2022
ESG Report

Ennoconn Steering The Industrial Metaverse

ENNOCONN™
Steering the Industrial Metaverse

CONTENT

Joint Statement of the Chairman and President

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 2022 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 2022, although the economy of most countries in the post-pandemic period is gradually recovering, the world is still affected by the US-China trade war and the Russia-Ukraine war, which poses a high risk of uncertainty to the global market as a whole. Based on these observations, Ennoconn Technology is still committed to implementing the important strategy of integrating products, markets, and service operations, and dispersing the global layout of sales, supply chain, production base, etc. The company relies on the core competitive advantages of R&D, technology, products, etc. of various business units to deepen key technology development, niche product integration and value-added, and full channel integration and series. And the use of many years of accumulated design and manufacturing services (DMS), information technology (IT), system integration (SI) and cloud (Cloud) services, the construction of a complete "AIoT hard and soft cloud platform" solution, continue to raise the threshold of competition in the industrial market, not only that, Ennoconn also continues to integrate upstream and downstream carbon footprint emissions, the implementation of ESG, and actively expand ESaaS (Ennoconn Solution as a Service) openness Cloud platform solutions and subscription-based services business to face new challenges, with the use of the Group's highly competitive, high value-added differentiated products and services orders continue to increase, not only to expand the Ennoconn Group's market share performance in different industry areas, but also to continue to promote the overall operation of the Ennoconn Group to a higher level in the future. Total revenues in 2022 reached NT$ 108,228,533,000, which represents an increase of 26.8% YoY (total revenues in 2021 amounted to NT$ 85,367,035,000)

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.

In 2022, it has assisted the New North Municipal Government and the Taichung Municipal Government to complete the integration of smart buildings and the construction of energy management systems, the integration of the central control and protection system of the Taipei Municipal Building, and the introduction of the intelligent building system of Yunlin No. 2 Prison. 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.
- ✓ Implementation of green design concepts.
- ✓ Promotion of energy conservation and carbon reduction in the supply chain.
- ✓ 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.

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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.

Chairman
Steve Chu

President
Nelson Tsay

About this Report

▶ Report Preparation Principles

The contents of this Report have been determined based on identified issues of concern for stakeholders coupled with an analysis of relevant material topics during the reporting period, along with reference to the latest GRI Standards (GRI Standards), Sustainable Accounting Standards (SASB), Climate-related Financial Disclosure (TCFD) and "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" required by competent governmental agencies. For more details, please refer to the GRI content index in the appendix to this Report.

▶ 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.

Point of contact

Sustainable development point of contact: Ennoconn ESG Sustainability Office

Add.: 6F, No.10, Jiankang Rd., Zhonghe Dist., New Taipei City

Tel.: +886- 2-55908050#1954

E-mail: peter.lai@ennoconn.com

Corporate website: https://www.ennoconn.com/zh-tw/

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.
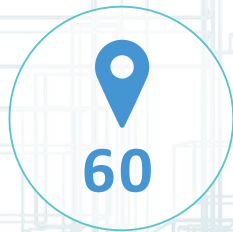
60
Covers more than 60 countries.

5,000
There are over 5,000 system integrators.

250,000
The number of industrial customers exceeds 250,000 companies

Ennoconn 2021~2025 PC3.0 Sustainable Development Strategy

Currency: USD

	Market Size	
IPC 1.0	Industrial PC	$6.3B
IPC 2.0	Industrial IoT	$543B
IPC 1.0	Xaas	$1,132B

IPC 3.0 Business Development	Industrial PC + Industrial IoT + Subscription Service = XaaS (Everything as a Service)
IPC 3.0 Product Development	Integration of hard- and software + Integration of cloud network + Globalized service network = ESaaS (Ennoconn Solution as a Service)
IPC 3.0 Main Theme of Development	ESG+ ESaaS = EPS
IPC 3.0 Four Transformations	"Digital Transformation" "Green Transformation" "AI Transformation" "Information security transformation"

Ennoconn Subscription Service

Industrial Internet of Things (IIoT) Application

Ennoconn Subscription: IIoT Application Software

1 IIoT SW Revenue
① Direct Revenue : 2.0B (22) high growth in 2023
② Indirect Revenue : 5.6B(22) high growth in 2023
③ Targeted Market : Industrial and Commercial

2 IIoT SW Highlights
① Service : > 30 years
② Product : > 35
③ Installation : > 4M
④ Country : > 60
⑤ SI : > 5,000
⑥ Engineer : > 550

3 IIoT SW Model
① Service Level Agreements (SLA)
② Software Licensing
③ Subscription Services

4 IIoT SW Product
① Equipment Cloud
② FabEagle
③ ToolCommander
④ Workforce
⑤ EMS
⑥ Information Security
⑦ OP Predict
⑧ EDA
⑨ No-Code Graph Data

