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Green Products and Value Chain

3.1 Green Product Design

3.2 Supply Chain Sustainability Management

3.3 Customer Service and Satisfaction

BizLink business groups uphold guidelines in resource conservation, increasing energy efficiency, energy conservation, and carbon reduction, minimizing toxic environmental hazards, easy assembly and disassembly and easy recycling of materials and resources. The green design thinking is applied to various stages of the product life cycle in order to demonstrate the benefits of a circular economy.

Green Product Design Accomplishments in 2019

Product category	Green design key aspects	Description of environmental and economic benefits
Computer I/O interface expansion box	·Reduce the use of toxic substances ·Re-usable and easily recyclable ·Reduce the use of screws and substitute them with hooks	·Compliant with EU RoHS and REACH management criteria to fulfill our clients' requirements. ·Use of halogen-free, re-cyclable or reusable materials. Plastic components weighing less than 5g are labeled according to ISO11469 requirements for the ease of identification by recyclers.
QSFP (200Gbps/400Gbps)	·Reduce the use of toxic substances ·Re-usable and easily recyclable	·All materials comply with EU RoHS and REACH regulations. ·Use of halogen-free, recyclable or reusable materials. Plastic components weighing less than 25g are labeled according to ISO11469 requirements for the ease of identification by recyclers.
Computer USB-C I/O interface expansion box	·Resource conservation ·Easily recyclable ·Energy saving ·Carbon reduction	·Use of large fins on the uni-body aluminum heat sink ensures even temperature distribution inside the product. ·Accumulated heat inside the product is transferred to the case via contact and radiation and extracted to the exterior. ·Replaces mini forced convection fans to save energy consumption and achieve the goal of green energy and environmental protection.
Computer TB3 I/O interface expansion box	·Resource conservation ·Easily recyclable ·Energy saving ·Carbon reduction	·Aluminum exterior design optimizes heat dissipation, reducing energy waste of traditional fans while enhancing the product's overall quality and functionality. ·All materials comply with EU RoHS and REACH regulations. ·Use of halogen-free, recyclable or reusable materials. Plastic components weighing less than 25g are labeled according to ISO11469 requirements for the ease of identification by recyclers.
Computer USB-C I/O interface expansion box	·Reduce the use of toxic substances ·Re-usable and easily re-cyclable ·Reduce the use of screws by applying ·Ultrasonic welding design	·Compact, portable design, tight fit between the case and electronic components. No unnecessary design elements or exterior decoration. ·All materials comply with EU RoHS and REACH regulations. ·Use of halogen-free, recyclable or reusable materials. Plastic components weighing less than 25g are labeled according to ISO11469 requirements for the ease of identification by recyclers.

Product category	Green design key aspects	Description of environmental and economic benefits
Thunderbolt product	·Reduce the use of toxic substances ·Carbon reduction ·Re-usable ·Uses re-cyclable or biodegradable materials	·Use of halogen-free, recyclable or reusable materials. ·All materials comply with EU RoHS regulations. ·Integrated power and system design that complies with ErP Directive in Europe.
USB-C Dongle Product	·Reduce the use of toxic substances ·Carbon reduction ·Re-usable ·Uses re-cyclable or biodegradable materials ·Resource conservation Materials recycling	·Compact, portable design, tight fit between the case and electronic components. No additional space to clad the exterior, no unnecessary exterior decoration. ·All materials comply with EU RoHS, REACH and halogen-free testing criteria to fulfill our clients' requirements. ·All eco-friendly materials can be recycled and reused.
USB-C Docking Product	·Carbon reduction ·Resource conservation ·Reduce the use of toxic substances ·Materials recycling ·Easy disassembly design	·Integrated power and system design that complies with ErP Directive in Europe. ·Tight fit between the case and electronic components. No additional space to clad the exterior. ·All materials comply with EU RoHS, REACH and halogen-free testing criteria to fulfill our clients' requirements. ·All eco-friendly materials can be recycled and reused. ·Product is easy to disassemble and recycle.
Power Module	·Energy saving ·Carbon reduction ·Reduce the use of toxic substances	·Use of halogen-free, recyclable or reusable materials. ·Switching power is equipped with COT (customer-owned tooling) IC, increasing performance by 5-10%.
Car Products	·Reduce the use of toxic substances ·Materials recycling	·All materials comply with EU RoHS, REACH and halogen-free testing criteria to fulfill our clients' requirements. ·All eco-friendly materials can be recycled and reused.

