



04



BizLink and the Environment

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4.1 Environmental Policy and Green Strategy

BizLink endeavors to protect the environment through sustainability projects and the development of green design, green factories, monitoring of carbon emissions. Working with our clients and the supply chain, we aim to implement environmental risk control and enhance environmental management performance together.

Implementation guideline

- 1** Comply with international environmental laws and standards.
- 2** Design or provide eco-friendly products and services to mitigate environmental impact.
- 3** Continue to optimize production processes, improve energy and resource efficiency and factory operations to effectively achieve energy and water conservation, waste reduction, air pollution prevention, and noise pollution control.
- 4** Encourage our supplier to develop innovative business models that will mitigate environmental impact.
- 5** Dedicated to minimizing the environmental impact of product packaging and operational activities.



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Improve energy conservation and environmental protection in all of our factories.

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Communicate with our employees, suppliers, and clients to let them understand BizLink's environmental policy and commitment.

4.1.1 Environmental Management Goals

Rapid technological advancements have caused enormous environmental destruction. With the implementation of environmental economic policies, supervision by the media and the public, the consequences of environmental violations will not be limited to fines, as the corporate image will also be negatively affected, resulting in the loss of intangible capital. We must remain proactive in making adjustments to comply with environmental laws and regulations in a rigorous manner.

BizLink is committed to complying with environmental laws governing our activities, products, and services, as well as to meet our customers' needs in order to achieve or surpass the designated objectives and goals. We will continue to promote environmental management system in order to reduce the Company's environmental impact. Furthermore, we strive to comply with legal requirements by passing the environmental management system audit in an effort to make sure that there are no environmental violations.

BizLink products comply with related international environmental laws such as Waste Electrical and Electronic Equipment Directive, (WEEE), The Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS), Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) and our clients' demands. We also assist them to obtain environmental labels.

BizLink has developed and put into place various environmental management systems to monitor and control our energy and resource consumption, and pollution emissions. We persistently work towards improving these systems. We fully comply with ISO14001 for environmental management, and with OHSAS18001 for occupational safety and health management. We also have a hazardous substance process management system, and regularly conduct internal audits according to ISO14064-1 standards. Finally, we strive for third-party assurance in order to have an external, well-recognized, expert evaluate our various environmental management systems.

The following important management strategies aim to achieve environmentally friendly goals during the product development, production, use and disposal

stages, including low pollution, low energy consumption, and easy recycling etc. This year (2019)'s environmental protection and energy conservation information disclosure focus on the scope of environmental impact and energy consumption units, collecting data from 9 production sites in China (including factories and offices).

Each quarter, BizLink gathers relevant environmental laws and conducts legal compliance evaluation every 6 months, followed by the implementation of corrective measures. Every year, we rigorously conduct environmental monitoring (waste water and waste gas) to ensure compliance with emission standards as stipulated by the local laws. Furthermore, BizLink regularly organizes related training and activities in order to foster environmental awareness in the Company.

BizLink considers incidents with fines of TWD 500,000 or above as major violations. We received no such fines in 2019 due to our rigorous environmental management systems at our global locations.

We will continue to promote ISO 14001 environmental management system and carry out annual internal audits. Problems discovered will be rectified immediately, and BizLink also receives internal and external supervision from government agencies, surrounding communities, employees and other stakeholders who have filed complaints about any environmental problem in the production sites. Specific actions include:



Grievance channel

Establishing a grievance channel so that employees can pass on any environmental problems they have discovered to the promoting committee. The suppliers and clients are able to reflect environmental problems to the corresponding department within the Company, which will forward the information to the management committee for accurate documentation so that suitable solutions can be formulated. In order to ensure a smooth process, comprehensive details of the problem will be documented and archived for future reference.



Related training

Arranging employees and suppliers to receive related training, so that they can understand the information and pass it onto other employees in their companies. In 2019, BizLink did not incur any environmental complaints.

In the future, we will continue implementing ISO 14001 environmental management system, where environmental laws will be gathered every month in order to assess how new or amended laws can be applied to the Company, as well as the corrective measures to be taken. For the subsequent annual safety production month events, we have included the legal knowledge aspect to promote regulation-related information to our employees, thereby improving their environmental know-how and reinforcing their awareness on legal compliance.

