



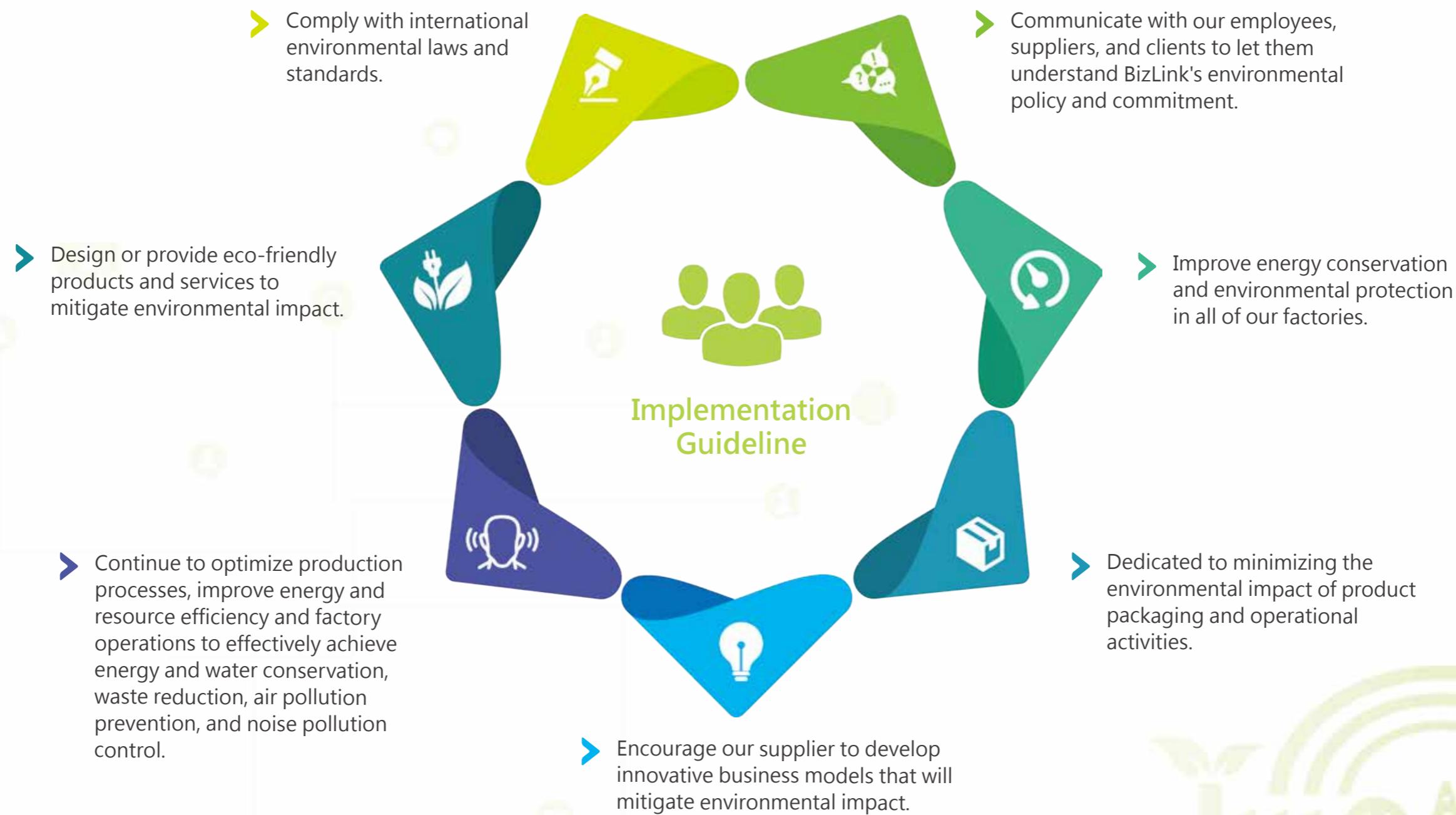
# 4

## BizLink and the Environment

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- 4.2 Response to Climate Change and Global Warming
- 4.3 GHG Reduction
- 4.4 Main Raw Materials Logistics
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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.



