ENNOCONN™
Steering the Industrial Metaverse

Ennoconn Corporation

ESG Sustainability Report

2021

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0.1 Joint Statement of the Chairman and President

Chairman :
Steve Chu

President :
Nelson Tsay

Corporate sustainable development encompasses the dimensions of sound corporate governance, equal emphasis on balanced stakeholder interests and environmental protection, and giving back to society. Ennoconn has been deeply devoted to efforts in the field of corporate social responsibility since its inception in 1999 with the ultimate goal of building a sustainable enterprise. Through the release of the 2021 Corporate Sustainable Responsibility Report, we strive to give stakeholders who are interested in the evolution of our enterprise a clear understanding of our progress and achievements in the field of sustainability.

Corporate governance dimension

Looking back on 2021, worldwide quarantine measures associated with the pandemic coupled with the impact of geopolitics and related risks have accelerated global trends of supply chain relocation and restructuring and disintegration of cross-regional supply chains into shorter regional chains in addition to accentuating the importance of local market demands. Based on these observations, we prioritize resource integration and expansion of local manufacturing services in customer regions. Moreover, we place equal emphasis on the development of high-value, high-profit products and solutions with a high growth potential to realize enhancements in the fields of quantity and quality. Concrete achievements can be described as follows:

- In the quantity dimension, Ennoconn's smart lottery and gaming machines and ATM, POS, and self-checkout systems have earned the Company package contracts for product design and manufacturing, establishment of cross- continental and cross-regional plants, and exclusive one-stop product and manufacturing services tailored to the individual needs of major clients all over the world.

- In the quality dimension, we have adjusted our business organization, merged our subsidiaries into the corporation, and added intelligent and edge IoT units in line with industry trends and market demands. Smart IoT encompasses machine vision (application areas include in-plant automatic inspection systems and the robotics industry) and office vision (applicable in smart videoconferencing and projection systems), while Edge IoT is comprised of mobile edge (applicable in mobile devices used in the fields of logistics, warehousing, and health care) and edge linking (applicable in plant, building, and environmental control equipment networks). All these application areas are high-profit emerging niche industries with a high market growth potential.

- As for our efforts in the field of innovation, we have added the IPC 3.0 (Innovation Platform Convergence) to foster cloud-local integrated development and facilitate standardization and modularization of AIoT integrated hardware services. We have adopted an open cloud platform and focus on smart factory and city-related application areas including the following three innovative technology-based integrated service dimensions: on-premises hard- and software systems, cloud-local integrated services, and cloud-based ESG services.

> Total revenues in 2021 reached NT$ 96,556,646,000, which represents an increase of 14.8% YoY (total revenues in 2020 amounted to NT$ 84,091,485,000)

Environmental

The worsening impact of climate change has ushered in an age characterized by transition to a low-carbon economy. In addition to placing strong emphasis on energy conservation and carbon reduction initiatives, we persist in our efforts to provide different industries with smart solutions to ensure optimal efficiency coupled with eco-friendly and low-carbon emitting smart manufacturing and service provision processes. We have accomplished the following in the field of environmental protection:

- Fostering environmental awareness among employees and all-out efforts in the field of energy conservation and carbon reduction measures
- Promotion of energy conservation and carbon reduction in the supply chain
- Implementation of green design concepts
- Net-zero emission technology services

Social inclusion

Our employees are our greatest asset. We have therefore made an ongoing commitment to creating a harmonious and stable workplace environment. We rely on different types of training to cultivate talent with a global outlook to bring the company in sync with international trends. In the field of employee health care, we offer regular health checks and organize health and safety-related lectures and workshops to demonstrate our commitment to safeguarding the physical health. In addition, we have set up additional communication channels such as physical and internal website mailboxes and organize regular labor-management meetings to gain a clear understanding of employee needs and expectations as a reference for improvements adopted by the whole organization and individual units. The goal is to enable employees to unleash their talents at the workplace in a worry-free manner.

"Giving back to society in a spirit of gratitude" represents our core belief in the field of social care. We prioritize assistance for underprivileged groups to create an invisible stabilizing force in our society. Furthermore, we organize a series of social welfare activities to demonstrate our dedication to ongoing enhancements in the dimensions of environment, health & safety, and society. We further encourage our employees, friends, and relatives to make valid contributions to society through concrete action.

In 2021, we developed videoconferencing applications that greatly facilitate remote communication and conveyance of information in the age of COVID-19 by relying on 4K-resolution panoramic stitching and AI identification technologies and a perfect synthesis of chips supplied by the video chip plant and MediaTek. We further harness virtual meeting software and cloud technologies for the joint development of software products. Looking ahead, we have made the following pledges to realize our vision of creating a convenient world:

- Ongoing provision of sustainable services in the fields of smart city, smart manufacturing and retail, smart finance, media & entertainment, cyber security, health care, smart home/office, smart transportation, and smart logistics as well as design & manufacturing, system integration, brand marketing, and cloud-local integration operations.

- Ongoing investment of resources into new industries such as machine vision, mobile edge, edge linking, niche telecommunications, EV charging stations, electric and self-driving vehicles; deep commitment to technology development, market expansion, and transformation of the company into a provider of all-in-one, intelligent solutions.

- Establishment of a globalized service network and enhancement of customer satisfaction and loyalty through integrated, value-added service systems in the areas of advanced supply chain management (SCM), product lifecycle management (PLM), and design for manufacturing (DFM)

- Taking on the role of a sustainable environment-related knowledge builder, integrator, and provider in different industry chains to foster corporate sustainable development and environmental sustainability.

- Ennoconn's net-zero carbon action strategy includes assistance to enterprises in the implementation of the following GHG management operations: 1. carbon inventories 2. carbon footprint verification 3. carbon disclosure 4. energy generation, storage, and conservation 5. implementation of carbon emission reductions; provision of technology-based ESG services and creation of an all-inclusive net-zero AI technology and green energy ecosystem by relying on a cloud-local integration and real-time information-based intelligent monitoring and management platform to facilitate achievement of the goal of a 30-50% reduction of carbon emissions by 2030.

While forging ahead on the path toward sustainable development, we embrace a corporate sustainability-based business philosophy which rests on the three pillars of cherishing global resources, fulfillment of corporate social responsibility, and ongoing improvements. We strive to give all our stakeholders a better understanding of our priorities and efforts in this field through the release of this report and thereby gain their approval. We welcome feedback and suggestions from our valued stakeholders and are deeply grateful for your continued support.

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0.2 About this Report

0.2.1 Report Preparation Principles

The contents of this Report have been determined based on identified issues of concern to stakeholders coupled with an analysis of relevant material topics during the reporting period. It has been prepared based on the Core Options set out in the GRI Standards 2016 issued by the Global Reporting Initiative (GRI). For more details, please refer to the GRI content index in the appendix to this Report.

0.2.2 Reporting Period and Scope of Disclosure

This is the first Corporate Sustainability Report released by Ennoconn Corporation. The report covers the period from January 1 to December 31, 2021. Information pertaining to financial and economic performance disclosed in this Report has been compiled in accordance with the International Financial Reporting Standards (IFRS). The scope of disclosure in this dimension includes all portfolio companies of Ennoconn as indicated in the consolidated financial statement. Disclosed information pertaining to performance indicators in the environmental and social dimensions is mostly confined to the Ennoconn HQ.

Description of report publication frequency

Publication frequency: Annually

Publication of this issue: September 2022

Planned publication of the next issue: June 2023

In line with eco-friendly, paperless practices and in fulfillment of the Company's responsibility as a corporate citizen, an electronic file of the complete report in traditional Chinese will be made available on the corporate website (https://www.ennoconn.com/zh-tw/ennoconn-corporate-social-responsibility-esr/)for viewing and download by interested parties

Report Quality Assurance

The information and data disclosed in this Report has been compiled and organized by members of each department and submitted to the Corporate Sustainability Committee for confirmation. After completion of improvements and verification of data integrity, the report will be released subject to approval by the Chairman. Financial data disclosed in this Report has been derived from the annual report which has been audited and attested by a CPA and is given in NT dollars as the basic calculation unit. The report itself has been verified by SGS Taiwan Ltd., the third-party, independent certification body pursuant to the requirements of the AA1000 v3 Type I (Moderate) Assurance Standards. The issued assurance statement is attached to this report for reference purposes.

Contact method

For correction of omissions and errors or updates of the report contents, please refer to the electronic version posted on the corporate website. Don't hesitate to contact us via the methods listed below if you have any comments, suggestions, or questions regarding the contents of this Report.

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0.3 Sustainability Milestones

The diversified, multidimensional sustainable operations framework has been deployed in over 60 countries worldwide. The number of system providers and clients in different industries exceeds 5,000 and 250,000, respectively.
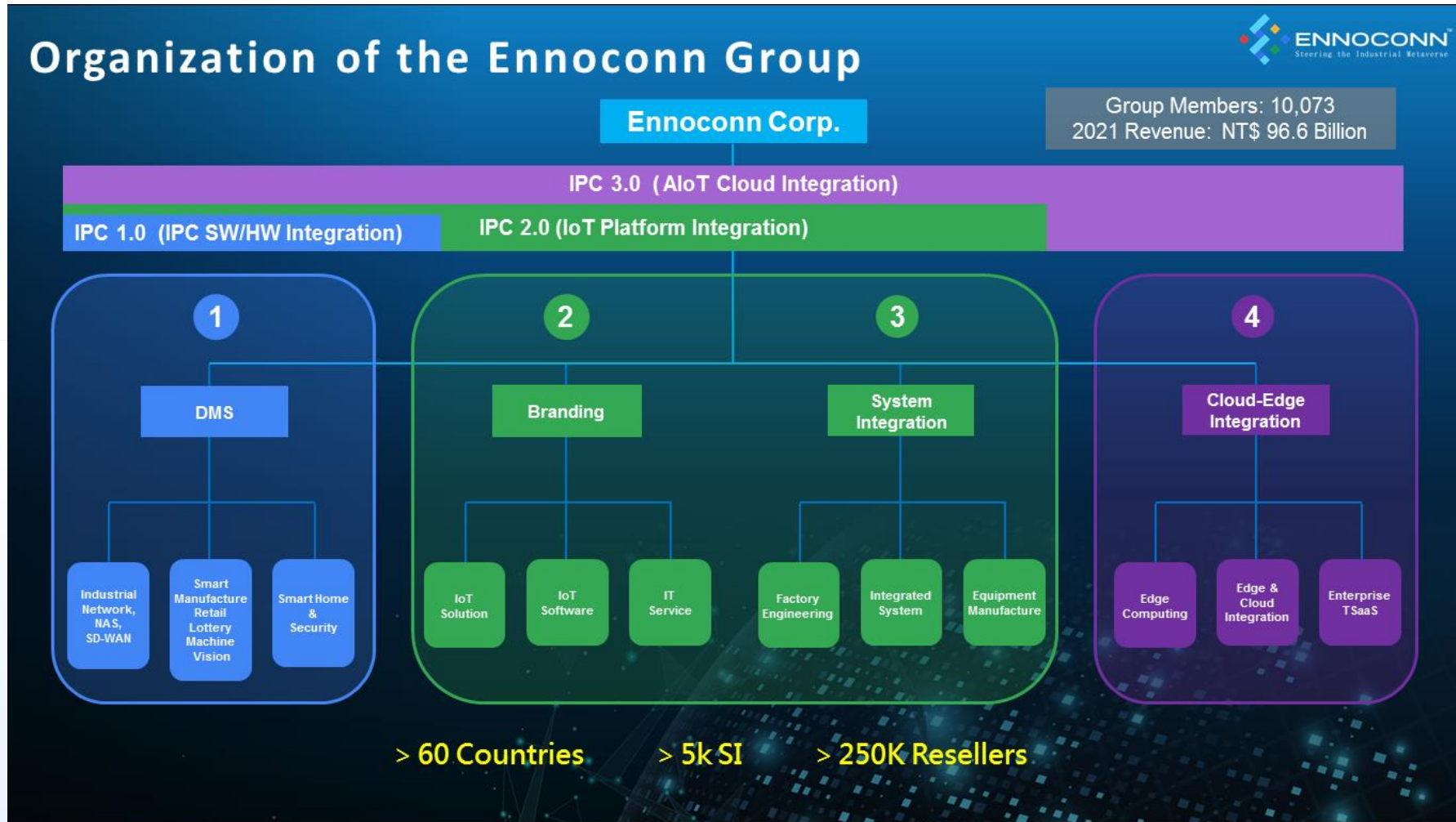
0.3 Sustainability Milestones
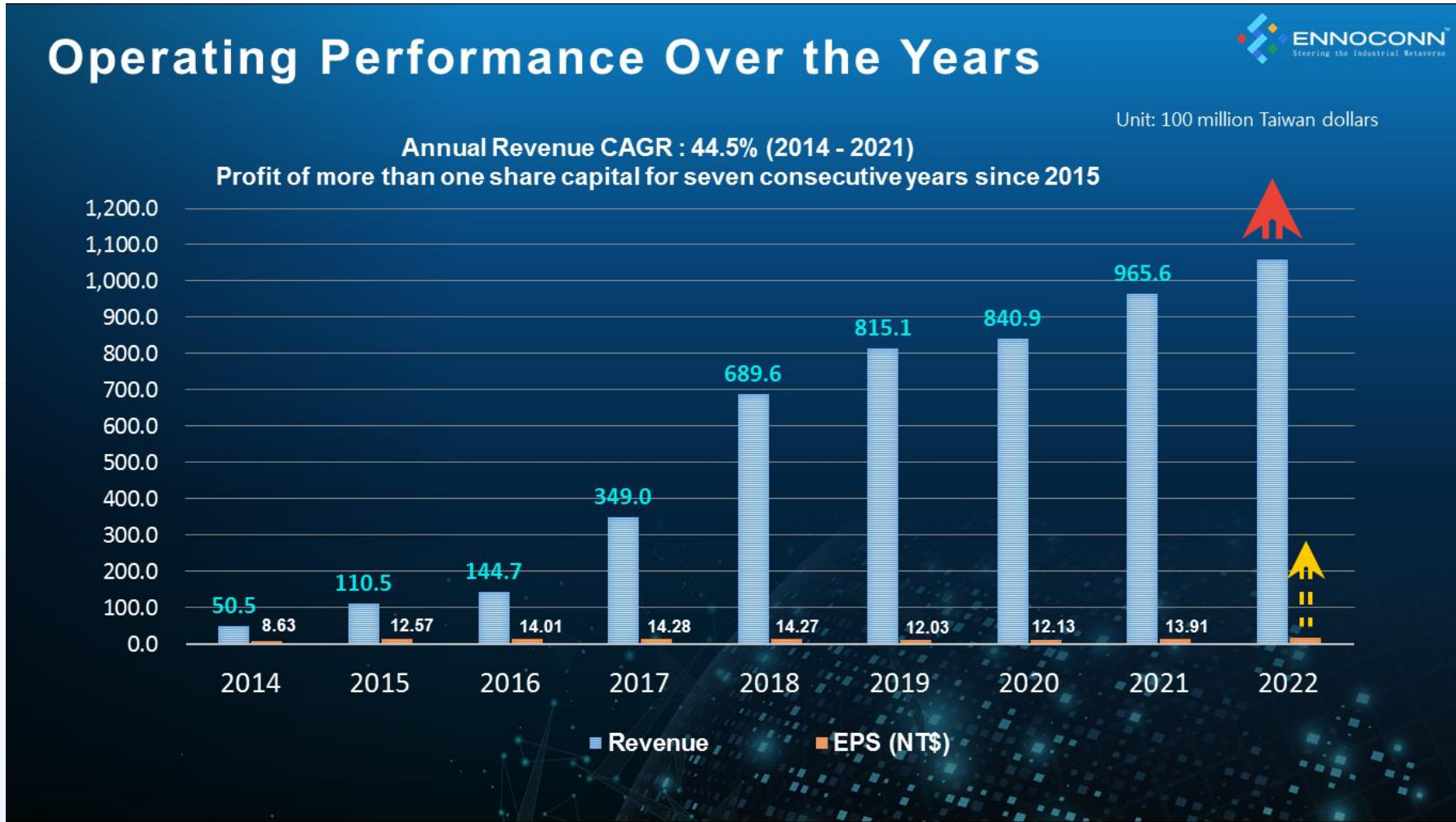
Note: Revenues and EPS in the chart above are given in 100 million NT dollars and NT dollars, respectively

0.3 Sustainability Milestones

Market leadership position – Ennoconn's 10 major sustainable products

1.0 About Ennoconn

1.1 Accountable Governance

1.2 ESG Sustainable Development Strategy

1.3 Sustainable Risk Management

1.0 About Ennoconn

Company Overview

Company Name	Ennoconn Corporation	
Primary products and services		
Smart industrial control	Smart transportation	Edge computing systems
Smart retail	Smart health care	Original Equipment Manufacturer (OEM)
Smart gaming	Intelligent grid	Original Design Manufacturer (ODM)
Smart IoT	Industrial cyber security	Joint Design Manufacturer (JDM)
Edge IoT	Machine vision	Global supply chain services
Smart Home	Industrial computers	Cloud-ground integration services
Smart city	Embedded computers	Net-zero emission technology services

Date of inception	July 12, 1999
Chairman	Steve Chu
GM	Nelson Tsay
Paid-in capital	NT$ 1.067 billion
Stock code	6414
Total capital	NT$ 2.5 billion
Total workforce	175 (as of December 31, 2021)
Corporate HQ	3-6F, No.10, Jiankang Rd., Zhonghe Dist., New Taipei City
HQ Contact method	+886-2-5590-8050

Note : No major changes to the organizational structure, share capital, and supply chain occurred in 2021

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Company evolution

1999
- Business registration in July

2004
- February - Successful development of the first industrial-grade motherboard (IP-4PCI20E)

2006
- October - Completion of the first cash capital increase of NT$ 98 million and securing of an investment by Portwell, Inc.

2007
- February - Completion of a cash capital increase of NT$ 2 billion and securing of an investment by Hon Hai Precision Industry Co., Ltd.
- October - Acquisition of an order for OEM motherboards for POS applications placed by A Group, a major international manufacturer

2008
- January- Successful development of a POS PC system in cooperation with Digipos, a major European POS solution provider
- March - Passing of the ISO 9001 certification audit
- October - Successful autonomous development of an All-in-One POS System (TESS) and joint development of a high-end NAS (network attached storage) system in collaboration with Netgear, a major US computer networking company
- November - Successful development of a Touch Monitor for POS systems in cooperation with Digipos
- December - Successful development of a Panel PC system in cooperation with Digipos and a low-voltage, standalone, embedded gaming console control card in cooperation with the Japanese client OEC

2009
- January - Acquisition of an order for an ATM control system placed by A Group
- November - Successful development of a photo kiosk for enhancement of design experiences associated with display-related equipment

2010
- September - Successful development of a low-end NAS system in cooperation with Netgear and launch of a fanless, small-scale, energy-efficient POS PC with easy maintenance characteristics

2011
- April - Adoption of surface capacitive touch monitor, aluminum die cast, All-In-One POS by Digipos, the major European POS solution provider
- July - Cooperation with Company B, a large provider of POS solutions in Japan, in the first ODM system project
- December - Development of the new-generation, Intel HM65 PCH-equipped motherboard for OEC, a cooperation partner of KONAMI, a market leader in the video gaming industry

2012
- March - Acquisition of a 100% equity stake in INNOVATIVE SYSTEMS INTEGRATION LIMITED and indirect whole ownership of this subsidiary's portfolio company NANJING ASIATEK INC. to expand Ennoconn's vehicle-mounted system business
- June - Cooperation with Company B, the world-leading provider of POS solutions, in an ODM motherboard project
- August – Acquisition of an order for the self-manufactured All-in-One POS after successful negotiations with Wincor Nixdorf, the leading European provider of POS solutions
- November – Public share issue approved by the Financial Supervisory Commission
- December – Listing as an Emerging Stock on the Taipei Exchange

2014
- March – Public listing and trading of shares approved by Taiwan Stock Exchange Corporation
- October – Acquisition of a 55.4% equity stake in Goldtek Technology Co., Ltd., a professional manufacturer of industry-grade handheld devices, through investments by the subsidiary Ennoconn International Investment Co., Ltd.
- December – Acquisition of a 38.7% equity stake in Caswell Inc., a cyber security equipment provider, through public tender offer, share swap, and investments by the subsidiary Ennoconn International Investment Co., Ltd. to ensure rapid expansion into new product areas

2015
- March – Public listing and trading of shares approved by Taiwan Stock Exchange July – Establishment of Ennomech Precision Co., Ltd. for the production of industrial computer mechanical parts, creation of manufacturing capabilities in the fields of stamping, spray painting, radium carving, sizing, and polishing, and provision of professional services for mechanical products of the Company's clients
- October - Establishment of Huangrui Technology to gain a foothold in the field of global after-sale services in the POS industry and proactively respond to the Bank 3.0 development trend (at the end of 2015, Ennoconn invested in Ennowsye Corporation and ventured into the emerging field of bank payment technologies)

Company evolution

2016

- January - Transnational cooperation with Kontron, the leading German industrial computer brand, through investment of US$ 57.3 million by the portfolio subsidiary for the acquisition of a 49% equity stake in Kontron Canada Inc., a Kontron subsidiary engaged in the communications industry – In addition to strengthening the competitive edge derived from integration and extension in the field of communication products, this move is expected to generate growth and business opportunities through integrative synergy and joint efforts in the field of global cyber security, big data, cloud-based communication, and IoT applications

- July – Acquisition of a 60% equity stake in AIS Cayman Technology Group through investments by an Enooconn subsidiary to accelerate development of human-machine interface and Industry 4.0 products.

- August - Acquisition of a 60% equity stake in Dexatek Technology Ltd. to expedite the development of smart life product technologies

- October – Investment in S&T AG for the acquisition of a close to 33% equity stake to become the largest shareholder of said company; the goal lies in the extension of the primary product and service categories of S&T into the fields of health care, communications, big data, automation, intelligent grid, and energy optimization technologies, bolstering of software R&D capabilities, enhancement of customer service experiences, and adoption of a vertical market-based industry chain deployment by relying on Kontron's exceptional branding and marketing channels; the tri-party strategic alliance between Ennoconn, S&T, and Kontron is expected to further strengthen the core competitive edge and aggregated benefits in the fields of software development, hardware manufacturing, system integration, and branding and marketing channels, increase the market share in the industrial computer market through concerted efforts, and ensure the stable development of a diversified business with global operations.