4.2 Response to Climate Change and Global Warming

IPCC published the Special Report on "Global Warming of 1.5°C" in 2018, stating that in order to control global warming to within 1.5°C, global carbon emissions must be reduced by half before 2030, and that the target of zero carbon emissions must be reached by 2050. IPCC published the "Special Report on Climate Change and Land" in August 2019, warning that about a quarter of the Earth's ice-free land area is subject to human-induced degradation, and suggested that people need to change the way they utilize land in response to the climate crises. The 51st session of the Intergovernmental Panel on Climate Change (IPCC 51) was convened in Monaco during September 20-25, 2019, and the "Special Report on the Ocean and Cryosphere in a Changing Climate (SROCC)" was published, emphasizing that taking actions to protect our oceans will help to mitigate climate crises.

BizLink collaborated with the Kuroshio Ocean Education Foundation in 2019 to conduct the Four-Season Voyage Program - a year-long study on microplastics pollution in the worst-polluted waters in the northeast and southwest areas surrounding Taiwan by sponsoring the cost of the marine transport. The statistics and data collected will be published and provided to the government for formulating future policies after the conclusion of this program.

Overall Impact and Challenge of Climate Change

Climate change and extreme weather caused by global warming are some of the greatest risks and crises faced by companies. Extreme weather was very rare in the past, but now its frequency and intensity have risen due to the increased interaction between the atmosphere and the ocean caused by global warming. Evermore powerful typhoons and hurricanes coupled with torrential rain and drought have resulted in more complex impacts. The damage from the rampant wildfires in California since last summer was aggravated by the ensuing winter storms and downpours that washed away the soil damaged by the wildfires, becoming massive debris flow. Such complex disasters brought upon by multiple factors are risks that must be faced by everyone sooner rather than later. They too impose limitations on the Company's development and operations.

BizLink's employees are unable to enter into their offices or plants due to power or water outages caused by climate-induced disasters, interrupting our operations. We have implemented a set of measures to reinforce the emergency repair and backup of our production equipment. Protective measures have been implemented at various locations to lower the impacts from strong typhoons or torrential rain, and we regularly conduct disaster prevention drills to shorten the recovery time from such disasters.

BizLink greatly values a strong, long-term operating performance, so we regularly conduct internal reviews in response to climate change, and we pay attention to environmental issues that are regularly evaluated by the Company's senior management to identify the potential impact of climate change on our operations. Furthermore, reports are made to our Corporate Governance and Sustainability Development Committee in hopes of mitigating the risks associated with environmental pollution, and in hopes of turning these risks into new business opportunities instead.

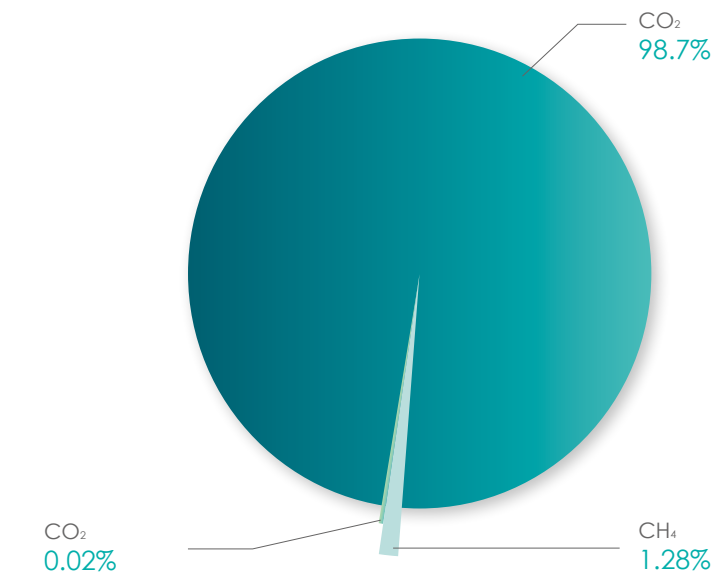
4.3 GHG Reduction

BizLink's GHG emissions target is to reduce GHG emissions density (GHG emissions/revenue) by 2% every year.

