

5G Telecommunications

Smart Agriculture

Enabling Network Security for Sustainability

Smart Security

Autonomous Vehicle

Smart Grid

AI Machine Vision

Smart Factory

Edge Computing

Telemedicine

Cybersecurity

Telecommunication Applications

2022

SUSTAINABILITY
REPORT

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About the sustainability report

Overview of the report

This is the 6th corporate responsibility report of Lanner Electronics. We will continue publishing Sustainability reports in the future to disclose non-financial performance to the outside world and show the public how we have taken actions toward achieving our corporate vision of sustainability. Since the 2021 annual report, we have responded to the sustainable development promotion efforts of the Financial Supervisory Commission (FSC) to change the report into a Sustainability Report, published on June 2022. The Sustainability Report shall replace the current issue for 2022, and the information disclosure period is from January 1, 2022, to December 31, 2022. The publication cycle of this report is once per year.

Boundaries of disclosure

Economic data in this report was sourced from consolidated financial statements presented in the 2022 annual report. The consolidated financial statements include the Company and all entities under its control (i.e. subsidiaries). Boundaries of environmental and social disclosure are limited to Lanner Electronics Inc. For more details on affiliated enterprises, please see the 2022 annual report. During the reporting period, Lanner Electronics Inc. had no material organizational scale, structure, ownership, or supply chain changes.

Other operating locations

Zhongxing Plant	Datong Plant	Corporate
6F, No. 22, Zhongxing Road, Xizhi District, New Taipei City	9F, No. 151, Section 2, Datong Road, Xizhi District, New Taipei City	7F, No. 173, Section 2, Datong Road, Xizhi District, New Taipei City

▼ Subsidiaries included in the consolidated financial statements of Lanner Electronics - 2022

Subsidiary	Business activities
LANNER ELECTRONICS USA, INC.	Trading of computer peripherals
LANNER ELECTRONICS (MAURITIUS) INC.	Investments
LEI TECHNOLOGY CANADA LTD.	Trading of computer peripherals
LANCOM HOLDING CO., LTD.	Investments
Beijing L&S Lancom Platform Tech. Co., Ltd.	Trading of computer peripherals
Dongguan L&S Haiwei Network Technology Co., Ltd.	Manufacturing and trading of computer peripherals
Likai Electronics (Dongguan) Co., Ltd.	Manufacturing and trading of computer peripherals
LANNER TECHNOLOGY JAPAN CO., LTD.	Trading of computer peripherals
Whitebox Solutions Inc.	Manufacturing and trading of computer peripherals
Lanner Europe B.V	Trading of computer peripherals
Liye Technology Inc.	Trading of computer peripherals

Preparation guidelines

This report follows the requirements of GRI Standards (2021) and adheres to the sustainability indicators provided by the Sustainability Accounting Standards Board.

External assurance

- This report is compiled according to the GRI Standards. To improve information transparency and reliability, we have entrusted a third-party unit: AFNOR Asia, Ltd., to make an AA 1000 type 1 moderate assurance level statement. The assurance statement is attached as an appendix to this report.
- All financial data disclosed in this report is taken from consolidated financial statements prepared and audited by KPMG Taiwan according to Regulations Governing the Preparation of Financial Reports by Securities Issuers and the version of International Financial Reporting Standards, International Accounting Standards, and interpretations thereof approved by the Financial Supervisory Commission.
- Other international standards that Lanner has been certified for include: ISO 9001 - Quality management system, TL 9000 - Communication quality management system, ISO 14001 - Environmental management system, IECQ QC 080000 - Hazardous Substance Process Management, ISO 45001 - Occupational health and safety system, ISO 14064-1 Organizational Level Greenhouse Gas Inventory Management System, ISO 28000 - Supply chain security management, Authorized Economic Operator (AEO), and ISO 27001 - Information security management system.

External initiatives

- The 17 UN Sustainable Development Goals (SDGs)
- Responsible Business Alliance (RBA) Code of Conduct
- Act of Gender Equality in Employment (Taiwan)
- People with Disabilities Rights Protection Act (Taiwan)
- Convention on the Rights of Persons with Disabilities (United Nations)

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Message from the Chairman

Lanner Electronics has adopted a sustainable business philosophy since it was founded in 1986. The Company observes the 17 sustainable development goals (SDGs) introduced by the United Nations as a guideline for its corporate governance practices and strives to create value for customers and other stakeholders by offering professional products, quality services and creative energy, while taking actions to address environmental, social, and business issues and risks. Despite the spread of COVID-19 and ongoing political and economic conflicts worldwide, Lanner Electronics achieved solid growth in 2020 and 2022, owing to its robust business structure and sustainable global partnerships, built upon decades of dedication to ESG values.

Economic

Both Revenue and EPS Hit Record Highs

Lanner advocates SDG 8: Decent Work and Economic Growth. We actively promote inclusive and sustainable economic growth, while assuring our employees plenty of opportunities to work in a productive and dignified manner.

Regarding economic growth promotion, the Company's net operating income in 2022 was NT\$9,819,086 thousand, an increase of 28% from NT\$7,680,510 in 2021. Lanner is especially grateful to all employees for their contribution, which enabled the Company to achieve a compound annual growth rate (CAGR) of 13% in the last 10 years and allowed the EPS to hit a record-high in 2022 at NT\$8.52. Furthermore, the Company has established itself as the leader in network security and developed a strong image regarding product offerings and technical know-how among customers and peers.

We have actively deployed into the 5G telecom market to welcome the advent of the 5G era and new network function virtualization and software defined network virtualization trends. The goal is to promote new applications such as edge computing MEC products, virtual wireless access networks (Open RAN), software-defined wide area networks (SDWAN), private enterprise networks, and network security virtualization SASE service platforms. We aim to achieve high growth momentum in the new electricity market and win over large telecom operators such as Verizon and Bell Canada. Lanner will continue to expand industrial computer product applications and strategic partnerships to meet the demands of the vigorous AI edge computing application

market and has established long-term cooperative relationships with chip manufacturers NVIDIA/Hailo and European and American AI software startups. The goal is to expand product applications for vertical markets, such as smart image recognition in factories as well as retail, security, and transportation fields. The Company successfully obtained the ISO 26262 functional safety certification in 2021 to enter the rapidly growing electric and smart vehicle autonomous driving markets.

Environmental

Energy Efficiency Upgrades and Green Products

Lanner advocates SDG 13: Climate Action. We adopt emergency actions in response to climate change and its impacts, and have long-term environmentally friendly policies and a 2050 zero carbon road map as well as stringent requirements in place to ensure compliance within Lanner and from suppliers toward our goal of combating climate change. We also adhere to SDG 12: Responsible Consumption and Production, and take steps to ensure sustainable consumption and production of our products.

Since 2021, we have been devoted to improving the manufacturing process; providing high-efficiency computing, automation, and energy monitoring technologies; and successfully lowering energy usage. We have also met ISO 14064-1 compliance in 2022: The 2018 comprehensive greenhouse gas inventory standard has demonstrated the Company's commitment to environment and energy conservation. In an attempt to mitigate the impacts of climate change and help businesses adjust and adapt to the new norm, Lanner has been actively developing green products that conform with RoHS, REACH, and WEEE directives, as well as the 3R principles (Reuse, Recycling, Recovery). Products featuring industrial wide temperature range standards such as R6S, LEC-6032C, and ISD-O370 have been introduced to address customers' needs for energy efficiency, wide temperature tolerance, and portability.

Lanner also requires all raw material suppliers to sign the "Supplier Commitment to Refrain from Use of Prohibited and Restricted Substances," and has recovered signed commitments from 100% of suppliers. In addition, we conduct random inspections on our raw materials using XRF by following our "Input Material Inspection Procedures." By imposing strict requirements on itself and on suppliers, Lanner hopes to rally business partners and stakeholders toward combating climate change, and in doing so create a sustainable, healthy, and environmentally friendly global partnership.

Social

Expand Industry-Academia Cooperation to Cultivate Future Talents

Lanner cares for internal stakeholders (employees) as well as external stakeholders (non-profit organizations), and advocates SDG 1: No Poverty of any form anywhere in the world, SDG 4: Quality Education and inclusive/fair life-long learning opportunities for all, SDG 5: Gender Equality, and SDG 17: Partnerships For The Goals in this regard.

We have implemented a robust training system along with a management training roadmap and a wide range of skill development courses to support our talent development plans, which are devised systematically based on the Company's business strategies, the core skills required for each role, and characteristics of the talent development system. The Company uses a number of training methods including internal/external courses, online learning, and department self-learning/sharing. To further improve learning outcomes, trainees are guided toward applying the knowledge they learned at work, and a post-learning assessment system has been implemented to improve employees' competence.

Lanner has also maintained industry-academia cooperation with National Yang Ming Chiao Tung University and National Taiwan University, conducted industry experience sharing and technical exchange discussions, set an outstanding example for industry-academia cooperation, and cultivated exceptional teams to work with Lanner to stimulate innovation and enhance competitiveness.

In recent years, the impacts of COVID-19, the US-China trade conflict, and the Russia-Ukraine war have caused economic turmoil and upset the global industrial supply chain. As a result, companies have begun to adjust their international deployment. Lanner Electronics joined the digital transformation demonstration team (IPC CFX) of the electronics manufacturing service industry in November 2022 to expand its core advantages. The goal is to capitalize on smart manufacturing business prospects and increase global competitiveness by adopting a uniform data standard for factory management. The SMT process industry joint standard and CFX can help enterprises define data content and communication methods, provide more advantageous solutions, and help them to stand firm in the wave of Industry 4.0 while connecting with the international community.



Governance

Emphasis on Corporate Governance and Business Integrity

Lanner respects its customers, values customers' needs, and promotes sustainable growth by supporting UN SDG 8: Promote inclusive and sustainable economic growth, employment and decent work for all; SDG 12: Ensure sustainable consumption and production patterns; and SDGs 17: Revitalize the global partnership for sustainable development.

Through compliance with laws and adherence to integrity, anti-corruption, and moral values, Lanner has created a strong and sustainable value chain with suppliers and customers. To further expand scope of operations, Lanner sourced another potential partner for the vertical market in 2020, issuing NT\$900 million of unsecured convertible bonds to Delta Electronics through private placement. This transaction was intended to create synergies from the strengths of the two organizations, thereby achieve higher level of production automation while exploring more diverse and more sophisticated customers and products. It enables the Company to provide customers with integrated solutions from edge to core and from cloud to terminal, which will speed up the development of industrial IoT and 5G edge computing applications.

Lanner will continue expanding applications of 5G edge computing in the future, including computers for self-driving vehicles, industrial automation, and IoT, for the benefit of all stakeholders. At the same time, we are committed to sound governance for the sustainable growth of the organization. Through sustainable practices, we hope to contribute to economic growth, social inclusion, and environmental sustainability.

Chairman

周逸文

Chou I Wen

Enabling Network Security for Sustainability

Sustainability through security

For the last 30 years, Lanner Electronics has dedicated itself to making high-speed, reliable, and secure network security platforms for world-class network security equipment suppliers. Lanner promotes sustainability by contributing its expertise in network security, and through the active exploration of smart city solutions incorporating high performance computing, security protection, and 5G connectivity into applications such as infrastructure, smart agriculture, intelligent transportation, renewable energy, smart grid and more.

Total security protection for critical infrastructures

Critical infrastructure such as power, manufacturing, and water treatment facilities are increasingly becoming targets of cyber attacks due to the digital transformation over recent years. Backed by many years of network security design and production experience, Lanner has been able to develop industrial network security platforms with enhanced and specialized security features including LAN Bypass, TPM encryption ICs, and BIOS security to prevent unauthorized alteration of control systems through software, whether remotely or on-site. The Company also offers rugged design for applications with special requirements, such as resistance against electromagnetic interference for substations and resistance against extreme heat/cold for industrial environments

Supporting smart city deployment with AI ecosystems

In 2021, Lanner joined NVIDIA's AI alliance and attained NVIDIA Certified status for its products. The Company also participated in NVIDIA's GPU Technology Conference (GTC), during which it shared real cases of how Lanner's products are used for smart transportation (taxi fleet management) and environmental changes (forest fire alert system).

To help system developers speed up product development and shorten deployment time, Lanner has been working with both domestic and international AI software developers to introduce certified, complete, and software-hardware integrated solutions such as a smart imaging system for Gorilla Technology's traffic monitoring application and public health monitoring for FogHorn. The Company also works with Israeli AI chip manufacturer Hailo to develop next-generation AI acceleration cards, offering low power consumption and high performance that can be used in conjunction with an AI model database to shorten development of AI applications for smart cities.

Improving production efficiency: U.S. smart farming project

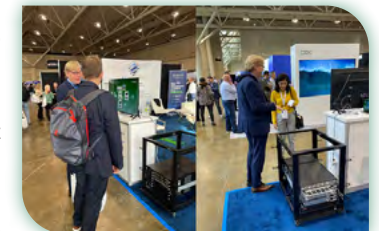
Lanner Electronics joined the U.S. Rural Cloud Initiative in June 2020, participating in the "Farm of the Future" project that uses 5G edge computing technology to analyze crop yield, weather, and environmental data in real time. It has helped increase production efficiency and profit margin by over 10%. The "Farm of the Future" project incorporates a number of solutions, including private 5G/LTE networks, edge storage, multi-access edge computing (MEC), image analysis, industrial automation, and drones; it has won Network Transformation Awards and the 2020 Innovative Network Application Award from Layer123 SDN. This project adopts the use of Edge as a Service (EaaS) architecture, in which Lanner provides an open hardware platform that integrates with the service provider for fast deployment, without farm users having to commit substantial investment into equipment.

Preparing for Smart Transportation with ISO 26262 Certification

Intelligent transportation is an essential element for a sustainable city, and the Company has been actively developing on-board computers for smart bus, fleet management, and rail system applications in recent years, to provide vehicles with the necessary computing, data integration, and wireless connection capacity. Furthermore, the Company quickly assembled a team of elite talents from different departments. It attained certification for ISO 26262 - Automotive Functional Safety in light of the sustainability prospects presented by electric and self-driving vehicles. This certification allows Lanner to enter the factory-installed product market for self-driving vehicles and prepares it for developing dedicated edge computing systems in the future.

Create an Integrated 5G Data Computing Platform to Reduce Power Consumption and Rack Space in Telecom Equipment Rooms

Lanner Electronics is committed to developing integrated telecom network budget equipment and has collaborated with Canada Telecom to introduce application design 2022. Lanner Electronics' new HTCA edge computing server integrates high-speed computing, with a multi-core Intel Xeon processor and a high-bandwidth P4 programmable B Ethernet switch ASIC. By creating an open and scalable next-generation 5G edge computing platform, the cabinet design that originally required 46U is simplified to 8U, which can reduce operating costs by up to 90% compared to the traditional server equipment. The integrated architecture can significantly reduce cabinet space, by up to 75%, and power consumption by up to 60%. It offers more flexible responses to telecommunications edge computing deployment requirements and allows users to quickly build various network virtualization applications





01

About Lanner

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1-1 Company Development

1-1-1 Global Leader in Networking and Communication Hardware

Lanner Electronics Inc. was incorporated in 1986 and has since grown into a leading brand of networking and communication hardware in the world. Headquartered in New Taipei City, the Company currently has more than 1,000 employees worldwide. Shares were listed on the Taipei Exchange on May 19, 2003 with the stock code 6245. Lanner first started with a focus on industrial computers and later expanded its product line to include network security. It currently has close working relationship with world's major network security companies.

Lanner envisions itself as a pioneer of the new Internet age, and embraces its mission to lead the development of networking, security, communication, and Internet technologies in the world. We possess the technological capacity and competitiveness to accomplish these goals, including the ability to respond quickly and flexibly to customers' needs with customized solutions.

The Company's main product lines include: Network & Communication (NC), Edge AI (EAI), Industrial Cyber Security (ICS), Smart Grid (SG), Intelligent Transportation Solution (ITS), and Telecom Applications (TA).

With regards to TA, Lanner actively invests into multi-purpose 5G mobile solutions, and more than 60% of SD-WAN service providers in the world's top-20 WAN Edge Infrastructure suppliers now choose our vCPE/uCPE, which makes us the preferred platform for software-defined wide area network (SD-WAN) service and places us ahead of competitors in the network security segment.

1-1-2 Telecom Revenue Grew by over 50%

As 5G technology started to emerge on a global scale, Lanner began expanding its involvement into the telecommunication field 5 years ago, working with carriers and software partners on the creation of a 5G edge computing platform to support the telecommunications ecosystem. After five years of hard work, Lanner Electronics' vCPE/uCPE has been adopted by major software-defined wide area network (SD-WAN) manufacturers and telecom operators worldwide. Telecommunications-related performance has continued to grow, increasing by over 50% in 2022. The Company expects significant growth in the demand for MEC equipment and applications, given that 5G offers a number of advantages including low latency and high bandwidth.

MEC reduces the time taken for data to be transmitted back and forth in the cloud, which reduces the cost of bandwidth. This makes MEC suitable for smart city applications including high-definition video streaming, cloud computing, e-sports, game streaming, and AR/VR. Consistency of edge computing applications depends largely on the stability and performance of a hyper-converged networking and computing platforms. Lanner supplies optimized hardware and participated in the development of 5G standards at an early stage, increasing the level of involvement in edge computing.

Partnering with Delta Electronics for improved competitiveness in IIoT

Driven by a focus towards edge computing technology, Lanner Electronics continues to develop networking and communication equipment that integrates multiple features, including high-speed computing, cybersecurity, and AI. However, given the uncertainties around 5G technology, Lanner is also actively expanding exposure to broader diversity of technologies, services, and strategic alliances. In November 2020, the Company issued NT\$900 million of securities to Delta Electronics through private placement, in an attempt to seek a complement for Lanner's technologies and products, and thereby speed up development of IIoT and 5G edge computing applications.

Delta Electronics is a leader in IoT with respect to building automation, energy management, surveillance, and smart manufacturing. By cooperating with Delta Electronics, Lanner Electronics hopes to leverage Delta's automated manufacturing resources so that it may increase production to a scale capable of satisfying the needs of large carriers, and introduce more complete data and edge computing solutions to increase global market share of SD-WAN and uCPE even further.

First choice for SD-WAN service, trusted by more than 60% of prominent businesses

The 5G era requires a tight ecosystem and closer collaboration between software and hardware partners to function. This is why Lanner has invested actively into 5G edge computing, joining Intel to become a supply chain partner for a new-generation uCPE edge computing platform for Verizon, the leading carrier in the U.S. The uCPE network computing equipment supplied by Lanner Electronics delivers 2.5 times the performance of the previous generation, and this persistent drive for improvement provides a strong foundation for long-term collaboration between the two parties.

Lanner Electronics was accepted by Verizon, the second largest carrier in the U.S., in 2019 as an official partner for the uCPE 2.0 project, in which it supplies the latest uCPE MEC platform. In 2020, more than 60% of SD-WAN service providers and carriers in world's top-20 WAN Edge Infrastructure suppliers selected by Gartner adopted Lanner's vCPE/uCPE solutions, making

Lanner the preferred platform for enterprise SD-WAN service. In addition, Lanner has deployed more than 200,000 enterprise SD-WAN points in total.

Creation of the SDN/NFV/IIoT ecosystem

Lanner founded a telecommunication ecosystem 5 years ago and works closely with more than 30 carriers and software partners to create a 5G edge computing platform. Technical conferences are held regularly to share the latest proofs of concept (PoC) and exchange opinions with customers. Meanwhile, Lanner Electronics also works with software partners from various fields of expertise to create software+hardware solutions for applications such as intelligent transportation solutions, edge AI, industrial IoT, AI-assisted surveillance and so on, helping reduce development timelines for system integrators.

Establishment of European branch

In October 2021, the Company established its European subsidiary in Hague, The Netherlands, and began development of an innovation park named Security Delta (HSD) to strengthen collaboration with European customers. This branch establishment not only enables faster delivery of quality services to local customers, but also strengthens collaborative relationship with European business partners, whose unique local insight will aid the Company in the design of network computing and telecommunication platforms that meet the needs of the European market.

Participate in Intel Sustainability Day and Propose a New Edge Computing Architecture

To demonstrate the sustainability of its products, Lanner Electronics participated in the sustainable technology conference held by Intel in November 2022. During the event, Lanner showcased a new generation of cost-effective edge servers that can reduce 5G telecommunications edge network hardware investment and personnel maintenance costs via open architecture and network virtualization technology.



1-1-3 Flexible SD-WAN Deployment - the Key to 5G Commercial Operation

High-performance and low-cost IT solutions

Software-defined wide-area-network (SD-WAN), as the name implies, involves applying software defined network (SDN) technology in the management of wide area network (WAN). SDN incorporates virtualization technology to simplify hub management and maintenance; from an application standpoint, it has the potential to simplify WAN control for enterprise users. Using this technology, businesses are able to create high-performance WANs at low cost using LTE/5G broadband, and increase the deployment speed of mobile IT network services, for enhanced competitiveness.

Advantages of SD-WAN in the post-pandemic era

SD-WAN operates outside of hardware constraints and frees enterprise users from the need for physical deployment of equipment such as spokes and routers. It gives network administrators the ability to deploy equipment, allocate resources, monitor status, confirm capacity, and perform maintenance and debugging tasks at the spoke end entirely over the cloud, using a centralized interface. As a result, it simplifies spoke deployment and removes restrictions on the connection

between spokes. Another advantage of SD-WAN is its ability to deliver the best transmission quality for user's core applications through different mechanisms. Whether the task involves application recognition (recognition of public or enterprise/private applications) or tier-based transmission (routing policy for different types of application), SD-WAN is capable of ensuring service quality for critical tasks. These advantages allow businesses to dynamically allocate network resource and bandwidth for their flexible working hour arrangements, particularly beneficial in the post-pandemic era.

Joining U.S. RCI for smart farming opportunities

In June 2020, Lanner Electronics joined the U.S. RCI (Rural Cloud Initiative) to provide whitebox solutions for 5G/LTE networking and computing for smart agriculture application. The "Farm of the Future" project that Lanner is a part of uses 5G technology to analyze crop, weather, and environmental data in real time, which helps raise production efficiency and increase profit margin by more than 10%.

Lanner's 5G/LTE edge computing platform is an Intel-based 5G server; the platform offers multi-core computing, supports LTE and 5G connection, and has been optimized for 5G distributed network architecture so that rural areas without public network coverage may still have access to low-latency edge computing.

The "Farm of the Future" project incorporates a number of solutions, including private 5G/LTE networks, edge storage, multi-access edge computing (MEC), image analysis, industrial automation, and drones; it has won Network Transformation Awards and the 2020 Innovative Network Application Award from Layer123 SDN. This project adopts the use of Edge as a Service (EaaS) architecture, in which Lanner provides an open hardware platform that integrates with the service provider for fast deployment, without farm users having to commit substantial investment into equipment.

Aligning with international telecommunication alliances

The Company allocates NT\$20 million of budget each year to participation in exhibitions of various telecommunication alliances, and is a member of international telecommunication associations such as Telecom Infra Project, Metro Ethernet Forum, and Open Compute Project

(OCP), which promotes awareness of the Lanner brand in the telecommunications market. These engagements provide the Company with opportunities to exchange knowledge with carriers, set industry standards with software service providers, and convey product value.

Assembly of an R&D team in Hsinchu and enhancement of wireless communication capacity for the products offered

Lanner Electronics has committed itself to the development of wireless communication capacity in recent years, to take advantage of the 5G's high bandwidth and low latency. In 2020, Lanner Electronics' RF engineering team developed a new LTE antenna design optimized for MIMO wireless data transmission. Additionally, Lanner assembled a wireless communications R&D team in Hsinchu in 2020, whose responsibilities are to develop integrated wireless communication equipment that supports 5G mmWave/Sub-6 and Wi-Fi 6.

1-1-4 The CAGR of Revenue for the Past 10 Years Reached 13%

In 2000, Lanner Electronics was the first in the IPC industry to adopt Intel's x86 architecture for the design of network security computing platforms, which helped secure its foothold in the supply of these platforms. Network security will remain an essential component in the next decade for virtually every new application, from cloud computing to edge computing and artificial intelligence of things (AIoT), that emerges in relation to 5G services. Demand for related solutions should grow consistently in the future.

Lanner began working with the world's top 10 telecommunication carriers in 2015 to create ecosystems for network technologies and applications such as SDNFV and SDWAN and secure a competitive advantage in the supply of network security platforms. Lanner has been recognized as one of the leading suppliers by Gartner WAN Infrastructure for four consecutive years, and currently supplies SDWAN platforms to over 50% of participants in key markets worldwide. Even when the global chip shortage worsened, Lanner managed to sustain growth of sales orders and revenues in 2021.

As the electric vehicle (EV) industry reached new milestones in 2021, Lanner Electronics not only attained relevant certification and licensing for vehicle computers, but also invested into the research and development of next-generation self-driving vehicles. These solutions are expected to become new revenue drivers for the Company in the next five years.

In the 5G edge computing and ORAN fields, the Company has consolidated its HTCA product line and made great successes supplying 5G edge computing server equipment to major carriers in North America, thereby securing new foundations in the world's future 5G edge computing market. Investments that the Company had made into SDWAN application for the telecommunications market over the last five years have successfully led to business partnerships with ten major carriers in the U.S., including Verizon. These partnerships are expected to generate high value-added operating revenues in the next three years.

As 5G services have become available worldwide in recent years, under the Industrial IoT trend, industrial network security hardware platforms that consider special industrial environments and network security applications have achieved good results in North American and European markets, continuing to grow revenues in 2022. Lanner Electronics' industrial network security equipment has been successfully deployed in critical infrastructure such as smart factories, substations and natural gas pipelines, withstanding evolving network attacks, maintaining system security and reliability, and reducing information security risks caused by cyber-attacks.

1-2 In-depth Technology Cultivation

Lanner's products won favor of the jury for having exhibited innovation and excellence in several areas including R&D, design, quality, marketing, and production. The award further affirms Lanner's accomplishments in telecommunication, network security, and intelligent transportation.

1-2-1 Innovation Capabilities

Technology leadership

NCA-4020 was certified as an Intel Select Solution for uCPE in May 2018, which made Lanner Electronics the first industry-grade networking and communication company in Taiwan to pass the certification. Through reference design and performance validation, this solution provides carriers the foundation needed to develop uCPE products and services, and realize agile development.

Lanner NCA-4020 is Now a Verified Intel® Select Solution for uCPE



Building next-generation 5G mobile computing platforms

Lanner Electronics has committed significant resources to research into MEC for 5G small cells in recent years. By increasing computing capacity at network edge, the Company may help relieve network equipment of increasing stress, and allow service operators to deliver improved 5G service. Lanner Electronics has been cooperating with National Yang Ming Chiao Tung University (NYCU) since 2018 to co-found a 5G MEC joint laboratory that combines 5G expertise from NYCU Department of Computer Science and Department of Mechanical Engineering with Lanner's know-how on telecommunication network computing platforms to explore low-latency, high bandwidth 5G edge computing applications. Lanner Electronics also began collaboration with Bell Canada in 2020 to develop a telecommunication-grade MEC platform capable of high-speed computing, connection, and storage.

uCPE 2.0 project partnership with Verizon, the second largest carrier in North America

During the SDN NFV World Congress held in October 2019, Lanner Electronics announced its official partnership in the uCPE 2.0 project for Verizon, a U.S. carrier, in which it supplies the latest uCPE MEC platform. Based on a network disaggregation design, the project will have multiple virtual network functions (VNF) running on Lanner's edge computing platform, which not only reduces hardware maintenance costs but also allows flexibility and agility in service deployment.

Best partner to Intel Network Builders Winners' Circle

In November 2022 Lanner Electronics was honored with the highest degree of honor (Titanium) in the Intel Network Builders Winners' Circle Awards for the fifth time. This honor recognizes Lanner Electronics' contribution to creating an open and scalable telecom computing platform.



Leading manufacturer of whitebox solutions for SD-WAN.

According to Gartner's 2022 Software Defined Wide Area Network (SD-WAN) report, over 8 out of the world's 14 leading SD-WAN service providers use Lanner's uCPE networking equipment. Through coordination with leading technology partners in the vertical market, Lanner Electronics is capable of providing whitebox solutions for network virtualization (SD-WAN and NFV), and has been certified by international top-20 telecommunication operations including Verizon. More than 200,000 enterprise SD-WAN points have been deployed to date.

Participated in the U.S. smart farming project

Lanner joined the U.S. Rural Cloud Initiative in June 2020 and participated in the "Farm of the Future" project that uses 5G edge computing technology to analyze crop yield, weather, and environmental data in real-time. The project helped raise production efficiency and increase profit margin by more than 10%. The "Farm of the Future" project incorporates a number of solutions, including private 5G/LTE networks, edge storage, multi-access edge computing (MEC), image analysis, industrial automation, and drones; it has won Network Transformation Awards and the 2020 Innovative Network Application Award from Layer123 SDN. This project adopts the use of Edge as a Service (EaaS) architecture, in which Lanner provides an open hardware platform that integrates with the service provider for fast deployment, without farm users having to commit substantial investment into equipment.

Participation in national 5G development

Lanner received an invitation from Industrial Technology Research Institute (ITRT) in August 2020 to participate in national 5G development. Lanner's role was to help develop network virtualization, SDWAN, and edge computing systems as the nation progresses into the 5G era.

Passed certification for international standard: "ISO 26262 - Automotive Functional Safety"

Lanner will aim to supply high performance edge computing platforms for self-driving vehicles in the future. Being one of the first industrial computer suppliers to pass ISO 26262 certification, Lanner will be directing resources into creating reliable and high performance edge computing platforms for vehicles, with particular regard to minimizing latency, using AI for assisted computing, and increasing the accuracy of environmental detection and prediction algorithms of the self-driving system.

AI Edge Computing Products Won Best Product Recognition

At Embedded World Congress 2022, the official partner media, "Embedded Computing Design," selected Lanner Electronics' high-efficiency PCI-E AI accelerator card Falcon H8 as the "Best of Show" product in the AI and Machine Learning category. The Falcon H8 uses Hailo's high-density AI processor and can accommodate up to 6 Hailo-8™ AI processors, providing an edge AI solution with high processing power and a high price performance ratio. The Falcon H8 AI accelerator card can be loaded on NVR, industrial PC, and other automation equipment to provide edge network AI inference computing through the PCIe interface standard.



Powered by:
HAILO

1-2-2 Innovation Patent Layout

As a "platform supplier for vertical application," Lanner invests a substantial budget into the development of innovative technologies and products each year and has assembled R&D teams in Taipei, Hsinchu, and Beijing to house a strong team of high-tech talents from around the world and coordinate them towards developing competitive advantage. Lanner will have 14 valid national patents in 2022.

List of global patents obtained in 2022

Serial No.	Patent type	Awarding country	Patent name
1	Invention	USA	Visualization system for power sequence
2	Utility model	Taiwan	External housing with quick-release track design and industrial computers using such housing
3	Invention	Taiwan	Method and system for testing the operations of automatic testing systems
4	Utility model	Taiwan	Adjustable fixed modules and industrial computers using such adjustable fixed module
5	Utility model	Taiwan	Quick release and locking device
6	Invention	USA	Wireless communication device
7	Utility model	Taiwan	Hot-swap protection modules and industrial computers using such hot-swap protection module
8	Invention	Taiwan	Visualization system for power sequence
9	Invention	Taiwan	Boot method with automatic boot security operating system and its boot system
10	Invention	Taiwan	Connection structure and electronic device using such connection structure
11	Invention	Taiwan	Smart fan system
12	Utility model	Taiwan	Bridge circuit board, millimeter wave antenna device, and electronic device
13	Invention	Taiwan	Bridge circuit board, millimeter wave antenna device, and electronic device
14	Invention	Taiwan	Bridge circuit board, millimeter wave antenna device, and electronic device

1-2-3 Award-winning products



▼ NCA-1040 series



23rd

Taiwan Excellence Award:



24th

Taiwan Excellence Award:



25th

Taiwan Excellence Award:



26th

Taiwan Excellence Award:



29th

Taiwan Excellence Award:



31st

Taiwan Excellence Award:

Taiwan Excellence Award

- FX-7220 Cloud-based Modular Firewall
- FW-8877 Wireless IoT Security Gateway

- NCA-1010 Wireless IoT Security Gateway
- UP-2010 Poe Network Security Platform

- FW-8896 High-performance Modular SDN/NFV Platform

- NCA-1611 High-performance Virtual Network Platform
- HTCA-6200 Hybrid Telecommunications Platform
- R6S Shock and Water-resistant Fanless Embedded Platform for Rail Systems

- NCA-1020 series - uCPE for Mobile Medical Kit

- NCA-1040 5G Portable Mobile Router

Lanner Electronics is a professional network security hardware platform manufacturer. Our network communication product NCA-1040 series won the 31st Taiwan Excellence Award. The NCA-1040 can be integrated into an emergency medical backpack. Its miniaturized, fanless, dual-channel 5G networking capability provides stable and secure 5G high-speed network bandwidth for remote medical treatment in remote areas, allowing high-resolution video consultations and transfer of medical measuring instrument data.

While upgrading the dual 5G connection capability, NCA-1040 keeps the thickness of the product to 3cm and keeps length and width to those of an iPad Mini. The external I/O includes 4x RJ45, DisplayPort, and USB ports. The new generation NCA-1040 supports PoE+ functionality, which allows simultaneous supply of power and data transmission to medical measurement equipment and high-definition cameras. It can also be used as an entry-level firewall, mobile 5G router, and mobile network bandwidth balancing gateway.

