



# 03



## Green Products and Value Chain

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- 3.1** Green Product Design
- 3.2** Supply Chain Management
- 3.3** Customer Service and Satisfaction

## 3.1 Green Product Design

Holding fast to various guiding principles, including resource saving, improvement of energy efficiency, energy saving and carbon reduction, reduction of environmental toxicity and hazards, ease of assembly and disassembly, and ease of material and resource recycling, all business entities at BizLink implement the green design mindset on each stage of the product life cycle and present their performance in the circular economy.



### Accomplishments in green product design at BizLink in 2020

Product category	Key aspect of green design	Environmental and economic benefits
Computer I/O interface expansion box	<ul style="list-style-type: none"> <li>Reduce the use of toxic substances</li> <li>Reusable and easily recyclable</li> <li>Reduce the use of screws and substitute them with hooks</li> </ul>	<ul style="list-style-type: none"> <li>This product complies with EU RoHS and REACH regulations to meet customer requirements.</li> <li>It involves the use of halogen-free, recyclable or reusable materials, whereas plastic components weighing less than 25g are labeled according to ISO 11469 requirements for ease of identification by recycling personnel.</li> </ul>
Quad small form-factor pluggable (200Gbps/400Gbps)	<ul style="list-style-type: none"> <li>Reduce the use of toxic substances</li> <li>Reusable and easily recyclable</li> </ul>	<ul style="list-style-type: none"> <li>This product complies with EU RoHS and REACH regulations to meet customer requirements.</li> <li>It involves the use of halogen-free, recyclable or reusable materials, whereas plastic components weighing less than 25g are labeled according to ISO 11469 requirements for ease of identification by recycling personnel.</li> </ul>
Computer USB-C I/O interface expansion box	<ul style="list-style-type: none"> <li>Save resources</li> <li>Easily recyclable</li> <li>Save energy</li> <li>Reduce carbon emissions</li> </ul>	<ul style="list-style-type: none"> <li>The use of large fins on the uni-body aluminum heat sink ensures even temperature distribution inside this product.</li> <li>Accumulated heat inside this product is transferred to its casing via contact and radiation, and then dissipated out of its casing.</li> <li>It replaces mini forced convection fans to reduce energy consumption, thereby achieving the goal of environmental friendliness.</li> </ul>
Computer TB3 I/O interface expansion box	<ul style="list-style-type: none"> <li>Save resources</li> <li>Easily recyclable</li> <li>Save energy</li> <li>Reduce carbon emissions</li> </ul>	<ul style="list-style-type: none"> <li>The aluminum exterior design in this product optimizes heat dissipation, reducing energy waste observed in traditional fans while enhancing the overall quality and functionality of this product.</li> <li>This product complies with EU RoHS and REACH regulations to meet customer requirements.</li> <li>It involves the use of halogen-free, recyclable or reusable materials, whereas plastic components weighing less than 25g are labeled according to ISO 11469 requirements for ease of identification by recycling personnel.</li> </ul>