### 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 formulated various environmental management systems for the consumption of energy and resources and emission of pollution. We continue to make improvements to these systems. As for environmental management and occupational safety and health management, we employ ISO14001 environmental management system and OHSAS 18001 occupational safety and health management system to conduct regular internal audits and contractor certification and hazardous substance process management system every year in order to evaluate the Company's environmental management related systems. Additionally, we have passed this independent assurance, and we have complied with ISO14061-1 GHG audit to ensure the effective operation of our environmental management systems and compliance with environmental regulations.

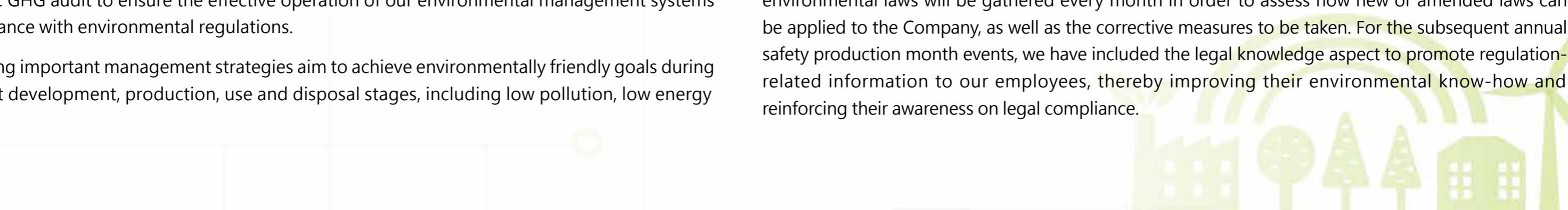
The following important management strategies aim to achieve environmentally friendly goals during the product development, production, use and disposal stages, including low pollution, low energy

consumption, and easy recycling etc. This year (2018)'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. In 2018, BizLink did not incur any environmental violation, nor did we receive any fine.

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 : (1) 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. (2) 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 2018, 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.



## Raw Material Management

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 measures are 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. We also collaborate with component suppliers to recycle suitable packaging materials in an effort to minimize resource waste and materials costs. 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.

## 4.2 Response to Climate Change and Global Warming

According to The Global Risk Report 2019 released by The World Economic Forum (WEF), there are 3 major environmental risks: "failures of climate-change mitigation and adaptation," "extreme weather events" and "natural disasters," all of them have ranked among the top risks in recent years. Countries worldwide are urged to adopt corrective and immediate action in order to minimize the level of risk. In October 2018, the UN's Intergovernmental Panel on Climate Change (IPCC) issued a special report on global warming's role in increasing global temperatures to 1.5°C above pre-industrial levels, proclaiming that global warming will bring about climate and ecological environment-related disasters, leaving humanity with just 12 years to resolve the crisis.

The Fourth National Climate Assessment issued a warning that without a significant decrease in emissions, the average global temperature will increase by 5°C by the end of the century. According to United Nations Environment Programme (UNEP)'s The Emissions Gap Report 2018, global carbon emissions have exhibited signs of increasing rather than decreasing for the first time in the last 4 years, and disasters caused by global warming will occur sooner than expected. The 2016 UN Paris Agreement stipulated that keeping global temperatures within 2°C above pre-industrial levels is too little, too late. The more pressing goal should be reducing temperatures to within 1.5°C. 42 billion tons of CO<sub>2</sub> is currently being emitted by people worldwide every year, so the governments of various nations must enforce a more strict carbon emissions policy in order to decrease emissions by 45% by the year 2030, and to achieve zero emissions by 2050. Only if these criteria are satisfied will global warming be controlled to within 1.5°C, and prevent irrevocable damage to Earth.

BizLink perceives climate change as an important risk so we should closely monitor global climate change trends, and the steps taken internationally in response to such trends. BizLink conducts GHG audit and management on an ongoing basis. Senior executives also regularly review these risks, and report to the Corporate Governance and Sustainability Development Committee, so that preventive measures can be implemented to mitigate their impact on the Company's operations. Climate change risks can be divided into legal requirements, climate change impact, and challenges. These risks must be understood and enterprises must take the necessary corrective measures in advance based on the government's demands.