Lanner



5G Mobile Router for
Telemedicine Backpack

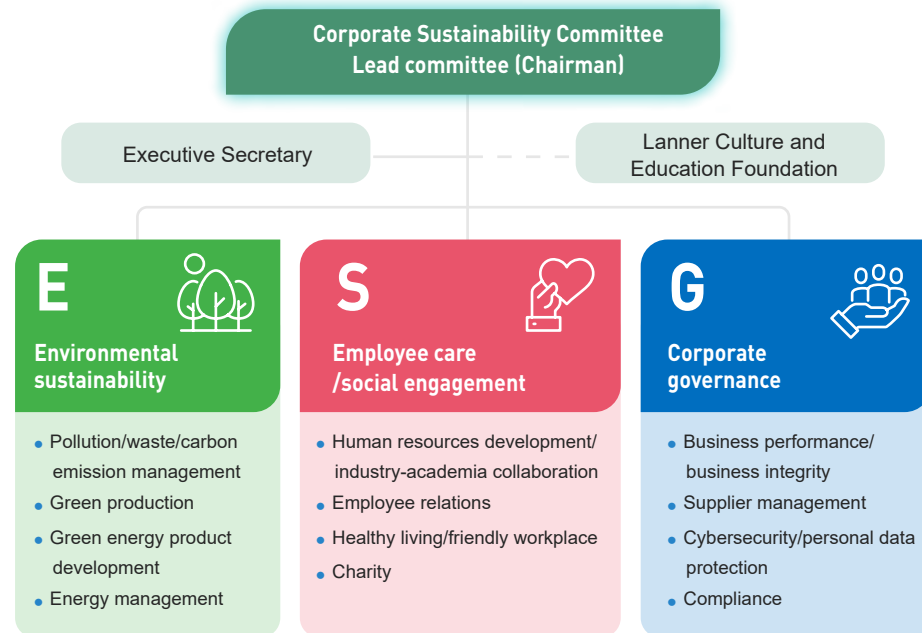


NCA-1040

1-3 Executive Structure of the Corporate Sustainability Committee

A "Corporate Social Responsibility Committee" was assembled in 2018 with board of directors' approval to promote sustainability governance. In 2021, the Company adjusted its framework and renamed the committee as "Corporate Sustainability Committee" to support ESG development. The committee has environmental sustainability, governance, and employee care/ social engagement task forces established under it, whose responsibilities are to formulate corporate sustainability strategies and action plans that aim to promote economic, environmental, and social progress in a mutually beneficial manner and achieve sustainability goals.


The Chairman chairs the committee and assigns various working groups responsibility implementation and promotion. The committee reports to the board of directors every year. In Q2, Q3, and Q4 of 2022, the relevant planning and results were reported to the board of directors.








For details, please refer to each chapter of this report. (E) For environmental sustainability, please refer to [Chapter 3 Environmentally Friendly and Green Products]; (S) for employee care/social participation, please refer to [Chapter 4 Employee and Social Care]; and (G) for corporate governance, please refer to [Chapter 2 Sustainable Governance].




1-4 Summary of Responses to UN Sustainable Development Performance



Sustainability commitment	SDGs	Company events 2022
(1) Value corporate governance and business integrity, and refrain from illegal dealings	 SDGs 16 Peace, justice and strong institutions	<p>1.Code of Ethical Conduct and Trade Secrets Protection</p> <ul style="list-style-type: none"> • Lanner Ethical Behavior Guidelines Course: Recruits must complete a half hour classroom course upon commencing duty, while existing employees must complete refresher courses online each year. The training completion rate reached 95% in 2022. • Business secrecy course: Employees involved in key roles are required to complete a half hour online course each year. <p>2.Code of Integrity Behavior and Anti-corruption</p> <ul style="list-style-type: none"> • Anti-corruption commitment: New recruits are required to sign behavioral integrity and anti-corruption commitments when joining the company, and existing employees are required to take part in annual training on ethical behavior and the integrity commitment, for enhanced ethical awareness. • Conflict of interest self-assessment: Employees must report any conflict of interest involving them, or 2nd-degree or closer relatives, to the Company. <p>3.Lanner observes RBA guidelines and adheres strictly to the following recruitment principles:</p> <ul style="list-style-type: none"> • Reasonable wages and benefits, and ongoing improvements • Enforce humane treatment and arrange reasonable workload and rest hours • Respect freedom of association and rights to collective bargaining • Respect religious freedom and adjust work hours for special requirements. • For foreign workers, the Company enforces a "zero commission" policy and returns any agency commission they paid. • Protect and respect human rights, prohibit the use of child labor and forced labor, and refrain from slavery and human trafficking. <p>4.In 2022, the Company ranked in the 4th tier (36% - 50%) of TWSE's 9th Corporate Governance Evaluation.</p>


Sustainability commitment	SDGs	Company events 2022
(2) Enhance personal data management; protect customers' information and transaction data	 SDGs 9 Industry, innovation and infrastructure	<p>1. Employees must set passwords for their user accounts using a 12-digit or longer combination of alphanumeric characters. Passwords must be changed once every three months, and you cannot repeat any of the last three passwords. User accounts will be locked for at least 30 minutes after 3 consecutive account name or password errors.</p> <p>2. Screen savers on all employees' terminals have been configured to activate after 10 minutes of inactivity and can only be disabled with a password.</p> <p>3. Access to USB drives, memory cards and optical disc write-in has been restricted, and anti-virus software is installed on all computers to prevent intrusion, loss of important business information, and violation of customers' privacy. Removing any of these restrictions for work requirements is subject to the President's approval before execution.</p> <p>4. The cybersecurity policy is being promoted throughout the organization over the digital learning platform. The training completion rate for 2022 was 92%.</p>
(3) Lanner strives to deliver mutual benefit with suppliers and customers, and create a sustainable value chain	 SDGs 17 Partnerships for the goals	<p>1. Suppliers: Supplier audits are conducted to ensure that no conflict minerals are used and, in doing so, create a green supply chain</p> <p>2. Customer Satisfaction: The overall average score in 2022 reached 91.2 points, and the average score has been 90 points or higher for 3 consecutive years.</p> <p>3. Performance highlights:</p> <ul style="list-style-type: none"> • Lanner was the first industry-grade networking and communication company in Taiwan to be certified for Intel Select Solution for uCPE. • Building next-generation 5G mobile computing platforms • uCPE 2.0 project partnership with Verizon, the second largest carrier in North America • Leading manufacturer of whitebox solutions for SD-WAN. • Participated in the U.S. smart farming project • A European branch has been established to design network computing and telecommunication platform to the needs of the local market • Lanner was one of the first industrial computer manufacturers to pass certification for international standard: "ISO 26262 - Automotive Functional Safety"

Sustainability commitment	SDGs	Company events 2022
(4) Pro-active protection of intellectual property rights	 SDGs 9 Industry, innovation and infrastructure	14 national patents remained valid in 2022.
(5) Protection of employees' rights and gathering of employees' opinions	 SDGs 8 Decent work and economic growth	<p>1. Lanner Electronics hosts labor-management meetings, annual meetings, management meetings, and communication meetings to ensure the effectiveness of labor-management communications, thereby maintaining strong labor-management relations to protect workers' rights and the fairness of the recruitment system.</p> <p>2. Regular labor-management meetings: held once every three months or on an ad-hoc basis if necessary. Lanner Electronics convened 4 labor-management meetings (the 10th, 11th, 12th, and 13th meetings of the 4th committee) in 2022 to advocate or discuss proposals related to epidemic prevention measures, government law revisions, and personal data security.</p> <p>3. Employee satisfaction surveys have been conducted annually since 2020. Please refer to P.88 for results of satisfaction surveys.</p>
(6) Comply with government policies, laws, and rules, and fulfill duties as a citizen of the nation.	 SDGs 16 Peace, justice and strong institutions	<p>1. We adopt rules of the Responsible Business Alliance (RBA) and The Company Act as our ultimate guiding principles and have implemented internal policies, including "Corporate Governance Code of Conduct," "Business Integrity Code of Conduct," and "Subsidiary Management Policy."</p> <p>2. Recruits must commit to integrity and anti-corruption when reporting to duty, and existing employees partake in annual training on ethical behavior and integrity, for enhanced ethical awareness.</p> <p>3. An Occupational Safety and Health Committee has been assembled to supervise the functionality of the environmental safety and health management system.</p> <p>4. Compliance policies have been implemented, and the legitimacy of the Company's operations is examined annually.</p>

Sustainability commitment	SDGs	Company events 2022
(7) Providing a healthy and safe work environment, and raising employees' knowledge and skills		<p>1.A flexible working hours policy has been implemented to provide employees with better and more flexible work conditions. The security access system is backed up daily, and personnel access is strictly controlled to ensure security.</p> <p>2.Comprehensive employee training and development:</p> <ul style="list-style-type: none"> A manager training roadmap supported by systematic training and compulsory/optional courses has been implemented, giving managers the ability to develop management skills and a common language for management. A total of 9,758 training hours were provided in 2022; an average of 13 hours per person. <p>3.Provide Reasonable Promotion Channels</p> <ul style="list-style-type: none"> Regular performance evaluations: with the exception of direct labor, employees are subjected to "annual performance evaluation" once in the first half and once in the second half of each year. Promotion and training: employees who excel are rewarded with additional promotion opportunities, and those who receive a grade A in the latest performance evaluation can participate in the key (bench) talent selection, where talents with development potential are selected to take over key positions. <p>4.Health checkups take place annually to gain insight into employees' health conditions and needs. A total of 585 employees participated in the Company's annual health checkup in 2022; 87% of the employee base. A total of 12 employees completed special health checkups, including 11 ionizing radiation operators and 1 dust operator.</p> <p>5.Taiwan started to observe local COVID-19 cases in 2022. The epidemic prevention team continued operations, and a single online notification system for epidemic prevention was established. New cases can be quickly documented and controlled, and contacts with infected persons can be tracked.</p> <p>6.The Company regularly monitors the work environment according to Regulations on Implementation of Work Environment Monitoring, and protects workers from exposure to excess hazardous substances.</p> <p>7.Fire safety training and emergency response drills are completed annually.</p>
	SDGs 3 Good health and well-being	
		
	SDGs 4 Quality education	
		
	SDGs 12 Responsible consumption and production	

Sustainability commitment	SDGs	Company events 2022
(8) Encouragement for club activities and CSR/charity efforts		<p>1.Subsidies for club activities: Lanner promotes healthy recreational and entertainment activities as means to improve interaction and health among employees and subsidizes "fitness," "charity," and "education" clubs above a certain participant size.</p> <p>2.Lanner Electronics' Culture and Education Foundation executes projects through four main themes, namely "Education," "Culture," "Localization," and "Decency," in collaboration with local government agencies and non-profit organizations. The foundation organized the following events in 2022, taking actions toward corporate social responsibility.</p> <ul style="list-style-type: none"> The hand-painted watercolor card course combines public welfare, humanities, and art The eight annual cultural appreciation sessions deeply embed beautiful art into corporate culture. Elementary school basketball promotion program for priority education districts in New Taipei City Infinite Love × Scientific Education Program Promotion program for international education and UN SDGs in New Taipei City 2022 Sailing Seed Instructor Training Program Walk for Cats Home for Wanderers Sustainable Living Series Buy for Charity Wonderful Organic Sheltered Workshop <p>3.Lanner participates in recruitment programs with New Taipei City and Keelung Employment Service Office, providing job opportunities for people with disabilities.</p> <p>Lanner continued cooperating with employment service stations in 2022, offering many highly sought-after positions, such as assembly/packaging technicians and production line engineers. This collaboration allows the Company to source the right talents and brings favorable job opportunities to local residents.</p>
	SDGs 1 No poverty	
		
	SDGs 2 Zero hunger	
		
	SDGs 10 Reduced inequalities 等	

Sustainability commitment	SDGs	Company events 2022
(9) Enhanced supply chain management and prohibition against hazardous substances and conflict minerals	 SSDGs 10 Reduced inequalities  SDGs 12 Responsible consumption and production	<p>Lanner prohibits conflict minerals, to promote a green supply chain.</p> <ul style="list-style-type: none"> Lanner strictly demands all suppliers to refrain from purchase and use of conflict minerals, and has implemented "Conflict Minerals Management Procedures" in compliance with RBA requirements. All new suppliers are required to complete "Supplier Declaration of Conflict Mineral Policy" according to law - "Restricted Substance Content Limits and Testing SOP" and the Company's supplier management policy. If a supplier is found to have used conflict minerals, it is mandatory that they disclose the identity of the smelter. Lanner adopted the CMRT6.22 survey version in 2022 and received 81% responses. The survey outcome was satisfactory, and the Company will continue surveying and auditing suppliers' performance as part of its corporate social responsibilities.

Sustainability commitment	SDGs	Company events 2022
(10) Emphasis has been shifted towards energy efficiency upgrades and green product development as a response to climate change	 SDGs 13 Climate action	<p>1.Promote green products and create an environmental safety and health management system according to ISO14001 and ISO45001 standards</p> <ul style="list-style-type: none"> Governance: A dedicated legal affairs department has been established to ensure that all products conform with standards. Product: Energy efficiency and environment friendliness are taken into consideration and strictly enforced during product design and manufacturing. The Company adopts environment-certified production procedures and strives to reduce use of hazardous substances. Management: The Company has passed ISO 14001 - Environmental Management System, ISO 14064-1 Organizational Level Greenhouse Gas Inventory Management System, and IECQ QC080000 - Hazardous Substance Process Management certifications. We also comply with RoHS, REACH, WEEE directives, and the 3 R principles. <p>2.Actively transforming the factory that makes AI smart management-related products:</p> <p>The equipment introduced previously includes DIP, intelligent storage, an X-ray pointing machine, IC automatic programming machine, an air compressor, and so on. The nitrogen air compressor replacement and introduction of cleaning machines were completed in 2022, and we also adopted an intelligent monitoring system that tracks energy consumption to achieve sustainable energy conservation.</p> <p>3.Greenhouse Gas Reduction Performance</p> <ul style="list-style-type: none"> Centralized pipe control for chillers: The Company has improved air conditioning performance and energy efficiency through centralized pipe control and chiller activation alternation. Please refer to P.70 for energy-saving performance. Printing management system: Lanner remains persistent in digitalizing internal documents, forms, and processes. The Company also introduced a printing management system in 2017 to provide more comprehensive control over the use of printing equipment. Removal of bottled water dispensers: In 2022, we reduced bottled water dispensers and added filter water dispensers with lower power consumption, with an energy-saving ratio of 19.55%.



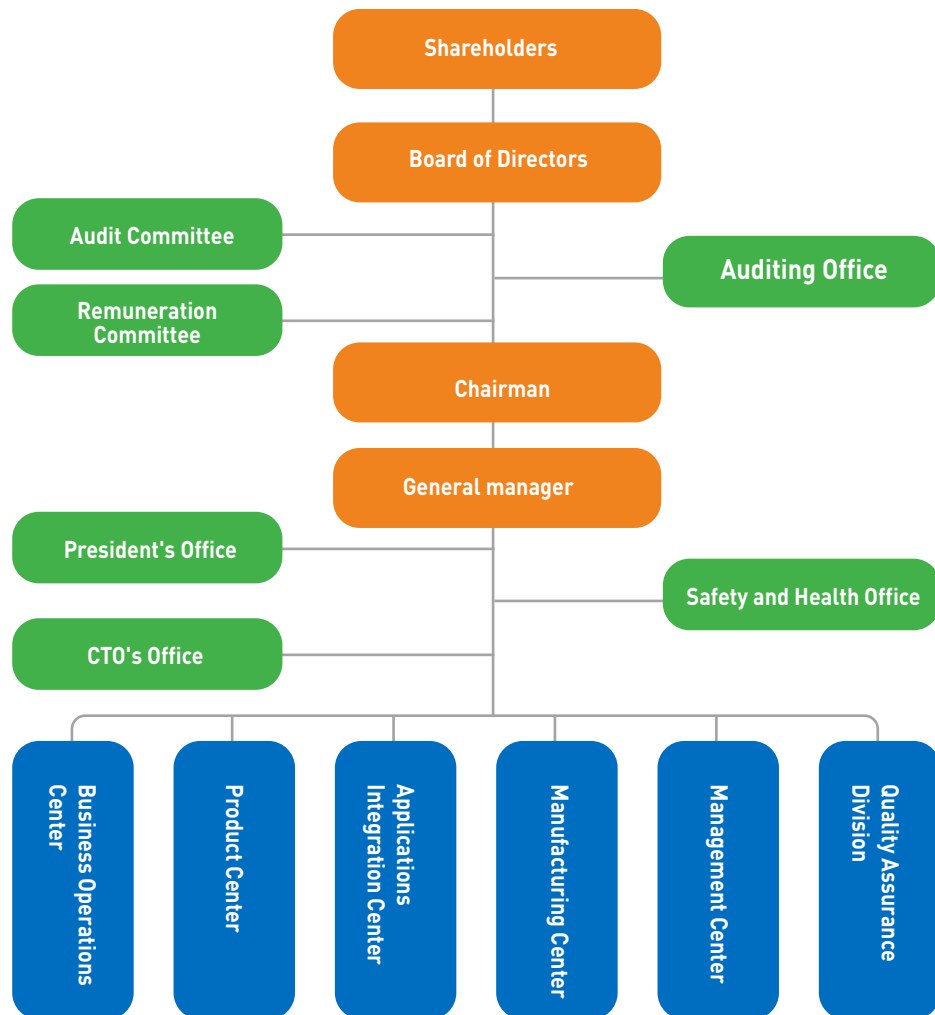
02

Sustainable Governance

- 2-1 Corporate Governance
- 2-2 Business performance
- 2-3 Regulatory Compliance and Performance
- 2-4 Globally Accepted Risk Management Practice
- 2-5 Information Security
- 2-6 Supplier Sustainability Management
- 2-7 Customer Services
- 2-8 Identification of Corporate Sustainability Development Topics
 - 2-8-1 Stakeholder Engagement
 - 2-8-2 Material Topic Identification and Response

2-1 Corporate Governance

2-1-1 Governance Structure and Responsibilities



Responsibilities of Main Departments within Lanner Electronics

Name of department	Responsibilities
Board of Directors	The Chairman convenes board of directors meetings, oversees corporate operations, and determines key strategies, future operational emphases and goals for the Company.
President's Office	A subordinate unit under the President; responsible for the planning and execution of operational plans and projects.
CTO's Office	<ol style="list-style-type: none"> 1.Evaluation and development of new technologies, applications, markets, and business models. 2.Plans industry-academia collaborations and develops the research capacity to adopt advanced technologies and digital transformation. 3.Patent planning, assessment, and management.
Auditing Office	<ol style="list-style-type: none"> 1.Inspects and evaluates the effectiveness of internal control systems according to annual audit plans that are formed using a risk-based approach; assesses operational efficiency and performance, the reliability of financial statements and compliance with relevant regulations; ensures the effectiveness of internal control systems; and assists the board of directors and the management in fulfilling their duties. 2.Exercises supervision over the execution of internal control self-assessments among internal departments every year, develops self-monitoring systems within the Company and enforces internal audit and internal control self-assessments. 3.Executes project audits in line with the Company's operating strategies and emphases; assists the board of directors and the management in attaining goals through persistent supervision and improvement.
Safety and Health Office	<ol style="list-style-type: none"> 1. Establishment, amendment, and execution of safety and health policies, plans, procedures, and standards. 2. Responsible for the management of the safety and health system. 3. Establishment, planning, supervision, and promotion of safety and health issues. The department also provides guidance to others on the implementation of related policies.

Name of department	Responsibilities
Business Operations Center	<ol style="list-style-type: none"> 1.Responsible for customer development for KA products, Region products, and the TA field; development of a relationship with global telecommunication carriers; explores global opportunities for edge computing platforms in markets such as Industrial SD-WAN, Transportation, Energy Gateway, and industrial network security equipment; and ensures attainment of product sales and business targets 2.Develops AI-assisted edge computing solutions and collaborations with ecosystem partners. 3.Observes growth of telecommunication carriers and applications worldwide; learns SDN/NFV and 5G trends; explores customers' needs; and devises product development strategies as well as customer complaint handling. 4.Manages customer relationships with telecommunication carriers, strengthens collaboration with SDN/NFV research ecosystem partners, and grows the white box SDWAN solutions market. 5.Gathers information on markets and technologies, and devises new products and market strategies. 6.Executes ISO policies and system management.
Product Center	<ol style="list-style-type: none"> 1.Gathers information on customers, markets, suppliers' new applications and new technology development, and devises new development plans per stakeholders' expectations. 2.Responsible for designing new products, new technologies and new applications, including designing electronic circuitry, power, signal simulation, firmware for programmable logic devices, safety certification, wireless radio, wireless broadband, and software. 3.Responsible for product design, development, and management until product end-of-life, including product development timeline, sample production and management, preparation and publication of certification-related technical data, and making timely optimizations and changes to product design based on market and product information to ensure that products are designed in conformity with stakeholders' expectations 4.Executes ISO policies and system management. 5.Responsible for establishing, managing, and maintaining the Company's product R&D processes and standards. 6.Uses product management-related digital tools to record and analyze performance; creates and implements product management indicators.
Applications Integration Center	<ol style="list-style-type: none"> 1.Research, development, and integrated certification of application platforms and systems (including software, firmware, hardware, and structure). 2.Research, development, and adoption planning of new products, technologies, and applications. 3.Application and integrated development of software and firmware. 4.Mechanical design and fabrication, and research/development of industrial computer chassis. 5.Heat flux design and decision over the selection of parts. 6.Executes development projects in line with design principles; performs Layout Design and makes PCB plans. 7.Product design, early-design-stage specifications testing and confirmation.

Name of department	Responsibilities
	<p>©Manufacturing:</p> <ol style="list-style-type: none"> 1.Oversees production quality, delivery timeline, and customer service to ensure targets are met. 2.Controls and improves production costs for greater price competitiveness. 3.Monitors production anomalies and applies the PDCA cycle for effective improvement and prevention of recurrence. 4.Develops robust maintenance service processes to deliver high-quality and fast post-sales maintenance services for customers, and meet shipment timing requested by customers to help business departments acquire more sales orders. 5.Provides customized assembly and testing service post-production for customer-specified, mass-produced products, and satisfies customers' diverse needs in small volumes. 6.Enforcement and execution of quality management tasks, including security control during the product materialization process, import/export logistics, and process security, management of secured supply chain partners, cargo security, and container security. 7.Use resource planning and outsourcing manufacturer allocation to provide in-plant demand and production supply capacity. Plan and establish a series of related support department models to improve outsourcing management operations.
Manufacturing Center	<p>©Procurement:</p> <ol style="list-style-type: none"> 1.Price comparison, negotiation, ordering, and contracting for production equipment purchases, materials, supplies, and outsourced jobs. 2.Procurement, inspection, and acceptance for raw material and supply purchases. 3.Determines and controls purchasing cost of raw materials/supplies; plans and executes cost reduction solutions. 4.Sale of obsolete and slow-moving materials. <p>©Product Planning:</p> <ol style="list-style-type: none"> 1.Coordinates production and marketing planning, forecasts statistics and product deployment, and oversees the production schedule material status and procurement inspection in real time. 2.Makes arrangements such as production plans, trial production of new products and scheduling for special requirements. 3.Responsible for the review and approval of sales orders and shipment schedules. 4.Management and control of inventory sales. 5.Warehousing of production orders. 6.Arrangement, execution, and coordination of production/shipment plans such as outsourcing, warehousing, import/export, and related. 7.Management and control of import/export shipment and shipping expenses.

Name of department	Responsibilities
Management Center	<p>◎Accounting:</p> <ol style="list-style-type: none"> 1.Financial planning, capital management, and management of banking relations. 2.Budget preparation, control, and analysis. 3.Affairs handling as well as the audit committee, board, and shareholder meetings. 4.Handles share-related affairs, cash issues, and share subscriptions. 5.Group accounting management operations. <p>◎Information:</p> <ol style="list-style-type: none"> 1.Planning and implementation of IT processes. 2.Planning, design, maintenance, and implementation of computerized processes. 3.Development of cybersecurity systems and compilation of operating manuals and management rules. 4.Planning and installation of IT equipment and recommendations for equipment purchase. 5.Enforcement of information policy and management of related affairs, including information systems security. <p>◎Human Resources:</p> <ol style="list-style-type: none"> 1.Recruitment, assignment, training development, promotion, and evaluation of employees as well as planning and execution of HR-related affairs. ° 2.Employee relations and welfare. 3.General affairs and sundry purchases. 4.Asset bookkeeping and management of property insurance. 5.Enforcement and execution of quality management issues, including property and premises security, entry control, and employee safety.
Quality Assurance Division	<ol style="list-style-type: none"> 1.Document management (acceptance, consolidation, issuance, computer login, and filing). 2.Ongoing quality improvement, instrument calibration, and control of supplier quality. 3.Technical support, problem identification/resolution, after-sales service, and related matters. 4.Provides DA (defect analysis) to assist with quality improvement. 5.Establishment, amendment, and execution of quality management certification/ supply chain safety policies, plans, procedures, and standards. 6.Establishment, planning, supervision, and enforcement of ISO quality policies and related issues. The department also provides guidance to others on the implementation of related policies.

2-1-2 Corporate Governance

In 2022, the Company ranked in the 4th tier (36% - 50%) of TWSE's 9th Corporate Governance Evaluation.



All directors have placed the Company's and shareholders' long-term interests at the top of their priorities, and are able to exercise their duties in an independent and objective manner. For this reason, we continue to adopt the best corporate governance practices by having shareholders elect a board of directors and create functional committees to support the board's duty. We adopt the highest standards of corporate governance practice to ensure the effectiveness of the board of directors, and thereby protect shareholders' interests. Lanner's "Rules of Procedure for the Board of Directors" explicitly outline the conflicts of interest avoidance provisions for directors, to prevent conflicts of interest.

There are 7 directors during the current reporting year. They include 3 independent directors, accounting for 42.86.% of the board. To strengthen the independence of the board of directors, over 50% of the directors are external directors this year, and the composition of the board of directors took operational judgment and management capabilities, financial analysis capabilities, crisis management capabilities, and industry knowledge into consideration. The goal is to strengthen the board of directors' diversity and allow them to provide strategic guidance effectively. Service of the current board of directors began June 17, 2022, and ends June 16, 2025. The board of directors convenes meetings at least once per quarter. A total of 5 board meetings were held in 2022, with an attendance rate of 98%. The position of Chairman was assumed by Chou I Wen, who oversaw all corporate governance affairs and hosted board meetings.

Lanner complies with "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," which requires boards of directors to be elected after taking multiple factors into consideration, including: situational awareness, management skills, analytical skills in accounting and finance, crisis management, industry knowledge, global vision, leadership, decision-making capabilities etc.

▼ Board members and board function

Designation	Name	Gender	Age group	Academic and career background	Number of attendances	Attendance rate (%)
Chairman	Chou I Wen	Female	61~70	Pacific Western University	5	100%
Director	Yang Chen Wei	Male	71~80	Air Force Institute of Technology	4	80%
Director	Chou Hsu Lung	Male	51~60	Department of Mathematics, Fu Jen Catholic University	5	100%
Director	Chen Ruei Hsu Note 1	Male	61~70	Academic background Graduate Institute of Management Science, National Chiao Tung University Career experience Assistant Vice President President of D-Link, Vice President of BankBoston Taiwan Branch, Assistant Vice President of Citibank Taiwan	2	100%
Director	Cheng An	Male	51~60	MS Electrical Engineering, Santa Clara University	5	100%
Independent Director	Lu Hung Te	Male	61~70	Academic background Ph.D. in Marketing, Graduate Institute of Business Administration, National Taiwan University Career experience Head of RCTRB, Chung Yuan Christian University; Chief Secretary, Office of the Secretariat, Chung Yuan Christian University; full-time lecturer, associate professor, and professor of Business Administration; Consultant for Chang's Service, Mainland Affairs Council, Executive Yuan	5	100%

Designation	Name	Gender	Age group	Academic and career background	Number of attendances	Attendance rate (%)
Independent Director	Tsai Hsing Tao	Male	71~80	Academic background PhD, Chinese Culture University Career experience Visiting Scholar of Stanford University; Professor and Dean of Student Affairs, National Taipei University of Technology	5	100%
Independent Director	Wen-Hsun Tsai Note 2	Male	51~60	Academic background Tunghai University Career experience Executive Vice President of Mechema Chemicals International Corp. Senior Vice President of Horizon Securities	3	100%
Supervisor	Wen Feng Chiao Note 3	Female	61~70	Dept. of Business Administration, Soochow University	2	100%
Supervisor	Li Chung Wang Note 3	Male	61~70	Master of Electrical Engineering, National Taiwan University	2	100%

*Note 1: The corporate representative of Jiou Kang Investment Co., Ltd. (Legal Representative Rui-Hsu Chen) stepped down after re-election by the June 17, 2022, shareholders meeting.

*Note 2: Independent Director Wen-Hsun Tsai was appointed by the June 17, 2022 shareholders meeting after reelection.

*Note 3: Supervisors Chung-Wang Li and Feng-Chiao Wen stepped down after reelection by the June 17, 2022, shareholders meeting.

For sound corporate governance, information such as directors' performance reviews, major board resolutions, Articles of Incorporation, conference rules, and handling of conflict-of-interest motions has been published and made accessible by local and foreign investors over Market Observation Post System. The "Performance Evaluation Method of the Board of Directors" is formulated, and the board of directors shall conduct an internal performance evaluation, at the end of each year. The evaluation targets include the degree of participation in the Company's operations, internal control, director selection and appointment, and continuing education.

Lanner has established a remuneration committee made up of independent directors and outside experts/scholars appointed by the board of directors. The board of directors also complied with "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies" by arranging for directors to undergo external training. Directors' 2022 training, professional skills, and subjects have been listed in the table below.

▼ Directors' training, 2022

Designation	Name	Training date	Organizer	Course name	Hours	Professional knowledge and subject				
						Industry knowledge	Business administration	Accounting and financial analysis	Law	International markets
Chairman	Chou I Wen	03/17	Securities & Futures Institute	The Latest International Carbon Tax Development Trends and Countermeasures	3	✓	✓	✓	✓	✓
		03/25	Securities & Futures Institute	Risks and Opportunities of Climate Change and Energy Policy Trends to Business Operations	3					
Director	Yang Chen Wei	03/10	Securities & Futures Institute	Global Risk Perceptions- Opportunities and Challenges for the Next Decade	3	✓	✓	✓	✓	✓
		03/16		Human resources in the corporate M&A process	3					
		04/12		Blockchain Technology Development and Business Models	3					
Director	Chou Hsu Lung	12/16	Securities & Futures Institute	Company insider short-term trading introduction and case analysis	3		✓	✓	✓	
		12/16		Financial information most commonly overlooked by directors	3					
Independent Director	Lu Hung Te	02/24	Taiwan Corporate Governance Association	The latest international and domestic taxation developments and revision trends	3	✓	✓		✓	✓
		06/10		2022 Insider Trading Prevention Advocacy Meeting	3					
Independent Director	Tsai Hsing Tao	09/27	Taiwan Corporate Governance Association	How the Audit Committee Interprets and Uses Audit Quality Indicators	3	✓	✓	✓		✓
		12/06		How to understand financial reports and oversee Company operations	3					
Independent Director	Wen-Hsun Tsai	08/24	Securities & Futures Institute	General Requirements on the Disclosure of Perpetuity-related Financial Information	3	✓	✓		✓	✓
		08/25	Taipei Exchange	Emerging Stock Market/GTSM Company Internal Personnel Equity Briefing Session	3					
		08/30	Accounting Research and Development Foundation of the R.O.C.	Corporate Governance Case Studies on Fights Over Business Control	3					
		09/13		Read the TCFD Report: Grasp the Key Information	3	✓	✓		✓	✓

2-1-3 Internal Audit & Control System

The Company established an audit committee on June 17, 2022, composed of 3 independent directors. The audit committee, directors, internal audit supervisors, and accountants hold regular meetings at least once a year. The main supervision contents include the Company's business and financial status, budget review, profit distribution or loss compensation proposals, law violations and dereliction of duty, and other major company proposals. In 2022, the audit committee held two meetings, and the attendance rate of all members was 100%.

List of the first audit committee (term: June 17, 2022, to June 16, 2025)

Committee members	Professional	Main Experience
Hon-Da Lu (Note 1)	Accounting Financial analysis Business management	Professor of Business Administration, Chung Yuan Christian University
Tsai Hsing Tao	Financial analysis Business management	Professor at the Taipei Tech College of Humanities and Social Sciences
Wen-Hsun Tsai	Accounting Finance Legal Compliance	Senior Vice President of Horizon Securities

*Note: Convener of the 1st Audit Committee

Lanner Electronics' Remuneration Committee was established according to the independence and professional norms provided by the relevant laws and regulations. It regularly reviews the suitability of policy designs, systems, standards, and structures for the directors' and managers' remuneration concerning the industry competition environment, company operating policies, and benchmark market conditions. It submits the proposals to the board of directors for approval. Lanner's remuneration policy is also handled according to Article 18 of the Company's "Articles of Association." If the Company makes annual profits, no more than 2% shall be allocated as remuneration for directors and supervisors.

The Remuneration Committee comprises 2 independent directors and 1 expert; information concerning members' background and concurrent employment or role in the board of directors or functional committees can be found on the Market Observation Post System. The Remuneration Committee held 3 meetings in 2022 and achieved an 89% attendance rate.

List of the 5th Remuneration Committee members (term: June 17, 2022, to June 16, 2025)

Name	Gender	Academic and career experience
Lu Hung Te	Male	Academic background PhD in Commerce, National Taiwan University Career experience Professor of Business Administration, Chung Yuan Christian University
Tsai Hsing Tao	Male	Academic background PhD, Chinese Culture University Visiting Scholar of Stanford University Career experience Independent Director of Sunvic Technology Co., Ltd. Director/Supervisor/Consultant of TTE Engineering Co., Ltd. Professor and Dean of Student Affairs, National Taipei University of Technology Professor and Dean of Humanities and Social Sciences, National Taipei University of Technology
Kung-Pu Wang	Male	Academic background Bachelor of Psychology, Chung Yuan Christian University Master of Educational Psychology, Loyola University at Chicago Career experience Editor at Institute of Revolutionary Practice Part-time Lecturer at Chinese Culture University Deputy Manager of Administration Department, Grand Pacific Petrochemical General Manager of Guangzhou Panyu Zhongyi Electronics Company Member of Jiangsu Xuzhou Xuhai College Foundation Team Executive Vice President of Guangdong Dongguan B&F Electronics Company

2-2 Business performance

In 2022, Lanner Electronics' net operating income was NT\$9,819,086 thousand, which increased by 28% compared to NT\$7,680,510 thousand in 2021. The net profit for 2022 was NT\$1,003,279 thousand, which increased by 84% from NT\$546,391 thousand in 2021. The gross profit margin was 30.5%, which increased by 4% from 26.5% in 2021. The operating expense ratio was 18.4%, the same as in 2021. Regarding the financial subsidy from the government of the Republic of China in 2022, the R&D investment deduction amount was NT\$33,338 thousand. The government's subsidies and financial incentives for Lanner's operations were NT\$14,346.