Product category	Key aspect of green design	Environmental and economic benefits
Computer USB-C I/O interface expansion box	<ul style="list-style-type: none"> <li>• Reduce the use of toxic substances</li> <li>• Reusable and easily recyclable</li> <li>• Reduce the use of screws by applying ultrasonic welding design</li> </ul>	<ul style="list-style-type: none"> <li>• This product comprises a compact, portable design and a tight fit between its casing and electronic components without any unnecessary design elements or exterior decoration.</li> <li>• All the materials used in this product comply with EU RoHS and REACH regulations.</li> <li>• It involves the use of halogen-free, recyclable or reusable materials, whereas plastic components weighing less than 25g are labeled according to ISO 11469 requirements for ease of identification by recycling personnel.</li> </ul>
Thunderbolt product	<ul style="list-style-type: none"> <li>• Reduce the use of toxic substances</li> <li>• Reduce carbon emissions</li> <li>• Reusable</li> <li>• Use recyclable or biodegradable materials</li> </ul>	<ul style="list-style-type: none"> <li>• This product involves the use of halogen-free, recyclable or reusable materials.</li> <li>• It complies with EU RoHS and REACH management requirements to meet customer requirements.</li> <li>• It comprises an integrated power and system design that complies with the ErP Directive in Europe.</li> </ul>
USB-C dongle product	<ul style="list-style-type: none"> <li>• Reduce the use of toxic substances</li> <li>• Reduce carbon emissions</li> <li>• Reusable</li> <li>• Use recyclable or biodegradable materials</li> <li>• Save resources</li> <li>• Use recycled materials</li> </ul>	<ul style="list-style-type: none"> <li>• This product comprises a compact, portable design and a tight fit between its casing and electronic components without any additional space to clad the exterior and unnecessary exterior decoration.</li> <li>• All the materials used in this product comply with EU RoHS and REACH regulations as well as halogen-free testing criteria to meet customer requirements.</li> <li>• All the eco-friendly materials used in this product are recyclable and reusable.</li> </ul>
USB-C docking product	<ul style="list-style-type: none"> <li>• Reduce carbon emissions</li> <li>• Save resources</li> <li>• Reduce the use of toxic substances</li> <li>• Use recycled materials</li> <li>• Easy to disassemble</li> </ul>	<ul style="list-style-type: none"> <li>• It comprises an integrated power and system design that complies with the ErP Directive in Europe.</li> <li>• It consists of a tight fit between its casing and electronic components without any additional space to clad the exterior.</li> <li>• All the materials used in this product comply with EU RoHS and REACH regulations as well as halogen-free testing criteria to meet customer requirements.</li> <li>• All the eco-friendly materials used in this product are recyclable and reusable.</li> <li>• It is easy to disassemble and recycle.</li> </ul>
Power module	<ul style="list-style-type: none"> <li>• Save energy</li> <li>• Reduce carbon emissions</li> <li>• Reduce the use of toxic substances</li> </ul>	<ul style="list-style-type: none"> <li>• This product involves the use of halogen-free, recyclable or reusable materials.</li> <li>• The switching power of this product is equipped with customer-owned tooling (COT) IC, which increases performance by approximately 5 to 10%.</li> </ul>

Product category	Key aspect of green design	Environmental and economic benefits
Automobile products	<ul style="list-style-type: none"> <li>• Reduce the use of toxic substances</li> <li>• Use recycled materials</li> </ul>	<ul style="list-style-type: none"> <li>• All the materials used in this product comply with EU RoHS and REACH regulations as well as halogen-free testing criteria to meet customer requirements.</li> <li>• All the eco-friendly materials used in this product are recyclable and reusable.</li> </ul>
Product design simulator	<ul style="list-style-type: none"> <li>• Reduce carbon emissions</li> <li>• Save energy</li> <li>• Save resources</li> </ul>	<ul style="list-style-type: none"> <li>• This product comprises an integrated design to improve design efficiency.</li> <li>• It minimizes space between its casing and electronic components without additional materials.</li> <li>• All the materials used in this product comply with EU RoHS and REACH regulations as well as halogen-free testing criteria to meet customer requirements.</li> <li>• All the eco-friendly materials used in this product are recyclable and reusable.</li> <li>• It is easy to disassemble and recycle.</li> </ul>
Application of 3D printing technology	<ul style="list-style-type: none"> <li>• Reduce the use of toxic substances</li> <li>• Reduce carbon emissions</li> <li>• Save resources</li> </ul>	<ul style="list-style-type: none"> <li>• It improves design reliability.</li> <li>• It shortens validation time and reduces the use of additional materials.</li> <li>• It is easy to disassemble and recycle.</li> </ul>

## 3.2 Supply Chain Management

### Supply chain overview

BizLink vertically integrates connector and wire manufacturing in the wire and cable assembly industry that we have a firm foothold in. Components are largely procured from external upstream suppliers, with the exception of wires and connectors as they are manufactured by our subsidiaries. Our customers are generally downstream electronic manufacturing services (EMS) companies and well-known, global brand name companies that make or sell end products.