2018

- January – Acquisition of a 19.5% equity stake in Diva Laboratories, Ltd. through investments by an Ennoconn subsidiary to branch out into the healthcare sector; Diva Laboratories is a large manufacturer of healthcare displays with a global market share of 3% (major clients include Philips and GE and its sales operations span Japan, Europe, and America)

- May – Acquisition of a 47.15% equity stake in Marketech International Corp. through public tender offer; this strategic alliance is expected to enhance the competitive edge in the all-inclusive vertical and horizontal development of the Internet in the dimensions of plant & equipment management, manufacturing execution and management systems, and plant output by relying on the core niche, accelerated expansion of the business scope of both companies, and harnessing of integration benefits

- June – Merger and acquisition of Vecow Co., Ltd. through the Ennoconn subsidiary AIS to expand the Company's product lines and gain access to various application areas including industrial-grade, wide-temperature, embedded computers, machine vision, image surveillance and analysis, smart transportation and control, industrial automation, automated guided vehicles (AGV), and multi-port Ethernet

- September – Expansion and deployment of global customer services in the gaming industry, integration of up- and downstream sectors of the supply chain, and provision of all-in-one electromechanical solutions

2019

- March – Provision of self-owned brand and vertical application services, machinery equipment and plant automation, automotive assembly line control systems, and sewage purification systems in the Greater China area through Ennoconn (Suzhou)

2020

- January – Acquisition of a 70% equity stake in Poslab Technology Corp., a professional provider of smart retail solutions, through investments by an Ennoconn subsidiary to enhance the Company's vertical integration capabilities in the field of smart retail products (cooperation with system integrators is planned for the future to create even larger business opportunities)
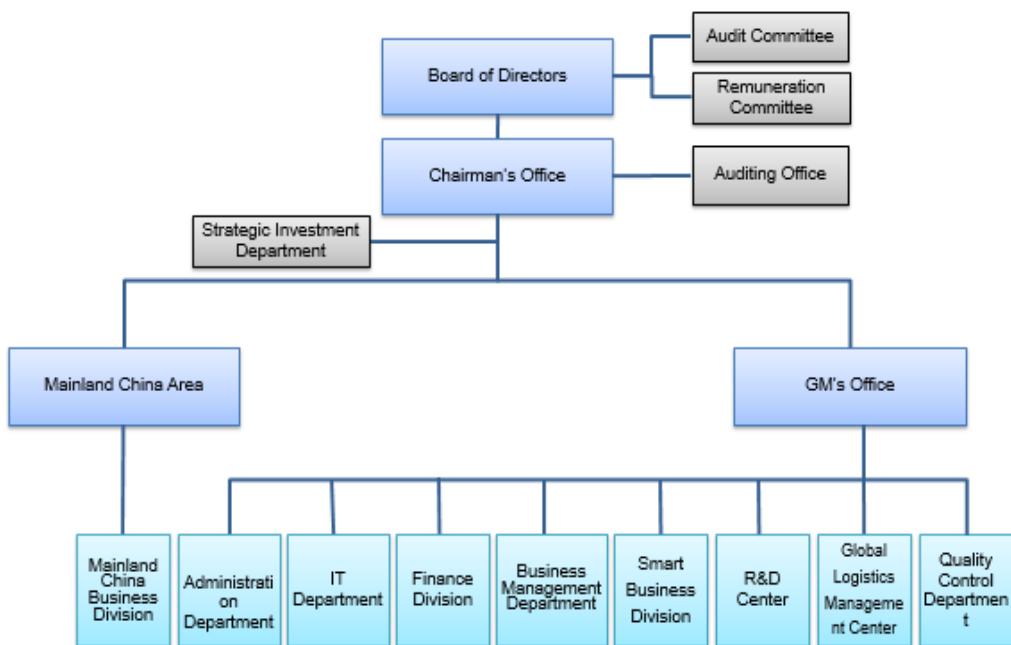
2021

- January - Full ownership of the equity of AIS Cayman Technology through a share swap based on issuance of new shares for capital increase as consideration for the acquisition of shares of said subsidiary; this move is conducive to boosting the synergy effects of mutual cooperation by harnessing mutual strengths, enhanced business performance, and joint deployment in the machine vision and AI application markets

- September – First issuance of privately placed, unsecured domestic convertible corporate bonds of a total value of NT$ 1.5 billion and formation of a long-term strategic investment partnership with MediaTek and Via Technologies; as a result of this partnership between these three industry giants, a high market share has been secured in the smartphone market by relying on MediaTek's powerful chipsets which power over 2 billion devices worldwide; Via Technologies is a professional provider of AI applications and software and embedded operating systems; Ennoconn is a major supplier of industrial computers for numerous international cloud service providers such as Google, Microsoft, and Amazon and has numerous channels in the fields of retail, finance, gaming, and manufacturing at its disposal; technology upgrades implemented by Ennoconn in the field of industrial computer design and development and expansion of customer bases at different levels is greatly facilitated through vertically integrated alliances; the ultimate goal is to achieve win-win-win outcomes through cooperation for maximum benefit, increase the market shares of the three partners in the global AIoT market in a synchronized manner, and ensure joint progress on the path toward a new hi-tech era.

2022

- January – Issuance of 4,880,000 privately placed common shares with a total value of NT$ 1.107 billion and formation of a long-term strategic investment partnership with Google International LLC; the goal is to inject momentum for stable operational growth through an innovative business model (implemented in stages starting in Q4 of this year) based on smart industry and smart city concepts and various tools and services such as Google Cloud, Google Workspace, and Google Glass in addition to building a major international alliance based on an open strategy to realize 3+3 cloud-local integrated services; the following three major IoT and Cloud solutions have been unveiled for on-premises systems: 1. Standardization of product design and development, modularization of hard- and software for communications, and digitization of information data 2. Cloudification of computing and storage on cloud network-linked platforms, constantly high operational performance created by cloud-local cycles based on intelligentization of data analysis and optimized human-robot collaboration, and flexible, servitization models; Ennoconn is firmly committed to providing all-in-one, one-stop solutions by integrating the five areas of cloud computing (IoT cloud, upload cloud, usage cloud, management cloud, and care cloud) to achieve the following key goals: enhancement of service functions, creation of usage volume, opening up of new revenue streams, increased platform values, formation of a powerful ecosystem, synchronized assistance to solve customer "pain spots" in the fields of cloud-local integration technologies, security, and reliability, proactive pursuit of opportunities in the huge industrial metaverse market (IMVS), and ushering in of a new era of IPC 3.0 (Innovation Platform Convergence

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1.1 Accountable Governance

Governance Structure

Unit	Main Functions
Audit Committee	Assistance to the board in the supervision of the quality and reliability of accounting, auditing, and financial reporting procedures and financial control executed by the Company
Remuneration Committee	Perfection of the remuneration system for directors, supervisors, and managerial officers; appointment by board resolution; due convening of meetings
Chairman's Office	Chairman/CEO: 1. Integration of company resources, participation in decision-making processes during Board of Directors meetings, and promotion of business growth 2. Building, reinforcement, or changes to the corporate culture 3. Formulation of corporate strategies and goals and plans for strategic mergers and acquisitions, etc. Building of a senior management team to ensure realization of corporate goals.
GM's Office	1. Overall supervision and management of the company's business goals and implementation of company policies by each department 2. Responsibility for business/sales strategies, product planning, and design of blueprints for technological advancement and the overall operations of the company
Auditing Office	Responsibility for company audits, assessment and implementation of internal controls, and provision of suggestions for improvement and corrective action to facilitate operational effectiveness
Strategic Investment Department	Responsibility for the planning of every merger & acquisition, formulation of investment strategies, and post-investment management
Business Management Department	Responsibility for management and tracking of operational performance and planning, management, and review of different management systems
Administration Department	1. Responsibility for human resource policies and establishment, implementation, and perfection of the human resource management system. 2. Provision of staff services and management of general affairs
IT Department	Responsible for the planning, installation and maintenance of the company's information system.
Finance Division	Responsibility for the company's capital planning, bookkeeping, formulation and implementation of accounting policies, financial data analyses, and relevant legal matters.
Smart Business Division	1. Responsibility for global business development, product sales, customer service, operational strategies, and setting of development directions 2. Responsibility for product planning, new projects, design and R&D, production, and monitoring of product status until the end of its life cycle 3. Responsibility for profits & losses of different product lines, setting of retail prices, and cost management
R&D Center	Coordination of the company's R&D activities, engineering resources, and determination of R&D directions
Global Logistics Management Center	Responsibility for procurement of raw materials, parts, and components and coordination of production plans and the supply chain
Quality Control Department	Responsibility for various quality controls, clear understanding of each customer's quality requirements, and monitoring of product design and quality.
Mainland China Business Division	Responsibility for business development and operational performance management in Mainland China

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Ethical Governance

Solid corporate governance which encompasses sound board operations, a rigorous internal control system, and stable financial management and control not only facilitates the mitigation of business risks of the Company but is also conducive to enhancement of corporate competitiveness and creation of brand value. Sound business development can be ensured by building a corporate culture based on the values of integrity and accountability, strict compliance with applicable laws in the field of ethical management, and an excellent corporate governance framework. The ultimate goal is to safeguard the rights and interests of investors and other stakeholders.

Pursuant to the Securities and Exchange Act and other applicable regulations, we have built a solid corporate governance system to reinforce efforts to safeguard shareholders' equity, strengthen board functions, respect stakeholder rights and interests, and enhance information transparency. Our board has ratified Corporate Governance Best Practice Principles and relies on fair, impartial, and transparent election procedures and appointment of independent directors to strengthen the management and supervisory functions of the board. The board has also ratified the Management Procedures Governing Material Internal Information and Prevention of Insider Trading to strictly prohibit the use of information that cannot be obtained from the market by directors, managerial officers, and employees for their own profit. In addition, we have established a reliable information disclosure system by embracing the principles of accuracy, timelines, and fairness and make information pertaining to our operations, financial affairs, board meetings, and shareholders' meetings available on our corporate website and the public information network reporting system to give shareholders access to the latest news concerning the company.

Governance Practices

Shareholders' meetings which are held for all shareholders and represent the highest decision-making body of the Company adopt resolutions on major company matters and hear board reports on a regular basis. All members of the Board of Directors which is the highest governance body of the Company exercise the due care of good administrators in the performance of their duties which consist of the planning of business policies, review of financial performance, and close monitoring of the legal compliance of the Company's operations. The Board of Directors has set up Audit and Remuneration committees to perfect its operations, ensure sound governance practices, and advance the Company's competitiveness. The Auditor Office, which is another independent unit affiliated to the Board of Directors, conducts regular audits and delivers regular reports on the results of such audits to the Audit Committee and the Board of Directors. We place strong emphasis on corporate governance and pursue sustainable growth and ethical corporate management. In addition, we are firmly committed to reinforcing our corporate governance framework and embrace the concept of information transparency. These endeavors are paired with an effective internal control system to safeguard the rights and interests of our stakeholders. We evaluate operating activities in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies. With a view to ensuring the ongoing effectiveness of the overall design and operations of the internal control system, reviews are conducted as required in line with changes in the internal and external environment of the Company. Sound management mechanisms not only enhance operational performance but also facilitate achievement of sustainability goals.

In November 2021, the Board of Directors passed a resolution to appoint a Chief Governance Officer (CGO) to strengthen the support for directors in the exercise of their duties and thereby enhance board performance. The CGO assists the directors in the performance of their duties. Relevant responsibilities include the provision of information and scheduling of advanced training as required, handling of matters pertaining to board and shareholders' meetings according to the law, and assistance in compliance with Board of Directors and shareholders' meeting resolutions and maintenance of investor relations. In 2021, we achieved a ranking in the 21-35% bracket of the 8th Corporate Governance Evaluation, which bears clear testimony to the high effectiveness and efficiency of the corporate governance system. Looking ahead, we will strive to enhance synergy effects in the field of corporate governance to strengthen stakeholder trust.

2021 Corporate Governance Achievements

- 48 hours of advanced training and specialized governance-related courses for directors and supervisors
- Advance registration of shareholders' meeting dates according to the law, preparation of meeting notices, manuals, and minutes within the legally prescribed time limit, and registration of changes based on amendments to the Articles of Incorporation or board election results
- Preparation of board meeting agendas and notification of directors 7 days in advance, convening of meetings and provision of required information, and completion of meeting minutes within 20 days after meetings
- Public announcement of material information pertaining to major board and shareholders' meeting resolutions to ensure the legality and accuracy of relevant contents and guarantee equal treatment of investors in the field of trading information
- Provision of detailed information regarding advanced training for independent and non-independent directors and assistance in the completion of such advanced training programs
- Regular communications between independent directors and CPAs to gain a clear understanding of the financial operations of the Company
- Assessment and effecting of adequate liability insurance for directors and managerial officers

Furthermore, we commission professional accounting firms to audit and attest our financial statements on a regular basis. Relevant information is publicly disclosed by fully authorized personnel in an accurate and timely manner in accordance with applicable legal requirements. Finally, a spokesperson system has been adopted to ensure the timely and proper disclosure of material information and provide financial information as a reference for shareholders and stakeholders.

Looking ahead, we will persist in our efforts to strengthen board operations, enhance information transparency, and gradually incorporate sustainable governance strategies into our corporate governance framework.

Board of Directors

The Board of Directors plans the Company's business strategies and is accountable to the Company's shareholders and other stakeholders. All board members perform their functions in a faithful manner with the due care of good administrators and exercise their powers in a prudent manner. All business operations and governance system operations and arrangements of the Company are subject to board resolutions unless shareholders' meeting resolutions are explicitly prescribed in provisions set forth in applicable laws or the Articles of Incorporation. Our Articles of Incorporation clearly stipulate a candidate nomination system for Board of Directors elections which are based on meritocratic principles. Pursuant to the provisions set forth in the Corporate Governance Best Practice Principles, board members concurrently serving as managerial officers of the Company should not exceed one-third of the board membership. These principles also prescribe the adoption of a board diversity policy which includes, but is not limited to, standards in the two major dimensions of basic requirements and values and professional knowledge and skills. All members of the board must have the knowledge, skills, and experience necessary to perform their duties. Our board members possess the required professional competence and extensive practical experience. They are also highly familiar with the latest industry trends. The board currently consists of seven directors (including three independent directors) who are elected for terms of office of three years. Pursuant to applicable legal provisions, the board convenes at least once a quarter (a total of five meetings were convened in 2021).

Principles for Performance Evaluation of Board of Directors

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Note: For more information on the professional and education backgrounds and concurrent positions held by Ennoconn board members, please refer to the following link

https://www.ennoconn.com/zh-tw/board-of-directors/

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The Board of Directors has ratified the Rules of Procedure for Board of Directors Meetings which clearly stipulate the scope of responsibilities of independent directors with a view to building an excellent board operations system, perfecting the supervisory functions of the board, and ensuring the independence of independent directors in the performance of their duties. Our directors espouse a spirit of strict self-discipline and recusal in case of conflicts of interest. If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director must state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voting on that agenda item and must recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director. The board further ratified the Rules for Performance Evaluation of Board of Directors to enhance the quality of board decision-making processes. Internal assessments of Board of Directors, individual director, and functional committee performance are carried out on an annual basis. The designated unit responsible for board meetings distributes self-assessment questionnaires to all board members. In addition, professional independent bodies or teams of experts are commissioned to conduct external evaluations every three years. The results of these board performance evaluations serve as a key reference for future director elections or candidate nominations. The results of individual director performance evaluations, on the other hand, serve as a reference for individual compensation decisions.

Board performance evaluation mechanism
- Annual questionnaire-based self-assessment
- Triennial external expert evaluations

Reinforcement initiatives
- Scheduling of specialized advanced training courses
- Intensified communication between independent directors, Chief Internal Auditor (CIA), and CPAs
- Increased level of participation of directors in company operation

Average assessment scores of the Board of Directors and Functional Committee performance exceeded 95 in 2021. These results were reported in the board meeting on March 22, 2022.

We effect liability insurance for our directors to facilitate effective risk management and increase the willingness of professionals to serve as directors. The goal is to enable directors to discharge their duties in a worry-free manner while reducing and spreading the risk of major damage to the company and its shareholders caused by director mistakes or negligent conduct.

We actively encourage our directors to attend specialized advanced courses scheduled by us in consideration of potential legal compliance and governance practice issues that directors face when they participate in operational decision-making processes. Advanced training hours for directors amounted to 48 hours in 2021. The CGO plans to add more advanced training and CSR-related courses in the future. We firmly believe that our business operations will flourish and that we will make strides on the path toward sustainability under the leadership of a Board of Directors that embraces ethical corporate management principles and has abundant experience in the industry.

Functional Committees

With a view to perfecting its supervisory and management functions, the Board of Directors has set up Audit and Remuneration Committees. These functional committees exercise their powers independently. They are responsible to the Board of Directors and submit their proposals to the Doard of Directors for approval.

Audit Committee

The Audit Committee assists the Board of Directors in the monitoring of the quality of accounting, auditing, and financial reporting procedures and financial controls executed by the Company. It further submits the results of its assessments to the board for discussion. Our Board of Directors has ratified the Audit Committee Charter which stipulates the establishment of an Audit Committee subordinate to the board. This committee is composed of the three independent director with one member serving as convener. At least one member has a background in accounting or finance. The committee convenes at least once a quarter. A total of four meetings with an attendance rate of 100% were held in 2021.

The CIA engages in regular discussions with the independent directors in closed meetings to report the internal audit implementation status. Two such meetings were held in 2021. Another two meetings were convened for the reporting of the financial statement review results to the independent directors by the CPA. The latter two meetings also served the purpose of exchanging opinions and providing education on applicable laws and regulations. For more information on attendance records of audit committee members and adopted resolutions, please refer to the section titled "Audit Committee Operations" on page 27 of the Annual Report.

Remuneration Committee

Our Board of Directors has ratified the Remuneration Committee Charter to perfect the remuneration system for directors and managerial officers and facilitate evaluations of director and managerial officer performance and the fairness and reasonableness of received compensations. The established Remuneration Committee is subordinate to the Board of Directors and one of its members must be an independent director. The committee is currently composed of independent directors exclusively. A total of three meetings with an attendance rate of 100% were held in 2021.

The main powers of the Remuneration Committee are as follows: Stipulation and regular review of systems and standards governing director and managerial officer performance and compensations and regular evaluations of director and managerial officer remunerations. The Committee takes the following principles into consideration when conducting its assessments and evaluations: Conformity of remunerations to applicable laws and ability to attract outstanding talent through competitive remuneration packages; consideration of industry standards for performance evaluations and remunerations; consideration of the time invested by the individual and his/her responsibilities, the extent of goal achievement, his/her performance in other positions, and the compensation paid to employees holding equivalent positions in recent years, reasonableness of the correlation between the individual's performance and the Company's operational performance and future risk exposure, with respect to the achievement of short-term and long-term business goals and the financial position of this Corporation; no incentive for the directors or managerial officers to pursue compensation by engaging in activities that exceed the tolerable risk level of the Company; determination of the percentage of remuneration to be distributed to directors and managerial officers based on their short-term performance and the time for payment of any variable compensation based on the characteristics of the industry and the nature of the Company's business.

In its actual operations, the Remuneration Committee exercises the due care of a good administrator and faithfully performs its functions which encompass the stipulation and regular review of policies, systems, standards, and structures governing director and managerial officer performance and remunerations, regular evaluation and determination of director and managerial officer remunerations, and submission of recommendations to the board for discussion. For more information on the committee members, their attendance records, and adopted resolutions, please refer to pp. 37-38 of the Annual Report.

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Internal Audits

We conduct internal audits to assist the Board of Directors and managerial officers in inspecting and reviewing deficiencies and shortcomings of the internal control systems as well as measuring operational effectiveness and efficiency and offer recommendations for improvements and corrective action in a timely manner to ensure the sustained effectiveness of the systems and create a basis for reviews and revisions of the internal control system. A highly effective internal control system has been established in consideration of the operating activities of the Company and its subsidiaries pursuant to the Regulations Governing Establishment of Internal Control Systems by Public Companies. This system is reviewed and improved on an ongoing basis in line with changes in the internal and external environment of the Company to ensure the ongoing effectiveness of the overall design and operations of the internal control system. We have further established the Auditor Office as an independent unit subordinate to the Board of Directors pursuant to applicable laws to ensure that audits are performed by dedicated auditors in an impartial manner. This Office is staffed with dedicated auditors. As stipulated in the Auditor Office Management Regulations, the appointment and dismissal of the CIA is subject to approval by the Audit Committee and ratified by board resolution. Appointment, dismissal, evaluation results, and remunerations of internal auditors are reported by the CIA to the Chairman for approval.

In addition to self-assessments of the internal control system, our Board of Directors and management level review the results of the self-assessments by each department and the reports of the Auditor Office at least annually. The CIA is present at board meetings pursuant to relevant provisions to report the implementation status of audit operations. The CIA also attends Audit Committee meetings at least once a quarter to deliver reports on the implementation status of internal audits and internal control operations to the independent directors.

Furthermore, the Auditor Office reviews self-assessment reports regarding the internal control system prepared by individual units of the Company and its subsidiaries. These reports are submitted to the Board of Directors and the GM together with detailed descriptions of the correction of detected deficiencies and irregularities of the internal control systems as the primary basis for evaluations of the overall efficacy of the internal control system and for the formulation of Internal Control System Statements.

We rely on our auditors for the ongoing monitoring of the implementation status of different operating systems, the establishment of excellent governance practice and risk control mechanisms, and the creation of a business environment conducive to sustainable development. Audits conducted by the Auditor Office in 2021 indicate a compliance rate of 100% without any non-conformities.

Auditing procedures

Formulation of annual audit plans → Submission to the Board for Directors for approval → Execution of audit operations → Preparation of an audit report → Provision of recommendations, coordination of corrective action implemented by individual units, and regular tracking of such corrective action if deficiencies and irregularities are detected → CIA attends board meetings to report the implementation status of audit operations → Delivery of reports on the implementation status of internal audits and internal control operations to the independent directors at least once a quarter

Ethics & Integrity

Our corporate values have been formed on a solid foundation of legal compliance and integrity first. We engage in business operations by embracing a spirit of uprightness and law abidance. With a view to ensuring implementation of ethical management concepts in our internal operations, we place strong emphasis on the moral character of our employees. New hires are therefore educated on internal regulations pertaining to integrity by the HR Center during the onboarding process. They are further required to sign a Service Agreement and Letter of Commitment. The ultimate goal is to cultivate their integrity awareness. We expect our management level to lead by example through strict abidance by integrity principles and thereby form an integrity-oriented corporate culture in an unobtrusive manner.

The Administration Department is our dedicated internal unit in charge of the implementation of ethical corporate management policies. We have formulated internal regulations such as the Ethical Corporate Management Code of Conduct and Operating Procedures and the Management Procedures Governing Material Internal Information and Prevention of Insider Trading, which have been approved by board resolution. Integrity-related internal regulations are publicly disclosed on the corporate website for viewing by stakeholders. In addition, a point of contact has been established for stakeholder feedback and suggestions. If company employees have questions regarding these internal regulations, they can look up relevant information on the website or inquire with the Administration Department via diversified channels including e-mail and phone.

Moreover, we have various whistleblowing channels in place. Stakeholders can submit reports via the dedicated stakeholder section on the corporate website or the GM and Auditor Office mailbox. The Auditor Office designates dedicated personnel for investigations after receipt of such reports. Whistleblowers are required to report incidents under their real name and provide a detailed description of relevant facts and evidence including, but not limited to, the name of the accused, the time and place of occurrence, and other details pertaining to involvement of individuals in the incident. If concrete evidence is attached to anonymous reports, the aforementioned dedicated personnel may also initiate follow-up investigations. If an interested party relationship exists between an employee designated by the Office for investigations and the whistleblower or the accused or another relationship exists that could affect the handling of reporting cases, the employee should proactively notify the Office and recuse himself/herself from the investigations. The Office must replace such employees before initiating examinations. The whole investigation process must be handled in a fair, impartial, and strictly confidential manner and the identity of the whistleblower must not be disclosed. We further guarantee that whistleblowers will be protected from unfair treatment arising from the act of whistleblowing.

When engaging in business dealings, our employees are required to explain our ethical corporate management policies and relevant regulations to trading counterparties in the course of performing their duties. They must explicitly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in any form or name. They must further refrain from engaging in business dealings with agents, suppliers, customers, or other counterparties with a record of unethical conduct. If it is detected that transaction counterparties or cooperation partners have engaged in unethical conduct, it must be assessed whether blacklisting is required pursuant to our ethical corporate management policy. Before concluding contracts with trading counterparties, it is mandatory to gain a full understanding of the status of their ethical management and incorporate provisions prescribing compliance with our ethical corporate management policy into the contract terms and conditions. Such provisions should include but not be limited to the following: When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, the party may claim from the other party a certain percentage of the contract price as damages, and may also deduct the full amount of the damages from the contract price payable. Where it is discovered that a party has engaged in unethical conduct in its commercial activities, the other party may, at its discretion, terminate or rescind the contract unconditionally at any time.

Concrete achievements in the field of ethical corporate management in 2021:

1. All new hires have signed the Integrity & IPR Agreement and have been educated on ethical management operating procedures and code of conduct in the context of orientation training conducted in May and October 2021.
2. Ennoconn directors participated in the corporate governance forum organized by the Financial Supervisory Commission on September 1, 2021
3. All participants in confidential project meetings have signed NDAs
4. No incidents associated with ethics & integrity policy violations were reported via relevant channels including the corporate website and the HR, Auditor Office, and GM mailboxes in 2021

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Legal Compliance

Legal compliance is the cornerstone of corporate management. In addition to educating all new hires on internal regulations pertaining to integrity during the onboarding process and requiring them to sign a Service Agreement and Letter of Commitment, all departments strive to gain a timely understanding of the latest amendments to a bewildering variety of laws through interactions with government agencies and media coverage. On-the-job and off-the-job training is scheduled for members of all departments to ensure conformity of business operations to applicable laws and regulations.

In the governance dimension, we rely on functional committees for the monitoring of the Company's financial status and internal control system. We have further adopted Corporate Governance Best Practice Principles and Rules for Performance Evaluation of Board of Directors to ensure active participation by the Board of Directors in decision-making processes regarding major proposals. A Chief Governance Officer has been appointed to enhance board functions through assistance in board operations and communication of professional opinions. In the future, we will persist in our efforts to raise the legal compliance awareness of our employees in accordance with the spirit of the TWSE Corporate Governance Evaluations and Corporate Governance Best Practice Principles. In the HR management dimension, we have formulated internal regulations pertaining to integrity and constantly propagate our core values of integrity and uprightness. In addition, we have built a solid firewall in the field of legal compliance through the formulation and implementation of a series of regulations, self-reviews, open whistleblowing channels, and a protection mechanism for whistleblowers. The management level leads by example to ensure that the business conduct of every employee conforms to applicable laws and our policies and internal regulations by utilizing annual self-assessments of the internal control system, reviews of legal compliance, and internal audits.

