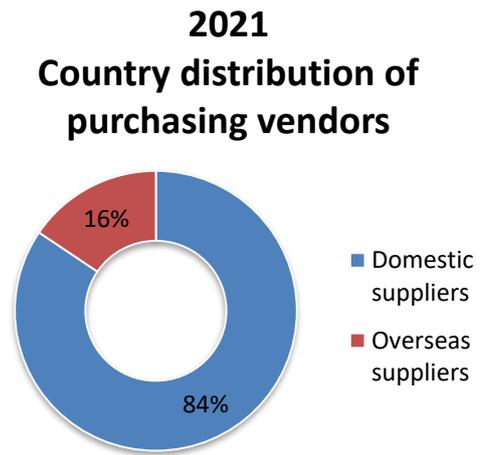
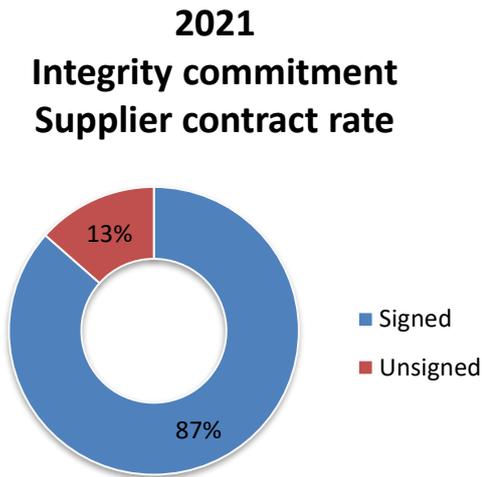
Market Share

Industrial computers have a variety of industrial characteristics. Axiomtek and its subsidiaries continue to launch new products and explore new markets. Adhering to innovative technologies, Axiomtek has become a world-class leader in the fields of smart transportation, smart medical care, retail, and factory automation. As there is currently no credible organization in China that has statistics on the market share of industrial computers, there is no market share of each company. However, the Group's main sales regions are Europe, America and Asia and other overseas markets, and export sales account for the proportion of overall revenue more than 80%. The Group will continue to cultivate its own technical capabilities, focus on specific vertical application markets, and combine the future development trends of wireless communications, artificial intelligence, Internet of Things, machine vision, deep learning, and smart mobile platform applications to build differentiated and innovative core competitiveness. To meet the emerging wave of AIoT, artificial intelligence and the Internet of Things, the Internet of Everything and smart data, the development of vertical industry intelligence and automation will be more prosperous and rapid. When related products are launched, Axiomtek will invest more software and hardware integration capabilities, collaborate with strategic partners, lead performance growth with value-added services, and provide a more diversified product portfolio. With the continuous expansion of the Group's business and promising growth potential in the future, it is expected that the Group will continue to enhance its market position in the field of industrial computers, and the overall operation and market share should grow steadily.

Supplier

The Company has formulated the "Ethical Corporate Management Best Practice Principles", which requires that the content of the contract signed with its agents, suppliers, customers, or other business partners should include compliance with the integrity management policy, and when the counterparty of the transaction is involved in dishonest conduct, the terms of the contract may be terminated or rescinded at any time.

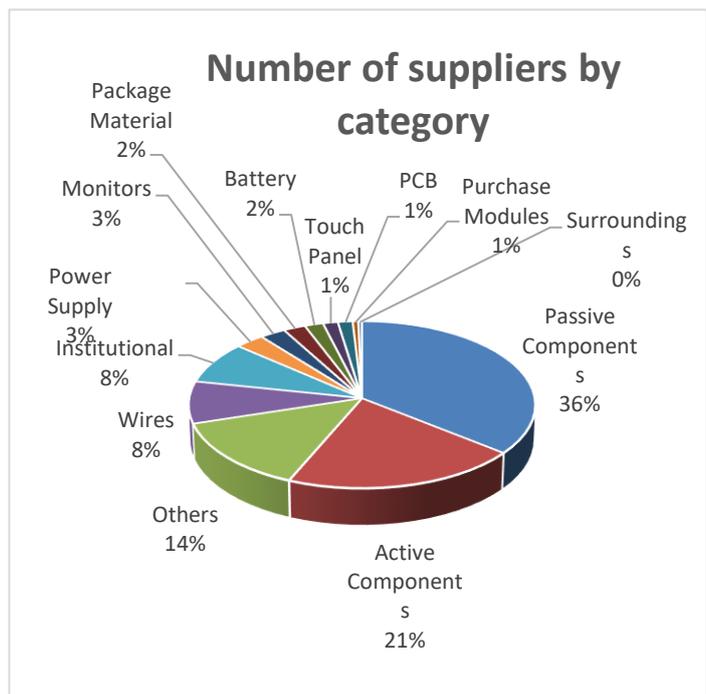
The Company works closely with its suppliers to work together to improve the situation of corporate social responsibility. Axiomtek is required to sign the "Axiomtek Integrity Commitment Letter" to establish a pure and honest long-term trading relationship with the main suppliers of the Company, and to jointly pursue the sustainable growth of the performance of both parties.



Among the Company's 606 raw material procurement suppliers, 521 copies of "Axiomtek Integrity Commitment" have been signed, with a signing rate of 87%. In 2021, the proportion of domestic procurement amount is as high as 84%, and the proportion of imported procurement amount is 16%, mostly from the United States and China.

Supply Chain Overview

The Company's procurement categories are roughly divided into chipsets, central processing units, printed circuit boards, liquid crystal panels, power supplies and industrial computer chassis. Over the years, the suppliers of the main raw materials of the Company's products have come from large domestic and foreign manufacturers with good quality reputation and maintained long-term stable cooperation relationship, so that the Company is not lacking in the production of



raw materials. In terms of supply chain selection, to achieve environmental protection goals, it is recommended that product units evaluate and reduce the use of EPE buffer materials and use all-paper packaging materials as much as possible.

The main raw material suppliers:

Chipset, Central processing unit	• Synnex 、 Arrow 、 Avnet 、 Weikeng 、 WT
Printed circuit board	• LONG HONG 、 Ellington 、 CIRCUITECH
LCD panel	• Kyocera 、 Promate
Power supply machine	• FSP
Industrial PC Chassis	• TZANG YANG 、 RONG FENG 、 ASIR
Connector	• SUPERCON 、 HELM
Capacitor	• Nichidenbo Corporation 、 SIMBON

Procurement Risk Management and Strategy

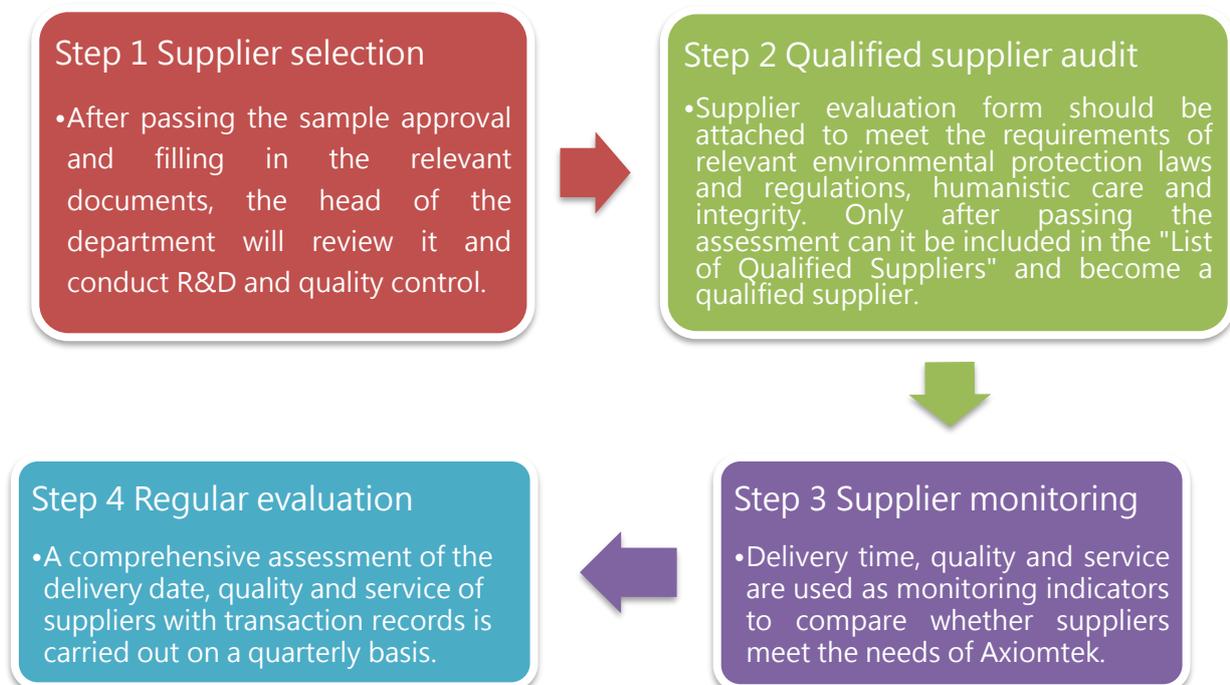
Material control is the key to the smooth operation of the Company. In the past two years, the supply of materials has not been smooth, which has seriously threatened the operation of the Company. Axiomtek's procurement strategy is as follows:

1. Establish Preferred Vendor List: strengthen the adhesion with main suppliers through centralized procurement strategy, achieve efficient cooperative management through convergence and concentration, and achieve high quality and stable delivery to reduce risks.
2. Raise the inventory level of key materials and schedule long-term delivery orders: Build a supplier information platform and announce industry news internally. This type is responsible for procurement and proposes procurement strategy suggestions, which can be implemented immediately after approval, and preemptive layout. Major customer projects require regular business communication and feedback, and regular meetings between procurement and suppliers, from production capacity to price reduction strategy review and follow-up.
3. Establish Risky Material Management platform: Geopolitics and the epidemic are tense, and the industry chain has potential risks. A second source needs to be established. Axiomtek accelerates the speed of information connection and evaluation and conducts census management of the origin of raw materials in specific regions to maintain stable quality and supply.
4. Continue to promote the eSCM platform: In the fourth quarter of 2018, the Eke eSCM platform was introduced. In 2019, the synergy began to be realized, and the information was transmitted quickly, which greatly reduced the time cost of property management, procurement and communication with suppliers and ensured the quality of communication.
5. Introduce new supplier risk assessment management: If the assessment is a high-risk supplier, the assessment team needs to go to the supplier to conduct an on-site audit and assessment to ensure that it is controllable before becoming a qualified supplier.

Supplier audit and evaluation

- Purchasing management process

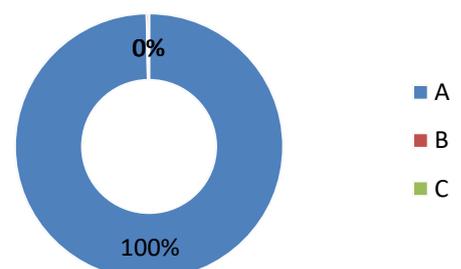
To enable raw material suppliers and Axiomtek to establish a close cooperative relationship and feedback system, improve product quality, supply materials needed for production in a timely, appropriate amount, and high-quality, so as to achieve stable quality and reduce costs. All cooperating suppliers must pass the evaluation standards established by Axiomtek's "Supplier Management Measures" to ensure that raw materials meet the requirements of laws and regulations and use supplier evaluation and regular evaluation mechanisms to manage the delivery status and quality of suppliers. In addition to the original operation management, environmental management, and hazardous substance management, the supplier evaluation project will also include evaluation indicators such as occupational safety and health management and corporate social responsibility management in 2021.



- Supplier Evaluation/Audit

Supplier evaluation is conducted once a quarter for quality, delivery and service, and the degree of follow-up contact with the supplier is determined according to the evaluation results. Regularly audit key parts suppliers. Every quarter, if the supplier is a customized supplier below grade B (inclusive) and above grade C, the relevant unit will formulate an audit list at the quality meeting based on the scoring situation. The Purchasing Department confirms the

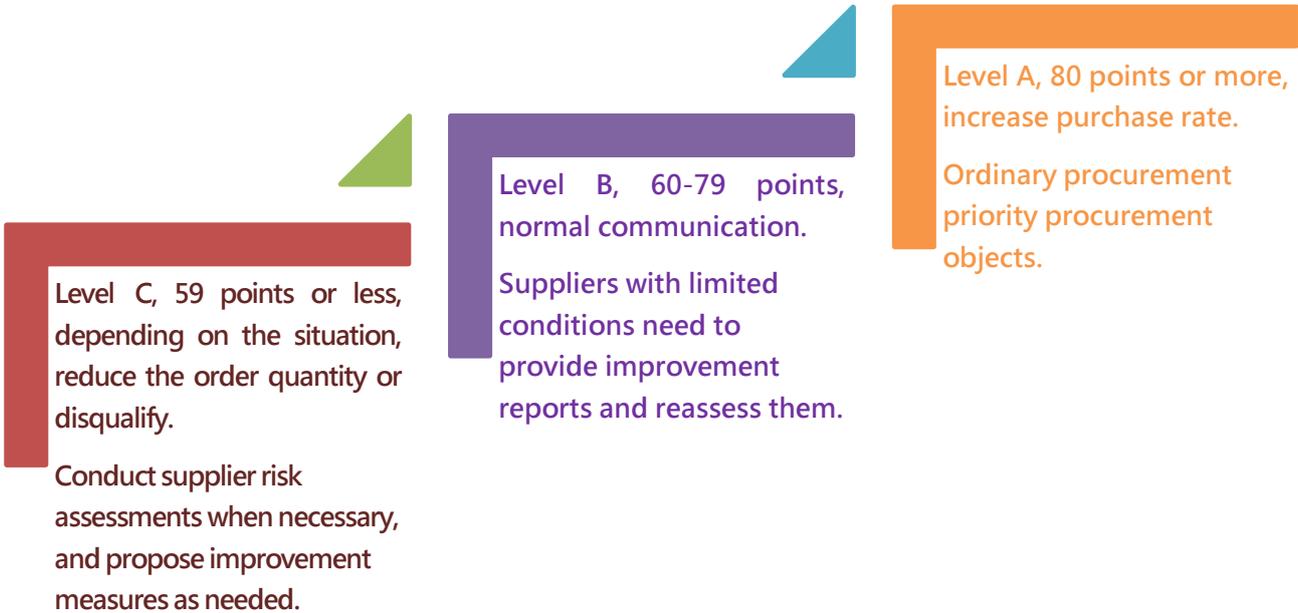
2021 Q4 SUPPLIER EVALUATION



audit schedule with the supplier according to the list, and cooperates with the QC, engineering, QA, and other departments to conduct on-site audit and re-evaluation of the supplier.

- Judgment and processing of evaluation grade

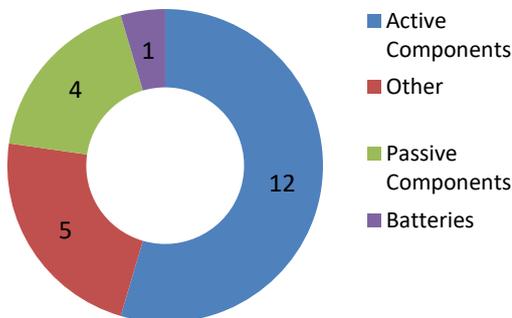
Axiomtek evaluated a total of 338 suppliers in the fourth quarter of 2021, 337 were rated as A-level suppliers, 1 was rated as B-level, and no supplier was rated as C.



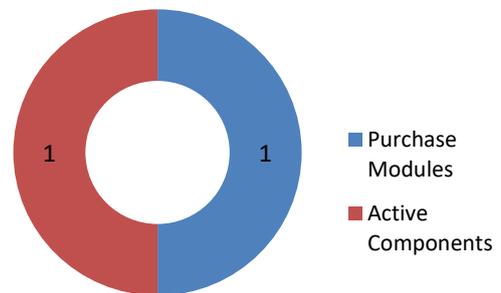
- Changes in the supply chain

There were no significant changes in the relationships with suppliers in 2021, with 22 new suppliers and 2 discontinued suppliers.

NUMBER OF NEW SUPPLY MERCHANTS IN 2021



NUMBER OF MERCHANTS DEACTIVATED IN 2021

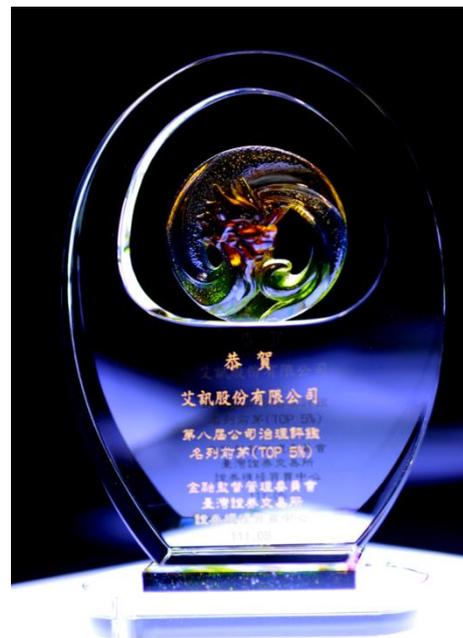


1.2 Corporate governance

The 8th (2021) of Corporate Governance valuation of Listed Companies (2021), jointly commissioned by the Taipei Exchange (TPEX) and the Taiwan Stock Exchange Corporation (TWSE), was conducted by the Securities & Futures Institute (SFI). On April 28, 2022, the top 5%, 6% - 20%, 21% - 35%, 36% - 50%, 51% - 65%, 66% - 80%, and 81% - 100% of the companies in each category were announced respectively. Among them, 36 companies were ranked in the top 5% of "The TPEX listed companies". Axiomtek, a leading global industrial computer company, has been ranked as one of the top "The TPEX listed companies" for six consecutive years, even though the number of rated companies is higher than before, which helps companies to compete and strengthen their corporate governance level, and spontaneously shape corporate governance into an organizational culture.

Axiomtek's operations are transparent and shareholder-oriented. All stakeholders can access the corporate governance structure, the organizational procedures of each functional committee and other important information related to the corporate governance structure in the Corporate Governance section of the Company's website.

Axiomtek's Board of Directors has authorized its Audit Committee, Remuneration Committee and Nominating Committee to assist the Board of Directors in carrying out its oversight responsibilities and to regularly review the policies, systems, standards and structures of performance evaluation and compensation of directors and managers. The Audit Committee and the Remuneration Committee are composed of all independent directors; the Nominating Committee is composed of three directors, a majority of whom are independent.



Active participation of directors in corporate governance in 2021

Board of Directors

- Actual attendance rate 100%

Audit Committee

- Actual attendance rate 100%

Remuneration Committee

- Actual attendance rate 100%

Nominating Committee

- Actual attendance rate 100%

Axiomtek's Corporate Governance Initiatives for 2021

- Protection of Shareholders' Rights and Equal Treatment of Shareholders
 1. The Company's Articles of Incorporation provide for the election of all directors (including independent directors) through a candidate nomination system. The Company records the results of shareholders' approval, disapproval, and abstention of each motion in the minutes of the meeting and enters the results into the Public Information Observation Post System on the date of the ordinary shareholders' meeting.
 2. The Company will upload the annual report in both English and Chinese before the 16th day of the ordinary shareholders' meeting, and upload the notice of meeting and the meeting manual in both English and Chinese before the 30th day.
 3. Cash dividends are distributed annually based on profitability and paid within 30 days after the ex-dividend date to protect shareholders' rights and interests.
 4. We have established the "Internal Material Information Handling Procedures" to prohibit insiders, such as directors or employees, from using information that is not available in the market to make profits and to prevent insiders from gaining improper profits for themselves.
 5. Amend the Code of Corporate Governance Practices to require that insiders be prohibited from trading in the Company's stock during the closed period of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial report, including, but not limited to, the date of receipt of the Company's financial report or related results.
- Strengthening the structure and operation of the Board of Directors
 1. The "Corporate Governance best practice principles" was approved by the Board of Directors and disclosed on the Company's website and the Market Observation Post System.
 2. The Nominating Committee is responsible for establishing and developing the organizational structure of the Board and its committees, and evaluating the performance of the Board, its committees, directors and senior management, and the independence of independent directors.
 3. The nomination and selection of board members are in accordance with the Company's Articles of Incorporation, using a candidate nomination system and complying with the "Rules Governing the Election of Directors" and the "Corporate Governance best practice principles" to ensure the diversity and independence of the board members.
 4. Axiomtek's 12th Board of Directors was fully re-elected and seven directors were elected, with Lin, Yih-Jong, Chang, Jen-Chih and Yu, Chwo-Ming elected as independent directors and members of the Audit Committee and Remuneration Committee, and members of the Nomination Committee were Yu, Chwo-Ming, Lin, Yih-Jong and Yang, Yu-Te.
 5. All of Axiomtek's independent directors will serve no more than three consecutive

terms.

6. In addition to the Remuneration Committee and the Audit Committee, Axiomtek voluntarily establishes a functional committee other than the statutory one, the Nominating Committee, with more than half of its members being independent directors, and a Head of Corporate Governance, whose main responsibilities are to conduct board and shareholder meetings, prepare minutes of board and shareholder meetings, assist directors in their appointment and continuing education, provide information necessary for directors to carry out their business, and other matters as set forth in the Articles of Incorporation or contract.
 7. The Board of Directors periodically evaluates the independence of the CPA on an annual basis and obtains a statement of independence from the CPA.
 8. We arrange annual communications between our independent directors and our internal auditors and accountants each year. The content of the communication will be disclosed on the company's website.
 9. The Company has established risk management policies and procedures approved by the Board of Directors, disclosed the scope of risk management, organizational structure, and its operation, and reported regularly to the Board of Directors each year.
 10. The Company has established an information security risk management framework, formulated information security policies and specific management plans, and reported to the Board of Directors on a regular basis each year.
 11. All directors of the Company (including independent directors) have completed their education in accordance with the hours specified in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies".
 12. The appointment, dismissal and appraisal of the Company's internal auditors are like those of management personnel. The appointment, dismissal and appraisal of internal auditors are first submitted to the Nomination Committee for consideration, and salary and compensation are submitted to the Remuneration Committee for approval, and then to the Board of Directors for approval before implementation.
 13. In order to enhance the performance of the Board of Directors, the Company appointed the Taiwan Corporate Governance Association to conduct an external performance evaluation of the Board of Directors in 2021, and the Association has issued a report on the performance evaluation of the Board of Directors on June 15, 2021, and will disclose the implementation status and evaluation results on the Company's website and annual report.
- Improving information transparency
 1. During the year, the Company was not penalized for breach of the "Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with TPEX Listed Securities" or the "Taipei Exchange Rules Governing Information Reporting by Companies with TPEX Listed Securities".
 2. The Company also publishes information in both English and Chinese, including

material information, notice of shareholders' meetings, handbook, and annual report.

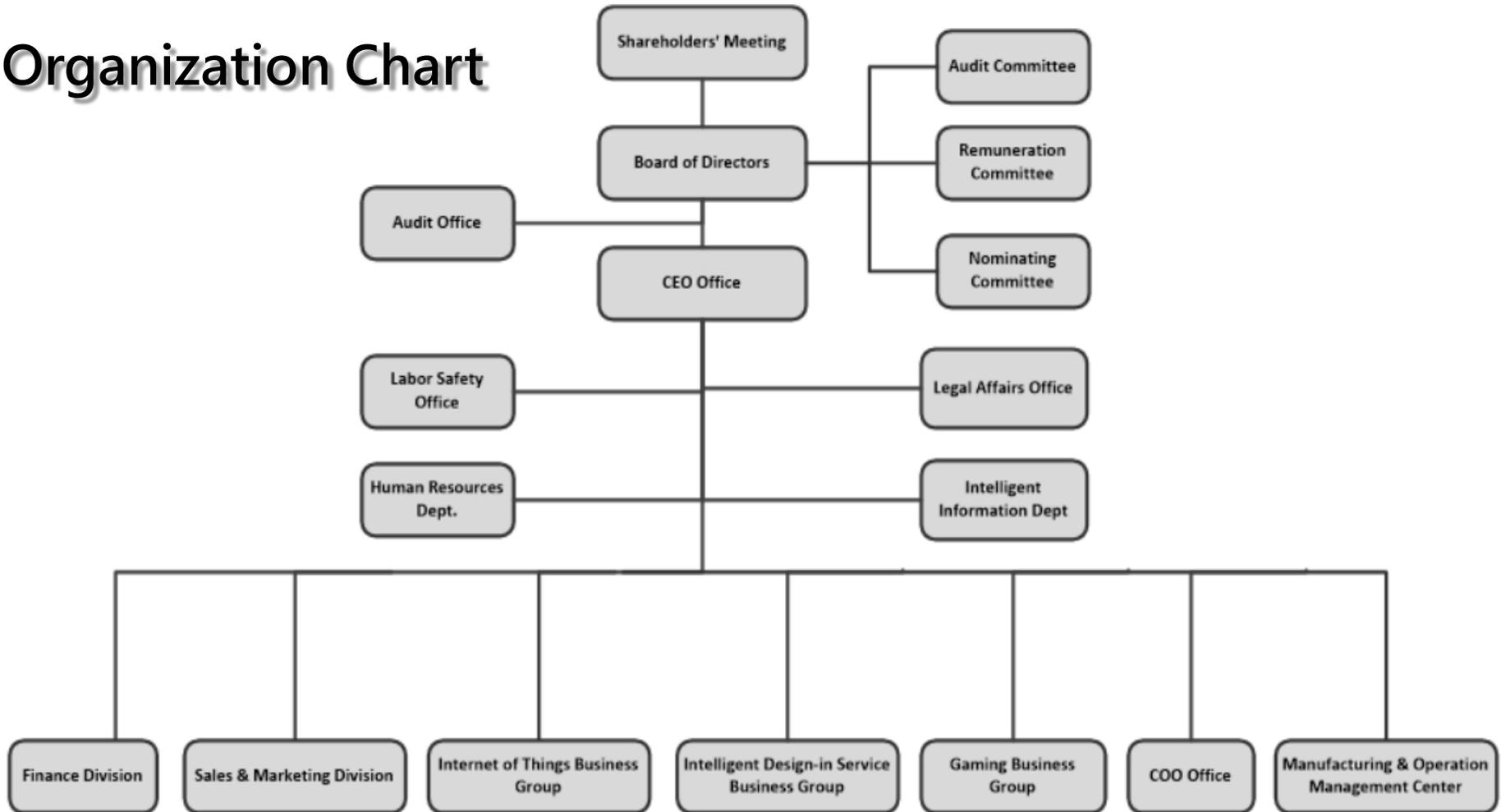
3. The Company publishes its annual financial report within 2 months after the end of the fiscal year.
4. The Company's financial report is approved by the Board of Directors or submitted to the Board of Directors 7 days prior to the announcement deadline, and the financial report is published within 1 day after the approval date or submission date.
5. The Company voluntarily discloses the individual remuneration of its directors in its annual report.
6. The Company's annual report has voluntarily disclosed the amount and nature of the audit and non-audit fees paid to the certified public accountants.
7. The Company has established a corporate website in English and Chinese, containing financial, business, and corporate governance information.
8. Axiomtek were invited to participate in two institutional investor conferences in 2021, with the first and second corporate meetings held more than three months apart.