4.3.1 Emissions Audit

BizLink has adopted ISO14064-1 standards since 2015 for conducting annual emissions audits. We also publish the emissions results of the prior year in our GHG report. In 2019, the audit focused on 9 main categories of GHG emissions at 3 major production locations: CO₂, N₂O, HFCs, PFCs, SF₆, CH₄, and NF₃. Most of the emissions are attributed to externally procured electricity (90-95%).

The period covered by the most recent report is 2018, with total GHG emissions of 30,431.66 carbon dioxide equivalent tons (CO₂e). The audit results reveal that most emissions are attributed to scope 2 external source of power supply (approximately 95.23% or above), therefore the primary mission of carbon reduction is to conserve electricity.



Greenhouse gas (GHG) Emission	CO ₂	N ₂ O	HFCs	PFCs	SF ₆	CH ₄	NF ₃	Total	Scope 1	Scope 2
Total	30,037.92	5.58	0	0	0	388.18	0	30,431.66	1,451.45	28,980.21
Percentage %	98.71%	0.02%	0%	0%	0%	1.28%	0%	100%	4.77%	95.23%

Note

1. Direct GHG emissions (scope 1) include the burning of fuel by stationary equipment, emissions from manufacturing, transportation, fugitive emissions (such as firefighting facilities or refrigerant emissions etc.) Total direct emissions are 1451.45 tons CO₂e/year, accounting for about 4.77% of total emissions.
2. Energy indirect GHG emissions (scope 2) include externally purchased power. The energy indirect emissions are 28980.21 tons CO₂e/year, accounting for about 95.23% of total emissions.
3. The scope of the statistics above includes the 9 main production sites in China: BizLink (Kunshan) Co., Ltd., OptiWorks (Kunshan) Co., Ltd., BizLink Technology (Changzhou) Ltd., Tong Ying Electronics (Shenzhen) Co., Ltd., Xiang Yao Electronics (Shenzhen) Co., Ltd., BizConn International Corp., BizLink Electronics (Xiamen) Co., Ltd., BizLink Technology (Xiamen) Ltd., and Nanhai Jo Yeh Electronic Co., Ltd. in Foshan.

4.3.2 Energy Saving Measures

Energy management is vital to BizLink's competitiveness; faced with rising energy costs, it is essential to find ways to decrease our energy burden to respond to future challenges. We will continue monitoring power consumption statuses and the performance of our energy-saving projects in our factories. BizLink will also share our experience in energy conservation, and continually improve energy conservation measures.

Energy-saving measures implemented include 6 major categories: AC system, pressurized air system, production, management, green lighting and other. A total of 246,986 kWh of power was saved in 2019, Based on the emissions coefficient of various operating locations (East China: 0.8046kg CO₂e/kWh, South China: 0.8367kg CO₂e/kWh), equivalent to a reduction of approximately 203.77 tons of carbon emissions.

1. Power emission coefficient in China - East China: 0.8046kg CO₂e/kWh, South China: 0.8367kg CO₂e/kWh
2. GWP value quoted from IPCC AR4 2007

Implementation of various energy-saving measures:

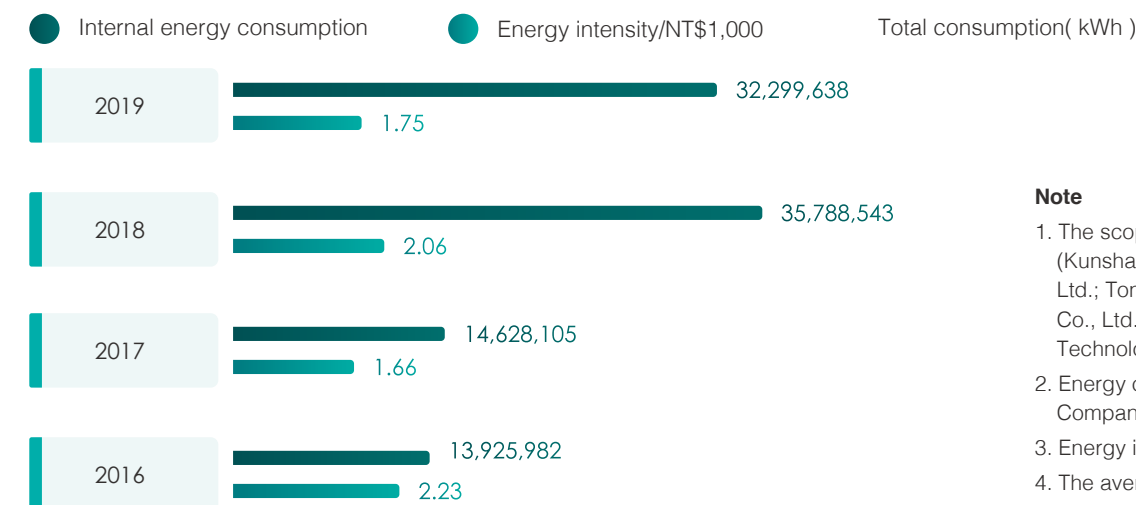
Location	Energy-saving measures	Energy-saving estimate (kWh/year)	Equivalent carbon emissions
Kunshan, China 1	· Repaired the terminal thermal insulation of the plant's new AC system; part of the AC duct was reinforced and fixed to optimize thermal insulation.	431	0.35
Kunshan, China 2	· Timers were installed for AC and lighting facilities to prevent energy waste: 190kWhx280 days=53,200kWh.	53,200	42.8
Xiamen, China 1	· An assessment of water cooler usage was conducted and an obsolete 6KW water cooler was replaced with a 3KW water cooler. Estimated annual energy savings (6000W-3000W)x12Hx365 days=13,140 kWh.	13,140	10.99
Xiamen, China 2	· Replaced 447 conventional fluorescent lights at the TXM plant with Philips energy-saving LED lights, estimated to save approximately 4,600.81kWh annually.	4,601	3.85
Shenzhen, China 1	· 4-in-1 manufacturing equipment was added. Total power consumption of the existing wire-cutting machine, wire-stripping machine, waterproof bolt terminal machine was reduced: 2.2kWhx1 machinex8h x300d=5,280kWh. · Replaced 440 energy-saving tube lights. Decreasing energy consumption from 40W to 16W, saving 19,272kWh of electricity annually.	24,552	20.54
Shenzhen, China 2	· Replaced 720 tube lights (40W) with 180 lights (100W) on the second floor of the production department, saving about 120kWh of electricity daily starting from May x 30= 3,600kWh x 8 months=28,800kWh. · Replaced 4 wire-drawing machines in March at the wire drawing workshop (from 15KW to 11KW), saving 384kWh x 22 days x 9 months=76,032 kWh.	104,832	87.71

Location	Energy-saving measures	Energy-saving estimate (kWh/year)	Equivalent carbon emissions
Shenzhen, China 3	· Replaced 285 fluorescent lights (40W) at the BC plant with 18W LED lights, saving 6,270kWh annually.	6,270	5.25
Foshan, China	· Replaced energy-saving lights at the silicone workshop (105W-65W)x11H x30x300 days/1,000=3,960kWh.	3,960	3.31
Changzhou, China	· Switched between different air compressors based on the orders received to save power consumption.	36,000	28.97
Total		246,986	203.77

4.3.3 Direct and Indirect Energy Consumption

As a global citizen, BizLink endeavors to purchase energy-efficient equipment to improve energy efficiency, and we are dedicated to saving all forms of energy and complying with energy regulations in order to achieve energy conservation and carbon reduction. We aim to minimize the impact of our operations on climate change, and we have stipulated the goal of decreasing overall energy intensity by 10% by 2025 in comparison with 2017.

BizLink's main production sites predominantly consume indirect electrical energy. In 2019, total energy consumption amounted to 32,299,638 kWh, and the energy density decreased by approximately 15% compared to the previous year (2018). Additional energy management and conservation measures will be implemented in the near future.



Note

1. The scope of the statistics above includes the 9 main production sites in China: BizLink (Kunshan) Co., Ltd.; OptiWorks (Kunshan) Co., Ltd.; BizLink Technology (Changzhou) Ltd.; Tong Ying Electronics (Shenzhen) Co., Ltd.; Xiang Yao Electronics (Shenzhen) Co., Ltd.; BizConn International Corp.; BizLink Electronics (Xiamen) Co., Ltd.; BizLink Technology (Xiamen) Ltd.; and Nanhai Jo Yeh Electronic Co., Ltd. (Foshan).
2. Energy consumption statistics are calculated based on the electricity bill from the power Company.
3. Energy intensity = annual kWh/unit revenue.
4. The average exchange rate between CNY and TWD was 1:4.53.