We have formulated guidelines for compliance by all employees of the corporate group in the performance of their duties, requiring them to observe all provisions set forth in the Ethical Corporate Management Code of Conduct and Operating Procedures, Code of Ethical Conduct for Directors, Supervisors, and Managerial Officers, and Code of Ethical Conduct for Employees regardless of their position, rank, and location. These codes of conduct encompass work environment guidelines, equal opportunities, confidentiality provisions, prohibition of concurrent positions, recusal due to conflicts of interest, offering or acceptance of gifts, business etiquette, respect for employees and customers, whistleblowing, and protection and immunity. The ultimate goal of these efforts is to gain public trust, enhance the corporate image, and thereby realize sustainable operations and development. We have also formulated a special code of conduct for members of the management level and employees who engage in business activities to prevent and avoid penalties incurred due to violations of fair trade and antitrust laws and thereby decrease the risk of legal violations. On the basis of an unwavering commitment to integrity and fairness principles, we participate in industry competition, shape a compliance-oriented corporate culture, and build a corporate reputation based on trustworthiness and respectability.

In the ESH dimension, we ensure conformity of product and service life cycle processes with relevant requirements set out in environmental protection and occupational safety laws through formulation of monitoring, measurement, and performance management regulations. An effective environmental and occupational safety management system has been established to facilitate the detection of potential issues through management cycle concepts and the timely adoption of control measures to prevent harm to the company.

In the field of legal compliance practices, there has been no record of major legal violations in the areas of corporate governance, securities transactions, environmental protection, labor rights, occupational safety, leakage of private customer information, marketing & labeling, and product liability in recent years.

Information Security Management

Serious information security incidents can result in business interruptions. Since we place very strong emphasis on information security, we have established a comprehensive information security and data protection mechanism to prevent impacts on our business operations caused by leakages of confidential information or destruction of data. We have devised an information security incident prevention and control mechanism and have adopted standards governing technology application and data security. A data backup mechanism is in place for all major company systems. We conduct annual recovery testing as required to confirm the capability of information systems to return to normal and thereby minimize the risk of system disruptions caused by natural disaster without warning or human error and ensure that the preset system recovery goals can be met.

Information Security Unit

We have formed an information security task force with the General Manager serving as chairman which is responsible for information security risk management and information security target achievement monitoring and reviews. The head of the IT Department who serves as the Executive Director is in charge of the planning and execution of all information security management tasks and reports information security target achievement and actual results to the Chairman in specially convened meetings. The task force which is composed of representatives of each unit is responsible for assisting the Executive Director in the implementation of information security tasks.

Information Security Policy

◎ Compliance with information security-related laws and regulations and adoption of adequate protective measures for the Company's information assets to ensure their confidentiality, integrity, and availability (these measures serve as the highest guiding principles for information security management and operations)

◎ Regular assessment of potential dangers or impacts on the Company's information assets; formulation of emergency countermeasures and recovery plans for key information assets and critical operations to ensure continuity of business operations.

◎ Education of employees on information security tasks and adoption of regulations governing information security responsibilities, concepts, and conduct for relevant business operations

◎ Joint compliance with provisions set forth in our information security policy by third parties such as businesses we have dealings with, our customers, or other parties who have access to our business information and who utilize or are linked to our information environment

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Information Security Management Approaches

- User permission management: User permissions are granted based on different security levels.
- Operating system usage permission management: Operating systems are installed and added to the Company's domain for centralized management pursuant to relevant regulations. Security updates are installed at regular intervals. In addition, antivirus software is installed for all host and client computers of the company and scan engines and virus patterns are updated on a daily basis. User passwords are reset regularly.
- Application software security management: Installation of special software other than application, utility, and package software for IT operations is subject to application and approval.
- An isolation and filtering mechanism for banned software and URL addresses has been set up on the IPS firewall and content management equipment. The goal is to block such software and URLs to prevent impacts on network quality and security.
- Network communication security management: External VPN (remote)-based access and internal access (network applications such as file transmission (FTP), instant messaging (MSN), and special connections) are subject to review by the IT unit(s) and approval by authorized supervisors.
- Application system security management: IT unit(s) are required to limit access to source codes for execution of updates to authorized personnel. Program execution user privileges are set in accordance with business needs.
- Backup management: System disaster recovery and database backup management measures are in place.
- Asset management: Asset numbering and regular inventories of data center facilities and personal computers are carried out as required.
- Users are educated on security mechanisms governing the configuration and operation of operating systems and their awareness of threats posed by common virus categories (Trojan, Backdoor, Worm…) including their sources and infection methods is raised.

Information security measures in 2021:

In view of the rising frequency of information security incidents, we have made an all-out effort to reinforce our information security management and have therefore invested the following information security resources in 2021:

Information security tasks	Schedule	Description of resources or benefits
Installation of the next-generation firewall CISCO FirePower 2110	May 2021	NT$ 280,000
Installation of a new-generation broadband router & firewall	May 2021	NT$ 430,000
Disaster recovery drills and verification	Jan 2021 Aug 2021	Twice a year – verification results indicate validity of restored data

Completion of information security training for new hires and information security education for all staff members in 2021

No information security incidents occurred in 2021 and the Company remains committed to its zero-incident goal in this area.

1.2 ESG Sustainable Development Strategy
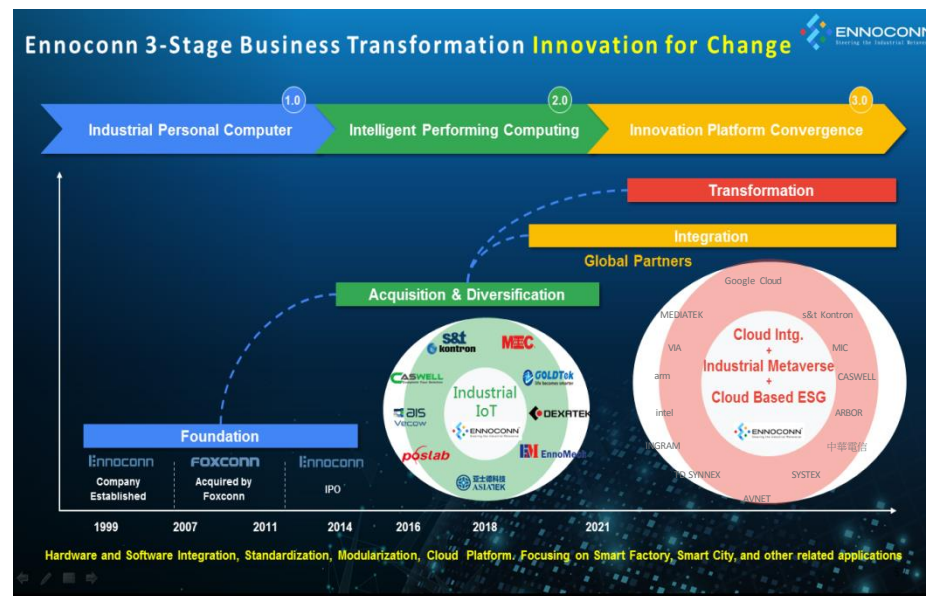
Sustainable development goals such as net-zero GHG emissions represent a global consensus. The European Union will levy carbon tariffs starting in 2026. According to the UNEP report released by United Nations Environment Programme in 2020, the buildings and construction sector accounted for 35% of the total global energy consumption and 38% of all GHG emissions in 2019, significantly exceeding total emissions of the industrial and transportation sector.
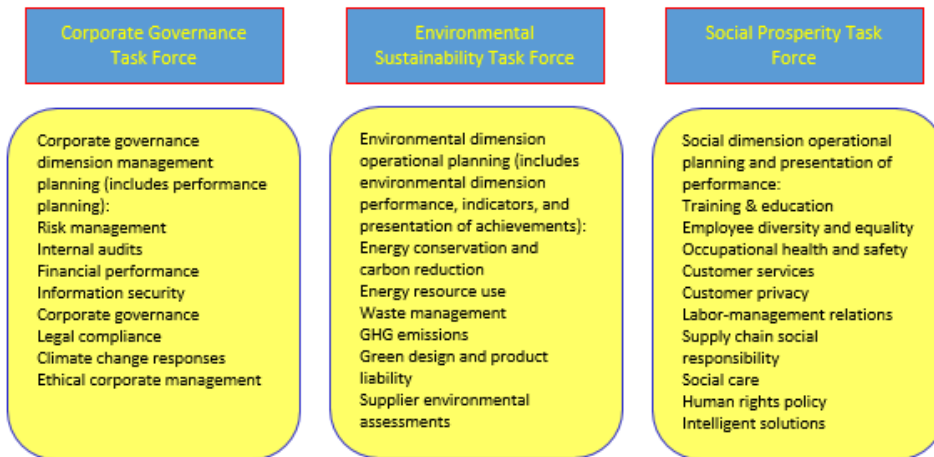
Our "ESG Empowerment Technology" cloud-local integrated service solution conforms to the three major, international ESG standards (GRI, SASB, TCFD) and offers six environmental sustainability standards and certifications (ISO 50001 Energy Management), ISO 14001 Environmental Management, ISO 14064 Carbon Inventories, ISO 14067 Carbon Footprint, PAS 2060 Carbon Neutrality, and ISO 14046 Water Footprint. We cooperate with Google Cloud to offset enterprise/agency carbon emissions, achieve carbon neutrality, and provide assistance in net-zero emissions and ESG report disclosure. The ultimate goal is to accelerate the transition to environmental sustainability by enterprises/agencies through big data and AI-integrated technologies.

Our ESG technology solution provides an all-in-one, intelligent Digital Twin and 3D visualization platform which encompasses the following 11 core systems: electric power, air conditioning, lighting, green energy, energy storage, water resource, information security, access control, surveillance, elevator, and fire protection. We further provide hybrid cloud-based cloud-local integration and installation and practical applications imported through the 3D visualization platform including Anthos Server architecture and operations, integration of old and new hardware equipment, planning and development of subsystem software, integration and installation of subsystem communications with the goal of enhancing ESG performance of corporations and achieving safe, resilient, and competitive sustainable development.

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Sustainable Development Unit

The Corporate Social Responsibility Task Force, which was established in 2021 as a unit directly subordinate to the GM, was renamed to Sustainable Development Committee (below referred to as "ESG Committee") in 2022 and elevated to the rank of a functional committee affiliated to the board. This unit is responsible for decisions on and promotion of major tasks in the field of sustainable development and operations. The committee is composed of the Chairman, the three independent directors, the GM, the top executives of related departments (manager and above), and other designated members. The GM serves as the chairman of the committee which features the following three task forces: corporate governance, environmental sustainability, and social prosperity.

Sustainable Development Committee

Corporate Governance Task Force	Environmental Sustainability Task Force	Social Prosperity Task Force
Corporate governance dimension management planning (includes performance planning): Risk management Internal audits Financial performance Information security Corporate governance Legal compliance Climate change responses Ethical corporate management	Environmental dimension operational planning (includes environmental dimension performance, indicators, and presentation of achievements): Energy conservation and carbon reduction Energy resource use Waste management GHG emissions Green design and product liability Supplier environmental assessments	Social dimension operational planning and presentation of performance: Training & education Employee diversity and equality Occupational health and safety Customer services Customer privacy Labor-management relations Supply chain social responsibility Social care Human rights policy Intelligent solutions

ESG Committee Functions

Formulation of corporate sustainability goals and strategies

Promotion and supervision of corporate sustainability tasks

Review of corporate sustainability achievements

Handling of other matters related to corporate sustainability

Review of sustainability reports

Committee Chairman Responsibilities

Formulation of sustainable development policies

Supervision of policy implementation by ESG Committee members and sustainability report preparation

Annual reporting of the implementation status of sustainable development operations to the Board of Directors

The ESG Committee convenes twice a year to discuss implementation targets and results of each task force. Meeting frequency may be adjusted as required in line with environmental and legal changes. Such meetings are not only attended by ESG committee members on a routine basis but also by task force members who are requested by the Committee Chairman to be present at meetings based on the proposal contents. ESG committee resolutions or matters approved after deliberation are recorded in detail and forwarded to relevant units for implementation after review by the Chairman of the Company.

Sustainable development plans are reviewed based on core standards and key priorities in the following areas: "Strengthening of board functions and maximization of corporate sustainability value", "Enhancement of information transparency and promotion of sustainable operations", "Intensification of stakeholder communication and building of channels for excellent interactions", "Gearing up to international standards and adoption of accountable governance concepts", and "Entrenchment of a corporate sustainable governance culture and provision of diversified products" in line with Corporate Governance 3.0 Sustainable Development Blueprint as well as reinforced implementation of sustainable development by the Company, enhanced disclosure of sustainability information, and bolstering of information security. We further rely on the PDCA management cycle to ensure continued progress of the Company on the path toward sustainable development.

1.3 Sustainable Risk Management

The ESG Committee is the backbone of our risk management framework. Risk evaluations and assessments are conducted by unit heads who serve as committee members based on risk probability and impact levels on the Company. Risk responses are adopted for specified risk categories to ensure realization of the Company's sustainability goals.

Risk categories	Competent department	Risk-related matters
Strategy risks	Chairman's Office	● Formulation of future operating policies
Investment risks	Chairman's Office Strategic Investment Department	● Risks associated with short-term investment market fluctuations related to excessive concentration of reinvestments targets, high-risk and high-leverage operations, derivatives trading, and financial planning and risks associated with operations specifications and management for long-term investee companies
Operational and market risk	GM's Office Business Management Department Other relevant departments	● Carrying out of R&D, manufacturing, and sales activities are carried out in accordance with company strategies and firm commitment to production technology improvements to achieve quality enhancements, cost savings, and increased profitability
Financial and liquidity risks	Finance	● Interest and exchange rate hedging, bank line of credit management and maintenance of business relations
Customer credit risks	Finance	● Setting up and review of customer credit lines and management and collection of accounts receivable
Legal risks	Legal Affairs	● Review of contracts, licensing, and minimization of legal risks to protect the tangible and intangible assets of the Company
Worker safety risks	Administration Department	● Implementation of health and safety management with respect to potential health and safety hazards and specific risk factors present in work environments and enhancement of management performance on the basis of the Company's health and safety policy
Information security risks	Administration Department	● Risks associated with general and digital information security and confidentiality, inability to guarantee information contents and handling methods, and inability to access information and use assets in a timely manner
Environmental risks	Administration Department	● Risks associated with GHG emission, carbon credit, and energy management and compliance with international and local environmental laws or environmental impact assessment requirements
Human resource risks	Administration Department	● Human rights issues affecting employees or suppliers including but not limited to labor-management relations, child labor, forced labor, talent development and management and risks associated with talent recruitment and retention and talent development

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Risk categories and coping strategies

Risk dimensions		Coping strategies
Corporate governance dimension	Interest rate fluctuations	We rely on a healthy financial structure, prudent and conservative use of capital and financial tools, and dedicated personnel who maintain a firm grasp of financial information to minimize the risks associated with interest rate fluctuations.
	Exchange rate fluctuations	A. Reduction of USD and RMB net positions to reduce currency risks B. Constant collection of information on exchange rate fluctuations by dedicated financial personnel and consultation of financial and economic information provided by banks and investment institutions to ensure a timely grasp of exchange rate trends C. Opening of foreign currency deposit accounts and adjustment of held foreign currency positions in line with capital needs and exchange rate trends
	Credit risks	Setting and approval of credit lines for trading counterparties by dedicated personnel and other monitoring procedures to ensure the adoption of adequate measures for the collection of overdue receivables and review of recoverable amounts for all receivables to ensure the allocation of adequate impairment losses for all irrecoverable receivables
	Information security risks	1.Management of file and equipment security, regular system backups, and regular reorganization to save disk space and increase system operational performance 2. Access and data center controls to ensure equipment security, maintenance and management of equipment and data center facilities, and regular review of data center security measures 3. Setting of permissions to implement internal control cycles for information security 4. Implementation of a remote backup mechanism 5.Regular information security audits by commissioned third-party bodies
	Market competition	1.Maintenance of close contact with customers to ensure a clear understanding and timely satisfaction of the latest customer requirements; regular customer visits accompanied by R&D personnel to gain a clear grasp of future trends in the field of customer products and facilitate the development of new products in response to such trends 2.Innovation of R&D technologies and patent acquisition to ensure a global leadership position
	Raw material supply & demand risk management	1. Development and shift to other supply countries in the face of raw material source uncertainties in China to facilitate hedging in the field of raw material procurement and lower the risk of supply disruptions 2. Utilization of a logistics consolidation and supplier requirement mechanism to increase LCL shipping rates and minimize risks associated with deconsolidated shipping controls
Environmental dimension	Green products	1. Identification of green product-related laws and regulations and customer requirements 2. Implementation of raw material, process, and finished good controls in accordance with legal and customer requirements 3. Implementation of green design and energy conservation and waste reduction at the source
	Climate change risks	1. Water shortages caused by rationing and rotational water supply issues represent our main focus in the field of water resource management and coping strategies. We therefore collect detailed information on reservoir water levels and monitor water consumption to gain a firm grasp of actual consumption. We also promote water conservation measures such as the use of reclaimed water in our daily operations 2. With a view to minimizing the impact of typhoons, we form a Typhoon Disaster Prevention Command Center immediately after announcement of typhoon warnings to maintain a firm grasp of the typhoon paths and conditions in our plants. In-plant typhoon warnings are announced to give employees a clear understanding of current typhoon conditions and facilitate the adoption of disaster prevention measures. The ultimate goal is to minimize typhoon impacts and facilitate the coordination by the Command Center of emergency response measures, danger elimination measures, and post-typhoon restoration measures adopted by assigned personnel in case of flooding. 3. Implementation of an environmental management system 4.Adoption of GHG inventory and reduction measures in coordination with energy conservation policies of the government 5. Compliance with applicable laws and regulations and customer requirements

Risk categories and coping strategies

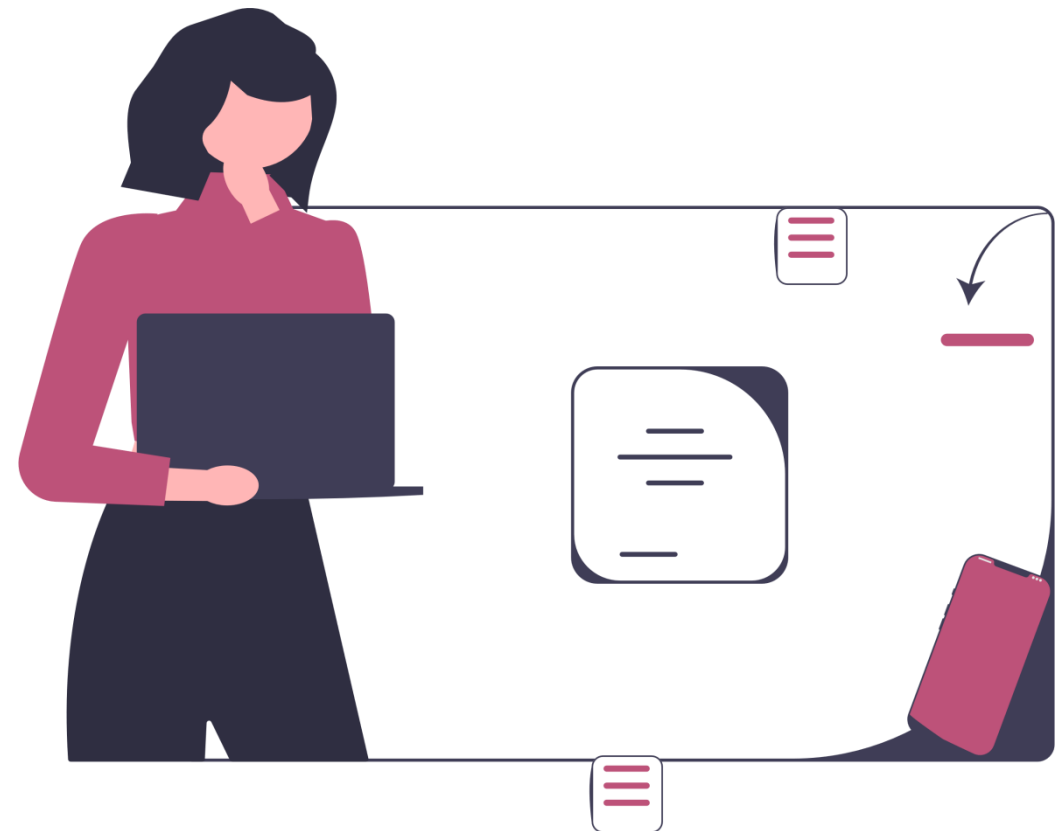| Risk dimensions		Coping strategies
Social dimension	Occupational accident risks	Since our employees are one of our most valuable assets, we are firmly committed to preventing the risk of potential costs caused by lost work time due to occupational accidents by guaranteeing the safety of work environments. We therefore plan the implementation of an ISO45001 management system, carry out hazard identification and risk management, and schedule occupational health and safety committee meetings on a regular basis. Recommendations are offered regarding the health and safety policies formulated by the employer. In addition, reviews, coordination, and suggestions in the field of health and safety-related matters facilitate mutual aid and assistance by employees, worry-free performance of work duties, and realization of accident-free working hour records.
	Labor shortage risks	1. Sound training plans facilitate the cultivation of long-serving technical personnel in addition to reducing employee turnover and increasing productivity when needed 2. Establishment of a working hour management system to enable supervisors to manage working hours in an adequate and convenient manner 3. Strengthening of the mentorship system to accelerate the integration of new hires into their respective departments and help them settle into their roles 4. Execution of manpower replenishment plans
Emerging infectious diseases		1.Formation of task forces 2.Ongoing monitoring of epidemic information and timely adjustment in line with applicable laws and regulations 3.Implementation of a substitute staff system 4.Implementation of a response measure and epidemic prevention mechanism for emerging infectious diseases

2.0 Stakeholder Engagement

2.1 Stakeholder Inclusion

2.2 Material Issues and Impacts

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2.0 Stakeholder Engagement

Survey methods and procedures

A materiality analysis of topics of concern to stakeholders was conducted during the process of report preparations. The purpose of this systematic analysis was to identify issues of concern to stakeholders and measure their impact on the Company as a key reference for compilation of this report. The ultimate goal is to engage in effective communication with stakeholders through disclosure of information in the report and convey our efforts in the fields of corporate management, environmental protection, and social prosperity. The procedures for identification of issues of concern to stakeholders in 2021 can be summarized as follows:

01 Identification of stakeholders

02 Determination of sustainability issues

03 Survey on issues of concern

04 Identification of material topics

05 Review and discussion

Procedures for Identification of issues of Concern to Ennoconn Stakeholders in 2021

Sequence	Item	Description	Results
1	Identification of stakeholders	The ESH Committee has identified the following five stakeholder categories through internal discussions with the heads of different departments with reference to stakeholders of the Company's competitors and the five core principles of AA1000 SES (Stakeholder Engagement Standard), i.e. dependency, responsibility, influence, diverse perspectives, and tension: Employees,customers,suppliers/contractors/subcontractors, competent authorities, and shareholders/investors.	5 major stakeholder categories
2	Determination of ESG issues	24 issues encompassing the ESG dimensions were determined as the framework for questionnaire design in consideration of the following: Current trends in the field of sustainability, GRI Standards released by the Global Reporting Initiative (GRI), Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, benchmark concepts, and company operations and industry characteristics.	24 sustainability topics
3	Survey on issues of concern	With a view to gaining a clear understanding of the level of concern shown by stakeholders with regard to sustainability issues, we have conducted a survey in form of an online questionnaire which was distributed to our stakeholders. A survey of senior executives on material impacts of the identified issues on the Company's sustainable operations served as the key reference for the ranking of issues. A total of 68 completed questionnaires were received (54 "level of concern" questionnaires and 14 "degree of impact" questionnaires (filled out by ESG Committee members)	68 received questionnaires
4	Identification of material topics	A matrix analysis of scores indicating level of concern for identified topics and degree of impact on sustainable operations as determined by the management level was conducted based on the questionnaire analysis. Upon discussions by the report editing team and consideration of recommendations offered by external consultants, a total of 10 material topics were identified for the disclosure of relevant management approaches in 2021.	10 material topics
5	Review and discussion	On the basis of ongoing analyses of material topics, corresponding chapters, and boundaries, we continue to enhance our management performance and disclose relevant information in our sustainability reports. Reviews are conducted on an ongoing basis each year to determine whether it is necessary to adjust the identified material topics.	First sustainability report

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ENNOCONN
Steering the Industrial Metaverse

2.1 Stakeholder Inclusion

Issues of concern to each major stakeholder category vary depending on stakeholder identities. All Ennoconn departments proactively engage in ongoing positive interactions with stakeholders who show concern for the Company by relying on diversified channels to provide them with a timely understanding of the current state of operations.