▼ Economic performance

Year	Unit	2020	2021	2022
Capital	Thousand NT\$	1,180,044	1,170,034	1,180,424
Consolidated revenues	Thousand NT\$	7,502,682	7,680,510	9,819,086
Gross profit	Thousand NT\$	2,206,438	2,038,008	2,995,485
Income tax	Thousand NT\$	188,806	109,166	273,073
Consolidated net income	Thousand NT\$	638,971	553,716	1,003,208
After-tax EPS	NT\$	5.05	4.65	8.52
Net worth per share	NT\$	29.09	30.12	36.28
Employee salary and benefits (Note 1)	Thousand NT\$	1,226,252	1,189,026	1,437,533
Distribution of stock dividends (stock dividends/share)	NT\$	0	0	0.6
Distribution of cash dividends (cash dividends/share)	NT\$	3.3	3	4

*Note: Information was prepared based on International Accounting Standards 19 - Employee Benefits (IAS 19).

▼ Product weight relative to sales

NC- Network & Communication	90.52%
Others	9.48%
Subtotal	100%

▼ Markets served and weight

Asia	America	Europe	Others
26.72%	53.64%	18.56%	1.08%

2-3 Regulatory Compliance and Performance

Lanner adopts the rules of the Responsible Business Alliance (RBA) and The Company Act as our ultimate guiding principles and has implemented internal policies to guide its actions, including the "Corporate Governance Code of Conduct," "Business Integrity Code of Conduct," "Subsidiary Management Policy," "Group Affiliate, Special Entity and Related Party Transaction Procedures," "Insider Trading Prevention Procedures," and "Supplier and Employee Integrity Behavior and Anti-corruption Guidelines." Recruits must sign employee integrity and anti-corruption commitments when joining the Company. Existing employees must undergo annual training on ethical behavior and integrity commitment, for enhanced ethical awareness. The Company also demands suppliers sign agreements to comply with integrity and anti-corruption guidelines in all business activities. For more details on supplier management and policy, please see P.47 - Supplier Management.

2-3-2 Performance and Improvement

The Company constantly monitors changes in local and foreign policies and regulations, and identifies risks that may affect its operations or financial position. It has robust compliance procedures in place, and assigns legal affairs and relevant departments to oversee compliance and improve procedures on a regular basis. The Company complies strictly with the Fair Trade Act and was not involved in any litigation concerning anti-competition, anti-trust, or monopolistic behavior in 2022. The Company also adopts GRI Standards and discloses compliance with economic, environmental, and social laws. No monetary fine or non-monetary penalty of material nature was imposed for non-compliance with laws during 2022.

Compliance with environmental regulations:

Lanner Electronics was not fined for any major violation of environmental laws in 2022; there were also no official filings or resolution of complaints concerning environmental impacts.

Compliance with social and economic regulations:

Lanner Electronics received no complaints concerning corruption, violations of customer privacy, or loss of customer data in 2022.

Compliance with product marketing regulations:

With respect to product sales, none of Lanner's products and services violated any health and safety regulations in 2022; in terms of marketing and labeling, there was no violation of laws concerning product/service labeling or marketing/communication.

Grievance and whistleblower system

Whistleblowing hotline: +886-2-86926060 ext 2761

Whistleblowing e-mail: HR@lannerinc.com

Employee opinion box: Opinion boxes have also been made available at plant areas and dormitories; details of all grievance channels are conveyed to employees during behavior training.

2-3-3 Education and Training for Regulation Compliance

Lanner has implemented a Regulatory Compliance Policy internally, and promotes training and awareness regularly through its digital learning platform so that all employees are made aware of their obligations to comply with laws such as the Personal Data Protection Act, Trade Secrets Act, Business Integrity Code of Conduct, Workplace Misconduct, Commercial Ethics, Electronic Industry Code of Conduct, and Data Security Policy Advocacy.

▼ Mandatory courses for all employees - 2022

Course items	Laws and internal systems covered	Course information	Job title	Completion rate	Target audience
Lanner Ethical Behavior Guidelines	Business Integrity Code of Conduct Electronic Industry Code of Conduct (EICC) Supplier and Employee Integrity Guidelines and Anti-corruption Standards	Course time: October - December, 2022 Course duration: 0.5 hours	R&D	99%	1. Mandatory course for new recruits 2. Employees involved in key roles and indirect workers are re-trained once a year
			Management	95%	
			Manufacturing	89%	
			Marketing	99%	
			Total	95%	
Business secrecy awareness course	Trade Secrets Act	Course time: October - December, 2022 Course duration: 0.5 hours	R&D	98%	
			Management	92%	
			Manufacturing	87%	
			Marketing	95%	
			Total	93%	
Personal Data Protection Course	Personal Data Protection Act Personal Data Security Organization and Security Control Operating Procedures	Course time: October - December, 2022 Course duration: 0.5 hours	R&D	98%	1. Mandatory course for new recruits 2. Employees involved in key roles and indirect workers are re-trained once a year
			Management	92%	
			Manufacturing	86%	
			Marketing	92%	
			Total	92%	
Information Security Policy Advocacy	ISO27001 Specification	Course time: October - December, 2022 Course duration: 0.5 hours	R&D	98%	
			Management	91%	
			Manufacturing	86%	
			Marketing	94%	
			Total	92%	
Workplace Misconduct	Occupational Safety and Health Act Act of Gender Equality in Employment Sexual Harassment Prevention Act	Course time: October - December, 2022 Course duration: 0.28 hours	R&D	98%	
			Management	91%	
			Manufacturing	85%	
			Marketing	92%	
			Total	92%	

*Note: The employee job category is distinguished according to P.78.

2-4 Globally Accepted Risk Management Practice

According to the world's latest top-10 risk ranking published by World Economic Forum (WEF) in Global Risks Report 2022, "Climate action failure" was identified as the No. 1 risk, followed by "Extreme weather" and "Biodiversity loss"; all of which are environmental risks. "Social cohesion erosion" was placed on the 4th place while "Livelihood crises" was placed on the 5th place, which reflects the world's worsening problems concerning social inequality, climate change, and geopolitics.

In addition to climate change and social & political risks, Lanner Electronics has also noticed a rise in risks concerning cross-border data theft and cyber-attack. Through total risk assessment, we have developed strategies for the entire organization, using a risk-based approach, and devised suitable solutions. These cover "Operational Strategy," "Financial Strategy," "Environmental Strategy," "Social Responsibility Strategy," and "Data Security Strategy." This chapter will explain the first 4 strategies in sequence. Please refer to 2-5, Information Security for information on the Company's Information Security Strategy.

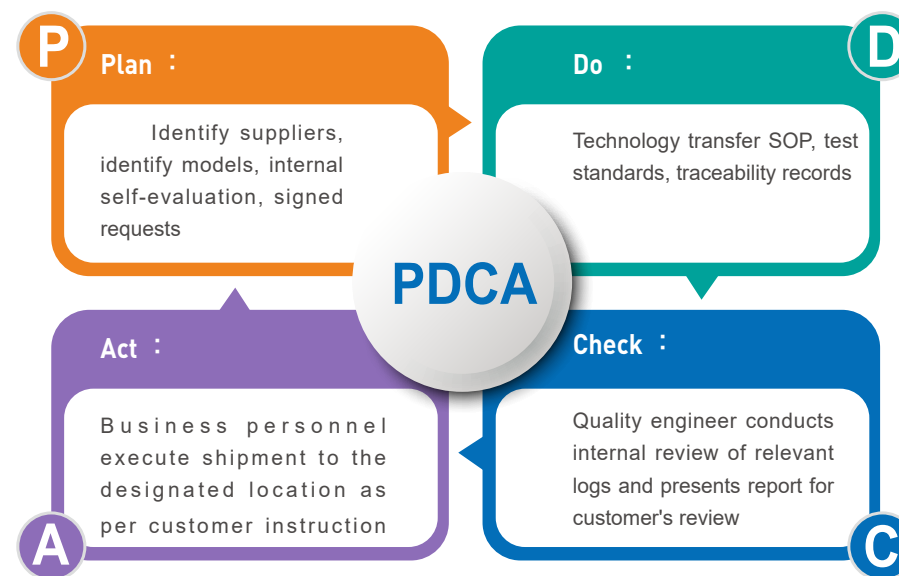
1st	Climate action failure	Environmental
2nd	Extreme weather	Environmental
3rd	Biodiversity loss	Environmental
4th	Social cohesion erosion	Societal
5th	Livelihood crises	Societal
6th	Infectious diseases	Societal
7th	Human environmental damage	Environmental
8th	Natural resource crises	Geopolitical
9th	Debt crises	Economic
10th	Gedeconomic confrontation	Geopolitical

Source : World Economic Forum Global Risks Report 2022

2-4-1 Operating Strategies

Disaster recovery plan

Lanner adopts a PDCA-based quality management approach for customers requesting disaster recovery plans (DRP). The following is a brief description of the timing and tasks involved for each of the PDCA stages in 2022:



Supply chain safety

In response to supply chain security issues, the Company has successively passed ISO 28000 - Supply Chain Security Management System and AEO quality enterprise certification according to the verification standards in place since 2015. The PDCA principles are adopted as part of the risk assessment exercise. Through reliable and robust practices such as document control, key performance indicators, internal auditing/training, and supply chain security awareness training, we can assure the security of our supply chain.

▼ Actions taken by Lanner included:

1.Enhanced premise access control	5.Enhanced supply chain safety training and emergency drill
2.Locks at the cargo area	6.Completed certification for ISO 27001 - Information Security Management System in July 2019
3.倉庫及生產線加裝 CCTV	7.Facial temperature recognition has been added to the premise security system since Q2 2021
4.Enforcement of visitor entry logging	8.Execution of 2021 fire safety training and emergency response drill

2-4-2 Financial Strategies

Lanner upholds stability and pragmatism as its main philosophies, and focuses entirely on core business activities. The Company did not engage in any high-risk or highly leveraged investment in the last year. All of the derivatives transactions undertaken were currency forwards, the main purpose of which was to hedge foreign currency debt claims against risks of exchange rate variation. In anticipation of the rapidly changing environment and impact from unforeseeable risks, Lanner has devised strategies and response measures targeting financial risks that it considers to be probable, as described below:

1.Interest Rate Changes

The Company adopts a conservative and stable approach toward capital planning; consolidated interest expenses amounted to NT\$16,882 thousand in 2022 and NT\$16,178 thousand in 2021, representing 0.17% and 0.21% of consolidated revenues for the respective years. Given the insignificance of interest expense, a change in interest rate should not have any material effect on the Company.

2.Exchange Rate Fluctuation

The Company's exchange rate risk arises primarily from the conversion of cash, cash equivalents, accounts receivable, and accounts payable denominated in foreign currencies (mostly USD). Conversion of foreign currency-denominated amounts gives rise to gains/losses on exchange. The finance & accounting department constantly gathers exchange rate information and monitors trends in order to determine the best timing to convert NTD or hedge using currency forwards. The Company also requests that its key suppliers accept payment in designated

currencies, thereby reducing the size of any position that is susceptible to exchange rate risks. The consolidated exchange benefits for 2022 and 2021 were NT\$48,052 thousand in 2022 and NT\$14,267 thousand in 2021, representing 0.49% and 0.19% of consolidated revenues for the respective years. Given the insignificance of the exchange difference, a change in the exchange rate should not have any material effect on the Company.

3.Inflation

The Company maintains productive relationship with suppliers and customers; it constantly monitors changes in market price and makes flexible adjustments to mitigate inflationary effects.

4.Credit Risks

The Company has implemented a robust credit policy that analyzes repayment capability and assigns a credit grade for each customer. Payment terms, delivery terms, and sales limits are determined based on each customer's risk characteristics and are re-examined on a regular basis. Customers that do not meet credit standards are only allowed to transact with the Company by making full upfront payments, which minimizes credit risk. Lanner has a dedicated department tracking collection of receivables on a regular basis. An allowance account has been created to reflect estimate of actual and possible losses on accounts receivable and other receivables. These measures have been taken to minimize credit risk exposure in accounts receivable.

5.Liquidity/Financial Structure Risk

The Company manages liquidity in a manner that ensures that the Company has adequate working capital to repay liabilities when due, under both normal and stressed scenarios, and thereby prevents the occurrence of intolerable losses and risk of damage to the Company's reputation. The Company also maintains adequate cash to cover operating expenses for 60 days. As of the end of 2022, the Company had undrawn credit lines totaling NT\$1.76 billion.

2-4-3 Environmental Strategy

The world has seen increasing severity of disasters and losses as a result of climate change in recent years. Taiwan, given its distinctive geographical characteristics and location, is especially prone to frequent earthquakes, Typhoon, and heavy rainfall, which makes climate a major risk concern and issues such as climate regulations and climate-induced disasters some of the most

pressing. Lanner Electronics has been working to mitigate the impacts of climate change on its operations through enforcement of internal rules, education, development of low-energy products, compliance with green regulations, and supply chain certification. Full-scale risk assessments are being conducted to help plan proper responses in the future.

The Company has adopted the framework introduced by "Task Force on Climate-related Financial Disclosures (TCFD)" and developed its own suggestions for voluntary disclosure of climate-related financial information. The TCFD framework has enabled the Company to gather prospective financial information on potential impacts for decision-making, identify the risks and opportunities involved with transitioning to a low-carbon economy, and evaluate climate-related risks and opportunities with greater precision.

Climate Governance Structure

A "Corporate Social Responsibility Committee" was assembled in 2018 with the board of directors' approval to promote sustainability governance. In 2021, the Company adjusted its framework and renamed it "Corporate Sustainability Committee" according to the sustainable development blueprint promoted by the FSC.

The Chairman serves as the lead committee member, and the committee has three major task forces established under it to oversee "Environmental sustainability," "Employee care/Social engagement," and "Governance" issues. The Committee reports corporate sustainability plan progress and execution status to the board of directors annually.

The "Environmental sustainability" task force is responsible for the implementation of climate change solutions; its operational framework is explained below:



Environment Safety and Health Management Division

Monitoring of water resource, waste, energy, and CO2 emission; and implementation of environment safety and health management systems in accordance with international standards including ISO14001 and ISO45001

Quality Assurance Division

Obtain supply chain management - IECQ QC080000 hazardous substance process management system verification, °



Manufacturing Division

The AI intelligent management system can replace factory equipment; introduce high-efficiency computing, automation, and energy monitoring systems; reduce energy consumption; and improve operational efficiency.



CTO's Office

Evaluation and development of new technologies, new applications, new markets, and new business models for green energy products

Product Center

Responsible for the development of new products, new technologies, and new applications, and the development of wide temperature range products while ensuring that devices are able to operate under harsh environments



General Affairs Department

Maintain and improve the plant area's air conditioning, lighting equipment, and paper resource management.

Strategy and Risk Management

The WEF's Global Risks Report has identified "Extreme weather events" as one of the top risks for 7 years and the number one risk for 5 years. For this reason, Lanner Electronics has devised short-term, medium-term, and long-term strategies to address operational risks associated with extreme weather events and followed the guidelines of Task Force on Climate-Related Financial Disclosures (TCFD) to evaluate risks and opportunities of various climate issues, as well as possible financial impacts.



	Strategy	Risk type	Opportunities	Target enforcement plan	Financial impact
Short-term	To comply with domestic and foreign environmental regulations and policies	Transition risk - policy and regulatory risks Greenhouse gas emissions costs and disclosure	Resource utilization efficiency Energy conservation measures; increase the efficiency of resource utilization; reduce carbon emissions and waste	<ul style="list-style-type: none"> Establishment of environmental safety and health management system in accordance with ISO 14001 and ISO 45001 Comply with RoHS, REACH, and WEEE directives and the 3R principles The Company adopted ISO 14064-1 - Greenhouse Gas Inventory System and obtained certification in 2022 The Company expects to adopt ISO 50001 - Energy Management System in 2023, to effectively monitor energy usage and emissions and improve energy efficiency. 	Increased cost of compliance Increased cost of equipment renewal Reduction of energy consumption expenses
	Satisfaction of customers' needs for low-carbon products and services	Transition risk - technology risk/ market risk Demand for low-carbon products and services	Products and services Product and technology transformation Provide services that better meet the market's needs	<ul style="list-style-type: none"> Continue adoption of Eco-friendly Design and evaluate prospects of new technologies, new applications, new markets, and new business models relating to green energy products Development of wide temperature range products, and ensure that devices are able to operate under harsh environments Create green supply chain and supplier audit indicators 	Investment of new technology capital Rising cost of raw materials/ commodities
	Synchronize with industry trends	Transition risk - reputational risk Align energy conservation strategy with peers Supply chain carbon reduction	Market Shape a favorable brand impression	<ul style="list-style-type: none"> Take initiative in disclosing carbon management information Prepare corporate social responsibility reports 	Generate revenues by pursuing collaborations with global partners from global partners and building long-term relationships with investors
	Prevention of general natural disasters (Typhoon, earthquake, flood etc.)	Physical risk - immediate risk Extreme weather events	Resilience Reduce risk of production halt Ensure a safe working environment for employees	<ul style="list-style-type: none"> Develop a disaster recovery plan (DRP) Organize regular disaster prevention training and drills Arrange shifts according to the government's off-work/off-school day standards Provide employees with commuting allowance or other necessary assistance Develop secondary sources of materials to reduce risk of supply disruption 	Production impact; loss of revenue Reduce probability of operational disruption and possible losses

Strategy		Risk type	Opportunities	Target enforcement plan	Financial impact
Medium-term	Carbon reduction products and technology transformation	Transition risk - technology risk/ market risk Improvement or innovation of low-carbon, energy-efficient technology	Products and services Increase revenue from energy conservation products	<ul style="list-style-type: none">• The Company expects to adopt ISO 14067 - Carbon Footprint Quantification in 2025• Incorporate green design into the product development stage and reduce total greenhouse gas emissions• Incorporate AI into factory management for closer monitoring of energy use, and thereby optimize energy management.	Increased R&D expenditure Satisfy customers’ needs and generate revenues
	Energy storage planning and green power development	Transition risk - policy and regulatory risks Restrict any policy and action that may contribute to the adverse impacts of climate change	Source of energy Increase utilization of low-carbon renewable energy Reduce risk of production halt change	<ul style="list-style-type: none">• The Company expects to plan and install energy storage equipment by 2024• The Company expects to assess green power requirements and purchase green power in 2026• The Company expects to achieve 30% green power usage (RE100 – 30%) by 2030	Increased energy costs Increased product costs
Medium-term	Attain ESG certification	Transition risk - reputational riskStakeholders' attention to ESG management capacity	Market Gain customers' and investors' support	<ul style="list-style-type: none">• Progressively attain ISO and third-party certification on environment-related matters• Increase commitment to improving reliability, transparency, and usability of reports• The Company expects to adopt MSCI's ESG rating standards in 2027	Increased expenses associated with certification and maintenance Generate revenues by pursuing collaborations with global partners from global partners and building long-term relationships with investors
Long-term	Expected accomplishments by 2050 Achieve 100% green power usage (RE100)	Transition risk - policy and regulatory risks Policies that facilitate adaptation to climate change	Resource utilization efficiency Aim to achieve 100% use of renewable energy	<ul style="list-style-type: none">• Enforce internal and external energy management and data monitoring• Use renewable energy as a means to reduce risk of rising fossil fuel prices	Increased energy costs
	Anticipation for long-term environmental changes (Rise of average temperature/heat wave)	Physical Risk - Long-Term Risk Increased Use of Air Conditioning and Water Consumption Production lines and products may become less suitable for harsh environments Increased chances of employees falling ill	Resilience Design new production procedures and develop new products Ensure a safe working environment for employees	<ul style="list-style-type: none">• Change certain commodities, products, and services in line with supply and demand• Provide employees with annual health checkups and share information on occupational health	Increased time and cost of development and validation

Climate Goals



Short-term Goals

Regulation Compliance
Align with customers' and industries' low-carbon product trends
General Disaster Prevention

Medium-term Goals

Product and Technology Transformation Towards Carbon Reduction
Energy Storage and Green Power Development
Actively Obtain External Validation

Long-term Goals

Achieve RE100 by 2050 and Use 100% Green Electricity
Countermeasures for Extreme Weather

Actions

1.Development of wide temperature range products

In light of the increasingly extreme temperatures under which equipment is required to operate, Lanner Electronics has begun incorporating wide temperature range designs into our industrial products, to withstand even the harshest environment. The following dust-proof, water-resistant products featuring industrial-wide temperature range standards (e.g., operating temp of -40°C to 75°C) have so far been developed:

	<p>R6S</p> <p>R6S is a fanless vehicle embedded PC that passes vibration and shock tests and conforms with EN50155 standards. Powered by high-performance Intel Core i7-7600U CPU, R6S also allows I/O and internal expansion. Features such as dual video output (DVI-D / VGA), USB and DIDO sockets make R6S suitable for several applications including vehicle control and surveillance, information, entertainment, CCTV and fleet</p>
	<p>LEC-6032C</p> <p>LEC-6032C is a fanless industrial cybersecurity platform powered by Intel Bay Trail Atom™ E3845 CPU. The product has a LAN socket that features Gen.3 LAN bypass and is designed to operate at wide temperature range from -40°C to 70°C. It supports multiple installation options and incorporates enhanced, flexible designs that make it suitable for deployment at remote, unmanned and extreme environments. The product has been designed to carry out network security measures at key infrastructure such as: oil refineries, substations, power stations, and manufacturing plants.</p>
	<p>LEC-3340</p> <p>A 3U industrial edge computing server featuring a wide variety of I/O including: 4 PCIe slots, 4 RJ-45 GbE LAN sockets, 5 USB 3.0 sockets, 2 interchangeable 2.5-inch brackets, DP / DVI display ports, and 2 isolated COM ports. The rugged design conforms with IEC-61850 and IEEE 1613 standards, and it is commonly used as a rack controller in substations.</p>
	<p>ISD-O370</p> <p>ISD-O370 is a fanless networking device that supports both 5G and Wi-Fi 6. Featuring a wide temperature range design (-40°C to 70°C), the unit can be stored in environments up to 85°C and has been optimized for IoT, SD-WAN, uCPE, and edge computing. It uses Intel's QuickAssist technology to increase encryption speed and offers industry-grade LAN functions to support better quality WAN service in harsh environments.</p>

2.Climate change backup plans

To address the risks associated with environmental and climate change, Lanner has established collaborative relationships and signed outsourcing contracts with key manufacturers in Taiwan to designate them as backup factories. These arrangements are assessed for climate change risk, and have response strategies devised and scenario-based drills conducted to ensure continuity in the event of a natural disaster.

3 Climate change mitigation actions

Lanner contributes to the mitigation of climate change by supervising energy and carbon reduction and enforcing the 3R principles of Reduce, Reuse, and Recycle within the organization. Outdated equipment is progressively replaced to reduce energy consumption, and a new automated monitoring system has been implemented to facilitate real-time tracking and pro-active greenhouse gas surveying.

4.Planting Trees to Reduce Carbon - Food Appreciation

On March 12, 2022, over 80 employees and their families celebrated Arbor Day by planting trees at the Taoyuan Longtan Beautiful Shelter Factory and Ecological Park. A total of 16 trees were planted, and 2000kg of organic vegetables planted by students were purchased. Aside from planting trees to mitigate carbon emissions, we have also advocated environmental preservation and food conservation concepts through experiential activities and encouraging employees to select friendly farming in daily life, to contribute to the environment.



5.Green supply chain

Lanner monitors suppliers using four general principles: Quality, Cost, Delivery, and Service (QCDS), and has developed its own supplier management procedures in line with local and international initiatives and regulations. We have implemented an internal materials management system to control sourcing of raw materials in the supply chain. In addition to enforcing the 3R principles, the Company also actively encourages supply chain partners to support the cause. Through the supplier platform, we communicate with suppliers on issues concerning RoHS(EU)2015/863, conflict minerals, WEEE requirements, and the Company's ESG policy. We also audit suppliers' performance while at the same time working together with them to ensure that all of Lanner's suppliers are committed to reducing/preventing potential pollution in design, production, service, and other operating activities.

The following actions have been taken for the purpose of creating a green, sustainable supply chain:

- Ongoing certification for management systems such as ISO14001 and IECQ QC 080000.
- Ongoing request for suppliers to comply with green regulations.
- Ongoing supply chain audit in response to green regulations.

2-4-4 Social Responsibility Strategies

Prohibition against conflict minerals and creation of green supply chain

Lanner Electronics strictly demands all suppliers refrain from purchasing and using conflict minerals and has implemented "Conflict Minerals Management Procedures" in compliance with RBA requirements. All new suppliers must complete the "Supplier Declaration of Conflict Mineral Policy" according to law - "Restricted Substance Content Limits and Testing SOP" and the Company's supplier management policy. Through the above, the Company ensures that all parts, components, materials and finished goods used by Lanner conform with the standards outlined in the "Conflict Minerals Policy."

The Company pays ongoing attention to issues concerning conflict minerals and conducts diligent investigations on its supply chain to ensure that metals including tin (Sn), coltan (Ta), tungsten (W), and gold (Au) are not mined from the Democratic

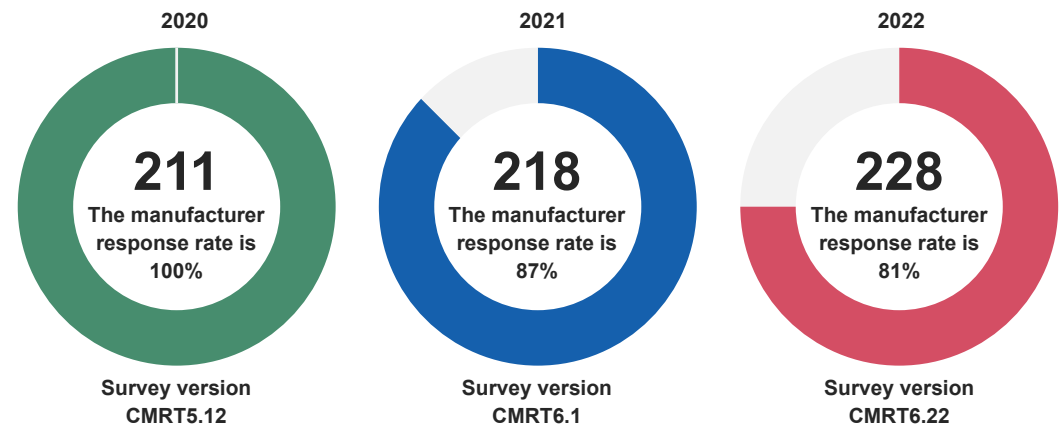
Republic of the Congo or any mining sites in nearby countries that are controlled by armed organizations, and in doing so prevent their profiting from armed conflict.

The Company and its supply chain partners have made the following commitments to corporate social responsibilities and human rights:

- 1.To fulfill social and environmental responsibilities
- 2.To refrain from purchasing minerals that are mined from conflict regions (conflict minerals)
- 3.To demand suppliers' written commitment and action in rejecting conflict minerals
- 4.To ensure that such requirements are conveyed to suppliers further up the chain

Lanner has incorporated this policy as one of the prerequisites for all products provided and designed by suppliers. Suppliers that are found to have used conflict metals will be required to disclose information of the smelter. The Company adopted the CMRT6.22 survey version in 2022 and received 81% responses. The survey outcome was satisfactory, and the Company will continue surveying and auditing suppliers' performance as part of its corporate social responsibilities.

▼ Conflict mineral survey and report in the last three years



2020	2021	2022
Survey version CMRT5.12	Survey version CMRT6.1	Survey version CMRT6.22
The manufacturer response rate is 100%	The manufacturer response rate is 87%	The manufacturer response rate is 81%

2-5 Information Security

Lanner's cybersecurity strategy covers 14 main issues, and is intended to protect information against improper use, leakage, unauthorized modification, and corruption, whether due to human error, natural disaster, external risk, or attack, that may pose risks or hazards to the Company. The 14 issues mentioned above include the following:

1.Establishment and evaluation of information security policy.	8.Security of information operations.
2.Responsibilities and coordination between cybersecurity organizations.	9.Security in networking, data transmission, and communication.
3.Security of human resources.	10.Acquisition, development, and maintenance of information systems.
4.Management of information assets.	11.Information service outsourcing.
5.Control of information access.	12.Management of cybersecurity incidents.
6.Encryption control for data storage and transmission.	13.Cybersecurity in business continuity management
7.資Security of information equipment and server room.	14.Compliance.

Enhanced cybersecurity protection

The Company has certification for ISO 27001 - Information Security Management System, to protect customers' and suppliers' information as well as any personal data in its possession. Lanner imposes strict controls over data source validation, data access, e-mail, and Internet access, and prohibits unauthorized access and installation of unauthorized software in order to prevent confidential information from being compromised. Business continuity plans (BCP) have been devised for critical sales-related management systems such as SAP, PLM, and MES to enable responses under different circumstances, and thereby prevent disruption of business operations. Existing cybersecurity protection measures:

- 1、Access to USB drives, internet access rights for colleagues, and anti-virus software are installed on all computers to prevent intrusion, loss of important business information, and violation of customer privacy.
- 2、Firewalls have been established to protect external network connection and critical internal systems; the types of web pages that employees may visit are also controlled. Employees are unable to open unverified links and websites; these restrictions protect computers against virus infection and theft of data.
- 3、Data encryption and e-mail management have been implemented; data transmission is controlled by file size and security access to prevent negligent leakage of secret information and inappropriate use of data that may compromise customers' interest.
- 4、An antivirus server and a system update server have been implemented; virus definitions are updated regularly and computer systems are upgraded in a timely manner, to improve network security.
- 5、Critical systems and production/operating activities are subject to third-party cybersecurity certification and regular review.
- 6、Strengthen information security and identity recognition, and introduce Multi-Factor Authentication (MFA).

Enforcement of cybersecurity drills and accident response measures

To ensure that the entire organization and employees are fully capable of handling business and system disruptions, Lanner not only incorporates cybersecurity policy into its digital learning system, but also promotes cybersecurity awareness through e-mails and hosts BCP and cybersecurity drills on a regular basis. Outcomes of each drill exercise are evaluated to determine the impact of each risk event, so that proper responses can be established and improved upon to enhance cybersecurity. Details of drill exercises and operational impact analysis are presented in the chart below.

▼ Business and operational impact analysis

Business activities	Evaluation tier	Degree of impact	Maximum tolerable downtime	Target duration to recovery	Target time of recovery	Principles for subsequent actions	Time of drill
External network connection	Medium	Poses challenges to business/operations	6 hour(s)	4 hour(s)	The last profile change	Develop BCP and organize drills when resources are adequate	April 2022
Internal network connection	Medium	Poses challenges to business/operations	6 hour(s)	4 hour(s)	The last profile change	Develop BCP and organize drills when resources are adequate	December 2022
AD system	Medium	Poses challenges to business/operations	8 hour(s)	4 hour(s)	1 day(s)	Develop BCP and organize drills when resources are adequate	December 2022
PLM (application software)	Medium	Disrupts business activities	8 hour(s)	8 hour(s)	1 day (database) 1 week (files)	Develop BCP and organize drills when resources are adequate	June 2022
SAP (application software)	Medium	Poses challenges to business/operations	4 hour(s)	2 hour(s)	1 day(s)	Develop BCP and organize drills when resources are adequate	June 2022
CSP (application software)	Low	Disrupts business activities	8 hour(s)	6 hour(s)	1 day(s)	Data backup	NA
FMS (application software)	Low	Disrupts business activities	8 hour(s)	6 hour(s)	1 day(s)	Data backup	NA
MES (application software)	High	Poses challenges to business/operations	4 hour(s)	4 hour(s)	1 day(s)	Develop backups; prioritize business continuity planning and regular drills	2022年05月 May 2022

*Note 1: Processes rated "High" or above should be supported by backup systems to ensure availability. If establishment of backup systems is not feasible, other external resources or alternative strategies must be explored for operational support.

*Note 2: Processes rated "Medium" must be covered by an information BCP; the various scenarios and procedures outlined in the BCP must be thoroughly rehearsed in a systematic manner.

2-6 Supplier Sustainability Management

Lanner upholds sustainability as its business philosophy and commits to maintain stable and growing relationship with supply chain partners. In addition monitoring suppliers' quality and services, issues including supply chain risk, conflict minerals, local purchase, and business continuity are also being addressed as part of our supplier sustainability management. It is our goal to work with business partners toward mitigating supply risks. With the support of a sustainable supply chain, we shall contribute to environmental protection, social security, and business integrity to better fulfill our corporate social responsibilities.

2-6-1 Supplier Policies

We require all suppliers to sign the Business Partner Safety Statement, Conflict-free Mineral Statement, Supplier and Employee Integrity Code of Conduct, Anti-corruption Guidelines, and "Supplier Commitment to Refrain Use of Prohibited and Restricted Substances" and provide supporting documents to show that all products or components supplied, including accessories, packaging materials, and parts, are fully compliant with RoHS, WEEE, and the Company's "Prohibited and Restricted Substance Content and Testing Procedures." The Company may terminate supply contracts with partners that fail to comply with rules, and by strictly enforcing the above, we exert influence over our suppliers to take proactive steps toward corporate social responsibilities.

Requirements for new suppliers

In addition to imposing strict requirements on suppliers' performance and quality, all suppliers are required to sign Anti-corruption Guidelines, Commitment to Prohibition against Conflict Minerals, and Supply Chain Safety Policy before commencing business relationships to ensure that they are aware of our expectations about social and environmental responsibilities. All new suppliers are required to sign the "RoHS Declaration of Conformity" before commencing business relationship; existing suppliers are also requested to furnish the same declaration. The Company's internal

▼ RoHS Declaration of Conformity

RoHS 自我宣告書 RoHS Declaration of Conformity

1. (以下稱本公司) 特此保證書中本公司之所有產品，均符合歐盟(EU)2011/653 指令與 EU QD-B09 環保指令所規定之有害物質限制要求，並符合 RoHS 之規範要求。

(Company attests) declares that all products sold to the company, are compliant with European Union RoHS Directive (EU) 2011/653 requirement & Lanner QD-B09 The restriction of the use of certain hazardous substance control processes.

2. 本公司同意因本保證書所規定之爭議，雙方同意以協商、達成協議。

Our company agrees that both parties shall settle any dispute arising from or in connection with this Declaration of Conformity by friendly negotiations.