- Implementing Corporate Social Responsibility

1. In February 2021, the Company established the Sustainable Development Committee, which is responsible for promoting all aspects of corporate sustainable management, including environmental sustainability, corporate social responsibility, corporate governance, integrity management and risk management, to popularize the concept of sustainable management, achieve full participation and implement effective implementation.
2. The Integrity Management Team of the Company's Sustainable Development Committee is responsible for the formulation and supervision of the implementation of the Integrity Management Policy and Prevention Plan, and reports to the Board of Directors on the implementation status once a year. °
3. The Company has completed the preparation and uploading of the perpetual reports on the Company's website and the Market Observation Post System (MOPS) by the end of June in accordance with the internationally accepted guidelines for the preparation of reports.
4. The Company requires its major suppliers to sign the "Axiomtek Integrity Pledge" to establish a pure and honest long-term trading relationship, pursue sustainable growth of both parties' performance, and jointly strive to enhance the situation of corporate social responsibility.
5. The Company has formulated a human rights protection policy and specific management plan with reference to international human rights treaties, which was disclosed on the Company's website and in its annual report.
6. The Company's website and annual report have disclosed the integrity management policy approved by the Board of Directors, which specifies the specific practices and programs to prevent dishonest practices.



Organization Chart



Management Team



Management Team

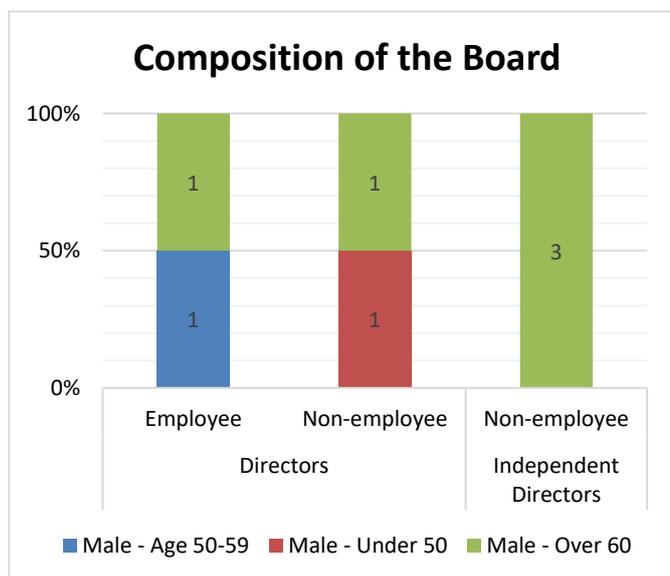
Department	Title	Name	Experiences(Education)	Responsibilities
CEO Office	President	Huang, Jui-Nan	Director, Axiomtek Co., Ltd. VP, Advantech Industry Automation Group Chairman of Cermate Technologies Inc. Master of Management Sciences, Tamkang University Bachelor of Computer Science & Information Engineering, National Taiwan University	Responsible for development of the Company's vision, operation strategies and policies.
CEO Office	Chief Strategy Officer	Yang, Yu-Te	Founder, President and Chief Strategy Officer of Axiomtek Co., Ltd. Manager of Automation System Unit, Advantech Co., Ltd. Bachelor of Electrical Engineering, Fu Jen University	Responsible for planning the Company's medium-and long-term development strategy.
COO Office	Vice President	David Chang	R&D Manager, Unitron Inc. EMBA Master of National Chengchi University Bachelor of Electronic Engineering, Chung Yuan Christian University	Coordinate the operation of the Company's quality assurance, quality engineering and computer information to ensure the effective implementation of all procedures.
Finance Division	Vice President Head of Accounting/ Finance Chief Corporate Governance	Jane Hsu	Vice President, Leadtek Research Inc. Manager, Deloitte & Touche EMBA Master of National Taiwan University Master of Accounting, National Chengchi University	Responsible for the Company's financial accounting, tax planning, stock affairs, investment and cash management and operation analysis.
Sales & Marketing Division	Vice President	Joanne Lin	Director, Foxconn (Far East) Ltd. Sales Director, Dell Taiwan Director, HP Services, Asia Pacific Region, Hewlett-Packard Co. Bachelor of Science, Industrial and Operational Engineering, University of Michigan	Responsible for planning and implementation of global market development and sales.
IOT Business Group	Vice President	William Wu	0.00 Deputy Director, R&D Division, Chaintech Technology Corporation Bachelor of Electronic and Computer Engineering, National Taiwan University of Science and Technology	Responsible for product planning and market development of Intelligent Automation, Network Computing Platform, and Intelligent Transportation solution products.
Manufacturing & Operation Management Center	Vice President	Henry Lin	Vice President, Hi-Top internal Co., Ltd. EMBA Master of National Chengchi University Bachelor's in Electronic Engineering, National	Responsible for the Company's procurement, manufacturing, testing and assembly, warehousing and logistics, sourcing for strategic products, and executing EMS and the global supply chain management.
IDS Business Group	Vice President	Chiven Fan	Sales Manager, eBizrise Technology Ltd. Sales Manager, Asiatek Inc. Associate's degree in Electrical Engineering, Jinwen University of Science and Technology	Responsible for product planning and market development of Intelligent Retail, Intelligent Medical, and Embedded Design-in Services products.
GAM Business Group	Vice President	Gary Tsao	Product Manager, Dynatrong Material Inc. Product Manager, Compal Electronics Inc. Project Manager, Simtec Holding Ltd. Master of China Studies, Tamkang University	Responsible for product planning and market development of Gaming System, and Electronic Gaming Machines products.

About the Board

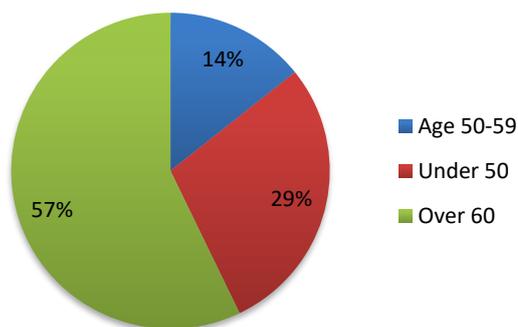
The Board of Directors currently consists of seven directors (including three independent directors) who are elected for a term of three years by shareholders from a list of director candidates under a candidate nomination system and are eligible for re-election. The Board of Directors shall be convened at least once a quarter. The Board of Directors shall state the reason for convening the meeting and notify the directors 7 days in advance but may be convened at any time in case of emergency. If a director has an interest in a meeting, he or she or the legal entity he or she represents shall state the important content of his or her interest at the current board meeting, and shall not join in the discussion or vote if it is harmful to the Company's interests, and shall recuse himself or herself from the discussion or vote, and shall not exercise his or her voting rights on behalf of other directors. Axiomtek's Board of Directors met 9 times in 2021 (A), with an average attendance rate of 100% of directors.



The Company conducts annual performance evaluation of its directors on a 5-point scale from 1 (very poor) to 5 (excellent), with an average score of 4.83 in 2021, which is excellent, indicating that the overall operation of the Company's Board of Directors and functional committees is still sound and in line with the spirit of corporate governance. The Board of Directors consists of 7 directors (including 3 independent directors), 100% of whom are men. The future composition of the Board of Directors will take into consideration diversity and will formulate appropriate diversity guidelines with respect to the Company's



Age Distribution of Board Members



operations, business model and development needs. A diverse board of directors with a variety of perspectives and insights will enhance the quality of decision making and benefit the Company's shareholders and other stakeholders.

Five levels of ratings are used, 1: very poor (strongly disagree), 2: poor (disagree), 3: moderate (average), 4: good (agree), 5: very good (very good).



In March 2021, the Company appointed the Taiwan Corporate Governance Association (TCGA) to conduct a performance evaluation of the board of directors. The assessment was completed through an open-ended questionnaire, and the evaluation committee of the TCGA and the commissioner jointly conducted a video book review and a video interview to evaluate the performance of the board of directors:



社團法人中華公司治理協會

董事會績效評估證明

茲證明

艾訊股份有限公司

委託本協會執行外部董事會績效評估服務專案

本協會委派三位評估專家

審閱公司自民國 109 年 5 月 1 日至 110 年 4 月 30 日期間相關文件

110 年 6 月 3 日與公司進行視訊訪評

110 年 6 月 15 日出具董事會績效評估報告

綜整本協會對公司董事會之總評與建議事項

特此證明



理事長

陳清祥

依照分層負責規定
授權單位主管決行

中 華 民 國 110 年 6 月 15 日

● Board Members and Key Academic Experience

Position	Name	Gender	Experiences
Chairman Nominating Member	Yang, Yu-Te	Male	Founder, President and Chief Strategy Officer of Axiomtek Co., Ltd. Possesses the work experience required for business and corporate business and being good at leadership, business judgment, business management, crisis management and have industry knowledge and international market outlook.
Director	Advantech Co., Ltd. Representative Liu, Wei-Ting	Male	Investment Representative of Advantech Co., Ltd. Possesses the work experience required for business and corporate business and being good at leadership, business judgment, business management, crisis management and have industry knowledge and international market outlook.
Director	Tsai, Shih-Yang	Male	Had once worked as VP of Advantech Industry Automation Group. Possesses the work experience required for business and corporate business and being good at leadership, business judgment, business management, crisis management and have industry knowledge and international market outlook.
Director	Huang, Jui-Nan	Male	Had once worked as VP of Advantech Industry Automation Group. Possesses the work experience required for business and corporate business and being good at leadership, business judgment, business management, crisis management and have industry knowledge and international market outlook.
Independent Director Audit Committee Remuneration Committee Meeting Convenor Convenor of the Nomination Committee Meeting	Lin, Yih-Jong	Male	Chairman of Vossic Technology Co., Ltd. and had once worked as President/COO of Advantech Automation Group. Possesses the work experience required for business and corporate business and being good at leadership, business judgment, business management, crisis management and have industry knowledge and international market outlook.
Independent Director Remuneration Committee Convener of the Audit Committee Meeting	Chang, Jen-Chih	Male	Master of Accounting, National Chengchi University. Passed the national examination and obtained the accountant certificate. Certified Public Accountant of Hot Tai Accounting Firm. Possesses the work experience required for business finance, accounting and corporate business and being good at leadership, accounting and financial analysis, crisis management and have industry knowledge and international market outlook.
Independent Director Remuneration Committee Audit Committee Convenor of the Nomination Committee Meeting	Yu, Chwo-Ming	Male	Professor of Department of Business Administration, National Chengchi University. and had once service as Independent Director of Advantech Co., Ltd. and Yuanta Financial Holdings. Possesses the work experience required for business and corporate business and being good at leadership, business judgment, business management, crisis management and have industry knowledge and international market outlook.

● Summary of Communication between Independent Directors and Head of Internal Audit and Accountants

Participant	Date	Attendee	Key Points	Implementation Results
Head of Internal Auditor	2021.02.25 Audit Committee	Independent Directors: Chang, Jen-Chih, Lin, Yih-Jong, Shon, Zheng-Yi Auditor: Wen Lan PwC Taiwan: CPA Feng, Ming-Chuan, Assistant Vice President Ivy Kuo, Manager Raby Cheng	<ol style="list-style-type: none"> 1. Report on the audit situation in the fourth quarter of 2020 2. The results of each unit's internal control system implementation and self-inspection, the effectiveness of the internal control system and the statement of internal control system for the year 2022, etc. 	Any deficiencies have been improved immediately. The Board of Directors approved to submit to the Board of Directors.
	2021.04.29 Audit Committee	Independent Directors: Chang, Jen-Chih, Lin, Yih-Jong, Shon, Zheng-Yi Auditor: Wen Lan	<ol style="list-style-type: none"> 1. Audit Status Report for the First Quarter of 2021. 	Any deficiencies have been improved immediately. The Board of Directors approved to submit to the Board of Directors.
	2021.07.29 Audit Committee	Independent Directors: Chang, Jen-Chih, Lin, Yih-Jong, Yu, Chwo-Ming Auditor: Wen Lan PwC Taiwan: CPA Feng, Ming-Chuan, Assistant Vice President Ivy Kuo, Manager Raby Cheng	<ol style="list-style-type: none"> 1. Audit Status Report for the Second Quarter of 2021. 	Any deficiencies have been improved immediately. The Board of Directors approved to submit to the Board of Directors.
	2021.10.28 Audit Committee	Independent Directors: Chang, Jen-Chih, Lin, Yih-Jong, Yu, Chwo-Ming Auditor: Wen Lan	<ol style="list-style-type: none"> 1. The audit status report for the third quarter of 2021. 2. The audit plan for the year 2022 is presented for discussion. 	Any deficiencies have been improved immediately. The Board of Directors approved to submit to the Board of Directors.
	2021.02.09 2021.03.09 2021.04.16 2021.05.17 2021.06.04 2021.07.15 2021.08.13 2021.09.11 2021.10.04 2021.11.04 2021.12.09 2022.01.14	Before the end of each month, the confirmed audit report of the previous month will be sent to the mailboxes of the Independent Directors	<p>January 2021 Audit and Audit Trail Report.</p> <p>February 2021 Audit and Audit Trail Report.</p> <p>March 2021 Audit and Audit Trail Report.</p> <p>April 2021 Audit and Audit Trail Report.</p> <p>May 2021 Audit and Audit Trail Report.</p> <p>June 2021 Audit and Audit Trail Report.</p>	In accordance with the audit plan for fiscal year 2021 approved on October 29, 2020, we will conduct monthly audits and send the audit results and follow-up reports to each independent director's mailbox by the end of each

Participant	Date	Attendee	Key Points	Implementation Results
	Internal Audit Reports		<p>July 2021 Audit and Audit Trail Report.</p> <p>August 2021 Audit and Audit Trail Report.</p> <p>September 2021 Audit and Audit Trail Report.</p> <p>October 2021 Audit and Audit Trail Report.</p> <p>November 2021 Audit and Audit Trail Report.</p> <p>December 2021 Audit and Audit Trail Report.</p>	month and obtain a reply letter from each independent director.
Certified Public Accountant	2021.02.25 Audit Committee	Independent Directors: Chang, Jen-Chih, Lin, Yih-Jong, Shon, Zheng-Yi Auditor: Wen Lan PwC Taiwan: CPA Feng, Ming-Chuan, Assistant Vice President Ivy Kuo, Manager Raby Cheng	<ol style="list-style-type: none"> 1. The audit results of R.O.C. 2020 individual and consolidated financial statements are explained and communicated. 2. A comprehensive report on the latest tax strategies: an assessment of recent accounting, auditing, securities, tax, stock and labor law updates and their impact on companies and their responses. 3. The accountant addressed the questions raised by the audit committee. 	The accountant shall explain the results of the audit and discuss them with the three independent directors and submit them to the board of directors for discussion after consideration and approval.
	2021.07.29 Audit Committee	Independent Directors: Chang, Jen-Chih, Lin, Yih-Jong, Shon, Zheng-Yi Auditor: Wen Lan PwC Taiwan: CPA Feng, Ming-Chuan, Assistant Vice President Ivy Kuo, Manager Raby Cheng	<ol style="list-style-type: none"> 1. Review results of the consolidated financial statements for the second quarter of 2021 and audit plan for 2021 were explained and communicated. 2. A comprehensive report on the latest tax strategies: an assessment of the recent accounting, auditing, securities, tax, stock and labor law updates and their impact on companies. 3. The accountant addressed the questions raised by the Audit Committee. 	The accountant shall explain the results of the audit and discuss them with the three independent directors and submit them to the board of directors for discussion after consideration and approval.

Remuneration Committee

Axiomtek established the Remuneration Committee on August 29, 2011. The Remuneration Committee is composed of three independent directors and the current committee meeting is convened by Independent Director Lin, Yih-Jong. The members of the committee shall exercise good stewardship and faithfully perform the following duties and responsibilities and be accountable to the Board of Directors, and submit their recommendations to the Board of Directors for discussion:

- Regularly review the performance evaluation and compensation policies, systems, standards and structures for directors, managers, and auditors.
 - Regularly evaluate and set the salary and compensation of directors, managers, and auditors.
- The term of office of the members is from July 5, 2021, to July 4, 2024, and the Remuneration Committee met six times in FY 2021 with 100% actual attendance of members.

Audit Committee

Axiomtek established the Audit Committee on June 3, 2015. The Audit Committee is composed of all independent directors, with no less than three members, and at least one of them should have accounting or financial expertise. The purpose of the Audit Committee is to assist the Board of Directors in carrying out its supervisory duties and powers and functions under the Securities and Exchange Act, the Company Act and other relevant laws and regulations.

The term of office of the current members is from July 5, 2021, to July 4, 2024, and the Audit Committee held six meetings, and the actual attendance rate of members was 100%..

Nomination Committee

Axiomtek established the Nomination Committee on October 26, 2016, to improve the functions of the Board of Directors and to strengthen the management mechanism of the Company. The Nomination Committee is composed of at least three directors elected by the Board of Directors, of which most of the independent directors should participate. The Nomination Committee is chaired by Lin, Yih-Jong, an independent director, and the membership and expertise of the Nomination Committee are listed as follows, with all three members possessing the necessary expertise to perform the duties of the Committee:

Name	Identity	Expertise
Yu, Chwo-Ming	Independent Directors	Business management, industry knowledge, leadership decisions
Lin, Yih-Jong	Independent Directors	Accounting and finance, operational judgment, and leadership decisions
Yang, Yu-Te	Directors	Business management, industry knowledge, leadership decisions

The committee is authorized by the Board of Directors to perform the following functions and powers, and submit the recommendations to the Board of Directors for discussion:

- Develop a standard of diversified background and independence for the knowledge, skills, experience, and gender required by Board members and senior managers, and seek, review, and nominate candidates for Directors and senior managers.

- Build and develop the organizational structure of the Board of Directors and committees, conduct performance evaluations of the Board of Directors, committees, Directors, and senior managers, and assess the independence of Independent Directors.
- Establish and regularly review the Director's progress plan and the succession plan for Directors and senior managers.
- Formulate the Company's Corporate Governance code of practice.

The term of office of the current members is from July 13, 2021 ,to July 4, 2024. The Nominating Committee held four meetings, and the actual attendance rate of members was 100%.

Internal audit organization and its implementation

- Internal Audit Organization
 1. The internal audit unit is separate and independent, directly under the Board of Directors, and reports directly to the Board of Directors and the Audit Committee
 2. The audit department is staffed with one to two full-time auditors, one of whom is the audit supervisor. The appointment and removal of the audit supervisor must be approved by the board of directors and the audit committee.
 3. The appointment, removal, evaluation, and salary compensation of internal auditors are approved by the Nomination Committee and the Remuneration Committee and discussed by the Board of Directors before implementation.

- Implementation

Purpose : To execute the audit plan approved by the Board of Directors, to assist the Audit Committee, the Board of Directors, and the Manager in inspecting and reviewing the implementation of the internal control system, and to provide timely suggestions for improvement to ensure the continuous and effective implementation of the internal control system and to promote the sound operation of the Company.

Internal Auditing : In 2021, 25 audit reports were submitted and 7 improvement recommendations were made, and all units were notified to take appropriate improvement measures in accordance with the recommendations. All recommendations have been closed.

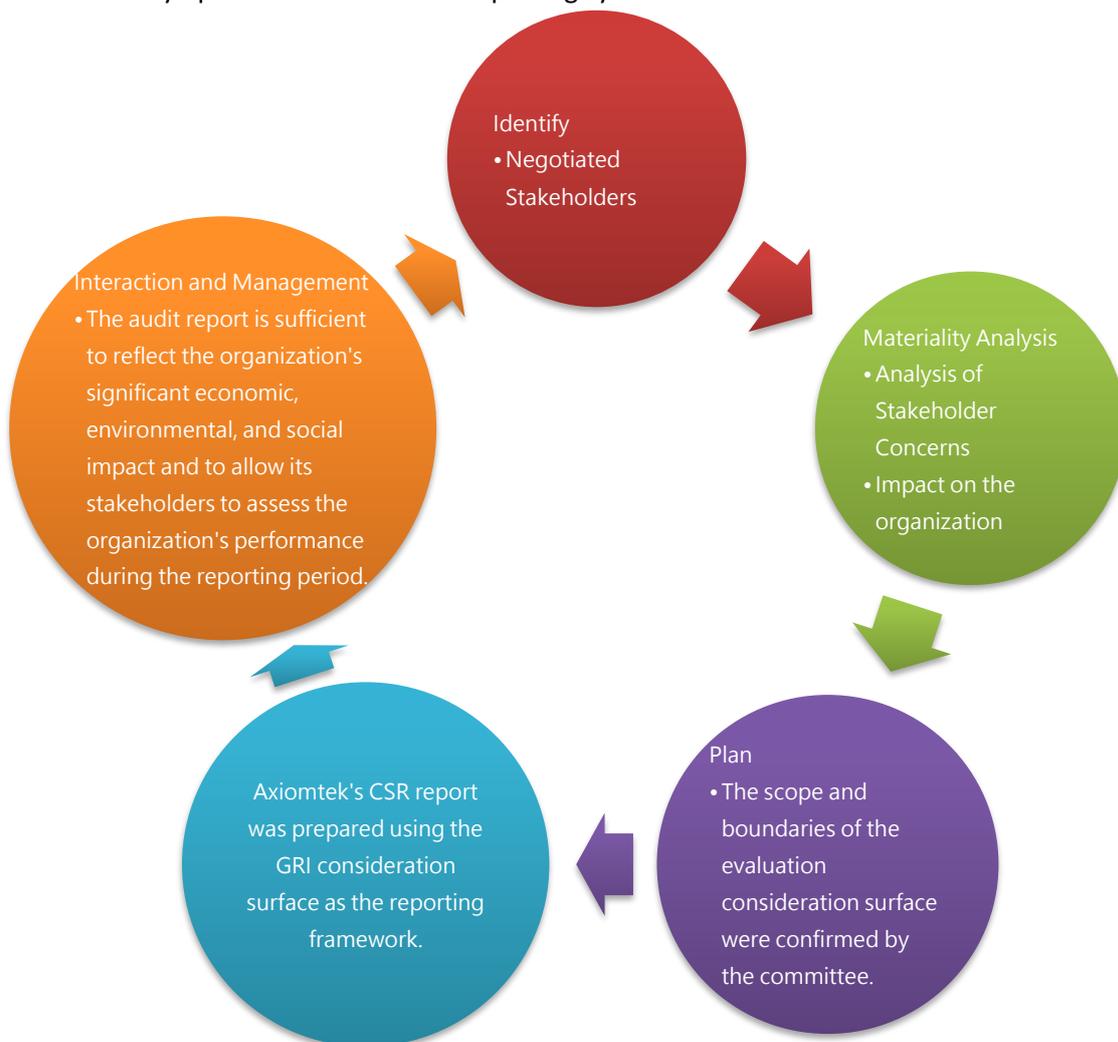
Internal Control Self-Assessment : At least one internal control self-inspection is conducted annually, and the self-inspection report of each unit is reviewed by the internal audit unit as the main basis for the Board of Directors to assess the effectiveness of the internal control system and to issue a statement of internal control system.

Part2 Stakeholder Communication and Response

To implement sustainable management and Axiomtek's vision and goals, Axiomtek has established a CSR team, jointly planned by the Human Resources Department and the Quality Assurance Department, to identify and manage issues of concern to stakeholders through the Plan-Do-Check-Act model, and to set up various task forces to meet from time to time to assist in CSR-related matters and review the effectiveness of their implementation at any time. In the process of operation, the feedback collected from different communication channels will be included in the report for in-depth explanation and reply. For stakeholder concern management, we have set the following objectives:

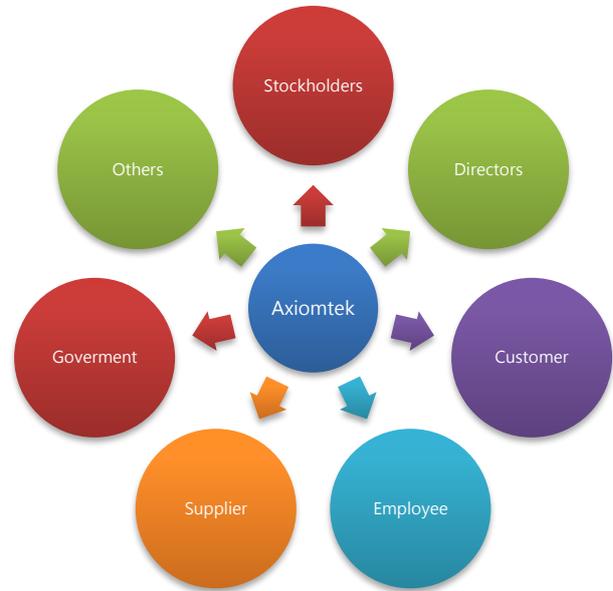
- Integrity and honesty: To make stakeholders understand the Company's integrity management policy and gain trust, and to maintain a good communication and response mechanism.
- Caring for employees and the disadvantaged: We are committed to improving Axiomtek's business performance, giving back to the community and building Axiomtek's reputation.
- Green Design Products: We develop green products with low power consumption and high performance to fulfill our responsibility as a global citizen, with environmental protection as our starting point.

Axiomtek identifies major themes and boundaries: Axiomtek's stakeholders are identified to understand the impact of Axiomtek on each other, analyze the major issues of concern to stakeholders, propose management strategies and reviews, and finally provide information through multiple channels to respond and identify operations for the next reporting cycle.



Identification of Stakeholders

According to Freeman, stakeholders are individuals or groups in an organization who influence or are influenced by the organization's goals. In short, they are people who have an interest in the Company. Axiomtek discusses and identifies the stakeholders through the operational activities and interactions among the staff of production, sales, human, development and finance departments to determine the stakeholder categories and targets.



Planning, Interaction and Management

Axiomtek communicates with its stakeholders by telephone, e-mail, and on-site visits, and has established a communication platform on its website. Through multiple communication channels, Axiomtek can obtain information from different categories or levels, and the information received from stakeholders is referred to the relevant responsible units for processing and providing feedback.

Figure: Significance analysis of Axiomtek's stakeholder concerns.



According to GRI's sustainability reporting guidelines, 33 issues are divided into economic, environmental, and social issues, and questionnaires are distributed according to the stakeholders contacted by each major operational function (the questionnaires are administered every two years

and will be re-distributed in 2021). A total of 451 valid questionnaires were collected in 2021, which was 59 more than the expected standard. The results of the analysis of the significance of the issues of concern to stakeholders were ranked, and a total of 14 issues of concern to stakeholders and one significant issue of the Company's own choice were identified. Based on the results of the analysis, Axiomtek also selected the major issues of concern to either internal or external stakeholders as the major topics to be addressed in the report. In addition, more than 30 colleagues from overseas subsidiaries were invited to express their opinions.

Materiality Analysis

All relevant units of Axiomtek set management policies based on the results of the analysis of major themes, and integrate them with the organization's management strategy, and set targets for each operation, and discuss and review them through the meetings of Axiomtek's CSR team. Stakeholders are actively encouraged to participate in the identification, understanding and response to sustainability issues and mutual concerns, and to report to stakeholders, explain their decisions, actions, and performance, and enable stakeholders to evaluate the organization's performance, so that management policies and performance measurement systems can be developed, and the results of the review can be used to inform the identification process for the next reporting cycle.