Diversified communication channels and points of contact

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We utilize these channels to maintain a firm grasp of stakeholder demands and expectations and provide real-time responses. The state of stakeholder communications is reported to the Board of Directors on an annual basis.

All Ennoconn departments gathered issues of concern raised by major stakeholders in the course of routine business dealings. These issues were then condensed and organized by the ESG Committee. Finally, 24 sustainability issues encompassing the ESG dimensions were identified with reference to GRI Sustainability Reporting Standards 2016 and CSR reports of the Company's competitors to ensure that the disclosed sustainability information satisfies GRI requirements in the fields of integrity and diversity.

Stakeholder Category	Significance for the Company	Issues of Concern	Communication channels (feedback platform)	Communication frequency
Customers	We view our customers as our main business partners and therefore carefully listen to their needs, provide professional services, and maintain a firm grasp of industry trends to ensure realization of customer goals and foster joint growth.	Supply Chain Sustainability	Sustainability Report	Annually
		Legal Compliance	Sustainability Report	Annually
		Occupational Health and Safety	Sustainability Report	Annually
		Green Products	Contracts	New Service Requirements
		Customer Services	Satisfaction Surveys	Annually
		Innovative R&D	New Product Launch	As Required
		Risk Management	Official Website	As Required
		Energy Conservation & Carbon Reduction	Sustainability Report	Annually
		Energy Resource Management	Sustainability Report	Annually
		GHG Emission	Sustainability Report	Annually
		Privacy Protection and Transaction Security	Non-disclosure Agreement	As Required
		Customer Health and Safety	Contracts	
Competent Authorities	In addition to proactive compliance with regulations of government agencies and relevant policies, we rely on transparent, bidirectional communication channels to gain the trust, support, and cooperation of the government.	Legal Compliance	Official Website	Monthly
		Occupational Health and Safety	Monthly Occupational Accident Report	Monthly
		Energy Conservation & Carbon Reduction	Sustainability Report	Annually
		Energy Resource Management	Sustainability Report	Annually
		Ethics & Integrity	Sustainability Report	Annually
		Labor Relations	Official Website	As Required
		GHG Emissions	Sustainability Report	Annually
		Product Liability	Sustainability Report	Annually
		Market Position	Sustainability Report	Annually
		Information Security	Sustainability Report	Annually
		Climate Change Responses	Sustainability Report	
		Waste Management	Sustainability Report	

Stakeholder Category	Significance for the Company	Issues of Concern	Communication channels (feedback platform)	Communication frequency
Shareholders /Investors	Investors and shareholders who contribute capital to the Company should be given fair access to material information pertaining to the Company and their rights and interests should be safeguarded on the basis of integrity, sustainability, and information transparency principles.	Legal Compliance Economic Performance Risk Management Ethics & Integrity	Official Website Financial Statement Sustainability Report Sustainability Report	As Required Annually Annually Annually
Suppliers /Contractors /Subcontractors	We form sustainable partnerships with our cooperation partners and provide services that satisfy the needs and expectations of our stakeholders to facilitate the joint implementation of corporate sustainability concepts.	Supply Chain Sustainability Legal Compliance Supplier Social Assessments Supplier Environmental Assessments	Supplier Evaluations Sustainability Report Supplier Evaluations Supplier Evaluations	Annually Annually Annually Annually
Employees	Since our employees are our most important partners in the field of sustainable development, we are firmly committed to providing them with healthy work environments based on the concepts of diversity and equality with the ultimate goal of achieving joint growth and development.	Occupational Health and Safety Labor Relations Talent Cultivation and Retention Diversity & Equal Opportunities Labor Rights Salary & Benefits	Health Checks Labor-Management Meetings Training & Education Labor-Management Meetings Training & Education	Annually Quarterly As Required Quarterly As Required

2.2 Material Issues and Impacts

Distribution of material topics in 2021
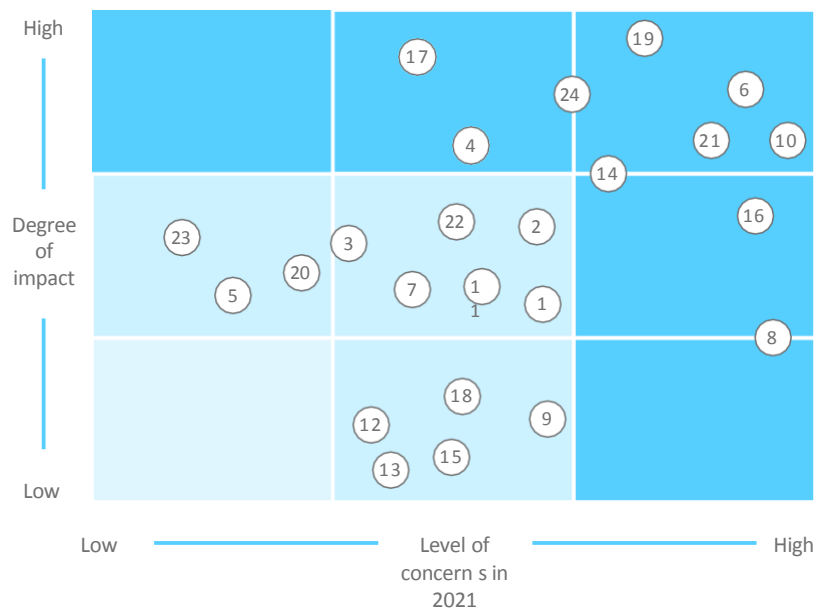
1	[Salary & Benefits]	9	[Risk Management]	17	[Social Engagement]
2	[Diversity & Equal Opportunities]	10	[Economic Performance]	18	[Supplier Social Assessments]
3	[Talent Cultivation and Retention]	11	[Supplier Environmental Management]	19	[Energy Conservation & Carbon Reduction]
4	[Occupational Health and Safety]	12	[Customer Health and Safety]	20	[Climate Change Responses]
5	[Privacy Protection and Transaction Security]	13	[Green Products]	21	[Innovative R&D]
6	[Information Security]	14	[Labor Relations]	22	[Energy Resource Management]
7	[GHG Emissions]	15	[Customer Services]	23	[Energy Resource Management]
8	[Labor Rights]	16	[Ethics & Integrity]	24	[Legal Compliance]

Material Topics and Internal/External Boundaries

Material Topic	Significance for the Company's operations	GRI Standards	Boundaries of Material Topic Impacts on the Value Chain					Management Approach Corresponding Chapter	Page Number
			Corporate HQ	Customers	Government Agencies	Suppliers	Shareholders /Investors		
Legal Compliance	Legal compliance is the cornerstone of corporate responsibility and a key prerequisite for stable corporate growth and sustainable operations.	GRI 307-1 GRI 419-1	●	●	●	●	●	1.1 Accountable Governance- Legal Compliance	10
Labor Rights	Respect for and safeguarding of human rights is the core foundation of corporate responsibility.	GRI 412-2	●	●			●	4.0 Friendly Workplace	37

Material Topic	Significance for the Company's operations	GRI Standards	Boundaries of Material Topic Impacts on the Value Chain					Management Approach Corresponding Chapter	Page Number
			Corporate HQ	Customers	Government Agencies	Suppliers	Shareholders /Investors		
Labor Relations	Talent is our primary asset and the main driving force of our growth. With a view to fulfilling our social responsibility, minimizing risks to human rights, and providing employee-friendly workplaces, we place top priority on employee benefits, creation of communication and grievance channels for employees, and optimization of work environments.	GRI 401-1 GRI 401-2	●	●	●			1. Human Resources 2. Blissful Enterprise	38 41
Ethics & Integrity	Ethics & integrity are the fundament of corporate sustainability.	GRI 102-16	●	●	●	●		1. Accountable Governance- Ethics & Integrity	10
Occupational Health and Safety	This dimension encompasses a healthy workplace, health and safety management as a top priority, effective minimization of potential hazards and risks, accident prevention, and protection of the physical and mental health of workers through management system operations and educational efforts, and safeguarding of company assets and operations. Employee work accuracy and safety is strengthened through educational and promotional materials. The Occupational Health and Safety Committee convenes every quarter to discuss and review relevant issues and thereby prevent accidents and reduce dangers.	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-9	●	●	●			4.2 Blissful Enterprise	41
Economic Performance	Economic performance represents a core task of corporate operations. We therefore persist in our efforts to pursue maximum profits. Since our inception, we have espoused a business philosophy of integrity and customer first. We implement risk management concepts and constant improvements of the quality system through the PDCA management cycle. Through the provision of high-quality products, we realize customer satisfaction, pursue joint benefits for all staff members, enhance shareholder value, and fulfill our social responsibility. Our ultimate goal is to constantly achieve financial milestones.	GRI 201-1	●	●			●	3.2 Economic Performance	29
Social Engagement	We embrace the concept of giving back to society in a spirit of gratitude and firmly believe that corporate sustainability calls for an equal emphasis on social care and responsibility.	------	●	●				6.0 Social Prosperity	50

Material Topic	Significance for the Company's operations	GRI Standards	Boundaries of Material Topic Impacts on the Value Chain					Management Approach Corresponding Chapter	Page Number
			Corporate HQ	Customers	Government Agencies	Suppliers	Shareholders /Investors		
Innovative R&D	We rely on professional technology teams for ongoing improvements of our management processes and service quality and strive to provide intelligent solutions in the fields of service excellence and energy conservation and carbon reduction based on innovative concepts.	GRI 416-2	●	●				3.1 Intelligent Industry Chain	26
Energy Conservation & Carbon Reduction	Climate change not only threatens the survival of all animal species and humans on our planet but also indirectly affects sustainable corporate operations. Based on our unwavering commitment to corporate sustainability (eco-friendliness and green manufacturing in particular), we engage in the monitoring of energy conservation and carbon reduction activities in the dimensions of energy management and GHG emission management and adopt corrective actions accordingly. The ultimate goal is to minimize environmental impacts caused by manufacturing activities and mitigate climate change.	GRI 302-1 GRI 302-3	●	●	●			5.0 Sustainable Environment	46
Information Security	Information security incidents tend to cause business interruptions and information leakages. In our age of informatization, information security is an unavoidable issue.	------	●		●			1.1 Accountable Governance – Information Security Management	10

3.0 Sustainable Innovation Responsibility

3.1 Smart Industry Chain

3.2 Economic Performance

3.3 Quality, Environmental Protection and Customer Satisfaction

3.4 Sustainable Partner

3.0 Sustainable Innovation Responsibility

Ennoconn Corporation is a comprehensive supplier of integrated solutions in the realm of professional industry computer. The Company is engaged in long term investment in research and development of new product and new technology while conducting innovative investment and leading a strategic alliance. Each year, development results, investment of resources and future plans will be under rolling review through operation strategy meetings in a hope to aggressively enhance design capability, product quality and customer satisfaction service.

With the maturing and prosperous development of technologies of 5G transmission, cloud computing and Artificial Intelligence (AI), digital transformation and intelligent upgrade have silently become the development goals for respective industries' next phase. In 2021, Ennoconn Corporation worked together with quality partners such as Taiwan AI Federated Learning Alliance and utilized advantages in various technology and business fields to allow Ennoconn's " 3+3 Cloud-Premise Integration Service" to generate enormous business benefits. This product is utilized on new technology solutions of Cloud-Edge Anthos Server, Connectivity Gateway and video conference system. It operates on open, hybrid multi-cloud platform, enhances complete digital service platform value chain and fulfills connectivity between premise and cloud services. This also creates new business operation model for Ennoconn's new generation AIoT digital products and services by aiming at enormous markets of smart manufacturing and smart city.
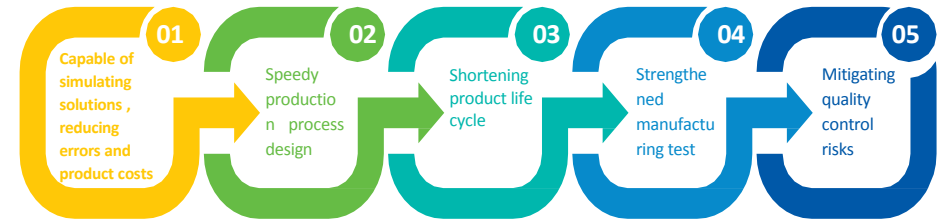
Ennoconn leads the path of industry metaverse through corporate digital transformation. Our mission is to fulfill accelerated culture transformation through continued integration of IIoT platform and cloud-based artificial intelligence. To ensure this new function maintains consistency with manufacturing industry's future, we have implemented the best cloud solution to expand your product and solution groups. Our integrated services are supported by Google Cloud for the purpose of promoting intelligent manufacturing, smart finance, smart city, smart retail as well as appearance of media and recreation.

Metaverse is an inter-connected immersed online space. In here, various thoughts will show up in real time. It works through sensors, VR gear and Google Glass. This computer-augmented reality will be a place for work, collaboration, learning, game, shopping and creation.

In the metaverse, industrial life cycle is guided through augmented reality which is superimposed in the environment. Artificial intelligence technology in the cloud (AIoT) and Internet of Things (IoT) built-in equipment are capable of detecting action and process of incident, and learning from experiences to make workplace safer and more efficient. From a warehouse sorter to a surgeon, near-eye display and remote operation have enhanced knowledge, precision and capability. Metaverse enables people to make smarter decision and revolutionary forecast management.

Advantages of Ennoconn Corporation's Eco-System

01 Capable of simulating solutions , reducing errors and product costs

02 Speedy production process design

03 Shortening product life cycle

04 Strengthened manufacturing test

05 Mitigating quality control risks

3.1 Smart Industry Chain

Ennoconn is a supplier for global manufacturing solutions. Through utilization of new strategic relationship with Google Cloud Platform, Glass, Meet and Workspace, the Company has launched corporate version of digital transformation solution and "digitalization as service." Google Cloud, Google Glass, Google Meet and Google Workspace have enabled Ennoconn to manage production tool integration, package manufacturing service and product manufacturing service through digitalization, as well as visibility from design chain to supply chain and to assembly, integration, testing and packaging in manufacturing factory. 。

Digitalization as Service

"Digitalization as Service" is a bundled product, service and solution based on Ennoconn's new cloud AIoT digital transformation. Ennoconn productized "digitalization as service" and integrated it into our client service combination.

Clients are therefore able to better manage their consumption and utilization of cloud service to increase revenue standards.

Google Cloud Platform (GCP) Integration

Google Cloud Platform (GCP): With GCP, Ennoconn integrates, packages and provides complete solutions to clients. Google is our top choice of collaboration partner in global cloud service. Ennoconn utilizes Google Cloud service to provide ODM service, IT/OT fusion, cloud and AI, 5G and AIoT integration solutions to clients. Comprehensive participation – digitalization transformation includes:

- Artificial Intelligence Platform
- Smart Platform of Cloud, Software, Hardware/Software
- Organization Optimization
- Resource Integration

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Utilization (GCP) Cloud Service Technology

Ennoconn utilizes GCP cloud platform service technology to re-make our manufacturing system and create next generation product, service and industrial manufacturing method in core vertical industries to which Ennoconn continues to pay attention.

Ennoconn's digitalization transformation strategies provide visions for supply chain management team and manufacturer.

- With the implementation of these cloud-based tools, visibility for demands, design chain, product selection, product life cycle and product life will be greatly enhanced.
- During manufacturing and design process, we utilize this powerful cloud-based data analysis technology to collect and analyze client's related information.
- Integration of cloud service and solution enables Ennoconn to manufacture products in more sustainable measures.
- Cloud service and solutions enable us to effectively bundle more advanced platforms and smart equipment for critical core clients in key markets. They include smart city, smart manufacturing, smart retail, financial service and media and recreation.

Strategic Collaboration Partner Relationship

Ennoconn and Google Cloud Service have established strategic collaboration partner relationship which leads to:

- Operation improvement and innovation in manufacturing process and supply chain control, and ultimately providing the world's top products and solutions to clients;
- Utilization of Google's infrastructure, platform and expertise to promote Ennoconn's existing DMS work process as well as development of cloud-based product, service and solutions.

Ennoconn's GCP Integrated Solutions

- Allow clients to transfer to digitalization through competitive pricing plan maintained by Ennoconn.
- Include reliability management, cloud storage, computing engine, AI integration and other Google Cloud Platform(GCP)bundled solutions with special features.
- Combine with internet giants in the industry in changing client's methods of connection and coordination.
- The Safest, most flexible and most cost-efficient solutions which ensure clients almost zero shut-down.
- Allow Ennoconn's clients to run applications in the cleanest cloud in the industry, and develop and experience new applications faster to allow organization to fulfill smarter strategy.

Other Ennoconn-Google Platform Integrated Products and Services

- Ennoconn connects Google Workspace with its products and solutions which include authorized dealership opportunities for Google Workspace and other related products.
- Workspace expands this relationship and optimizes completely integrated digitalization transformation products and service strategy.
- Ennoconn and Google Suite offer smart solutions which make coordination easier, faster and more efficient.
- Introduce flexible collaboration into your team. Demonstration can be made to hundreds of people. Reactions will be observed and any question can be answered in real time.
- Automatic editing with modification tracking and e-mails are not needed.
- Transfer message and group chatting into video call for spontaneous and speedy synchronization.
- On-line discussion platform allows people to establish connection more easily and it breaks organization obstacles.
- Ennoconn and Google Meet allow clients to meet safely on any equipment. Working together with modern web browser, there is no need to install any software.
  I. Encryption during transmission process – our series of safety measures will continue to update in order to provide complete protection.
  II. Business recommendations will be proposed to assist in conducting team mission. Or, we simply offer video conference service.
  III. Live stream meeting is capable of accommodating 100,000 viewers.

- Google Glass corporate version has become a completely integrated technology in and around Ennoconn's manufacturing design process and services. In the meantime, Ennoconn conducts productization and offers Google Glass among various new manufacturing or ODM product solution integration.
  I. Ennoconn and Google Glass instinctively integrate into your work process, stay focused, remain participated and concerned, and provide real-time collaboration.
  II. Activate appropriate applications for you at any time.
  III. Enhance accuracy and complete tasks safely and speedily.
  IV. Retrieve training video, image or quality assurance check list.
  V. Contact collaboration partner in real time and brings out expertise. See through video streaming of what you see.
  VI. Real-time collaboration and troubleshooting.
  VII. DMS / SI – Ennoconn provides the world's top industrial Internet of Things and embedded technology, and provides global business solutions and functions for traditional DMS (design and manufacturing solution) / SI (system integration) and IT (information technology) services. Ennoconn provides these solutions for collaboration partners and clients in high-growth markets including smart city, smart manufacturing, smart retail, smart finance and media and recreation.
  VIII. Digital Transformation / DaaS – Ennoconn's digital transformation and "DaaS" strategy will integrate manufacturing system with emerging technology solution and provide final product accordingly to meet all revolutionary needs generated from internal design, manufacturing, cloud data storage for supply chain platform and academic subject, machine learning/AIoT / 5G /Cloud IoT.

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Ennoconn Green Energy Cloud Platform Service

Ennoconn works together with Google in using the industry's most green energy (zero carbon) cloud service. Currently, scope 1.2.3 greenhouse gas emission (carbon neutralization and 100% renewable energy) have already been realized. Google data center aims at complete adoption of zero-carbon energy by 2030. Together, let us use technology collaboration to assist enterprises to achieve zero-carbon emission sustainable development. We offer one-stop cloud service to allow enterprises to connect cloud, log on cloud, use cloud, manage cloud and protect cloud.

Our technology services are installed on Google Cloud including:

Web
Computer room structure is migrated to cloud for creating and running virtual machines.

Computing
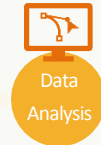This provides highly efficient and flexible global web computing resource allocation.

Storage
Storage space that provides safe, expandable and high price performance ratio.

Database
Databases that provide hosting service and fit for various industries' applications.

Data Analysis
This provides data analysis and open platforms of high efficiency and economic costs.

Artificial Intelligence
ML/AI modules are established using highly efficient computing and big data.

In as early as 2007, Google Cloud had already offset its CO2 emission and achieved carbon neutral target through carbon reduction and carbon credit. Starting from 2017, it purchases renewable energy equivalent to every year's total power consumption and achieves 100% utilization of renewable energy to conduct global operations. It also plans to go one step further by reducing all gas emissions, such as CH4, which lead to greenhouse gas emission prior to 2030, and allow all operation footprints to adopt carbon-free energy for power supply and operation maintenance throughout the whole day.

Green Design – Sustainable and Environmental

Recently, the international environmental trend to have hazard-free, energy-saving and carbon-reduction products has become respective countries' fundamental requirements. With its green products and services, Ennoconn Corporation has exerted its utmost efforts to protect the earth since its founding. Faced with the ever serious impact from global climate change, the Company continues to strengthen collections of various countries' regulation requirements, establish environment control policy and assess product's degree of green compliance. During product development phase, the Company introduces environmental design concept and pays attention to environmental issues through adding concepts of energy saving, low hazard and easy to recycle. A green technology team is established within the Company to fulfill internal/external inspection and control for the purpose of ensuring that products comply with green requirements. In addition, the Company ensures that materials are controlled from the source, and paperless system PDM includes green product management system. Green monitoring is implemented to components as well as products to ensure materials comply with international green regulation requirements. Using hazardous materials on products is reduced in order to contribute to our earth. The Company also continues to pay attention to international related environmental directives of REACH, RoHS, WEEE, PFOS, Halogen-Free and Conflict Metal, and offers comprehensive assistance to product development and manufacturing.

More and more companies have exerted their efforts to invest in Corporate Social Responsibility (CSR). A lot of enterprises focus on environment sustainability perspective hoping to save resources. The paperless office model not only achieves this goal, it can also improve corporate image in terms of corporate social responsibility, and solve difficulties on document storage, transmission and signing while allowing corporates to maintain business continuity to the most extent amid unclear pandemic situations. The Company provides electronic signing platform and utilizes environmental paperless process to realize remote signing for the purpose of fulfilling safe and fast enhancement of signing and approval speed. Paperless and carbon reduction are the focus for technology and digitalization. Starting from February of 2010 after Taiwan Stock Exchange and Taipei Exchange drafted "Corporate Social Responsibility Best Practices for Taiwan Stock Exchange/Taipei Exchange Listed Companies," respective major TWSE/TPEx listed companies have started to draft "Corporate Social Responsibility Report" each year. Additionally, in terms of environment sustainability, Environmental Protection Administration has also launched carbon footprint label and carbon reduction footprint. Ennoconn Corporation understands importance of resource sustainability, energy saving and carbon reduction. We encourage employees to be environmental any time in their work environments. Same as most electronic manufacturing companies, Ennoconn Corporation's electronization also starts from the introduction of Enterprise Resource Planning (ERP) which provides multiple function modules of purchase, sales, inventory, HR, finance, quality management and project management, optimizes corporate process and enhances corporate's competitiveness. This later extends from (ERP) to applications of Product Data Management (PDM), Workflow, Technology Document Service Center (TDSC), Knowledge Management (KM), Human Resource Portal (HR Portal) and Manufacturing Execution System (MES). Each originally independent system was connected and the Company is moving towards paperless goal of reducing paper transmission and consumption. The Company has also established responsible IT department which installs "paperless meeting system" equipped with services of linking and connecting remote/near side meetings. In addition to features of energy saving and reduction of paper printing, confidential materials can even be controlled through this during pandemic period to mitigate data leakage risks.