Ennoconn Subscription Service

Four Applications and Markets

Ennoconn Subscription: 4 Major Applications

1 Energy Monitoring Management System
① Gov't, Education
② Office, Finance
③ Campus 、Mfg.

2 Device Operation Monitoring System
① Gaming, Lottery
② Retail, Finance
③ Mfg. , Energy

3 Security Management System
① SME, Gaming
② Entertainment
③ Campus, Mfg.

4 Supply Chain Management System
① Automotive, Aerospace
② Medical, Pharmaceutical
③ Electronics, Industrial

Green Transformation (Carbon Emissions + Carbon Footprint)

Cybersecurity Transformation

Digital Transformation

About Ennoconn

1. Accountable Governance
2. ESG Sustainable Development Strategy
3. Sustainable risk management
4. Governance of climate change

About Ennoconn

Company Overview			
Company Name	Ennoconn Corporation		
Primary Products and Services	Smart industrial control	Smart transportation	Edge computing systems
	Smart retail	Smart healthcare	Original equipment manufacturing (OEM)
	Smart gaming	Intelligent grid	Original design manufacturing (ODM)
	Smart IoT	Industrial cybersecurity	Joint design manufacturing (JDM)
	Edge IoT	Machine vision	Global supply chain services
	Smart Home	Industrial computers	Cloud-ground integration services
Date of inception	July 12, 1999		
Chairman	Steve Chu		
President	Nelson Tsay		
Paid-in capital	NT $1.06 billion (as of March 31, 2023)		
Stock Code	6414		
Total capital	NT $2.5 billion		
Total workforce	191 (as of December 31, 2022)		
Corporate HQ	3-6F, No. 10 Jiankang Rd., Zhonghe District, New Taipei City		
Corporate HQ Contact Method	+886-2-5590-8050		

Remarks: There were no significant changes in the organizational structure, equity, and supply chain of Ennoconn Technology in 2022, and some data will be footnoted for explanation at the place where the changes were marked if there are retroactive changes for the previous years.

Company Evolution

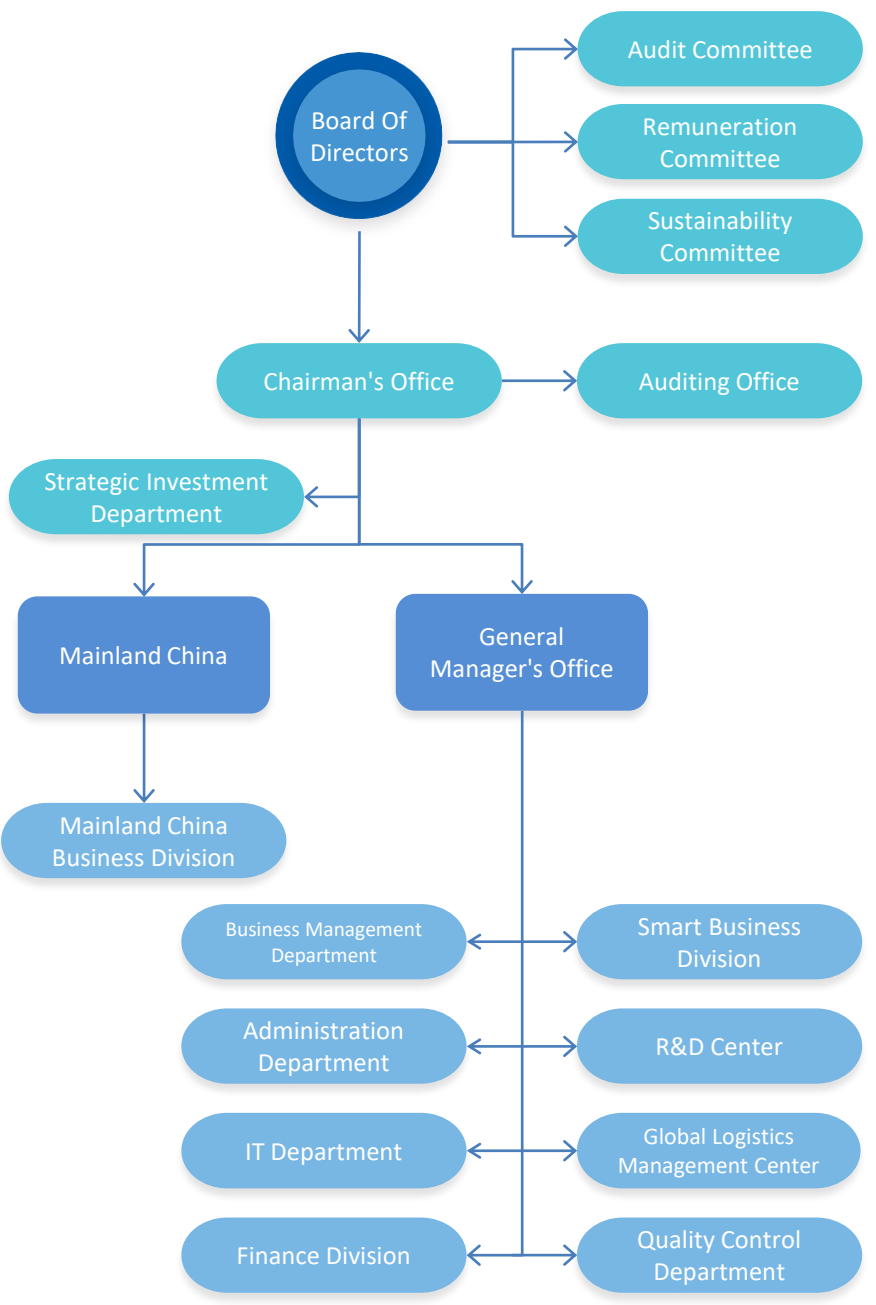| Year	Important Chronicles
1999	Business registration in July
2004	February - Successful development of the first industrial-grade motherboard (IP-4PCI20E)
2006	October - Completion of the first cash capital increase of NT$ 98 million and securing of an investment by Portwell, Inc.
2007	February - Completion 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 feature
2011	April - Adoption of surface capacitive touch-screen, 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 project for ODM system 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. in mainland China 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