Table: Axiomtek Stakeholders' Key Concerns and Communication Channels

Stakeholders	Concerns (Considerations)	Communication Channels and Response Methods	Response Chapter
Shareholders/ Investors	Economic Performance	Shareholders' Meeting	Part1
	Wastewater and waste Environmental Compliance Supplier Environmental Assessment	Stakeholder Area on Company Website	Part6
Directors	Economic Performance	Board of Directors	Part1
	Economic Compliance	Stakeholder Area on Company Website Employee Feedback / Employee Hotline / Employee Education and Training Courses	Part5
Customers	Customer Health and Safety	Customer Satisfaction Survey	Part4
	Marketing and Labeling Customer Privacy Economic Compliance	Customer Business Review Meeting Interactive Seminars / Domestic and International Exhibitions Stakeholder Area on Company Website	Part5
Employees	Economic Performance	Internal Website and Email	Part1
	Labor/Management Relations Occupational Health and Safety	Employee Welfare Committee Employee Suggestion Box / Employee Hotline	Part5 Part6
Supplier	Anti-Corruption	Education and Training	Part1
	Occupational Health and Safety Forced and Compulsory Labor Customer Privacy	Stakeholder Area on Company Website Employee Feedback / Employee Hotline Customer Satisfaction Survey	Part4 Part5
Government	Environmental Compliance	Telephone and Email	Part4
	Health and Safety of Customers Economic Compliance	Correspondence Email	Part6
Others (banks, Neighborhoods, etc.)	Economic Performance	Phone and Email	Part1
	Anti-Corruption Labor/Management Relations	New Employee Training Employee Suggestion Box / Employee Hotline	Part5

Defining the Boundaries of Deliberation

Axiomtek evaluates the impact of each major issue of concern by convening a meeting to determine the internal and external impact of the issue, which is divided into internal and external boundaries, including Axiomtek and its subsidiaries, and external boundaries including customers and suppliers.

Table: Axiomtek corporate sustainability report consideration boundaries

Concerns	Assessment plane	Boundaries within the organization		Organize external boundaries	
		Axiomtek	Subsidiaries	Supplier	Clients
Economy	Economic Performance	●	●		
	Anti-corruption	●	●	●	
Environment	Environmental Compliance	●			
Social	Labor-employment relationship	●			
	Labor / Capital Relationship	●			
	Occupational Health and Safety	●		●	
	Training and Education	●			
	Employee Diversity and Equal Opportunity	●			
	Non-discrimination	●			
	Child labor	●			
	Forced and Compulsory Labor	●		●	
	Customer Health and Safety	●			●
	Marketing and Labeling	●			●
	Customer Privacy	●			●
	Social and economic regulations follow	●		●	●

● It indicates materiality and has been disclosed in this form

○ It indicates significant and to be disclosed in a few years.

Important risks, and countermeasures being or to be taken

The Board of Directors passed the "Risk Management Policy" on October 29, 2020, as the highest guiding principle of the Company's risk management. The risk management team regularly conducts the identification of risk factors every year to identify relevant risks that may affect the sustainable development of the Company and formulate risk management policies for each risk. It also covers management objectives, organizational structure, ownership of rights and responsibilities, and risk management procedures and other mechanisms and implements them to effectively identify, measure, and control various risks of the Company, and control major risks within an acceptable range.

The Company has established a risk management organization. The overall risk management policy is mainly to establish early warning networks by risk category and reporting systems. Adopt a structured approach in risk management and monitoring to be able to respond accordingly and effectively when the need arises. This will minimize risks.

The risk management organization structure is as follows :



Organization Name	Rights and Responsibilities
Board of Directors	Corporate risk management and policy setting. Supervise the direction of major risks and ensure risk management mechanism.
Audit Committee	To assist the Board in carrying out its risk management responsibilities and supervise the implementation of the risk management system, including the review of the Company's risk management policies and significant risk management systems.
Corporate Sustainability Committee	Assist the Audit Committee and the Board of Directors in carrying out their risk management responsibilities, mainly reviewing risk management reports, integrating, and coordinating common risk management issues among subsidiaries, and communicating and communicating important risk management issues.
Risk Management Team	Responsible for the monitoring and tracking of risk issues.
Management (including subsidiaries)	Review the risks involved in each of the Company's operating activities and ensure that the Company's risk management system is complete and effective in controlling the related risks.
Legal Department	Perform legal risk control and assist in assessing the legal risks involved in various businesses, legal documents, and contracts.
Each business unit (including subsidiaries)	Prior to the execution of each business, the risk management regulations are thoroughly reviewed to ensure that business execution and compliance with the risk management system are following the relevant regulations.

● Risk and management structure :

Major Issues	Risk items	Risk Assessment Items	Risk Management Responsible parties	Decision-making and Supervision
Environment	Environmental Protection and Ecological Conservation	Environmental Pollution Prevention	Labor Safety Office Chief Operating Officer's Office Executive Office	Audit office Risk-Management team Sustainability Committee Audit Committee Board of Directors
	Climatic changes	Disaster Prevention	Chief Operating Officer's Office Executive Office	
Social Responsibility	Social responsibility	Occupational safety	Labor Safety Office Executive Office	
		Product Safety	Product Units Supply Chain Operations Management Office	
Corporate Governance	Social Economy and Legal Compliance	Operational Risk	Legal Affairs Office Business Units Business and Marketing Division Supply Chain Operations Management Division Executive Office	
		Financial Risk	Finance Division	
		Information Security Risk	Information Department	
	Strengthen the functions of directors and implement the responsibilities of directors	Strengthen the structure and operation of the Board of Directors	Head of Corporate Governance Finance Division Executive Office	
	Stakeholder Communication	Stakeholder Communication	All business units	

● Risk impact response measures :

1. The effect of technological and industrial changes on financial status and operation of the Company, and countermeasures:

The new wave of industry growth is expected to be in 5G, high computing platforms, and artificial intelligence Internet of Things related applications.

Through our global distribution network and in-depth projects, we will gather information on customer needs and market trends to quickly provide products that meet our customers' specifications. In terms of financial operations, the Company will strengthen cash flow management and diversify operational risks in response to the characteristics of the industry.

2. Impact of corporate image change on corporate crisis management

Since its establishment, the Company has been actively strengthening its internal management and continuously enhancing its product quality management capabilities. To improve corporate governance and strengthen the related functions of the Board of Directors, the Company has established three independent directors in accordance with Article 14-2 of the Securities and Exchange Act, established a Compensation Committee in August 2011 to assist the Board of Directors in executing the compensation management function, established an Audit Committee in June 2015, and established a Nominating Committee in October 2016. The Audit Committee was established in June 2015 and the Nomination Committee was established in October 2016. In recent years, we have started to participate in the "Corporate Social Responsibility and Corporate Volunteers Promotion Assistance Program" to assist companies in fulfilling their corporate social

responsibility, integrating public welfare actions with corporate core values and corporate operations, promoting a culture of good corporate volunteerism, and making corporate volunteers an important resource for building a good civic environment, so that we can jointly contribute to caring for society and changing the world. As of the publication date of this Sustainability Report, there has been no significant change in the Company's corporate image, nor has there been any adverse report on the Company's corporate image in the market.

● Risks and Opportunities

The demand for industrial Internet of Things and Industry 4.0 continues to expand, and the future development of 5G, AI and edge computing is also an inevitable trend, which can foresee the rise of demand for smart factories, smart mobile devices, smart transportation, smart medical, renewable energy, retail, and smart city related industries. The overall market size will continue to grow. Axiomtek has formed alliances with strategic partners to create complete solutions and plan joint marketing campaigns to enhance brand awareness. We will continue to establish more technology locations, expand our marketing channels, and localize our services, and manage our local customers and projects to keep abreast of changes in market demand. Axiomtek's industrial computer business is characterized by high technical expertise and Domain Know-How in R&D, product and management, emphasis on integration and service experience, long learning period and difficult deployment, and long market development period, making it a competitive business with a high threshold.

Technological innovation is an essential factor in increasing product competitiveness and successfully achieving sales targets. The Company plans its technology development and business development plans through its annual ABP (Annual Business Plan) to achieve the goal of increasing product highlights.

The favorable and unfavorable factors of Axiomtek's development:

Favorable

- Excellent products with strong R&D capability.
- Successful industry strategic alliances.
- Strong and tight global sales network.
- High industry operating niche.

Unfavorable

- Vertical application market trends are becoming increasingly complex
- High proportion of foreign sales, exposed to higher risk of exchange rate fluctuations
- Market Information Dissemination

Countermeasures for unfavorable factors :

Unfavorable factors	Countermeasures
<p>Vertical Application Market Development Trend Increasing sophistication and complexity</p>	<p>We gather market demand and customer orientation, obtain future technical requirements and market strategies through customized projects, and develop intelligent system products by quickly responding to product technical capabilities and deepening Domain Know-How.</p>
<p>High proportion of foreign sales, facing a higher risk of Exchange rate fluctuation risk</p>	<p>Our finance department has a dedicated staff to collect information on exchange rate changes at any time and grasp the trend of exchange rate changes and ask our banks to provide foreign exchange information and advice in a timely manner to grasp the most suitable opportunity to buy, sell or convert foreign exchange. In addition, we will consider the impact of exchange rate changes when quoting prices to our customers to protect our reasonable profits.</p>
<p>Market Information Dissemination</p>	<p>The customers of industrial computers are scattered in various industries, and most of them enter the market through distributors or subsidiaries without directly facing the end consumers. In the future, we will actively establish more technical offices, expand marketing channels, and realize localized services, and do a good job of local customer management and project management, so as to grasp the changes in market demand in real time.</p>

Part3 Operation Overview

With the trend of AI artificial intelligence, edge computing, machine vision deep learning, Internet of Things, block chain and 5G innovative applications, digital upgrade and industry level vertical integration and diversification have become inevitable. The next generation of industrial transformation will bring about changes and growth in global business, enhancing production efficiency and value chains for vertical industries such as smart manufacturing, smart cities, retail, energy, and healthcare, accelerating social progress, improving the lives of groups, and leading enterprises to the next wave of growth momentum. We will continue to develop our edge computing platform, create ecosystem with our technology partners, integrate hardware and software technologies, and plan for sustainable business development.

The Group focuses on the integration of Artificial Intelligence and Internet of Things (AIoT) and Industry



4.0 related technologies and products, and continues to invest in factory automation, smart energy, transportation, medical and smart retail industries, providing complete product lines and professional customized services in targeted vertical markets. The Group places emphasis on sound organizational development, corporate sustainability mission and long-term talent cultivation, and will work with strategic partners to create alliances, integrate hardware and software to enhance the added value of products, and pursue long-term corporate development and sustainable operation. We will work with our strategic partners to create alliances, integrate hardware and software to enhance the added value of our products, and pursue long-term development and sustainable operation.

In terms of product research and development, in response to the development trend of edge computing and artificial intelligence of things, we plan medium and long-term strategic directions, including providing edge computing platforms for automation applications and developing machine vision solutions, combining core technologies such as image, sound and intelligent mobile platforms to provide a comprehensive AIoT (Artificial Intelligence of Things) platform. We will also continue to develop hardware platforms for network security applications and expand the IT and OT network security supply chain. We continue to develop hardware platforms for network security applications, expand our IT and OT network security supply chain, and invest in new technology development, software and hardware integration, and modular design. In view of the global economic environment, the market size of 5G, AI and IoT vertical applications is expected to continue to grow. The Group will continue to cultivate its technological capabilities, focus on specific vertical applications, combine the future development trends of wireless communications, artificial intelligence,

Internet of Things, machine vision, deep learning, and robotics applications, and build a differentiated and innovative core competitiveness.



We will welcome the emerging wave of AIoT, the Internet of Everything and Smart Data, and the development of vertical industry intelligence and automation will become more prosperous and rapid. As the Group launches its products, it will invest more in software and hardware integration capabilities to lead the

growth of its business with value-added services and provide a more diversified product portfolio.

Axiomtek has a solid body, a clear development direction, and a complete global layout and brand positioning. In the future, Axiomtek will continue to strengthen its localization and deep plowing operations, move its technical energy to the front line, establish a local technical service team to provide exclusive services with zero time difference, and cooperate with partners such as KA, DFSI and distribution channels to gradually lay the foundation for a global brand and sustainable operation.

Management Policy and Objectives

Axiomtek is committed to enhancing shareholders' value and has set up a clear development plan for the Group and holds monthly management meetings to review the performance of each unit and propose improvement plans for the planning and implementation of management systems, operational performance and project business evaluation.

● Sales and Marketing Strategy

1. Develop strategies and tactics for global Key Account, Domain-Focused SI and Channel Partner sales strategies to expand sales and assist customers in developing new markets.

Marketing Strategies

- Brand Development and Global Localization.
- Expanding sales scale to expand markets.
- Deepening the vertical application field.
- Cloud Service Platform Application and Digital Marketing.

Research and Development

- Embedded Boards and SoM Computer Modules.
- Edge Computing Platforms and High Computing Application Platforms.
- Network Security Application Platform.
- Gaming Industry Dedicated Computer Platform and Smart Retail.

2. Through our regional headquarters and subsidiaries, we are close to the mainland, U.S., Germany, U.K., and European markets to understand the needs of our customers in vertical applications.

3. We will continue to market our own brands worldwide, actively establish more sales and technical offices, expand our marketing channels, and realize localized services, and do a good job of local customer management and project management.
4. Use cloud service applications and platforms to effectively manage customer relationships and project progress with IT technology and integrate digital marketing models to improve customer experience.
5. Enhance the local R&D and design teams and high-end system assembly capabilities of our subsidiaries to realize localization and customization services for deep vertical applications.

● **Product Development Plan**

1. We continue to develop embedded computer boards to meet the needs of customers in a variety of applications. Our high-density and ultra-compact boards with high performance, miniaturized design, modularity, wide temperature, anti-vibration, fanless, and ultra-low power consumption are used in mobile communication-related fields.
2. We develop dedicated platforms for factory automation, smart transportation, smart energy, and medical industry applications with machine vision applications, 5G, artificial intelligence Internet of Things, and smart medical application markets; embedded computer systems and touch panel computers are designed with flexible modularity and industrial aesthetics, as well as waterproof, dustproof, and shockproof designs. Our industry-specific platforms have obtained professional certifications for automotive, rail traffic, and explosion-proof. The intelligent platform combines core technologies such as video, audio, and smart mobile devices, and integrates software architecture to provide comprehensive AIoT system integration services.
3. Network Security Application Platform: Targeting cloud application and network security market, developing remote monitoring technology IPMI, high-speed Ethernet module, and developing 5G communication, edge computing server and SDN application platform.

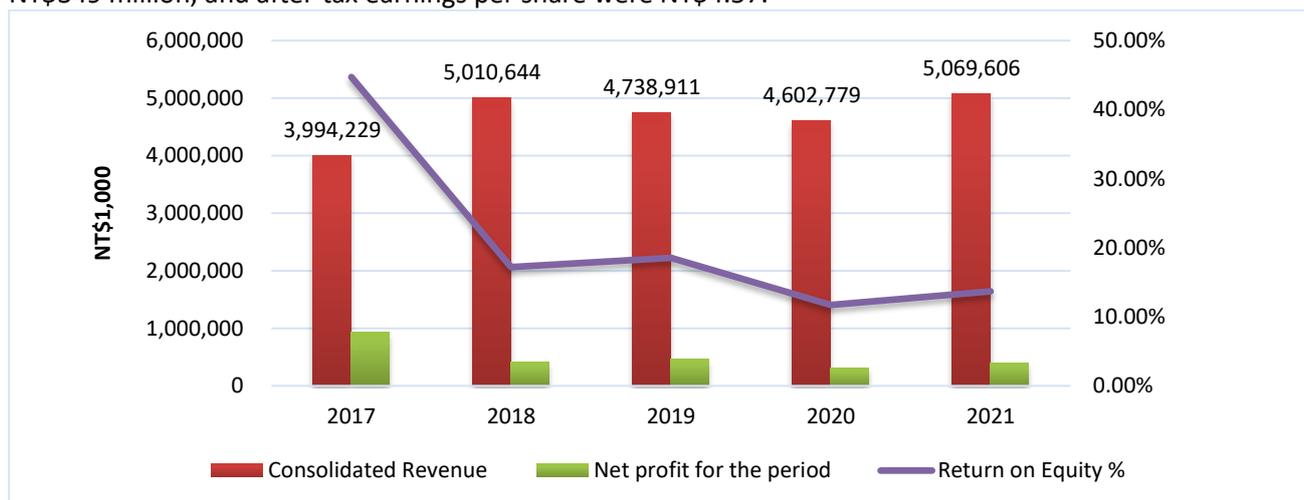


4. Specializing in developing Video Mixer technology and Player Tracking System platform for the gaming industry, we cultivate our own vertical industry expertise and integration capabilities to enhance the added value of our products. Develop highly integrated digital signage player and self-service Kiosk system, which is in line with Intel® OPS, OPS+, SDM open architecture and can be quickly introduced to the market.

Economic Performance

Critical theme management focus: economic performance	
Items	Descriptions
Issues Affecting Borders	Intra-Organizational (All Group)
Management System	To establish and operate a sound corporate governance organization with a head of corporate governance to protect the interests of shareholders and strengthen the functions of the Board of Directors, please refer to the section of the Board of Directors in the report for details.
2021 Goals	Continuously invest in industrial automation, transportation and smart city, smart medical, smart retail, etc. Vertical industries, the development of artificial intelligence Internet of things application platform.
2021 Implementation Effectiveness	Consolidated revenue reached NT\$5,070 million, an annual growth of 10.14%, and consolidated net income was NT\$391 million, with earnings per share after tax of NT\$4.57.
2022 Rollout Goals	Continuously develop edge computing platform and create ecosystem with technology partners. Integrating hardware and software technologies to plan for sustainable business development.
Medium and long-term development direction	Continued global localization and operation, combined with vertical application markets, to build a core competitiveness of differentiation and innovation, gradually laying the foundation of global brand and sustainable management.
Related Policies	Articles of Incorporation, Code of Corporate Governance Practices and Business Plan of Axiomtek Co.

Axiomtek's consolidated revenue for fiscal year 2021 reached NT\$5,070 million, consolidated net income for the period was NT\$391 million, consolidated total comprehensive income for the period was NT\$349 million, and after-tax earnings per share were NT\$4.57.



Unit: Thousand New Taiwan Dollars

Items	Items	2017	2018	2019	2020	2021
Financial Profile	Operating income	3,994,229	5,010,644	4,738,911	4,602,779	5,069,606
	Gross Profit	1,360,002	1,666,150	1,693,484	1,550,755	1,700,995
	Gross margin	34.05%	33.25%	35.74%	33.69%	33.55%
	Business Benefits	293,402	557,020	498,835	403,951	417,006
	Net income before tax	1,024,158	605,541	596,417	412,502	495,096
	Net profit for the period	928,914	406,924	460,455	306,598	390,915
	Net profit after tax	926,239	406,924	460,455	306,598	390,915
	Net interest margin after tax	23.19%	8.12%	9.72%	6.66%	7.71%
Operating Costs	Operating Costs and Expenses	3,700,827	4,453,624	4,240,040	4,198,807	4,652,637
Profitability	Earnings per share	11.71	5.12	5.76	3.73	4.57
Employee Salaries and Benefits	Employment Costs	888,543	943,638	999,067	1,006,579	1,139,226
	Employee Benefits	6,291	7,535	8,002	6,442	7,176
Dividend Payments	Cash dividends	5.53	3.75	3.98	2.57	3.05
Government Taxes	Business Income Tax	51,270	104,554	203,415	43,548	50,218
Payment of interest to lenders	Interest payment	2,625	3,379	4,744	4,436	4,231
R&D Expenses	R&D expenses	403,250	418,399	453,968	422,620	488,175
	% of operating revenue	10.10%	8.35%	9.58%	9.18%	9.63%

Surplus Distribution

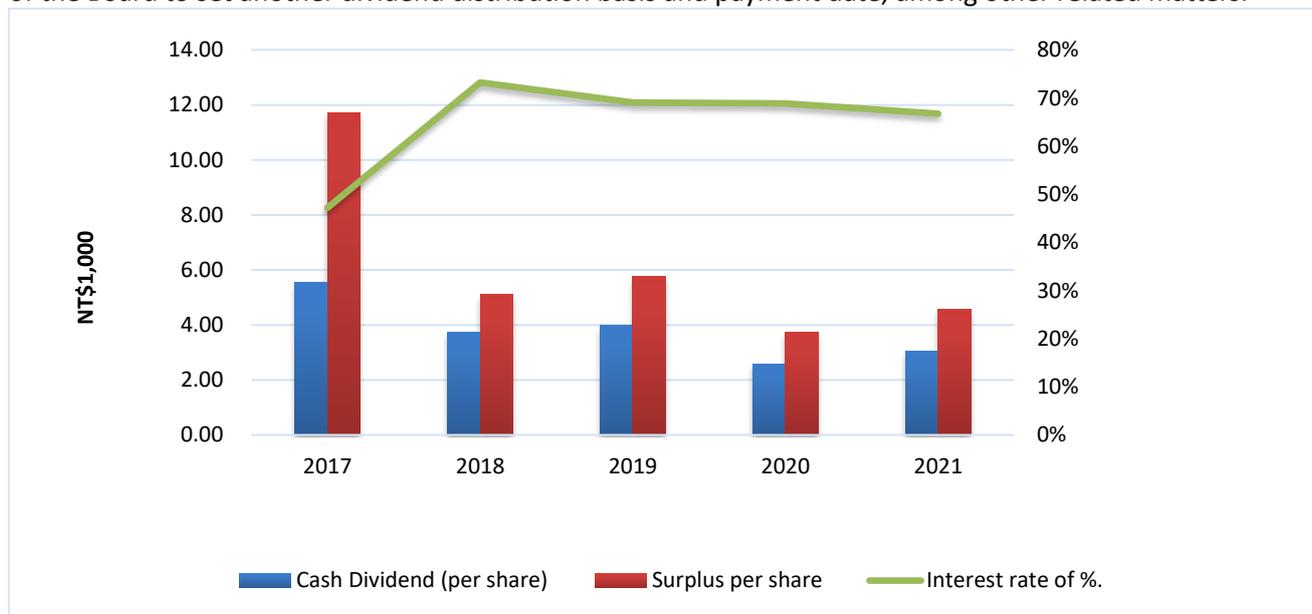
Since 2005, the Company's stock has been listed on the Over the Counter (OTC) of the Republic of China (ROC) and has maintained a stable financial structure and has been creating value for investors through the payment of dividends. Since 2005, the Company has been paying dividends to its shareholders every year.

In accordance with Article 27-1 of the Company's Articles of Incorporation, the Company shall first make up for the accumulated deficit (including the amount of adjustment of undistributed earnings) in the annual accounts if there is any net profit for the current period after tax, and set aside 10% of the legal reserve in accordance with the law; except when the accumulated legal reserve has reached the total paid-in capital of the Company. The Board of Directors shall prepare a proposal for the distribution of earnings and authorize the Board of Directors, with two-thirds or more of the directors present and most of the directors present, to distribute all or part of the dividends and bonuses in the form of cash and report the same to the

shareholders' meeting.

If the distribution of earnings is made by issuing new shares in accordance with the preceding paragraph, it shall be resolved by the shareholders' meeting in accordance with Article 240 of the Company Act.

The Company's dividend policy is to distribute dividends and bonuses to shareholders of not less than 25% of available earnings each year, considering current and future growth plans, the investment environment, capital requirements and domestic and international competition, as well as the interests of shareholders. The distribution of stock dividends will not exceed 80% of total dividends and bonuses. On February 25, 2022, the Company's Board of Directors, with two-thirds of the directors present and most of the directors present, approved a cash dividend distribution of \$3.05 per share for fiscal year 2021, which was reported to shareholders at a regular meeting in accordance with the law, and authorized the Chairman of the Board to set another dividend distribution basis and payment date, among other related matters.

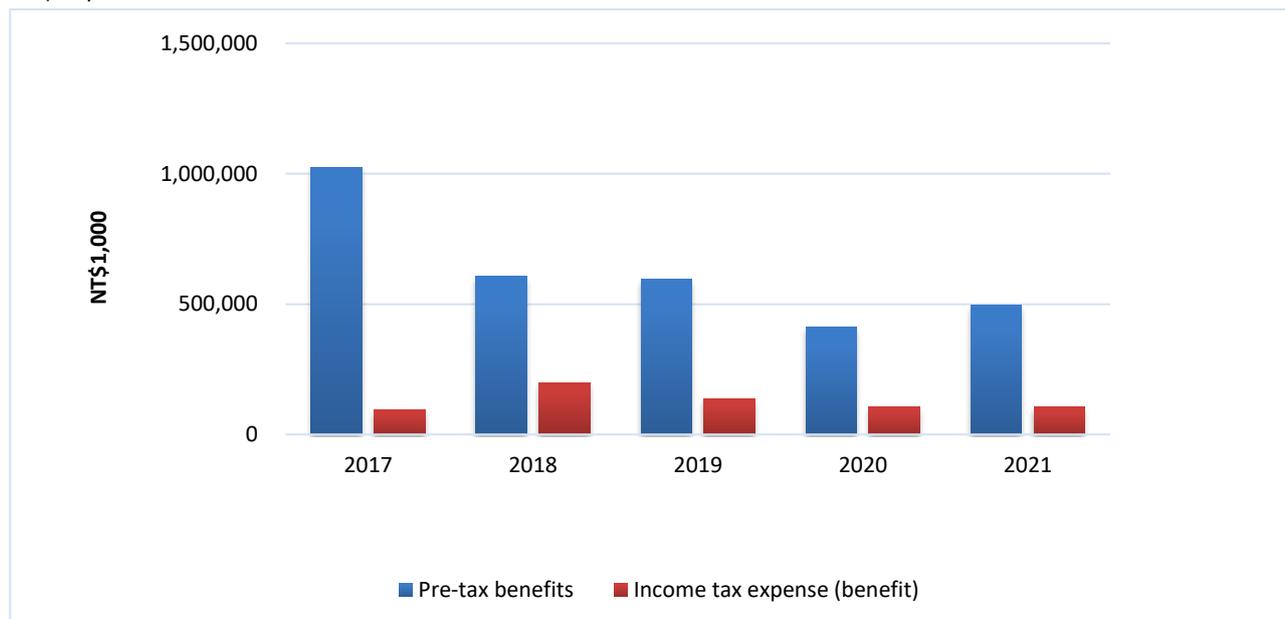


Tax Policy and Financial Assistance from the Government

Axiomtek supports tax policies that help companies innovate and promote economic growth, and is committed to information transparency and sustainable development and promises :

- All operations will be handled in accordance with relevant tax laws and regulations.
- Financial reporting information is transparent and tax disclosures are handled in accordance with relevant regulations and standards.
- No transactions for tax avoidance purposes.
- Build a respectful relationship with tax authorities based on mutual trust and information transparency.
- The Company considers the impact of rental taxes in making important decisions.