In terms of waste generation and recycling and re-utilization, Ennoconn Corporation integrates concepts of easy-disassemble or module into product design under compliance with EU's WEEE directives. Exploded drawing is utilized for easy-disassemble analysis and respective product's assembled structure drawing is established to calculate time needed to disassemble products. Product assembly structures are then improved accordingly to reduce operation time needed for disassembly and recycling for the purpose of complying with WEEE's regulation requirements. Ennoconn Corporation produces disassembly manual in accordance with client's environmental certification requirements, and calculates product recycle rate (3R = Reuse + Recycle + Recovery) to meet with regulation requirements on product's overall recycling rate. In terms of selection for product packaging materials, in addition to considering product's protection effect, the Company also needs to pay special attention to material's environmental features which come with recyclable effects but without hazardous substance in order to comply with EU packaging directives and regulation requirements from respective countries, i.e., requirements from packaging and packaging waste directives announced by EU. Corporate will exert its utmost effort environmental protection and utilization of recycled resources. During development of new products, client's needs are included into considerations. Based on various energy consumption requirements on environmental protection labels, product's level of compliance is verified and environmental performance of life cycle is adjusted accordingly. Search other possible alternate technologies for parts in order to enhance product's environment performance and develop more environment-friendly products. R&D team continues to develop low energy-consumption products in order to comply with related requirements from EU low energy consumption regulations such as Energy Star.

> 2021 signature industrial control product KSwitch series has already obtained 96.6% recycle rate indicator report in ETC Taiwan Testing and Certification Center. As such, products developed or manufactured by Ennoconn shall continue to comply with EU standards and maintain 75% recycle rate which is higher than the one required by EU WEEE directives. In 2021, products or services provided by the Company did not have incidents of violating health and safety regulations on products and services.

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Development Results for Previous Years

2019 Development Items

I. Launching of AMD 4 display integrated single SOC chip standard motherboard. The Company had therefore successfully become a game console vendor. This product presents high performance video and audio display effect.
II. The Company continues to work with Intel in expanding Coffee lake platform's application on game console, and enhances application of USB device management and MCU device control, and provides more system integration of different types, and has successfully become a game console vendor such as dart machine.
III. The Company continues to enhance collaboration with gaming clients, and develops firmware functions in Boot Security and different core modules in order to satisfy different clients' needs.
IV. The Company collaborates with medical equipment vendors in developing hand-held ultrasound tablet which complies with EN60601 requirements, and develops various firmware to assist clients in integrating various needs.
V. The Company launched marine reinforced mainframe of Coffee lake platform, and went deep into rigorous maritime EMI/EMC. Safety and power requirement development capability solved voltage fluctuation and related insulation problems and complied with related DNV and various test requirement certifications, and thus provides clients with more diversified product choices.
VI. The Company develops ECDIS color correction software which enables compliance with certification requirements during panel's industrial application, and enables marine chart and message system to be accurately displayed on LCD screens under conditions of different brightness, and integrates communication protocols' application on ship device control.
VII. The Company develops basic version POS of Intel Apollo Lake and provides clients with more comprehensive product lines.
VIII. The Company develops USB SR Pro software tool kit, and uses it on industrial computer together with hardware design to provide detection and rest functions of device and lower possibility of having personnel to maintain on-site.
IX. The Company develops Intel-integrated single SOC chip and provides AOI inspection and application through client robot product integrated machine vision, and designs PSE module system of industrial insulation class, and provides 4 sets of POE ports for the use of camera, and develops light source control firmware and provides various parameters together with high-voltage light source control module to provide LED with more optimized light dimming functions.

2020 Development Items

I. The Company develops mid-to-low-end POS machines of Intel Whiskey Lake platform and provides clients with diversified product planning.
II. The Company develops BOX PC for Intel Elkhart Lake platform and provides client with access to Kitchen controller product planning.
III. The Company combines video chip vendor with Media Tek's chip in developing and designing video conference product of 4k image stitching and AI smart identification.
IV. The Company develops BOX PC for Intel Tiger Lake platform and introduces interface matching NMEA isolated design, and enhances ECDIS color correction technology, and introduces marine chart system products and provides client with access to new generation product planning.
V. The Company develops BOX PC for Intel Elkhart Lake platform's track traffic application, and introduces design matching on-board Ignition, and complies with voltage change and power isolation requirements and integrates 4G/5G module into one system and thus increase more diversified applications and provides clients with more comprehensive system products.
VI. The Company develops industrial class Ethernet Switch products with serial port supporting communication of real-time data transmission and receiving measures. After web interface expansion box is connected, serial port will resume to communication status in real-time. Just plug in and use it. There is no need for complicated IP setting and it is easy to install and maintain.
VII. The Company develops ARM structure CPU module for Rockchip and thus provides more diversified choices for SMARC Embedded structure products.
VIII. The Company continues to enhance gaming product's overall system capability by providing design and support for hard/soft electromechanical system and optimizing mass production products such as lottery ticket machine. The Company also works with major chip manufacturer in launching new platform design and provides clients with higher price/performance ratios.
IX. The Company develops application software for Microsoft Azure Cloud by installing mechanisms of Remote monitoring and Recovery, and thus provides clients with more choices on product added functions.
X. The Company develops encrypted data storage technology and ECDSA digital signature technology, and provides hard/software integrated encryption technology to clients.

2021 Development Items

I. The Company develops All in One POS machines for Intel Whiskey Lake platform machine and thus provides clients with access to more diversified products.
II. The Company develops BOX PC for Intel Elkhart Lake platform and thus provides clients with controller solutions in Kitchen application field.
III. The Company develops BOX PC for Intel Tiger Lake platform and introduces interface matching NMEA isolation design, and enhances ECDIS color correction technology, and introduces marine chart system products and thus provides clients with access to new generation product planning.
IV. The Company develops BOX PC with track traffic application for Intel Elkhart Lake platform, and introduces designs matching on-board Ignition, and complies with voltage changing and power isolation requirements and integrates 4G/5G modules into one system and thus increase more diversified applications and provides clients with more comprehensive whole-machine system products.
V. The Company develops motherboard for lottery ticket machine of Intel Elkhart Lake platform and thus provides clients with access to more diversified product planning.
VI. The Company develops small-size display screen lottery ticket machine system for Intel Whiskey Lake platform with wireless BCR Reader design. This provides easy-to- assemble products of variability in response to different locations.
VII. The Company develops integrated Smart Projector product which support different projection input source function, and it combines with multi-media products of cloud software service.
VIII. The Company combines video chip with Media Tek's related chips in developing and design of video conference application products of 4K panorama image stitching and AI smart identification, and integrates video software and cloud synchronized collaboration software on products.
IX. The Company develops FAN less All in One system of Intel Whiskey Lake platform.
X. The Company collaborates with clients in expanding related plastic and iron parts design for gaming product large machine case, and optimizes change and continues to introduce new design solutions for related systems.

3.2 Economic Performance

Economic Performance is the cornerstone for the Company's sustainable development. It is also an issue concerned by investors and shareholders. To pursue sustainable development and satisfy stakeholder's needs, Ennoconn Corporation is dedicated to exploring Europe, US and Japan large system integration brand vendors in respective fields of smart industrial control, smart retailing, smart gaming, smart family life and smart traffic, and explore emerging markets of China and South America regions together with clients for the purpose of creating revenue performance of stable growth. If compared with industry players, the Company's consolidated sales revenue growth rate is far better than the ones for other industry players.

Additionally, the Company is dedicated to resource consolidation, expanding domestic overall manufacturing and service in areas where clients are located, obtain major client's product design and manufacturing turnkey contracts and offers one-stop overall product service for clients. In the meantime, the Company also develops high growth, high value and high profit margin products and solutions, integrates existing product lines, expands industrial computer product's diversity, aggressively works on IoT platforms which spans from cloud and system to terminal device and enhance competitiveness in existing territories. The Company's growth potential is better than the ones for other industry players in TWSE/TPEx.

Business Percentages for Major Products:

Unit: NTD in thousands

Product Items / Year	2020		2021	
	Net Operating Income	Percentage (%)	Net Operating Income	Percentage (%)
Industrial Computer Hard/Software Sales	84,090,614	99.99%	96,555,986	99.99%
After-Sale Service	871	0.01%	660	0.01%
Total	84,091,485	100.00	96,556,646	100.00

Sales Regions for Major Products:

Unit: NTD in thousands

Product Items / Year		2020		2021	
		Amount	%	Amount	%
Domestic Sales		12,264,960	14.59	19,130,961	19.81
Export	Asia	20,042,926	23.83	22,184,483	22.98
	America	10,652,484	12.67	11,515,565	11.93
	Europe	40,798,982	48.52	43,337,613	44.88
	Others	332,134	0.39	388,024	0.40
Total		84,091,485	100.00	96,556,646	100.00

Sales Percentages for Respective Regions in 2021

- Others 0.40%
- America 11.93%
- Domestic Sales 19.81%
- Europe 44.88%
- Asia 22.98%
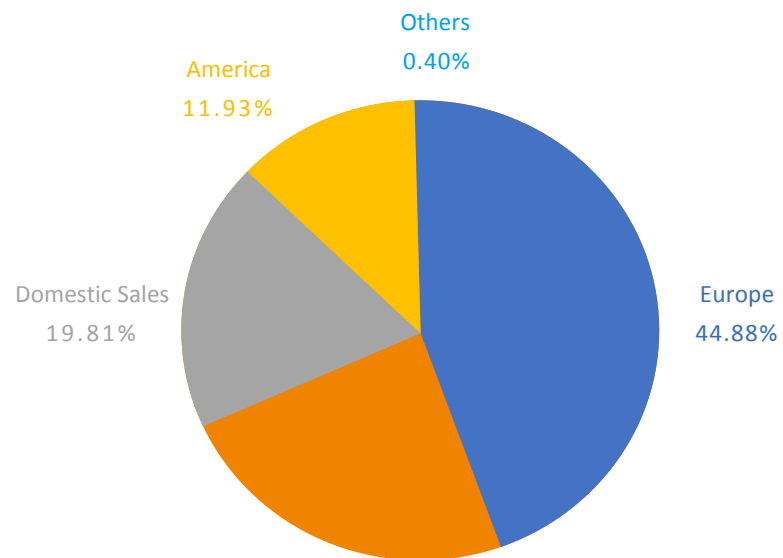
Financial Performances of Previous Years

Unit: NTD thousands but earnings per share is in NTD

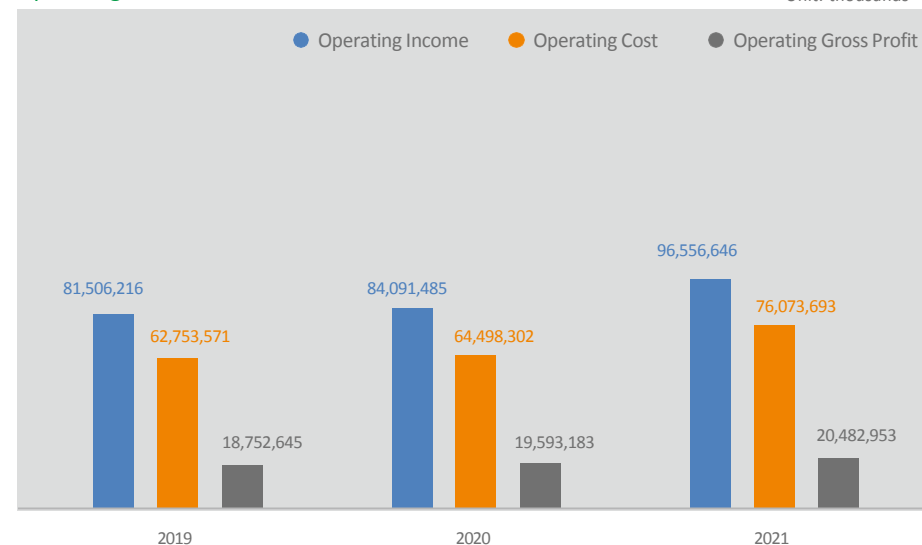| Item / Year	2019	2020	2021
Operating Income	81,506,216	84,091,485	96,556,646
Operating Gross Profit	18,752,645	19,593,183	20,482,953
Operating Net Profit	3,377,347	3,674,025	3,193,300
Profit before Tax	3,811,956	3,976,567	4,249,253
Profit After Tax	1,080,242	1,111,524	1,334,944
Earnings Per Share (NTD)	13.22	12.13	13.91
Dividend Amount Distributed Per Share (NTD)	5.0	5.0	7.0

Economic Values Distributed

	2019	2020	2021
Operating Cost	62,753,571	64,498,302	76,073,693
Employee Salary & Benefit Expenditure	11,764	12,813	14,954
Payment to Government	786	821	897
Dividend to Shareholder	414,597	480,785	742,259
Social Investment/Donation & Expenses	341	353	268
Retained Economic Values (Operating Income – Distributed Economic Value)	18,325,157	19,098,411	19,724,575

Note 1: Financial performance adopts International Financial Reporting Standards.

Note 2: Dramatic growth in 2021 consolidated revenue is because operations for the Company's critical subsidiaries of S&T and MIC are very good and therefore operation income has increased dramatically.

Operating Income and Gross Profit in Recent Years

Unit: thousands

- Operating Income
- Operating Cost
- Operating Gross Profit

2019: 81,506,216 | 62,753,571 | 18,752,645
2020: 84,091,485 | 64,498,302 | 19,593,183
2021: 96,556,646 | 76,073,693 | 20,482,953

Profit Distribution in Recent Years
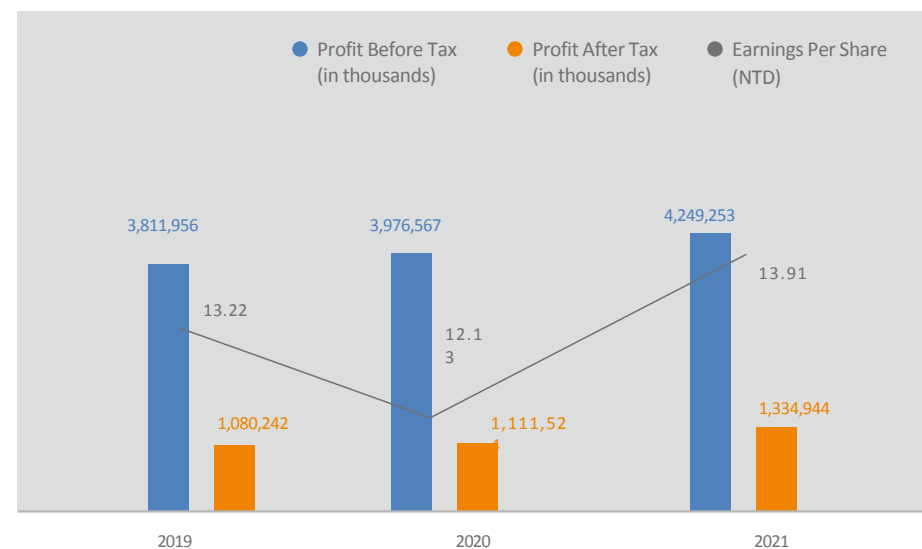
Unit: thousands

- Profit Before Tax (in thousands)
- Profit After Tax (in thousands)
- Earnings Per Share (NTD)

2019: 3,811,956 | 1,080,242 | 13.22
2020: 3,976,567 | 1,111,52 | 12.13
2021: 4,249,253 | 1,334,944 | 13.91

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3.3 Quality, Environmental Protection and Customer Satisfaction
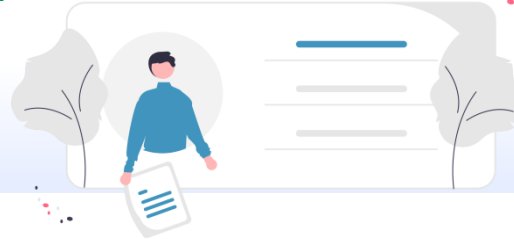
Ennoconn Corporation has always been committed to pursuing excellent and stable quality and environmental responsibility. The Company's cross-strait subsidiaries have all obtained ISO9001 quality management system certification. Under client's continued satisfaction and environmental protection awareness, Ennoconn Corporation of Suzhou, China has also obtained ISO14001 environmental management system certification. The Company also has an in-depth cultivation in medical industry and has received certification of ISO13485 quality management system in medical industry. These are truly fulfillment of product quality requirements from client's perspectives.

"Customer Satisfaction, Quality is the King" is Ennoconn's quality policy. Through "Total Quality Management" and risk management thinking, we have fulfilled the policy throughout the Company's operations in respective phases, and have searched all the time for continued improvement space for the purpose of receiving client's constant satisfaction and recognition.

All of the Company's products have implemented third party (such as SGS) safety certification operation during design and development phase to ensure compliance with safety label requirements. Important new products for major clients in 2021, such as CX and EMB series industrial control products, have gradually received 9 critical certifications including FCC/CE/TUV-UL/CB/NOM/RCM/BSMI. They have 100% complied with requirements from clients and regional regulations. In the meantime, under considerations of economy and technology, Ennoconn continues to abide by internationally released environmental protection regulations and requirements, and complies with related international regulations on green products from effective utilization of natural resources to prohibition of hazardous substance and to Life Cycle Assessment (LCA) on proper management of wastes. The Company promotes its green products from three perspectives of safety, energy saving and environmental protection. As such, there was no punishment, fine, sales ban or re-call incident from violating product or service's violation of environmental regulations in 2021. With our rigorous quality management spirit, we shall continue to monitor every step of the way.

In terms of quality management, we utilize Google Cloud Services technology to allow system to manufacture next generation products which span across core vertical industries. In the meantime, digitalization solutions have provided visions for supply chain and production management team. Real-time monitoring is conducted on material supply/demand management and control in order to reduce error and wastes. In addition to increased profitability and efficiency, temperature, vibration and humidity can also be measured through IoT monitors embedded on package and transportation vessels so that detection can be conducted and unfavorable conditions can be reversed before products are damaged. Artificial intelligence application comes from historical and current data in weather system, transportation and port closure. It can sense or predict delay and realize maximum efficiency for cargo shipping routes.

With the implementation of these cloud-based tools, visibility on demand, design chain, product selection, product cycle and life have received dramatic improvement. Ennoconn production system utilizes analysis technology to collect and analyze related manufacturing and design data and is capable of manufacturing products continuously. Sensor, machine to machine communication, artificial intelligence and augmented human machine interface facilitate improvements through real-time data operation. IoT machine's reliance on human operator will decrease with its learning conducted through artificial intelligence. Ennoconn's IoT factory machines are still adaptable and highly customizable, and they are redesigned to manufacture products which are needed by clients and which are capable of continuously adapt to fast changes. In a traditional factory, repair will be conducted once breakdowns occur to equipment. This will lead to expensive down time while creating unnecessary resource wastes. In a Meta verse factory driven by Ennoconn and Google technologies, data are collected continuously through smart sensors to run forecast report and arrange maintenance before machines shut down. Ennoconn's strategic alliance provides embedded computer system and industrial automation solution. A smart factory is capable of enhancing product quality, increasing safety and lowering manufacturing costs. Embedded products adopt industrial class component of specialized design to ensure longer product life cycle and capability to work under wider temperature scope in a factory with hostile conditions.

Conflict Mineral Policy

Ennoconn Corporation requests that production, manufacturing and suppliers must fulfill social and environmental responsibility and practice international justice. Continued enhancement of demonstrating morality, environmental protection and society is a fundamental element when illustrating good governance to stakeholders. Through Responsible Minerals Initiative's "Responsible Minerals Assurance Progress" regular due diligence, we request suppliers to purchase non-conflict raw materials, and avoid using conflict minerals which indirectly causes problems of human rights violation behavior or behavior violating national or international laws.

We hereby commit that we won't accept products manufactured using "conflict minerals" from Congo and surrounding countries and regions. Conflict minerals include gold (Au), Tantalum (Ta), Tin (Sn), Tungsten (W) and Cobalt (Co). The Company requests that supplier must investigate and trace sources of conflict minerals included in all products, and that these metals shall come from certified smelters recognized by RBA (EICC) to ensure that these metals are not from conflict mines, and that message of this no-conflict metal shall be forwarded to their upstream suppliers for compliance accordingly.

In 2021, the Company continued to conduct supplier chain investigation in accordance with CMRT latest version v6.10, and generated RMI mine list based

on https://www.responsiblemineralsinitiative.org/smelters-refiners-lists/ for basis of source verification.

Customer Satisfaction

Ennoconn Corporation values product development and satisfies all clients by providing real-time innovative services. R&D teams are established inside the Company. These teams are focused on innovation technology collaboration as well as drafting and implementing measures on corporate social responsibility. Sustainable product design and supply chain management are keys to ensure the whole company's sustainable development.

In addition to pursuing innovative development to meet clients' needs, Ennoconn Corporation has also established numerous management procedures and guidelines on customer service to ensure quality of professional services in every aspect. In the meantime, the Company provides clients with various channels to propose recommendations or report product quality. After receiving related information, the Company will establish files for tracking purpose, discuss and analyze improvement projects with related departments, propose prevention measures on issues raised and respond to clients in real time on handling process and measures for solution.

In 2021, there were no occurrences of customer complaint with respect to violation of regulation or agreement requirements.

Ennoconn Corporation values client exploration and customer relationship management. Through customer satisfaction survey conducted each year, the Company is able to understand client's values on various services provided by Ennoconn Corporation, and make improvement accordingly based on client's feedback while continuing to strengthen and maintain customer relationship.

Smart Business Headquarters conducts regular satisfaction questionnaire survey on critical clients every year. Questionnaires are retrieved after they're completed by clients. Assessment results and recommendations will be summarized into tables which are then submitted to management for review. Rectifications will be made on issues with lower customer satisfaction. The Company will reply clients in writing in order to obtain client's support, and will continue to enhance product and service quality in the future for the purpose of ensuring that client's needs are understood and satisfied.

Results from surveys conducted during the last 3 years are shown in the graph below. Ennoconn Corporation received an average of 86.3 points in customer satisfaction in 2021. Although satisfaction dropped compared with the one for 2020 because service delivery was impacted by pandemic, the overall satisfaction is still higher than the target of 85 points. This indicates that customer satisfaction has remained in certain level.

Satisfaction Points in Recent Years

2019	2020	2021
90	96.7	86.3
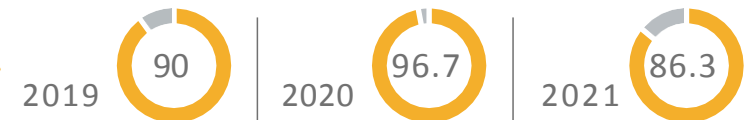
3.4 Sustainable Partner

Supplier's Sustainable Development

Enhancement of supplier's social responsibility and establishment of green supply chain is an important and continued task. Currently, supplier's environmental assessment is conducted by purchase personnel, who regularly supervise supplier's environmental protection performance and double check on vendor's self-assessment score on "Green Environmental Supplier Assessment Form." Ennoconn Corporation pays close attention to labor and environmental issues and regulation update, and communicates international trend and demands to upstream suppliers. Currently, Ennoconn Corporation has set 3 phases for promotion tasks to make supply chain environmental: awareness, promotion and sustainability.

Awareness: Suppliers are educated and guided in the fields of direct/indirect materials, inspection on energy utilization, waste discharge and self-disclosure of transportation energy consumption for the purpose of allowing suppliers to understand calculation measures for their product life cycles as well as possible impact to ecology. The Company continues to share measures and effectiveness on corporate sustainability development with its critical component suppliers, and promote international critical trends of RBA Code new version, Conflict Minerals Act, corporate sustainable development report drafting measures and greenhouse gas inspection measures. It is hoped that supplier's related awareness and participate rate can therefore be enhanced accordingly.

Promotion: The Company started to promote sustainable development requirements in environment, society and governance section of website. Starting from 2022, the Company plans to request more suppliers to sign social responsibility and business ethics agreement and require their commitment to comply with Responsible Business Code of Conduct (RBA Code) and Social Accountability 8000 (SA 8000). Furthermore, the Company implements supplier social responsibility and environment health and safety investigation under the purpose of verifying compliance with multiple international standards such as Environmental Management System (ISO 14001), Occupational Health and Safety Management System (ISO45001), Social Accountability 8000 (SA 8000), Responsible Business Alliance Code of Conduct (RBA) and various laws and regulations. In 2022, issue of supplier's greenhouse gas effect inspection is added in order to comply with international trend and client's requirements. For each year beginning from 2023, Self-Assessment Questionnaire from Responsible Business Alliance Code of Conduct (SAQ) filled in by specific suppliers will be selected to understand supplier's compliance with RBA Code and behavior as references for next phase on-site audit on RBA implementation

Sustainability: In terms of future management practices, our phase I supplier and critical clients are still the recipients for major education and training as well as data supply. In addition to strengthening supplier's environmental protection awareness and corporate responsibility, the Company also utilizes client's "leading by example" promotion to allow suppliers and clients walk together in the frontier of manufacturing industry's environmental needs. Meanwhile, self-management capability is strengthened through manufacturing and supplier's actual behavior. It is hoped that supplier demonstrate actual implementation performance on their corporate social responsibility reports. Through collaboration, related requirements and management measures are expanded into next phase suppliers. The Company also aggressively encourages suppliers, who have yet to implement management system certification, to apply for related certifications, and work together with all parties in building up a real green supply chain. It is hereby expected that suppliers work together with Ennoconn in achieving the goal of corporate sustainable development.