4.4 Main Raw Materials Logistics

With the changing global environment, production of electronics products, shortening usage and disposal cycle, the related environmental problems have threatened people's health and survival environment. The design and application of green materials in electronics manufacturing technology, as well as the design and R&D of green equipment and process parameters, and the design of recyclable, reusable materials present a major opportunity and challenge for green manufacturing.

BizLink agrees not to use restricted substances and materials, therefore we have meticulously selected materials and suppliers through the green product program. We strive to reduce pollution by adopting eco-friendly technologies, and we continue to improve and prevent pollution via reasonable utilization of raw materials and reduction of resource waste, aiming to decrease material cost and avoid the use of restricted substances and materials.

Raw materials management measure is embodied through product design and manufacturing, where recycled materials are used under the premise that performance will not be impeded. By investing in recycling technology, we will be able to convert waste materials from electronic products into reusable materials. For high-risk substances, we demand our suppliers to provide relevant testing reports or Company inspections in order to ensure that the concentration complies with the clients', legal and documentation requirements.

Suitable packaging materials are recycled and re-used in order to minimize resource waste and material cost. Unrecyclable packaging materials are sorted according to different waste categories. In the future, we will continue to research, re-cycle and re-use renewable materials in order to decrease environmental pollution caused by raw materials waste.

Raw Materials Procurement Conditions for 2019 are

Besides having a direct influence on operational performance, the use of raw materials is also closely related to the topic of environmental resource consumption. Since there are only limited resources on Earth, BizLink regularly monitors the consumption of raw materials to assess efficiency, hoping to increase the efficiency of raw materials consumption and decrease the quantity of materials needed for product delivery. Raw materials used by BizLink for production include 7 major categories: electronic components (IC/capacitor, resistor etc.), plastic granules, connectors, plastic products, hardware, wiring, copper.

The total procurement in 2019 was 18,356 tons, a reduction from last year, mainly due to our changing product mix.

Unit : Ton

	Electronic components (IC/ capacitor, resistor etc.)	Plastic granules	Connectors	Plastic products	Hardware	Wires	Copper
2019	176	8,695	809	643	119	3,737	4,176
2018	170	10,039	1,058	466	478	14,423	3,920
2017	103	1,082	586	308	151	1,194	221
2016	71	1,102	480	207	143	1,053	217

Note

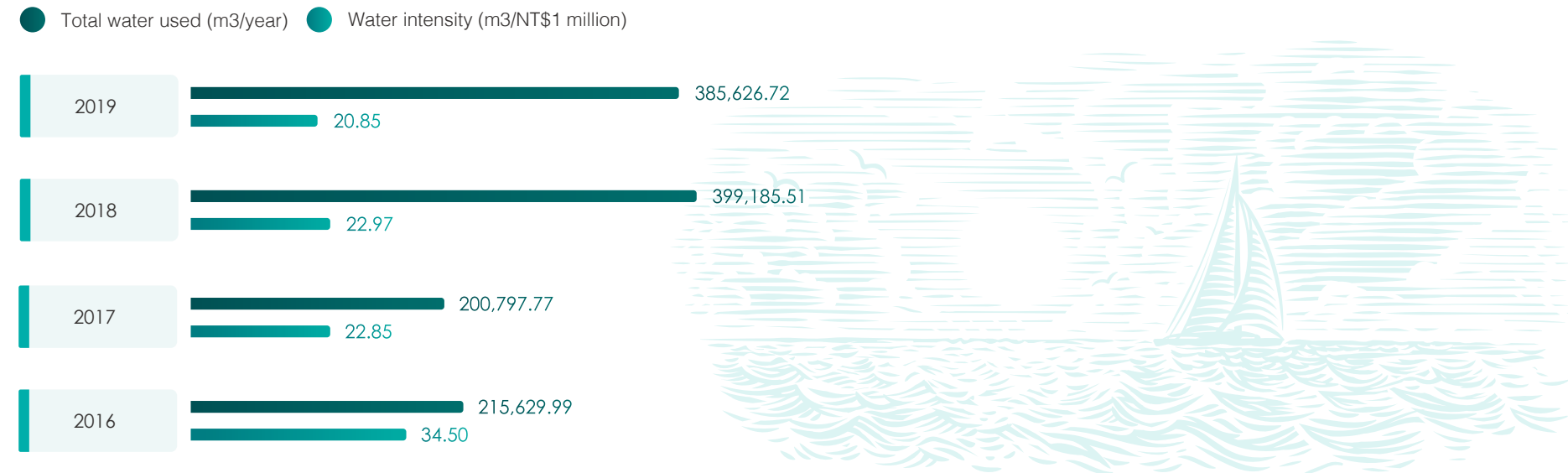
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4.5 Water Resources Conservation