The Company's rental tax contribution to the government is mainly due to the payment of income tax on profit-making business, and the actual income tax paid by the Group in fiscal 2021 was approximately NT\$50,218 thousand.



In 2022, Axiomtek received a notice of income tax approval for 2020 profit-making business. The amount of investment tax credit approved by the Northern Taiwan Bureau of Internal Revenue; Ministry of Finance is NT\$980 thousand.

A subsidiary in Germany (AXGM) receives \$6,185 thousand in financial assistance from the government in 2021 under the local government's transition assistance program for the COVID-19 outbreak.

Financial Risk Assessment

The Group's activities expose it to a variety of financial risk: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The financial risk management policies of the Group focus on unpredictable factors in financial market and aim to reduce unfavorable impact on financial position and financial performance. Risk management is carried out by a finance department under policies approved by the Board of Directors. Group finance department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

Risk Categories	Management Strategy/Practices
Exchange rate risk	Natural hedging strategies are used to offset foreign currency receivables and payables. We have a dedicated staff to collect information on exchange rate changes and respond to them in a timely manner.
Interest Rate Risk	We have dedicated staff to collect information on interest rate changes and respond to them in a timely manner. We make financial planning adjustments based on interest rate trends to reduce the impact of interest rates on our operations.
Price risk	Set investment policy. Diversify investment targets and do not engage in high-risk investment operations.
Credit Risk	Establishing credit limit control measures.
Liquidity risk	Analyze and plan the funding of long-term liabilities that are not yet due. Maintain good dealings with financial institutions and develop capital pipeline to ensure that the source of funds is secure and reduce the risk of liquidity shortage.

Social and Economic Compliance

In order to guide the directors, managers and employees of Axiomtek to conduct themselves in accordance with Axiomtek's organizational values and ethical standards, and to enable the stakeholders of the Company to better understand the Company's ethical standards, I hereby establish the "Axiomtek Code of Ethical Conduct" in accordance with the "Model Code of Ethical Conduct for Listed Companies", and to ensure the implementation of the "Axiomtek Code of Ethical Conduct" and the "Code of Business Conduct with Integrity", as required to ensure the legitimate rights of whistleblowers and their counterparts, and to establish the "Code of Conduct for Reporting Unlawful and Unethical or Dishonest Conduct" for compliance. Axiomtek attaches great importance to the compliance of laws and regulations by the Company and all employees. We reaffirm internally every year the ethical rules of business ethics, corporate governance, and employee conduct, and abide by the laws and regulations of the place of operation based on the principle of operating with integrity. In addition to the procedures for the investigation and public handling of material information of listed companies, a material event is defined as a fine of NT\$100,000,000 or more for a single event, and if a material event occurs, a description of the event is disclosed in the relevant section of the report.

Axiomtek has always complied with the Act and, except for item (1) and as described below, none of the following events occurred during fiscal 2021 :

1. Significant monetary penalties or non-monetary sanctions for violation of laws and regulations.
2. The product or service violates consumer health and safety related laws or self-regulatory codes.
3. The product or service violates information or labeling laws and regulations or self-regulatory codes.
4. Marketing activities (including advertising, promotion, or sponsorship) that violate applicable laws and regulations or self-regulatory codes.
5. Violation of laws and regulations related to the provision or use of products or services that result in significant fines.

Management of major themes: social and economic regulations follow	
Items	Description
Issues Affecting Borders	Intra-Organizational (All Group)
Management System	<ol style="list-style-type: none"> 1. To enhance employees' awareness of legal compliance and ensure that the operations of each company location can comply with changes in domestic and international regulations and policies, and to reduce the risk of company operations due to violations of laws/regulations or changes in regulations. 2. Pay attention to the relevant laws and regulations of each location (including but not limited to import and export laws and regulations, labor laws and regulations, etc.) and conduct regulatory education according to business needs.
Goals	<p>Short-term: Continue to promote the concept of the rule of law, with the promotion of the company's integrity management procedures and behavioral guidelines.</p> <p>Medium and long term: To implement the concept of honest management and achieve compliance with all company regulations.</p>
Action Method	<p>Short-term: The Legal Affairs Office keeps an eye on the risks of various operational regulations both domestically and internationally and conducts education and training courses as needed.</p> <p>Medium and long term:</p> <ol style="list-style-type: none"> 1. Cooperate with the Audit Office and the Finance Department for internal audit and internal control risks and formulate or amend new internal management rules as needed. 2. Pay attention to the latest local laws and regulations and policy changes to reduce the company's operational risks at overseas and domestic sites and organize regulatory compliance education to each operational site as needed.
2021 Implementation Effectiveness	No major events occurred in FY2021.

Financial impact of climate change and other risks and opportunities

The risk of climate change is a significant risk for the Company and considering that it may have a significant financial impact on operations, the inventory and disclosure of climate change risk and opportunity management is intended to facilitate stakeholders to grasp climate change risk and opportunity and financial impact in a more systematic manner.

The Environmental Sustainability Group of the Sustainable Development Committee is responsible for the identification and management of climate change risks and opportunities, and regularly submits climate risk issues and environmental risk issues to the Risk Management Group of the Sustainable Development Committee in accordance with the Company's risk management system, and then the Risk Management Group evaluates and approves relevant mitigation and adaptation plans.



The following table illustrates the impact of each climate risk factor on the Company's strategy, operations and financial planning, as well as the related countermeasures :

Risk Categories	Risk profile	Risks & Opportunities	Financial Impact Statement
Transformation Risk	Regulations	Promulgation and implementation of sustainability-related regulations	The Company may need to increase the cost of renewable energy use or green power certificate subscription in response to the direction of the amendment to the Renewable Energy Development Ordinance.
		Carbon emission requirements for products sold in various countries	For all products, a clear carbon footprint must be calculated, and carbon rights must be purchased to facilitate the sale of products in compliance with national regulations.
	Technical	Increased cost of adopting carbon reduction technologies	With the advancement of low carbon transformation technology, the Company will accelerate the replacement of high carbon emission equipment to improve energy efficiency, resulting in higher operating costs.
		Support low carbon technology upgrading, innovation or investment	To help customers, reduce carbon emissions and provide them with carbon reduction or low carbon emission products, there are a lot of business opportunities that require cooperation with external partners and significant research and development costs. If we make investments in related technologies or industries, we may not be able to recover the profits or costs, resulting in financial impact.
		Existing products replaced by competitor low carbon alternatives	Competitors offering lower carbon products to replace existing products will likely result in a significant loss of revenue.
Clients	Change in demand	The Company's revenue is affected by	

Risk Categories	Risk profile	Risks & Opportunities	Financial Impact Statement
			customers switching to lower-carbon products due to legal regulations or the increased concept of voluntary sustainable management.
	Corporate Image	Customer Perception	Failure to comply with the relevant carbon emission requirements may affect customers' perception of the Company, which may tarnish the Company's corporate image and further affect the Company's revenue.
Entity Risk	Extreme Climate Risks	Typhoons and heavy rains increase in frequency and damage	The extreme weather causes interruptions in operations, work stoppages, power outages, flooding, etc., resulting in operational and financial losses, as well as failure to deliver goods on schedule, which affects business reputation.
		Average temperature increase	The increase in average temperature will increase the cost of electricity associated with air conditioning.
	Risk of atmospheric changes	Changing climate conditions	Climate change in various regions causes droughts, changes in rainy seasons, changes in average temperatures or high temperature days, resulting in shortages of agricultural, forestry, fishery and livestock products and water resources, affecting the prices of essential commodities, resulting in changes in human life patterns, and affecting the Company's products and business models.

The Company will complete the greenhouse gas inventory and the calculation and disclosure of related financial information in accordance with the "Sustainable Development Pathway for Listed Companies" published by the government.

Part4 Products and Services

Axiomtek Co., Ltd. is committed to developing and manufacturing a wide range of innovative, high-performance, and reliable industrial computer products, with the "Industry 4.0" integration framework as the cornerstone of its product development goals. In addition, Axiomtek has obtained ISO 9001, ISO 14001, ISO 13485 and other international quality management certifications to ensure the standard and quality of R&D, production, sales and service stages. We are also committed to the layout of core patents and related confidentiality and control. In addition to the green factory concept that has been introduced to enhance the green image of the industry, the product design itself also focuses on user safety, from the placement of the motherboard components to the external mechanical components, all of which are designed for ease of use, environmental protection, low carbon, and low power consumption. In addition to meeting regulatory requirements, it is also a total solution that combines cloud intelligence and edge computing. Axiomtek will gradually realize the vision of sustainable management and development.

To ensure that the products we provide to our customers comply with international regulations such as UL, CE, FCC, CCC, etc., and to reduce the health and safety impact during the product life cycle, Axiomtek conducts regular environmental, safety, and health regulations audits, and sets fair trade and anti-trust clauses in the Axiomtek Corporate Social Responsibility Code and Employee Code of Conduct.

In recent years, there have been no cases of violations of the regulations and standards related



to marketing communications and employee conduct, and the management guidelines for product and service information and labeling requirements are as follows:

Materiality Management Guidelines - Product and Service Information and Labeling Requirements	
Item	Product labeling abnormal events, Power Rating is important information for the product, printed on the anti-silver dragon sticker, must comply with the product specifications.
Issues Affecting Borders	Within the organization, customers.
Management System	Product design changes to the Power Rating, safety regulations must be recertified, and must be issued PCN to notify customers, otherwise no arbitrary changes.
2021 Goals	QA sends MAIL to the head office and factory to give examples and strengthen the promotion.
2021 Implementation Effectiveness	No relevant cases to raise again.
2022 Rollout Goals	After importing PLM (Product Life-cycle Management), PM can choose whether to trigger PCN (Product Change Notice) when filling out ECR Application Form to give change notice to its end customers.
Related Policies	Axiomtek is committed to honesty, integrity and business ethics, and has earned the trust of our customers.

In addition, under the spirit of ISO 9001, ISO 14001 and ISO 13485 quality control system, the Company implements pollution prevention and related environmental protection measures, complies with national environmental protection laws and regulations and relevant requirements and regulations of environmental protection organizations under the highest environmental policy of "environmental protection is unlimited and resources are sustainable", educates and promotes the concept of environmental protection to every employee, and communicates with raw material suppliers and collaborators We also communicate with our suppliers and partners to promote environmental protection and sustainable economy.

Axiomtek's innovative modular fanless embedded intelligent transportation system tBOX500-510-FL and industrial low-power fanless embedded computer system eBOX671-517-FL are developed based on this concept framework, providing a fanless system that not only can avoid noise, dust and related stability problems caused by fan operation, but also can operate in wide temperature The fanless system not only avoids the noise, dust and stability problems caused by fan operation, but also operates in a wide temperature environment. The built-in PoE power supply significantly reduces deployment costs and saves system installation space, in line with the principles of reliability, safety and economy.

The tBOX500-510-FL offers a robust embedded fanless system to meet the diverse needs of the intelligent transportation sector.

The eBOX671-517-FL provides high-performance embedded fanless system products to meet the needs of AIoT industrial IoT applications.



tBOX500-510-FL



eBOX671-517-FL

The new industrial-grade, low-power edge computing system eBOX100-312-FL and the fanless system of DSP511 for retail market advertising system are developed based on this concept. The slim and short body; flexible I/O expansion through monitoring software and network (LAN/WLAN/WWAN) to connect to the cloud database, this structure will greatly reduce labor costs and increase processing time, in line with the principles of reliability, security and economy. The eBOX100-312-FL offers a robust IP40 rated embedded fanless system product to meet the needs of factory automation.

In order to meet the needs of different retail areas, the demand for advertising has also increased, and Axiomtek provides a robust and high performance embedded 4-display advertising system to meet customer needs.



eBOX100-312-FL



DSP511

Axiomtek's main product lines are successfully applied in factory automation, smart rail transportation, smart energy, robotics, smart medical, gaming/games, point of sale intelligence system, interactive multimedia platform, retail vertical market, digital signage for network security and more industrial IoT related fields. Axiomtek's experienced R&D and manufacturing team develops a wide range of embedded and industrial computer products and modular design application computer platforms with advanced embedded technology. °



Pico-ITX



CAPA



PICMG 1.3 Full-size



COM Express



eBOX100-312-FL



eBOX560-512-FL



可擴充式無風扇嵌入式電腦



eBOX800-841-FL



AI 邊緣運算平台



直立可擴充式無風扇嵌入準系統



機械視覺化控制平台



資料擷取(DAQ)控制平台



物聯網閘道平台



智慧交通專用嵌入式電腦



智慧交通監控系統平台



可抽換式智慧交通監控系統



智慧交通監控系統平台



觸控式無風扇平板電腦



高效能可擴充式平板電腦



強固型車用平板電腦



不鏽鋼高防塵防水等級平板電腦



1U Network Appliance



2U Network Appliance



Fanless Slim-type NA



PoE LAN Module



OPS 數位電子看板播放器



數位電子看板專用播放器



數位看板播放系統



鋁軌式網路閘道器



機架式網路應用平台



Edge AI 人工智慧系統



機器視覺平台



Smart Display Module



Smart KIOSK Module



Interactive Touch Computer



桌上型網路應用平台

Axiomtek offers a complete solution for all industry needs:

Industry 4.0 Smart Factory

Industry 4.0 is a technological evolution from embedded systems to networks and physical systems. Embedded systems production technology and intelligent production are connected to a new technological era. Industry 4.0 represents a shift from centralized to decentralized products, meaning that machines will not only be able to execute simple commands, but also accept multiple commands. This will fundamentally change the industry's production value chain and business model, as well as assist in the implementation of smart factories to increase throughput and factory efficiency, while reducing the cost burden and complexity of physical inventory.

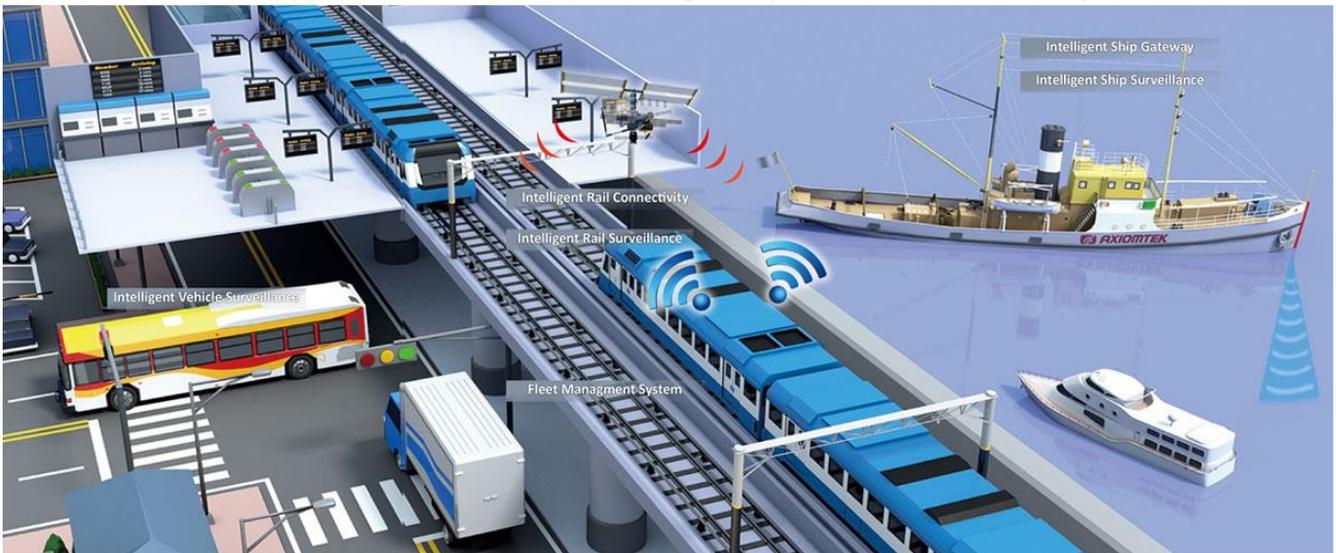


- **Intelligent Transportation**

Axiomtek provides excellent transportation solutions with low-power core processors for both performance and economy, as well as lead-free manufacturing processes (RoHS) to meet the green requirements of stringent manufacturing processes and high standards of quality control. With a complete network video surveillance system (NVR), wireless communication technology, smart gates, etc., we are able to improve overall resource allocation, traffic dispatch and infrastructure, while reducing traffic congestion and environmental impact, and improving transportation and energy efficiency to meet the important project objectives of safety and customer service quality for all types of rail, vehicle and marine transportation.

- **Intelligent Energy**

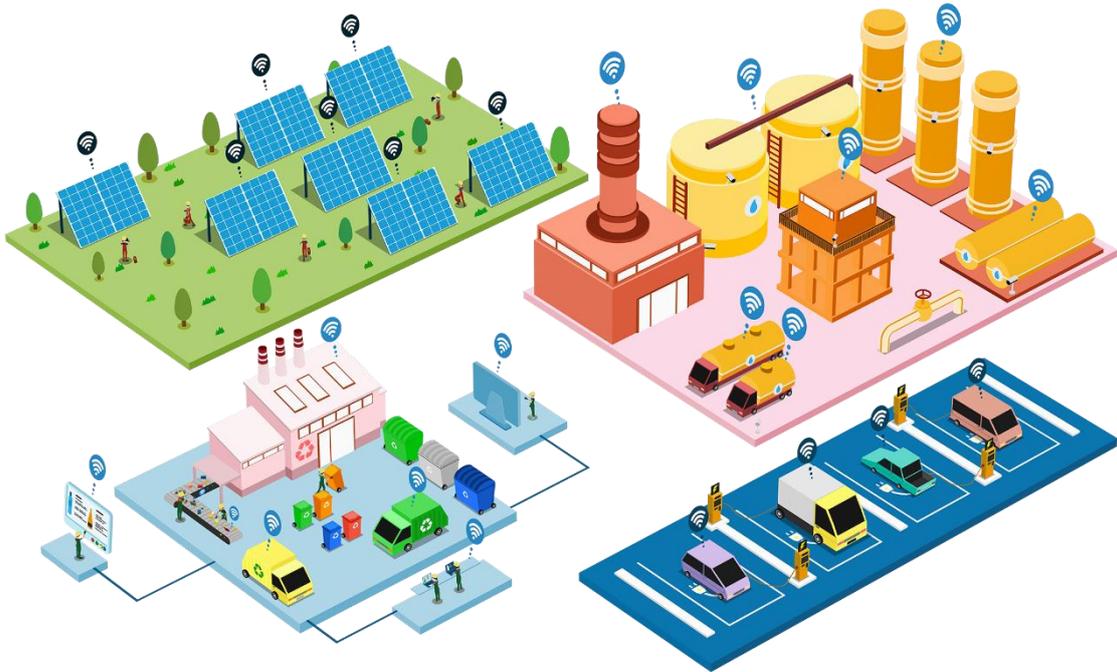
Axiomtek has a wide range of rugged embedded computer systems and Ethernet products that integrate control, communication, management and video functions for power generation, transmission, and distribution stages. Axiomtek's power and energy solutions help customers in the energy industry to upgrade, extend optimal uptime, reduce power outages, save operational and maintenance costs, and meet the needs of smart energy, road service, electric vehicle charging stations, and other applications, while fully meeting safety and environmental requirements.



- **Robotics Industry**

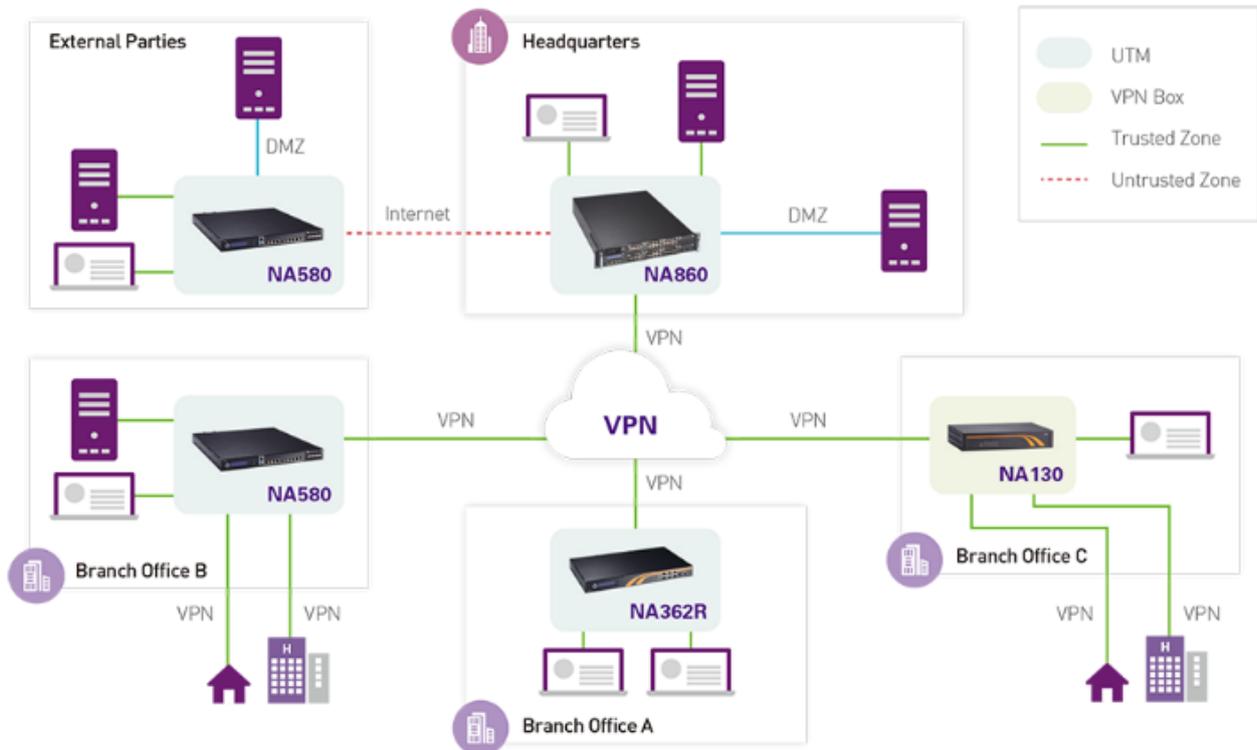
In response to current industry and future market trends, Axiomtek introduces the Autonomous Mobile Robot (AMR) system with real-time data collection, advanced prediction, and response capabilities. For fast processing and continuous action, the high-performance AI edge computing system with excellent computing performance, fanless, low power consumption, and rich input/output interface with cameras, various sensors, control panels, computer monitors, and other terminal devices helps customers create autonomous mobile robots for Industry 4.0 applications to address labor market shortages, increasing labor costs, etc. Problems.





● **Network Security Management**

With the advent of the 5G era and the growing Internet of Things (IoT), governments, enterprises, campuses, and even SOHOs are increasingly concerned with network security issues. Axiomtek offers a wide range of network security application platforms with high performance processors, flexible configurations, low power consumption, fanless or low noise, and cost-effective, which are undoubtedly the best solutions for network applications such as virtual private networks (VPNs), intrusion detection systems (IDSs), integrated threat management devices (UTMs), and network security entrance/exit ramp management.



- **AI Starter Kit**

The AI Starter Kit on Axiomtek's proprietary platform enables users to simultaneously take pictures, mark, train and draw inferences. The Intel® Edge Insights for Industrial-based AI Suite (AIS) allows users to train AI models for a wide range of applications through a user-friendly graphical interface (GUI) without entering any commands or code. The built-in OpenVINO™ acceleration technology maximizes the performance of CPU inference. The built-in OpenVINO™ acceleration technology maximizes the inference performance of the CPU.



- **Digital signage with remote device management system developed by Axiomtek**

Axiomtek has built a complete digital signage platform suitable for shopping malls, companies, educational institutions, hospitals, banks, transportation, restaurants, entertainment and other public and commercial places to effectively communicate business, announcements, news and information to provide uninterrupted services.

We offer a full range of digital signage systems from 2-display to 9-display..



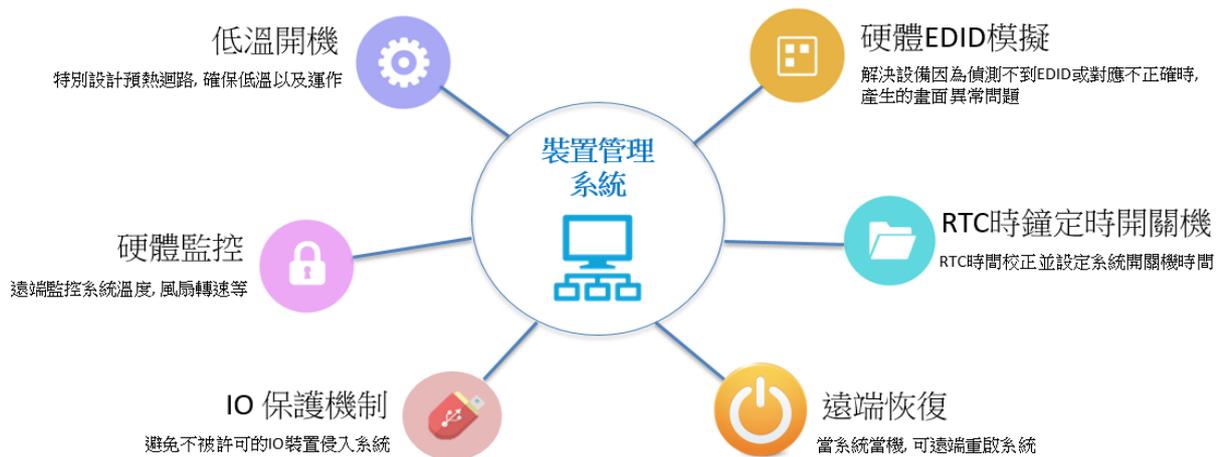
Axiomtek digital signage system, with our self-developed remote management system, can provide some remote monitoring functions, as well as through the remote to let the machine restart or even reboot, for the owners is more helpful. Through the return of these real-time problems, we can also be more able to grasp the condition of the machine itself.

● **Self-Service Solutions**

Self-service systems are widely used in banks, shopping malls, department stores, traffic settings, etc. Axiomtek has built a complete

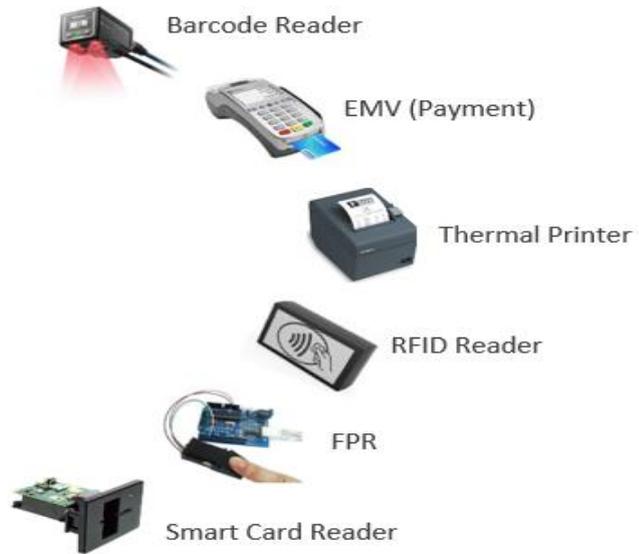
Axiomtek offers a complete POS / Kiosk self-service system and provides customized services with the advantages of flexible configuration, easy maintenance, multiple environments, and high stability, etc. Through a modular design, Axiomtek provides product system integration and design

艾訊遠端裝置管理系統



assembly, allowing self-service systems to be quickly upgraded, easily maintained, and reduce their management and transportation costs.