No.	限制物質 Restricted Substance	限制物質 Restricted Substance	含量 Content (ppb or ppm)
1.	鉛及鉛化合物 Lead and lead compounds	Pb	< 100PPM
2.	鎘及鎘化合物 Cadmium and cadmium compounds	Cd	< 100PPM
3.	汞及汞化合物 Mercury and mercury compounds	Hg	< 1000PPM
4.	六價鉻 Hexavalent chromium	Cr(VI)	< 1000PPM
5.	多溴聯苯 Polybrominated biphenyls	PBB	< 1000PPM
6.	多溴二苯醚 Polybrominated diphenyl ethers	PBDE	< 1000PPM
7.	鄰苯二甲酸二正丁酯 Di-n-butyl phthalate	DBP	< 1000PPM
8.	鄰苯二甲酸二(4-乙基己基)酯 Bis(2-ethylhexyl) phthalate	DEHP	< 1000PPM
9.	鄰苯二甲酸二正丁酯 Di-n-butyl phthalate	DBP	< 1000PPM
10.	鄰苯二甲酸二正丁酯 Di-n-butyl phthalate	DBP	< 1000PPM

auditors are being assigned to review the above mentioned documents. Assistance is offered to suppliers that do not meet the requirements. Meanwhile, we maintain regular contact with suppliers and conduct annual audits, unscheduled surveys etc. to make sure that they keep up the expected standards. Suppliers that do not to meet the requirements will be instructed to make satisfactory improvements within a given time. If improvements cannot be made to our satisfaction, Lanner will look for other suppliers that meet our moral and environmental protection standards.

Tiered supplier evaluation

We have devised a "Supplier Management Policy" to achieve effective management of suppliers. Under this policy, all suppliers are evaluated for attainment of third-party certification. Third-party certification includes but is not limited to the following systems: ISO 9001 - Quality management system, IATF 16949 - Automotive Quality Management System, TL 9000 - Communication quality management system, IECQ 08000 - Hazardous Substance Process Management, ISO 14001 - Environmental Management System, ISO 45001 - Occupational Safety and Health Management System, ISO 14064-1 Organizational Greenhouse Gas Inventory Management System, ISO 28000 - Supply chain security management, Authorized Economic Operator (AEO), and Responsible Business Alliance (RBA) Code of Conduct. Suppliers are assigned one of four grades (A/B/C/D) based on the outcome of the evaluation; suppliers that fail the evaluation are required to make improvements within a given time or banned from further dealing. Below are outcomes of supplier evaluation in the last three years:

Grade Year	Grade A: 80-100 Preferred Vendor List Preferred Vendor List	Grade B: 70-79 points, acceptable Qualified suppliers	Grade C: 60-69 Conditionally Ac-ceptable Conditionally Acceptable	Grade D: 60 points or lower, unacceptable Disqualified suppliers
2020	30 (64%)	15 (32%)	2 (04%)	0 (0%)
2021	25 (83%)	5 (17%)	0 (0%)	0 (0%)
2022	34 (94%)	2 (6%)	0 (0%)	0 (0%)

2-6-2 Supplier Sustainability Audit and Assessment

Lanner encourages and requires all suppliers to share CSR burdens and incorporate sustainability issues as part of their management. By having suppliers contribute individually to environmental protection, we as a supply chain will be able to exert greater influence. New suppliers must pass the following four major audit items to be accepted as qualified suppliers. All suppliers added in 2022 are qualified. For the sustainability of the supply chain, the Company conducts documentary or on-site audits either regularly or on an ad-hoc basis, by itself or through an independent third party, according to its supplier management system. We provide counseling for suppliers that do not exhibit satisfactory performance and help them develop improvement measures, which they are expected to complete within a given time. We will audit suppliers on the improvements made, and continue following up on defects that we have highlighted; those that are unable to make the required improvements will be removed from the Company's list of approved suppliers.

The Company assesses supply chain partners on the following four main aspects

1.QSA (Quality System Audit): Focuses on documentation of the quality system.

Grade Year	Excellent	Moderate	Moderate-low	Improvements required
2020	4 (57%)	3 (43%)	0 (0%)	0 (0%)
2021	9 (75%)	2 (17%)	1 (8%)	0 (0%)
2022	3 (33%)	5 (56%)	0 (0%)	1 (11%)

2.QPA (Quality Process Audit): Focuses on process documentation, material certification,

Grade Year	Excellent	Moderate	Moderate-low	Improvements required
2020	13 (59%)	8 (36%)	1 (5%)	0 (0%)
2021	19 (68%)	5 (18%)	3 (11%)	1 (4%)
2022	13 (65%)	6 (30%)	0 (0%)	1 (5%)

equipment/procedure standardization, analysis of defects, and environmental safety. Applies to PCB/ Chassis / EMS suppliers.

3.CSR (Corporate Social Responsibility) audit: Lanner conducts audits based on the 5 aspects of RBA, namely Labor, Health & Safety, Environmental, Management System, and Ethics.

Grade Year	Excellent	Moderate	Moderate-low	Improvements required
2020	19 (83%)	3 (13%)	1 (4%)	0 (0%)
2021	17 (65%)	8 (31%)	1 (4%)	0 (0%)
2022	9 (45%)	10 (50%)	1 (5%)	0 (0%)

4.HSF (Hazardous Substances Free) audit: Focuses on Hazardous Substances Management System, Parts Approval and Supplier Management System, and Process Management System.

Grade Year	Excellent	Moderate	Moderate-low	Improvements required
2020	16 (73%)	6 (27%)	0 (0%)	0 (0%)
2021	20 (77%)	4 (15%)	2 (8%)	0 (0%)
2022	8 (40%)	10 (50%)	1 (5%)	1 (5%)

Note: Since 2022, we have incorporated an electronic system to track and record supplier information, uniformly correct the calculation interval and tighten the classification standard. Therefore, the information for 2020 and 2021 has been partially corrected, but the results of this adjustment did not affect supplier performance and delivery quality.

2-7 Customer Services

As a leading global brand in networking and communication hardware, Lanner not only provides customers with reliable and cost-effective high-performance computing solutions, but offers design and development service for advanced network applications and rugged computers as well. As 5G and edge computing technologies evolve, the Company has been able to market its services and solutions customers of varying sizes and industries including networking/computer, telecommunications, transportation, power and energy, industrial automation, and intelligent systems. Meanwhile, network disaggregation and open-ended multi-core computing architecture provide our products with the expandability to be used in a broad number of applications.

▼ Network Computing



▼ Telecommunication



▼ Transportation



▼ Power and Energy



▼ Industrial Automation



▼ Intelligent Systems



Customized and specialized service

We have Hub (Order fulfillment)/RMA (Repair Service) facilities deployed both locally and overseas, to serve customers worldwide. The Company cooperates with carriers, software partners, and reputable universities to develop customized solutions.

▼ Number of transaction customers in each year

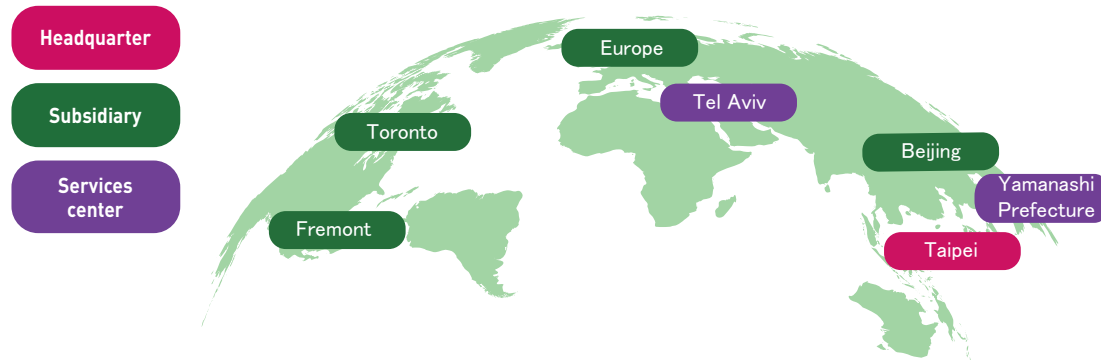
Year	Asia	America	Europe	Others	Subtotal
2020	105	11	60	10	186
2021	113	18	51	13	195
2022	114	18	47	8	187

Note: The data from 2022 is imported into the Business Intelligence (BI) system to track customer orders. So the information in 2020 and 2021 was partially corrected, and the results of this adjustment did not affect customer service quality.

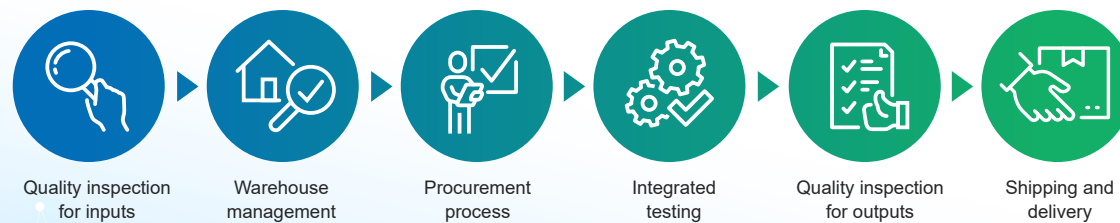
▼ Scope of global service



▼ Fulfillment of hub orders



▼ Order fulfillment process: ● Through transport ● Shipment to customer after brand packaging



Protection of customers' data security

In addition to attaining certification for ISO 27001 - Information Security Management System, the Company also adopts rigorous controls over the authentication and access of information. It prevents customers' data from leakage, overwriting, and virus infection. In 2022, there were no complaints about information leakage, theft, or loss of customer information. The following cybersecurity protection measures have been taken for critical management systems such as SAP, PLM, and MES:

1. Access to systems that hold custody of customers' data, such as SAP/PLM/MES, is controlled with user accounts, and login access can be obtained only through proper approval.
2. All systems mentioned above are subjected to regular data backup, including off-site, to ensure the integrity of customers' data.
3. Any digital data exchange with the customer, whether through file transfer protocol (FTP) or through API, must be encrypted. SFTP is used instead of FTP, for SSH authentication; all API services require certification from both parties, and restrictions are imposed on visitor's IP.
4. All internal USB devices used by the RMA unit are controlled and inspected daily by employees. USB devices are wiped and scanned for viruses at the end of the day to ensure the security of customers' data.

Responsible and efficient after-sale service

Lanner Electronics values its customers' needs and uses three online methods (Chat, Contact-us, and Technical-support) to communicate with them. Depending on the method of communication and type of query, responses are given by the Technical Support Department and sales representatives within 3 working days. Lanner also has standard repair and return procedures and time limits implemented for products that are returned for repair.

▼ Average statistics:

01~20 pieces

Returns of 01-20 pieces were repaired and delivered back to customers within an average of 20 working days.

21~50 pieces

Returns of 21-50 pieces were repaired and delivered back to customers within an average of 30 working days

50 pieces and above

Returns of 51 pieces and above were repaired and delivered back to customers within an average of 40 working days

Products not manufactured by Lanner

Products not manufactured by Lanner were forwarded to the original manufacturer for repair and delivered back to customers 3 working days in addition to original manufacturer's turnaround time.

▼ After-sale service from Lanner's partners:

■ Ningbo International Service Center

■ National Service Center

■ Netherlands Regional Service

Lanner's partners

- | | |
|--------------|-------------------|
| ■ Bangladesh | ■ Malaysia |
| ■ Dubai | ■ The Philippines |
| ■ Egypt | ■ Russia |
| ■ Hong Kong | ■ Saudi Arabia |
| ■ Indonesia | ■ Singapore |
| ■ Iraq | ■ Turkey |
| ■ Israel | ■ Vietnam |



Customer care and mutual benefit

In addition to an online consultation platform, the Company also convenes regular meetings (weekly, monthly, and QBR) with customers to gather the voice of customers (VOC). Moreover, the Company conducts annual customer satisfaction surveys to reflect issues concerning industry participants and customers. Survey results are announced within 2 months, discussed to formulate improvement plans, and followed up to raise customer satisfaction.

In 2022, the Company issued satisfaction questionnaires to a total of 30 major customers chosen from the top-50 customers shortlisted by the finance and accounting department. A total of 16 questionnaires were returned, giving a recovery rate of 53%, and the overall score was 91.2.

▼ Outcome of customer satisfaction questionnaire in the last 3 years

Survey category	2020	2021	2022
Price Competitiveness	82.1	82.5	79.4
Sales Service Quality	96.9	95.6	96.7
Schedule Control & On time Delivery	88.9	86.9	88.1
Electronic Engineering Design	91.6	91.4	94.3
Mechanical Engineering Design	93.4	92.9	93.3
BIOS Performance	91.6	91.4	91.3
Product Reliability	91.3	94.7	93.8
Product Quality	91	94.7	93.1
Technical Support	93.8	92.9	91.3
Supply Chain Security	90.4	90.6	89.3
Product Repair Services	90	90.7	88.7
Product Green Report	NA	94.6	93.8
Marketing Collateral	93.7	90.6	90.0
Overall Value of Products	93.1	92.7	93.1
Total-Average	91.4	91.6	91.2

2-8 Identification of Corporate Sustainability Development Topics

Through communication with stakeholders, the Company identifies material issues that are relevant to sustainability and performs materiality analysis and confirmation, among other procedures. Sustainability management strategies and goals are adjusted as needed to facilitate refinement of various policies, and thereby create corporate values that can benefit society, the environment, and stakeholders.

2-8-1 Stakeholder Engagement

Identification of stakeholders

We adopted the 2015 Stakeholder Engagement Standard (AA1000 SES 2015) established by a non-profit organization - Accountability. We applied the five principles (dependency, responsibility, tension, influence, and diverse perspective) to rate all identified stakeholders. Members of the Corporate Sustainable Development Committee then engaged in a series of internal meetings to determine the 6 stakeholders that were of utmost priority to the Company, these were: (1) employees, (2) investors, (3) government institutions, (4) customers, (5) suppliers, (6) communities/non-profit organizations.

Stakeholder engagement

Lanner engages each of the 6 main categories of stakeholders using different approaches, including unilateral, bilateral, one-to-many, and many-to-one. We adopt Business Reporting on the SDGs jointly established by GRI and the UN Global Compact as one of our management approaches.

▼ Management approach for stakeholders' concerned issues



▼ Response procedures for stakeholders' concerned issues

- Issues that are of concern to stakeholders are discussed in regular department meetings.
- All department heads report regularly to the senior management on stakeholders' concerned issues and future plans.
- The CSR Committee analyzes how each issue may pose risks and opportunities to the Company's operations.
- The CSR Committee reports to the senior management on material issues for the year, and proposes response solutions for the Company
- A third-party certifier is engaged to check the authenticity of contents published in the sustainability report.
- Sustainability report and news release are used as means to respond to stakeholders' concerned issues.

▼ Stakeholders' issues of concern and communication

Stakeholders	Issues of concern	Communication channels	Frequency of communication	Relevant records
Employees	Talent development	Labor-management meetings	Once a quarter	Labor-management meeting minutes
	Employment	Employee mailbox	Unscheduled	The issues discussed are tracked for subsequent development
	Occupational safety and health	Labor-management meeting, Occupational Safety and Health Committee meeting	Once a quarter	Meeting minutes
	Talent sourcing and retention	Employee performance evaluation	Twice a year	Employee performance evaluation worksheet
	Welfare system	Welfare committee meetings	Once a quarter	Welfare committee meeting minutes
	Innovative R&D	Internal and external website	Unscheduled	The issues discussed are tracked for subsequent development
	Code of Conduct	Employee satisfaction survey	Once a quarter	Online survey
Investors	Corporate governance	Annual general meetings	Once a year	Shareholder meeting report, meeting manual, meeting minutes
	Operational prospect	Company website	Unscheduled	https://www.lannerinc.com/tw/news-and-events-tw/latest-news
	Economic performance	Financial report	Once a quarter	Announcement of monthly revenues and news release on MOPS and company website
	Long-term strategy	Monthly revenue announcements	Once a month	
		Corporate Sustainability Report	Once a year	
Government agencies	Regulatory compliance	Exchange of correspondence	Unscheduled	Correspondence
	Corporate governance	Market Observation Post System, company website	Unscheduled	https://mops.twse.com.tw/mops/web/t146sb05 https://lannerinc.com/tw/corporate-tw/social-responsibility
Customers	Product quality	RBA audit	Unscheduled	Customers' audit records
	Non-discrimination	Quarterly business meetings	Once a quarter	International standards/initiatives (RBA), meeting minutes
	Environmental protection	Customers' environmental protection requirements	每Once a year	Customers' specifications
	Innovative products	Customer satisfaction survey	Once a year	Customers' response records
	Customer relation	Compliance survey	Unscheduled	Customer survey sheet
	Cybersecurity	ISO 27001 Annual Audit	Once a year	External audit reports
	Customer service	Customers' supplier conferences	Once a year	Meeting minutes
	Corporate image	Company website	Unscheduled	Website information

Stakeholders	Issues of concern	Communication channels	Frequency of communication	Relevant records
Suppliers	Sustainable supply chain	Document review	Upon addition of new supplier	Supplier contract
	Conflict minerals	Document review	Once a year	CMRT survey records
	Business integrity	Supplier integrity policy	Unscheduled	Agreements
	Non-discrimination	Supplier training	Unscheduled	RBA Code of Conduct, training records
Community/ non-profit organizations	Community engagement	Charity events through foundation	Unscheduled	Event plans, photos
	Environmental protection	Sustainability Report	Once a year	Report content
	Climate change	Compliance/ISO standards	Unscheduled	Certificates and reports

2-8-2 Material Topic Identification and Response

Lanner gathers a wide range of sustainability indicators to serve as measurements for best CSR practices. We have also determined our material topics by adopting a 4-step process: Identification, Prioritization, Validation, and Review.

Step 1: Identification

The Corporate Sustainability Committee holds a series of internal meetings and compiles a list of relevant topics based on GRI Standards, SDGs, TCFD principles, TWSE's Corporate Governance Evaluation criteria, WEF Global Risks Report 2021, and local and foreign ESG award criteria, CSR assessment standards, and sustainability indicators that deserve to be addressed in the sustainability report.

Step 2: Prioritization

In this stage, we adopted the 4 principles of GRI Standards to rank relevant topics by their significance.

1.Stakeholder Inclusiveness: The reporting organization shall identify its stakeholders and explain how it has responded to their reasonable expectations and interests.

2.Sustainability Context: The report should disclose the organization' s improvements and mitigation measures taken to address local or global economic, environmental and social trends over the long term.

3.Materiality: The report shall cover topics that reflect the reporting organization' s significant economic, environmental, and social impacts or substantively influence the assessments and decisions of stakeholders.

4.Completeness: Material topics should be disclosed with defined scope, boundaries, and timing; information should be presented appropriately.

Step 3: Validation

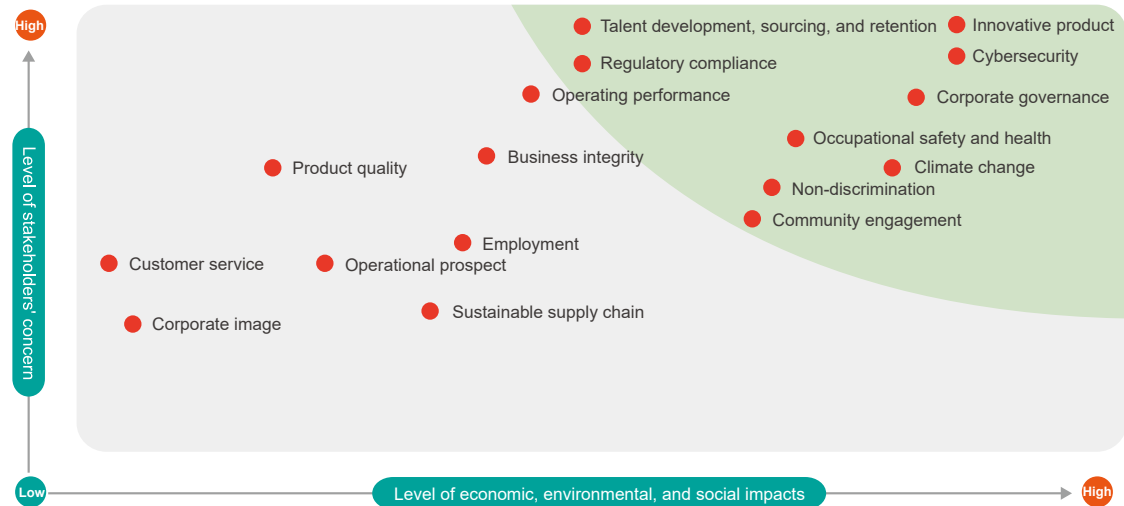
We perform internal validation to improve the quality of information disclosed, and in doing so deliver the six requirements of GRI Standards on Accuracy, Balance, Clarity, Comparability, Reliability, and Timeliness.

Step 4: Review

Once the sustainability report has been published, the Company will continue gathering stakeholders' feedback, so as to prepare for the next reporting cycle.

The pandemic between 2020 and 2021 has stimulated digital transformation in the business world and society so fast that cybersecurity risks have begun to surface. In light of this development, Lanner has identified "Cybersecurity" as a material topic since 2020. Other issues that are relevant to the stability and risks of operations, such as economic performance, training and education, effluents and waste, anti-corruption, employment, labor-management relations, etc., have been consolidated, to maintain focus on certain issues. Through a series of selections and focus, we have identified material topics and boundaries.

▼ Material topics matrix of Lanner Electronics - 2021



▼ Material topics and aspect boundaries

Rank	Material topic	Importance to corporate operations	Stakeholders					
			Employees	Investors	Government agencies	Customers	Suppliers	Community/non-profit organizations
1	Innovative products	(1)Through research and development of innovative products, employees not only are able to improve professional skills, accumulate project experience, and develop internal as well as external communication/coordination of the project team, but also minimize the time and risks associated with future R&D projects. (2)5G brings potential, such as cloud computing and virtualization, that allows carriers to forgo a close-ended systems and instead adopt hyper-converged dynamic programmable systems that can be adopted as part of the network infrastructure. This presents Lanner with the opportunity to market solutions directly to carriers under its own brand, which reduces operating costs for carriers while raising awareness and profitability of the Lanner brand. (3)Through proprietary development of whitebox solutions for 5G networking, Lanner hopes to contribute to the growth of the 5G industry in Taiwan and support downstream applications and services such as video streaming, unmanned vehicles, VR/IR, Industrial Internet of Things, and more. (4)Entering the 5G market and increasing market share help maintain competitiveness and the technological capacity needed to sustain operations.	○			●	▲	

Rank	Material topic	Importance to corporate operations	Stakeholders					
			Employees	Investors	Government agencies	Customers	Suppliers	Community/ non-profit organizations
2	Cybersecurity	Lanner Electronics is fully aware of the cybersecurity risks associated with the industry and has devised defensive plans to protect information against improper use, leakage, unauthorized modification, corruption, external influence, and attack, whether due to human error or natural disaster, thereby ensuring business continuity. By controlling the use of USB devices and promoting cybersecurity awareness, the Company takes the initiative to reduce risks and strengthen customer trust.		●		●	▲	
3	Corporate governance	Lanner enforces sound corporate governance to maintain the long-term value and best interests of the organization, as well as those of shareholders. Motivated by goals toward environmental protection, social care, human culture, and economic performance, the Company strives to protect the interests of all stakeholders and make ongoing improvements to business performance.	○	●	○	▲	▲	
4	Talent development, sourcing, and retention	"A progressive learning environment is key to business success." Lanner offers a broad diversity of training courses from orientation, general knowledge, specialized skills, managerial skills and self- motivation, to online learning, to ensure that every employee has the means to fulfill their desired career path. The Company also encourages employees to compete internationally and expand their vision through practice.	●		○			
5	Occupational safety and health	" Employees are the Company' s most important assets' " To realize its corporate visions and targets, Lanner is wholly committed to building a strong corporate culture of safety, and enforcing occupational safety and health management to promote employees' physical and mental health in all aspects.	●		○			
6	Compliance	Compliance is a prerequisite for sustainable growth, one that Lanner upholds by adhering strictly to proper commercial practices and ethics, anti-corruption rules, and social/environmental regulations. In doing so, the Company hopes to develop good corporate culture and create an environment that enables businesses to thrive.	○	○	●	▲	▲	○
7	Climate change	Climate change-related risks and opportunities now pose major concerns for the sustainable growth of all businesses. Through careful assessment, management, and mitigation of risks, Lanner plans to adapt to climate change by increasing the efficiency with which energy is used.	○	●	●		▲	○
8	Non-discrimination	Lanner envisions a harmonious, efficient, and friendly environment, and is dedicated to developing an employment system that addresses employees' interests, human rights, and best work practices. The Company also cares for employees' physical and mental health, and eliminates all forms of discrimination in the workplace.	●		○		▲	
9	Social engagement	Sustainability lies at the heart of Lanner's business philosophy. Inspired by the idea of giving back to society, Lanner has devoted significant efforts to charity service for the local community, and by participating in and caring for social affairs, we hope to grow alongside our neighbors and contribute to the sustainability of the environment, the society, and the economy.			○			●

▼ Management approach and assessment of material topics

Please refer to P.112-114 of Appendix 1, GRI Standard Comparison Table - Major Themes, for the GRI standards corresponding to each major theme.

Rank	Material topic	Management approach and policies	Evaluation and performance of management approach	Goal
1	Innovative products	(1)Ultra-low latency 5G and MEC platform development project (2)Hyper-converged dynamic programmable system (3)High performance edge computing platforms for self-driving vehicles	(1)Through development of the MEC platform and by working with telecom carriers to create a versatile yet price-competitive 5G network system, the Company aims to disrupt the oligopolistic competition currently dominated by large, international brands, while at the same time reducing the high cost of deployment. (2)A hyper-converged dynamic programmable system provides advanced networking functions to customers and operators and connects to multiple data points for total system management. (3)Being one of the first industrial computer suppliers to pass ISO 26262 certification, Lanner will be directing resources into creating reliable and high performance edge computing platforms for vehicles, with particular regard to minimizing latency, using AI for assisted computing, and increasing the accuracy of environmental detection and prediction algorithms of self-driving systems. (4)The NCA-1040 series network communication products won the 31st Taiwan Excellence Award. The ultra-small mechanism design of the NCA-1040 allows it to be placed in an emergency medical backpack, and its 5G networking enables stable and high-resolution video consultation in remote places. (5)Lanner Electronics has R&D teams stationed in Taipei, Hsinchu, and Beijing; the Company commits an enormous amount of budget to product R&D each year, and holds 14 valid national patents as of 2022.	Enhanced R&D capacity, innovative patent research
2	Cybersecurity	(1)Employee user account and password rules (2)Screen saver setting specification for employees (3)Access is controlled to prevent the loss of important business information and violation of customers' privacy (4)Online promotion of cybersecurity policy (5)Strengthen information security and identification	(1)Employees are required to set passwords for their user accounts using a 12-digit or longer combination of alphanumeric characters. Passwords must be changed once every three months and cannot repeat any of the last three passwords. User accounts will be locked for at least 30 minutes after three consecutive account name or password errors. (2)Screen savers on all employees' terminals have been configured to activate after 10 minutes of inactivity, and can only be disabled with a password. (3)Control access to USB drives and colleagues' Internet access, and install anti-virus software on all computers to prevent cyber intrusion, loss of critical business information, and violation of customer privacy. Removal of any of these restrictions for work requirements is subject to the President's approval. (4)Cybersecurity policy is promoted throughout the organization over the digital learning platform. (5)Introduce Multi-Factor Authentication (MFA) to strengthen information security and identification. (6)Information security policy advocacy courses are part of the digital learning platform and are promoted throughout the company. The training completion rate for 2022 was 91%.	These measures are intended to protect information again improper use, leakage, and unauthorized modification, whether due to human error, natural disaster, external risk or other factors, that may pose risks or harm to the Company.

Rank	Material topic	Management approach and policies	Evaluation and performance of management approach	Goal
3	Corporate governance	<p>(1)Protect shareholders' rights and interests</p> <p>(2)Strengthen the Effectiveness and authority of board of directors</p> <p>(3)Enhance the role of supervisors</p> <p>(4)Maintain open communication channels and respect the rights and interests of stakeholders.</p> <p>(5)Enhance information transparency to ensure that material information can be disclosed in a timely and adequate manner.</p>	<p>(1)The Company convenes shareholder meetings once a year. The 2022 shareholder meeting was held on June 17 in Xizhi District, New Taipei City; this meeting allowed the electronic exercise of voting rights.</p> <p>(2)The board consisted of 7 directors, including 3 independent directors and one female, in 2022. Board members were elected after considering multiple factors, including decision-making capabilities, management skills, analytical skills in accounting and finance, crisis management skills, and industry knowledge.</p> <p>(3)The Company has complied with "The Securities and Exchange Act" to establish the Audit Committee. Its responsibility is to audit business performance, financial position, execution of duties by employees, and investigation of illegal and negligent conduct.</p> <p>(4)The Company engages each category of stakeholders with a different approach. After gathering information on stakeholders' concerned issues, a sustainability report is published to disclose the organization's policies, management approaches, and performance in economic, environmental, and social aspects.</p> <p>(5)The Company supports independence of the Remuneration Committee, makes transparent disclosures of director/supervisor compensation, and enforces board performance evaluation and board compensation reviews.</p> <p>(6)The Company ranked in the 4th tier (36% - 50%) of TWSE's 9th (2022) Corporate Governance Evaluation</p>	Steps are being taken to ensure effective functioning of the board and protection of all stakeholders' interests.
4	Talent development, sourcing, and retention	<p>(1)Enhance communication with employees through the use of employee satisfaction surveys</p> <p>(2)Improve managers' skills through the "manager training road map"</p> <p>(3)Build a learning organization and increase training hours for indirect labor (IDL).</p> <p>(4)In addition to classroom courses, the Company also promotes e-learning as a way to learn without the constraints of time and location.</p> <p>(5)Courses of alternative focus are being introduced to help employees achieve work-life balance and skill diversification.</p> <p>(6)The Company offers competitive and market-leading compensation and benefits</p>	<p>(1)Lanner conducts annual employee satisfaction surveys as a means to "communicate with employees," "gather opinions and feedback," and "improve management approaches," which complements the Company's PDCA cycle. Opinions gathered from these surveys will provide reference for future directions and improvements.</p> <p>(2)A manager training road map supported by systematic training and compulsory/optional courses has been implemented, giving managers opportunities to develop management skills and establish a common working language.</p> <p>(3) In 2022, the IDL program delivered 5,103.9 hours of training to 514 people, averaging 9.9 hours per person.</p> <p>(4)We occasionally offer public welfare/art/humanities development courses. In 2022, 8 art and cultural activities and 1 activity combining public welfare and art were held, colleagues could sign up freely.</p> <p>(5)The Company adjusts employees' salaries in April each year after considering various factors including operating performance, minimum wage change, consumer price index, the market salary level, and employees' past performance.</p>	A complete assessment, training, welfare, and compensation system has been implemented for effective talent retention

Rank	Material topic	Management approach and policies	Evaluation and performance of management approach	Goal
5	Occupational safety and health	(1)Enforcement of tier-based health management (2)Reducing workers' operating hazards and risks (3)Promotion of a healthy workplace (4)Enforcement of occupational safety and health training	(1)Monitor and assess the working environment and risk exposure, and improve hazard controls to provide workers with a more comfortable and healthy environment. (2)All new organic solvents introduced to production must be analyzed, evaluated, and discussed for potential risks during storage, use, and disposal. Adequate control measures and protections should then be implemented to minimize risk of accident, and reduce or prevent adverse impact on employees' health. (3)The Company advocates proper prevention of communicable disease, tracks vaccination progress, and monitors and cares for workers' health on a regular basis. Regular and special health checkups are arranged in accordance with the Occupational Safety and Health Act.	The Company enforces occupational safety training, accident management, health checkups, and medical service to create a work environment with a low injury rate and low absenteeism
6	Compliance	(1)Adhere to corporate governance principles (2)Conform with RBA guidelines (3)Zero violations (4)Regularly identify applicable laws	(1)Shareholders elect a board of directors, and functional committees are assembled under the board to support directors' duties. (2)New recruits are required to sign commitments to integrity and anti-corruption principles when reporting to duty, and must be re-trained on a yearly basis to enhance ethical awareness. (3)Lanner was not fined for any violation against economic, environmental, or social regulations in 2022, and neither was it involved in any legal suit concerning anti-competitive, anti-trust, or monopolistic behavior. (4)The Company evaluates compliance with Occupational Safety and Health Act, Fire Services Act, Ionizing Radiation Protection Act, applicable environmental protection laws, and customers' requirements, and in doing so ensures compliance of its operations.	Monitor and ensure compliance with the latest regulations in a timely manner
7	Climate change	(1)Development of innovative wide temperature range products (2)Development of climate change backup plans (3)Implementation of climate change mitigation actions	(1)Products featuring industrial wide temperature range standards such as R6S, LEC-6032C, and ISD-O370 have been developed in response to extreme climate. (2)Lanner has established collaborative relationships and signed outsourcing contracts with key manufacturers in Taiwan to designate them as backup factories. In the event of a disaster, their production capacity will help Lanner sustain operations. (3)Lanner contributes to the mitigation of climate change by supervising energy and carbon reduction within the organization, and surveying greenhouse gas emissions on a voluntary basis.	Develop energy-efficient products, enforce green laws, and implement third-party certification for supply chain
8	Non-discrimination	(1)Ensure that all worker-related policies and management practices conform with human rights and principles of justice. (2)Lanner strives to maintain a gender-equal workplace and enforce gender-equal treatments	(1)There was no incident of child labor, slavery, labor trafficking, or forced labor in 2022. Through on-the-job training and in the employee handbook, the Company emphasizes to its workers that it respects the religious activities of immigrant workers, adheres to the zero-payment policy, and shall reimburse all immigration costs incurred by the worker to apply for coming to Taiwan. We hold monthly foreign migrant worker meetings to strengthen communications and provide an accommodating environment that complies with the regulations. (2)Lanner strives to provide equal pay and opportunities for employees engaged in the same line of work. Lanner caters to the human rights and equal employment opportunities of female workers and has implemented a "Feminine Health Protection Program" according to Article 31 of the "Occupational Safety and Health Act."	Enforce workers' rights in accordance with RBA's worker standards Create a gender-equal and friendly workplace
9	Social engagement	(1)Values of UN SDGs are being enforced within the organization (2)Lanner Culture and Education Foundation has been established to execute sustainability issues in social and environmental aspects.	(1)The Company publishes sustainability reports on an annual basis, regularly discloses non-financial performance to the outside world, and takes actions toward achieving its corporate vision and sustainability. (2)Lanner Culture and Education Foundation executes projects through four main themes, namely "Education," "Culture," "Localization," and "Decency," in collaboration with local government agencies and non-profit organizations.	The foundation also reinforces corporate social responsibilities through several aspects including: care for the underprivileged, arts and culture education, sustainable environment activities, and talent training.