Water resource usage is another important global climate change agenda. All of BizLink's 9 production locations in China have passed ISO14001 certification, and we will continue to institute water resource conservation measures. Due to the industry characteristics, the Company's manufacturing sites mainly engage in dry assembly processes, so generally speaking, we do not have any production processes that incur high water consumption. Main water consuming facilities in the sites include circulating water for AC systems, air compressors, and employees' water usage.

During the environmental assessment stage of building each manufacturing site, we have taken into consideration the construction site planned by the local government (avoid constructing in environmentally sensitive areas), areas with a more copious supply of water (such as East China and South China) to prevent any impact on local ecology and water resources. Most of our sites consume local sources of water (tap water) during operation, so there is no significant impact to non-local sources and to community water usage.

Our water consumption amounted to 385,626.72 m³, which is equivalent to a water intensity of 20.85 /TWD1 million, a reduction of 9.2% compared to 2018. This shows that our water conservation measures at our various sites are working.



Note

- The scope of the statistics includes 9 main production sites in China: BizLink (Kunshan) Co., Ltd., OptiWorks (Kunshan) Co., Ltd., BizLink Technology (Changzhou) Ltd., Tong Ying Electronics (Shenzhen) Co., Ltd., Xiang Yao Electronics (Shenzhen) Co., Ltd., BizConn International Corp., BizLink Electronics (Xiamen) Co., Ltd., BizLink Technology (Xiamen) Ltd., and Nanhai Jo Yeh Electronic Co., Ltd. in Foshan. Statistics for 2017 and 2016 only included BizLink (Kunshan) Co., Ltd., Xiang Yao Electronics (Shenzhen) Co., and BizConn International Corp.
- Total water consumption = surface water + groundwater + rainwater + waste water generated by other organizations + tap water.
- Water intensity = annual water consumption (m³)/annual revenue.

4.6 Waste Water and Sewage Management

With economic development comes a lack of freshwater resources. Water is the source of life, but excessive consumption coupled with exacerbating pollution, usable water resources are becoming scarcer. Mitigating the impact of waste water on the environment and managing waste water discharge are not only crucial for the Company's performance but also for human survival.

BizLink has rigorously complied with local policies, regulations and customers' requirements in discharging waste water. Furthermore, we have applied for related pollution discharge permits in order to achieve the goal of zero pollution leakage, zero environmental complaints and voiding fines. We are committed to green development and will continue to improve and prevent pollution. No leakages occurred in 2018.

BizLink operates wire and harness assembly sites, therefore no water is needed during production. General domestic water is consumed at various sites, all waste water (sewage), including production-related water or domestic water is discharged to the sewerage system, therefore no water bodies or nearby habitats are affected, in turn preserving their characteristics, area, conservation status, and biodiversity. Primary waste water and sewage treatment mechanisms include:

Separation control

- Rainwater and sewage are separated in order to channel rainwater into the rainwater pipe network, thereby preventing water build-up and contamination.
- The waste acid in the waste acid storage pool inside the laboratory is collected separately from rainwater.

Management and control

- No contaminants may be discharged into the rainwater pipes.
- No chemicals, oils, solid wastes or other contaminants may be stored near the rainwater pipes.
- During torrential rain, various units will reinforce control on chemicals and inspect the chemical warehouse regularly. If a problem is discovered, it should be reported to the management department immediately in order to establish a quarantine zone and resolve the problem at once.
- The septic tank is cleaned every quarter to prevent clogging and overflowing, ensuring unobstructed discharging of effluent.