### Sustainable supply chain management

When engaging in external procurement, BizLink not only takes into account its impact on our production, services, and operating procedures, but also considers CSR and reputational risk as a whole. Hence, BizLink not only is firmly committed to quality in supply chain management, but also adopts numerous measures in relation to labor rights, environmental protection, and safety and health risk control requirements in supply chains on the basis of compliance with the relevant laws and regulations to assist suppliers in improving their management levels. Through these measures, we hope to reduce our and suppliers' business risks and costs and establish partnerships with sustainable growth, so that we can continuously provide our customers with responsible and high-quality services.

## Commitments to supply chain management

- Create a sustainable development-oriented supply chain.
- Ensure that products and supply chains do not contain conflict minerals.
- Lead our suppliers to fulfill social responsibility, engage in environmental protection, and pay attention to labor rights, safety, and health.
- Encourage suppliers to develop innovative business models that mitigate environmental impact.
- Manage supplier quality, cost, delivery, service team, and sustainability to enhance competitiveness.



Aspects of supply chain management

Supplier sustainability requirements	Supply chain risk management	Supplier management
<ul style="list-style-type: none"> <li>• Supplier's Letter of Undertaking on Business Management</li> <li>• Restricted substances specifications for green products</li> <li>• Green procurement and product promotion</li> <li>• Conflict mineral procurement policy</li> </ul>	<ul style="list-style-type: none"> <li>• Localization of supply chain and procurement</li> <li>• Key supplier management</li> <li>• Identification of high-risk suppliers</li> <li>• Non-first-tier supplier management</li> </ul>	<ul style="list-style-type: none"> <li>• New supplier selection</li> <li>• Supplier classification management</li> <li>• Supplier training</li> <li>• Audit and guidance on supplier social responsibility</li> </ul>

### 3.2.1 Supplier Sustainability Requirements

#### “Social Responsibility Certificate” for suppliers

With a view to maintaining a safe work environment in the supply chain, ensuring that employees are respected and can work with dignity, implementing environmental protection, and observing

ethics, BizLink has formulated the “Social Responsibility Certificate” for suppliers in accordance with various international regulations, including the RBA (formerly Electronic Industry Citizenship Coalition) Code of Conduct, the International Labor Organization's “Declaration on Fundamental Principles and Rights at Work,” and the United Nations’ “Universal Declaration of Human Rights,” which requires suppliers to engage in business conduct in compliance with rules and regulations in various aspects, such as labor, health and safety, the environment, business ethics, and management systems, as well as abide by the RBA Code of Conduct and the laws and regulations of the country or region where they are located.

#### Supplier screening and green procurement

Apart from the traditional supplier assessment in various aspects such as quality, cost, delivery date, service quality and technical capabilities, BizLink has also implemented green supply chain-based procurement management, where the following principles are used to assess suppliers:

- Material suppliers must comply with local laws and regulations and define their risk control mechanisms.
- Suppliers shall establish management systems for the environment, employee health and safety, and non-hazardous substances.
- Suppliers shall comply with the “Concentration Limit of Hazardous Chemical Substances in Restricted Materials” standards.
- Suppliers shall provide appropriate and regularly updated self-declaration or supporting documents in line with the Restricted Substance Management Plan for Components.

#### Types of supply chain and localization of procurement

With a considerably diverse and extremely flexible product and service portfolio, BizLink records high procurement amounts each year and builds a relatively large supply chain. In Asia, we have approximately 522 qualified first-tier suppliers from a diverse range of sources. Our suppliers can be divided by relevance to production materials into direct material suppliers (i.e. suppliers that are directly

related to production) and indirect material and service providers (suppliers that are indirectly related to production). Procurement of direct materials have accounted for the biggest portion of our total procurement amount in previous years. In 2020, procurement of direct materials constituted 70% of our total procurement amount. Meanwhile, direct material suppliers can be further classified into three categories, namely manufacturers, distributors, and outsourced processing plants. In 2020, procurement from direct material, component, and raw material manufacturers accounted for 60% of our total procurement amount, the highest among all suppliers. At the same time, they are also our largest group of suppliers, which constituted 60% of all our suppliers. Meanwhile, procurement from key component distributors accounted for 30% of our total procurement amount whereas procurement of indirect materials and general operations (e.g., transportation, labor services, etc.) accounted for 10% in the same year.