## Overall Impact and Challenge of Climate Change

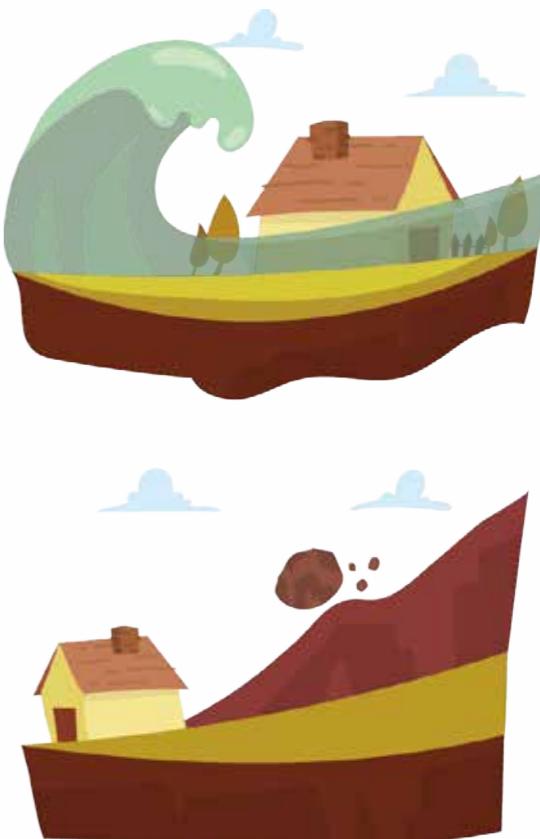
BizLink perceives climate change as an important risk and potential opportunity. Possible short-, medium-, and long-term impact of climate change on company operations are determined based on an international research reports, industry trends, internal/external corporate investigations, company decision-making and judgement as well as the International Energy Agency (IEA)'s 2 Degree Celsius Scenario (2DS), which aims to cut carbon emissions by half in 2050 compared to 2010. The impact includes market change and technology progress-related risks, law and regulation-related risks, reputation-related risks, and physical disaster-related risks. Furthermore, the likelihood of these risks occurring, their degree of impact, and appropriate response measures are regularly assessed.

## Market Change and Technology Progress-related Risks

The impact of climate change on the Company may include the influence of consumers' preferences towards certain products and potentially cause a shift in consumer behavior. BizLink will continue to observe climate change-induced market changes, research and develop innovative low-carbon, high-efficiency products, and adhere to the green energy-oriented long-term development guideline in order to cater to the customers' needs.

## Law and Regulation-related Risk Management

Global environmental issues including carbon reduction, total emissions control, and carbon market may result in the passing of new laws or amendments of existing laws in areas where BizLink operate, forcing the Company to implement further disclosure of environmental-related information and enforce more stringent GHG emissions control measures. In turn, the Company will adopt more proactive carbon reduction and clean production initiatives, thereby increasing the cost of operations, and changing BizLink's products, manufacturing process, and operating model.



## Reputation-related Risks

BizLink's stakeholders pay particular attention to the Company's environmental initiatives; their opinions can influence the Company's brand values, causing a shift in the customers' buying behavior, particularly in the markets that are extremely sensitive towards environmental issues. BizLink is dedicated to fulfilling our corporate social responsibilities and environmental commitments as well as strengthening environmental information disclosure, applying them to the Company's daily operations worldwide, and building a positive image of sustainability.

## Physical Disaster-related Risks

Climate change may cause increases in temperature and rainfall as well as the intensity and frequency of extreme weather events, ultimately leading to floods, landslides, droughts, and damages to critical infrastructure, including water resources, land, coastlines, and biodiversity as well as peoples' safety and health. As a result, this will impact the Company's operations, employees, and supply chain.

## Visions and Strategies of Climate Change Adaptation

The Company will continue to develop green designs, green factories, energy management measures as well as highly efficient energy-generating, energy-saving, and energy-converting products and solutions to adapt to climate change. Furthermore, BizLink utilizes its internal energy management system to plan and to stipulate energy-conservation and carbon-reduction goals for devising investment and risk management strategies, thereby responding to the potential impact of climate change in advance.