Product category	Green design key aspects	Description of environmental and economic benefits
Product Design Simulation and Application	·Carbon reduction ·Energy saving ·Resource conservation	·Simulated integrated design to improve design efficiency. ·Minimization of case and electronic components, no additional materials. ·All materials comply with EU RoHS, REACH and halogen-free testing criteria to fulfill our clients' requirements. ·All eco-friendly materials can be recycled and reused. ·The product is easy to disassemble and recycle.
Application of 3D Printing Technology	·Reduce the use of toxic substances ·Carbon reduction ·Resource conservation	·Improve design reliability. ·Decreased testing time equates to the decreased amount of additional materials used. ·The product is easy to disassemble and recycle.

3.2　Supply Chain Sustainability Management

Supply chain profile

We vertically integrate production of the connectors and wiring material essential to our end-product, cable assemblies. Components are largely procured from external, upstream suppliers with the exception of the wires and connectors made by our subsidiaries. Our customers are generally downstream EMS or well-known, global brand name companies that make or sell the end products.

Supply Chain Sustainability Management

The Company's procurement not only takes into consideration influence on production, service, and operation but also corporate social responsibilities and reputation-related risks. Consequently, in terms of supply chain management, in addition to maintaining quality based on our duties in legal compliance, we have also adopted numerous measures to help our suppliers to improve their management standard in regards to supply chain labor rights, environmental protection, as well as safety and health risk management. The aim is to reduce risk and cost for us and our suppliers, thereby forging a sustainable, growing partnership and continue to provide responsible, high-quality services to our customers.

Supply Chain Management Commitment

- Create a sustainable supply chain.
- Ensure that the products and supply chain do not contain conflict minerals.
- Lead our suppliers to fulfill their social responsibilities, protect the environment and respect the workers' human rights, safety and health.
- Encourage our supplier to develop innovative business models that will mitigate environmental impact.
- Manage supplier quality, cost, delivery, service team and sustainability in order to enhance competitiveness.

Supply Chain Management Aspect

Supplier sustainability regulation	Supply chain risk management	Supplier management
・Supplier Management Letter of Undertaking ・Green product restricted substance regulation ・Green procurement and product promotion ・Conflict mineral procurement policy	・Localized supply chain procurement ・Key supplier management ・High-risk supplier identification ・Non-first-tier supplier management	・New supplier selection ・Supplier rating ・Supplier education and training ・Supplier social responsibility auditing and counseling

3.2.1 Supplier Sustainability Regulation

Supplier "Social Responsibility Certificate"

We have taken the Responsible Business Alliance (RBA, formerly EICC)'s Code of Conduct, ILO's "Declaration of Fundamental Principles and Rights at Work" and "Universal Declaration of Human Rights" into consideration to stipulate our own "Social Responsibility Certificate" in order to guarantee a safe working environment throughout the supply chain, protect our employees' rights as well as implement and comply with globally recognized ethical standards. The Certificate requests that all suppliers' business conduct must comply with regulations pertaining to health and safety, environment, business ethics, and management systems as well as to the RBA Code of Conduct and the laws and regulations of the country/region in which they operate.

Supplier Selection and Green Procurement

Apart from the traditional assessment of suppliers in aspects such as quality, cost, delivery date, service quality and technical skills, we have also implemented green supplier-based procurement management, where the following principles are used to evaluate the suppliers:

- Materials suppliers must comply with local laws and regulations and define their risk management control mechanism.
- Suppliers should establish an environmental, employee health and safety and non-hazardous substance management system.
- Comply with "Concentration Limit of Hazardous Chemical Substances in Restricted Materials" standards.
- Regularly update self-declaration or proof documents in accordance with the Components Restricted Substance Management Plan.