提供系統整合與設計組裝



● Intelligent Medical Systems

IT and CAx technologies have been applied in the medical field. To meet the specific requirements of hospitals and the medical industry, Axiomtek's medical grade tablet systems are ready with high stability, ultra-quiet, fanless operation, waterproof design, etc., which can be integrated into different medical equipment and medical environments.



Smart Healthcare

Product Lists :

Fanless Embedded System	eBOX100-312, eBOX100-51R, eBOX560-500, eBOX560-52R, eBOX560-512, eBOX560-900, eBOX565-500, eBOX625-853, eBOX626-853, eBOX627-312, eBOX625-312, eBOX626-311, eBOX630-528, eBOX638-842, eBOX640-500, eBOX640-521, eBOX670-891, eBOX671-517, eBOX671-521, eBOX671A, eBOX700-891, eBOX710-521, eBOX800-841. eBOX800-511, eBOX800-900
Edge AI Embedded System	AIE100-903, AIE100-903-FL-NX, AIE100-T2NX, AIE500-901, AIE900-902, AIE900-XNX, AIE800-904-FL
DIN-rail Embedded System	ICO100-839, ICO120-83D, ICO300, ICO300-83B, ICO300-83M, ICO310, ICO320-83C, ICO500-518, rBOX510-6COM, Agent200, IRU131, IRU151, IRU152, IFB112, IFB122, IFB125, rBOX630
Transportation Embedded System	tBOX100-838, tBOX300-510, tBOX324-894, tBOX400-510, tBOX500-510, tBOX510-518, tBOX810-838, UST100-504, UST200-83H, UST210-83K, UST500-517, UST510-52B, Agent336
ARM-based Embedded Board	SCM120, SCM180, Q7M120
Industrial Systems	IPC960-525, IPC962-525, IPC964-525, IPC950, IPC970

Transportation Touch Panel PC	GOT610-837, GOT710S-837, GOT712S-837
Transportation Monitor	P6105, P6125, P718W
Fanless Touch Panel PC	GOT110-316, GOT107W-319, GOT115-319, GOT315W-521, GOT318W-521, GOT321W-521, GOT810-316
Modular Panel PCs	ITC150WM、ITC210WM
ATX Motherboards	IMB520R, IMB521R, IMB523R, IMB524R, IMB525R, IMB530, IMB700, IMB760
Slot CPU Cards	SHB140, SHB150R, SHB250R
PCI Express Cards	AX92320, AX92321, AX92322, AX92324, AX92351, AX92352, AX92353
SMB Network Appliances	NA345R, NA362R, NA363R, NA580, NA590, NA591, NA592, NA720, NA860, NA861, NA870,
SOHO Network Appliances	NA342, NA345, NA346, NA347, NA361, NA362, NA363
DIN-rail Network Appliances	iNA100, iNA600
Digital Signage Player	DSP300、DSP302、DSP500、DSP501、DSP511、DSP600、DSP850
Modular Board	SDM300S、SDM500L、SKM500、SDM510L
Interactive Touch Computer	ITC150、ITC210、ITC550
Medical HPC	mHPC200、mHPC500
Medical Box PC	mBOX100、mBOX600
Industrial Motherboard	MANO Series、NANO Series、CAPA Series、PICO Series、KIWI Series
System On Module	CEM Series、CEB Series、Q7M Series、
Added-On Card	AX Series

Under the spirit of ISO 9001, ISO 14001 and ISO 13485 quality control system, the Company implements pollution prevention and related environmental protection measures, complies with national environmental protection laws and regulations and relevant requirements and regulations of environmental protection organizations in accordance with the highest environmental policy of "environmental protection is unlimited and resources are sustainable", educates and promotes the concept of environmental protection to every employee, and communicates with raw material suppliers and third-party companies on environmental protection. We communicate with our suppliers and partners to promote environmental protection and sustainable economy.

In terms of customer service, we have a comprehensive service network that allows our customers, both domestic and overseas, to receive the most timely service and the most satisfactory price through our global network. Axiomtek's sales programs are completed by a team of experienced software and hardware engineers, corporate engineers, system application engineers and outstanding business associates. From concept to design, Axiomtek offers an excellent service team that can be tailored to meet different needs and accelerate product development time to meet market demand.

In terms of technical support, Axiomtek's customer service department is staffed by a team of professional technical support personnel, both at Axiomtek's headquarters and in other regions around the world, to provide immediate technical support to customers with professional knowledge. Axiomtek's maintenance support is handled by our RMA customer service department, which provides customers with professional and complete technical support and promises to complete the repair service within 14 days!

Axiomtek also provides OEM/ODM custom design services to meet all customers' needs, whether it is project implementation, application solutions, or technical support, all with the customer's needs as the top priority. To maximize product performance, Axiomtek uses an international distribution network. Axiomtek's global inventory control and tracking system allows us to efficiently dispatch products from our subsidiaries in Taiwan, the US, Germany, the UK, and China, ensuring on-time delivery without delays every time.



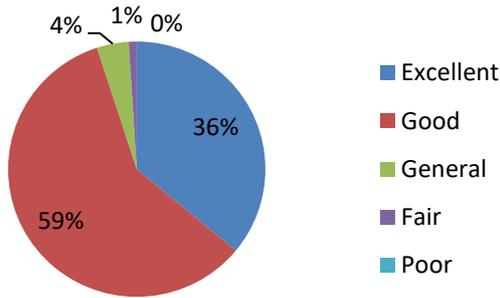
Customer Relationships

To meet the expectations and requirements of our customers and provide high quality products and services, we conduct a customer satisfaction survey once a year for our representative and important customers, covering product design and quality, business services, technical services, and after-sales services. The survey results will be fed back to the Company's internal units, including business, R&D, manufacturing and storage and transportation, as a reference basis for subsequent improvement to enhance customer service and satisfaction. The results of the 2021 Customer Satisfaction Survey showed a good performance in all aspects. To maintain the security of customer information and prevent data leakage, our Company has regulations on the collection, handling and utilization of employee, customer, and supplier information, etc. We have signed customer confidentiality agreements with some of our customers to ensure that no information will be leaked. If customers have any concerns or find that their privacy has been violated, they can directly contact the business correspondence window, which will submit a complaint to the Quality Assurance Department for investigation and follow-up.

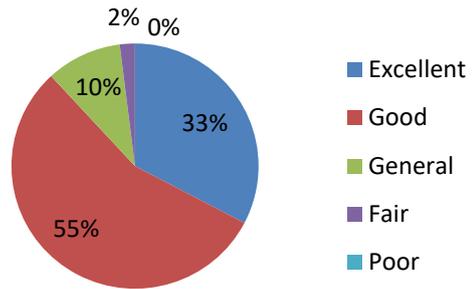
Customer Satisfaction Survey Process



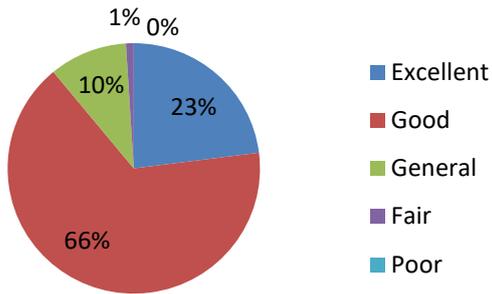
Technical Service Satisfaction



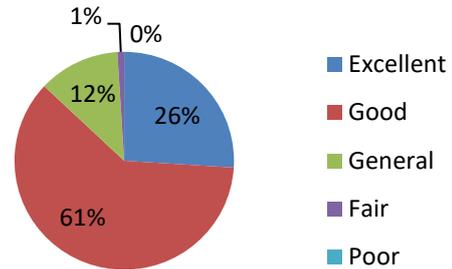
Business Service Satisfaction



Product Design & Quality



Satisfaction of after-sales service



Critical Subject Matter Management Policy: Customer Privacy

Item	Customer privacy protection
Issues Affecting Borders	External Customers / Regulatory Authorities
Management System	Customer complaint form / official documents of regulatory authorities.
2021 Goals	Zero complaints related to violation of customer privacy or loss of customer information.
2021 Effectiveness	The total number of confirmed incidents of information leakage, theft or loss of customer data is zero.
2022 Rollout Goals	Zero complaints related to violation of customer privacy or loss of customer information.
Related Policies	<p>Axiomtek Corporation always respects the privacy of our customers, and we have established rules to manage the technical documents and application information provided by our customers to prevent the violation of their privacy.</p> <p>To comply with European and American personal data protection regulations such as GDPR, technical and procedural protection measures are built into the website to prevent certain data combinations.</p> <p>Please refer to the Privacy Policy and Cookie Policy: https://www.axiomtek.com.tw/Default.aspx?MenuId=Information&FunctionId=InfoFullPage&ItemId=277</p>

Patr5 Friendly Workplace

Global Presence

Since its establishment, Axiomtek has been adhering to the business philosophy of "Axiomtek Brand" to market globally. With the spirit of "Based in Taiwan, looking at the world", Axiomtek has established manufacturing and service bases in many countries around the world to provide localized services to customers. Under the Group's globalization strategy, the number of employees has been growing year by year for the past 5 years, with an average growth of nearly 15%. As of the end of 2021, Axiomtek has more than 700 employees worldwide, including 586 employees in Taiwan.

Employee Diversity & Equal Opportunity

Critical Theme Management Approach: Employee Diversity and Equal Opportunity	
Item	Summary Description
Issues Affecting Borders	Intra-organizational
Management System	Hire talent without discrimination on the basis of race, sex, age, physical or mental disability, religion, national origin, or any other characteristic protected by applicable law.
2021 Goals	Create a gender-balanced, diverse, and intergenerational workplace Gender equality: Gender ratio difference <10% Intergenerational composition: Employees' age ranges from 20 to 60 years old..
2021 Effectiveness	The gender ratio difference at the end of 2021 is 15.02%. 2021 Employee age group minimum 19 years old, maximum 63 years old.
2022 Rollout Goals	Continuing to promote gender work equity, diversity, and a cross-generational workplace. Gender work equity: Gender gap reduced by 1% compared to 2021 performance. Cross-generational composition: Employees' age ranges from 20 to 60 years old.
Related Policies	None.

Talent Composition

Axiomtek has always valued the value of a diverse workplace, and fair employment opportunities are the source of the Company's competitiveness. Our employees do not differ by gender, race, religion, politics, marriage, union, or association, etc. Axiomtek's talent includes dynamic people under the age of 30, professional people between the ages of 30 and 50, and intelligent people over the age of 50. In order to respect differences and learn together to pass on Axiomtek's corporate culture, beliefs and values to consolidate and enhance the development of Axiomtek's human

resources; and to meet the career development of employees and to take into account the Company's operational needs and the desire of employees to be transferred, the Company has also set up an internal job vacancy link on its internal website, and the monthly Axiomtek e-newsletter will also convey the latest job vacancy information to employees.

As of the end of December 2021, Axiomtek's headquarter in Taiwan has 586 employees (including Shih Chi headquarters, Beitou factory and Taichung office).

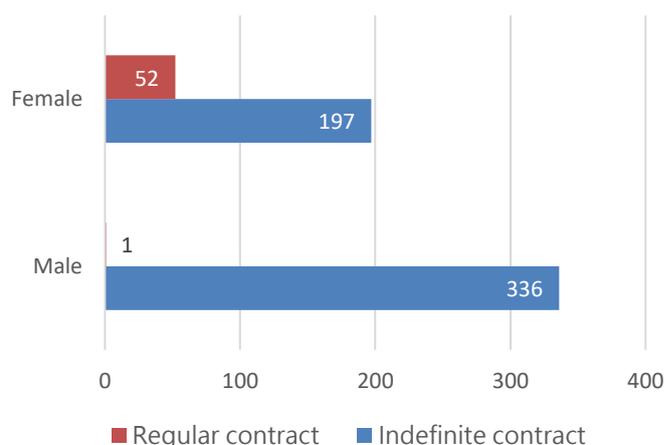
Among them, there are 85 senior executives, all of whom are residents of Taiwan, Republic of China. The composition of the employees, depending on gender, age and job category, is as follows :

2021/12/31

Items		Number and proportion of males		Number and proportion of females		Total
Employment	Company-wide headcount	337	57.51%	249	42.49%	586
Senior Executive	Manager, Associate Manager or above	72	84.71%	13	15.29%	85
Employee Age	Under 30	37	6.31%	64	10.92%	101
	31~49	262	44.71%	148	25.26%	410
	Over 50	38	6.48%	37	6.31%	75
Regular and Contract	Positions	336	57.34%	197	33.62%	533
	Contracting	1	0.17%	52	8.87%	53
Functional Classification	Sales and Marketing	14	2.39%	41	7.00%	55
	Administration	32	5.46%	50	8.53%	82
	R&D	220	37.54%	42	7.17%	262
	Manufacturing	71	12.12%	116	19.80%	187

In 2021, the number of male employees will increase slightly due to the expansion of the R&D unit's recruitment needs, such as hardware, software, and firmware engineers. Axiomtek attaches importance to the long-term cultivation and development of localized talents. Except for foreigners working in Taiwan, who are required to sign fixed-term labor contracts due to restrictions on the duration of their employment, Axiomtek employs all other talents who are not restricted by laws and regulations with long-term development in mind and expects colleagues to share the Company's prosperity and growth. Due to the characteristics of the industry, most female employees on fixed-term contracts are production line employees, reaching more than 90%.

Gender	Male	Female	Total
Indefinite contract	336	197	533
Regular contract	1	52	53
Total	337	249	586



Labor-employment relations

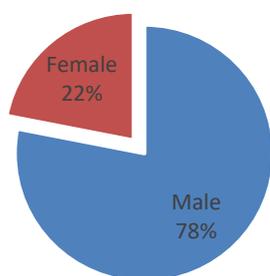
Management of major issues: Labor-employment relations	
Item	Abstract Description
Issues Affecting Borders	Intra-organizational
Management System	<ul style="list-style-type: none"> Pursuing stable manpower development and employing indefinite contract workers as the main basis for long-term employee development planning to avoid significant manpower fluctuations affecting production capacity and employees' work rights. The manpower policy is in line with the regulations, except for the students of industry-academic cooperation, all child labor is prohibited, there is no gender discrimination, work is equal, and equal pay for equal work. We actively employ local employees and nurture talented people from the grassroots to become management successors.
2021 Goals	<ul style="list-style-type: none"> Each position should employ both male and female employees, including management. Nurturing local talents and giving priority to hiring local staff.
2021 Effectiveness	<ul style="list-style-type: none"> There are no gender restrictions on recruitment for each position, and the percentage of women in management will be 22% in 2021. Over 99% of the employees are local (excluding those with fixed-term contracts).
2022 Goals	Continuously promote talent cultivation and retention programs to enhance employees' career development.
Medium and long-term development direction	To create stable job opportunities and become a cradle for the cultivation of outstanding talents.
Related Policies	None

● Gender Equality

Although Axiomtek is an industrial computer technology industry, we still maintain a gender-friendly environment with a balanced ratio of male to female employees, and all talents are recruited by Axiomtek itself, and all-important positions in the organization are filled by self-recruited talents based on performance and potential.

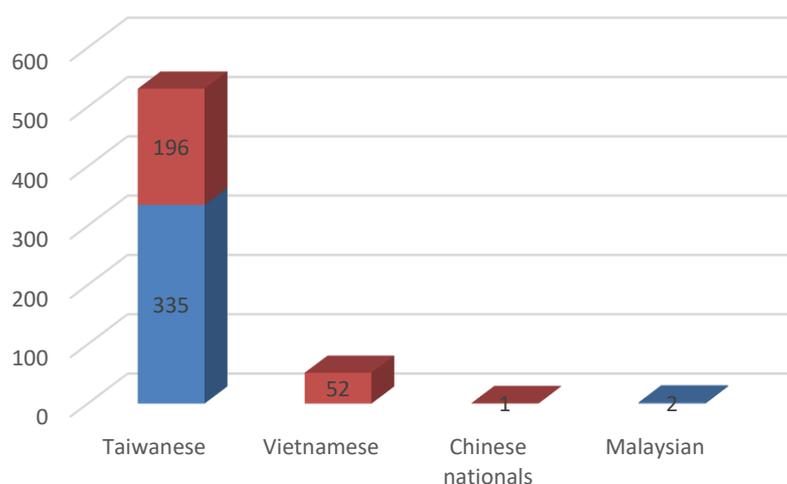
All important positions in the organization are filled by self-employed personnel based on performance and potential, and are selected under healthy competition, from recruitment, appointment, training, evaluation, promotion, salary adjustment, etc., in a balanced and equal opportunity human resources development environment.

Gender Ratio of Management Staff



■ Male ■ Female

Number of national employees by gender



■ Male ■ Female

● Talent Retention Strategy

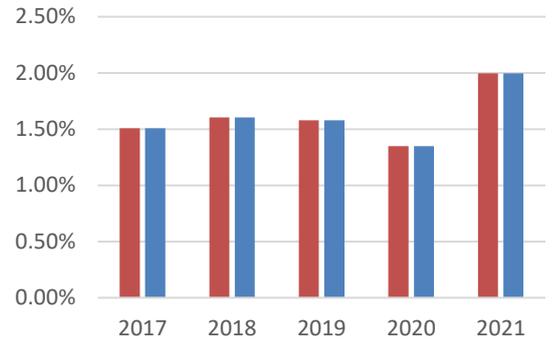
Axiomtek Taiwan 2021 New Entry and Exit Rates

Categories	Total	Gender		Age		
		Male	Female	<30	30-50	>50
Newcomers	144	76	68	51	91	2
Newcomer rate(%)	25%	23%	27%	50%	22%	3%
Number of Leavers	138	61	77	50	79	9
Turnover rate (%)	24%	18%	31%	50%	19%	12%

Note 1: New entry rate = new entrants to the category in the current year / total number of employees in the category at the end of the year

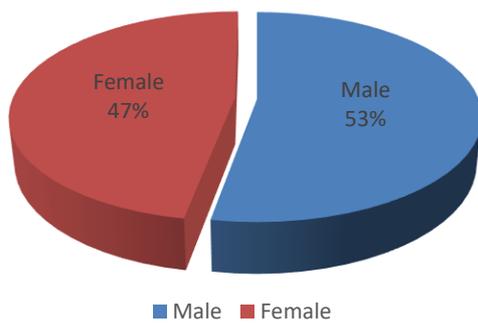
Note 2: Separation rate = the number of employees who left the category in the current year / the total number of employees in the category at the end of the year

Historical Employee Retirement Rate

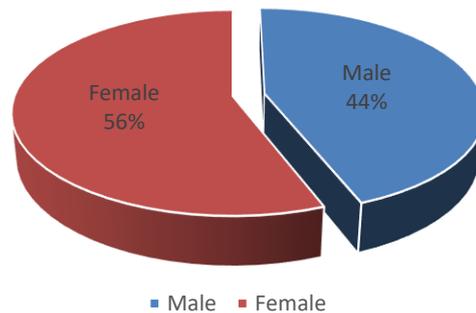


Note: The annual severance rate is calculated according to the formula of the Ministry of Labor = (number of departures/(annual average monthly number of employees*12))*100%.

Gender Ratio of New Recruits



Gender Ratio of Retirees



Taiwan's technology talent demand continues to be in short supply, and the job market has been hit by the epidemic and the shortage of workers is even more severe, with major technology companies offering a variety of preferential programs to attract talent, resulting in the movement of technology talent, which also affects Axiomtek's 2021 manpower with a higher variance.

To retain talents, Axiomtek not only adjusts the salary structure and the existing reward system, but also launches several key talents programs in recent years, in which the Company selects outstanding executives and talents with "potential" and "talent scarcity" and provides them with retention bonuses or employee stock certificates. In addition, Axiomtek offers a talent retention bonus or employee stock certificates.

- Maternity Incentive and Retention without Pay

To encourage employees to have a family and stimulate the birth rate, we provide marriage and childbirth gifts. In addition, to relieve the burden of our employees, we have partnered with a nationwide childcare institution, the Yoyo Nursery School, to provide tuition discounts and support to our employees and their families.

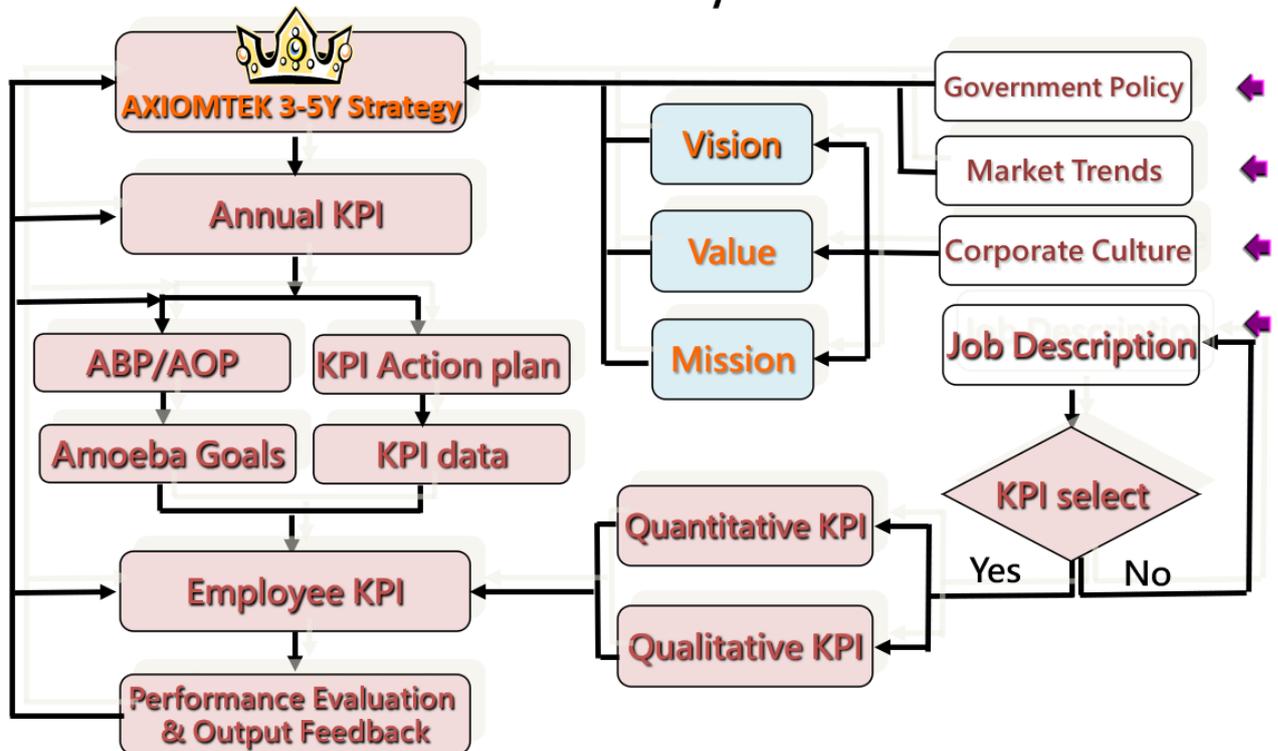
Axiomtek fully complies with the provisions of the law on parental leave without pay, regardless of gender, and can apply for reinstatement upon expiration of the leave without pay.

Gender	Male	Female
(A) Number of applicants eligible for baby-sitting leave without pay in 2020 (2017-2020)	35	22
(B) 2020 Actual number of applicants for baby-sitting leave without pay	0	0
(C) The number of baby-sitting suspensions is expected to resume in 2020	0	4
(D) The actual number of people who will return to work without pay in 2020	0	3
(E) The number of people who applied for baby-sitting leave without pay in 2019 returned to work	0	0
(F) Number of people who applied for a year of continuous work after reinstatement without pay in 2019 for baby-sitting	0	0
Application rate for baby-sitting without pay (B/A)	0%	0%
Application rate for baby-sitting without pay (D/C)	—	75%
Application rate for baby-sitting without pay (F/E)	—	—

- Performance Measurements

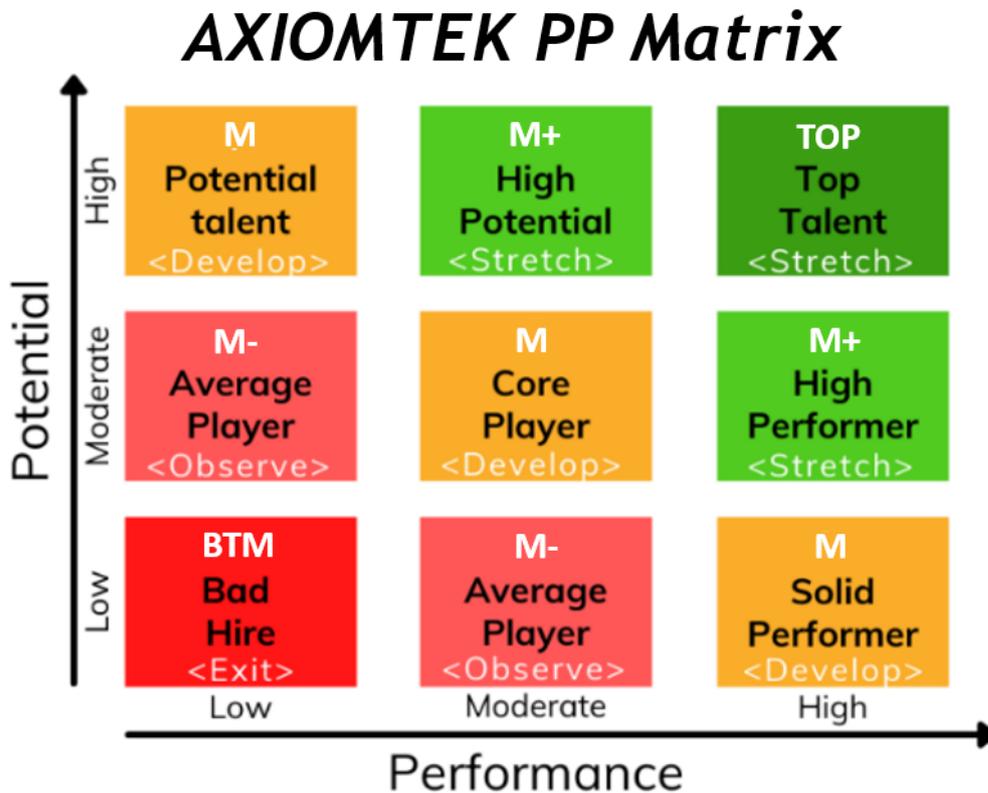
Axiomtek has developed a performance management system, from setting annual performance targets to regularly evaluating the results of the performance targets and returning the results of the performance evaluation to the evaluated employees, so that they can continue to maintain their good performance and continue to improve their poor performance, which encourages them to continuously develop their potential and form the best learning organization; and the results of the performance evaluation are eventually linked to employee rewards and salary promotions, giving them the motivation to continue their efforts. In 2021, the OKR performance appraisal mechanism will be implemented at the first level of supervisors and linked to their compensation.