## 4.3 GHG Reduction

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

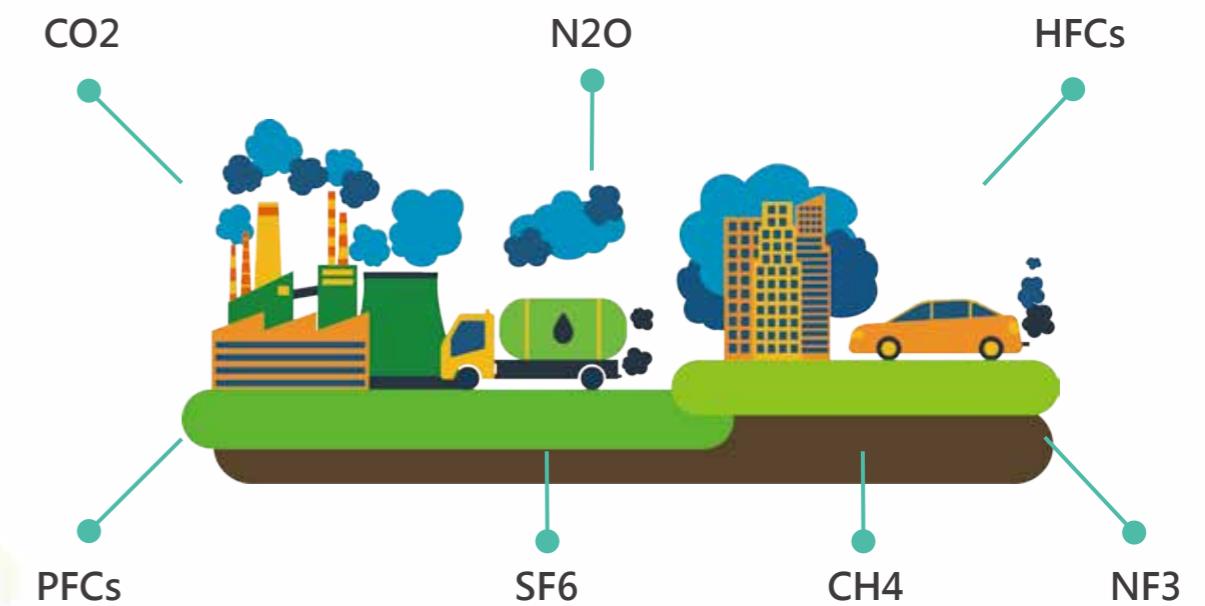
### 4.3.1 Emissions Audit

BizLink has adopted ISO 14064-1 standards since 2015 to conduct annual emissions audit, and the GHG report containing emissions results from the previous year is also published. In 2018, the audit focused on 7 main categories of GHG emissions at 3 major production locations: CO<sub>2</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, CH<sub>4</sub>, and NF<sub>3</sub>. Most of the emissions are attributed to externally procured electricity (90-95%).