Types of Supply Chain and Localized Procurement

BizLink's product and service portfolios are diverse and versatile, therefore the amount of procurement each year generated and the scale of the supply chain is enormous. In Asia, we have approximately 400 qualified tier-1 suppliers who come from diverse backgrounds. By categorizing our suppliers based on production material relevance, they can be divided into direct materials suppliers (directly related to production) and indirect material and service providers (indirectly related to production.) Over the years, our procurement consists of mainly direct material purchases. In particular, direct procurement accounted for 70% of direct procurement in 2019. Direct material suppliers are classified into 3 types: manufacturers, distributors, and outward processing plants. In 2019, most of BizLink's procurements were from our direct material, component and raw material manufacturers, accounting for 60% of the total amount and 60% of the total supplier number. This is followed by distributors of key components, accounting for 30% of the total procurement amount. Direct material and general operational procurements (including transportation, labor service etc.) account for about 10%.

In terms of localized supplier ration, most of BizLink's production bases are located in China. If examined based on production base, local suppliers in China and Taiwan account for 80% and 5%, respectively.

Procuring products from local suppliers fosters local economic development and ensures more efficient after-sales service. Therefore, we consider choosing local suppliers as our priority. BizLink purchases from local suppliers based on the needs of the plant engaging in procurement. Our top 10 suppliers in 2019 contributed 32.57% of our total annual global procurement. 100% of procurements were made locally.

Note

1. Definition of local procurement: Procurements are made in the country where BizLink operations are conducted.
2. Ratio of local procurement = Total procurement amount from local suppliers ÷ total procurement amount x 100%.

Environmental Standards

BizLink closely monitors global trends in environmental protection. We pay attention to developments in environmental issues, and take the initiative to adopt various new eco-friendly measures aside from being fully compliant with local environmental laws in all of our operating locations. We proactively work with prominent firms around the world to develop environmentally friendly technologies. We comply with relevant regulations (e.g. RoHS, REACH, and POPs), and with client requirements that require us to follow environemtally friendly practices, and to establish a hazardous substance management system to improve our results in environmental protection.

BizLink has rigorously demanded our suppliers and our subsidiaries to comply with our environmental protection standards in an effort to select eco-friendly materials, and to meet the regulations and requirements of international law and of our customers. In particular, environmental substances are to be divided into restricted substances and potentially restricted substances in the near future. There are 303 controlled substances as of 2019. including 81 prohibited substances and 222 substances that are potentially hazardous and may be restricted in the future (including REACH monitored substances). We expect to provide products with low toxicity and pollution to our clients through green supply chain management, thereby decreasing harm to the environment or people.

BizLink's Environmental Philosophy

- Eliminate and prevent environmental pollution.
- Comply with the environmental law and necessary requirements.
- Dedicated to promoting environmental concepts and becoming a green ambassador to the environment.
- Let us contribute towards environmental protection.

Conflict Mineral Statement

Democratic Republic of the Congo (DRC) has abundant mineral resources, including gold (Au), tantalum (Ta), tin (Sn) and tungsten (W). Collectively, they are referred to as 3TG. These are essential metals used for manufacturing electronic equipment. However, many of these minerals are extracted in conflict zones and sold to perpetuate the fighting. When illegal minerals are traded for profit, massacres and violation of human rights grow rampant in these regions.

BizLink is actively responding to the global effort in curbing the trading of conflict minerals by support the US's "Dodd–Frank Wall Street Reform and Consumer Protection Act". We promise not to use conflict minerals, not to accept raw minerals from Central Africa, DRC and, nearby conflict countries. Furthermore, BizLink encourages responsible procurement in conjunction with our suppliers, and we are also supportive of the development of conflict mineral related legislation in Europe. In order to make sure that metals including gold (Au), tantalum (Ta), tin (Sn) and tungsten (W) are not sourced from DRC's conflict areas, BizLink has requested ourselves and our suppliers to avoid using conflict minerals.