Purchase Policy

Ennoconn is dedicated to developing green product purchase and values safety requirement and environmental protection. Supplier which protects labor human rights will be listed as priority purchase counterparty. Meanwhile, under considerations of freight costs and environmental protection issues, purchase will be made from domestic supplier as much as possible in order to mitigate impact to environment during transportation process. This will also assist in promoting Taiwan upstream raw material industry's development. Upon assessment on equipment purchase request, a major energy consumption equipment assessment form filled by respective suppliers will be utilized to verify types of energy utilized and status of energy consumption.

Ennoconn values growing together with supplier partners, jointly magnifying social responsibility benefits in supply chain, operating an enterprise in a responsible manner and providing quality and authentic raw material to the Company. Together we can build up a valuable supply chain that belongs to the group.

Ennoconn Corporation needs to comply with the Company's purchase requirements when purchasing raw materials, and the Company is committed to domestic purchase to serve its clients and satisfy resource distribution. Measures of strengthened control over raw materials include the following supplier guidelines:

  i. Legitimate registration in government's system on industry player;

  ii. Tested and recognized by related R&D units or units recognized by clients;

  iii. Complete product data must be provided for analysis and comparison, and no altering of

     package or change of label;

  iv. Raw materials imported from abroad need to have permits and should be purchased in

     original manufacturer's package;

  v. Raw materials need to be stored in accordance with regulations and need to obtain related

     permits;

  vi. Assessment process need to be conducted again in the event of change of raw material's

     related electronic data.

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Management of Supply Risks

Since the outbreak of COVID-19 in early 2020, every country has been plagued by factory shutdown, congested logistics among countries and delay in supplier's delivery, or delivery delay from blocked logistics, broken chain without early warning or urgent order crisis simply because of compliance with respective countries' new export/import customs clearance regulations. As such, precautionary measures need to be prepared in advance in order to maintain a corporate's continued operations. The most important thing is a stable supple chain. Internally, the Company first needs to have a good management on demand/supply and inventory. Externally, the Company needs to do inventory check and verify situation of supplier's exposure under pandemic danger zones, supplier's inventory status, logistics vendor's capability (land transportation, sea transportation, air transportation) and if suppliers are able to deliver on time. Under maintenance of trust relationship with existing suppliers, the Company needs to aggressively search for backup products and possibility of having the second or the third supplier in order to mitigate purchase risks and remain flexible. Although supply chain has successfully overcome challenges brought by the 2020 pandemic, we're still facing various difficulties as various countries have gradually initiated lifting economy lockdown and entered the post-pandemic era. That includes supplier's extended delivery time, raw material cost increase due to increase in transportation fee and short-supply of cross-border transportation. With the increase of order performance costs, changing consumer demand and increase of returned goods and scraped items have all become challenges in building up effective inventory. Furthermore, client's demands on quality have become higher given regulation's being more stringent each day. Quality issues have dramatically increased supply risks. Therefore, keeping track on qualified raw materials is more important than when materials arrive. To satisfy client's ever complicated expectations, supply chain still needs to continuously solve aforementioned difficulties and face many other changing challenges from clients.

In terms of supply chain's sustainable supply, we have drafted 5 major strategies to successfully prevent inventory shortage from happening:

I. Check place of origin's delivery and situations of lockdown, factory shutdown or blocked transportation around the world. Check all conditions and come up with the right strategies for different situations.

II. Early preparation on purchase. Shipments for purchase orders already placed have all been delivered to factory earlier. Extend demand period and place orders six months to one year earlier.

III. Look for alternate source. Explore domestic customized manufacturing if original manufacturer's factory is shutdown. In case of lost contact with original manufacturer, look for alternate products in non-pandemic areas.

IV. Multiple solutions. In the event that vendors refuse to accept extended delivery orders, make down payment to reserve source of products. Reserve sea transportation space earlier, or switch to air transportation for imported goods.

V. Coordinate and collaborate with Foxconn Technology Group's purchasing power, Conduct review using jointly owned materials. Actively collaborate with client's delivery and conduct regular review over material shortage.
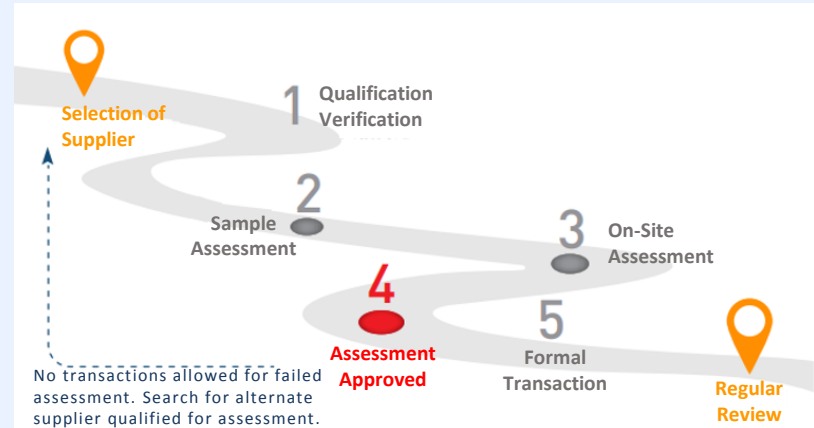
Supply Chain Management

Ennoconn Corporation has established "Ennoconn Corporation Supplier Code of Conduct" and shall promote all suppliers' signing of the code of conduct through the following measures:

I. Official promotion and announcement;

II. Synchronized signing when entering new agreement with new supplier;

III. Synchronized signing when renewing agreement upon expiration. We can only ensure our product quality if we have consistent concepts of value with suppliers.

New Supplier Assessment

Ennoconn utilized 5 major steps to conduct supplier assessment. These steps are illustrated in the following graph.

Selection of Supplier

1 Qualification Verification

2 Sample Assessment

3 On-Site Assessment

4 Assessment Approved

5 Formal Transaction

Regular Review

No transactions allowed for failed assessment. Search for alternate supplier qualified for assessment.

In addition to Quality Control Department's control over raw material quality, multi-dimensional considerations will also be conducted on raw material suppliers, and supplier's conditions are reviewed from the perspectives of legitimate and good reputation, compliance with factory sample specification requirements, protection of employee's rights, emphasis of product safety and environmental protection. Document review over supplier will then be proceeded, and supplier need to submit related documents of profit-seeking enterprise registration and factory registration certificate to prove that the supplier is a legitimate company and factory. Certificates received from various certifications shall also be provided for verification if supplier's system and planning are comprehensive. A cross-department team is formed to conduct supplier assessment operation. In terms of our audit and review on raw material suppliers, assessment team will randomly conduct audit on suppliers to assess if suppliers comply with related regulations and supervise supplier's rectifications for the purpose of rigorous implementation of supply chain risk management. Only suppliers meeting Score Cards qualification requirements can continue to become transaction suppliers.

Introduction of Corporate Social Responsibility Survey Questionnaire

Establish Corporate Social Responsibility self-assessment questionnaire and investigate supplier ESG management items of protection employee's rights, energy saving, waste reduction and so on.

Due to pandemic impact in 2021, supplier exploration has been expanded and **64** new suppliers were added. All new suppliers have been assessed as qualified suppliers.

Supplier On-Site Assessment Functions and Responsibilities

R&D Department
Verify new material's specification, test sample and participate in supplier assessment when necessary.

Purchase Department
Screening and assessment of supplier, compiling and filing of assessment and rating materials.

Quality Control Department
Responsible for testing supplier's samples and assessing suppliers.

Quality Assurance Department
Responsible for verification of quality related materials and assessment of suppliers.

Quality Control Department
Assessment and rating of supplier's production capacity and environment and supplier assessment

Assessment of Existing Suppliers

Ennoconn regularly conducts annual assessments on raw material transaction suppliers and outsourced factories. Assessment and rating are conducted in four major fields of Q(Quality, 35%), C(Cost, 25%), D(Delivery, 20%)and S(Service/Technology, 20)for the purpose of serving as basis for risk management. Vendors with assessment total score of 85 or more are class A good vendors. Vendors with total score of 71~84 are class B vendors. Vendors with less than 71 scores are class C unqualified vendors. In the event that existing suppliers have experienced significant irregularity in quality, or if they are manufacture vendors for critical raw materials, site visits will be arranged with priority.

Assessment for a total of 258 suppliers have been completed in 2021, and all vendors have passed assessment. Additionally, we have promoted ESG policy to 159 critical suppliers in 2021. Going forward, we shall also continue to track supplier's ESG performance.

Management of Outsourced Factory

Ennoconn Corporation's selection on outsourced vendors takes reference from requirements of Government Procurement Act. Through open and fair measures and using procedures of evaluation, price competition or price negotiation for selection and determination, and priority is rendered to domestic vendors. In terms of selecting outsourced vendors, our priority lies in purchasing product and equipment from vendors with energy saving label, water saving label and energy saving facilities. The Company takes reference from vendors already complying with specifications and performance needs, and will proceed with collaboration only after confirmation from transaction risk (legitimate registered company and payment terms) assessment.

Collaboration Partners

INTEL® SMART SYSTEM

Intel® smart system alliance member's knowledge and experience provide extremely attractive competitive edge for OEM searching for embedded application excellent solutions. Associate member like Ennoconn works closely with intel in adjusting its technology roadmap and program while optimizing synchronized development with intel platform version. They participate in training, education and market development and other ecosystem activities, helping them provide top solutions based on the latest intel structure while expanding embedded smart system market for intel-based products.

GOOGLE CLOUD
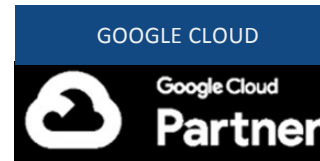
Ennoconn collaborates with GCP in conducting digitalization transformation on its globally opened ai-of-things cloud platform. Ennoconn and GCP have already agreed to conduct strategic collaboration under purpose of changing Ennoconn's manufacturing system, and creating new products, service and industrial manufacturing methods for core business international clients. That includes smart city, smart manufacturing, smart retailing, financial service and media and recreation.

GOOGLE GLASS

Google glass corporate version has become a completely integrated technology among and surrounding Ennoconn's manufacturing design process and services. In the meantime, Ennoconn conducts productization and provides google glass in various new manufacturing or ODM product solution integration.
Ennoconn and google glass directly integrate into your work process, and allow you to stay focused, remain in participation and concern while providing real-time collaboration. Ennoconn is google glass's major value-added supplier. From equipment to technology SI management, we are committed to providing comprehensive google glass solution and structure.

Ready to activate appropriate application for you at any time

Real-time contact with collaboration partner. Bring in expertise and see what you see through video streaming.

Enhance accuracy and complete tasks safely and speedily

Real-time collaboration and troubleshooting

Retrieve training video, image or quality assurance check list

GOOGLE WORKSPACE

Ennoconn connects google workspace with its products and solutions. This includes authorized dealership opportunities for google workspace and other google related products. Workspace has expanded this relationship and has perfectly integrated digitalization transformation product and service strategy.

Ennoconn and google suite provide smart solutions allowing collaboration to be easier, faster and more efficient.

Introduce flexible collaboration for your team.

Demonstrate to hundreds of people, observe reaction and is capable of answering any question in real-time.

Automatic editing and modification tracking without the need for email.

Transform message and chatting groups into video chatting to realize spontaneous speedy synchronization.

On-line discussion platform makes it easy for people to establish contact and break organization obstacles.

MEDIA TEK AND VIA TECHNOLOGIES

Ennoconn's industrial mother board, pos (selling point/service point) equipment and self-service terminal functions include MEDIA TEK's chip module, and they are applied in various cloud-based computing design and technology application. This capacity is based on long-term strategic relationship which includes resources in design, sales and marketing. Support is also provided by execution level.

Ennoconn's strategic collaboration partnership with via technologies combines Ennoconn-centered hardware with DMS service manufacturing capability as well as via technologies' capability in developing embedded operating system solutions. These solutions are utilized in applications from edge computing to cloud computing as well as various ai use cases and applications.

Through this strategic collaboration, Ennoconn is able to promote, market, design and build up MEDIA TEK's soc solutions, which are based on 5g, WI-FI 6 and other advanced wireless communication technology, and MEDIA TEK's embedded operating system solutions which are used in developing mobile embedded computing equipment.

Please bring your AI + IOT application to strategy and build up seamless and joint development collaboration partnership with MEDIA TEK and via technologies. This will encompass a wide range of products and functions of smart retailing, smart finance, smart city, smart manufacturing and media and recreation.

Participation in External Organizations

Ennoconn Corporation is dedicated to industry development and aggressively participates in external associations and organizations. Through external exchange activities, the Company understands both domestic and offshore trends and regulations, both of which serve as considerations necessary for the Company's sustainable operation. We participate in associations and, as an average member, assist associations to promote related businesses.

Unit of Participation	Average Member	Special Member
Taiwan Smart City Solutions Alliance	●	
Taiwan Electrical and Electronic Manufacturers' Association	●	
Taiwan Automation Intelligence and Robotics Association	●	
Taiwan Smart City Association	●	
Taiwan Intelligent Aerotropolis Association	●	
Taiwan Intelligent Building Association	●	
Cloud Computing and IoT Association in Taiwan	●	
Asia Silicon Valley-Major League IoT	●	
Taiwan Telematics Industry Association	●	

4.0 **Friendly Workplace**

4.1 Human Resources

4.2 Happy Enterprise

Ennoconn Corporation emphasizes employee's labor rights in building a happy and safe work environment, providing colleagues with friendly and equal work opportunities, implementing gender equality policy and building up a mutual respect atmosphere. The Company offers market competitive compensation to enhance colleague's cohesiveness towards the Company, reduce employee turnover rate and ensure the Company operation's stable development. Ennoconn Corporation establishes a comprehensive education and training system and holds various training courses from time to time to solidify colleague's professional competence and enhance their workplace competitiveness. Transparent promotion channels allow colleagues to anticipate potentiality of career development. Good interaction between labor and management allows colleagues to freely express their opinions in labor management meeting. The Company also responds in goodwill to obtain consensus between labor and management. In the meantime, Ennoconn Corporation fulfills related regulations on occupational health and safety and provides on-site services through nurses to enhance the Company's management performance on occupational health and safety as well as effectively protect employee's physical and mental health in the march towards a happy enterprise.

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Human Rights Policy

Ennoconn Corporation emphasizes employee's rights and builds up a human-rights protection and friendly environment. Under compliance with principles disclosed in Bills of Human Rights of Unite Nations' "Universal Declaration of Human Rights," "The United Nations Global Compact," "United Nations Guiding Principles on Business and Human Rights" and International Labour Organization's "Declaration of Fundamental Principles and Rights At Work," the Company recognizes internationally acknowledged basic human rights which include respect for employee's freedom of association, care for disadvantaged groups, prohibition of child labor, elimination of various kinds of forced labor, elimination of discrimination in hiring and employment, prohibition of any behavior infringing or violating human rights, protection of gender equality and equal treatment to all employees. Ennoconn Corporation's compensation policy also protects employees from differential treatments in compensation determination because of individual gender, age, race, religion or political position. The Company's human rights policy is announced on official website for colleagues and stakeholders' compliance accordingly.

In the meantime, Ennoconn Corporation also complies with labor human rights regulations of its respective footprints, and starts to promote important messages of human rights protection and labor rights in 2022 to new employees and existing staff. Furthermore, Ennoconn Corporation provides report channels for employees to report accordingly. Responsible staff will conduct due diligence after receiving report and personal information of the one making the report will be kept confidential. In the event that report is verified as true after investigation, the Company promises that there won't be unfavorable treatments imposed to the person making the report. Ennoconn Corporation did not have a record of human rights violation in 2021. In 2021, the Company continues to conduct related training on issues of integrity and labor caring to all employees, provides guidelines on anti-corruption and business behavior as well as education and training courses on workplace health and safety issue in a bid to build up a safe and healthy work environment for employees. The Company also reviews implementation effectiveness of human rights policy in annual management meetings.

Ennoconn Corporation's human rights declaration is as follows :

Diversified Inclusion and Equal Opportunities	Prohibition of Forced and Compulsory Labor	Prohibition of Child Labor	Reasonable Salary and Work Terms	Health and Safety Workplace	Harmonious Labor Management Relationship
There won't be differential treatments in langue, attitude or behavior from individual's gender, race, class, age, marriage, language, ideology, religion, party affiliation, origin, place of birth, appearance, facial features, mental or physical disabilities. The Company as a whole work together to build up a work environment of dignity, safety, equality and exemption of discrimination or harassment.	Employee's willingness is respected and forced labor is prohibited.	Employment standards comply with the minimum age limits prescribed in local regulations.	Employees are provided with reasonable salary and related benefit terms in accordance with laws and regulations.	The Company will build up a health and safety work environment, and work together with employees to mitigate workplace health and safety risks for the purpose of promoting employee's mental and physical health while reaching a balance between work and life.	Diversified and open communication channels are provided and regular labor management meetings are convened for the purpose of striving for harmony between labor and management as well as effectively conciliating differences in opinions.

4.1 Human Resources

To respond to external environment impact from US-China trade war as well as block-chain development trend, Taiwanese enterprises have returned to Taiwan for their investments. This has created human resource shortage on the overall employment market. Faced with the unfavorable environment, Ennoconn Corporation has always maintained stable manpower to ensure sustainable supply of the Company's products and services with its competitive salary and benefit standards.

To echo government's localization development policy, the Company's senior management (including internal manager and above) and employees are all retained 100% locally (Taiwan).

The Company cares about disadvantaged groups and retains one employee with severe disability. This is higher than the standards required by regulations.

Percentage between male and female employees for 2021 was 1.57:1 with male employees accounting for 61% of all employees and female employees accounting for 39% of all employees. Employees retained are all full-time employees.

Percentage between male and female in senior management is 5:1.

Salary for basic level staff is 1.16 times of statutory minimum wage.

Statistics for Male/Female Employees over the Years

Male ● Female ● — Unit: Number of People

Year	Female	Male
2019	62	117
2020	70	110
2021	68	107
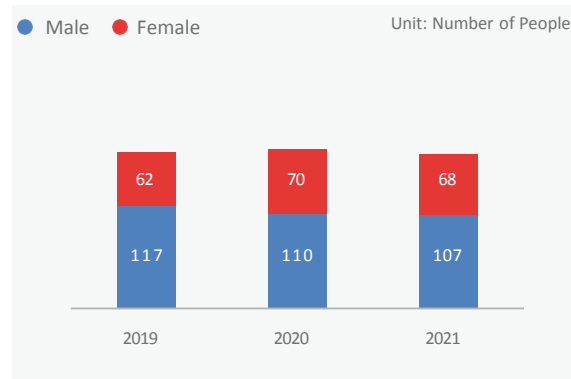
Statistics for Employee Age over the Years

2019 ● 2020 ● 2021 ● — Unit: Number of People

	2019	2020	2021
Under 30 Year Old	18	22	26
30-50 Years Old	140	137	120
Over 50 Years Old	21	21	29
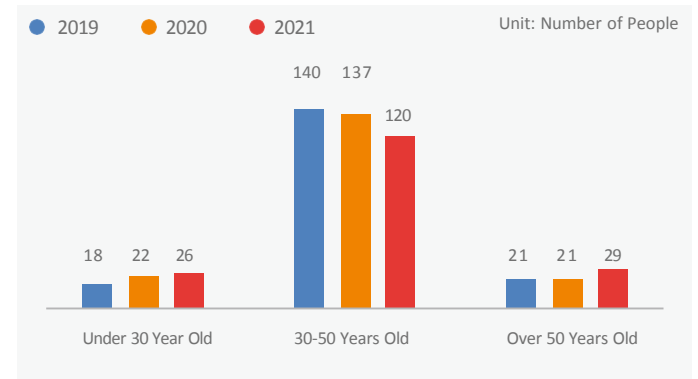
Note: All of the Company's employees are full-time employees without temporary employees or part-time employees.

Statistics for Employee Turnover Rates over the Years

● Percentage for New Employees ● Percentage for Resigned Employees

18.99%　　　17.78%　　　22.86%

19.50%　　　20.56%　　　20.57%

2019　　　2020　　　2021
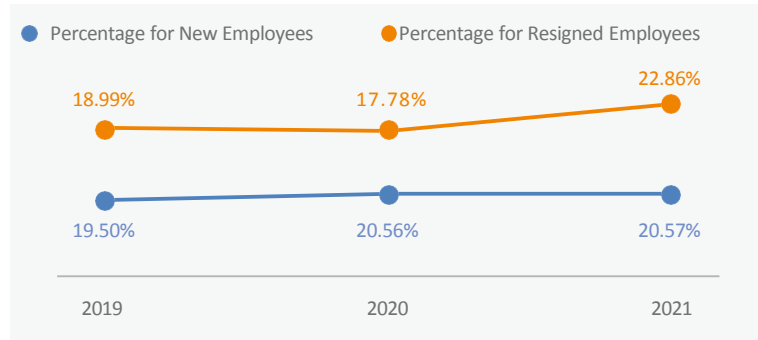
Note: Percentage for New Employees = (Total Number of New Employees/Total Number of Employees for The Year); Percentage for Resigned Employees = (Total Number of Resigned Employees/ Total Number of Employees for The Year)

Statistics on Salary Standards for the Last 2 Years

Item\Year	2020	2021	Difference
Number of People (excluding senior management personnel, employees resign within 6 months of salary raise, new employees or offshore branch office employees)	155	152	-3
Median Salary	907,000	1,026,000	119,000

Statistics for New and Resigned Employees / Year		2019 Total	2019 Percentage (%)	2020 Total	2020 Percentage (%)	2021 Total	2021 Percentage (%)
Number of Male Employees for That Year		117	----	110	----	107	----
Number of Female Employees for That Year		62	----	70	----	68	----
Total Number of Employees for That Year		179	----	180	----	175	----
New Employees							
Age	Under 30	6	33.33	11	50.00	11	42.31
	30 - 50	27	19.29	25	18.25	18	15.00
	Over 50	2	9.52	1	4.76	7	24.14
Gender	Male	22	18.80	13	11.82	20	18.69
	Female	13	20.97	24	34.29	16	23.53

				Resigned Employees				
		Total	Percentage (%)	Total	Percentage (%)	Total	Percentage (%)	
Age	Under 30	5	27.78	5	22.73	7	26.92	
	30 - 50	27	19.29	25	18.25	32	26.67	
	Over 50	2	9.52	6	28.57	1	3.45	
Gender	Male	21	17.95	18	16.36	23	21.50	
	Female	13	20.97	14	20.00	17	25.00	

Note: New Employee Rate =（Total Number of New Employees for Specific Category in That Year / Total Number of Employees for Specific Category in That Year）*100％.
For instance, Female New Employee Rate =（Total Number of Female New Employees in That Year / Total Number of Female Employees at End of That Year）*100％.
Turnover Rate =（Total Number of Resigned Employees for Specific Category in That Year / Total Number of Employees for Specific Category at End of That Year）*100％.
For instance, Turnover Rate for Employees Under 30 Years Old =（Total Number of Resigned Employees under 30 Years Old at That Year / Total Number of Employees under 30 Years Old at End of That Year）*100％.

Education and Training

Ennoconn Corporation's corporate culture emphasizes learning. Only through persistent and continued learning and training as well as enhancement of employee's competence and work quality, can the Company and client's needs be satisfied, and profit goal and shareholder's expectation be achieved so as to reach a benchmark status in the industry. We are convinced that each employee has the potential to be the Company's human asset through training, and become Ennoconn Corporation's core competitiveness and thus promote a win-win situation for the Company and employee to grow together.

We're hereby committed that all of Ennoconn Corporation's employees will be able to receive systematic and professional training, cultivation and instruction. Ennoconn Corporation provides appropriate resources to allow each employee to obtain professional skills and knowledge needed to execute the Company's mission effectively. This will serve as a basis for enhancing productivity, and will connect with professional guidance on corporate strategy and development of quality training and cultivation.