03

Environmental Friendliness and Green Products

- 3-1 Environmental Goals and Performance
- 3-2 Waste Management
- 3-3 Energy Management
- 3-4 Greenhouse Gas Inventory
- 3-5 AI Smart Factory
- 3-6 Green Product Development

3-1 Environmental Goals and Performance

3-1-1 Environmental Friendliness Goal



Motivated by the idea of protecting the environment and giving back to society, Lanner actively promotes green products and has created an environmental safety and health management system according to ISO 14001 and ISO 45001 standards. From raw materials, production, and prohibition of hazardous substances to waste management, the Company complies strictly with relevant rules and requirements and lives up to its commitment as a green enterprise.

1. Governance: Lanner has a specialized legal affairs department that is responsible for consolidating laws, rules, and requirements on producers' liabilities from various countries in the EU, and ensuring that products conform with RoHS directives and standards of relevant countries before they are sold

2. Product: Energy efficiency and environmental friendliness are taken into consideration and strictly enforced during product design and manufacturing. The Company adopts environment-certified production procedures and strives to reduce use of hazardous substances, while making sure that all products and production procedures conform with relevant standards and laws.

3. Management: The Company has passed ISO 14001 - Environmental Management System, ISO 14064-1 Organizational Level Greenhouse Gas Inventory Management System, and IECQ QC080000 - Hazardous Substance Process Management certifications. We also comply with RoHS, REACH, WEEE directives, and the 3 R principles.

3-1-2 Environmental Friendliness Performance

Raw material control practices that conform with RoHS and REACH

RoHS is a set of mandatory standards imposed by the EU that took effect on July 1, 2006. On June 4, 2015, the EU announced Directive (EU) 2015/863, which included an amendment to Annex II - Restriction of Hazardous Substances of RoHS Directive 2011/65/EU. It added 4 phthalates to the list of restricted substances, and the limits went into effect on July 22, 2019

The standard is mainly to regulate the quality of materials and technology in electronic and electrical products for better protection of health and the environment. The purpose of the standard is to eliminate the presence of lead (Pb), mercury (Hg), cadmium (Cd), hexavalent chromium (Cr6+), polybrominated biphenyls (PBBs), polybrominated diphenyl ethers (PBDEs), and 4 phthalates (DEHP, BBP, DBP, DIBP) for a total of 10 toxic/hazardous substances. Since July 1, 2019, all of the Company's products have conformed with EU RoHS Directive 2011/65/EU and the amended (EU)2015/863.

This raw material retake system requires support from suppliers, which is why we have implemented "Supplier Commitment to Refrain From Use of Prohibited and Restricted Substances" in 2017 that requires suppliers to disclose 2 major details: (1) "Material weight," and (2) Exact figures to the third decimal place, e.g.: 0.001g. The Company requires all raw material suppliers to sign "Supplier Commitment to Refrain From Use of Prohibited and Restricted Substances," and has recovered signed documents from 100% of suppliers. We introduced the Green Product Management System in 2022 to significantly optimize management for prohibited and restricted substances.

REACH is a European community safety regulation for the registration, evaluation, authorization, and restriction of chemicals. The European Union issued Directive (EU) 2018/851 to update the EU Waste Directive 2008/98/EC on May 30, 2018. The update mentions that "Member States shall promote the reduction of the content of hazardous substances in materials and products, without prejudice to harmonized legal requirements concerning those materials and products laid down at Union level, and ensure that any supplier of an article provides the information pursuant to Article 33(1) of REACH to the European Chemicals Agency (ECHA) from 5 January 2021." For this reason, sellers are required to upload relevant information onto ECHA's SCIP database of any article sold on the EU market that contains more than 0.1% w/w concentration of substance of very high concern (SVHC) starting from January 5, 2021.

The Company has complied with regulatory requirements by requesting suppliers to investigate articles for SVHC content exceeding 0.1% w/w concentration and providing relevant details to customers.

In addition, we conduct random inspections on our raw materials using XRF by following our "Input Material Inspection Procedures." Below is a description of the test categories and test standards involved:

Restriction Substance (Full name)	Restriction Substance	Content (wt% or ppm)
Lead and lead compounds	Pb	< 1000 PPM
Cadmium and cadmium compounds	Cd	< 1000 PPM
Mercury and mercury compound	Hg	< 1000 PPM
Hexavalent chromium	Cr 6+	< 1000 PPM
Polybrominated biphenyls	PBB	< 1000 PPM
Polybrominated diphenyl ethers	PBDE	< 1000 PPM
Diisobutyl phthalate	DIBP	< 1000 PPM
Bis(2-ethylhexyl) phthalate	DEHP	< 1000 PPM
Dibutyl phthalate	DBP	< 1000 PPM
Butyl benzyl phthalate	BBP	< 1000 PPM

We also have "Production Testing Procedures" in place to control the presence of hazardous substances in our production process. IECQ QC080000 is implemented throughout all factories, and managers are adequately trained to monitor and control all production procedures that contain possible contaminants such as Pb, Sn, and halogens.

A printed circuit board assembly (PCBA) line typically involves mounting electronic components onto PCB using solder paste, a process known as Surface Mount Technology (SMT). To ensure a "lead-free process," a lead-free certified reflow oven is used in the factory.

▼ The solder paste used for surface mount technology (SMT) also conforms with RoHS requirements.

▼ Lead-free certified reflow oven



Lanner Electronics introduced a water-based cleaning machine to meet customer demands in 2022. The original steel plate cleaning machine used a TD 13 cleaning agent containing 15% methanol and 70% isopropanol, which can easily cause the accumulation of organic solvents that pose health hazards. The new cleaning machine is changed to water-based cleaning agents CP250 and CP381, which do not contain Type-II organic solvent. Over 90% of the ingredients are replaced by deionized water to protect the health of operators and can effectively prevent gas explosion concerns caused by the accumulation of flammable organic gases, improving the safety of factories and workers.

▼ CP381 PCB water-based cleaner.



▼ Decotron 250 water-based cleaner for steel plates



▼ Water-based washing machine



Compliance with WEEE

The European Union first announced the WEEE (Waste Electrical and Electronic Equipment) Directive out of concern that electronics and electrical equipment are the fastest growing source of waste in the EU, and that they contaminate the soil and groundwater with hazardous substances, posing threats to consumers' health. The purpose of WEEE is to reduce the volume of e-waste, promote sustainable production and consumption, improve environmental protection performance of electronic/electrical equipment throughout the entire life cycle, and encourage reuse, recycling and recovery of electronic and electrical equipment. To promote WEEE awareness, we will be introducing a special column titled "E-waste Treatment" that brings the public's attention to the pressing issue of e-waste recycling.

WEEE demands manufacturers/suppliers of the 6 main categories of electrical and electronic products circulating in the EU to assume responsibility in the recycling and reuse of E-waste through a preventive approach, and thereby maintain, protect and improve the current environment as well as human health. WEEE also promotes reasonable and cautious use of natural resources. WEEE mainly regulates manufacturers and recyclers, and holds Lanner responsible for proper treatment of electrical and electronic products, as well as ensuring that used products are recycled at the percentage specified by WEEE. Through reuse and recycling, WEEE aims to minimize the volume of waste produced.

Adherence to the 3R principles

As an electronics manufacturer, Lanner actively explores ways to reduce use of raw materials and resources. In conformity with WEEE and industry trends, we introduced a raw material inventory retake system in 2017 that enables us to classify raw materials instantaneously into (1) Reuse, (2) Recycling, and (3) Recovery categories.

▼ WEEE 2012/19/EU-Definitions

Reuse	Recycling	Recovery
Operation by which WEEE or components thereof are used for the same purpose for which they were conceived, including the continued use of the equipment or components thereof which are returned to collection points, distributors, recyclers, or manufacturers.	Reprocessing in a production process of the waste materials for the original purpose or for other purposes.	Any of the applicable operations provided for in Annex IIB to Directive 75/442/EEC
Power Supply HDD DRAM MODULE Adapter Fan Assembly CPU Cable Ethernet Card Flash Card	Packing SHEET METAL/ METAL Plastic Rubber Manual Heat SINK BIOS Sticker	PCB Resistor Transistor Capacitor

3-2 Waste Management

In addition to waste reduction and pollution prevention, Lanner Electronics also handles waste treatment according to environmental laws and regulations, to achieve the resource sustainability objective. Waste attributes include general domestic waste, general industrial waste, and hazardous industrial waste. It is impossible to separately calculate the output of general domestic waste since the management committee of the building uniformly handles the general domestic waste of all factory households. General industrial waste mainly comes from non-polluting consumables, and priority is given to reuse or to entrusting Legal professional with disposal. Non-reusable and hazardous waste is collected by professional service providers in a proper manner

so as to prevent harm to employees or the environment The Company reported general industrial waste of 72.918 tons and hazardous industrial waste of 4.6 tons in 2022. No severe leakage or violation of environmental protection laws occurred in the period reported.

▼ Lanner Electronics' waste management practices

Waste attribute	Waste category	Description	Handling method	End-of-life treatment
General waste	Aluminum cans	PET bottle, styrofoam, aluminum can etc.	Administration committee's partnered supplier Certified treatment service providers	Reuse, recycling
	Paper	Newspaper, magazine, copier paper, printer paper, carton, paper box etc.	Administration committee's partnered supplier Certified treatment service providers	Reuse, recycling
	General glass	Beverage bottles etc.	Administration committee's partnered supplier Certified treatment service providers	Reuse, recycling
	General plastics	Beverage bottle, waste container etc.	Administration committee's partnered supplier Certified treatment service providers	Reuse, recycling
	Other recyclable resources	Battery, light tube, toner etc.	Administration committee's partnered supplier Certified treatment service providers	Solid landfill
	Kitchen waste recycling	Compost, animal feed etc.	Administration committee's partnered supplier Certified treatment service providers	Reuse, recycling
	General waste	Office waste	Administration committee's partnered supplier Certified treatment service providers	Reuse, recycling

Waste attribute	Waste category	Description	Handling method	End-of-life treatment
General industrial waste	Paper	Cartons and cardboard	Company's partnered supplier Certified treatment service providers	Reuse, recycling, and incineration
	Styrofoam	Packaging anti-collision PE foam	Company's partnered supplier Certified treatment service providers	Reuse, recycling, and incineration
	Waste plastic	PVC、PS、IC tray	Company's partnered supplier Certified treatment service providers	Reuse, recycling, incineration, landfill
	Scrap iron	Chassis, mechanical parts	Company's partnered supplier Certified treatment service providers	Reuse, recycling
Hazardous industrial waste	Electronic components	Waste PCB of accessory components, scrap materials, defective goods	Company's partnered supplier A legal cleanup operator with a Class-A waste treatment license	Reuse, recycling, incineration, solidified landfill
	Waste liquid	Organic waste liquid	Company's partnered supplier A legal cleanup operator with a Class-A waste treatment license	Reuse and incineration

*Note: End-of-life treatment includes reuse, recycling, compost, renewal, incineration (combustion), deep-well injection, landfill, and on-site storage

▼ Volume of hazardous industrial waste in the last 3 years (Unit: tons)

Waste ID	Name	2020	2021	2022
E-0221	Waste and dust of PCBs with metal content	4.3	4.4	4.55
E-0222	Waste PCB of accessory components	0.05	0	0.01
C-0301	Organic waste liquid	0	0	0.04
	Total	4.35	4.4	4.6

3-3 Energy Management

Energy consumption is a main cause of climate change because the combustion of non-renewable fuel creates greenhouse gases (GHG), among other environmental impacts. In addition, excessive use of water resources will cause environmental impacts. Efficient energy use is crucial to slowing down climate change, and we will continue to improve our processes to reduce energy consumption.

3-3-1 Energy Consumption Reduction

The total electricity consumption in 2022 increased compared with 2021, due to increased production capacity demands and factory line expansion.

▼ Energy and CO2 statistics for the last 3 years

Year	Electricity Emission Factor	Plant	Total power consumption Jan-Dec (Unit: kWh)	Joule (Unit: million)	CO2 (Unit: tonnes)
2020	0.509	Zhongxing Plant	1,212,406	4,364,662	617.12
		Datong Building B	3,435,556	12,368,002	1,748.69
		Datong Building C	670,422	2,413,520	341.24
		Total	5,318,384	19,146,184	2,707.05
2021	0.502	Zhongxing Plant	1,211,936	4,362,970	608.39
		Datong Building B	3,364,416	12,111,898	1,688.94
		Datong Building C	726,770	2,616,372	364.84
		Total	5,303,122	19,091,239	2,662.17
2022	0.509	Zhongxing Plant	1,317,533	4,743,119	670.62
		Datong Building B	3,551,966	12,787,078	1807.95
		Datong Building C	755,281	2,719,012	384.44
		Total	5,624,780	20,249,208	2,863.01

*Note 1: Electricity emission coefficient is (carbon emissions from power generation companies and installers of self-use power generation equipment who sell electricity from public electricity sales in bulk - carbon emissions from electricity borne by line losses) ÷ total sales volume from public electricity sales. The annual data are released by the Bureau of Energy, MOEA.

*Note 2: 1 kWh = 1 kilowatt x 3600 seconds = 3,600,000 joules

3-3-2 Water Resource Consumption Statistics

▼ Water usage per person per plant site (unit: cubic meters)

Year	Water usage by plant site			Total water usage	Total employee count at year-end	Average water usage
	Zhongxing Plant	Datong Building B	Datong Building C			
2020	3,232	6,632.7	3,708.3	13,573.0	743	18.268
2021	3,924	6,597.4	3,397.4	13,918.8	730	19.07
2022	4,018	6,305.7	3,424.6	13,748.3	745	18.45

*Note 1 : Since the company is a joint factory, only the average water consumption can be calculated. Total water used per plant site = Total cubic meters used by plant building x (number of units occupied by the Company / total units of plant building)

*Note 2: 1 m3 of water = 0.001 million liters (megaliters)

The Taiwan Water Corporation provides water resources in each plant area. Since there are no wet process equipment or washing equipment, the water resource only applies to 'household' consumption. The company is located in a joint factory office, so the management committee of the building provides water consumption. The average water consumption is estimated based on the number of employees at the end of each year. The average water consumption per employee in three years is about 18-19 m3.

Carbon reduction of chillers

Considering that efficiency of chiller pipelines is highly relevant to temperature control, Lanner has progressively implemented centralized pipe control and alternating activation of chiller since 2018 as ways to improve air conditioning performance and energy efficiency. These solutions were implemented on 7F and 5F in Building C and 9F in Building B in the last year, and on 4F in Building B in January 2021. Startup rates for chiller internal pumps and compressors were reduced by

50% after these improvements; as tested, the chiller compressor requires 17A of startup current, including 3A for the pump, and actual startup rate was measured at 44%. Through alternating activation of chillers, the Company is able to ensure the stability of air conditioning performance without being susceptible to the malfunction of any single unit, and extend equipment life at the same time. Current energy-saving benefits are explained below:

- 9F on Block B may save energy by 2,720,952 W/month = 2,721 kWh = 1,384 kg CO₂
- 5F on Block C may save energy by 1,790,712 W/month = 1,790 kWh = 911 kg CO₂
- 4F on Block B may save energy by 1,593,446 W/month = 1,593 kWh = 811 kg CO₂

* Note: 1 kWh of electricity = 0.509 kg CO₂e/degree

Bottled Water Dispenser Removal Project

Because employees' drinking water concepts are changing each year, the use of bottled water machines is reduced annually due to the large filter water dispensers' storage capacity and the need to replace drinking water bottles by themselves. All bottled water dispensers are equipped with hot, warm, and cold water functions, and they consume electricity to maintain the temperature. In 2022, one filter-water dispenser was added to replace 6 bottled water dispensers. The total carbon emissions dropped from 23.832 (metric tons) to 19.172 (metric tons), and the energy-saving ratio was 19.55%.

▼ After replacing the bottled water machines using the filtered water machine, the energy-saving performances are as follows:

Year	Filtered Water Dispenser		Bottled Water Dispenser	
	2021	2022	2021	2022
Number of units	9	10	9	3
Annual consumption (kWh)	28,761.48	31,957.2	18,711	6,237
Carbon emissions (metric tons)	14.436	16.04	9.396	3.132

3-4 Greenhouse Gas Inventory

3-4-1 Greenhouse Gas Inventory

Lanner Electronics obtained the ISO 14064-1 verification in November 2022; greenhouse gas inventory is calculated according to the ISO 14064-1:2018 method. Emissions in 2021 were subject to external verification in Q4 of 2022. The emissions in 2022 were temporarily based on self-inspection data, and we expect to conduct external verification in Q3 of 2023. If the data changes due to external verification, it will be re-stated in the 2024 report.

▼ The greenhouse gas emissions over the years are as follows:

Year	2021	2022
Category 1	15.5289	1948.617
Category 2	2699.8078	2876.9825
Category 3	517.0558	600.7102
Total	3226.393	5426.3097

Description of greenhouse gas types:

Category 1: Direct greenhouse gas emissions, including CO₂, CH₄, N₂O, HFCs, SF₆ greenhouse gas statistics without PFCS, or NF₃ emissions. It mainly comprised refrigerants, spray tanks, fire-fighting equipment, and official vehicles. Some fire-fighting equipment contains environmentally friendly refrigerants, and SF₆ accounts for larger greenhouse gas emissions.

Category 2: Indirect greenhouse gas emissions from input energy mainly comprise greenhouse gas emissions produced by electricity purchased from Taipower, which account for the largest proportion of emissions.

Category 3: Indirect greenhouse gas emissions caused by transportation and indirect greenhouse gas emissions such as organizational use products mainly comprise raw material procurement, finished product transportation, business trips, official vehicle oil, indirect electricity emissions, photocopying paper purchases, and waste disposal.

In 2022, the IT room used Category 1 environmentally friendly refrigerant-type fire extinguishers, so the greenhouse gas emissions increased. Category 2 greenhouse gas data is positively correlated with Taipower's electricity consumption, which increased slightly due to expansion of production lines. Category 3: Most foreign business trips stopped in 2021 due to COVID-19 but resumed in 2022, so greenhouse gas emissions also increased.

3-4-2 Greenhouse Gas Reduction (GHG) Performance.

As part of the Company's commitment to environmental protection, we have set goals to reduce overall GHG emission progressively over the long term, specifically: to reduce GHG emission intensity (total GHG emission / revenues) annually by 3%. Revenue in 2022 is 38.9% higher than in 2021, but electricity consumption in 2022 did not significantly increase compared to 2021, according to P.68 for statistics on energy and carbon dioxide consumption in the past three years. Therefore, the intensity of greenhouse gas emissions and electricity consumption dropped significantly in 2022.

▼ The outcomes of greenhouse gas self-surveys in the last three years are presented below, all meeting performance targets.

Year	Greenhouse Gas Emission Intensity (Unit: kg/per NT\$1,000 of revenue)	Carbon reduction percentage compared to the previous year
2020	0.47	4.1%
2021	0.44	6.4%
2022	0.29	34%

▼ Energy intensity in the last 3 years

Year	Energy intensity (Unit: kWh/per NT\$1,000 of revenue)	Energy intensity reduction percentage compared to the previous year
2020	0.92	9%
2021	0.88	4%
2022	0.57	35%

Greenhouse Gas Reduction Plan

Lanner has established an environment management system in accordance with ISO14001 standards to monitor waste and abnormalities in raw materials, production procedures, products, activities, facilities, services, and waste treatment. This system has proven effective in managing negative environmental impact, minimizing potential hazards to employees, equipment, and property, and improving overall environment, safety and health.

The Company is dedicated to environmental protection and has long implemented a greenhouse gas reduction program. In addition to the redesign of air conditioning equipment and establishment of environmental, safety, and health standards mentioned above, the Company also replaced lighting equipment with LED alternatives in 2019, takes detailed counts and renews IT servers every year, and implements a variety of measures such as lights out during lunch break, thermostat settings, and more, to bring energy and carbon reduction actions into employees' daily activities.

In 2022, Lanner Culture and Education Foundation organized the Walk for Cats event, which combined lottery with charity as ways of encouraging employees to walk instead of taking elevators and public transport. Through this event, the Company hopes to inspire everyone toward contributing to climate change. Details of this campaign have been explained in P. 107-110.

▼ IT server replacements and renewals in the last 3 years

Year	Number replaced (Unit: systems)	Number renewed (Unit: systems)	Key points of renewal assessment
2020	Replaced 5 systems	Renewed 4 systems	<ul style="list-style-type: none"> •The Company took count of MES & PLM equipment that has been used for more than 8 years, and took actions to reduce risk of malfunction and maintenance cost. •Old servers had energy saving design only in the heat sink, whereas new servers have energy saving design in all aspects of the server. •Virtual machines are being used to replace outdated systems.
2021	Replaced 3 systems	Renewed 6 systems	
2022	Replaced 1 system	Renewed 1 systems	

Paper resource management

Lanner remains persistent in digitalizing internal documents, forms, and processes as a means to reduce paper waste. Training is delivered via the digital learning platform, and digital slides are used in meetings and seminars to minimize paper use. Double-sided printing is encouraged for information that contains neither personal data nor business secrets. Office copying machines are maintained regularly by professional service providers. The Company also introduced a printing management system in 2017 with optimized processes to prevent wasteful prints and to help employees exercise more control over the use of printing equipment, for improved efficiency.

The Company supports the initiatives of the Forest Stewardship Council (FSC), and has been purchasing FSC™-certified paper since March 2020 to ensure that paper is not sourced in any way that exploits forest resources, the ecosystem, or the community. FSC principles offer a responsible way to manage and protect world's forest resources, and take positive steps towards mitigating the impacts of climate change. By the end of 2022, the Company had purchased 3,718 packs of FSC-certified paper in total.

▼ Lanner saw a significant reduction in the number of prints following the introduction of the print management system; energy-saving effects are explained below:

Year	Total prints	Greenhouse Gas Emission Volume (Metric ton CO2e)	Paper savings (compared to the previous year)	Percentage saving
2020	694,236	3.15	1,729	0.25%
2021	586,817	2.66	107,419	15.47%
2022	577,825	2.62	8,992	1.53%

AI Smart Factory

Lanner Electronics values the environmental friendliness of its manufacturing process, and controls every stage of production using standards that exceed requirements. By making ongoing improvements to overall quality, environmental impact, and management practices, we hope to provide the safest products and services at reasonable price.

In order to achieve the long-term goal of "100% green power usage by 2050," Lanner's factories have devised short-term, yearly strategic targets between 2021 and 2023, and committed substantial efforts to improving production processes while at the same time adopting efficient computing, automation, and energy monitoring solutions to reduce energy wastage and improve operating efficiency.

Introduction of Smart Metering to Plants

In 2022, smart meter installation in our factories was completed, to digitize the power consumption status of the factory. It is important to adopt a real-time understanding of the energy use of high-energy-consumption machinery on the manufacturing line, to achieve effective energy conservation. Smart meters allow us to assess the equipment's energy consumption, detect anomalies, and eliminate wasteful energy use.



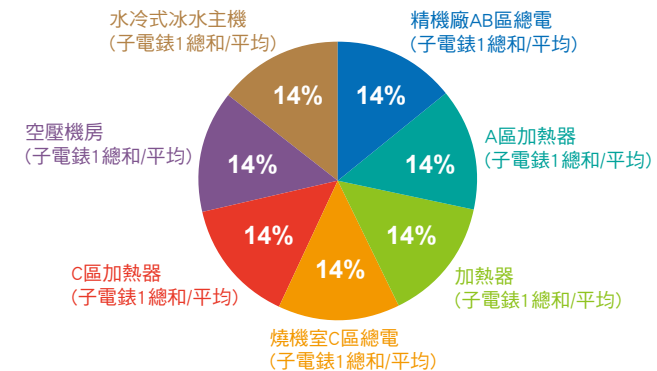
▼ Real-time monitoring of power consumption status for each device

群組總覽

主群組類別	中興廠
次群組類別	中興廠耗能設備
資訊類別	電壓

中興廠耗能設備

機房室AB區總電	A區加熱器	B區加熱器	機房室C區總電	C區加熱器
總和/平均	總和/平均	總和/平均	總和/平均	總和/平均
218.521 v	222.180 v	222.138 v	221.160 v	221.444 v
氣冷式冰水主機	空壓機房	水冷式冰水主機		
總和/平均	總和/平均	總和/平均		
0.000 v	221.429 v	221.782 v		



Air Compressor Replacement

The nitrogen air compressor is an indispensable machine in the production process. However, the air pressure produced by the old machine is insufficient to serve all manufacturing lines. It must always work at full capacity, raising the ambient temperature and indirectly affecting air-conditioning energy consumption. To address the energy consumption issue, outdated air compressors were phased out in 2022 and replaced by variable-frequency air compressors. As a result, electricity usage decreased from 90kW per hour to 62kW per hour, a 31.11% saving. Since the new air compressor has frequency conversion control, its speed can be adjusted according to demand and there is no need for constant, heavy-duty operation. This can significantly cut the factory's air-conditioning power consumption; reducing power use by around 0.44kW per hour, a saving of 2%. The new nitrogen air compressors can save 28.44 kW of energy per hour.



Item	Spec	Amount	Electricity Usage	Hours/Day	Days	Yearly Electricity Usage
1	75HP Air Compressor/ Nitrogen (Old machine)	1	90KW	24	300	648,000
2	100HP Air Compressor/ Nitrogen (constant frequency)	1	100KW	24	300	720,000
3	100HP Air Compressor/ Nitrogen (variable frequency)	1	62KW	24	300	446,400
						273,600

Incorporating Selective Welding



Introducing selective welding in 2022 can significantly reduce energy consumption, with an estimated saving of 50%. In addition, selective welding can reduce the use of chemical fluxes and solder rods in the factory, thereby reducing the generation of tin slag waste and associated environmental pollution.

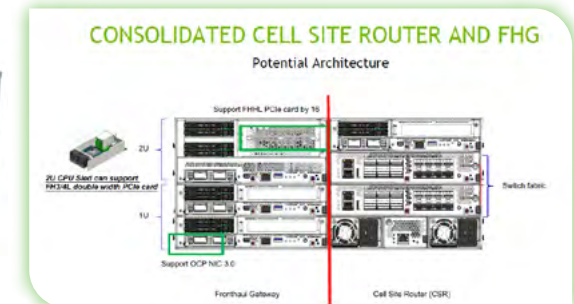
3-6 Green Product Development

Energy-efficient and highly expandable edge computing platforms

In light of how 5G technology has made low-latency, high-capacity, and distributed multi-access edge computing (MEC) the trend of the future, Lanner and National Yang Ming Chiao Tung University have cooperated on the development of the MEC architecture and next-generation fanless cooling systems that can be used for a variety of applications from small cell, core networks, telecommunications and energy, to self-driving vehicles. The purpose of this collaboration is to explore ways to increase the flexibility and expandability of 5G networks, which helps reduce construction and maintenance costs of infrastructure. Considering that a large number of small cells will be deployed in harsh environments, a new fin has been designed to increase cooling efficiency and air flow for high-end processors.

In December 2021, during NVIDIA GTC 2021, Lanner announced and exhibited its next-generation Edge AI Platform for Accelerating OPEN RAN. This new generation of telecommunications-grade edge computing platform (HTCA-E400) demonstrates how Fronthaul Gateway and CSR can be integrated into one machine. In March 2022, the two institutions completed proof of concept (PoC) for stage 1 development of their scalable MEC platform. The platform supports GPU accelerated computing with the goal of reducing operators' CapEX & OpEX costs.

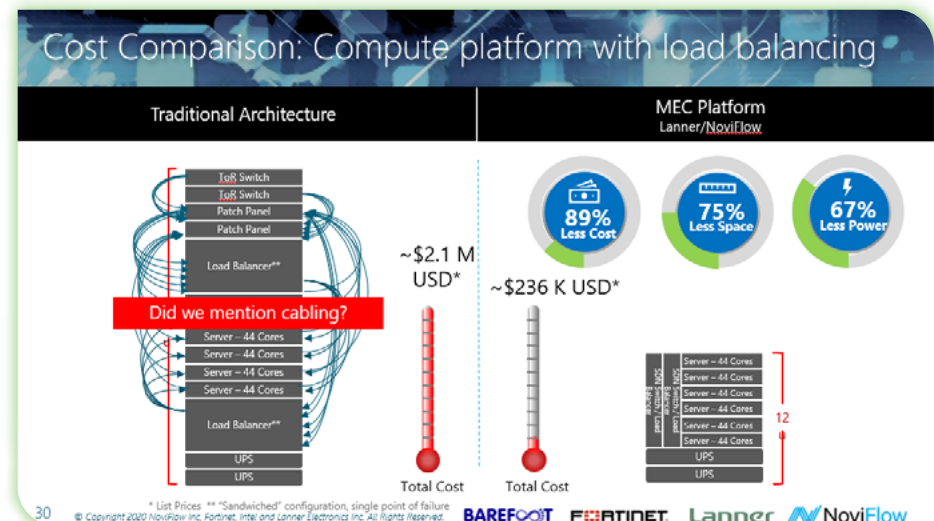
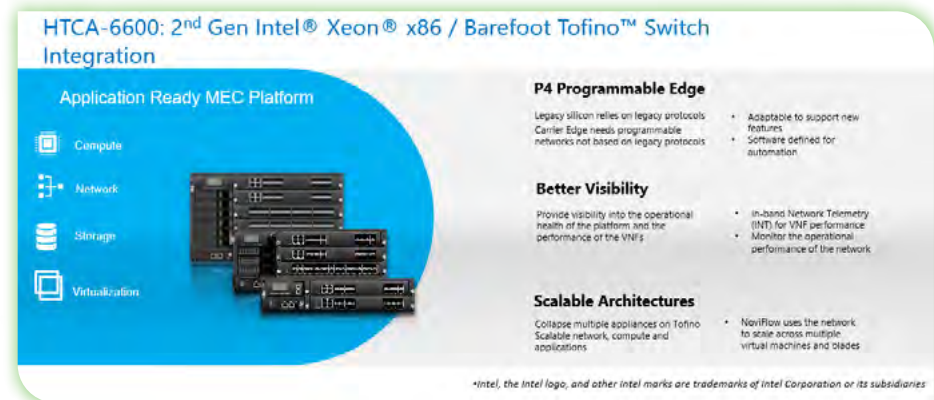
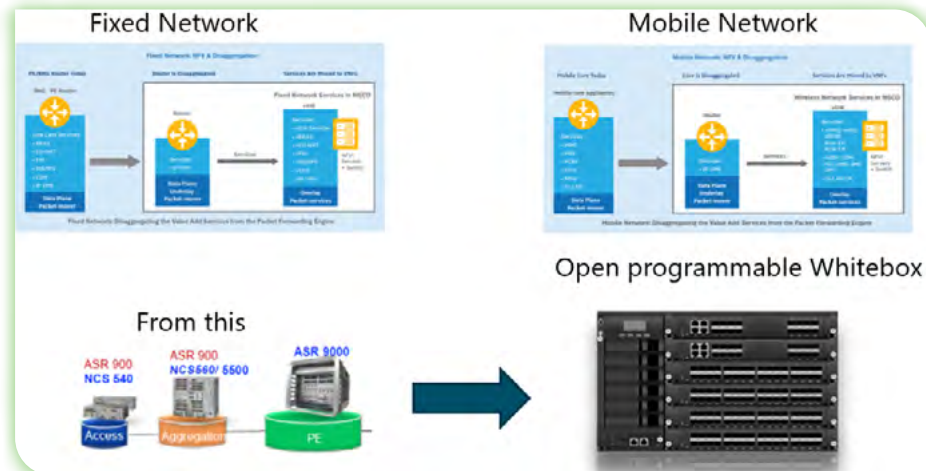
▼ HTCA-E400 and its internal structure



Programmable MEC Solution

This platform makes use of Lanner Electronics' HTCA -6600 edge computing server, which supports up to 12 Intel Xeon scalable processors, Barefoot Tofino's programmable P4 switch module, NoviFlow's SDN platform (Orchestration), and Fortinet's VNF. Programmable MEC edge computing can optimize information flow, network, and resource computing, and reduce computing delays. Lanner Electronics showcased a new generation of integrated edge computing servers, which can be used to distribute 5G edge computing rooms as Multi-Access Edge Computing (MEC) and Open Radio Access Network (Open RAN) telecom servers that can provide high-performance computing and low-latency services. By introducing the application design in cooperation with Canada Telecom, Lanner Electronics' HTCA server can simplify the cabinet design that originally required 46U to 8U specification, reducing operating costs by up to 90% compared with traditional server equipment. The integrated architecture can significantly reduce cabinet space, by up to 75%, and power consumption by up to 60%. It offers more flexible responses to telecommunications edge computing deployment requirements and allows users to quickly build various network virtualization applications using software-defined methods.