3.2.2 Key Supplier Management

In order to implement effective supplier management, besides supplier screening guidelines, BizLink also conducts audits of qualified suppliers, or convene meetings to review various implementation performances. BizLink has identified Asia's (main manufacturing location) main supplier management list that is used as the basis for priority management. In 2018 the number of key suppliers account accounted for 13.5% (Xiang Yao plant in Shenzhen) +4% (Kunshan plant) +60% (Bizconn plant in Shenzhen). In total, these key suppliers contribute 70% of the total procurement amount in Asia. In particular, local key suppliers (China)

account for over 90% of the total number of suppliers.

We have identified our suppliers using the following principles:

High revenue share	Advanced technology and innovation ability	The only source of supply
High degree of customization	Labor intensive or high pollution manufacturing industry	Ability to fulfill corporate social responsibilities

High-Risk Supplier Identification

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

Economic issues	Environmental issues	Social issues
• Quality, cost, delivery date, service, and technical skills • Business ethics • Legal compliance • Supplier management • Supplier automation capability • Supply of key rare metals • The only source of supply	• Compliance with environmental laws • Environmental management system • Climate change • Water resource management • Waste and air pollution management	• Employee health and safety • Human rights • Labor practices • Conflict mineral management • Supplier automation capability • Supply of key rare metals • Labor working hours

⚠ Main sustainability risks in 2019

	Economy	Environment	Society
⚠ Principal risk	• Steady supply source • Key raw material supplier	• Compliance with environmental laws • Water resource management • Climate change	• Employee health and safety labor working hours
High-risk supplier category	• MLCC • passive components	• PCB • Power supply • cables	• PCB • Power supply • cables

• First-tier supplier(direct supplier of materials or services)sustainability risk management:

In 2019, all 22 new suppliers (excluding suppliers designated by the clients) passed the RBA audit and were deemed to comply with environmental standards, labor practice guideline, human rights standards, and social impact standards. In addition, 0 suppliers were eliminated from the qualified suppliers' list for reasons including changing their Company names and uncompetitive costs.

• Non-first-tier supplier sustainability risk management:

Apart from demanding our first-tier suppliers, we also demand our suppliers to manage their upstream suppliers in order to improve the dependability of the overall supply chain.

3.2.3 Supplier Management Mechanism

Suppliers' Social Responsibility "Human Rights, Environment, Safety, Health, and Management System" Auditing and Counseling

BizLink's supply chain management protocol incorporates the Code of Conduct (RBA) into the supply chain in order to conduct "human rights, environment, safety, health and management system" related counseling and auditing, thereby monitoring the degree of management and implementation of the suppliers in terms of environmental safety and health aspects. We continue to encourage our suppliers to value business ethics, protect labor human rights and ensure workplace safety and health. Additionally, we have also developed materials and production processes that will mitigate environmental impact. We have applied audit tools published by the RBA to review and assess our supplier's adherence to corporate social responsibility. In 2019, a total of 22 suppliers were audited. No supplier presented substantial or potential adverse impact in regards to the environment, human rights and labor practices. The most common problem associated with audits is working hours; after the audit, suppliers are requested to rectify the problem within a specified time period. In terms of selection criteria, suppliers are either classified as "acceptable" or "unacceptable." In 2019, there were no unacceptable suppliers due to social responsibility problems.

Supplier Education - "Supplier CSR" Briefing

In 2019, we convened one "supplier CSR" briefing and training course to elaborate on the details of corporate social responsibilities. Moreover, we requested the management team or the highest-ranking executive of our suppliers to sign a "Management Letter of Undertaking" to make sure that they comply with every aspect of the Code of Conduct (RBA).

3.3.1 Customer Service

BizLink provides connection related applications and solutions, including harnesses and cables for computer peripherals, appliances, consumer electronics, cars, medical equipment, optical communication equipment, solar equipment and industrial equipment. Our global brand clients come from diverse industries such as technology, appliance, consumer electronics, car cables and harnesses, medical equipment, optical communication equipment, solar power and industrial manufacturer. Customer orientation is one of the core values of BizLink, so we are dedicated to providing high quality and eco-friendly services to meet our customers' needs.