Explanation on Training Performance:

.I. Diversified courses with special features: courses include professional skills, management, general education, English, business, product planning, R&D skills and ISO training, and so on.
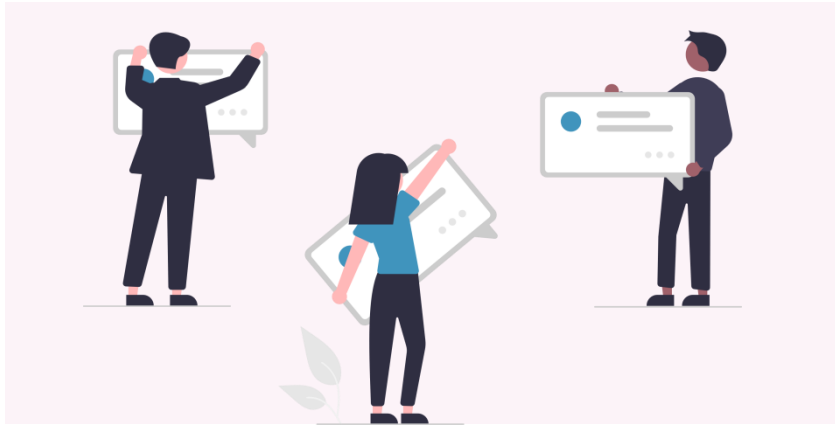II. Explanation on diversified education and training categories: Ennoconn Corporation plans different training courses based on personnel category. New employee training is conducted on new employees; audit related professional training is provided to audit personnel for conducting audit; related training on the latest financial and accounting regulation information is provided to financial and accounting management and fire-fighting responsible person training and first-aid personnel training are conducted with respect to health and safety concern. In terms of integrity management and prevention of insider trading, training courses are provided to managers and staff to ensure integrity operation and related fraud prevention.
III. Under consideration of the pandemic, new employee training on-line courses were first introduced in 2021.
IV. Training on integrity operation and prevention of insider trading as well as workplace health service introduction courses were conducted in 2021 with training man times of 96 persons, total course hours of 96 hours and average training hours per person of 1 hour.
V. Total training hours for all employees in 2021 reached 1,149 hours with average employee training hours of 6.5 hours, and 5.8 average training hours for male employees and 7.8 average training hours for female employees. Average training hours for principal engineer/specialist are 8.8 hours, and average training hours for senior engineer/manager are 5.2 hours and average training hours for senior management are 3.1 hours.
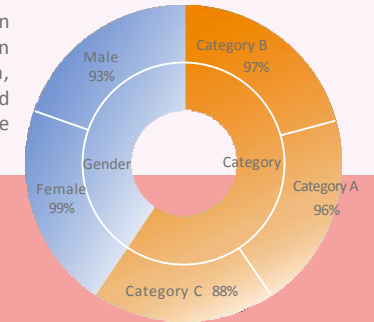
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Performance Review

Purpose of performance management and development system lies in enhancing performances of individual, department and the organization as a whole. This includes target setting, empowerment and authorization, communication and guidance, connection between performance and reward, occupational career development, and so on. Performance review percentage for all employees in 2021 was 95.4%.

2021 Performance Review Percentage

● Gender ● Category

Note: Category A is for principal engineer/specialist. Category B is for senior engineer and manager. Category C is for senior management.

Male 93%
Gender
Female 99%
Category
Category B 97%
Category A 96%
Category C 88%

4.2 Happy Enterprise

Employee Benefits

Photo Collections for 2021

Category	Explanation
Bonus/Reward Category	The Company offers competitive salary payment, guaranteed annual pay of 14 months and Dragon Boat Festival, Moon Festival and year-end bonuses. Additionally, performance/reward and profit sharing scheme will also be provided depending on the Company's operation conditions.
Insurance Category	In addition to statutory labor insurance and health insurance, employees also enjoy comprehensive insurance system of free group insurance which includes life insurance, accident insurance, medical insurance, cancer insurance and occupational disaster insurance. In the meantime, preferential insurance programs are also offered to dependents to ensure more abundant and comprehensive protection for employees and their dependents.
Subsidy Category	Collaborating store discounts; Preferential purchase of various tickets; Offering of wedding cash gift, birth allowance, hospitalization/funeral consolation payment and birthday cash gift. The Company provides employees with free annual health check programs under collaboration with major hospitals or health check centers. We care about every work partner's physical health and safeguard employee's physical and mental health all the time.
Recreation / Event Category	Various club activities with different nature are offered to employees. They include yoga club, badminton club, basketball club and so on.
Education & Training	The Company is dedicated to cultivating talents and aggressively encourages employees to participate in various training courses. The Company also provides equal opportunities in education and training. Internal training courses are focused on exchange and inheritance of professional knowledge for the purpose of enhancing employee's work efficiency. In terms of external training courses, application of external education and training is allowed depending on the Company's business and work needs. The Company also encourages colleagues of R&D and PM departments to aggressively participate in various technology or industry trend seminars for the purpose of following industry trend from time to time. Under compliance with related internal and external regulations, Ennoconn Corporation has passed courses of internal auditor , fire-fighting management personnel , class-1 labor health and safety business management, accounting management continued study, first-aid personnel, new employee training, and so on.
Others	Various overtime dinners are provided for free so that employees do not have to worry about their dinners. A free coffee grinder is provided for free. Your tangled thoughts can be activated with just one button! When you feel tired during work, the Company also provides workout gears, table-tennis table and pool table for you to stretch your body. On-Site Professional Nursing: Employees are assets for a corporate's sustainable development. Ennoconn Corporation values its personnel's health by offering contracted doctors and nurses to provide employees with health management consultation.

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Parental Leave	Ennoconn Corporation provides parental leave in accordance with Labor Standards Act. Work opportunities will not be affected due to gender difference. A total of 23 persons applied for parental leave in 2021 with one female employee actually applied for unpaid parental leave. In 2021, the number of employees expected to reinstate after expiration of parental leave is one female, and the actual application for reinstatement is one employee. Percentages for actual reinstatement employee after expiration of parental leave and employees still remain on duty 12 months after parental leave expiration and reinstatement are both 100%.

Pension Reserve

Under compliance with Labor Standards Act, Ennoconn Corporation appropriates labor pension each month.

All employees of the Company adopt new appropriation system.

Response to COVID-19	COVID-19 gradually spread across the world starting from January of 2020 with feelings of uneasiness roaming in the air. Against the backdrop of impact to the overall operation, the Company immediately initiated pandemic prevention mechanisms. Beginning in February, a pandemic prevention team was formed with the highest management being the convener. The team follows the latest pandemic information at any time. Through daily management meeting, the team follows employee's health management, supply of pandemic prevention materials, supply/demand adjustments in supply chain as well as product production and delivery in a bid to ensure that the Company maintains normal operations within the shortest time.

Personnel Safety Management:	1. Facial recognition, forehead temperature measurement and hand sanitization with alcohol are conducted each day prior to entering office. 2. Pandemic-prevention questionnaire survey is conducted each day. 3. Pandemic-prevention promotion is conducted randomly to fulfill safety measures on pandemic prevention. 4. CDC is established to implement employee health monitoring program and mechanisms to track and handle irregularities. 5. Work-related physical meetings are cancelled or postponed, or other alternative plans are used accordingly (for instance, video conference or telephone conference). 6. Manpower is adjusted flexibly. Mechanisms of alternate working and work from home (online check-in system) have been initiated accordingly. 7. Pandemic-prevention isolation leave (paid leave) or family care leave (paid leave) are offered to employees with such needs from the pandemic. 8. The Company has purchased pandemic prevention/vaccine protection insurance for all employees.

Management over Continued Production Operation:	1. The Company maintains contact with clients through video conference to communicate pandemic prevention measures and production capacity conditions as well as measures and time for flexible business adjustments. 2. Implementation of Material Allocation in Supply Chain

Pandemic Prevention Policy

Pandemic Command Center	Level 1	Level 2	Level 3	Level 4
	Emergence of imported cases lead to sporadic community infection cases.	Emergence of domestic cases with unknown infection sources.	Emergence of more than 3 community cluster infections in a week / Emergence of more than 10 domestic cases with unknown source of infection within a day.	Average daily confirmed cases reaching more than 100 cases within 14 days with transmission chain for more than half of the cases unfound.

Company Operation Type	Phase 1	Phase 2	Phase 3
	Case-by-Case Handling	Alternate Hour/Alternate Floor Work/Necessary Staff Stationed in Factory	Most Stringent Work From Home
		1. Division of Locations: Home/Original Location 2. Alternate Hour/Floor for Personnel: 　* Flexible Alternate Work Hours 　* Cyclical Alternate Groups Work From Home 3. All Employees Work from Home (with necessary personnel stationed in factory)	All Employees Work From Home

Pandemic Prevention Entrance Post in Factory

Single Entrance/Exit at Post

Real-Name Registration
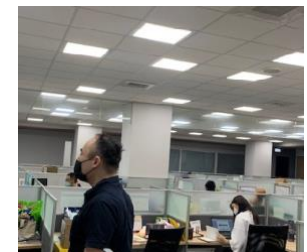

Temperature Measurement and Sterilization Stand

Pandemic Prevention in Work Area

Hand-Sanitization with Soap

Temperature Measurement and Sterilization

Masks Throughout the Day

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Occupational Health and Safety

For the purpose of commitment to comply with international covenants and related requirements prescribed on national Occupational Safety and Health Act as well as maintenance of work safety and employee's health, Ennoconn Corporation has established a good occupational health and safety management system to ensure maintenance of occupational health and safety and achievement of prevention of dangers and occupational injury and disease. With determination to pursue zero occupational disaster, we have fulfilled all- employee participation activities, continued to improve work environment, and mitigated occupational health and safety risks for the purpose of establishing a healthy and comfortable work environment, ensuring employee's health and safety and achieving the Company's sustainable operation. To ensure a healthy workplace and a sustainable fulfillment of system, the Company plans to spontaneously introduce ISO45001 Occupational Health and Safety Management System to strengthen all of Ennoconn Corporation workers' health and safety management.

Occupational Health and Safety Policy

Risk Management		Regulation Compliance
Continued Improvement		Friendly Workplace

We hereby commit to achieving policy goals through the followings:

I. Education and Training: The Company will educate employees of occupational health and safety concepts and regulation requirements, and build up an active and aggressive attitude culture.

II. Promotion and Communication: The Company has established diversified communication and consulting channels to enhance promotion on employee's health and safety and communication with stakeholders. Employees are also encouraged to participate accordingly.

III. Continued Improvement: The Company is dedicated to achieving zero   occupational disaster, strengthening rectification and prevention functions and enhancing occupational health and safety performance.

IV. Care for Health: The Company encourages employees to aggressively participate in safety program and health management activities for the purpose of preventing work injury and promoting health.

V. Risk Management: The Company has fulfilled risk assessment, strengthened management on hire of work, risk control and prevention of occupational disaster to prevent potential danger.

Ennoconn Corporation has established labor safety personnel responsible for building up occupational health and safety management system and fulfilling management on occupational health and safety. We hereby commit to providing clients with high quality and safe products and services that comply with related regulations and standards. We will also exert our efforts to prevent occupational disaster, and march towards a friendly workplace through health promotion for the purpose of fulfilling a corporate's social responsibility.

> Ennoconn Corporation is aggressively devoted to promotion of labor safety and sanitation as well as facilitation of health. To reduce occupational disaster occurrence, the Company takes references from occupational health and safety management system and requirements from RBA Code of Conduct in its continued improvement of employee's health and safety work environment, prevention of occupational injury and disease and mitigating risk factors in work environment. It is therefore expected to comply with occupational health and safety laws and regulations in the building of a quality, healthy and safe corporate workplace.

Over the years, we have been committed to employee care and employee health and safety. The Company truthfully fulfills its corporate social responsibility and pursues corporate sustainable operation.

As always, we're firmly convinced that employee's health and safety is a corporate's invaluable asset!

Occupational Health and Safety Management Performance

Total working hours for all of Ennoconn Corporation's employees in 2021 were 344,468 hours with zero disaster still maintained continuously. For all employees, there were no death or serious occupational injury which was caused by occupational injury and which could be recorded as occupational injury incident. There was also no occurrence of death caused by recordable occupational disease or occupational disease.

Occupational health and safety training for new employee in 2021 accounted for 3 hours.

Implementation of fire-fighting drill in 2021 accounted for a total of 2 times. These two were completed on 2021/3/16 and 2021/12/23 respectively. Results from the drills were as expected.

Note 1: Serious occupational injury: Occupational injury that leads to death. Or injury which leads to a worker's inability or difficulty to restore to health condition prior to the injury within 6 months. However, statistics should exclude the number of people died.

Note 2: Recordable occupational injury or occupational disease: Occupational injury or occupational disease resulted from any of the followings such as death, exit of duty, work constrained or change of duty, medication beyond first aid, or loss of consciousness, or critical injury or disease diagnosed by doctor or other certified medical care professionals (even though it doesn't lead to death, exit of duty, work constrained or change of duty, medication beyond first aid, or loss of consciousness). Statistics include number of people died but exclude minor injury (occupational injury treatable by on-site first-aid). The Company's potential occupational disease is overwork.

Note 3: In 2021, total working hours for all of Ennoconn Corporation's employees for the whole year were 344,468 hours

Identification of Hazard, Risk Assessment and Incident Investigation

Hazards to Ennoconn Corporation's employees are mainly irregular workload and Ergonomic Hazard. As such, we have established "Ergonomic Hazard Prevention Program," "Prevention of Disease Triggered by Irregular Workload" and "Work Guidelines under Occupational Health and Safety Law" to ensure effective operation on hazard identification and risk assessment. Hazard identification considers daily operation worker's operation safety risks and safety risks incurred from change. For items assessed as high risk items, an occupational health and safety target program will be established after General Manager's approval and responsible unit will be requested to implement the program accordingly. Occupational personnel will be responsible for tracking implementation effectiveness.

In terms of incident investigation, the Company has established an occupational disaster incident investigation process to fulfill incident investigation and management. This includes false alarm records, policy and requirements with respect to work conditions a worker may determine on his/her own to leave because he/she thinks that may lead to injury or disease if he/she continues to work, occurrence of any occupational injury incident, incident report operation and handling/rectification process which is implemented in accordance with due process. Occupational injury incident investigation report will also be promulgated on the Company's internal website after being approved by General Manager. Each year, occupational safety personnel will report occupational safety rectification effectiveness in operation meetings. In 2021, with the exception of traffic accidents, there were no occurrences of any occupational injury case or loss of working hour for all of the Company's employees.

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Occupational Health Service and Health Promotion

With the changes in society and economy, both International Labor Organization (ILO) and the World Health Organization (WHO) have promoted that labor workplace safety and health service are fundamental rights. Ennoconn Corporation complies with purposes of ILO and WHO as well as laws and regulations in its aggressive planning, promotion and implementation of health issues which contains contents of three major perspectives: health service, health education and healthy work environment. Starting from 2021, we have provided contracted medical professionals through health management company to offer on-site services which include promotion of disease prevention, health preservation promotion, hygiene keynote speech and employee preventive health consultation. With the position to protect employee's health, the Company exerts its effort on offering services of health risk assessment, health management, health promotion and work environment hazard assessment and suggestions. The Company also provides employees with health education concepts hoping that work will not be affected because of health issues during working period, and that care for workplace employee's health can be fulfilled accordingly.

Ennoconn Corporation intends to enhance labor's related knowledge and skills on workplace health in order to fulfill labor health service system and protection measures on physical and mental health. Starting from the perspective of caring, Ennoconn Corporation aggressively plans and promotes accurate health knowledge in a hope to build up a healthy, friendly and LOHAS (Lifestyles of Health and Sustainability) workplace environment. We expect employees to cultivate positive and active health concepts, maintain healthy body/mind/spirit and integrate occupational health into daily life to achieve a LOHAS family and work life.

Health Management

The Company conducts health check every year and implements irregularity classification management based on health check results, provides employees with personal health guidance and enhances promotion on disease related health education, conducts health management measures of double check and tracking for the purpose of continued management on employee's health. In 2021, a total of 164 employees qualified for health check. As of December 31st, 2021 (actual health check deadline expired on March 31st, 2022), 106 employees had completed health check with health check achievement rate of 65%.

In the meantime, for the purpose of promoting employee's health, the Company has installed health exercise gears. Utilization requirements of workout gears have been announced to specifically notify employees of safety guidelines when using them. It is expected that colleague's physical and mental stress can be effectively relieved accordingly through this.
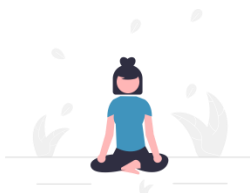
Health Check Type	Health Check Plan (Expense)
Type A	60,000
Type B	20,000
Type C	150,000
Type D	120,000

Note: Type A (Job grade above 14); Type B (Job grade above 10);
Type C (Job grade above 8); Type D (Other employees with more than 1 year of service)

Worker Participation, Consultation and Communication

Ennoconn Corporation has established human resource and occupational health and safety hotlines as well as employee opinion box to provide colleagues with consultation and assistance on related issues of occupational physical and mental health in workplace. Occupational health and safety personnel collects occupational health and safety related regulations or health and safety related requirements from competent authority or management committee. Through internal announcement, these regulations or requirements are provided for employees to understand and for the Company to implement accordingly.

In 2021, there was no consultation or communication with respect to occupational health and safety related opinions received from opinion box or hotline.

Other specific practices on worker participation, consultation and communication are as follows:

Occupational Health and Safety Training in Freshman Orientation
Monthly Medical Professional On-Site Consultation Service
Occupational Health and Safety Training for Existing Employees

26 Medical Professionals Offered On-Site Consultation Service in 2021

Diversified Communication Channels

The Company's Workplace Violence, Health and Safety Consultation and Report Channels:
Report Hotline: 02-55908050 Ext. 1946
02-55908050 Ext. 1906
Location of Report Mailbox: Employee Rest Area
Report E-Mail Box: joan.lee@ennoconn.com
mike.lo@ennoconn.com

Occupational Health and Safety Training

The Company implements occupational health and safety training on new employees and all workers of existing employees.

2021 Achievement rate for occupational health and safety training on new employees reached 100%.

2021 A total of 2 fire-fighting drills and training had been implemented.

Contents of Average Health and Safety Education and Training

- Summary Related Regulations on Occupational Health and Safety
- Occupational Health and Safety Concepts and Health and Safety Work Guidelines
- Automatic Inspection Prior to/During/After Operation
- Standard Operation Procedures
- Handling of Emergencies
- Common Sense and Practices of Fire-Fighting and First-Aid
- Other Health and Safety Knowledge Related to Labor Operation

Prevention and Mitigation of Impact to Occupational Health and Safety

Major impact to occupational health and safety in 2021 was mainly on personnel safety management under COVID-19. Please refer to aforementioned COVID-19 chapter for details on specific responding programs.

In the meantime, under considerations of colleague's work pressure under pandemic, the Company specifically held a physical/mental pressure relief activity. A total of 21 persons participated in this activity. Good feedback was received from employees and the Company will continue to promote this going forward.

Photo Collection of Occupational Health and Safety Activities

5.0 Sustainable Environment

Our Goals

1. Continued Reduction in Carbon Emission with the goal of reduction by 30% in 2025 and reduction by 50% in 2030.
2. In the long term, zero carbon emission in 2050.

5.0 Sustainable Environment

Sustainable environment is the Company's green commitment to operation concepts. To respond to global environmental protection and energy saving needs, we have enhanced engineering efficiency and reduce energy consumption during engineering process through system engineering design and system integration. To echo government's green procurement guidelines, Ennoconn Corporation conducts planning on product life cycle's respective phases starting from raw material acquisition, engineering implementation, transportation and distribution, task completion to client's utilization, and our priority demands vendors to provide low pollution, recyclable and reusable environmental products for the purpose of reducing wastes. Each year, the Company drafts energy saving and carbon reduction guidelines and review implementation effectiveness through management meetings

5.1 Environment Management Policy
To achieve environment sustainability, we hereby commit to :

Regulation Compliance	All of the Company's products, activities and services shall comply with international and government environmental protection regulations and other clients' requirements.
Establishment of Risk Culture	The Company shall establish risk management policy and procedures and fulfill the Company's integrated risk management which includes climate change risk. It is hoped that, through identifying the Company's short, middle and long term risks, risk response can be implemented earlier for the purpose of mitigating environment's impact to the Company's operation.
Continued Improvement	Through risk management and regular rolling review, environment management performance is reviewed accordingly, and the Company continues to work hard towards the goal of zero pollution, low carbon products and services.
Customer Satisfaction	The Company is dedicated to fulfilling its commitments to clients, and making all stakeholders understand the Company's requirements on environment in order to obtain customer satisfaction and a sustainable supply chain.

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Our Measures

【Energy Saving & Carbon Reduction】

- Office temperature is adjusted to 26℃ in order to reduce excessive carbon emission.
- Annual cleaning and maintenance is implemented on air conditioning equipment in order to maintain high-efficient operation status on air conditioning equipment.
- Select electrical products of equipment, air conditioner and refrigerator that come with energy saving label.
- LED energy saving light tubes and lamps are adopted across all offices.

【Resource Waste Reduction – Garbage Classification】

- Promote garbage classification and install resource recycling bin to achieve waste reduction.
- Promote using recycled paper.
- Prepare environmental friendly tableware to reduce daily life waste
- Colleagues are encouraged to bring in their own kettle or mug during internal meetings.
- Turn down faucet output in order to save water consumption effectively.

【Emergency Response Education & Training】

In terms of incidents and emergencies that may occur and for the purpose of responding to such occurrence, incidents are handled swiftly through effective emergency responding plan and procedures in order to prevent or mitigate injury, property loss and environment impact from emergency incident to the Company and surrounding personnel.

- Fire-fighting training is implemented to employees.
- The Company works with fire brigade in offering firefighting escape and first aid related training to employees.
- The Company participates in firefighting drills on buildings.
- For engineering projects, the Company works with clients in implementing emergency drills..

5.2 Energy Resource Management

Ennoconn Corporation's energy is mainly purchased power from Taiwan Power. Each month, statistics and control are conducted based on independent electric meter. The Company's water is service water and there is no manufacturing process waste water. Source of water comes from tap water. The Company is not located in an area where water resource is a pressure. Therefore, there is no water resource impact to the Company.
Total power consumption for 2021 is 2,564GJ, a decrease of 16GJ in power consumption compared to the one for 2020.

Water Consumption in Recent Years

Unit: million liters

Year / Item	2019	2020	2021
Consumption	3.10	3.12	3.27

Power Consumption in Recent Years

Unit: GJ

Year / Item	2019	2020	2021
Calculation	2,664	2,580	2,564
Consumption	739,920	716,720	712,160
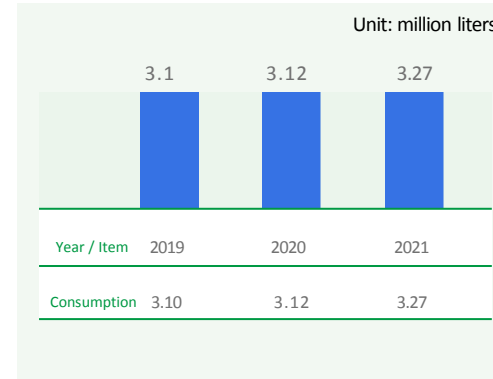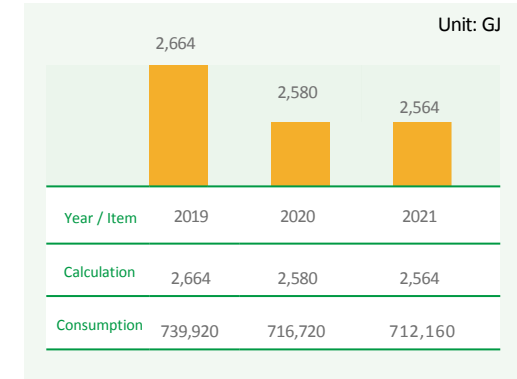
Note: GJ equals to 10^9 joule

Energy Density in Recent Years

Unit: GJ/per person, per year

Year / Item	2019	2020	2021
Density	15.24	14.68	15.27
Consumption	2728.44	2,641.85	2671.98
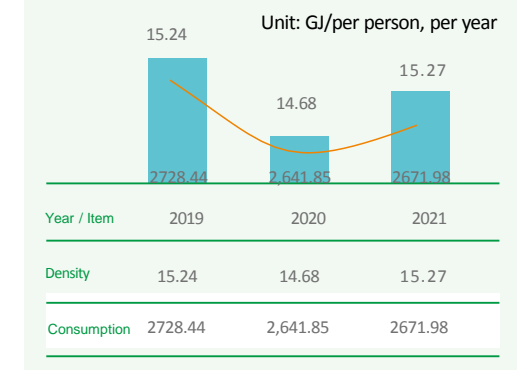
Note: Energy Density = Energy Consumption/Current Year Total Employees; Energy consumption is calculated based on 2021 power consumption and company car fuel consumption.