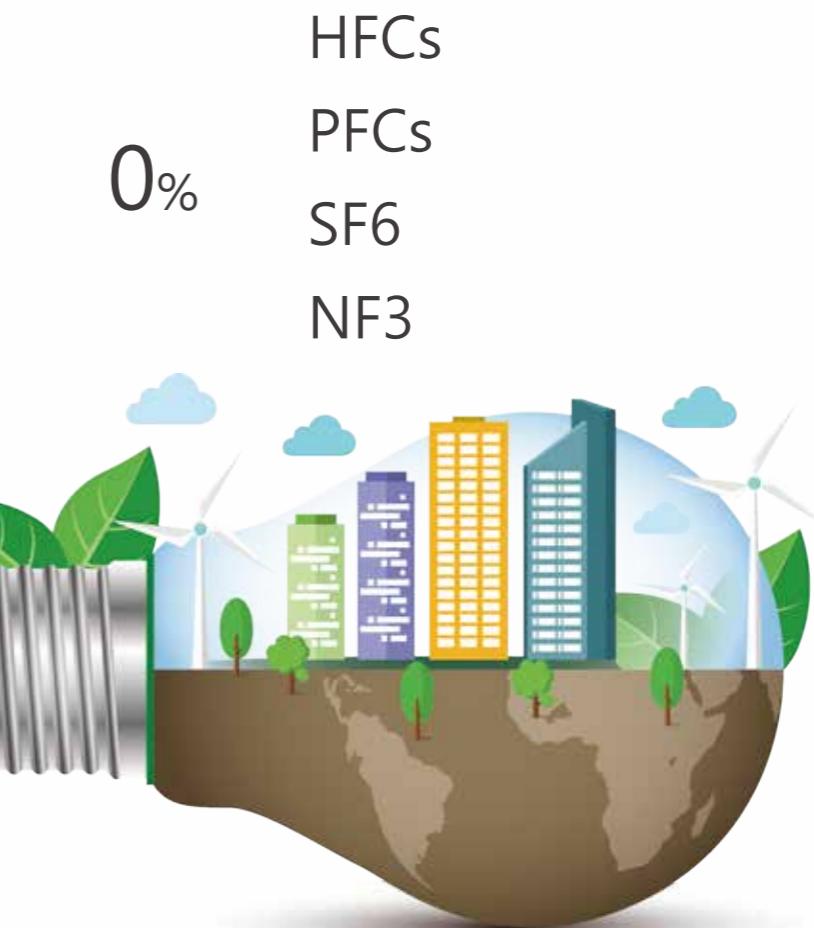
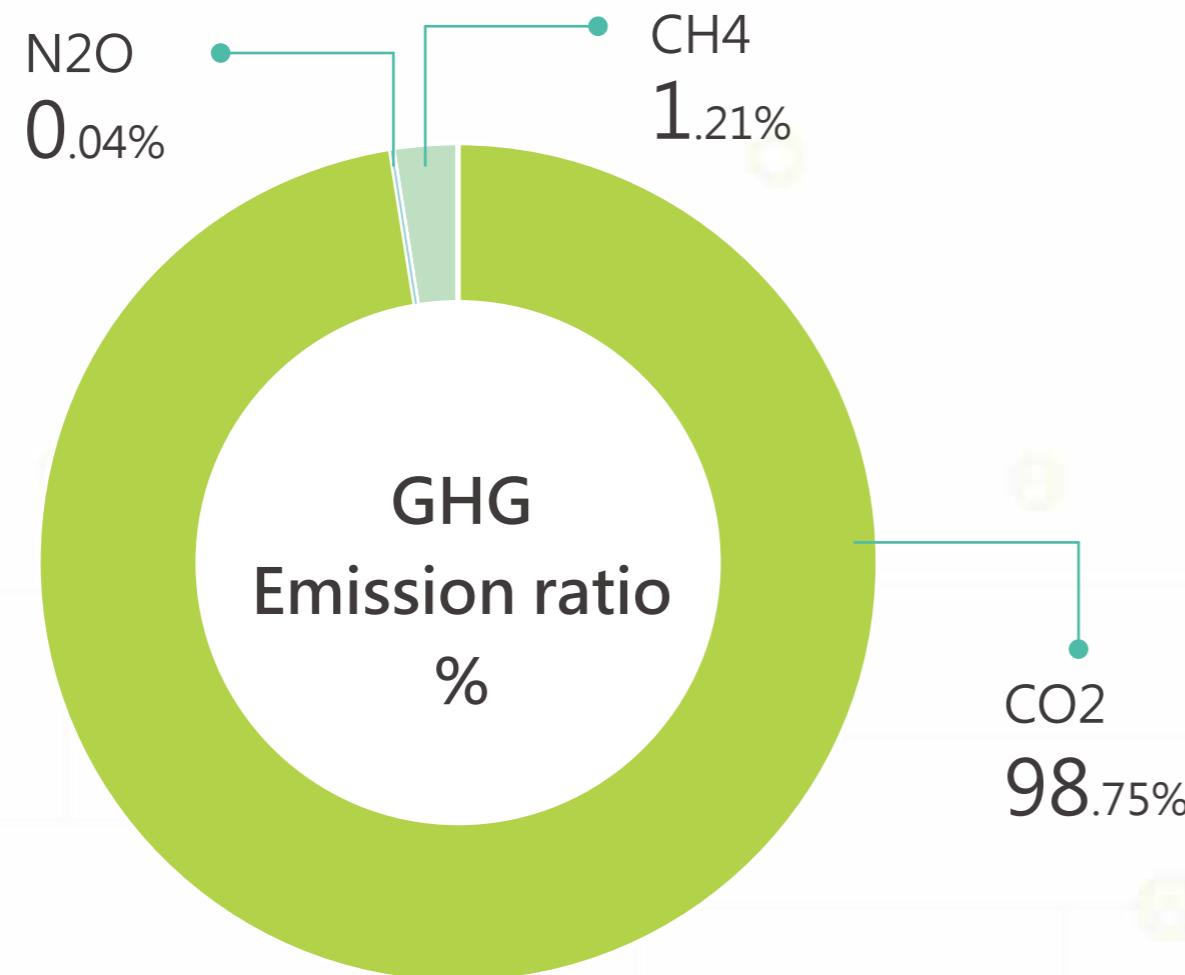
The period covered by the most recent report is 2018, with total GHG emissions of 32,160.57 carbon dioxide equivalent tons (CO<sub>2</sub>e).