As far as percentage of local procurement is concerned, BizLink's production sites are primarily located in Asia. According to analysis by production site, local suppliers in China and Taiwan account for 80% and 5% of all our suppliers, respectively.

Procuring products from local suppliers fosters local economic development and ensures more efficient after-sales service. Therefore, we tend to give priority to local suppliers when searching for collaborating suppliers. Based on the situation of local procurement from local suppliers at BizLink's production sites in 2020, procurement from our top 10 suppliers accounted for 35.85% of our total global procurement amount, whereas local procurement constituted 87.42%.

**Note:**

1. Definition of local procurement: Local procurement refers to purchases made in the country where our production site is located.
2. Percentage of local procurement from top 10 suppliers = Amount of procurement from local suppliers ÷ Total procurement amount x 100%

## Environmental standards

Having been following global trends in environmental protection and viewing environmental protection as our own responsibility, BizLink not only fully complies with environmental laws and regulations in locations where our operating bases and production sites are situated, but also pays attention to the latest developments in global environmental issues. We take the lead in taking various environmentally friendly actions, and actively develop environmental protection technologies in collaboration with major global manufacturers. Furthermore, we have also formulated the BizLink Environmental Technical Standards according to the relevant regulations (e.g., RoHS, REACH, and POPs) and established a hazardous substance management system to improve our environmental protection performance.

With a view to achieving the goal of selecting environmentally friendly materials and complying with international laws and regulations and customer specifications, BizLink strictly requires our suppliers and entities within our organization to meet the BizLink Environmental Technical Standards, in which environmental substances are classified into banned substances and substances that may be restricted or banned in the future. As of the end of 2020, BizLink listed 345 types of substances as controlled substances, including 110 types of banned substances and 235 types of continuously monitored and potentially hazardous "substances that may be restricted or banned in the future" (including REACH substances of high concern). We hope to provide products with low toxicity and pollution to our customers through green supply chain management, thereby minimizing harm to the environment or the human body.

## BizLink's environmental protection philosophy

- Eliminate and prevent environmental pollution
- Fully comply with environmental laws and regulations
- Dedicate ourselves to promoting the concept of environmental protection and becoming a green ambassador, so that we can contribute to environmental protection

### Conflict Mineral Statement

The Democratic Republic of the Congo (DRC) has abundant mineral resources, including gold (Au), tantalum (Ta), tin (Sn), and tungsten (W), which are collectively referred to as 3T1G, as well as cobalt (Co). They are essential metals used for manufacturing electronic equipment. However, many of these minerals are extracted in conflict zones and sold to fund violent incidents. When illegal minerals are traded for profit, massacres and violation of human rights grow rampant in these regions.

BizLink is actively responding to global efforts in curbing trading of conflict minerals by supporting the “Dodd-Frank Wall Street Reform and Consumer Protection Act” in the U.S.A. We promise not to use conflict minerals and accept raw minerals from Central Africa, DRC, and nearby countries in conflict. Furthermore, BizLink demonstrates our response to such efforts together with our suppliers through responsible procurement. At the same time, we also show our support and follow closely the current developments and trends in EU laws amid developments in conflict mineral-related laws in Europe. In order to ensure that this group of metals, including gold (Au), tantalum (Ta), tin (Sn) and tungsten (W), are not sourced from conflict zones in DRC, BizLink requires our business entities and suppliers to avoid using conflict minerals.

### 3.2.2 Key Supplier Management

With the purpose of implementing effective supplier management, BizLink not only has established a set of guidelines for supplier screening, but also conducts on-site audits among qualified suppliers or convenes meetings to review their performance in various aspects. BizLink has identified a list of major suppliers in Asia (the region where our major production sites are located) as the basis for supplier management.