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Water Consumption, Electricity Consumption , Daily Management Measures

【Energy Saving and Carbon Reduction Management】

- Elevator Equipment: Old elevators are replaced, and floor-based controls are adopted to reduce power consumption expenses.
- Full-scale energy saving on air conditioning management is implemented across office area. Temperature control panels for air conditioners are centrally controlled at not lower than 26 degrees, and the Company advocates that it is environmental and healthy to keep air conditioning off during seasons other than summer.
- Old chillers and pipelines are replaced. Screens are cleaned and host in maintained every year in order to maintain equipment efficiency and reduce power consumption.
- During Chinese New Year and consecutive holidays, respective units are reminded to shut down all unnecessary power and unplug all plugs.
- Colleagues are encouraged to take public transportation tool or participate in car pool during business trip or commuting between office and home.
- Remote service replaces on-site physical service in order to reduce greenhouse gas emission during transportation movement.
- Employees are encouraged to take the stairs within two floors up and two floors down distance in order to reduce power consumption.
- Four water chillers of central system on 3rd, 4th, 5th and 6th floors will serve as parallel utilization in order to achieve energy saving purpose

【Energy Management on Lighting Equipment】

- The Company advocates to turn off lights and computer equipment power when leaving office, and turn off lighting fixtures in public areas during lunch break and off-duty hours. Number of light tubes are adjusted based on lighting requirements of work areas.
- Lighting for space of meeting rooms not being used or machine rooms shall not be turned on unless necessary.

【Water Resource Management】

- Given its geographical location as well as abnormal weather factors in recent years, Taiwan has often suffered from droughts and water resource shortage incidents occurred frequently in middle and southern areas. Although the Company only has office activities without much service water consumption in northern Taiwan, the Company still has daily promotion on water-saving concepts to employees for the purpose of cultivating colleague's environmental protection awareness. The Company tries to minimize wastes on water resource for compliance with contents of the Company's environment policy to enhance water resource utilization efficiency.

【Resource Reutilization, Fulfillment of Paperless】

- Ennoconn Corporation is committed to reducing consumption of various resources, and utilizes recycled materials with low impact to environment. For instance, recycled paper has the priority to be used in office paper and paper has be used on both pages. This ensures sustainable utilization of resource on earth.
- Office garbage is classified as general garbage and recycled resources.
- Garbage removal is handled by a private company commissioned by building management committee. Also, colleagues are encouraged to utilize environmental cup and tableware to reduce generation of garbage.
- Waste information equipment and toner cartridge will be uniformly recycled by vendors.
- A recycled paper zone is established right next to the photocopier to allow colleagues to repeatedly utilize single-page waste paper for the purpose of reducing paper consumption.
- The Company is dedicated to fulfilling paperless policy and makes good use of electronic data system to replace traditional paper application.
- The Company advocates dual-page printing or printing multiple pages on one page in order save paper toner cartridge consumption.
- Meeting materials are replaced with electronic data. For instance, meeting materials of Board of Directors Meeting and Operation Management Meeting are executed using tablet computer to dramatically reduce paper consumption
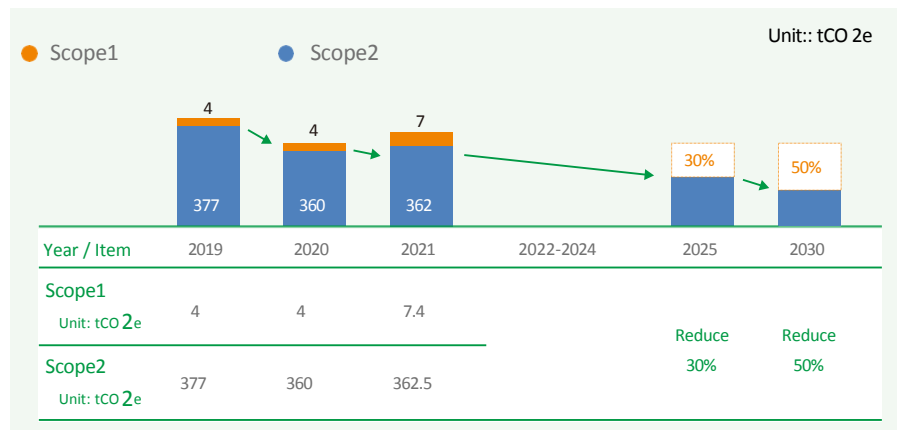
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【Greenhouse Gas Emission】

Increase in greenhouse gas emission has led to climate change which not only impacts global ecological environment directly but it also indirectly influences corporate's energy acquisition. This has become a globally concerned and emphasized environmental issue. To fulfill environmental protection duty, the Company has identified greenhouse gas emission sources, which include scope 1 of direct greenhouse gas, scope 2 of energy indirect greenhouse gas emission and scope 3 of other indirect greenhouse gas emission, as well as calculated greenhouse gas emission amount. As such, the Company implemented disclosure on greenhouse gas emission. In 2021, total carbon emission amount (scope 1 and scope 2) is 370 tons. Total power consumption for 2021 is 712,160kWh. If calculated based on Bureau of Energy's latest CO2 power discharge coefficient of 0.509k g CO2e/kWh, power consumption has generated CO2 emission of 362 tons (scope 2). Gradual adjustments started in 2022 to establish specific energy saving project over gradual reduction of carbon emission each year going forward. With 2021 as the base year, targets of 30% reduction in 2025 and 50% reduction in 2030 are established accordingly. Long term goal is to achieve zero carbon emission in 2050. With this, we have established the following targets:.

1. Short-term plan will expand inspection scope and inspection will be conducted in accordance with requirements of ISO 14064-1:2018 version. This will serve as reference basis for performance review on energy saving and carbon emission reduction.
2. The Company shall continue to reduce emission each year with targets of 30% reduction in 2025 and 50% reduction in 2030.
3. Long-term goal is to have net zero emission in 2050.

Emission Statistics in Recent Years and Future Plan

Unit:: tCO 2e

● Scope1   ● Scope2

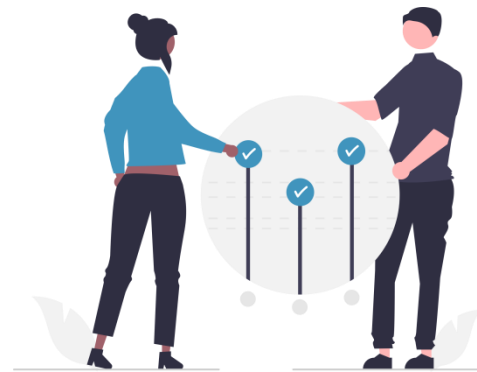| Year / Item	2019	2020	2021	2022-2024	2025	2030
Scope1 Unit: tCO$_2$e	4	4	7.4			
Scope2 Unit: tCO$_2$e	377	360	362.5		Reduce 30%	Reduce 50%

Note: Calculation is made based on Bureau of Energy's power discharge coefficient (GWP as IPCC AR4).
2019 power discharge coefficient is based on Bureau of Energy's 0.509KgCO2 for calculation.
2020 power discharge coefficient is based on Bureau of Energy's 0.502KgCO2e for calculation.
2021 power discharge coefficient is based on Bureau of Energy's 0.509KgCO2e for calculation.

【Waste Management】

The Company adopts source management operation measures on wastes. Source of waste is domestic garbage which is universally handled and removed by building management committee. Meanwhile, through employee education and training, the Company achieves effective promotion on garbage reduction and sorting management and therefore enhances resource reutilization and adds value to resource recycling.

Disposal on domestic garbage is categorized into two measures of recycling/reutilization and incineration

Waste disposal volume in the past two years

Unit:: kgs

● Recycling & Reutilization   ● Incineration

Year / Item	2020	2021
Recycling & Reutilization	103,673	103,727
Incineration	158,364	119,568
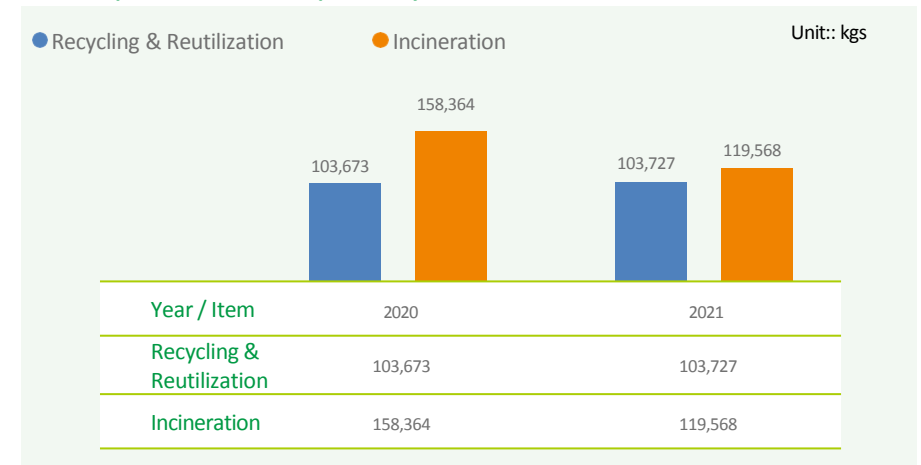
Note: Statistics above are estimated figures which are estimated based on garbage bin capacity utilized for colleague's daily wastes. Wastes are categorized into two types of recycled resource (reutilization) and recycled resource (incineration) for estimation. Annual total waste amount = Daily estimated amount X Annual number of working days

6.0 Society Co-Prosperity

At the time of its pursuit of profit and the Company's sustainable operation, Ennoconn Corporation continues to care about disadvantaged groups. For the purpose of enhancing social participation and fulfilling responsibility to feedback society, the Company continues to realize its policy to care for disadvantaged groups and echo charity activities in order to contribute our efforts to social stability and development

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2021 social participation performance is as follows

Theme	Explanation of Activities	Date
Good to Have Your Blood Donation	Echo Blood Donation	2021/01
Walk Bravely on New Road – Year End Donation	Given impacts from factors of pandemic and the macro environment, donation for disadvantaged groups presents a downward trend. Yearend donation will help Syinlu Social Welfare Foundation function normally.	2021/12
Scholarship Programs for Impoverished Junior High and Primary School Students	Ennoconn's Love Helps Family Support (Taiwan Fund for Children and Families, New Taipei City Family Support Center)	2021/09
Material Donation	1. Double Bliss Welfare and Charity Foundation 2. New Taipei City LeZhi Disabled People Family Resource Center 3. Flying over Dreamland – Taiwan LFHM Animal Care Association	2021/11

202101- Ennoconn Corporation - Good to Have Your Blood Donation

To echo "A gift that saves life" and promote atmosphere for corporate blood donation, Ennoconn Corporation sincerely invited all colleagues and people from neighboring corporates to roll up their sleeves for blood donation, connect lives with love, help solve blood shortage problem and allow love to extend infinitely.

Target for this event was 50 bags of blood but actual blood donated were 103 bags.

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202109 - Ennoconn's Love Helps Family Support Center and Realizes Student's Dreams to Move Forward

Taken from society and give back to society. Awarded students are encouraged to develop their service and learning spirit in order to circulate love energy and allow students from needed families to work harder from recognition they receive so that they can live up to the goodwill of offering scholarship.

Total scholarship amount is NTD50,000 and a total of 20 students were awarded accordingly.

2021/12 - Walk Bravely on New Road Year End Donation
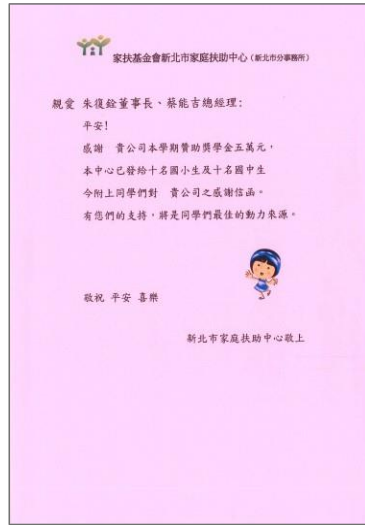
2021 Material Donation

Category	Donated Unit	Area*	Donation Items	Amount (NTD)
Elder Care	Double Bliss Welfare and Charity Foundation	Taipei City	Complete nutrition food, long life milk/milk powder wool quilt	$20,163
Physically Disadvantaged Families	New Taipei City Le Zhi Disabled People Family Resource Center	New Taipei City	Mask, food of long life milk/porridge pork floss and so on	$15,559
Animal Protection	Flying over Dreamland – Taiwan LFHM Animal Care Association	Yilan County	Dog food, tissue, saline solution/cotton swab diaper pad	$19,986

7.0 Appendix

7.1 GRI Standards Index

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7.1 GRI Standards GRI Content Index ★Material Topic

Topic	Disclosure	Description	Corresponding chapter	Page	Remark
		GRI 102: General Disclosures			
Organizational profile	102-1	Name of the organization	1.0 About Ennoconn	07	
	102-2	Activities, brands, products, and services	1.0 About Ennoconn	07	
	102-3	Location of headquarters	1.0 About Ennoconn	07	
	102-4	Location of operations	1.0 About Ennoconn	07	
	102-5	Ownership and legal form	1.0 About Ennoconn	07	
	102-6	Markets served	1.0 About Ennoconn	07	
	102-7	Scale of the organization	1.0 About Ennoconn	07	
	102-8	Information on employees and other workers	4.1 Human Resources	38	
	102-9	Supply chain	3.3 Sustainable Partnership	32	
	102-10	Significant changes to the organization and its supply chain	-		No significant changes during the reporting period
	102-11	Precautionary Principle or approach	1.3 Sustainable Risk Management	16	
	102-12	External initiatives	-		No external initiatives signed during the reporting period
	102-13	Membership of associations	3.3 Sustainable Partnership	32	
Strategy	102-14	Statement from senior decision-maker	0.1 Joint Statement of the Chairman and GM	02	
	102-15	Key impacts, risks, and opportunities (Mandatory requirements from Taiwan Stock Exchange on all industries) Article 3.2: The sustainability report mentioned in the preceding paragraph shall include relevant environmental, social and corporate governance risk assessments and lay out the performance indicators to manage the material topics identified. Article 4.1.4.2(2): the company's governance around climate-related risks and opportunities, actual and potential climate-related impacts, how to identify, assess and manage climate-related risks, and metrics and targets used to assess and manage relevant climate-related issues.	1.3 Sustainable Risk Management	16	
★ Ethics and integrity	103-1	Explanation of the material topic and its Boundaries	1.1 Accountable Governance	10	
	103-2	The management approach and its components	1.1 Accountable Governance	10	
	103-3	Evaluation of the management approach	1.1 Accountable Governance	10	
	102-16	Values, principles, standards, and norms of behavior	1.1 Accountable Governance	10	

7.1 GRI Standards GRI Content Index ★Material Topic

Topic	Disclosure	Description	Corresponding chapter	Page	Remark
Governance	102-18	Governance structure	1.1 Accountable Governance 1.2 ESG Sustainable Development Strategy	10 15	
	102-19	Delegating authority	1.1 Accountable Governance	10	
	102-21	Consulting stakeholders on economic, environmental, and social topics	2.1 Stakeholder Inclusion	20	
	102-25	Conflicts of interest	1.1 Accountable Governance	10	
	102-26	Values, principles, standards, and norms of behavior	1.1 Accountable Governance	10	
	102-36	Process for determining remuneration	1.1 Accountable Governance	10	
Stakeholder engagement	102-40	List of stakeholder groups	2.1 Stakeholder Inclusion	20	
	102-41	Collective bargaining agreements	---		No collective bargaining agreements signed
	102-42	Identifying and selecting stakeholders	2.1 Stakeholder Inclusion	20	
	102-43	Approach to stakeholder engagement	2.1 Stakeholder Inclusion	20	
	102-44	Key topics and concerns raised	2.1 Stakeholder Inclusion	20	
Reporting practice	102-45	Entities included in the consolidated inancial statements	0.2 About this Report	03	
	102-46	Defining report content and topic Boundaries	0.2 About this Report 2.1 Stakeholder Inclusion 2.2 Material Issues and Impacts	03 20 22	
	102-47	List of material topics	2.2 Material Issues and Impacts	22	
	102-48	Restatements of information	-		No restatements of information during the reporting period
	102-49	Changes in reporting	-		No changes in reporting during the reporting period
	102-50	Reporting period	0.2 About this Report	03	
	102-51	Date of most recent report	0.2 About this Report	03	
	102-52	Reporting cycle	0.2 About this Report	03	
	102-53	Contact point for questions regarding the report	0.2 About this Report	03	
	102-54	Claims of reporting in accordance with the GRI Standards	0.2 About this Report	03	

7.1 GRI Standards GRI Content Index   ★Material Topic

Topic	Disclosure	Description	Corresponding chapter	Page	Remark
Reporting practice	102-55	GRI content index	7.1 GRI Standards Index	54	
	102-56	External assurance	0.2 About this Report	03	
Economic Aspects					
★Economic Performance					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	2.2 Material Issues and Impacts	22	
	103-2	The management approach and its components	3.2 Economic Performance	29	
	103-3	Evaluation of the management approach	3.2 Economic Performance	29	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	3.2 Economic Performance	29	
Market Presence					
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.1 Human Resources	38	
	202-2	Proportion of senior management hired from the local community	4.1 Human Resources	38	
Anti-corruption					
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken.	1.1 Accountable Governance	10	
★ Innovation R&D					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	2.2 Material Issues and Impacts	22	
	103-2	The management approach and its components	3.1 Smart Industry Chain	26	
	103-3	Evaluation of the management approach	3.1 Smart Industry Chain	26	
GRI 416 Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.	3.1 Smart Industry Chain	26	No incidents of non-compliance concerning the health and safety impacts of products and services occurred during the reporting period

7.1 GRI Standards GRI Content Index ★Material Topic

Topic	Disclosure	Description	Corresponding chapter	Page	Remark
		★Information Security			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	2.2 Material Issues and Impacts	22	
	103-2	The management approach and its components	1.1 Accountable Governance-Information Security	10	
	103-3	Evaluation of the management approach	1.1 Accountable Governance-Information Security	10	
Self-defined topic	Information Security-1	Information security audit and incident record	1.1 Accountable Governance-Information Security	10	
		Environmental Aspects			
		★Energy-Energy Conservation & Carbon Reduction			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	2.2 Material Issues and Impacts	22	
	103-2	The management approach and its components	5.0 Sustainable Environment	46	
	103-3	Evaluation of the management approach	5.0 Sustainable Environment	46	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	5.0 Sustainable Environment	46	
	302-3	Energy intensity	5.0 Sustainable Environment	46	
		Water			
GRI 303: Water and Effluents 2018	303-3	Water withdrawal.	5.0 Sustainable Environment	46	
		Emissions			
GRI 305: Emissions 2016	305-2	Indirect greenhouse gas (GHG) emissions (Scope 2)	5.0 Sustainable Environment	46	
	305-4	GHG emissions intensity	5.0 Sustainable Environment	46	
		Waste			
GRI 306: Waste 2020	306-3	Waste diverted from disposal	5.0 Sustainable Environment	46	
	306-5	Waste destined for final disposal	5.0 Sustainable Environment	46	

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7.1 GRI Standards GRI Content Index   ★Material Topic

Topic	Disclosure	Description	Corresponding chapter	Page	Remark
		★Environmental Compliance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	2.2 Material Issues and Impacts	22	
	103-2	The management approach and its components	1.1 Accountable Governance-Legal Compliance	10	
	103-3	Evaluation of the management approach	1.1 Accountable Governance-Legal Compliance	10	
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	1.1 Accountable Governance-Legal Compliance	10	No addidents of non-compliance with environmental laws and regulations occurred during the reporting period
		Supplier Environmental Assessment			
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	3.3 Sustainable Partnership	32	
		Social Aspects			
		★ Social Participation			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	2.2 Material Issues and Impacts	22	
	103-2	The management approach and its components	6.0 Society Co-Prosperity	50	
	103-3	Evaluation of the management approach	6.0 Society Co-Prosperity	50	
Self-defined topic	Social Participation-1	Social Participation Results	6.0 Society Co-Prosperity	50	
		★ Labor/Management Relations			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	2.2 Material Issues and Impacts	22	
	103-2	The management approach and its components	4.1 Human Resources	38	
	103-3	Evaluation of the management approach	4.1 Human Resources	38	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	4.1 Human Resources	38	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Happy Enterprise	41	

7.1 GRI Standards GRI Content Index   ★Material Topic

Topic	Disclosure	Description	Corresponding chapter	Page	Remark
★Occupational Health & Safety					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	2.2 Material Issues and Impacts	22	
	103-2	The management approach and its components	4.2 Happy Enterprise	41	
	103-3	Evaluation of the management approach	4.2 Happy Enterprise	41	
GRI 403: Occupational Health & Safety 2018	403-1	Occupational health and safety management system	4.2 Happy Enterprise	41	
	403-2	Hazard identification, risk assessment, and incident investigation	4.2 Happy Enterprise	41	
	403-3	Occupational health services	4.2 Happy Enterprise	41	
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.2 Happy Enterprise	41	
	403-5	Worker training on occupational health and safety	4.2 Happy Enterprise	41	
	403-6	Promotion of worker health	4.2 Happy Enterprise	41	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.2 Happy Enterprise	41	
	403-9	Work-related injuries	4.2 Happy Enterprise	41	
Training and Education					
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	4.1 Human Resources	38	
Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	1.1 Accountable Governance	10	

7.1 GRI Standards GRI Content Index   ★Material Topic

Topic	Disclosure	Description	Corresponding chapter	Page	Remark
★ Labor Rights					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	2.2 Material Issues and Impacts	22	
	103-2	The management approach and its components	4.1 Human Resources	38	
	103-3	Evaluation of the management approach	4.1 Human Resources	38	
GRI 412 Human Rights	412-2	Employee training on human rights policies or procedures	4.0 Human Resources	37	
Customer Privacy					
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.3 Service Quality and Customer Satisfaction	32	No complaints concerning breaches of customer privacy and losses of customer data raised during the reporting period
★Socioeconomic Compliance					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	2.2 Material Issues and Impacts	22	
	103-2	The management approach and its components	1.1 Accountable Governance-Legal Compliance	10	
	103-3	Evaluation of the management approach	1.1 Accountable Governance-Legal Compliance	10	
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	1.1 Accountable Governance-Legal Compliance	10	No accidents of Non-compliance with laws and regulations occurred during the reporting period

7.2 Third Party Verification Declaration

SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ENNOCONN CORPORATION'S ESG SUSTAINABILITY REPORT FOR 2021

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by ENNOCONN CORPORATION (hereinafter referred to as Ennoconn) to conduct an independent assurance of the ESG Sustainability Report for 2021. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during verification (2022/08/01~2022/09/05). SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Ennoconn's Stakeholders.

RESPONSIBILITIES

The information in the Ennoconn's ESG Sustainability Report of 2021 and its presentation are the responsibility of the directors or governing body (as applicable) and management of Ennoconn. SGS has not been involved in the preparation of any of the material included in the ESG Sustainability Report.

Our responsibility is to express an opinion on the report content within the scope of verification with the intention to inform all Ennoconn's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for report quality, and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options and Level of Assurance	
A.	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B.	AA1000ASv3 Type 1 Moderate Level (AA1000AP Evaluation only)

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7.2 Third Party Verification Declaration

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria Options
1. GRI Standards (Core)
2. AA1000 Accountability Principles (2018)

- AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) at a moderate level of scrutiny; and
- evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with Core Option.

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Ennoconn, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

FINDINGS AND CONCLUSIONS

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

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7.2 Third Party Verification Declaration

AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

Ennoconn has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, sustainability experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, Ennoconn may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

Materiality

Ennoconn has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

Responsiveness

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

Impact

Ennoconn has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, Ennoconn's ESG Sustainability Report of 2021, is adequately in line with the GRI Standards in accordance with Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. For future reporting, it is recommended to have more descriptions of Ennoconn's involvement with the impacts for each material topic (103-1), and how efforts were given to mitigate the impacts. Moreover, when reporting the present and expected future impact of identified material sustainability topics, it is recommended to use more objective sustainability criteria and thresholds.

Signed:
For and on behalf of SGS Taiwan Ltd.

AA1000
Licensed Report
000-8/V3-51LXA

Stephen Pao
Knowledge Deputy General Manager
Taipei, Taiwan
26 September, 2022
WWW.SGS.COM

TWLPP5008 Issue 2207

Ennoconn Corporation

ESG Sustainability Report

2021