The audit results reveal that most emissions are attributed to scope 2 external source of power supply (approximately 95% or above), therefore the primary mission of carbon reduction is to conserve electricity.

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Greenhouse gas (GHG)	CO2	N2O	HFCs	PFCs	SF6	CH4	NF3	Total	Scope 1	Scope 2
Total	31,759.40	13.23	0	0	0	387.93	0	32,160.57	1,441.38	30,719.18
Percentage %	98.75%	0.04%	0%	0%	0%	1.21%	0%	100.00%	4.48%	95.52%



[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 1,441.38 tons CO2e/year, accounting for about 4.48% of total emissions.

[Note 2] Energy indirect GHG emissions (scope 2) include externally purchased power. The energy indirect emissions are 30,719.18 tons CO2e/year, accounting for about 95.52% of total emissions.

[Note 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. (Foshan).

## Implementation of Various Energy-saving Measures



**21,750,308 kWh** energy saved in 2018  
**17,506.18 tons** carbon emissions reduced

### 4.3.2 Energy Saving Measures

BizLink appreciates the importance of energy management in the Company's competitiveness, faced with rising energy costs in the future, it is essential to find ways to decrease the energy burden in order to respond to future challenges. We will continue monitoring power consumption conditions and the performance of energy-saving projects in the factories; BizLink will also share our experience in energy conservation and make adequate improvements.

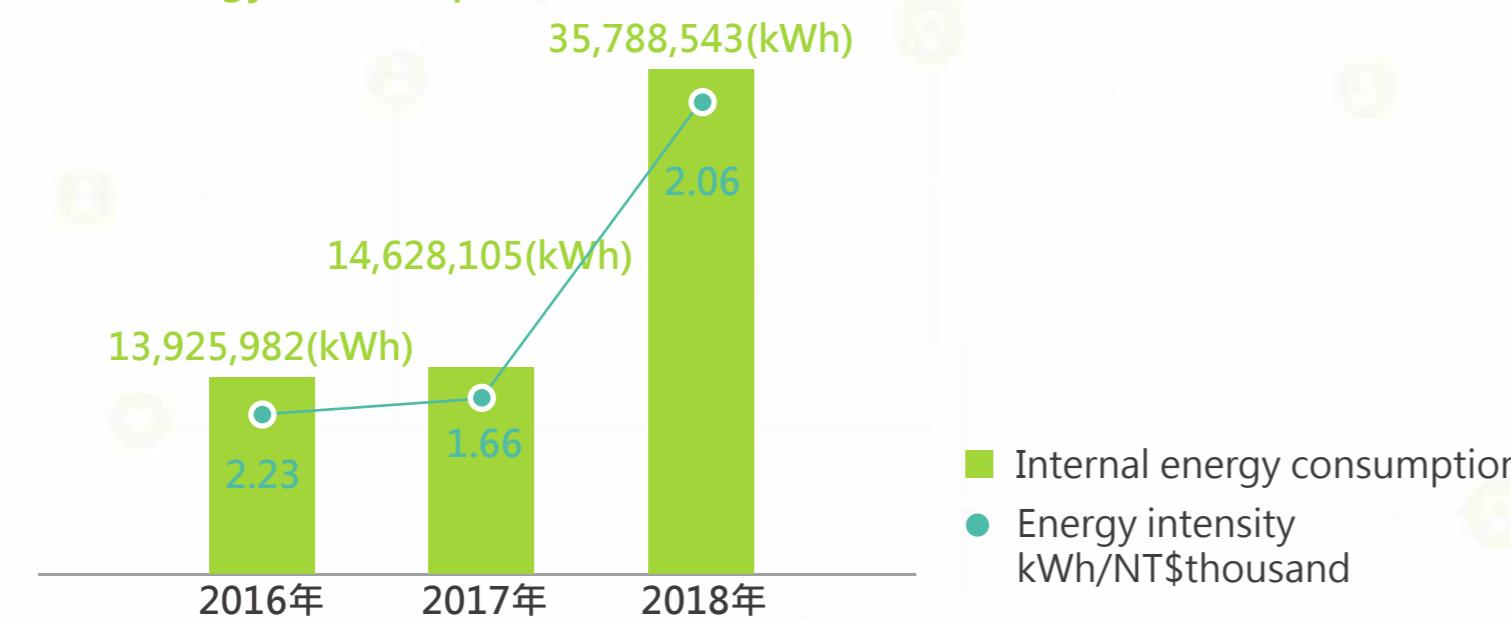
Energy-saving measures implemented include 6 major categories: AC system, pressurized air system, production, management, green lighting and other. A total of 21,750,308 kWh of power was saved in 2018, and is the equivalent to reducing carbon emissions by 17,506.18 tons.