AXIOMTEK KPI Development Procedure



- Promotion and salary adjustment

Axiomtek's performance management system is linked to the promotion and salary adjustment system. Every year, we regularly evaluate the promotion and salary adjustment for M+~TOP personnel, and appropriately adjust the salary for M~M personnel according to the price index increase.



- Compensation & Benefits

Axiomtek attaches great importance to human assets. When a new employee joins Axiomtek, he or she will be evaluated based on his or her academic background, years of experience, professional experience, professional skills and management skills, and will be compared with his or her current peers in order to assess and approve the salary level of the appointment. The compensation policy for the employees is that after the employees assist the Company to achieve the set management targets, the Company will periodically reward the employees according to the performance evaluation results and link the bonuses to the performance of each stage, so that the employees' annual salary has a better monthly salary than the competitive market, and at the same time, taking into account the folk culture of Taiwan, the year-end bonus is only linked to the proportion of the current year's employment, so that every working Axiomtek employees can have a good year every year. To encourage employees to be professional and pursue excellence, regular employees enjoy a more complete and comprehensive compensation and benefit design than contract employees.

Axiomtek Rewards Links

Target	Bonus Categories	Reward Affiliation
Regular Contract Staff	Three section bonus	Transfer to formal staff assessment
Regular Contract Staff	Performance Bonus - R&D	Semi-Annual Performance Evaluation
Regular Contract Staff	Performance Bonus - Sales	Quarterly Performance Evaluation
Regular Contract Staff	Performance Bonus - Non-Sales	Semi-Annual Performance Evaluation
Regular Contract Staff	Employee Compensation	Annual Performance Measurements

Percentage of employees who receive regular performance and career development reviews

年度	2017	2018	2019	2020	2021
Male Staff	100%	100%	100%	100%	100%
Female Staff	100%	100%	100%	100%	100%
Total	100%	100%	100%	100%	100%
Supervisor	100%	100%	100%	100%	100%
Non-Supervisory	100%	100%	100%	100%	100%
Total	100%	100%	100%	100%	100%

Axiomtek's employees are paid without discrimination based on gender, race, religion, politics, marriage, union or association; and there have been no incidents of discrimination against employees in 2021.

Responsibilities	Male	Female
Operators / Assistants	1.06	1
Professional Technician	1.17	1
Basic Supervisor	1.08	1
Mid to High Level Supervisor	1.00	1
Remark: 1. Definition of annual salary: including annual basic salary and annual bonus. 2. The scope of statistics excludes foreign migrant workers.		

Axiomtek attaches great importance to the Gender Equality Act, and there is only a very slight difference in the ratio of women to men in terms of basic salary plus pay, and there is no difference at all in the pay levels of female executives

compared to male executives in the middle and senior executive positions.

Axiomtek's main operations are located at its headquarters in Taiwan, where the lowest monthly salary for both male and female employees is about 10% to 20% higher than the statutory basic wage; and the average monthly salary for male and female employees at the lowest level is even higher than 16% to 27% of the statutory basic wage.

Item	Male minimum wage to SMW ratio	Ratio of female minimum wage to SMW	Female to male minimum salary ratio	Ratio of the average salary of the lowest male grade to the statutory minimum wage	Ratio of the average salary of women at the lowest grade to the statutory minimum wage	The ratio of women's average salary to men's average salary at the lowest level
Taiwan HQ	1.21	1.10	0.91	1.27	1.16	0.91

Note:1. The statutory minimum wage in Taiwan for 2021 is NT\$24,000.

2. Statistical scope excludes foreign migrant workers.

- Child labor

"Child labor" means the employment of any worker under the age of 15, or under the age of compulsory education, or the minimum age for employment in that country/region (whichever is the oldest of the three specified ages). Axiomtek considers the health and education of children to be of paramount importance. We prohibit child labor in our supply chain and conduct regular audits to verify supplier compliance. If a supplier chain is found to be employing child labor, it will be required to remedy the situation in accordance with the Company's defined standards of practice.

- Excellent Staff

Every year, Axiomtek conducts a selection campaign for outstanding employees, and in 2020, the "Best Service Award", "Best Innovation Award" and "Annual Contribution Award" will be established. The top three nominees are nominated by colleagues, selected by all staff votes, and sent to the Human Resources Committee for consideration. The best employees are then invited to the Human Resources Committee to give a brief explanation, and finally, the Human Resources Committee votes for the best employees who have received more than 1/2 of the votes in favor.



- Human Resource Vision

Axiomtek's people vision is to be a people department with a sense of mission, to nurture employees to become global leaders, to enable them to be creative, to apply their skills and

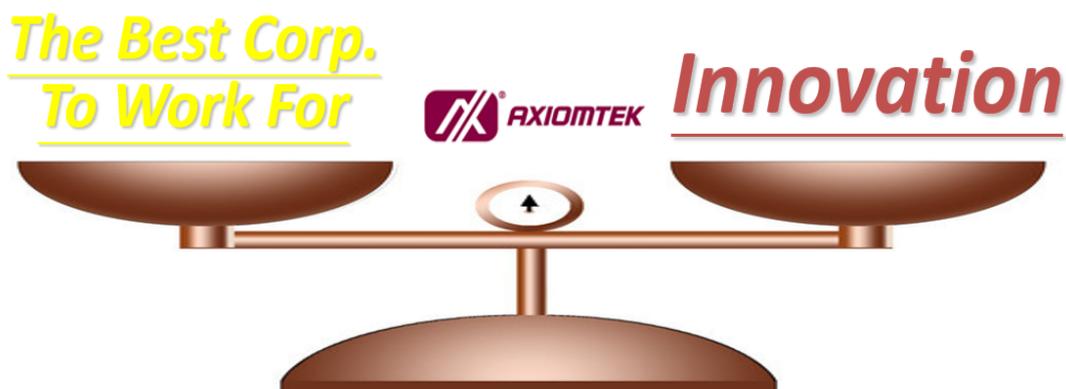
knowledge for the benefit of people, to promote Axiomtek as a Company that strives for excellence, and through its excellence to benefit society, to fulfill its corporate social responsibility, and to achieve sustainable business.

艾訊人資願景 HR Vision



In order to realize the vision of human resources, Axiomtek takes "innovation" and "becoming the most desirable Company to work for" as the mission of the human resources department, from creating a beautiful working environment, employee care, health care and promotion, and taking care of work-life balance; emphasizing social welfare, green energy and environmental protection, through comprehensive planning and balanced development of employee needs, leading employees from caring for themselves and their families to caring for the general environment of life and the limited resources of the earth, so that employees can expand their mind and vision and look at the world.

艾訊人資使命 HR Mission



Critical Theme Management Policy: Labor Relations

Item	Abstract Description
Issues Affecting Borders	Intra-Organizational (All Group)
Management System	In the fourth quarter, HR and the Welfare Committee jointly plan employee activities for the following year.
2021 Goals	The annual plan focuses on "building a happy workplace" and promotes "public service sports" and "community activities". Through various stress-relieving activities and parent-child interactions, colleagues can get along with each other as one big family.
2021 Effectiveness	Due to the epidemic, only the "Indoor Sports Week" and "Parent-Child Public Service Stage Play Appreciation" were completed, and the club activities continued.
2022 Rollout Goals	In addition to large community events, we also held "field day" and "sustainable environmental activities".
Medium and long-term development direction	We are striving to become "the most desirable company to work for".
Related Policies	Procedures for the selection and management of meritorious employees, the establishment of associations, and the method of incentives and subsidies.

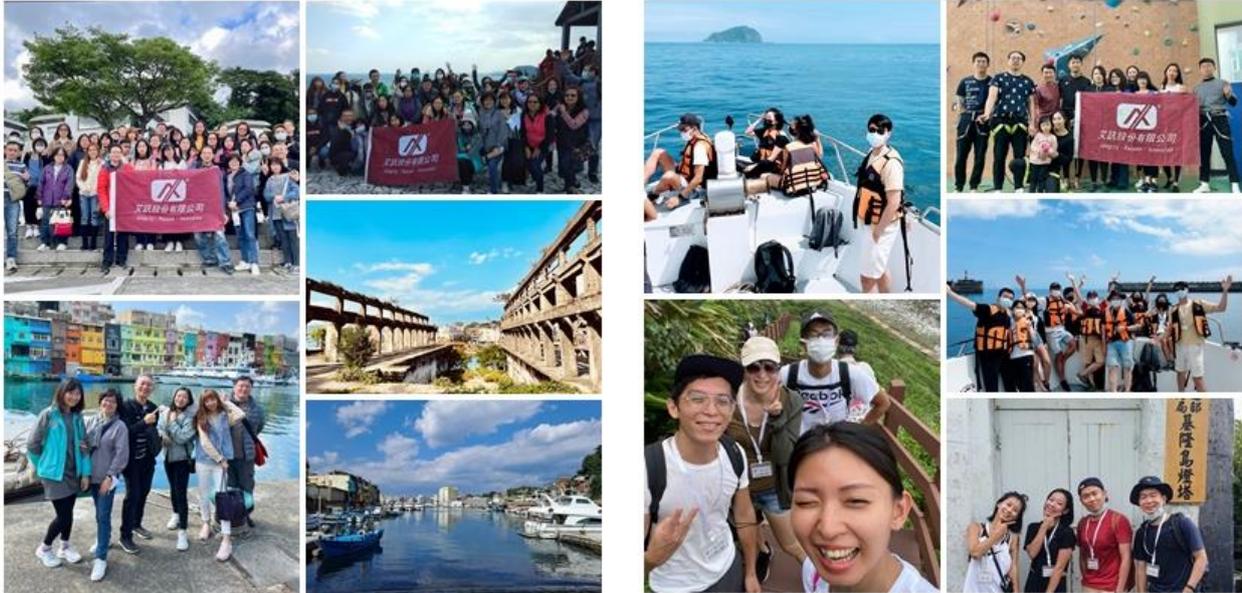
The minimum notice period for major changes in operations is 10 days for those with more than three months and less than one year of seniority, 20 days for those with more than one year and less than three years, and 30 days for those with more than three years of seniority, in accordance with the regulations.

- The happiness of work-life balance
 1. Flexible working hours: The Xizhi headquarters employees enjoy two hours of flexible working hours (Work from 8am-10am and end work from 5pm-7pm) to facilitate employees to take care of their family needs and achieve work-life balance.
 2. Special Festive Events: The annual Spring Festival Opening Ceremony was held at the two factories. The Chairman of the Board of Directors of the Xizhi headquarters led the supervisors and colleagues to pray and worship, and went to the nearby Temple of the God



of Earth to walk in the Spring Festival and enjoy the splendor of the Letters Patent Keng Stream. °

3. Teatime: Through the preparation and sharing of afternoon tea, each department not only promotes the emotion among colleagues, but also expresses the work emotion and stress. For the Lantern Festival and the first day of winter, the committee also prepares warm dumplings, sesame oil chicken and lamb stove to help people to replenish their bodies and add to the joyful atmosphere.



4. Clubs: Axiomtek encourages employees to link their work and hobbies, and now there are 7 clubs. In addition to the long-established badminton, basketball, and billiard clubs, a new "Mountaineering Club" has been established in 2021 to add more health, leisure and diversity to the club activities. Through the diversified club activities, we can increase the communication and emotional connection between each other and make the colleagues' friendship closer.

5. Axiomtek Academy: We design the learning blueprint with the development of training needs in mind, so that we can plan training courses with a sense of purpose. In addition to professional courses, we also add stress relief and spiritual growth courses, so that colleagues can learn and grow professionally and physically and mentally at the same time.



6. Art Talk: Under the design concept of "Aesthetic Innovation", Axiomtek invites art writers to share their creative ideas with the Company every 2~3 months.

● **A beautiful and comfortable work environment**

In October 2017, Axiomtek relocated its corporate headquarters from Xindian Dist., to Xizhi Dist., and designed a series of user-friendly and comfortable spaces in the new office space:

1. The outdoor scenery and green space: The Letters Patent Keng Stream is next to the

headquarters in Xizhi. In late winter and early spring, cherry blossoms bloom along both sides of the stream, and visitors are like walking in an exotic cherry blossom festival. The sky garden



on the top floor and the green terrace on the second floor are the best places for employees to relax and unwind after work.

2. Thoughtful dining and lounge space: a multi-functional staff social hall is set up, with a central bar providing a microwave oven, oven, black gold stove, etc. for staff to prepare meals on the spot, and cooking classes are also held here by the Art and Culture Ecology Club and the Parent-Child Club; other than meals, it is a flexible space for guests and staff to meet and talk freely.

3. Library: In addition to purchasing new books on a regular basis, we are opening a branch library in Beitou in 2019, so that our colleagues in Beitou can enjoy the pleasure of borrowing and reading books in real time.



4. Mini Snack Bar: We operate as an honest store with a wide range of drinks and food for our staff to refresh and enjoy immediately.

5. Rooftop Gym: There are three treadmills and three different kinds of spinning wheels and bicycles. You can take the elevator to the top floor and use it as many times as you like before work, at noon, or after work, so you can cheer up your health easily.

6. Art Gallery: For the aesthetic cultivation and practice in daily life, since May 2018, Axiomtek has officially set up a professional art exhibition in the gallery on the 2nd floor of the

headquarters in Xizhi, inviting artists with various media and creativity to formally exhibit their artworks for a period of 2~3 months, and holding the "Cherry Blossom and Me"

photography contest in 2021. The "Cherry Blossom and Me" photo

contest will be held in 2021 to encourage employees to take a walk along the cherry blossom stream next to the Company after work or during their free time, to express the

humanistic atmosphere of Axiomtek and the interaction between the Company and the community and the environment, and to walk into the nature to enhance the friendship and emotion among employees. The creativity of Axiomtek employees not only produced beautiful and humanistic works, but also the beautiful words written by each photographer to interpret the photos were very impressive, making the whole event full of interaction and emotion of "cherry blossoms and Axiomtek people".

The Company has redecorated the employee lounge in its Beitou factory, which is comparable to a "five-star restaurant", so that factory employees can also enjoy a beautiful dining and relaxation space, especially under the stress of production and delivery, walking into the lounge with a sense of design during break time will make people feel relaxed and relieved, and they can recharge their batteries and start again.



1. Spacious and innovative dining space: Continuing the interior design aesthetics of the Xizhi headquarters, the design elements are integrated into this lounge space, and the audio-visual equipment enriches the versatility of the entire space.
2. Library: Every three months, we exchange books with the Shih Chi Library and gradually increase the number of books and items through the book purchase budget every half year, and open the books recommended by colleagues to enhance their interest in borrowing books. Gallery: The same planning period as the Shih Chi headquarters, i.e., the same artist exhibits his artworks simultaneously, so that the Beitou colleagues can enjoy the beauty together.
3. KTV audio-visual room: A professional high class audio-visual room is set up, and colleagues often use this KTV room for socializing and celebrating after work or on holidays to enhance the friendship among colleagues.

4. Breastfeeding room: In order to take care of breastfeeding female colleagues, and to take care of the relationship between mother and child, a fully-equipped and safe breastfeeding room is specially set up, which is subsidized by the government.



● **Staff care and attention**

1. Family day: In the past years, we held staff travel activities combined with family day to support employees to balance work and family and encourage them to participate in family-like emotional interactions. 2021, the Welfare Committee held a "Parent-Child Public Welfare Stage



Drama" fun event to enhance the parent-child ratio among employees while enjoying arts and cultural performances.

2. Child Care: Parent-child reading space is available in the library of Xizhi headquarters, providing a safe and comfortable space for colleagues to place their children's dependents.
3. Emergency Care: For employees who are concerned about major emergencies, we provide emergency relief and emergency leave to help employees handle family emergencies with peace of mind so that they can recover from emergency injuries and return to work as soon as possible; for example, in the event of an emergency, the Company provides supportive paid leave and relief so that employees can take care of their families or return to health.
4. Health checkups: We provide more than the number of checkups and health checkups each year to support our employees to focus on health and develop good health habits.
5. Safety and Hygiene: We provide a safe and hygienic environment with dual certification of ISO 45001 and CNS 45001 in Taiwan and conduct regular environmental and water quality tests to support our employees to enjoy the right to work in a safe and hygienic manner.

Traffic and parking spaces

1. Transportation: In addition to taking care of the old employees who have difficulty in transportation due to the relocation of the headquarters to Xizhi, and to facilitate the recruitment of new employees, Axiomtek provides two round trips between the new store and Xizhi and one round trip between Zhonghe and Xizhi every working day.
2. Parking spaces: Axiomtek encourages employees to drive to work more often at the headquarters in Xizhi, so each parking space only charges employees a monthly cleaning fee.



Since 2019, Axiomtek has hired professional nursing staff and received a grant from the Ministry of Labor to work on work-life balance. 2021, when the epidemic has subsided a bit, we have organized activities such as the East Eye Mountain Outing and Indoor Sports Week to take care of the physical and mental health of our employees.

● **Green Energy Environmental**

1. Energy saving and carbon reduction management: Introduce ISO 14064 to manage greenhouse gases more effectively, promote environmental protection and energy saving and carbon reduction at hand, and advocate colleagues to love their homes and the earth.
2. Waste Management: Regularly manage and report waste in accordance with laws and regulations to protect the global environment.



3. Hazardous material management: regular management and reporting according to the law, and looking for qualified cleaners to deal with, to maintain the global environment together.

● **Training Development**

Critical Theme Management Approach: Education and Training	
Item	Abstract Description
Issues Affecting Borders	Intra-organizational.
Management System	Employees perform annual training effectiveness.
Goals	Short-term → Improve the satisfaction level after training and test results after class. Medium to long term → Establishment and enhancement of diversified education and training methods and tools.
Actions	Short-term → Managers implement education and training to improve or enhance the functions of organization members according to the gaps. Focus on the Company's strategic needs and management objectives and plan the overall employee training program in an integrated manner. Medium to long term → Focus on the development of employees' expertise, potential development and professional knowledge through a progressive education and training system. Thoroughly implement knowledge and experience transfer and acquire new knowledge to enable employees to grow professionally.
2021 Effectiveness	The average score of 89.7 (out of 100) per employee trained in FY 2021.

Axiomtek Academy designs learning blueprints based on the development of training needs, including professional courses, stress relief courses, and book clubs, etc. The training results are integrated with KPI key performance indicators to achieve mutual alignment between training and operational performance; and the training implementation is based on TTQS as the benchmark, with PDDRO (Plan-Design-Do-Review-Outcome) as the training management loop.

- **Plan Training Plan:** The training plan is based on the unit's KPI requirements and employee function gap analysis to ensure the linkage of training objectives.

- Design Training Design: Link training results with performance evaluation, and then feedback to bonus, compensation, promotion, salary transfer, etc., to give real feedback and promote learning motivation.
- Do Training Execution: Electronic recording of training programs and results, and compilation of post-training reports for follow-up review and improvement.
- Review Training Review: Incorporate training objectives into ISO objectives for regular review and continuous improvement.
- Outcome training results: The training results must be linked to the achievement of unit performance and the improvement of employee functions, and the knowledge of the learning materials will be shared on the training platform for immediate absorption and use by all colleagues at any time, and the monthly e-newsletter of Axiomtek will be used to share the study experience and course highlights.

● Complete training system and learning development opportunities

We plan a complete education and training system for all levels and functions, regularly select the Key talent pool internally, provide retention and training related measures, and establish an internal instructor training mechanism to strengthen the teaching skills of existing management and technical staff, to pass on knowledge and skills and develop talent capabilities, and gradually train them to become the Company's future succession echelon.

In recent years, we have been actively introducing innovative and improved solutions (Bottom→Up) applications, examining the core of problems, securing resources and advancing proposals, gathering cross-disciplinary key knowledge, and training cross-disciplinary thinking talents.

In 2020, Axiomtek will begin planning its first digital learning resource platform, integrating digital, physical and hybrid courses, to create a self-directed learning environment and drive

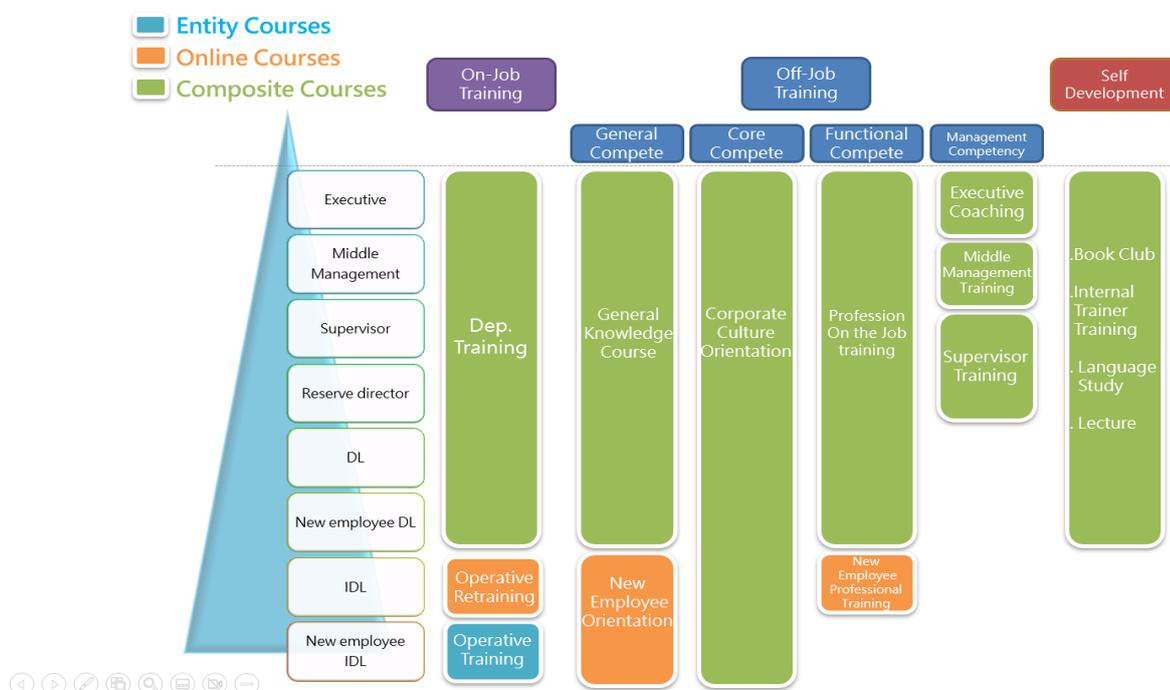


learning to always occur, so that employees can continue to develop their intellectual abilities and strengthen their learning awareness. In addition to the original general education courses, product expertise, and on-the-job training on production line skills, the digital courses will be launched in 2021 with thematic courses, selected articles, and system operation training of interest to employees.

To create a stage for talent development and expand our technical capabilities, Axiomtek has launched the DES (Design Engineering Service) program. To enhance communication with overseas subsidiaries and customers, and to strengthen localization of services. In addition, the total amount of subsidies and hours spent on language learning in 2021 has increased significantly compared to the previous year, with a total of 114 hours of classes held, demonstrating the Company's strategy to promote internationalization and the importance and commitment of employees to language proficiency and professional certification.



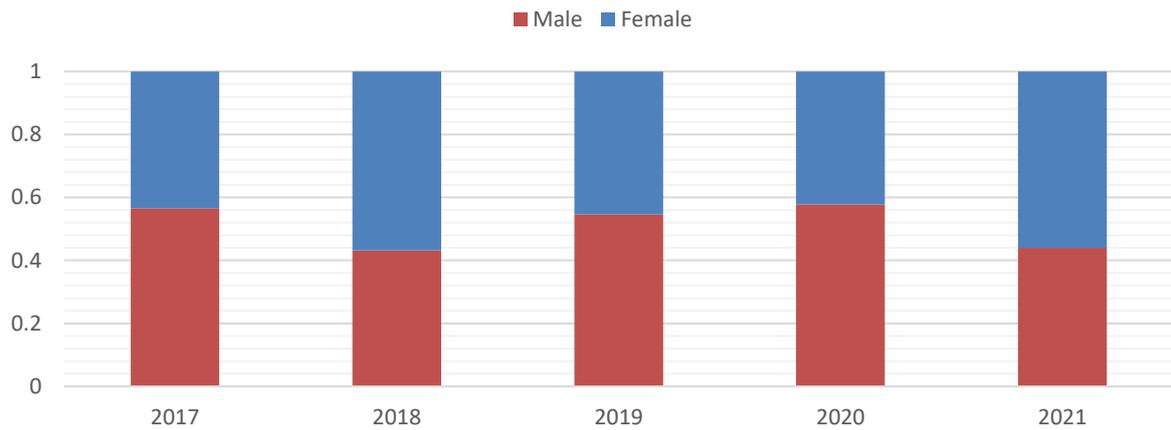
● 2021 Training Results



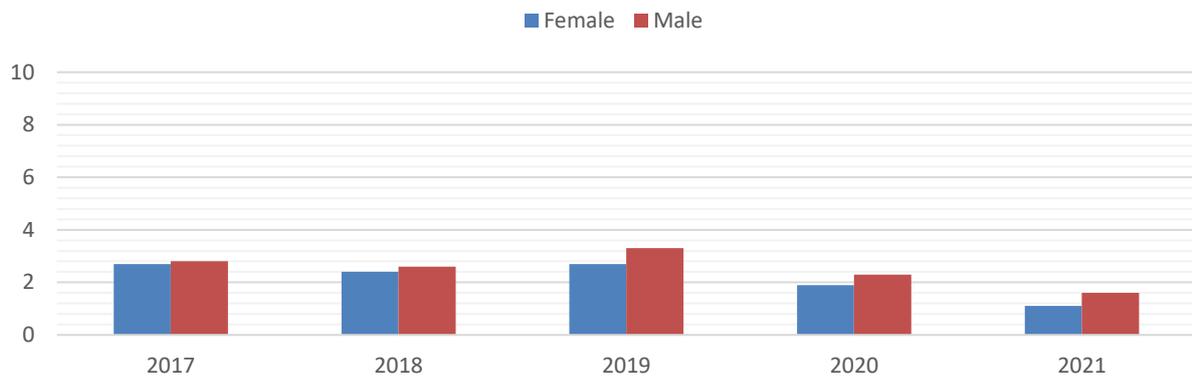
Axiomtek Academy is divided into six major training categories according to the education and training system. On-the-job training is designed with 78 compulsory courses and a balance of gender development as follows:

Course Type	Professional Courses	General Studies Courses	Core Courses	Management Course	Self-growth	合計
Required	6	29	7	6	30	78
Including Promotion Department Number of Halls in charge	-	-	-	-	-	-
Including promotion classes Number of classes in charge	-	-	-	3	-	3

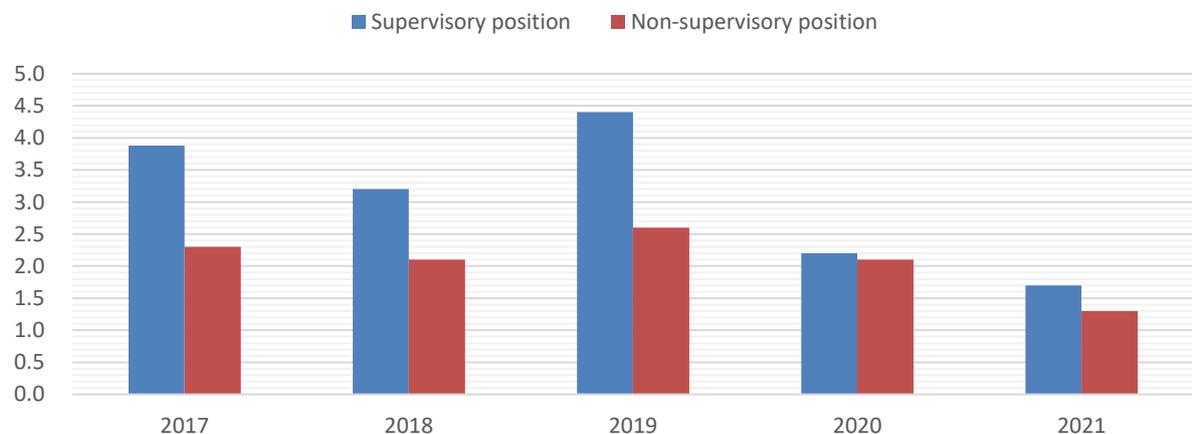
Gender Ratio of Training Participants



Average training hours by gender over the years



Average percentage of training hours for historical duties



Human Rights Commitment and Policy

To fulfill our corporate social responsibility and protect the basic human rights of all employees, Axiomtek recognizes and voluntarily follows the internationally recognized human rights standards such as the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the United Nations International Labor Organization, etc. We will never violate or breach any human rights and treat all employees with dignity and respect.