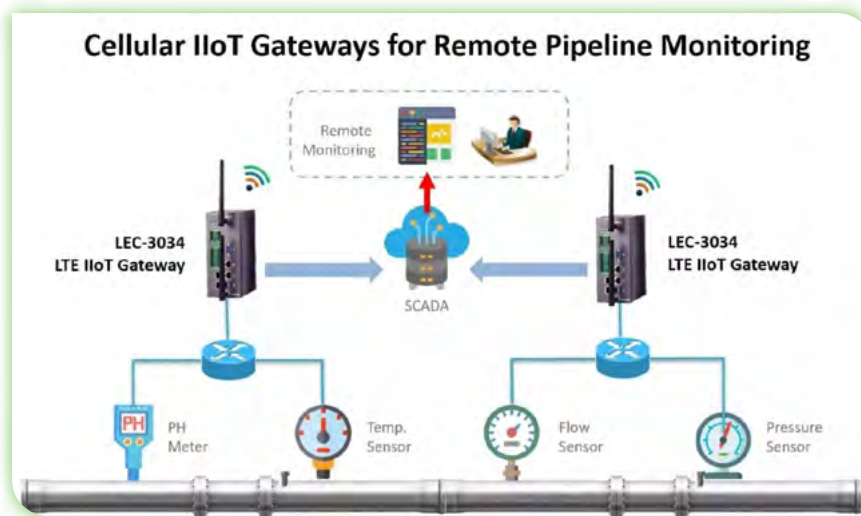
▼ HTCA-6600 and heat sink design



Remote monitoring of wastewater treatment

Wastewater treatment is a sophisticated process, one that requires robust and comprehensive channels and systems to monitor. Even a small malfunction such as pipe leak would compromise the process and affect downstream customers and the surrounding environment. To address this issue, Lanner offers a remote monitoring solution that combines LEC-3034 processor with LTE connectivity. Having a small size, low power consumption, and being capable of operating within a wide temperature range (-40°C to 70°C), the solution helps manage wastewater treatment and handle the complicated water allocation process. Data on water temperature, pressure, flow, and PH is first collected using sensors and remote I/O, and then streamed to IIOT for edge computing. This allows real-time data to be collected from many points in a highly distributed water pipeline system, transmitted to a centralized SCADA system, and forwarded to the remote monitoring system. Customers can then monitor pipeline status in real time at their end and ensure that their equipment is functioning properly, reducing the time spent on inspection, repairing leakage/corrosion, or clearing blockages.

▼ LEC-3034 products and remote operating model

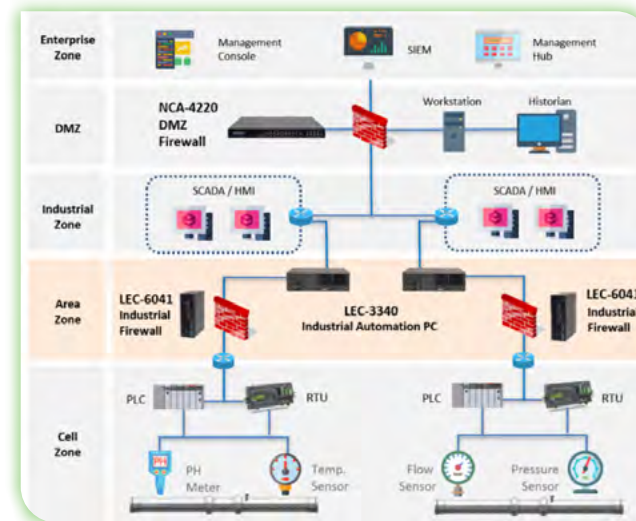


Protecting renewable energy sources with infrastructure firewalls

In recent years, industry has increasingly adopted IIoT technology as a way to optimize business operations, and this includes power plants (including oil, natural gas, hydro, and wind power). To protect renewable energy plants against network threats and malicious attacks, and to ensure the continuous operation of network monitoring systems to prevent accidental closure of installations, as well as any adverse impacts on the environment and residents, two of France's largest hydroelectricity plants have teamed up with Lanner to develop hardware-based monitoring and control systems. The NCA-4240, powered by Intel's 12th/13th generation Core-i7 / i5 / i3 CPUs and DDR4 RAM, operates as a DPI firewall between the control center and power plants, offers low power consumption, high processing capacity, and expandability, and provides robust support to the operation of energy facilities.

In addition to DPI firewalls used in power plants, the Company is also working with other globally reputable cybersecurity companies to introduce a complete range of protection, from Enterprise Zone to Industrial Zone.

▼ Protection applications from Enterprise Zone to Industrial Zone



▼ NCA-4240



Farm of the Future project

Lanner Electronics joined the U.S. Rural Cloud Initiative in June 2020, participating in the "Farm of the Future" project, which incorporates several solutions, including 5G, edge computing, image analysis, automation, and drones. This project uses Lanner Electronics' multi-core computing hardware platform. It integrates with service providers to perform real-time crop, weather, and environmental data analysis. This project enables real-time monitoring and problem identification in rural areas with no public network coverage, without having to commit substantial investment into equipment. It can potentially increase farming efficiency and profits by 10% or more.

The project has won Network Transformation Awards and the 2020 Innovative Network Application Award from Layer123 SDN. In phase 1, the project was implemented on greenhouse farming to provide environmental data such as temperature and humidity and to allow remote control of fans, heaters etc., as well as real-time monitoring and alerts. In phase 2, the project will be implemented at 2,300 farms across the United States; an automated platform will be used to monitor and control crop growth for improvements in terms of yield, costs, and resource consumption.

▼ NCR-1510



Support for emergency aid and remote healthcare

Lanner Electronics is committed to developing diversified network communication and security products. A high-speed, stable, and secure networking system is required to cope with telemedicine in remote areas. The NCA-1020 ultra-thin LTE mobile router was launched in 2020 and is successfully used in emergency rescue environments such as mobile medical care. In 2022, Lanner Electronics created a new generation, the NCA-1040. In addition to maintaining low power consumption, fanless operation, and thin and light features, it also has an upgraded, brand new, Intel Atom quad-core processor and high-speed dual SIM card 5G connection. The new system supports dual-channel 5G networking, and its transmission performance is 10 times that of the previous generation of LTE.

While upgrading the dual 5G connection capability, NCA-1040 keeps the thickness of the product to 3cm and keeps length and width to those of an iPad Mini. The external I/O includes 4x RJ45, DisplayPort, and USB ports. The new generation NCA-1040 supports PoE+ functionality, which allows simultaneous supply of power and data transmission to medical measurement equipment and high-definition cameras. It can also be used as an entry-level firewall, mobile 5G router, and mobile network bandwidth balancing gateway.

▼ NCA-1020





04

Employee and Social Care

- 4-1 Human Resource Development
- 4-2 Industry-Academia Collaboration
- 4-3 Employee Relations
- 4-4 Occupational Safety and Health
- 4-5 Pandemic Prevention Management
- 4-6 Social care

Lanner has created a safe, respectful, ethical, equal, and diverse work environment where employees may grow and maximize their creative passion. We also invest substantially into talent training, compensation, welfare, health benefits, and occupational safety and health as a way to attract the industry's best talents. These initiatives have made Lanner one the most favored employers for job seekers and enabled the Company to stay competitive in global R&D.

4-1 Human Resource Development



Complete talent and organizational development



Inspiration of employees' passion



Improvement of corporate competitiveness

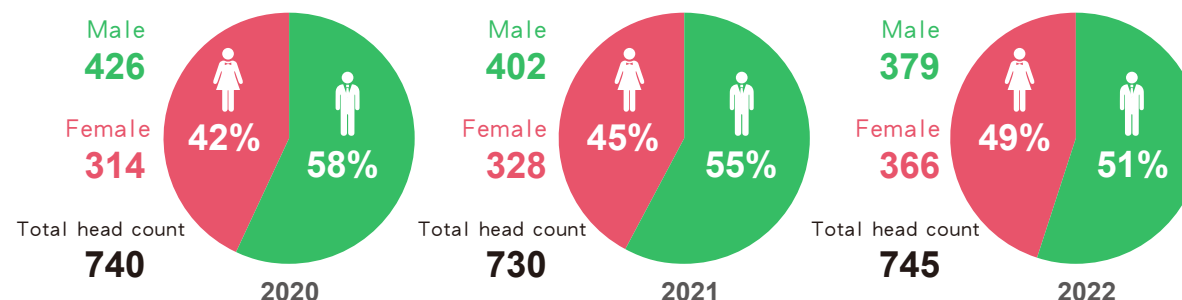
Lanner's human resources policy is tied closely to its corporate vision and strategy; it emphasizes corporate culture and value, and has profound influences on the organization's culture and management approaches. The HR policy is supported with talent "selection, recruitment, education, and retention" measures to ensure the growth of the talent base and the organization, and to inspire employees' passion. As the Company expands globally, this HR policy provides guidance on the level of individual performance and competitiveness that employees are expected to achieve in order to support Lanner's growth prospects and needs.

4-1-1 General Overview

Employee composition

Lanner Electronics' Taiwan headquarters had more than 700 employees at the end of December 2022; the distribution of employees' duty, age, and gender is explained in the charts below. In 2022, the Company did not have any non-employee workers, and all employees work full-time. In the past 3 years, the company's ratio of men and women increased from 1:0.7 in 2020 to close to 1:1 in 2022, showing that Lanner Electronics has actively created a gender-friendly workplace with equal rights for men and women. The Company will continue to promote and implement gender equality.

▼ Gender distribution in the last 3 years



▼ 2022 Employee structure in 2022

Category	Group	Male		Female		Subtotal	
		Head count	Percentage	Head count	Percentage	Head count	As a percentage of total employees
Work location	Taiwan	379	100%	366	100%	745	100%
Age	18-20 years old	4	1.1%	1	0.3%	5	0.7%
	21-30 years old	62	16.3%	68	18.6%	130	17.4%
	31-40 years old	114	30.1%	122	33.3%	236	31.7%
	41-50 歲 years old	142	37.5%	113	30.9%	255	34.2%
	51-60 years old	52	13.7%	55	15.0%	107	14.4%
	60 years old and above	5	1.3%	7	1.9%	12	1.6%
Academic background	Doctoral Degree	1	0.3%	0	0.0%	1	0.1%
	Master's Degree	66	17.4%	40	10.9%	106	14.2%
	Bachelor's Degree	183	48.3%	128	35%	311	41.7%
	College	68	17.9%	86	23.5%	154	20.7%
	Senior high school	56	14.8%	86	23.5%	142	19.1%
Employment type	Full-time	379	100%	366	100%	745	100%
	Contract staff	0	0%	0	0%	0	0%
	Temporary workers	0	0%	0	0%	0	0%

▼ Employee distribution by role and gender in the last 3 years

Year	Group	Male		Female		Subtotal	
		Head count	Percentage	Head count	Percentage	Head count	As a percentage of total employees
2020	Marketing personnel	31	7.3%	35	11.2%	66	8.9%
	R&D head count	168	39.4%	43	13.7%	211	28.5%
	Managerial personnel	33	7.7%	36	11.5%	69	9.3%
	Manufacturing personnel	194	45.6%	200	63.6%	394	53.3%
2021	Marketing personnel	10	2.49%	24	7.32%	34	4.66%
	R&D head count	169	42.04%	44	13.41%	213	29.18%
	Managerial personnel	51	12.69%	61	18.60%	112	15.34%
	Manufacturing personnel	172	42.79%	199	60.67%	371	50.82%
2022	Marketing personnel	24	6.4%	36	9.8%	60	8.1%
	R&D head count	168	44.3%	49	13.4%	217	29.1%
	Managerial personnel	30	7.9%	45	12.3%	75	10.1%
	Manufacturing personnel	157	41.4%	236	64.5%	393	52.7%

*Note: Marketing personnel work in related departments such as business, product planning and management, and marketing. Research and development personnel work in related software and hardware departments' R&D. Manufacturing personnel work in process-related fields. Management personnel work in logistics units.

Percentage of new recruits and attrition

Whenever an employee submits their resignation, both the head of unit and HR Department speak with the employee to learn the reasons behind the resignation. These resignation discussions are taken into consideration for future improvements with respect to department practice and HR policy. The following is a breakdown of new recruits and resignations in 2022, distinguished by gender and age group.

▼ Total number and percentage of new and departed employees by age group and gender in 2022

		Male		Female		Subtotal	
		Count	Percentage	Count	Percentage	Count	Percentage
New employees	30 years old and below	26	25%	19	12%	45	17.5%
	31-40 years old	41	40%	65	42%	106	41%
	41-50 years old	28	27%	53	35%	81	31.5%
	51 years old and above	8	8%	17	11%	25	10%
	Subtotal	103	100%	154	100%	257	100%
Departed employees	30 years old and below	31	25%	25	24%	56	24%
	31-40 years old	43	35%	47	44%	90	39%
	41-50 years old	41	33%	27	25%	68	30%
	51 years old and above	8	7%	8	7%	16	7%
	Subtotal	123	100%	64	100%	230	100%

4-1-2 Effective Talent Selection

Diverse recruitment channels and creation of job opportunities

In addition to recruiting talents through online platforms such as 104 and LinkedIn, Lanner Electronics has worked with tertiary institutions in several industry-academia collaborations since 2018 to offer practical teaching resources and train technical talents on-campus. In 2022, Lanner held the MA training program for the first time at campus fairs, during which students were guided to exhibit their vision for the market and receive employment opportunities.

Moreover, the Company also created employment opportunities for residents in 2022 by participating in joint recruitment events organized by local government agencies in New Taipei City, Xizhi District, and Keelung City. These events provided alternative opportunities for Lanner to recruit talent up close.

▼ Diverse Recruitment Channels



Precise work skills and behaviors interview

"Honesty, passion, responsiveness, and sharing" are four of Lanner's core values, and in order to help recruitment officers determine whether job seekers are a good fit for the Company's culture and role, we have incorporated the "Work Skill Behavioral Interview" into our talent selection process. We do not presume people with certain skills and knowledge to be the best candidates; instead, we look for talents that "possess the right skills for the given role." Through the use of a standardized scorecard and structured interviews, we establish the suitability and potential of every candidate, providing a basis for interview scores while removing a significant amount of subjectivity from the process.

▼ Skill Assessment Items

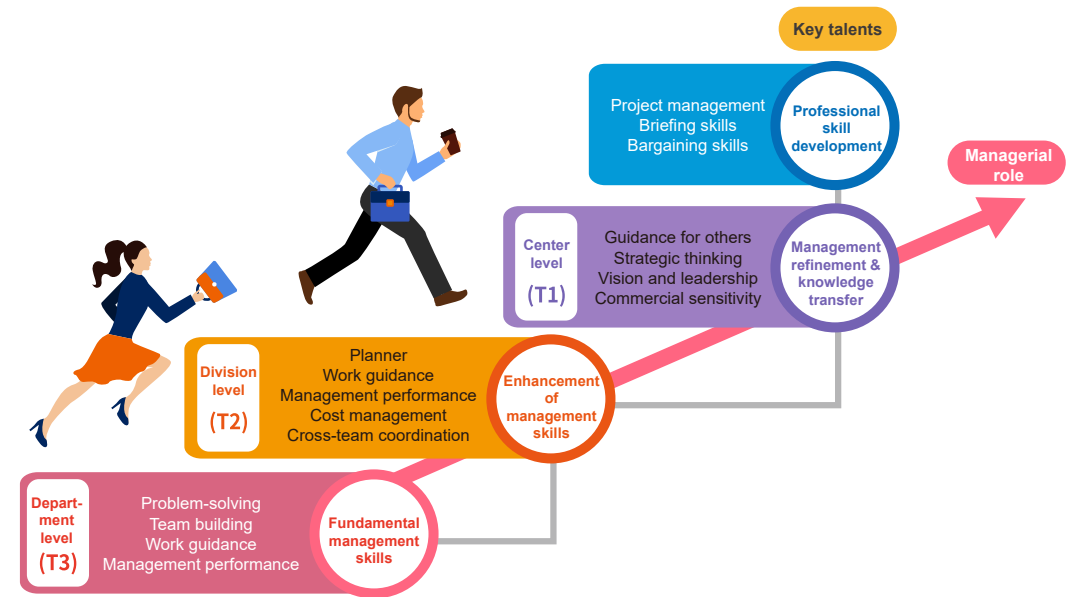
Skill category		Name of skill
Core skills	All employees	Teamwork, quality awareness, adaptability, communication & coordination
	Senior managers	Strategic thinking, creativity management, vision & leadership, commercial awareness
Managerial skills	Mid-level managers	Management performance, guidance for others, planning & organization, cost management
	Entry-level managers	Problem-solving, management performance, work guidance, team-building

4-1-3 Talent Cultivation

Targeting specialized skills, general knowledge, and increased training enrollment

Lanner organizes a broad variety of HR events to train and grow talents. The Company also has a robust training system comprising internal and external courses, online courses and self-learning courses, to support its efforts. Annual training plans are developed using a top-down approach, starting from the Company's vision. In addition to strategy-level and specialized skills, the Company also commits extensive efforts to developing management skills and knowledge for all levels of management. Departments may raise requests to have specialized training included in the Company's HR program, so long as the necessity and strategic relevance have been established and confirmed to align with the Company's goals. A management training road map and a key talent development program were introduced in 2020 and sustained in 2022 to complement the existing training framework.

▼ Management training roadmap and key talent development plan



Lanner's talent development framework



Lanner adopts the "Kirkpatrick Model" to evaluate training outcome, including the use of a Level 1 satisfaction survey (Reaction), Level 2 post-course exam (Learning), and Level 3 post-course report (Behavior). Furthermore, trainees are guided toward applying the knowledge they learn at work, which maximizes the training effect and improves employees' competence.

Diversified training channels and outcomes

Lanner spares no resource in the development of talent. In addition to providing training systems such as orientation, general knowledge, specialized skills, managerial skills, self-inspiration, and online learning, the Company also divides career paths into "specialist/technical," "administration," "staff," and "management" to guide employees through career development as well as the general knowledge and specialist courses that they should take in order to reach their goals.

Orientation

The education and training of recruits in 2022 were conducted online due to COVID-19. Orientation courses are designed to help newcomers get familiar with the Company and understand the working environment. These courses cover company introduction, work rules, and system operating instructions. The Company provides a 3-hour "safety and health education and training" for all recruits, in accordance with the "Occupational Safety and Health Act." We also provide courses related to legal compliance, such as "Lanner's Ethical Code of Conduct Course," "Business Secrets Obligations," "Information Security Policy," and "Personal Information Protection Education and Training" to help colleagues understand the Company's ethics, integrity, personal data protection, and information security policies. The goal is to provide workplace ethics guidelines for daily work. During the trial period, candidates must complete courses by reading about professional functions on the digital learning platform, depending on the job role involved, to accelerate work and cultural integration. In 2022, Lanner Electronics implemented a "New Recruit Counseling and Performance Evaluation Policy" to help recruits adapt to the work process, and developed a department-based counseling system where department heads and counselors are assigned to evaluate the learning progress of recruits.

General knowledge training

The Company organizes general knowledge workshops and corporate culture courses on an unscheduled basis to enhance employees' understanding and appreciation of Lanner's corporate values. Traffic safety programs and health promotion seminars are organized to help employees develop proper safety/health awareness, lifestyle habits, and work-life balance.

Specialized training

The Company offers specialized training courses depending on the roles and duties of each individual, and assigns them to special projects from time to time in order to help them develop skills needed to succeed in their duties, while expanding their exposure to greater challenges. The Company also advertises open courses organized by various departments, and self-learning resources, on the internal bulletin board. Employees may participate in department courses voluntarily to share knowledge on various fields of expertise and help others understand the nature of the work performed in each department, promoting internal communication and cooperation. Through offering these self-learning resources, the Company encourages employees to learn on their own and develop diverse skills bit by bit over the course of their careers.

▼ 2022 Training Execution Status

A total of 9,758 training hours were provided in 2022, an average of approximately 13 hours per person.

Average training hours		2022
Gender	Female	12.8
	Male	13.4
Employee Category	R&D	6.8
	Management	14.5
	Manufacturing	16.5
	Marketing	12.1
Average training hours		13.1

*Note 1: The number of employees used in the average hour calculation is based on P.77-78 values.

*Note 2: The employee job category is distinguished according to P.78.

Management training

The Company has implemented a training system for new managers to help them understand their roles and duties. A management training roadmap covering managers of all levels has been created. The roadmap helps newly promoted managers familiarize themselves with the organization quickly. It is supported by courses to improve managers' communication, leadership, goal-setting, and performance skills. Training roadmaps developed in previous years were continued in 2022, and course content appropriateness is examined yearly. Through systematic training and the combination of compulsory and optional courses, we allow managers to develop skills according to their roles and establish a common management language.

Key talents

Aside from managerial roles, we also value the growth of employees in general, and try to nurture potential talents for critical roles from an organizational management perspective. A series of training courses on: project management, briefing skills, negotiation skills etc. has been introduced to support the critical talent training program, and by keeping track of enrollment and results on a yearly basis, the Company aims to build a reserve of talented employees to drive its growth.

Digital Learning Platform

The Company's "digital learning platform" not only offers a broad variety of online courses to choose from, but also incorporates useful features such as course enrollment, calendar reminders, online course inquiries, online classroom (reading / exam / questionnaire / report / learning history), personal learning history, department teaching materials etc. New employees may upload assessment results at the end of their probation period to keep managers informed of their learning progress; the system can even be configured to manage occupational safety certification, and automatically remind employees to renew certifications. In 2022, the education and training system utilization rate reached 90%

▼ Benefits of the "digital learning platform":

Year	Total views	Total hours read
2020	5,095 times	1,333 hours
2021	3,075 times	1,807 hours
2022	5,967 times	1,925 hours

Self-inspiration

Aside from internal training courses, employees also have access to diverse learning channels including on-the-job training, work counseling, job rotation, experience sharing, online learning, and external training. Employees who wish to participate in external courses for development of personal skills and capacities that internal training does not provide will have expenses fully subsidized. To maximize the outcome of external training, all externally trained employees are required to submit reports or share thoughts internally with colleagues.

▼ Average training hours per indirect employee in the last 3 years (unit: hours)

Year	Number of indirect employees (A)	Total training hours (B)	Average training hours (B)/(A)
2020	516	7,076.8	14.6
2021	524	8,910.9	17
2022	514	5,103.9	9.9

Alternative courses aimed at promoting diversified learning among employees

Aside from management and specialized courses, the Company also invites outside lecturers, through the Lanner Culture and Education Foundation, to organize courses of a less vocational nature, such as on arts and humanities, on an occasional basis. A vast diversity of activities is organized to bring quality and joy into employees' lifestyles, as well as activities to promote parental engagement within the family. From individuals to households, we seek to expand the diversity of learning experiences here at Lanner.

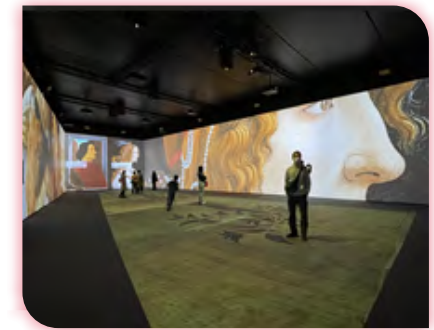
• Send Blessings Using Hand-Painted Watercolor Cards

2021 and 2022 were severely impacted by COVID-19, which widened the distance between people and prohibited close contact. As a result, the foundation organized a Christmas celebration by inviting external teachers to provide watercolor painting instruction allowing employees to pass on blessings with heartfelt hand-painted cards. We also held a public welfare event to create artwork based on family members, colleagues, and pets. All proceeds and benefits from this heartwarming event were donated to rescue stray animals.



• Appreciation of Aesthetic Arts

The Company participated in 8 art and cultural appreciation events a year, from the static exhibition "Alive Art Renaissance" to the dynamic "Broadway Musical," introducing aesthetic art into corporate culture, enriching life with culture, inspiring creative thinking, and gradually accumulating life aesthetics to spark a new vision of beauty.



4-1-4 Performance-driven Talent Recruitment

Open and transparent performance evaluation

We conduct regular performance evaluation and exercise goal management to accomplish and enforce our strategic goals. Through an open and transparent performance evaluation system, we evaluate how far employees have accomplished their targets and how well they perform at work.

Performance evaluation procedures

With the exception of direct labor, employees are subjected to annual performance evaluation once in the first half and once in the second half of each year, during which employees are required to compare performance to the targets they set in the beginning of the year, and submit a self-assessment of their quarterly target attainment for the period of assessment with supporting proof for approval by the line manager. Line managers may engage subordinates in discussion on performance based on the information presented, and give feedback on work performance and behavior, before submitting results of their preliminary evaluation for review by the next level of management. Line managers will notify subordinates of their performance evaluation outcome as it becomes available, and will engage them in various discussions about performance outcome and individual development, while at the same time encouraging them to learn in ways that are relevant, given their work targets and current state of development. Handlers are assigned to keep track of performance discussions, and thereby ensure effective communication between line managers and their subordinates.

▼ Percentage of employees receiving regular performance and career development reviews by the headquarter in 2022

Calculation	Gender	Management level	General employees	Subtotal
(A1) The number of employees when the assessment operation started (November 9, 2022)	Male	61	325	386
	Female	18	350	368
(B1) Number of employees subject to regular performance evaluation and career review	Male	61	304	365
	Female	18	341	359
(B1/A1) assessment participation ratio	Male	100%	93.5%	
	Female	100%	97.4%	

Talent development and performance counseling

The Company advocates a performance-driven culture, and ranks employees' annual performance results by center/division. In addition to increased promotion opportunities, outstanding performers can participate in the key (bench) talent selection, where talents with development potential are selected to take over key positions. Employees who lag behind in performance are required to engage their line managers in "performance counseling" for future improvement. Performance outcomes affect promotion opportunities and salary adjustment, which the Company will allocate based on growth prospects and operational requirements. A "talent retention plan" is also designed to ensure key (bench) career development and human reserve capital for high-performance employees with high irreplaceability.

▼ Percentage of managerial and non-managerial employees promoted by gender - 2022

	Male		Female		Subtotal
	Count	Percentage	Count	Percentage	Count
Managerial role	26	47%	8	26%	34
Non-managerial role	29	53%	23	74%	52
Subtotal	55	100%	31	100%	86

4-1-5 Effective Talent Retention

Competitive and market-leading compensations

Besides selecting, evaluating, and training the right people, another important issue is to retain talent within the organization. In this respect, the Company not only upholds values that employees can identify themselves with, but also offers a variety of performance-based compensation and incentives, including competitive monthly salaries and a market-leading variable bonus, that employees find worthy of committing 30 years of their lives to.

Above-peer incentives, compensations, and benefits

Lanner recognizes the importance of competitive and fair compensation in talent retention. The Company offers salaries and benefits at levels above its peers, as well as year-end bonuses, profit sharing, production challenge rewards, and sales bonuses as performance incentives. We value work-life balance and enforce rules to ensure that work hours do not exceed 60 hours per week. We also make sure that employees are given at least 1 off day for every 6 work days.

Lanner sets its employee remuneration based on job title, ability, education experience and subject, regardless of race, religion, gender, age, or other non-relevant factors. The basic salary ratio for females to males in 2022 was 1:1, the female-to-male salary ratio for general employees is about 1:1.18, and the female-to-male salary ratio for management is about 1: 1.08. The Company has more R&D and engineering personnel due to the characteristics of its industry; most are men. Since the salary of this category is relatively high in Taiwan's job market, the overall salaries of men are slightly higher than those of women. The Company adjusts employees' salary in April each year after taking into consideration various factors including operating performance, change of minimum wage, consumer price index, the market salary level, and employees' past performance.

▼ Change of mean salary and median salary in the last 3 years

Year	Mean annual salary		Median annual salary	
	Amount	Adjustment	Amount	Adjustment
2020	828,336	1.77%	663,163	2.37%
2021	879,622	6.19%	698,317	5.30%
2022	936,370	6.45%	711,670	1.91%

Diverse welfare systems

In an attempt to create a joyful and harmonious workplace, the Company has assembled an "Employee Welfare Committee" (EWC) comprising representatives from various departments according to "Organization Regulations on Employee Welfare Committee" stipulated by the Ministry of Labor. The EWC convenes quarterly meetings, and its responsibilities are to budget and arrange employee benefits, including festive vouchers, gift boxes, and birthday vouchers. The Company has also implemented a travel subsidy policy that encourages employees to engage friends and family members in outdoor recreational activities outside of work, to reach a balance between career, family, and health. Claim rate for employee travel subsidy was reported at 82.35% in 2022, whereas 100% of Dragon-Boat Festival and Mid-autumn gift boxes were distributed during the year.

▼ Compensation and benefit system of Lanner Electronics

[Insurance] Lanner subscribes to Labor Insurance, National Health Insurance, and travel insurance coverage and makes pension contributions equivalent to 6% of the employee's salary.

[Attendance] Employees are entitled to 2 off days a week and work hours that conform to the Labor Standards Act, and a flexible 1-hour buffer time is given for arriving at or leaving work (according to company regulations).

[Salary] Lanner offers competitive salaries and adjusts them in April each year depending on the Company's overall operations and employees' performance.

[Overtime] Provides overtime pay or compensatory leave according to the Labor Standards Act.

[Bonus] Lanner offers incentive bonuses such as year-end bonuses, profit sharing, production unit competition prizes, and goal achievement bonuses.

[Welfare] Lanner offers vouchers and gifts for occasions such as Labor Day, Dragon-Boat Festival, Mid-autumn Festival, birthday vouchers, wedding gifts, and funeral condolence subsidies.

[Activities] The Company organizes year-end banquets, competitions, annual domestic/foreign trips, and travel subsidies.

[Training] Lanner offers comprehensive on-the-job training programs (common knowledge course, professional course, management course, etc.) and has an E-Learning platform.

[Health] The Company organizes annual health checkups and instructs professional nurses on-site to help maintain employees' physical and mental health.

[Clubs] Employees are encouraged and subsidized to form clubs or engage in club activities to achieve work-life balance.

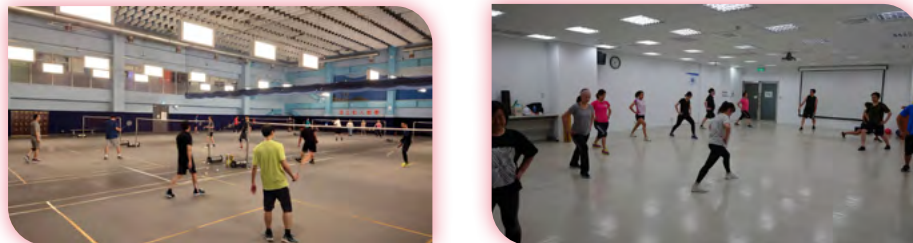
[Communication] Lanner provides a suggestions system, management mailbox, and hotline channel; and hosts regular labor-management meetings and EWC meetings to facilitate communication.

[Foundation] Holds occasional arts and cultural appreciation performances, public welfare activities, and sustainable education.

▼ Group photo of Lanner's basketball club



▼ Lanner encourages employees to participate in club activities as a way to stay healthy



Annual employee opinion survey

Lanner Electronics organizes annual employee surveys to learn employees' thoughts about the Company, its managers, and its systems, so that adjustments can be made to governance policy to create a satisfactory workplace, improve employees' satisfaction, and strengthen employees' identification with the Company's values. The questionnaire's content is divided into multiple-choice and open-ended questions. The multiple-choice questions assign a five-point scale to rate the overall satisfaction. In 2021, the average happiness score was 3.6 points, while the average satisfaction score was 3.5 points for 2022. The responsible units optimize the survey results for the remaining open questions.

• Time of survey:

Indirect Personnel: April 1, 2022, to May 20, 2022

Direct Personnel: November 25, 2022 to December 14, 2022

• Responses:

	Direct Personnel	Indirect Personnel	Total response rate
Total head count	241	516	757
Number of responses	241	226	467
Response rate	100%	43.8%	61.7%

4-2 Industry-Academia Collaboration

Lanner Electronics has engaged in industry-academic collaborative research with National Yang Ming Chiao Tung University and National Taiwan University to anticipate future industry trends and provide customers with more advanced solutions. The goal is to cultivate the skills required for industrial development and collaborate on developing and solving high-level technical issues in the industry.

Lanner Electronics and National Yang Ming Chiao Tung University jointly established the "Lanner Chiao Tung Joint Laboratory" in 2018. The partnership has led to several projects and injected more R&D energy into the Company's existing products. The successes include successfully connecting with the International Telecommunications Industry Standards Organization, mastering 5G application specifications, applying for institutional design patents, and proposing commercially applicable heat dissipation solutions. In recent years, heat dissipation performance has attracted much attention in line with electricity efficiency and environmental protection trends. Lanner Electronics collaborated with Professor Chi-Chuan Wang of National Yang Ming Chiao Tung University in 2021 and 2022 to optimize heat dissipation designs. We also expect to introduce

immersion cooling technology with lower energy consumption in 2023.

As a professional network computing manufacturer, Lanner Electronics cannot ignore the expansion of and market demand for edge computing, 5G, and other next-generation technologies. Following our successful industry-academic collaboration experience with National Yang Ming Chiao Tung University, the Company has also initiated collaborations with Professors Ruey-Beei Wu and Hung-Yun Hsieh of the Department of Electrical Engineering, National Taiwan University, to explore "high-speed signal transmission" and "wireless network security" in 2021. Based on these discussions, in 2022, in terms of high-speed signal transmission, we expect to establish a PCB design database in 2023 to obtain the best design results more quickly. In terms of wireless network security, we have successfully applied advanced wireless network security solutions to products.



4-3 Employee Relations

4-3-1 Enforce Labor Rights and Gender Equality

Lanner Electronics requires stringent compliance with the Responsible Business Alliance (RBA) guidelines and guarantees that its suppliers met RBA requirements related to child labor and forced or compulsory labor. The specific measures are listed as follows:

1. Offer reasonable compensations and benefits, and make ongoing improvements.
2. Enforce humane treatment and arrange reasonable workload and rest hours for employees.
3. Respect employees' freedom of association and collective bargaining rights. There was no potential violation against freedom of association or collective bargaining right in any operating site in 2022.
4. Respect employees' religious freedom and adjust work hours for special requirements.

5. The Company has implemented the "zero payment" policy to refund all expenses incurred by immigrant workers applying to come to Taiwan.
6. Recruits must sign employee integrity and anti-corruption commitments when joining the Company. Existing employees must undergo annual training on ethical behavior and integrity commitment, for enhanced ethical awareness.
7. The Company also encourages suppliers to sign agreements to comply with integrity and anti-corruption guidelines in all business activities.
8. Protect and respect human rights. Prohibit child and forced labor, and refrain from slavery and labor trafficking. There was no child labor or forced labor incident at any operating site in 2022.

Protection of basic rights

Lanner has established its employee retirement policy in accordance with the "Labor Standards Act" and "Labor Pension Act," and makes pension contributions for each employee as specified by law. For employees who joined on and before June 30, 2005, the Company makes monthly contributions equal to 2% of gross salary to a pension fund, which is placed under the supervision of a "Pension Fund Supervisory Committee" that comprises representatives from both workers and the management. As of 2022, the amount of accrued pension is around NT\$19,283 thousand.

Lanner adopted the new Labor Pension Act after it came into effect on July 1, 2005, and under the new Act the Company contributes an amount no less than 6% of monthly salary for new employees who came onboard after the implementation date and for employees of the old system who opted to carry forward their seniority over to the new system. Contributions to the new pension system are deposited into employees' individual pension accounts and will be available to employees upon retirement.