### 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 2018.

BizLink's main production sites consume predominantly indirect electrical energy. In 2018, the total energy consumption was 35,788,543kWh, and the energy density was increased by approximately 24% compared to the previous year (2017). The main cause of the discrepancies in statistics is the increase in the number of production sites included from 3 (Kunshan, Xiang Yao, and BizConn) to 9. If calculated based on just the 3 original sites, the energy intensity significantly decreased by 78%.

#### Total Energy Consumption in 2018



[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).

[Note 2] Energy consumption statistics are calculated based on the electricity bill from the power company.

[Note 3] Energy intensity = annual kWh/unit revenue

[Note 4] The average exchange rate between CNY and TWD in 2018 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.

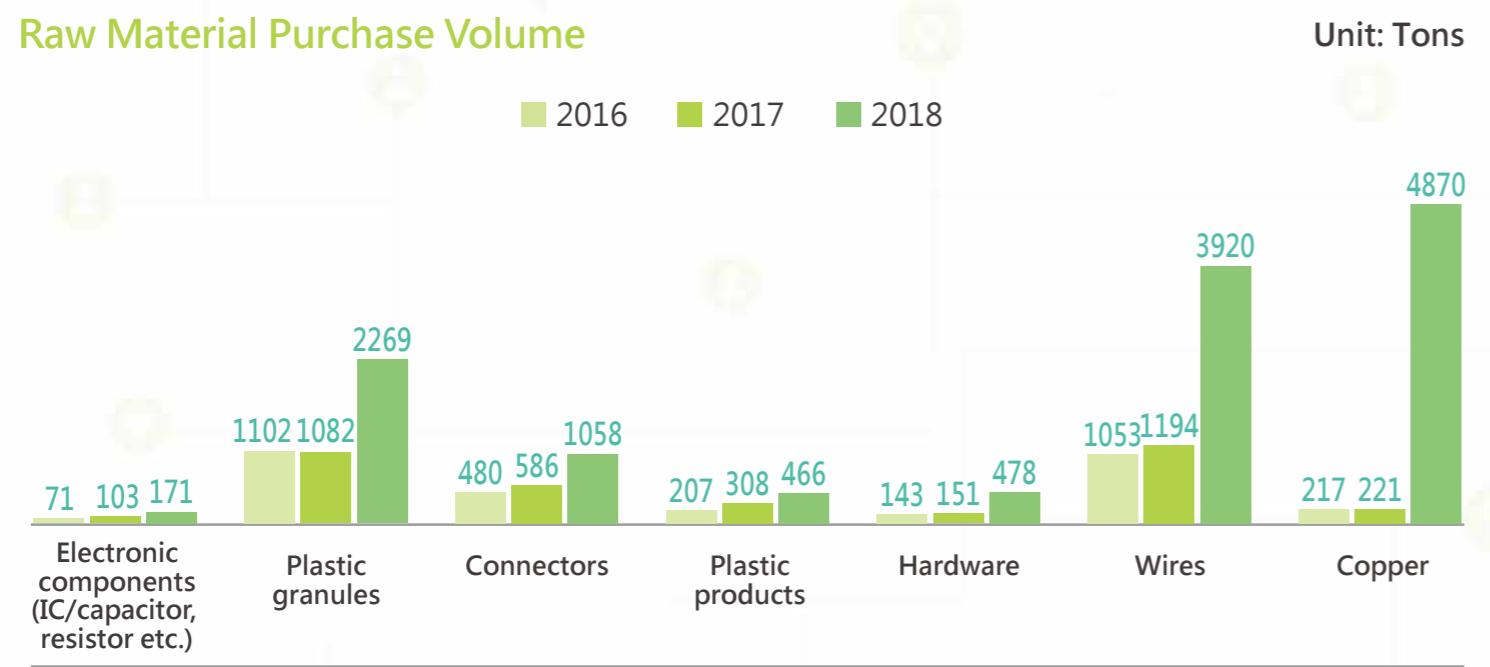
## 4.5 Water Resources Conservation

### Raw Materials Procurement Conditions for 2018 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, resister etc.), plastic granules, connectors, plastic products, hardware, wiring, copper.