Axiomtek's human rights policy applies to all subsidiaries, affiliated companies, and operating locations within the Group. Axiomtek complies with labor and gender equality laws and regulations in the places where it operates and formulates and implements relevant human rights protection and labor policies.

Forced and Compulsory Labor

Forced labor is the practice of punishing or coercing people to perform work against their will, including slavery, child labor, human trafficking, bonded labor, and debt bondage, all of which are part of forced labor. Axiomtek believes that all work should be voluntary, respects the freedom of employees and is not open to any form of forced labor. In terms of supplier management, we have included the prohibition of forced labor in our 2021 supplier audits, and we plan to include suppliers with a history of forced labor (forced work, forced overtime, under-reporting of hours worked) or high risk in our future audits.

Guidelines for Managing Critical Issues: Forced and Compulsory Labor	
Item	Abstract Description
Issues Affecting Borders	Internal organization and suppliers
Management System	Conduct quarterly labor-management meetings every year, and regularly check the employee's suggestion box and grievance line to see if there are cases to be handled.
2021 Rollout Goals	Plan to adjust the content of supplier audits to include criteria for human rights-related issues.
2021 Effectiveness	Supplier audits have been added to prohibit forced labor and other related criteria
Medium to Long Term Development	The expectation is that all forms of forced or compulsory labor will be eliminated
Related Policies	None

- Hiring Policy

To implement diversity in the workplace, we uphold the principle of openness and fairness and do not discriminate against individuals based on their gender, race, socio-economic status, age, marriage, family status, language, religion, party affiliation, nationality, appearance, facial features, facial features, or physical or mental disabilities. Eliminate all forms of forced labor, eliminate employment and employment discrimination, prohibit harassment, respect privacy, and strive to create a work environment of equal opportunity, dignity, safety, equality, and freedom from discrimination and harassment.

- Reasonable Work Hours

Axiomtek has established legal regulations for flexible working hours and extended working hours, considering work-life balance, and regularly cares for and takes the initiative to understand the attendance status of employees.

- Healthy Workplace

To help employees maintain physical and mental health and work-life balance, we have appointed professional occupational nurses and contracted occupational therapists in 2019 to conduct regular employee care and health promotion programs and increase employee EAP consultation channels.

- To listen to the voices of employees, Axiomtek has set up various communication channels: 8185 employee hotline and mailbox, new employee orientation, new employee feedback and employee opinion survey, etc. When employees have any opinions, they can reflect or give feedback through various communication channels; Axiomtek has set up various Employee Assistance Programs (EAPs) in the EIP intranet site to understand the needs of employees; when employees have frequent business or personal needs, they can get the fastest solution.

▼ Survey of new recruits and responses

公佈欄	行事曆	常用平台
<ul style="list-style-type: none"> 部門公佈欄 管理制度 員工園地 艾訊學苑 艾訊圖書室 	<ul style="list-style-type: none"> 年度行事曆 艾訊公司行事曆 休假紀錄查詢 公出 出差/休假查詢 歡迎新人 	<ul style="list-style-type: none"> Website BPM 電子簽核系統 PMC Server Project Server Web Mail 更多連結
<ul style="list-style-type: none"> 各處室負責人 錦娟 8600 韻如 8120 佳燕 8121 澤蘭 8131 	<ul style="list-style-type: none"> 韻如 8120 各處室負責人 韻如 8120 澤蘭 8131 美而 8111 	<ul style="list-style-type: none"> 茜如 8872 俊德 3121 昭凱 3122 昭凱 3122 永章 3123 俊德 3121
好用連結	下載/查詢專區	服務專區
<ul style="list-style-type: none"> 匯率 File Server 員工熱線8185 	<ul style="list-style-type: none"> 職工福利委員會表單 勞工保險給付表單 團體保險給付表單 員工/廠商帳款查詢 分機/座位表查詢 關門流程查詢 	<ul style="list-style-type: none"> 訂會議室系統 訂便當系統 幸福艾訊集點平台 遷廠資訊專區 氣象 遷廠資訊專區
<ul style="list-style-type: none"> 佳燕 8121 佳燕 8121 佳燕 8121 雅芳 8613 澤蘭 8131 信和 8132 	<ul style="list-style-type: none"> 昭凱 3122 澤蘭 8131 佳燕 8121 佳燕 8121 俊德 3121 佳燕 8121 	

RE: 新人意見反應-新進員工訓練測驗建議

Candy(陳韻如)
 收件者 emma(李佳燕)
 副本 Mel.chen(陳美而); Sonny.Hsu(許迪翔)

From: Mel.chen(陳美而) <Mel.chen@axiomtek.com.tw>
 Sent: Thursday, November 11, 2021 10:59 AM
 To: Sonny.Hsu(許迪翔) <Sonny.Hsu@axiomtek.com.tw>; emma(李佳燕) <emma@axiomtek.com.tw>
 Cc: Candy(陳韻如) <candy@axiomtek.com.tw>
 Subject: 新人意見反應-新進員工訓練測驗建議

Dear sirs,

IPS IDS 系統研發部的新進同仁 Mike 填寫新人意見反應表中提議如下，供大家參考囉!

新進員工訓練的簡報跟內容素材,非常的完美,課後題目也很用心出題,建議測驗通過後如能提供標準答案或錯誤的題目,這樣才能增長知識,而不是已通過為目的.

以上請協助確認與評估,如有任何決議請不吝告知,以利轉告同仁知悉,共創良好工作環境,謝謝!

Best Regards,

Mei Chen
 Axiomtek Co., Ltd.
 Tel: +886-2-8646-2111 ext. 8111
www.axiomtek.com



Employee Communication Statistics for 2021

Communication Channels	Quantity	Case Closed	Processing Method
8185 Staff Hotline	1	1-	<input type="checkbox"/> Adjustment <input checked="" type="checkbox"/> Communication to reach a consensus
Newcomer Orientation	147	147	<input checked="" type="checkbox"/> Adjustment <input checked="" type="checkbox"/> Communication to reach a consensus
Newcomers' feedback	11	11	<input checked="" type="checkbox"/> Adjustment <input checked="" type="checkbox"/> Communication to reach a consensus
Opinion survey of working staff	15	15	<input checked="" type="checkbox"/> Adjustment <input checked="" type="checkbox"/> Communication to reach a consensus
Total	174	174	

Axiomtek hopes to create a corporate environment with mutual respect, interaction and protection of human rights, and a healthy and positive labor-management relationship. Therefore, through regular labor-management meetings and welfare committee meetings, two-way communication channels and various employee assistance programs can be carried out smoothly. In accordance with the "Regulations on the Implementation of Labor-Management Meetings" formulated by the Ministry of Labor, Axiomtek holds at least one labor-management meeting every quarter, with the chairmanship of the labor-management representatives taking turns; and in accordance with the "Regulations on Employee Benefits", "Regulations on the Implementation of Employee Benefits" and "Guidelines on the Organization of the Employee Benefits Committee", the Employee Benefits Committee is established, and the employee benefits committee members are elected through recommendation and election in proportion to the number of employees in each unit.

- **Retirement System Implementation Scenarios**

1. In accordance with the Labor Standards Law, Axiomtek has established a defined benefit pension plan. For employees who meet the retirement requirements, pension payments are calculated based on years of service and the average salary for the six months prior to retirement. Axiomtek contributes 2% of salaries and wages to a monthly pension fund, which is deposited in the Bank of Taiwan in the name of the Labor Pension Fund Supervisory Committee. The fair value of plan assets as of the end of 2021 was \$55,583 thousand. In accordance with the above regulations, the Company recognized an expense of \$352 thousand in 2021 and recorded an accrued pension liability of \$55,549 thousand as of the end of 2021 for the amount required to be contributed in the future by law.
2. Axiomtek has a defined contribution retirement plan in accordance with the Labor Retirement Law, which applies to employees who are nationals of the Company and contribute 6% of their monthly salary to the employees' personal accounts at the Labor Insurance Bureau. In accordance with the pension insurance system established by the government of the People's Republic of China, Axiomtek's mainland subsidiaries contribute a certain percentage of local employees' salaries to the pension insurance each month.

Healthy Workplace

- **Occupational Safety & Health**

Employees are the key driver for the Company's continuous innovation and sustainable development. Therefore, creating a safe and friendly working environment has always been Axiomtek's goal and an important responsibility. In addition to implementing legal regulations, we also cultivate employees' awareness of work safety, and implement diversified health care with

occupational medicine and nursing to establish a safe and healthy working environment and prevent occupational disasters and occupational diseases.

Management of major issues: Occupational safety and health	
Issues Affecting Borders	Within the organization (Taiwan), suppliers, contractors, visitors
Management System	Annual certification by a professional third-party impartial certification body
Occupational Safety and Health Policy	Compliance, communication and participation, risk management and performance improvement
2021 Goals	Improve the high-risk working environment in the plant
2021 Effectiveness	The assessment of electricity consumption hazards in the welding area (estimation of the power load of the extended socket in the welding area) and the reduction of storage in the chemical storage area are completed in the reporting area.
2022 Rollout Goals	Reduce the amount of chemicals stored in the storage area and coordinate with suppliers for batch deliveries
Medium to Long Term Development	Relocate the chemical storage area to make the storage area safe in accordance with the law or place the storage area outside the plant independently.
Related Policies	None

● **Occupational Safety and Health Management System**

To continuously improve the working environment to prevent occupational injuries, Axiomtek has introduced the ISO 45001 / CNS45001 occupational safety and health management system in 2019 in accordance with Article 12-2 of the Occupational Safety and Health Management Regulations, which covers the Shih Chi headquarters and the Beitou plant. We will standardize the safety and health operations, specify the procedures and methods of operation, implement independent inspection of equipment, set priorities for safety and health improvement, set goals and improvement plans, and implement improvement plans and regular audits, and then review by management to continuously improve safety and health performance.



- **Hazard identification, risk assessment, and incident investigation**

In accordance with ISO 45001 Occupational Safety and Health Management System, the Company shall formulate procedures for hazard identification, risk assessment and risk control planning, and personnel performing hazard identification and risk assessment shall receive prior review training. If there are new operation activities, products, new process development, material use, equipment introduction, etc., non-routine identification and inventory operations shall be completed; subsequently, based on risk assessment and statistical results, risk hazard levels and improvement sequences shall be formulated and risk assessment results shall be reported to the risk assessment results will be reported to the Safety Committee, and employee representatives will be allowed to participate in risk assessment decisions.

Employees in the workplace found in a work situation that may lead to immediate injury or disease, in accordance with Article 18 of the Occupational Safety and Health Act, may, without endangering the safety of other workers, stop work and retreat to a safe place, and immediately report to the immediate supervisor to seek improvement of the risk of harm, and the employer shall not dismiss, transfer, not pay wages or other disadvantages to the employee during the period of cessation of work

If a work-related injury occurs, the unit supervisor and the labor and safety office will investigate the cause and potential causes to identify the failures of the safety and health management system and take effective corrective and preventive measures. The corrective and preventive measures developed must be completed before implementation to ensure that the safety and health risks will be reduced to acceptable risks after improvement. °

- **Occupational Health Service**

Axiomtek attaches great importance to the safety and health of its employees. In accordance with Articles 3 to 8 of the Labor Health Protection Regulations, Axiomtek cooperated with Chang Gung Memorial Hospital in Keelung, Taiwan, in 2018 to invite qualified physicians who have been trained as labor health service physicians to provide on-site health services on a contract basis. In the same year,



the Company also cooperated with Combi Health Management Consultants to arrange on-site health services for nursing staff engaged in labor health services on a contractual basis.

In fiscal 2019, in response to the increase in the number of employees in the Company, the following items are listed in the labor health protection rules for nursing staff employed to work full-time in labor health services.

In 2020 and 2021, a total of 308 people from the two factories participated in occupational health visits. The topics of the visits included health checkups or health education for new employees, health education for special hazards, health education and consultation for maternal health protection, and consultation for employees' personal health problems.

Since the establishment of the Company in 1990, Axiomtek has been arranging annual health checkups for employees of all ages and has been arranging checkups that are better than the regulations year by year, so that employees can develop a health concept of early protection.

Year	Health Examination Category	Beitou Health Examination Rate	Xizhi Health Examination Rate
2017	General Medical Examination	96.98%	92.79%
	Lead special operation physical examination	100%	NA
	Special operation medical examination of free radiation	100%	NA
	n-hexane special operations	98.95%	NA
2018	General Medical Examination	98.5%	93.6%
	Lead special operation physical examination	100%	NA
	Special operation medical examination of free radiation	100%	NA
	n-hexane special operations	98.95%	NA
2019	General Medical Examination	95.40%	97.70%
	Special operation medical examination of free radiation	100%	NA
	n-hexane special operations	98.2%	NA
2020	General Medical Examination	98.10%	98.90%
	Special operation medical examination of free radiation	100%	NA
	n-hexane special operations	98.8%	NA
2021	Special operation medical examination of free radiation	100%	NA
	n-hexane special operations	100%	NA

- **Worker involvement, consultation and communication regarding occupational safety and health**

Each plant shall set up an occupational safety and health committee in accordance with the occupational safety and health management regulations, and at least 1/3 of the committee members shall be labor representatives, and labor representatives elected by the Company's labor-management meeting shall participate in the meetings to provide advice on the development, planning, implementation, performance evaluation and improvement measures of the occupational safety and health management system.

The authority and operation of the Occupational Safety and Health Committee shall be carried out in accordance with the management procedures of the Safety and Health Committee, which shall be convened at least once a quarter to discuss occupational safety and health management system projects (such as participation in hazard identification risk assessment, hazard classification and control, accident cause investigation and improvement, internal and external audits, contractor and outsourcing regulations, etc.), employee education and training, automatic inspection projects, employee health care, etc., and obtain consensus of the members at the meeting.

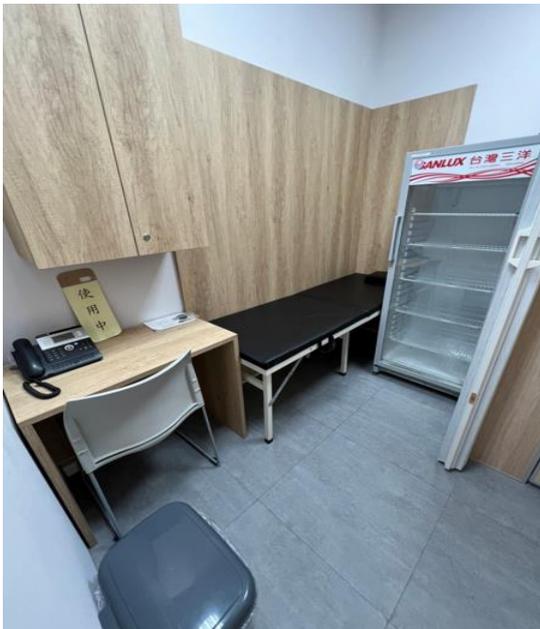
- **Worker training on occupational safety and health**

Axiomtek provides all employees with the necessary safety and health education and training for work and disaster prevention, and the training can be divided into internal and external training. The Company's personnel working in the safety and health management system (including safety and health business supervisors, safety and health managers, safety managers, labor health service nursing staff, fire prevention managers, first aid personnel, organic solvent operation supervisors, and free radiation equipment operators) are required to participate in external training to complete the statutory return training hours in accordance with the Occupational Safety and Health Education and Training Regulations and relevant laws and regulations.

The content of the internal training course includes occupational safety and health regulations, rights and obligations of employees, work rules and regulations, hazard regulations, traffic safety promotion and introduction to ISO 45001 occupational safety and health management system, etc. The schedule is mainly during working hours, and a test will be taken after the course to understand the degree of absorption by employees.

● **Worker Health Promotion**

Axiomtek not only attaches great importance to the safety of its employees, but also cares for their personal physical, mental, and spiritual health, and promotes their access to non-occupational medical and health services. The Company participates in the 2019 "Healthy Workplace Certification" program organized by the National Health Service of the Ministry of Health and Welfare. The Company confirms compliance with the Tobacco Control Act, conducts regular health checks and interviews to collect opinions on employees' health needs and activities, invites local health clinics to assist with four-cancer screenings, sets up various clubs and exercise spaces, provides sugar-free tea for use, and orders meals on behalf of employees. The Company has also obtained the Health Activation Seal of the Healthy Workplace Certification by choosing health-oriented meal boxes with more portions of sparse vegetables, less processed foods, and whole grain rice.



To create a workplace-friendly childcare environment, Axiomtek has set up a breastfeeding room to help employees combine work and family care, with 6 users in 2020 and 2021, and an additional 60 minutes of breastfeeding time per day.

● **COVID-19 outbreak-related measures**

In response to the COVID-19 epidemic and to protect the health of our employees, Axiomtek has proposed various epidemic prevention measures based on the need for epidemic prevention and to maintain the Company's operational status, and will adjust the measures on a rolling basis according to the development of the epidemic:

1. It is strictly forbidden to go upstairs and enter the office before taking the temperature; and please help the supervisor to care about the health condition of the staff who have not taken

the temperature.

2. The headquarters and the factory are divided into two groups of staff, A and B, to avoid the exchange of staff on different floors, and alcohol equipment is placed at the entrance and exit of each floor to continuously strengthen disinfection and epidemic prevention.
3. Work tables are placed at the entrances and exits of each floor to provide colleagues with the opportunity to place test items, documents, pick-up items, etc., and then notify colleagues on that floor to come and pick up the items to achieve contactless communication.
4. Please use communication software (e.g., Teams) for all kinds of meetings. If you need to use the meeting room for physical meetings, please reduce the number of people entering the meeting room by half and strictly observe the safety social distance (the distance between rooms must be more than 1.5 meters).
5. Visitors are not allowed to visit the Company unless extremely necessary; if necessary, they should meet in the lobby on the 1st floor and are not allowed to go upstairs.
6. In order to reduce the risk of infecting employees with the disease by public transportation during the epidemic period, the parking spaces are flexibly managed to provide parking spaces for employees who have not yet arrived at work for temporary use by employees who drive to work; in addition, a hot zone carpooling measure is proposed to encourage employees who live in hot zones to drive to work to help ride to work with colleagues in the same area, and the Company will subsidize the fuel costs of carpooling employees. Occupational safety and health management system covers all workers.
7. Axiomtek has also procured and provided the oxygen concentrator to our colleagues who are infected with the disease, so that they can have more peace of mind when they are diagnosed with the disease.
8. Disinfect the office environment every weekend during the epidemic, and increase the frequency of disinfection according to the risk of epidemic prevention.
9. In order to enhance employees' willingness to receive vaccinations and alleviate the discomfort caused by vaccinations, we will open up the opportunity for employees with vaccination record cards to apply for paid official leave to receive vaccinations on the day of vaccination; we will also invite clinical doctors to hold online clinics for Covid-19 Newcastle pneumonia vaccine to provide employees with explanations of contraindications to various brands of vaccines, encourage employees to administer vaccines, enhance the protection of the group, and jointly protect the health of AIS.

- Preventing and mitigating business-related occupational safety and health impact

To prevent work-related injuries, ill-health, illnesses and accidents, Axiomtek has established contractor safety and health management procedures to control external personnel entering the



The poster is for a COVID-19 vaccine online clinic. It features a yellow background with a white circular graphic containing a hand holding a syringe. The text is in both English and Chinese. The English text includes: 'COVID-19', 'Newcastle pneumonia vaccine', 'Online clinic', 'Specialist content: Various brand vaccines and contraindications explanation, Welcome to ask related questions, Conducted by: High Health Hospital Family Medicine Department, Dr. Wen-Hua, Online clinic date and time: 2021/7/28 (Wed) 10:30-12:00, Location: Microsoft Teams, Registration method and deadline: From today to 7/27 (Tue) 15:00, Register via Email or mobile phone number. At the bottom, it says 'If you have any questions, please call the hotline #0133 JYE' and 'Safety and Health Center' with a cross icon.

COVID-19
新冠肺炎疫苗
線上專診

專診內容
各種牌疫苗及禁忌症說明
歡迎提問相關問題
由高康醫院家醫科 鄭文華醫師
進行說明

日期及時間
2021/7/28(三)10:30-12:00

地點
Microsoft Teams

報名方式及截止日期
即日起至7/27(二)15:00
以Email或撥打分機報名

若有相關問題請洽分機#0133 JYE

勢安室
關心您

plant, including construction, repair or maintenance operations; and customers visiting or auditing the plant must also go through the visit application, and the relevant unit will plan the time and itinerary of the plant to ensure the safety of all employees in the plant and the suppliers, contractors and visitors entering the Company.

- Workers covered by the Occupational Safety and Health Management System

Axiomtek's Occupational Safety and Health Management System (OSHMS) is limited to the Taiwan site only and does not include the overseas branches. The number of employees covered by the OSHMS in FY 2021 is 593 (Xizhi + Beitou), with a coverage rate of 100%.

The number of employees covered by internal audits is 593 (Xizhi + Beitou), with a coverage rate of 100%.

Number of employees audited by external organizations 593 (Xizhi + Beitou), coverage rate 100%.

- Occupational Injuries

Axiomtek's Xizhi and Beitou plants worked a total of 1,202,311 hours in fiscal 2021, and the number of fatalities caused by work-related occupational injuries was zero, the number of serious occupational injuries caused by work-related occupational injuries was zero, the number of recordable cases of work-related occupational injuries was zero, and the rate of occupational injuries per million hours worked was zero.

There are no high-risk operations in the Company's work, but the assembly or warehousing units may cause musculoskeletal injuries in the long run due to repetitive operations accompanied by weight-bearing situations, which will need to be observed in the future and try to improve the work platform or provide protective equipment to avoid the occurrence of occupational injuries by analyzing the risk of hazards.

- Occupational Diseases

In fiscal 2021, Axiomtek had no reported cases of work-related occupational disease deaths, confirmed cases of occupational diseases as determined by occupational medicine specialists, or special medical examinations for Class 4 employees. The Company's labor and safety office work with contracted occupational physicians, human resources department, and department heads to protect and promote the health of employees.

Part6 Environmental Protection

6.1 Environmental Management Policy

Axiomtek's environmental policy is "unlimited environmental protection and sustainable resources". With the policy and limited resources, the Company will continue to improve and upgrade its working methods and management skills through the participation of all employees, so that the Company's products, service quality and environmental management can meet the needs of customers:

Environmental Policy	
Policy Objectives	Unlimited environmental protection and sustainable resources
Policy Goals	<ol style="list-style-type: none">1. 100% passing rate of labor environment test.2. 100% passing rate of drinking water quality testing.3. Electricity consumption savings of 1.5% per year.4. Greenhouse gas reduction of 1.5% per year.5. Water saving water use decreased by 1.0% per year.6. The proportion of non-recyclable business waste decreased by 1.0% compared to the previous year.
Achievement Strategy	Strictly comply with environmental regulations, implement environmental education and management, and reduce global environmental impact.
Achievement Measures	<ol style="list-style-type: none">1. Implementation of the labor working environment measurement twice a year.2. Implementation of drinking water quality testing 4 times a year.3. Monitor and review monthly electricity/water consumption.4. Monitor and review annual greenhouse gas/waste production.

6.2 Internal and external energy use

- Electric Power

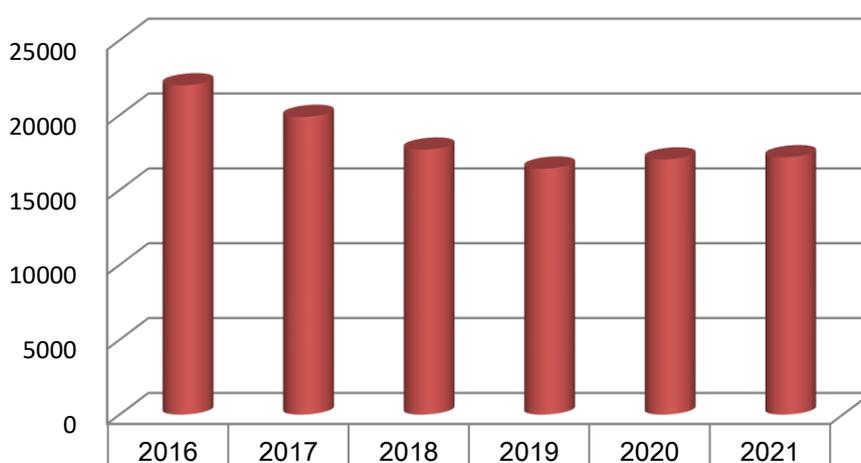
Axiomtek's energy consumption in production and business operations, electricity use is the main source of power, from the perspective of energy intensity, based on the number of electricity consumption and the number of people using electricity to calculate the per capita electricity consumption, the per capita electricity consumption in 2021 has a slight trend of increase. The slight increase in electricity consumption is due to the purchase of two new chambers in the laboratory

on the 3rd floor of the Xizhi headquarters in response to the demand for large-scale project testing, resulting in a slight increase in overall electricity consumption of 188,924.4 MJ in FY 2021, and a 0.88% increase in electricity consumption per capita compared to the previous year.