We identify major suppliers based on the following principles:

- High sales turnover ratio
- Advanced technology and innovation capability
- Sole source
- High customization capability
- Labor-intensive or highly polluting industry
- Ability to fulfill CSR

### Identification of high-risk suppliers

BizLink evaluates suppliers' potential environmental or social risks based on their location, production process, and audit results. The factors considered in risk assessment include:

 Economic issues	 Environmental issues	 Social issues
<ul style="list-style-type: none"> <li>• Quality, cost, delivery date, service, and technical capability</li> <li>• Business ethics</li> <li>• Legal compliance</li> <li>• Supplier management</li> <li>• Supplier's automation capability</li> <li>• Supply of key rare metals</li> <li>• Sole source</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with environmental laws and regulations</li> <li>• Environmental management system</li> <li>• Climate change</li> <li>• Water resource management</li> <li>• Waste and air pollution management</li> </ul>	<ul style="list-style-type: none"> <li>• Employee health and safety</li> <li>• Human rights</li> <li>• Labor practices</li> <li>• Conflict mineral management</li> <li>• Supplier's automation capability</li> <li>• Supply of key rare metals</li> <li>• Labor working hours</li> </ul>



## Major sustainability risks in 2020

	Economy	Environment	Society
 Principal risk	Steady source of supply Key raw material supplier	Compliance with environmental laws and regulations Water resource management Climate change	Employee health and safety Labor working hours
 High-risk supplier category	Passive components such as MLCC	PCB, power supply, and wires and cables	PCB, power supply, and wires and cables

- Sustainability risk management for first-tier suppliers (i.e. suppliers that directly supply materials or services):

In 2020, a total of 25 new suppliers (excluding suppliers designated by customers) fully complied with RBA standards on environmental protection, labor practices, human rights, and social impact. Additionally, none of our suppliers was removed from our list of qualified suppliers in the same year.

- Sustainability risk management for non-first-tier suppliers:

We also require suppliers, in addition to first-tier suppliers, to manage their upstream suppliers, with a view to improving the reliability of the overall supply chain.

### 3.2.3 Supplier management mechanism

#### Audit and guidance on supplier social responsibility - “human rights, environment, safety, health, and management system”

BizLink’s supply chain management protocol incorporates the RBA Code of Conduct into the supply chain to provide guidance and conduct audit in relation to “human rights, environment, safety, health and management system,” thereby monitoring suppliers’ management and fulfillment of social responsibility in the environmental, safety, and health aspects. We continue to encourage our suppliers to pay attention to business ethics, protect labor rights, and ensure workplace safety and health. Additionally, we have developed materials and production processes that mitigate environmental impact. We review and assess our suppliers’ fulfillment of CSR using the audit tools published by the RBA. In 2020, we audited a total of 104 suppliers, where no supplier was found to cause substantial or potential negative impact on the environment, human rights, and labor practices. The most common issue identified during auditing is working hours. Upon audit and assessment, suppliers are required to make relevant improvements within a prescribed time period. As far as selection criteria are concerned, suppliers are either classified as “acceptable” or “unacceptable.” In 2020, no qualified suppliers were disqualified due to this social responsibility issue.

#### Supplier education - The “Supplier Corporate Social Responsibility” session

Despite not being able to convene the “Supplier Corporate Social Responsibility” session and training course due to the COVID-19 pandemic in 2020, we continue to explain the content of CSR to our collaborating suppliers in writing and request the management team or the highest-ranking executive of our suppliers to sign the “Letter of Undertaking on Business Management” to make sure that they comply with every aspect of the RBA Code of Conduct.

### 3.3.1 Customer Service

BizLink provides connection-related applications and solutions, including harnesses and cables for computer peripherals, appliances, consumer electronics, automobile, medical equipment, optical communication equipment, solar equipment, and industrial equipment. Our customers comprise global brands and companies in a wide range of industries, such as information technology, electrical appliances, consumer electronics, automobile cables, medical equipment, optical communication equipment, solar energy, and industrial manufacturing. As customer orientation is one of the core values at BizLink, we are committed to providing high quality and eco-friendly services to meet customer needs.

Business divisions at BizLink have their own customer service team that is in charge of sales, product R&D, manufacturing, quality, delivery, cost, and after-sales service. They are able to accurately and quickly propose corresponding methods and holistic solutions in response to customer problems and feedback.