Protection of rights and benefits for migrant workers

Worker rights is a global issue, one that Lanner addresses by tending to the interests of migrant workers and by coordinating with customers for the adoption of practices that conform with international human rights, and thereby fulfill corporate social responsibilities. Lanner hires migrant workers by "professional skill"; it currently has more than 120 migrant workers on payroll. We pay great attention to maintaining the fairness of our employee welfare system, and all migrant workers are entitled to the same benefits as local workers. For benefit details, please see P.87 - Diverse Welfare Systems. The Company also provides clean dormitories and organizes sterilization and fire safety drills on a regular basis. Information on nearby religious gatherings is posted in dormitories out of respect for religious freedom of migrant workers.

- Dormitories are sanitized and inspected regularly to ensure safety of the living environment.
- The Company and all plant sites organize monthly meetings to communicate with foreign workers and provide them with a responsive communication channel.
- The dormitory bulletin is constantly updated with the latest information, and an employee opinion box has been set up to serve as a grievance channel.



Attention to accommodation safety for foreign workers

Lanner Electronics strives to improve all foreign workers' living standards and workplace health and safety. In 2022, we repaired washing machines and refrigerators, hired professionals to exterminate rats in dormitories, and posted safety notices. The Company also reminded employees in meetings throughout the year that any electrical appliance or equipment relocation is subject to safety assessment by the human resource agency and Safety and Health Office. Furthermore, to assure foreign employees of every nationality, all production line warning messages have been revised and presented in Chinese, English, and Vietnamese for more thorough understanding.

Enforce Zero-Commission Policy for Foreign Workers

Lanner makes ongoing improvements to employment terms, worker safety, environmental protection, commercial ethics, and the robustness and effectiveness of its management systems for the benefit of foreign workers. The Company follows RBA principles and supports a zero-fee policy

for foreign workers. Expenses such as passport renewal and health checkup that foreign workers incur on their entry and stay in Taiwan are entirely covered by the Company.

▼ Full payment of foreign worker fees in the last 3 years

Year	2020	2021	2022
Service charges	1,837,422	1,822,442	1,680,414
Health checkup fee at arrival	19,200	0 (註 1)	83,200
Regular health checkup fee	176,000	161,600	163,200
Quarantine Hotel Fee (Note 2)	29,250	1,050	698,700
Residential permit extension fee	107,000	94,000	237,000
Passport renewal fee	10,000	43,800	27,100
Air fare upon resignation	12,740	58,620	29,300
Total	2,191,612	2,181,512	2,918,914

*Note 1: No foreign worker was hired in 2021 due to COVID-19. Hence no "Health checkup fees at arrival" were incurred.

*Note 2: We have reintroduced foreign migrant workers and complied with the government's border entry quarantine policy. Therefore, the calculation for the quarantine hotel fees derived also includes the quarantine hotel fee paid in the past. Therefore, the amount in 2020 and 2021 was partially corrected, and this adjustment did not affect the Company's zero payment policy execution.

Equal workplace and pay

The Company adheres to "Act of Gender Equality in Employment" and takes strong initiative in the creation of gender-equal workplace. Aside from enforcing gender equality, we also provide equal pay and equal incentives for employees engaged in the same line of work, while at the same time discouraging differential treatments whether in terms of race, ethnicity, social status, lineage, religion, disability, gender, sexual orientation, family responsibilities, marital status, political association, or age.

Maternity health protection program

Lanner caters for the human rights and equal employment opportunities of female workers,

and has implemented a "Feminine Health Protection Program" in accordance with Article 31 of "Occupational Safety and Health Act" that imposes mandatory hazard assessment/control and other relevant measures for female workers who are pregnant, have given birth within the past year, or are involved in tier 1 or tier 2 risky work activities. Additionally, the Company makes work hour/shift adjustments, workplace improvements, and provides safe nursery spaces to ensure the physical and mental health of female workers throughout pregnancy, childbirth, and breastfeeding. Employees are entitled to apply for unpaid parental leave until their children reach the age of 3 but are subject to a maximum of 2 years. Employees who support two or more children are entitled to no more than two years of unpaid parental leave before the youngest reaches the age of 3. Employees may continue to participate in existing social insurance scheme during unpaid parental leave.

▼ Statistics on unpaid parental leave

Item	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
(a).Number of employees qualified for unpaid parental	4	4	8	1	2	3	8	5	13
(b).Number of employees applied for unpaid parental leave in the current year	4	4	8	1	2	3	1	3	4
(c).Number of employees expected to be reinstated from unpaid parental leave in the current year	2	3	5	1	2	3	0	2	2
(d).Number of employees expected to be reinstated from unpaid parental leave in the current year	2	3	5	1	2	3	0	2	2
(e).Number of employees expected to be reinstated from unpaid parental leave in the current year	0	1	1	2	1	3	1	3	4
(f).Number of employees expected to be reinstated from unpaid parental leave in the current year	0	1	1	2	0	2	1	2	3
Number of employees expected to be reinstated from unpaid parental leave in the current year	100%	100%	100%	100%	100%	100%	13%	60%	31%
Unpaid parental leave reinstatement rate d/c	100%	100%	100%	100%	100%	100%	0	100%	100%
Unpaid parental leave retention rate f/e	100%	100%	100%	100%	0	67%	100%	67%	75%

*Note: "Number of employees qualified for unpaid parental leave" was estimated based on the number of employees having applied for maternity leave or paternity leave in the last 3 years

4-3-2 Effective communication channels

Lanner Electronics hosts labor-management meetings, annual meetings, management meetings, and communication meetings to ensure the effectiveness of labor-management communications, thereby maintaining strong labor-management relations to protect workers' rights and the fairness of the recruitment system.

Labor-management meetings

The purposes of labor-management meetings are to strengthen employment relations, promote collaboration, and bridge negotiation between workers and the management, and in doing so prevent worker issues. Labor-management meetings are held at least once every three months, or on an ad-hoc basis if deemed necessary. Labor and the Management each appoint 6 representatives to the labor-management meeting. The number of worker representatives is determined based on the proportion of employees in each center/organization, division, or department, and the representatives themselves are elected by employees. The management's representatives are those who are familiar with business and worker affairs.

All labor-management meetings require attendance from at least half of the employer and worker representatives, and resolutions are made through negotiation and consensus. Where consensus cannot be achieved, a resolution can be made only with the support of at least three-quarters of attending representatives. Representatives are expected to carry out labor-management meetings in the utmost good faith, and to work with each other for the enhancement of employment relations and protection of workers' interests. Lanner Electronics convened 4 labor-management meetings (the 10th, 11th, 12th, and 13th meetings of the 4th committee) in 2022 to promote awareness or discuss issues concerning workplace violation, facial temperature recognition, personal data security, attendance, and management of working hours.

▼ Summary of minutes for the 4th labor-management meeting in 2022

Meeting session	Time of meeting	Number of participants	Meeting summary
10th meeting 4th panel	Tuesday, March 15, 2022	Management representatives: 4 Worker representatives: 6 Other attendees: 1	Reported issues: 1.The latest pregnancy checkups, pregnancy checkup accompaniment, and paternity leave for 2022: The pregnancy checkup leave is adjusted from 5 days to 7 days according to the revised "Act of Gender Equality in Employment." Pregnancy checkup accompaniment and paternity leaves are also adjusted from 5 days to 7 days. 2."Resignation Management Measures" were revised to issue the paper version of the "Resignation Procedure Sheet" by the system, and the resignation operation procedures were adjusted accordingly. Discussions: none
4th panel 11th meeting	Tuesday, June 14, 2022	Management representatives: 4 Worker representatives: 6 Other attendees: 2	Reported issues: 1.Explain how to fill in the "Epidemic Prevention Notification Form" and precautions 2.Adopt online application and approval for the "Epidemic Prevention Notification Form" 3.Types of epidemic prevention notifications and the number of quarantine days 4.Follow-up epidemic prevention, isolation processing, and government subsidy assistance application. Discussions: none
4th panel 12th meeting	Thursday, September 15, 2022	Management representatives: 4 Worker representatives: 6 Other attendees: 2	Reported issues: 1.2023 work schedule: number of work days in 2023, shift adjustments, and operating models. Discussions: none
4th panel 13th meeting	Tuesday, December 13, 2022	Management representatives: 4 Worker representatives: 6 Other attendees: 2	Reported issues: 1.Changes to the epidemic prevention leave regulations: Cancel the epidemic prevention and isolation regulations, and apply for leave or work at home based on the date of diagnosis. 2.Adjustments to the "certificate document" uploading rules for leave: Leave certificates are changed from self-redaction to uploading to the DCC document management system for automatic archiving, which can strictly protect personal data. Discussions: none

Annual meetings

Lanner Electronics hosts annual gatherings once a year to examine and review the previous year's performance, facilitate internal communication, and develop consensus towards common goals. New targets and operating strategies are also established during this time. Aside from managers of department head grade and above, project managers, sales personnel, and research and development, engineers are also invited to annual meetings. The meeting provides key personnel with insight into the Company's full-year performance in a manner that promotes cohesion and facilitates growth.

The 2023 annual meeting was held 3 days from January 9, 2023, to January 11, 2023. On the first and second days, various departments reported on the operating performance in 2022 and the outlooks and goals in 2023. The total meeting time across the 2 days was 12 hours, including 123 participants (120 physical and 3 online) from the United States, Canada, and Europe who came to Taiwan for the meeting. On the third day, Professor Hong-Der Lu from the Department of Business Administration, Chung Yuan Christian University, held a one-day workshop for Lanner on the topic of "Change, Resilience, and Growth: Building Strategic Leadership and Organizational Inheritance" to solicit suggestions through group discussions on designing the Company's future strategic development.



4-4 Occupational Safety and Health

4-4-1 Occupational Safety and Health Management Policy and Systems

Lanner Electronics has adhered to the Environmental Health and Safety (EHS) Policy and passed the ISO 45001 Occupational health and safety management systems verification. The scope of the workplace safety management system covers all factories in Taiwan, namely the Datong factory, the Zhongxing factory, and the head office. A dedicated team is responsible for establishing robust policies, procedures, management standards, implementation of environmental safety and health improvements, enforcement of occupational safety training, management of accident risks, and arrangement of health checkups and medical service, which in turn assures occupational safety and creates a work environment with low injury and absenteeism rates.

4-4-2 Occupational Safety and Health Committee

The Company has established a "Safety and Health Office" and assembled an "Occupational Safety and Health Committee" in accordance with the Occupational Safety and Health Act. The Committee has a total of 18 members, 11 of whom are labor representatives, accounting for two-thirds of the total. Its purpose is to assist in supervising and providing occupational health and safety-related advice, put forward relevant occupational safety and health proposals, serve as members of the occupational safety and health committee, and act as labor representatives. The Committee also provides occupational safety and health education and training required for committee members and labor representatives annually, to help them understand the occupational safety and health management system. The labor representatives from factories and offices are also invited to propose improvement items and collect improvement ideas from employee suggestion boxes to further improve the employees' working environment.

▼ Minutes and summary of 4 occupational safety and health committee meetings held in 2022

Meeting session	Time of meeting	Number of participants	Meeting summary
1st	April 1, 2022	Management representatives: 1 Manager representatives: 1 Safety and health personnel: 5 Worker representatives: 11	<ol style="list-style-type: none"> 1.The bottled water machine reduction project has been completed. Currently, the company only has three of these machines left, and additional drinking water machines have been purchased for areas with many employees. 2.The original waste output was not calculated in actual kilograms. Starting this year, all the waste cleared and transported was calculated by weight, and the waste output was gradually reduced. 3.The traffic accident incidence rate remained high in 2021, and the Safety and Health Office has conducted publicity courses every quarter. 4.The Hipot workers in Datong and Zhongxing factories may be at risk of electric shock. The Company has purchased anti-shock gloves and trained employees to use them. 5.The employees' health may be jeopardized during the SMT steel plate cleaning machine chemical addition operation due to methanol volatilization inhalation. Thus the Company has purchased NIOSH-grade protective equipment and trained employees on how to use it.
2nd	June 30, 2022	Management representatives: 1 Manager representatives: 1 Safety and health personnel: 5 Worker representatives: 11	<ol style="list-style-type: none"> 1. The new SMT line was installed for the Datong factory's working environment inspection. Therefore, some aspects have changed, necessitating a plan revision that is still in progress. 2.Completed ISO documents for the SE-C07 contract management plan and the SE-C05 health management plan revision. 3.From April to June, there was 1 work-related injury in the factory and 2 traffic accidents. 4.Completed the fire emergency response education and training in the year's first half.

Meeting session	Time of meeting	Number of participants	Meeting summary
3rd	September 30, 2022	Management representatives: 1 The supervisor represents 1 safety and health personnel and 5 people Worker representatives: 11	<ol style="list-style-type: none"> Completed the SE-B12 environmental safety and health change management operating procedures and amended the SE-C05 health management plan amendment. The head office, Datong factory, and Zhongxing factory have completed the regular low-voltage electric panel box inspection, and the results were reported to Taipower. The head office, Datong factory, and Zhongxing factory have completed the building safety inspection, and the results were reported to the New Taipei City Public Works Bureau. The fire evacuation drills of the head office, Datong factory, and Zhongxing factory have been completed. The overall fire evacuation drill time has reduced compared that of 2021. There were 3 traffic accidents and 1 COVID-19 infection case from July to September. Added a cleaning machine process, and the D-1502 alkaline liquid waste will be listed as general industrial waste.
4th	December 26, 2022	Management representatives: 1 Manager representatives: 1 Safety and health personnel: 5 Worker representatives: 11	<ol style="list-style-type: none"> The 2022 annual goal target program progress completion tracking status. The design and sampling of operating environment monitoring points in the second half of 2022 were completed. The ISO 45001 risk assessment and ISO 14001 environmental consideration data assessment were completed. Completed comprehensive fire drill training and fire brigade entry training, ISO 45001 & 14001 risk assessment and environmental considerations education and training, steel plate cleaning machine chemical leakage education and training. Completed ISO 14064-1 external audit certification. Formulated the annual target plan for 2023.

4-4-3 Promotion of occupational safety-related training

Safety and health training for new recruits

New recruits are required to complete "Safety and Health Training for New Recruits" within 3 months of commencing duty. The training covers topics such as: an introduction to Occupational Safety and Health Act, proper procedures for handling traffic accidents, COVID-19 control measures, power safety, use of fire safety equipment. All trainees are required to take an exam, and are considered to have passed with a score of 80 or above.

Assignment and regular back-training of occupational safety specialists

To ensure the effectiveness of the environmental safety and health management system, the Company has assigned specialists that meet regulatory requirements and arranged training and back-training to maintain the validity of professional certifications. Furthermore, the Company strictly prohibits employees from operating machinery before completion of training.

▼ Training arrangements for occupational safety and health specialists in the last 3 years

Operation category	Requirements	Back-training rules	Number of people assigned	Number of people back-trained in the last 3 years		
				2020	2021	2022
Class-A occupational safety and health manager	Completed 42 hours of occupational safety specialist courses	6 hours every 2 years	3 persons	0	1	1
Safety and health personnel	Occupational safety and health officer	At least 12 hours every 2 years	3 persons	2	1	2
	Occupational health management specialist	At least 12 hours every 2 years	1 person	0	1	1
Ionizing radiation operations	Operators are required to complete 18 hours of training in advance	At least 3 hours a year	14 persons	9	12	14

Operation category	Requirements	Back-training rules	Number of people assigned	Number of people back-trained in the last 3 years		
				2020	2021	2022
Organic solvent operations	Head of operation is required to complete 18 hours of organic solvent-related courses	At least 6 hours every 3 years	3 persons	2	0	1
Fire safety manager	To complete 18 hours of fire safety specialist course	At least 6 hours every 3 years	3 persons	0	2	1
Worker health service nurse	To complete 52 hours of specialist training	At least 12 hours every 3 years	1 person	0	0	1
First-aid personnel	First-aid personnel	At least 3 hours every 3 years	15 persons	0	0	6

Other occupational safety-related courses

Aside from the two types of courses mentioned above, the Company also organizes other occupational safety-related courses from time to time at the request of departments, such as: safety and health committee training, chemical leakage training, traffic safety awareness courses etc. Online education and training for occupational safety and health courses was launched in 2022. The goal is to implement education and training on illegal workplace violations first, to advocate the zero-tolerance policy and the emergency response to illegal violations in the workplace. For example, suppose an employee is in danger of jeopardizing his body or life due to work performance; in that case, the employee should immediately stop working and retreat to a safe location, and shall not be punished for doing so.

▼ Occupational safety and health awareness courses in 2022

Course theme	Execution date	Course hours	Number of participants
Education and training for electric shock gloves	Tuesday, January 11, 2022	30 minutes	16 persons
Education and training for half mask and organic solvent mask	Tuesday, March 8, 2022	30 minutes	1 person

Course theme	Execution date	Course hours	Number of participants
Education and training for occupational safety and health committee members and labor representatives 2022 Fire Evacuation Drill	Thursday, June 30, 2022	3 hour(s)	17 persons
	Tuesday, August 9, 2022	4 hour(s)	620 persons
Education and training on edge cutting machine Vcut gloves	Friday, September 30, 2022	1 hour(s)	14 persons
Education and training on the risks of organic solvent leakage from steel plate cleaning machines	Thursday, October 20, 2022	3 hour(s)	53 persons
ISO 14001 & 45001 seminar	Friday, November 4, 2022	1 hour(s)	20 persons
Comprehensive fire drill education and training	Saturday, December 24, 2022	4 hour(s)	268 persons
Education and training for illegal infringement in the workplace	October ~ December 2022	1 hour(s)	499 persons

▼ Snapshot of an awareness course



4-4-4 Promote a Healthy and Safe Workplace

Occupational Hazard Identification and Risk Assessment

Every year, the health and safety office initiates hazard identification and risk assessment operations, and each unit's responsible staff undertakes hazard identification, analyzing hazards that may arise during production, activity, and service operations. When the hazard is identified as an unacceptable risk, each unit formulates measures for risk control and improvement, the management representative must approve the measures. Finally, the health and safety office regularly tracks and manages potential occupational hazards to eliminate them in the workplace. For new equipment installation and process changes, a comprehensive regulatory review and risk assessment must be implemented through change management and making further improvements to ensure the safety and health of personnel. To ensure electrical appliance safety, the factory area regularly conducts temperature measurement inspections using infrared imagers for distribution panels. It uses electric meter inspections to reduce the risk of electrical short-circuit fires.

Accident Investigation

When occupational or other accidents occur in the workplace, Lanner shall conduct accident investigations according to the accident notification and investigation management procedures. The responsible person of the workplace shall gather the relevant personnel for an investigation within two weeks of the accident, to investigate the incident and record the investigation results. The safety and health office of the dedicated unit shall conduct an accident cause analysis and formulate prevention measures. Finally, the responsible departments of each management system shall conduct follow-up supervision to reduce losses and prevent similar incidents from happening again.

Ordinary workers and workers of high-risk operations are subjected to regular health checkups

Lanner places great emphasis on the health and safety of high-risk employees; the Company conducts environmental monitoring, inspection, and assessment to assure safety of the workplace, and provides protective gear such as earplugs (and earmuffs), masks, goggles, anti-corrosion gloves etc. depending on the work involved, in order to prevent occupational injury and accident. Furthermore, the Company complies with "Special Hazard Operations" section of "Regulations Governing Worker Health Protection" and requires all new employees involved in high-risk operations such as those involving ionizing radiation or dust to undergo special physical checkups before commencing work. Existing

employees are required to undergo annual special health checkups. Employees that have been subjected to level 2 health management are given medical consultation from physicians stationed on-site. A total of 12 employees completed special health checkups in 2022, including 11 ionizing radiation operators and 1 dust operator. No abnormal findings were discovered.

▼ Execution of general and special health hazard checkups - 2022

Solution name	Goal/target	Assessments	Current progress		
			2020	2021	2022
Employee health management planning and implementation	(1) Gather and monitor employee health data; achieve a checkup rate of 90% and above (2) 50% recovery of ergonomic hazard questionnaire (3) Consultation by stationed physician once a month	Annual health checkup for ordinary workers Number/percentage of people checked	647 persons / 90%	678 persons / 95%	585 persons / 87%
		Ergonomic hazard questionnaire Number of respondents / questionnaire recovery rate	647 persons / 90%	663 persons / 93%	594 persons / 88% Note 2
		Year-to-date accumulation Number of employees seeking consultation from on-site physicians / outcomes	137 persons No subject of level 2 risk or above was identified	105 persons No subject of level 2 risk or above was identified	83 persons No subject of level 2 risk or above was identified
Health assurance and reduction of ionizing radiation hazard for high-risk	(1) Arrange special health checkups once a year to cover 100% of workers involved in special operations (2) Perform radiation reporting and monitoring 12 times a year and achieve 100% recovery rate of radiation dosimeter	Special operations checkup Head count / outcome	45 persons / no abnormality	13 persons / no abnormality Note 1	12 persons / no abnormality
		Radiation dosimeter report	Normal	Normal	Normal

*Note 1: The Company no longer uses "n-hexane" after 2020. Therefore, the number of employees undergoing special checkups has reduced substantially.

*Note 2: Reason why fewer people participated in the physical examination: Employees cannot participate due to segregation or crowd avoidance due to COVID-19.

Health consultation by on-site physician

Lanner values employees' health, and grades employees by health condition according to the standards outlined in law. For employees that have health conditions rated grade 2 and above, the Company arranges to have an occupational health physician provide 3 hours of medical consultation and counseling service on-site on a monthly basis.

A total of 83 employees undertook the counseling service in 2022 for various issues such as: abnormal health checkup assessment, maternal protection, stress, ergonomic hazard, abnormal health checkup assessment for new recruits, physical and mental violation, traffic accident follow-up, and health in special operations.

▼ Occupational health consultation at Lanner Electronics in the last 3 years

	Quarter	2020	2021	2022
Persons selected (including active enrollments)	Q1	40	33	25
	Q2	37	12	25
	Q3	50	57	23
	Q4	41	33	25
	Total	168	135	98
Maximum possible number of participants	Q1	31	29	22
	Q2	31	10	24
	Q3	42	45	22
	Q4	33	29	25
	Total	137	113	93
Actual number of participants	Q1	30	28	21
	Q2	29	9	20
	Q3	37	40	19
	Q4	31	28	23
	Total	127	105	83

In response to issues with eye-strain, sedentary and less active work style, and the habit of eating out in pursuit of convenience, the Company conducted 3 health promotion events in August, October and December of 2022, when the epidemic slowed down. Lecturers were invited to conduct lectures on health issues such as "eye care," "anti-cancer diet," and "prevention and health care for back pain." Colleagues actively participated in the events and provided good feedback.

▼ Management and prevention of occupational injury and illness



Management and prevention of occupational injury and illness

The Company adopts corrections and improvements based on work injuries reported for the current year, and in doing so minimizes losses from occupational hazard and prevents similar occurrences in the future. No case of occupational illness or occupational hazard-induced death was reported in 2022. There were no special inspection occupational diseases above level 3, and the cases were reported to the Labor Health Protection Management Information Notification Network. The Company provides employees with medical care immediately after accidents and interviews relevant personnel to devise correction measures. Meetings and training courses are organized to raise employees' awareness and to fulfill the Company's occupational safety commitments.

▼ Occupational injury statistics in the last 3 years

	2020	2021	2022
Work Hours	1,489,839	1,478,608	1,533,662
Number and rate of deaths from occupational injuries	0	0	0
Number and rate of serious occupational injuries (excluding fatalities)	0	0	0
Number and rate of recordable occupational injuries	4.02	6.76	7.17

*Note:

The death rate caused by occupational injuries = (number of deaths caused by occupational injuries Total x 1000000) ÷ hours worked

Number and rate of serious occupational injuries (number of fatalities excluded) = (number of serious occupational injuries [number of fatalities excluded] x 1000000) ÷ hours worked

Number and rate of recordable occupational injuries = (number of recordable occupational injuries x 1000000) ÷ hours worked

▼ Occupational safety management solutions and execution performance in 2022

Solution name	Goal/target	Current progress
Raise safety awareness, Reduce the incidence of occupational accidents	Reduce the Company's traffic accident rate in 2022	A total of 8 traffic accidents and 94 lost days were reported in 2022. Publicity and training programs were organized on a regular basis to raise employees' traffic safety awareness.
Occupational safety and health online training	Promotes occupational safety and health awareness among all employees	Additional safety and health training courses will be introduced to the existing digital learning platform.
Health management for all employees	1. Special health checkup once a year; 100% test rate was achieved 2. Recovery and analysis of ergonomic and stress questionnaires 3. ISO documents will be amended in accordance with laws	The Company complies with laws by arranging regular health checkups and special health checkups for employees and keeps track of employees' health conditions to prevent exposure to hazards and improve the work environment.
Enhanced protection for operations involving organic solvents	Additional personal protection gear	Appropriate protection gear is handed out on-site to minimize risks for organic solvent operators.
Waste management	Inventory of actual waste output	Inventory the amount of general and hazardous waste produced in 2022 and regularly announce waste removal and transportation status.

Total tobacco ban in plant facilities

We are committed to providing employees with a healthy and clean work environment, and therefore impose a total ban on tobacco products and lighters everywhere within plant premises. Suppliers, visitors, logistics personnel, and contractors are all prohibited from smoking on plant premises.

4-4-5 Work Environment Monitoring

Lanner identifies and keeps track of changes in Occupational Safety and Health Act, Fire Services Act, Ionizing Radiation Protection Act, applicable environmental protection laws, and customer requirements on a quarterly basis, and in doing so ensures compliance with legal requirements. Through data gathering, identification, record keeping, maintenance, updates, and auditing, the Company is able to keep track of compliance with occupational safety and health issues, environmental laws, Fire Services Act, Ionizing Radiation Protection Act, other relevant regulations, and requirements of customers. Outcomes of such audits are taken into consideration when evaluating and planning for future risks and opportunities. Lanner evaluated a total of 86 regulations in 2022 and found 5 that had been amended; 4 of which were applicable to the Company and 1 which was not.

▼ Identification of relevant laws and regulations (unit: number of pieces)

Type of regulation	2020	2021	2022
Safety and health regulations	34	34	35
Environmental regulations	28	29	29
Fire safety regulations	3	3	3
Ionizing radiation laws	6	6	6
List of regulations and other requirements	14	14	13
Total	85	86	86

Operating environment monitoring

To provide employees with a healthy and safe workplace, Lanner not only performs regular monitoring of its work environment according to "Regulations on Implementation of Work Environment Monitoring," but also conducts thorough planning, sampling, testing, and analysis of the work environment. Through these actions, Lanner ensures that workers are exposed to tolerable levels of hazard, and protects them from hazardous substances in the workplace.

▼ Locations of environmental monitoring at Lanner Electronics in the last 3 years

Monitored	2020	2021	2022	Remarks
Acetone	1	1	2	From random inspection to regular inspection
Methanol	1	1	0	Steel plate cleaner has been discontinued
Methylcyclohexane	3	3	4	Increased usage due to factory expansion
Alcohol	7	7	0	CGB control will be adopted in the future, due to its low toxicity, and the sampling point for operating environment monitoring will be cancelled.
Isopropyl alcohol	10	10	8	The HI311 cleaning agent dosage is gradually reduced
2-Butoxyethanol	6	6	1	The HI311 cleaning agent dosage is gradually reduced
Total dust volume	1	1	1	-
Respirable dust	1	1	1	-
Noise	10	10	8	Since the air compressor in the laboratory has been replaced with a new one, the monitoring points for the operating environment in the area have been reduced.
Wet-bulb globe temperature	6	6	6	-
CO2	135	41	38	Evaluate the number of points every six months according to the current status
Luminance	135	75	77	Evaluate the number of points every six months according to the current status
Total	316	162	146	-

*Note 1: This chemical was no longer used after 2020.

*Note 2: After discussing with technicians in 2021, the Company considered it less meaningful to monitor CO2 and lighting, and therefore reduced the number of measuring locations subject to compliance with laws.

4-4-6 Emergency Response Measures and Drills

Lanner has a dedicated Safety and Health Office in place to respond to employee accidents response and reduce impacts from potential accidents. The office organizes fire safety drill and emergency response training at least once every six months, during which employees are taught about putting out fires, accident reporting, evacuation, and accident prevention. Through regular training on chemical leakage, employees are taught to exercise caution in every detail and to react to accidents in an orderly manner. At Lanner, we place safety as the first priority and strive to avoid hazard wherever possible. Fire evacuation drills were held on August 9, 10, 15, and 16, 2022. The number of employees was 642, and 620 trainees completed the training with a completion rate of 96.57%.

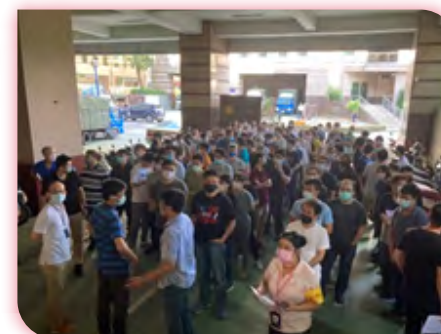
▼ Participation in the 2022 evacuation drill

Plant	Number of trainees	Number participated	Completion rate	Estimated arrival time	Actual time in 2022
Zhongxing Plant (before)	61	51	83.6%	3:00.00	2:31.78
Zhongxing Plant (after)	22	19	86.36%	2:00.00	1:59.65
Tatung Plant 9F (day)	103	100	97.08%	4:00.00	3:50.71
Tatung Plant 9F (night)	32	32	100%	4:00.00	3:37.21
Tatung Plant 4F & 5F	112	105	93.75%	2:30.00	2:09.99
Tatung Plant 8F	116	113	97.41%	4:00.00	4:27.96
Headquarters 5F & 6F	111	125	88.8%	2:30.00	3:37.16
Headquarters 7F & 8F	85	75	88.23%	4:30.00	4:56.58
Total	642	620	96.57%	-	-

▼ Comprehensive fire drill education and training



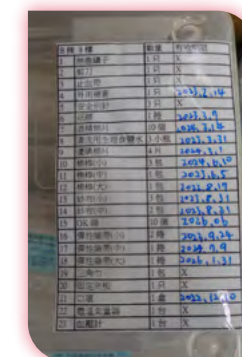
▼ Emergency evacuation drill



Allocation of first-aid personnel and supplies

The Company has assigned 15 first-aid officers, based on the size of its workplace, personnel distribution, hazard exposure and number of workers. All first-aid officers are re-trained once every 3 years, and adequate first-aid supply and equipment are kept on site. The Company also checks the adequacy and cleanliness of its medical supplies on a monthly basis. Contaminated and expired supplies are replaced and replenished regularly.

▼ First-aid kits have been deployed and are examined regularly to ensure functionality.



4-5 Pandemic Prevention Management

The spread of COVID-19 in 2020 has impacted economic and social activities worldwide. When the disease first spread in January 2020, Lanner responded immediately and mobilized employees to form specialized disease control teams and devise control measures to prevent the disease from spreading. The Company has also implemented disease controls and worked to raise employees' awareness during this time, as per government policy. Furthermore, regular disease control meetings were held to keep track of the execution of various control measures as well as their effectiveness.

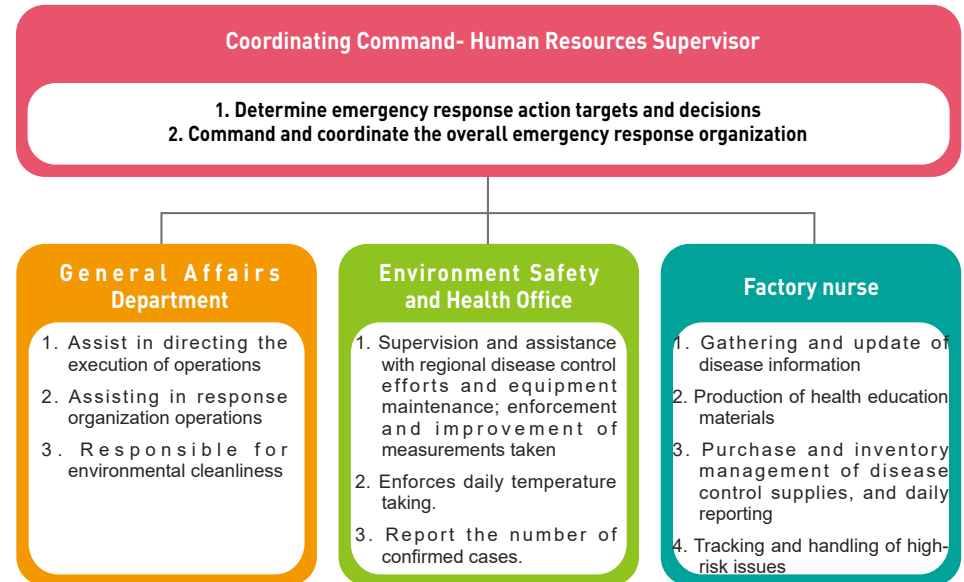
The global threat of COVID-19 persisted in 2021 and the risk of infection increased with new variants. Lanner Electronics has responded to the threat with a mindset to "out-last" the virus, and remained vigilant in terms of disease control actions and management practices, despite the low number of cases reported in Taiwan. A facial recognition system with automatic temperature measurement has been implemented, and any person that shows abnormal temperatures will be reported to the disease control team immediately. Meanwhile, the IT system is being upgraded to provide us with the capabilities needed to cope with the disease and reduce risks of infection.

Taiwan started to observe local COVID-19 cases in 2022. The Company used facial recognition systems to measure body temperature, effectively respond to staff infection, and track infectious health status. New cases are quickly documented and controlled, and contacts with infected persons can be tracked. Lanner Electronics has a sufficient amount of COVID-19 rapid testing kits for distribution to employees for screening to help prevent the expansion of the pandemic.

Assembly of dedicated disease control task force

1. A disease control team was assembled in January 2020 with a defined chain of command, functional teams, team members and responsibilities
2. A LINE group was created to facilitate real-time update, response, and adjustment of disease control measures for possible weaknesses.
3. Disease control team meetings are held regularly in accordance with changes in government policies to discuss response plans and implement response measures.

▼ Structure and responsibilities of Lanner Electronics' disease control team



Establishment of disease control policies

1. The team implements levels of disease control, devises responses and precautions according to the government's guidelines, and coordinates responses between departments.
2. Monitors development of the disease and prepares ahead of time to prevent spread.