The Company-wide electricity consumption from 2016 to 2021, converted to MJ, is as follows:

Year	2016	2017	2018	2019	2020	2021
Electricity Megajoules	21990	19880	17693	16426	17036	17186
Electricity Megajoules	10840975.2	10059264.0	9554137.2	9346406.4	9744739.2	9933663.6
Number of users	493	506	540	569	572	578

2021 Electricity consumption per capita (MJ)



■ Electricity consumption per capita Megajoules	2016	2017	2018	2019	2020	2021
	21990	19880	17693	16426	17036	17186

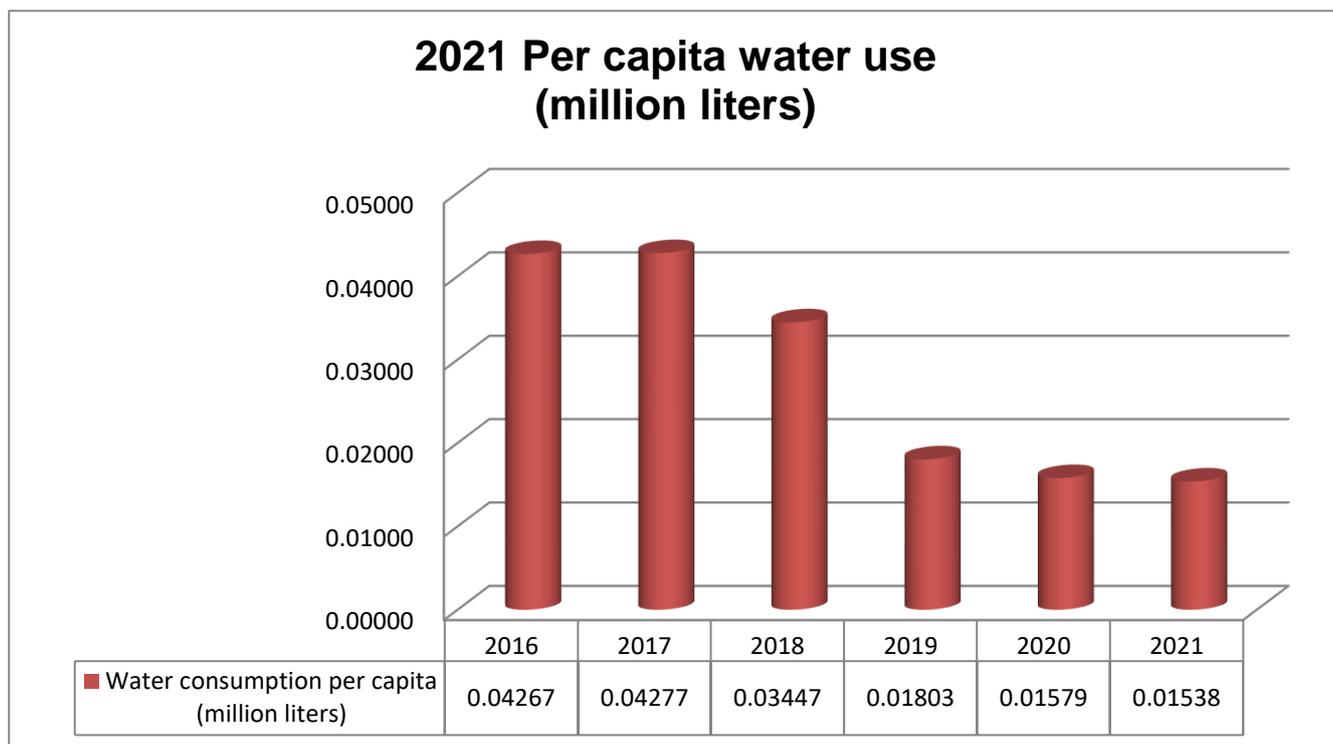
● Water Resources

The water used by Axiomtek comes from Taiwan Water Corporation, and Axiomtek does not need to use water in its manufacturing process and does not generate industrial wastewater. Since the Company is in a public park and not a private plant, it is difficult to recycle and reuse the water, and the discharge is entirely handled and discharged by the park.

The reason for the decrease in water consumption in FY 2021 compared to FY 2020 is that from the second half of 2018, the dormitory for foreign workers in the Beitou plant was moved from inside the plant to outside the plant, so there was a significant decrease in water consumption per capita compared to previous years. The reason for the decrease in water consumption in FY 2021 compared to FY 2020 is that the employees at the headquarters in Xizhi were diverted to work at home from June to July 2021 due to COVID-19, so the water consumption was reduced.

The Company-wide water consumption figures for 2016 to 2021 are as follows:

Year	2016	2017	2018	2019	2020	2021
Water per capita (Million liters)	0.04267	0.04277	0.03447	0.01803	0.01579	0.01538
Water usage (Million liters)	21.035	21.643	18.614	10.261	9.034	8.888
Number of users	493	506	540	569	572	578



● Greenhouse Gas

In addition to the statistics of electricity and water resources, Axiomtek has coordinated the ISO14064 greenhouse gas inventory operation by the Environmental Group since 2015, and the operational boundary of the inventory includes direct greenhouse gas emission sources (Scope 1) and energy indirect greenhouse gas emission sources (Scope 2), which cover the following items:

Scope	Type	Equipment type (emission source)
Scope 1 Direct greenhouse gas emissions	Stationary combustion sources : Refers to the fuel combustion of stationary equipment, such as: emergency generators, etc.	No such equipment
	Mobile combustion sources : Refers to the fuel combustion of transportation equipment, such as: automobiles.	Business car gasoline (co2, ch4, n2o) Business car diesel (co2, ch4, n2o)

Scope	Type	Equipment type (emission source)
	Fugitive emission sources : Intentional and unintentional emissions, such as: methane from equipment joints, leaks from seals or from wastewater treatment sites; carbon dioxide from firefighting equipment; HFCs from air conditioning, air-conditioning and domestic refrigeration equipment.	CO2 fire extinguisher (CO2) Drinking fountains, air conditioners, refrigerators, bus air conditioners, dryers, chambers (HFCs) Septic tank (CH4)
Scope 2 Energy Indirect Greenhouse Gas Emissions	Greenhouse gas emissions from purchased electricity, heat, steam, or other fossil fuel-derived energy sources.	Purchased electricity (CO2)
Scope 3 Other indirect greenhouse gas emissions	For example: employee business travel; transportation of packages or waste via third-party groups; outsourcing activities, outsourced manufacturing, and authorized distributors; sources or facilities where greenhouse gas emissions occur outside the facility boundary and the emissions come from waste generated by the facility; employee commuting to and from the workplace (including emissions from non-energy raw materials)	Document package outsourcing - gas, diesel (CO2, CH4, N2O), refrigerant (HFCs) Waste removal - gas, diesel (CO2, CH4, N2O), refrigerant (HFCs) Employee commuting and business trip - gas, diesel (CO2, CH4, N2O), refrigerant (HFCs) Vending machine-Refrigerant (HFCs)

Note: (Scope3) Other indirect emissions from other activities, the emission sources are owned or controlled by other companies. Because their activities and greenhouse gas emissions are not available, they are not quantified. The Company expects to obtain ISO 14064-1 third-party verification in 2022.

Summary Table 4, the whole plant greenhouse gas scope and scope a emission type emissions statistics table

	Scope 1				Scope 2	Scope 3	Total Emissions Equivalent Note
	Fixed Emissions	Manufacturing Process Emissions	Movements Emissions	Fugitive Emissions	Energy Indirect Emissions	Other Indirect Emissions	
Emission equivalent (Metric tons of CO2e/yr)	Emission equivalent (Metric tons of CO2e/yr.)				1,385.1942	NA	1,479.700
	0.0000	0.0000	6.9167	87.5886			
Percentage of Gas (%)	Percentage of Gas 6.39 (%)				93.61(%)	NA	100.00%
	0.00%	0.00%	0.47%	5.92%			

Note: The calculation basis is based on the greenhouse gas emission coefficient management table announced by the Environmental Protection Administration, Executive Yuan (version 6.0.4).

Actual GHG Inventory Results for 2021:

The results of the inventory for direct sources (Domain 1): 94.5053 metric tons of CO2e, or 6.39% of total emissions in 2021, for sources directly owned or used by Axiomtek.

Indirect Sources (Scope 2): The total GHG emissions from the organization's use of electricity supplied from outside the organization's boundaries in 2021 is 1,385.1942 metric tons of CO₂e, accounting for 93.61% of the total emissions.

Based on Axiomtek's concept of "Axiomtek Earth", Axiomtek has developed a greenhouse gas reduction strategy to reduce 1.5% per year compared to the previous year to achieve the goal of saving electricity/reducing greenhouse gas emissions.

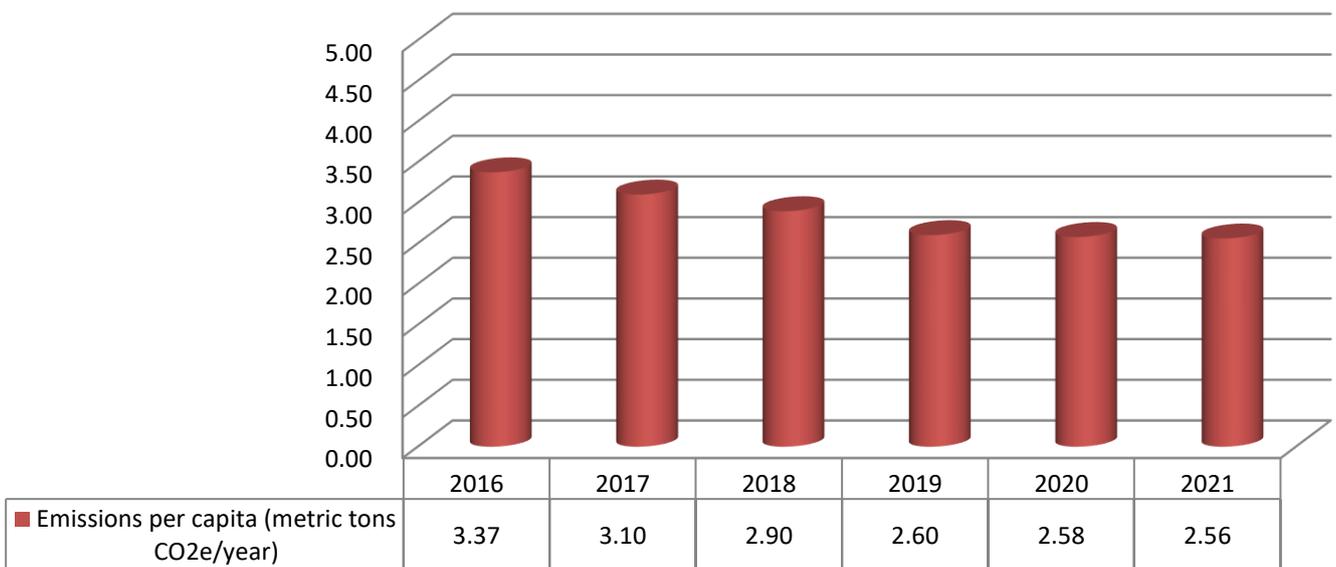
The monitoring results show that the greenhouse gas emissions per capita in 2021 = 2.56 metric tons of CO₂e, compared to the greenhouse gas emissions per capita in 2020 = 2.58 metric tons of CO₂e, a slight decrease of 0.77% in greenhouse gas emissions per capita compared to the previous year, and the reason for not achieving the reduction target of 1.5% compared to the previous year is the increase of 0.88% in electricity consumption per capita compared to the previous year. To achieve the target of electricity saving, we intend to introduce automatic power-off of the air-conditioning system in the Xizhi headquarters after the employees' off-duty security setting to avoid forgetting to turn off the air-conditioner and consuming electricity.

Revealing Greenhouse Gas Emissions 2016-2021:

Year	2016	2017	2018	2019	2020	2021
Total emissions per capita (mCO ₂ e/yr)	3.37	3.10	2.90	2.60	2.58	2.56
Total emissions (MTCO ₂ e/year)	1,663.34	1,568.71	1,563.62	1,480.15	1,475.02	1479.70
Total Number	493	506	540	569	572	578

Revealing the intensity of greenhouse gas emissions from 2016 to 2020

2016~2021 Greenhouse gas emissions per capita



6.3 Climate change and reduction of energy consumption

Axiomtek cares about the Earth, is always concerned about the issue of climate change and is committed to reducing energy consumption. Since the adoption of the Paris Agreement in 2015, the global issue of climate change and energy management has officially entered a new phase. As a member of the manufacturing industry, it is our important responsibility to save energy and reduce greenhouse gas emissions. To achieve the goal of reducing energy consumption, we have the following energy-saving measures to save electricity, paper, and computers.

Water and electricity saving measures	<ol style="list-style-type: none"> 1. Replace lighting with energy-saving lamps and lanterns. 2. Use sunshade to reduce sunlight. 3. Installing circulating fans at the air conditioning outlets to regulate the indoor temperature (1st floor of Beitou factory) and reduce the frequency of compressor activation. 4. Promote the shutdown of unused power during lunch break and after work hours. 5. Increase the ice water temperature of the air conditioner to reduce the frequency of compressor startup to avoid wasting resources. 6. Set the sleep function of the water dispenser during non-working hours to reduce power consumption. 7. Insulate the chilled water piping of the air conditioning unit 8. Understand the actual electricity consumption, and compile electricity statistics for each area as a basis for improvement 9. Use water-saving faucets in toilets
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Paper Saving and Other Measures	<ol style="list-style-type: none"> 1. Introduce electronic signature verification system, digitalize document signature, digitalize technical document information, and promote internal paper printing on both sides to achieve the purpose of paper saving. 2. The standard format of business cards is not printed with fax numbers, and electronic file transmission is used to replace paper printing on fax machines. 3. To reduce the use of paper cups by using our own eco-cups for all internal staff and eco-cups for visitors. 4. Promote waste separation, increase the number of recyclable resources, and reduce the amount of general waste. 5. Encourage employees to take public transportation to and from work or to share. 6. Promote employees to use eco-friendly tableware to reduce garbage generation and resource consumption. 7. Donate retired and usable PCs or NBs to related organizations for use by disadvantaged groups.
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6.4 Disposal and recycling

The types of waste generated in Axiomtek's inventory plants are divided into three categories: general household waste, general business waste, and hazardous business waste.

The three categories of waste are divided into three major categories: general household waste, general business waste, and hazardous business waste, etc. Each of these three categories of waste has its own management mode as shown in the table below:

Category	Waste Content	Processing Method	Final Disposal
General domestic waste	Wastepaper/glass bottles/plastic/iron and aluminum cans	Xizhi Headquarters - Management Committee Beitou Plant -Specialist Recycling	Reuse
	Meal boxes / household waste / food waste	Xizhi Headquarters - Management Committee Beitou plant-commissioned to qualified removal treatment operators	Sanitary burial Incineration disposal Fertilizer use
General business waste	Material Belt / Static Belt / Polyester / Plastic Tube / Empty Solder Paste Can / Packing Tape / Scrap Parts / Scrap Motherboard / Wooden Pallet ...	Entrusting qualified removal processing operators to handle	Sanitary burial Incineration
Hazardous Business Waste	PCB waste board edge/cleaning waste liquid	Entrusting qualified removal processing operators to handle	Sanitary burial Incineration Reuse

Axiomtek will also take care of the waste contractor every year, and if there is any breach of contract or violation of government regulations by the contractor, we will take appropriate disposal or counseling or replace the contractor.

- General domestic waste

Axiomtek's Xizhi headquarters and Beitou plant have different ways of handling domestic waste. The Xizhi headquarters is located in the Guoyang Cloud Building, so it is collected and handled by the building management committee, while the Beitou plant is an independent building, so it is collected by specialists and entrusted to qualified removal and treatment operators:

Located	Contract weight/year	Processing Method
Xizhi Headquarters	2.0 metric tons	Building Management Committee Entrusting qualified removal operators to handle
Beitou Factory	2.2 metric tons	Specialized recycling Entrusting qualified removal operators to handle

- Business waste

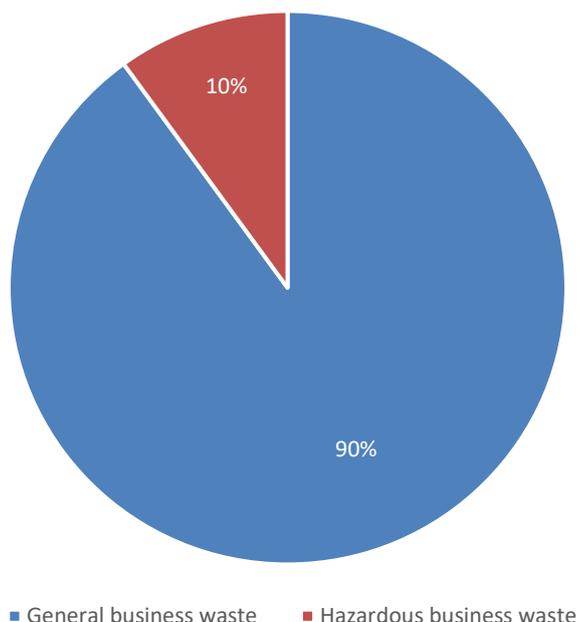
There are three types of business waste generated in the AIC inventory plant: general business waste (recyclable), general business waste (non-recyclable), and hazardous business waste (listed waste), etc. All waste is entrusted to legal removal and treatment companies to assist in disposal, and business waste must be reported to the Environmental Protection Agency for entrustment or joint treatment of the triple bill.

Axiomtek not only assigns business waste to legal vendors for removal and disposal, but also

cares a lot about the final disposal methods of vendors.

As shown in the chart below, Axiomtek's waste generation in FY 2021 was 42.76 tons. Since Axiomtek mainly focuses on assembly processes, the proportion of hazardous waste is relatively low, with 4.2 tons of waste generated, accounting for approximately 10% of the total waste. Most of the hazardous business waste generated during Axiomtek's production process is PCB waste. In the future, we will continue to improve process yields and reduce the production of PCB waste to achieve industrial waste reduction results.

2021 Business waste generation ratio



Axiomtek also set the annual waste reduction target of "1.0% reduction in the proportion of non-recyclable business waste compared to the previous year" and monitored the amount of non-recyclable waste generated during these three years as follows: We can see that the total output of non-recyclable business waste in 2021 is still 4.89 tons higher than that in 2020, but the percentage of increase is 16.75% lower than that of the previous year. The reason why the total production volume has not been decreasing is that most of the recyclers have changed to non-recyclable plastic, so the plastic has changed from general business waste (recyclable) to general business waste (non-recyclable).

Year	2019	2020	2021
Total output (MT/year)	25.64	33.66	38.55
Increase/decrease (MT/year)	Benchmark	+8.02	+4.89
Increase/decrease ratio(%)	Benchmark	+131.28%	+114.53%

6.5 Environmental Compliance

Since its establishment, Axiomtek has never been involved in any major violations of environmental laws and regulations. We have implemented the ISO 14001 environmental management system at our headquarters in Xizhi, Taiwan, and at our Beitou plant to ensure strict environmental management while pursuing operations. Compliance with local government environmental regulations is the most basic requirement for Axiomtek's environmental management standards. Therefore, we have set zero environmental violations as our basic goal for sustainable development:

Management Strategy	Frequency (year)	Sustainability Goals	Target (year)	Results (year)
Regular Regulatory Identification	≥ 2 times	Maintain Zero Environmental Protection Violations	2021 Environmental Protection Number of violations: 0	2021 Environmental Protection Number of violations: 0

Part7 Social Engagement

Social Welfare

● 104 Human Resources Bank "Be a Giver" Resume Clinic Volunteer Activity



Although the Covid-19 epidemic is still raging relentlessly, the bond between people is unbroken despite the time and space barrier. 104HRB has been organizing the "Resume Health Clinic for Job Seekers" for more than 5 years and continues to work hard to recruit talents for Taiwan. During the week of August 23rd, 2021, Axiomtek was invited by 104 to help job seekers use online voice and text to conduct résumé consultations. The Human Resources department sent two senior staff members to assist the call-in job seekers with their résumés during off-hours. Although they were not able to meet face-to-face, they were able to offer advice on resume writing and interviewing to these young job seekers through an online meeting tool. Even though it was 8:00 or 9:00 p.m. before we could reply to the participants' messages, the HR staff did not feel tired at all and agreed that we must respond and participate every year.

● "Christmas Sending Warmth, Sharing Love" (一)

As in the past, the Company will hold a kick-off meeting at the end of each year, and the FSC will



also send warmth at this time of the year by responding to the winter activities and ordering Christmas gifts from charity organizations, which will be sent to all Axiomtek employees at the end of the event. In 2021, we have ordered egg rolls and handmade soap from the Heartland Foundation, so that our colleagues can feel the love of the Welfare Committee when they receive the gifts.

● "Christmas Sending Warmth, Sharing Love" (二)

At the end of every year, regardless of whether it is Chinese, Western, or domestic, everyone is immersed in the atmosphere of Christmas cheer and New Year's greeting. A group of young colleagues from our business unit, with the spirit of "great love", collected donations from more than 80 colleagues from all over the company and held the "Northern Train Warmth for the Tourists" event on



Christmas Eve, December 24, 2021. We personally transported supplies and food to the visitors to help them spend Christmas Eve. The remaining funds were also donated to charity organizations to bring out the best of our love.

● "Parent-Child Drama" _ A Parent-Child Activity Combining Arts and Philanthropy

In 2021, Axiomtek Welfare Council has responded to the "Children's Drama Charity Tour" of Pax World, combining parent-child fun, art and literature appreciation and public welfare, so that the participating colleagues can enjoy the beautiful time of art and literature together and cultivate a sense of common participation in social welfare. The tour has been running for more than 10 years and has helped more than 100,000 underprivileged children enter the theater to enjoy quality children's plays, opening new horizons for children and leaving wonderful memories of their childhood.

The balance of the ticket proceeds is used to rescue the starving children, fund their meals, and take care of their food and clothing.

- **We support FangShan mangoes with our actions and let all farmers "clear" their mangoes**

Due to the impact of Covid-19, Pingtung fruit farmers are facing cancellation of orders and massive back sales during the mango season, affecting their livelihoods. Axiomtek, with its love of "people drowning themselves and people starving themselves", ordered more than 400 boxes of mangoes and hundreds of packages of dried mangoes from Pingtung mango farmers. We really support the local small farmers and protect the agriculture in Taiwan. We buy mangoes directly from the farmers and help the mango farmers in FangShan to spend a warm and loving summer.



GRI Index Table (GRI Standard 2016)

GRI Standard	Disclosures Titles	Page	Omission	External Assurance	
General Disclosures					
GRI 102 : General Disclosures	102-1	Name of Organization	9 12	-	NA
	102-2	Activities, brands, products, and services	13	-	NA
	102-3	Location of headquarters	12	-	NA
	102-4	Locations of operations	12	-	NA
	102-5	Ownership and legal form	12	-	NA
	102-6	Market served	12 14	-	NA
	102-7	Scale of the organization	12 23 65	-	NA
	102-8	Information on employees and other workers	68 69	-	NA
	102-9	Supply chain	17	-	NA
	102-10	Significant changes to the organization and its supply chain	-	None	NA
	102-11	Precautionary Principle or approach	41	-	NA
	102-12	External initiatives	13	-	NA
	102-13	Membership of associations	13	-	NA
	102-14	Statement from senior decision-Maker	11	-	NA
	102-16	Values, principles, standards, and norms of behavior	9	-	NA
	102-18	Governance structure	26	-	NA
	102-40	List of stakeholder groups	37	-	NA
	102-41	Collective bargaining agreements	-	NA	NA
	102-42	Identifying and selecting stakeholders	38	-	NA
	102-43	Approach to stakeholder engagement	39	-	NA
102-44	Key topics and concerns raised	40	-	NA	
102-45	Entities included in the consolidated financial statements	14	-	NA	
102-46	Defining report content and topic Boundaries	38	-	NA	
102-47	List of material topics	40	-	NA	

GRI Standard	Disclosures Titles	Page	Omission	External Assurance	
	102-48	Restatements of information	9	-	NA
	102-49	Changes in reporting	9	-	NA
	102-50	Reporting period	9	-	NA
	102-51	Date of most recent report	10	-	NA
	102-52	Reporting cycle	10	-	NA
	102-53	Contact point for questions regarding the report	10	-	NA
	102-54	Claims of reporting in accordance with the GRI Standards	10	-	NA
	102-55	GRI content index	110	-	NA
	102-56	External assurance	-	None	NA
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	38	-	NA
	103-2	The management approach and its components	39	-	NA
	103-3	Evaluation of the management approach	9		
			48		
			52		
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Topic-Specific Standards					
GRI 200 Economic performance					
*GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	49	-	NA
	201-3	Defined benefit plan obligations and other retirement plans	73	-	NA
	201-4	Financial assistance received from government	50	-	NA
GRI 202: Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	74	-	NA
	202-2	Proportion of senior management hired from the local community	68	-	NA
GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	7	-	NA

GRI Standard		Disclosures Titles	Page	Omission	External Assurance
	205-3	Confirmed incidents of corruption and actions taken	-	None	NA
GRI 300 Environmental topics					
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	100	-	NA
	305-2	Energy indirect (Scope 2) GHG emissions	101	-	NA
	305-4	GHG emissions intensity	101		NA
	305-5	Reduction of GHG emissions	103	-	NA
GRI 306: Waste	306-2	Management of significant waste-related impacts	103	-	NA
	306-4	Waste diverted from disposal	104	-	NA
*GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	106	-	NA
GRI 400 Social					
*GRI 401: Employment	401-1	New employee hires and employee turnover	70	-	NA
	401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	73	-	NA
	401-3	Parental leave	71	-	NA
*GRI 402: Labor/Management Relation	402-1	Minimum notice periods regarding operational changes	76		NA
*GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	91	-	NA
	403-2	Hazard identification, risk assessment, and incident investigation	92	-	NA
	403-3	Occupational health services	92	-	NA
	403-4	Worker participation, consultation, and communication on occupational health and safety	94	-	NA
	403-5	Worker training on occupational health and safety	94	-	NA
	403-6	Promotion of worker health	94	-	NA
	403-7	Prevention and mitigation of occupational health and safety impacts directly	96	-	NA

GRI Standard	Disclosures Titles	Page	Omission	External Assurance
	linked by business relationships			
	403-8 Workers covered by an occupational health and safety management system	97	-	NA
	403-9 Work-related injuries	97	-	NA
	403-10 Work-related ill health	97	-	NA
*GRI 404: Training and Education	404-1 Average hours of training per year per employee	88	-	NA
	404-2 Programs for upgrading employee skills and transition assistance programs	84	-	NA
	404-3 Percentage of employees receiving regular performance and career development reviews	74	-	NA
*GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	69	-	NA
	405-2 Ratio of basic salary and remuneration of women to men	73	-	NA
*GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	-	None	NA
*GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	87	-	NA
*GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	87	-	NA
*GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	55	-	NA
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-	None	NA
*GRI 417: Marketing and Labeling	417-1 Requirements for product and service information and labeling	52	-	NA
	417-2 Incidents of non-compliance concerning product and service information and labeling	-	None	NA
	417-3 Incidents of non-compliance	-	None	NA

GRI Standard		Disclosures Titles	Page	Omission	External Assurance
		concerning marketing communications			
*GRI 418:	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	None	NA
Customer Privacy					
*GRI 419:	419-1	Non-compliance with laws and regulations in the social and economic area	49		NA
Socioeconomic Compliance					

「*」 Marks are Major topics of concern selected by stakeholders, and the rest are company-defined ones. °

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