As far as product design services are concerned, BizLink not only continuously strengthens our technical team, but also formulates and strictly implements comprehensive standard operating procedures (SOPs) for individual product design to ensure that customers' specific requirements and opinions are included in the design process.

We implement the just-in-time (JIT) manufacturing process to eliminate waste, reduce warehouse costs, and produce the right products at the right time and location, thereby helping our customers become more efficient and competitive in supply chain management. JIT is applied to all our plants in the U.S.A., Europe, China, Malaysia, and Mexico, with the aim of offering assistance and services to our customers in a dynamic manufacturing

environment. We also provide our customers with daily inventory reports, weekly status reports, complete supply overview, difference reports, production and scheduling processes, and real-time warehouse management from our locations worldwide to ensure the accuracy and immediacy of management information as well as the successful delivery of products.



### 3.3.2 Customer Satisfaction

Becoming a leading global company that is recognized by our customers and a premier business partner is our mission, while generating the greatest values for our customers is the direction we are actively working toward.

Understanding and analyzing customer satisfaction is an important basis for constantly improving product and service processes to create value that better satisfies customer needs.

With our emphasis on customer satisfaction, business divisions at BizLink collect records of ratings from customers (e.g., scorecards) to monitor customer satisfaction levels. The content of these records comprises various dimensions, including quality, price, delivery, service, technical capability, CSR, and information feedback. Each business division formulates improvement plans based on the rating results and uses customer satisfaction ratings as performance indicators for various units.

In addition, we send out the “Customer Satisfaction Survey Form” to our major customers every year based on our quality management system, and use this survey as the basis for reviewing and improving our annual plan. BizLink’s production sites also collect customer feedback simultaneously.

Customers visit our production sites either regularly or irregularly to give audit ratings, thereby serving as an important basis for enhancing customer satisfaction as well.

### 3.3.3 Customer Privacy

While improving customer service, BizLink also attaches great importance to protecting customer privacy and intellectual property rights. BizLink signs confidentiality agreements with customers to protect their confidential information and ensures that our employees fulfill confidentiality obligations during day-to-day operations. No violation of customer privacy or infringement

of customer rights due to a loss of information was committed by BizLink in 2020.

### 3.3.4 Legal Compliance

BizLink strives to abide by all applicable national and international laws, codes of ethics, and generally accepted practices in our areas of operation, including promoting fair competition; providing customers with safe products and services; complying with labor laws and practices, declaration of human rights, and international standards; and protecting copyright, our assets, and any form of intellectual property rights. BizLink also respects local traditions and values in regions where our production sites and operating bases are located.





The results of customer satisfaction survey conducted by BizLink among our 10 major customers in 2020 are shown as follows.

		Satisfaction survey item					Average customer satisfaction
		Overall satisfaction	Service attitude	Product quality	On-time delivery rate	Service attitude	
Overall average satisfaction %		92%	90%	100%	99%	83%	<b>93%</b>
 Very satisfied (90 to 100 points)	Number of suppliers	7	9	10	10	6	7
	Percentage	70%	90%	100%	100%	60%	70%
 Satisfied (80 to 89 points)	Number of suppliers	2	-	-	-	-	2
	Percentage	20%	-	-	-	-	20%
 Neutral (70 to 79 points)	Number of suppliers	-	-	-	-	2	1
	Percentage	-	-	-	-	20%	10%
 Dissatisfied (60 to 69 points)	Number of suppliers	-	-	-	-	1	-
	Percentage	-	-	-	-	10%	-
 Very dissatisfied (<59 points)	Number of suppliers	-	1	-	-	1	-
	Percentage	-	10%	-	-	10%	-

**Note:** Major customers refer to those accounting for the top 30% of our total revenue in 2020.

With 100 points as the full score in the customer satisfaction survey, the overall customer satisfaction for BizLink in 2020 was 93%, a 3% decrease from 2019. A total of 7 customers or 70% of our major customers gave a score of at least 90 points.

BizLink conducted analysis on individual customers based on their ratings for each item, and proposed relevant improvement plans to increase customer satisfaction and achieve our overall customer satisfaction targets.