Disease control management and monitoring

1. Measure body temperature; the system reports the body temperature measurement results and abnormal conditions (body temperature above 37.5 degrees) at 10:00 AM and 2:00 PM daily.
2. Report the government's epidemic investigation status, report the travel destinations of colleagues, and provide care and tracking of those with abnormal body temperature.
3. Implement regional access control management, branch factory diversion, prevent cross-regional flow, and reduce cross-infection risks.

- 4.Information, disinfection, meal segregation, meeting safety distance, and mask-wearing publicity.
- 5.Materials management to ensure sufficient inventory.
- 6.The department conducts stress tests and system upgrades to cope with possible working-from-home scenarios and manage home workers.
- 7.Strengthen dormitory management, and ensure that migrant workers in the same factory stay in the same dormitory, to prevent cross-regional infections. Understand the activity flows, and conduct monthly meetings to explain pandemic prevention information and strengthen pandemic prevention publicity.
- 8.Real-name registration of all visitors.
- 9.Integrate face recognition system, implement attendance management, measure body temperature, and reduce contact to prevent the spread of the epidemic.
10. Establish an epidemic prevention notification system allows us to accurately grasp and track the number of employee infections.
- 11.Obtain sufficient COVID-19 rapid testing kits to meet the needs of employees.

▼ A facial recognition and temperature measurement system is installed at entrances and exits



▼ The system reminds colleagues who have not taken body temperature measurements every day to measure their temperature and log in



▼ Online epidemic prevention notification system



Execution of disease control measures

- 1.Implement and publicize the government's various epidemic prevention measures. Implement government anti-epidemic measures at all times.
- 2.Questionnaire surveys to determine the source of diagnosed cases. Colleagues who have been to the same places as confirmed cases must take self-health monitoring measures.
- 3.Replace physical meetings with video or telephone conferences, and restrict the number of participants of indoor meetings to 30 people.
- 4.Conduct inspections and audits, and make improvements at epidemic prevention meetings.
- 5.Periodically disinfect the workplace and provide 75% alcohol and alcohol-based dry hand sanitizers.
- 6.Provide mask inventory and assist colleagues in obtaining masks at reasonable prices.
- 7.Equipment setting and updating: Automatic disinfection equipment is installed in the entire factory area and toilets, and body temperature is measured when clocking in.
- 8.Separate meal times, and partitions to separate dining tables, to maintain a safe social distance.
- 9.Provide monthly health education e-newsletters on topics such as health care, disease introduction, health promotion, health education issues, and epidemic prevention, to enhance the health knowledge of all colleagues.
- 10.Lanner Electronics cooperated with to Xizhi Health Bureau to organize the "Nearest Factory Vaccination Campaign." They arranged for the Company's employees who are older, pregnant women, and those with major or chronic diseases to receive public-funded influenza vaccines.
- 11.Obtain sufficient COVID-19 rapid tests to meet the needs of employees.

▼ Lanner Electronics' pandemic prevention performance in 2022

9 disease control announcements

7 disease awareness campaigns

617 people on quarantine leave

4-6 Social care



Education



Act of Decency



Localization



Culture

For more than 30 years, since inception, Lanner has grown consistently in revenues, profitability and asset size, and remains committed to giving back to society through community and charity service. The Company founded Lanner Culture and Education Foundation, a non-profit organization, in July 2017, later obtaining incorporation approval from New Taipei City Education Department. The foundation promotes "Education," "Culture," "Localization," and "Acts of Decency" in all of its programs, and enacts corporate social responsibilities in many ways including: care for the underprivileged, arts and culture education, environmental sustainability, and talent training.

Lanner Culture and Education Foundation not only helps charity organizations, but also works with persistence towards the social and environmental aspects of sustainability. Events such as aesthetics seminars and art exhibitions are held from time to time to raise employees' interest and knowledge of culture, arts, and aesthetics. Meanwhile, employees are encouraged to adopt environmentally friendly practices in all aspects of life, and contribute towards creating a healthy and sustainable home for themselves and future generations.



Elementary school basketball promotion

program for priority education districts in New Taipei City

Lanner Culture and Education Foundation has targeted students of elementary schools located in the priority districts of New Taipei City as the primary beneficiaries for its local charity efforts. Through collaboration with private charitable organizations, the foundation supports basketball promotion programs as a means to help students develop proper exercise habits as well as balanced qualities including "morality, intelligence, physique, teamwork and aesthetic sense."

Since 2017, the Foundation has supported the Mustang Junior Basketball Association and sponsored the "New Taipei City Elementary School Basketball Promotion Program for Priority

Education Districts," which organizes basketball summer camps, after-school training, and tournaments. Fifty four-hour per week after-school basketball training camps were held during 2021 across 12 elementary schools in New Taipei City. The "6th Lanner Mustang Cup Basketball League" attracted over 20 elementary schools from Taipei and New Taipei cities, and about a thousand elementary school students from the third to fifth grades participated in the competition. The goal is to help them develop strong body and mind and encourage a lifelong habit of exercise.



Infinite Love × Scientific Education Program



This project targeted grade 4 to grade 6 students in the Basketball Club of Wang Xi Elementary School, New Taipei City; a total of 36 students participated. By integrating smart communication, networking technologies, and drones, the Foundation designed an easy-to-adopt tuition model and engaged "STEM" to teach in it classroom.

We hope to inspire children to develop exploration, thinking, hands-on, and other abilities; to stimulate their interest in natural science and help them acquire problem-solving and logical reasoning skills. This semester's course focuses on "discovering problems" and "solving problems."

Promotion program for international education and UN SDGs in New Taipei City





Lanner engaged Hao Shi Social Enterprise to carry out a "Promotion Program for International Education and UN SDGs in New Taipei City," during which certified instructors were invited to teach students on SDGs and ways to resolve the society's problems in everyday life, using the board game "My Formosa" as a teaching material. This event started in 2020 and ended in 2022; approximately 600 teachers and students from 40 junior and senior high schools participated.



2022 Sailing Instructor Training Program



Taiwan is an island surrounded by ocean, and it makes sense for us to know our ocean in order to make better use of it. Through sailing courses, Lanner hopes to promote "affinity, care, and knowledge" of the ocean, which in turn develop respect for life and the natural environment.

This program was executed in collaboration with National Taitung University. The organizers designated Taitung Sailing School to design course structure, provide technical guidance, deliver local training, and execute courses. The program's short-term goal is to promote safety education in sailing, with the long-term goal of training competitive talents to compete in international events. Since 2020, the program has trained 12 students of National Taitung University to become instructors, who are then entrusted with the mission to pass on their knowledge and train the winners of the future.



Walk for Cats, a charity event



In November 2022, Lanner Electronics' Culture and Education Foundation co-hosted a health promotion charity event with the Culture and Education Foundation, Catpool, and Taipei Hotel Group. This took the form of a 21-day healthy walking exercise using the Walkii App, with the goal of reaching 7,000 steps daily to raise medical funds for stray animals. The participants could also take part in lucky draws. The event not only served a charitable purpose, but also encouraged employees to walk instead of taking public transport, thereby contributing to their health and environmental sustainability at the same time. A total of 176 colleagues participated in this activity, and 140 completed the 21-day walking requirement, raising around NT\$140,000 for halfway homes for stray cats.



Home for Wanderers Sustainable Living Series



From March to December 2022, Lanner Electronics' Culture and Education Foundation, Innodisk Foundation, Catpool, Wanhua Dashuigou Second-Hand House, and Taipei Volunteer Service Center jointly hosted the Home for Wanderers Sustainable Living event. Almost new second-hand wooden pallets were disassembled and turned into temporary homes for stray animals. Over a period of 10 months, more than 350 student volunteers, corporate volunteers, and members of the wider public took part in the project during weekends and holidays. Around 70 sets of cat houses were made and distributed to halfway houses for stray animals; the event was both meaningful life education and sustainable teaching experience.



Buy for Charity Wonderful Organic Sheltered Workshop



During Arbor Day, on March 12, 2022, around 80 employees and their families gathered in Longtan Township, Taoyuan City (Merryhouse Shelter Workshop and Ecological Park), to meet with students and plant 16 cherry trees together. The participants also subscribed to around 2000kg of organic vegetables grown by the students. The scheme uses a monthly delivery method and supports stable employment for people with disabilities. The shelter workshop grows organic vegetables naturally and with minimal impact on the environment. From weeding to seedling planting, everything is done by hand. Since people tend to stay at home during COVID-19, our colleagues were grateful to be able to purchase healthy organic vegetables and create a mutually beneficial situation.



Appendices

Appendix 1. GRI Standards Comparison Table

Statement of Use	GRI 1 Version	GRI Industrial Guideline Application
Lanner Electronics has published the 2022 Sustainability Report according to the GRI guidelines, and the scope of data and information is from January 1, 2022, to December 31, 2022	GRI 1: Basic 2021	None

General disclosure

GRI Guidelines	disclosures	Chapters or descriptions	Page	Omit descriptions or notes
G R I 2 : General disclosure 2021	2-1 Organizational Detail Information	About the sustainability report	3	
		1-1-1. Global Leader in Networking and Communication Hardware	9	
	2-2 Entities Included in Organizational Sustainability Reports	About the sustainability report	3	
	2-3 Coverage period, frequency, and contact person	About the sustainability report	3-4	
	2-4 Restatement of information	2-6-2 Supplier Sustainability Audit and Assessment	41	See notes in chapters for restatement details
		2-7 Customer Services	42	
		4-3-1 Enforce Labor Rights and Gender Equality	80	
	2-5 External assurance	About the sustainability report	4	
		Appendix VI. Verification Disclaimer	110	
	2-6 Activities, Value Chain, and Other Business Relationships	1-1-1. Global Leader in Networking and Communication Hardware	9	
		2-6 Supplier Sustainability Management	40	
	2-7 Employee	4-1-1. General Overview	69	
	2-8 Non-employee workers	4-1-1 Overall status: no workers in the organization are non-employees	69	
	2-9 Governance Structure and Composition	2-1-1 Governance Structure and Responsibilities	21-23	
		1-3. Executive Structure of the Corporate Sustainability Committee	16	

GRI Guidelines	disclosures	Chapters or descriptions	Page	Omit descriptions or notes
GRI 2 : General disclosure 2021	2-10 Nominating and selecting the highest governance body	2-1-2. Corporate Governance	23	
	2-11 Chair of the highest governance body	2-1-2. Corporate Governance	23	
	2-12 Highest governance body's role in overseeing impact management	1-3. Executive Structure of the Corporate Sustainability Committee	16	
		2-4-3. Environmental Strategy - Climate Governance Structure	32	
	2-13 Person in charge of impact management	2-4-3. Environmental Strategy - Climate Governance Structure	32	
	2-14 Highest governance body's role in sustainability reporting	2-4-3. Environmental Strategy - Climate Governance Structure	32	
	2-15 Conflicts of Interest	2-1-2. Corporate Governance	23	
	2-16 Communication of key major events	2-8. Identification of Corporate Sustainability Development Topics	46-53	
	2-17 Collective knowledge of the highest governance body	2-1-2. Corporate Governance	25	
	2-18 Performance evaluation of the highest governance body	2-1-2. Corporate Governance	24	
	2-19 Remuneration policies	2-1-2. Corporate Governance	26	
	2-20 Salary decision process	2-1-2. Corporate Governance	26	
	2-21 Total remuneration ratio	Please refer to 《2022 Annual Report》 table “Remunerations Paid to Directors, Supervisors, President, and Vice President during the Most Recent Year” http://www.lannerinc.com/investor/annual-reports	2022 Annual Report	
	2-22 Sustainable Development Strategy Declaration	Message from the Chairman	5-6	
	2-23 Policy commitment	2-3-1. Enforcement of Anti-corruption, Business Integrity, and Compliance	28	
	2-24 Incorporate policy commitment	2-3-1. Enforcement of Anti-corruption, Business Integrity, and Compliance	28	
	2-25 Procedures for remediating negative impacts	2-3-1. Enforcement of Anti-corruption, Business Integrity, and Compliance	28	
	2-26 Mechanisms for seeking advice and raising concerns	2-3-1. Enforcement of Anti-corruption, Business Integrity, and Compliance	28	
	2-27 Legal Compliance	2-3-2. Performance and Improvements	28	
	2-28 Membership of Associations	Message from the Chairman Enabling network security for sustainability	6,7	
	2-29 Stakeholder engagement and guidelines	2-8-1. Stakeholder Engagement	46-48	
	2-30 Group agreement	Not applicable, complies with the collective bargaining agreement according to the law, and does not belong to the group agreement		



Material topic

GRI Topic	Disclosures	Chapters or descriptions	Page	Omit Description
GRI 3: Material Topics for 2021	3-1 Process for Determining Material Topics	2-8-2. Material Topic Identification and Response	48	
	3-2 List of Material Topics	2-8-2. Material Topic Identification and Response	49	
	3-3 Material Topic Management	2-8-2. Material Topic Identification and Response	51-53	
Innovative Products (Selected main topics)				
GRI 3: Material Topics for 2021	3-3 Material Topic Management	2-8-2. Material Topic Identification and Response	51-53	
		1-2. In-depth Technology Cultivation	12-14	
		3-6. Green Product Development	64-67	
Cybersecurity				
GRI 3: Material Topics for 2021	3-3 Material Topic Management	2-8-2. Material Topic Identification and Response	51-53	
		2-5. Information Security	38-39	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints regarding breaches of customer privacy or losses of customer data	2-7 Customer Services No relevant complaints were received in 2022	43	
Corporate governance				
GRI 3: Material Topics for 2021	3-3 Material Topic Management	2-8-2. Material Topic Identification and Response	51-53	
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	2-2. Business performance	27	
	201-2 Financial impacts and other risks or opportunities arising from climate change	2-4-3. Environmental Strategy	33-34	
	201-3 Defined benefit obligations and other retirement plans	4-3-1 Enforce Labor Rights and Gender Equality	79	
	201-4 Financial assistance from the government	2-2. Business performance	27	
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Lanner fully complies with Article 16 of the "Labor Standards Act," which requires the Company to serve minimum notice before terminating an employment contract.	-	








GRI Topic	Disclosures	Chapters or descriptions	Page	Omit Description
GRI 405: Diversity and Equal Opportunities 2016	405-1 Diversity of governance bodies and employees	Governance unit: 2-1-2. Corporate Governance	23	
		Employees: 4-1-1. General Overview	70	
	405-2 Ratio of basic salary and remuneration of women to men	4-1-5. Effective Talent Retention	77	
Talent development, sourcing, and retention				
GRI 3: Material Topics for 2021	3-3 Material Topic Management	2-8-2. Material Topic Identification and Response	51-53	
GRI 401 Employment 2016	401-1 New employee hiring and turnover	4-1-1. General Overview	71	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4-1-5 Effective Talent Retention	77	
	401-3 Parental leave	4-3-1 4-3-1 Enforce Labor Rights and Gender Equality	80-81	
GRI 404: Education and Training 2016	404-1 Average hours of training per year per employee	4-1-3. Talent Cultivation	73	
	404-2 Programs for upgrading employee skills and transition assistance programs	4-1-3. Talent Cultivation	72	
	404-3 Percentage of employees receiving regular performance and career development reviews	4-1-4. Performance-driven Talent Recruitment	76	
Occupational safety and health				
GRI 3: Material Topics for 2021	3-3 Material Topic Management	2-8-2. Material Topic Identification and Response	51-53	
Occupation Health and Safety 2018	403-1 Occupational health and safety management system	4-4-1. Occupational Safety and Health Management Policy and System	83	
	403-2 Hazard Identification, Risk Assessment, and Incident Investigation	4-4-4. Promotion of a Healthy and Safe Workplace	86	
	403-3 Occupational health services	4-4-3. Promotion of occupational safety-related training	84-85	
	403-4 Worker participation, consultation, and communication on occupational health and safety	4-4-2. Occupational Safety and Health Committee	83-84	
	403-5 Occupational Safety and Health Worker-Related Training	4-4-3. Promotion of occupational safety-related training	84-85	



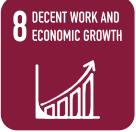



GRI Topic	Disclosures	Chapters or descriptions	Page	Omit Description
	403-6 Promotion of worker health	4-4-4. Promotion of a Healthy and Safe Workplace	86-88	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4-4-3. Promotion of occupational safety-related training	84-85	
	403-8 Workers covered by an occupational health and safety management system	4-4-1. Occupational Safety and Health Management Policy and Systems	83	
	403-9 Occupational injury	4-4-4. Promotion of a Healthy and Safe Workplace	88	
	403-10 Occupational diseases	No occupational diseases occurred	-	
Compliance				
GRI 3: Material Topics for 2021	3-3 Material Topic Management	2-8-2. Material Topic Identification and Response	51-53	
GRI 2: General disclosure 2021	2-27 Legal Compliance	2-3. Regulatory Compliance and Performance	28	
GRI 205 Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	The subject of anti-corruption risk assessment is all operating bases in Taiwan.	-	
	205-2 Communication and training about anti-corruption policies and procedures	2-3-3. Education and Training for Regulation Compliance	29	
	205-3 Confirmed incidents of corruption and actions taken	2-3-2. Performance and Improvements: No corruption incidents	28	
GRI 206 Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopolistic practices	2-3-2. Performance and Improvements: No major violations	28	
GRI 408 Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	4-3-1 Enforce Labor Rights and Gender Equality	79	
GRI 409 Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	4-3-1 Enforce Labor Rights and Gender Equality	79	
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	2-3-2. Performance and Improvements: No major violations	28	
GRI 417 Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	2-3-2. Performance and Improvements: No major violations	28	
	417-3 Incidents of non-compliance concerning marketing communications	2-3-2. Performance and Improvements: No major violations	28	









GRI Topic	Disclosures	Chapters or descriptions	Page	Omit Description
Climate change				
GRI 3: Material Topics for 2021	3-3 Material Topic Management	2-8-2. Material Topic Identification and Response	51-53	
GRI 302 Energy 2016	302-1 Energy consumption within the organization	3-3-1. Energy Consumption Reduction	59	
	302-3 Energy intensity	3-4-2. Greenhouse Gas Reduction Performance	61	
	302-4 Reduction of energy consumption	3-4-2. Greenhouse Gas Reduction Performance	61	
GRI 305 Emissions 2016	305-1 Direct (Category 1) Greenhouse Gas Emissions	3-4-1. Greenhouse Gas Inventory	61	
	305-2 Direct (Category 2) Greenhouse Gas Emissions	3-4-1. Greenhouse Gas Inventory	61	
	305-3 Direct (Category 3) Greenhouse Gas Emissions	3-4-1. Greenhouse Gas Inventory	61	
	305-4 Greenhouse Gas Emission Intensity	3-4-2. Greenhouse Gas Reduction Performance	61	
	305-5 Greenhouse Gas Emission Reduction	3-4-2. Greenhouse Gas Reduction Performance	61	
	305-6 Emissions of Ozone Depleting Substances (ODS)	No Emissions	-	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other air emissions	No emissions, no relevant processes	-	
GRI 306 Waste 2020	306-3 Waste generated	3-2. Waste Management	58-59	
GRI 308 Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	2-6-2 Supplier Sustainability Audit and Assessment	41	
	308-2 Negative environmental impacts in the supply chain and the actions taken	2-6-2 Supplier Sustainability Audit and Assessment	41	
Non-discrimination				
GRI 3: Material Topics for 2021	3-3 Material Topic Management	2-8-2. Material Topic Identification and Response	51-53	
GRI 406 Anti-discrimination 2016	406-1 Discrimination incidents and improvement action taken by the organization	No discrimination incidents	-	
Social Engagement (Customized Major Topics)				
GRI 3: Material Topics for 2021	3-3 Material Topic Management	2-8-2. Material Topic Identification and Response	51-53	
		4-6 Social care	93-95	

Appendix 2. SDG Indicator Index

SDG Indicators		Lanner's practices
SDGs 1 No poverty		<ol style="list-style-type: none"> 1.Blind massage specialists are invited to provide services at the Company in support of equal employment opportunities for the underprivileged 2.Lanner Culture and Education Foundation organizes charity sales and donates to local organizations for the underprivileged 3.Lanner Culture and Education Foundation donates money, receipts, used clothes/footwear, and more, to the underprivileged 4.Lanner Electronics' Culture and Education Foundation organizes various activities for the underprivileged, such as CNY visits, delivery of CNY meals to lonely older people, etc.
SDGs 2 Zero hunger		<ol style="list-style-type: none"> 1. Lanner organizes farming experience events to promote food appreciation and encourage eco-farming as a contribution to the environment. 2..Lanner participates in the Acre of Land Program by purchasing agricultural products that have been farmed using natural, organic, and non-toxic methods
SDGs 3 Good health and well-being		<ol style="list-style-type: none"> 1.The Company organizes annual employee health checkups, arranges medical consultations by on-site physicians, and hosts health seminars and safety promotion events from time to time 2..Employees are encouraged and subsidized to form clubs and engage in club activities as a way to achieve work-life balance 3..A disease control team has been assembled, and disease control measures and awareness campaigns have been implemented, in response to the COVID-19 pandemic 4.Health promotion activities such as weight loss challenges, fitness courses, basketball tournaments, hiking, etc., are organized 5.An employee assistance program has been introduced to address employees' needs and provide care 6..Persons with visual impairments are invited to provide massage services in the company's lounge on a regular basis, helping employees relieve stress from work
SDGs 4 Quality education		<ol style="list-style-type: none"> 1.Lanner supports talent development on campus and works with National Taiwan University and National Yang Ming Chiao Tung University in various industry-academia collaboration projects 2.Lanner offers a wide range of systematic training courses such as orientation, general knowledge, specialized skills, managerial skills, etc. Through a collaboration with "Mustang Junior Basketball Association," the Company promotes basketball education for elementary schools located in New Taipei City 3.Through a collaboration with "Mandarin Daily News," the Company executes an experimental newspaper reading program for 9 classes from 4 junior high schools located in New Taipei City, thereby helping students develop data sorting and rational thinking capabilities 4.Lanner sponsors Hao Shi Social Enterprise's efforts to educate students on SDGs, for which it received a certificate of appreciation from the New Taipei City Education Department
SDGs 5 Gender equality		<ol style="list-style-type: none"> 1.Lanner strives to provide equal pay and equal opportunities for employees engaged in the same line of work 2..A "Maternity Health Protection Program" has been implemented, and nursery facilities and birth incentives are also provided 3.The Company prohibits harassment in the workplace and provides ways to raise complaints and report misconduct

SDG Indicators		Lanner's practices
SDGs 6 Clean water and sanitation		<ol style="list-style-type: none"> 1. Drinking fountains are cleaned and water quality tested regularly, according to SOP 2. Each department is required to clean up its work environment before the end of Friday 3. Office is waxed regularly, and toilets are cleaned and sanitized daily
SDGs 7 Affordable and clean energy		<ol style="list-style-type: none"> 1. Lanner implements AI in its factories so that products can be made in more energy-efficient ways 2. The Company enforces energy-saving measures such as the use of energy-efficient chillers and backups in B4, turning off lights during lunch break, and unplugging computers after work 3. Replacement of LED-based energy-efficient lighting equipment
SDGs 8 Decent work and economic growth		<ol style="list-style-type: none"> 1. Create a safe, equal, diverse, and competitive work environment 2. Offer market-leading variable salaries 3. Offer referral bonuses and organize recruitment events to source top talents 4. Offer opportunities for re-employment 5. Hire persons with disabilities and support the employment of the underprivileged
SDGs 9 Industry, innovation and infrastructure		<ol style="list-style-type: none"> 1. Lanner engages NTU and NYCU in an industry-academia collaboration to aid the adoption of international telecommunication standards and the latest technologies and applications. 2. Lanner hosts product strategy meetings and innovation competitions to support fresh ideas. It held a total of 14 currently-valid national patents in 2022 3. Additional resources are being committed to research on enhancing 5G, Wi-Fi 6, POE, etc. Furthermore, the Company has attained certification for ISO 26262 - Automotive Functional Safety in 2021, which provides Lanner with an entry into the factory-installed product market for self-driving vehicles, and prepares it for the future development of edge computing systems 4. Introduce Industry 4.0 and plan for AI factories 5. Enforce enhanced personal data management; protect customers' information and transaction data
SDGs 10 Reduced inequalities		<ol style="list-style-type: none"> 1. Lanner participates in New Taipei City Employment Service Office's recruitment program to provide job opportunities for people with disabilities 2. Lanner protects foreign workers' interests according to RBA guidelines and ensures that all foreign workers are entitled to the same benefits as local workers 3. Lanner respects foreign workers' religious activities, maintains good communications with them and offers grievance channels, as well as providing decent dormitories 4. Lanner enforces a zero commission policy for foreign workers; expenses such as passport renewal and health checkups that foreign workers incur on their entry into Taiwan are entirely covered by the Company
SDGs 11 Sustainable cities and communities		<ol style="list-style-type: none"> 1. Training is implemented regularly to strengthen the Company's defense against disasters and minimize direct economic losses 2. Donations are made to help cities and remote locations recover from disaster

SDG Indicators		Lanner's practices
SDGs 12 Responsible consumption and production		<ol style="list-style-type: none"> 1.Lanner operates a green supply chain and requires all suppliers to sign “RoHS Declaration of Conformity” 2.Lanner promotes green products while ensuring that all products comply with RoHS, REACH, and WEEE directives and the 3R principles 3.Lanner enforces waste reduction and clean production on an ongoing basis 4.Waste is primarily recycled and reused as a priority; suppliers' packaging materials are also recycled/reused
SDGs 13 Climate action		<ol style="list-style-type: none"> 1.A factory energy monitoring system has been implemented to lessen environmental impact, provide early alerts, keep track of energy usage, and improve energy efficiency 2.The green factory initiative is implemented as a way to increase energy/resource efficiency for the Company and its customers, which in turn mitigates climate change 3.GHG reduction plan is being implemented on a long-term basis, and employees are encouraged to adopt energy/carbon reduction actions as part of daily life
SDGs 14 Life below water		Lanner monitors water usage on a yearly basis using the water consumption data gathered, and takes steps to prevent excess water usage
SDGs 15 Life on land		<ol style="list-style-type: none"> 1.Lanner supports sustainable forest management by using FSC (Forest Stewardship Council) certified paper for photocopying 2.Lanner reduces paper use and has adopted digitalization for certain production-related data 3.Employees are encouraged to participate in mountain cleanups, and take part in seminars on the preservation of the land environment
SDGs 16 Peace, justice and strong institutions		<ol style="list-style-type: none"> 1.Recruits are required to sign integrity and anti-corruption commitments 2.Existing employees receive annual training on ethical behaviors and the integrity commitment 3.Suppliers are instructed and reminded to sign, commit to, and comply with integrity and anti-corruption rules 4.A grievance and whistleblower system has been implemented 5.All forms of discrimination are eliminated according to RBA principles
SDGs 17 Partnerships for the goals		<ol style="list-style-type: none"> 1.The Company enforces supplier sustainability management and supervises issues such as supply chain risk, conflict minerals, local procurement, and business continuity 2.Lanner joined the U.S. RCI (Rural Cloud Initiative) to provide white box solutions for 5G/LTE networking and computing for smart agriculture applications 3.Lanner complies with RBA requirements and has implemented "Conflict Minerals Management Procedures" that require suppliers to refrain from purchasing and using conflict minerals 4.A European branch has been established in the Netherlands to provide faster and better service to local customers and to facilitate the design of network computing and telecommunication platforms that take into account the needs of the local market

Appendix 3. SASB Standard Comparison Chart

No.	Indicator description and response	Chapter	Page
TC-ES-140a.1	<p>Indicator description: Total water withdrawn, total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress.</p> <p>The Company is situated in Xizhi District, New Taipei City. Domestic water consumption makes up the majority of water usage, and the Company sources water primarily from the fresh water supply and produces wastewater only from general activities, therefore its operations have no material impact on the natural environment. Lanner used 13,758 cubic meters of water in 2022, which averaged 18.45 cubic meters per person.</p>	3-3-2. Water Resource Consumption Statistics	60
TC-ES-150a.1	<p>Indicator description: Amount of hazardous waste from manufacturing, percentage recycled</p> <p>Lanner generated 4.6 tons of waste in 2022, mostly in the form of "E -2221 Scrapped metal containing PCBs and their scrapped powder." All of them were handed over to certified waste management providers for recycling, reuse, incineration, or solidified landfill.</p>	3-2. Waste Management	59
TC-ES-310a.1	<p>Indicator description: Number of work stoppages and total days idle</p> <p>No information is available as the Company did not encounter any work stoppages or strikes in 2022.</p>	--	--
TC-ES-320a.1	<p>Indicator Description: Total Accident Rate, False Alarm Rate</p> <p>In 2022, the Company's disability injury frequency (FR) was 7.17, with 7 false alarm accidents. No occupational illness or occupational hazard-induced death was reported.</p>	4-4-4. Promote a Healthy and Safe Workplace	88
TC-ES-320a.2 TC-ES-320a.3	<p>Indicator description: Percentage of entity' s facilities and high-risk facilities audited in the RBA Validated Audit Process (VAP) or equivalent; non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent and associated corrective action rate for priority non-conformances and other non-conformances</p> <p>In 2022, Lanner Electronics conducted internal audits on two production bases according to RBA VAP V7.1.1, found no high-risk facilities or priority non-conformance, and concluded that all improvement procedures had been completed.</p>		

No.	Indicator description and response				Chapter	Page
TC-ES-320a.2 TC-ES-320a.3	TC-ES-320a.2	Description	TC-ES-320a.3	Description	--	--
	1-a: 0%	1-a: Percentage of facilities audited	i-1-a: 0%	i-1-a: Percentage of priority non-conformances in Lanner		
	1-b: No high-risk facilities	1-b: Percentage of high-risk facilities audited	i-1-b: 0%	i-1-b: Percentage of other non-conformances in Lanner		
	2-a: 12%	2-a: Percentage of Tier 1 supplier facilities audited	i-2-a: N/A - no priority non-conformance	i-2-a: Percentage of priority non-conformances improved upon by Lanner		
	2-b: N/A- No high-risk facilities	2-b: Percentage of Tier 1 high-risk supplier facilities audited	i-2-b: 0%	i-2-b: Percentage of other non-conformances improved upon by Lanner		
			ii-1-a: 0%	ii-1-a: Percentage of Tier 1 priority non-conformances		
			ii-1-b: 9%	ii-1-b: Percentage of Tier 1 other non-conformances		
			ii-2-a: N/A - no priority non-conformance	ii-2-a: Percentage of Tier 1 priority non-conformances improved upon		
			ii-2-b: 100%	ii-2-b: Percentage of Tier 1 other non-conformances improved upon		
TC-ES-410a.1	<p>Indicator description: Weight of end-of-life products and e-waste recovered, percentage recycled</p> <p>The Company reported general industrial waste of 72.918 tons and hazardous industrial waste of 4.6 tons in 2022. No severe leakage or violation of environmental protection laws occurred in the period reported.</p>				3-2. Waste Management	58
TC-ES-440a.1	<p>Indicator description: Description of the management of risks associated with the use of critical materials</p> <p>The Company has implemented its own Supplier Management Policy. Suppliers are assigned one of four grades (A/B/C/D) based on the outcome of supplier evaluation; suppliers that fail the evaluation are required to make improvements within a given time or banned from further dealing.</p>				2-6 Supplier Sustainability Management	40

Activity Indicators

No.	Disclosures	Chapter	Page
TC-ES-000.A	Factory count	About the sustainability report	Other operating locations
TC-ES-000.B	Factory area	Disclosure was omitted, and there were no statistics	
TC-ES-000.C	Number of employees	4-1-1. General Overview	Employee composition

Appendix IV. TCFD Comparison Table

Dimension	Disclosures	Chapter	Number of Pages
Governance	Supervision status for the board of directors on climate-related risks and opportunities	2-4-3. Environmental Strategy	32
	The management's role in assessing and managing climate-related risks and opportunities	2-4-3. Environmental Strategy	32
Strategy	Short-, medium-, and long-term climate-related risks and opportunities identified by the organization	2-4-3. Environmental Strategy	33-34
	The impact of climate-related risks and opportunities on the organization's business, strategic, and financial planning	2-4-3. Environmental Strategy	33-34
	Organizational resilience strategies according to different climate change scenarios	2-4-3. Environmental Strategy	33-34
Risk management	Organizational processes for identifying and assessing climate-related risks	2-4-3. Environmental Strategy	33-34
	Organizational processes for managing climate-related risks	2-4-3. Environmental Strategy	33-34
	How did the organization integrate climate risk-related identification, assessment, and management into its overall risk management	2-4-3. Environmental Strategy	33-34
Indicators and targets	Metrics used by organizations to assess climate-related risks and opportunities according to its risk management strategies and processes	2-4-3. Environmental Strategy	35
	Disclosure of Category 1, 2, and 3 emissions and related risks	3-4-1. Greenhouse Gas Inventory	61
	The organization's goals for managing climate-related risks and opportunities, and the performance of related goals	2-4-3. Environmental Strategy	35-37

Appendix 5. Third Party Assurance Statement

Lanner has obtained independent third-party assurance and passed certification for ISO 9001, ISO 27001, ISO 14001, ISO 45001, TL9000, ISO 28000, IECQ QC080000, ISO 14064-1, and AEO (Authorized Economic Operator, Republic of China Customs Administration). Together, they represent the Company's compliance with international standards regarding quality, environmental protection, occupational safety, supply chain safety, and cybersecurity, and its commitment to adopting the highest level international management standards.

▼ Timeline of assurances obtained by Lanner

ISO 9001 Quality Management System
ISO 9001:2015 : update completed in October 2022.

TL 9000 Communication Quality Management System
TL9000 R6.3/R5.7 : update completed in October 2022.

ISO 14001 Environmental Management System
ISO 14001:2015 : update completed in February 2023.

QC 080000 HSPM Hazardous Substance Process Management System
QC 080000:2017 : update completed in May 2022.

ISO 45001 Occupational Health and Safety Management System
ISO 45001:2018 : update completed in February 2023.



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The image features the word "Lanner" in a white, bold, sans-serif font, centered horizontally. The background is a dark green gradient with a subtle pattern of white dots arranged in concentric, curved lines that create a sense of depth and movement. The dots are more densely packed in some areas, particularly towards the top and bottom edges, and fade out towards the center where the text is located.

Lanner