Various business units of BizLink have their own customer service teams in charge of sales, product R&D, manufacturing, quality, delivery, cost and aftersales service etc. They are able to accurately and quickly propose holistic and adequate solutions.

As for product design services, besides continuing to strengthen our technical team, we have stipulated comprehensive design SOPs for individual products that are rigorously enforced to ensure our customers' regulations and opinions are incorporated into the design process.

We have adopted JIT (just in time) manufacturing process in order to eliminate waste, reduce warehouse costs and produce the right products at the right time and right location, thereby helping our clients to become more efficient and competitive in supply chain management. JIT is applied to all our plants in the USA, Europe, China, Malaysia, and Mexico, providing assistance and services to our clients in a dynamic manufacturing environment. We also offer our clients daily inventory reports, weekly status reports, complete supply conditions, differentiation reports, production, and deployment process and real-time warehouse management for our global locations to ensure the management information is accurate, up to date as well as the successful delivery of products.

3.3.2 Customer Satisfaction

Becoming a leading global Company that is recognized by our clients and a premier business partner is our mission at BizLink, while generating the greatest values for our clients is our endeavor.

Understanding and analyzing customer satisfaction level is an important foundation of continual product and service improvement to generate values needed by our customers.

We value customer satisfaction, therefore BizLink's business units collect (quarterly, semi-annually or annually) customer satisfaction assessment results (such as scorecards) to monitor customer satisfaction level. The content includes quality, price, delivery, service, technical skills, CSR and information feedback related aspects. Various business units will formulate improvement plans to rectify the outcome of the evaluation and the customer satisfaction assessment scores are used as the performance indicator of related units.

In addition, we send out "Customer Satisfaction Survey Forms" to our main customers every year in accordance with the quality management system, which are used as the basis for reviewing and improving the annual plan. The plants also collect customers' feedbacks.

Customers visit various plants regularly or from time to time for evaluation purposes, and they are used as an important basis for improving customer satisfaction.

3.3.3 Client Privacy

While improving customer service, BizLink also values our customers' privacy and intellectual property rights. We have signed confidentiality agreement in order to protect our customers' confidential information and make sure that all our colleagues maintain confidentiality during day to day operation. The Company did not violate any customer's privacy or infringe on the customers' rights due to a loss of information in 2019.

3.3.4 Legal Compliance

Concerning the Company's fields of operation, including fostering fair competition, provision of safe products and services, compliance with the Labor Standards Act, Universal Declaration of Human Rights, international standards and copyrights, as well as Company assets and any form of intellectual property, BizLink strives to abide by all applicable national and international laws, as well as ethical principles and generally accepted practices. BizLink also respects the local traditions and values in various regions of our operations around the world.

In 2019, the customer satisfaction survey results of BizLink's 10 main customers are:

		Satisfaction survey items					Overall average satisfaction
		Service attitude	Product quality	Status of using non-toxic substances	On time delivery rate	Customer feedback handling	
Average customer satisfaction %		97%	100%	87%	100%	98%	**96%**
Very satisfied (90-100)	Number	9	10	7	10	9	-
	Ratio	90%	100%	70%	100%	90%	-
Satisfied (80-89)	Number	1	-	1	-	1	-
	Ratio	10%	-	10%	-	10%	-
Mediocre (70-79)	Number	-	-	1	-	-	-
	Ratio	-	-	10%	-	-	-
Unsatisfactory (60-69)	Number	-	-	1	-	-	-
	Ratio	-	-	10%	-	-	-

Note Main customers refer to those contributing to the top 30% of the Company's total revenue in 2019.

With 100% as the full score, the overall customer satisfaction of the Company in 2019 was 96%, an decrease of 1% compared to 2018. There is a total of 8 clients with an overall score of 90 points out of 80 and above. No results were less than 86 points for this evaluation.

BizLink has conducted analyses on individual customers using various criteria, and has proposed relevant improvement plans in order to increase customer satisfaction and to achieve the objective of overall customer satisfaction.