The total procurement weight in 2018 rose to 210,696 tons. This is mainly due to the expansion of 3 production sites to 9, and overall growth in product delivery.

### Raw Material Purchase Volume

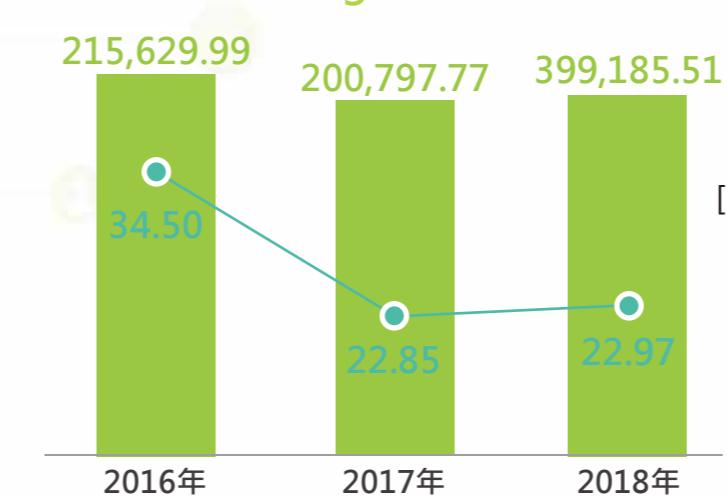


[Note] The scope of the statistics in 2017 included BizLink (Kunshan) Co., Ltd.; Xiang Yao Electronics (Shenzhen) Co., Ltd.; and BizConn International Corp. However, in 2018, OptiWorks (Kunshan) Co., Ltd.; BizLink Technology (Changzhou) Ltd.; Tong Ying Electronics (Shenzhen) Co., Ltd.; BizLink Electronics (Xiamen) Co., Ltd.; BizLink Technology (Xiamen) Ltd.; and Nanhai Jo Yeh Electronic Co., Ltd. (Foshan) were added.

Under the influence of global climate change, water resource has become another important agenda. In terms of management, all of the Company's 15 production locations have passed ISO 14001 management certification, and we will continue to promote 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 more copious supply of water (such as East China and South China) in order to prevent any impact on local ecology and water resources. During the operational stage, 100% of the sites' water is domestic water (tap water), we do not extract water from rivers, lakes, groundwater or the ocean, therefore there is no significant impact on the water source and community water usage.

### Total Water Usage in the Recent 3 Years



BizLink's water consumption totaled 399,185.51 m<sup>3</sup> in 2018, equivalent to a water intensity of 22.97 m<sup>3</sup>/NT\$1 million, indicating an overall stable water consumption rate.

[Note 1] The scope of the statistics in 2017 included BizLink (Kunshan) Co., Ltd.; Xiang Yao Electronics (Shenzhen) Co., Ltd.; and BizConn International Corp. In 2018, OptiWorks (Kunshan) Co., Ltd.; BizLink Technology (Changzhou) Ltd.; Tong Ying Electronics (Shenzhen) Co., Ltd.; BizLink Electronics (Xiamen) Co., Ltd.; BizLink Technology (Xiamen) Ltd.; and Nanhai Jo Yeh Electronic Co., Ltd. (Foshan) were added.

[Note 2] Total water consumption = surface water + groundwater + rainwater + waste water generated by other organizations + tap water

[Note 3] Water intensity = annual water consumption (m<sup>3</sup>)/annual revenue

- Total water used (m<sup>3</sup>/year)
- Water intensity (m<sup>3</sup>/NT\$1 million)

## 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.

### Ongoing Monitoring

- Waste water and sewage discharge management statistics are compiled every month.
- The results of waste water and sewage inspection conducted every year complies with the standards stipulated by the local authorities.

### 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.