Year	Important Chronicles
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 industrial 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	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 trend of technological development with Bank 3.0 (at the end of 2015, Ennoconn invested in Ennowsye Corporation and ventured into the emerging field of bank payment technologies)
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 of 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 technologies related to products for the area of smart living. 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 capabilities in software R&D, enhancement of customer service experiences, and adoption of a vertical market-based deployment of industry chain 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 comparative edge in the all-inclusive vertical and horizontal development of the manufacturing network in the aspects of plant & equipment management, manufacturing execution and management systems, and whole-plant output by relying on the core niche, accelerated expansion of the business scope of both companies, and harnessing of synergized benefits to enhance the competitive advantage 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 for 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, control systems for automotive assembly lines, 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 capabilities of vertical integration in the field of smart retail products (cooperation with system integrators is planned for the future to create even larger business opportunities)

| Year	Important Chronicles
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 for enhanced overall 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 solutions with 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 covering industry markets of retail, finance, gaming, and manufacturing at its disposal; technology upgrades implemented by Ennoconn for the design and development of its industrial computers 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 concepts of smart industry and smart city and combination of various tools and services leveraged such as Google Cloud, Google Workspace, and Google Glass to further building a major international alliance based on an open strategy to realize the 3+3 integrated cloud-premise services proposed; the following three major IoT solutions have been unveiled for on-premises systems: Standardization of product design and development, modularization of hard- and software for communications, and digitization of information data, as well as three major Cloud solutions: Cloudification of computing and storage on cloud network-linked platforms, constantly high operational performance created by cloud-premise cycles by means of 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 connect cloud, upload cloud, usage cloud, manage cloud, and guard cloud) to achieve the following key goals: enhancement of service functions, creation of usage volume, opening up of new revenue streams, increased values of the platforms, formation of a powerful ecosystem, synchronized assistance to solve customer "pain spots" in the fields of cloud-premise 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)

Accountable Governance

▶ **Governance Structure**

Unit	Main Functions
Audit Committee	Assistance to the board in supervision of the quality and integrity 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 through board resolution; due convening of meetings
Sustainability Committee	Development and execution of sustainability strategies and reporting to the Board
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 changing of the corporate culture 3.Formulation of corporate strategies, goals, and plans for strategic mergers and acquisitions, etc. Building of a senior management team to ensure realization of corporate goals.
General Manager's Office	1.Overall supervision and management of the company's business goals and directing for implementation of company policies by each department 2.Responsibility for business/sales strategies, product planning, drafting of blueprints for technological advancement, and the overall operations of the company
Auditing Office	Responsibility for assessment and implementation of company audits and 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, investment strategies, and post-investment management in coordination with the Company's strategy for development
Business Management Department	Responsibility for management and tracking of operational performance and planning, management, and review of various 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 finance 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 types of 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 planning and management of operational performance in Mainland China

Board Of Directors

Audit Committee

Remuneration Committee

Sustainability Committee

Chairman's Office → Auditing Office

Strategic Investment Department

Mainland China

General Manager's Office

Mainland China Business Division

Business Management Department ↔ Smart Business Division

Administration Department ↔ R&D Center

IT Department ↔ Global Logistics Management Center

Finance Division ↔ Quality Control Department

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▶ Integrity-based 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, exercising strict compliance with applicable laws to carry out integrity-based management, and operating an excellent corporate governance framework. The ultimate goal is to safeguard the rights and interests of investors and other stakeholders.

Pursuant to the Taiwan's Securities and Exchange Act and other applicable regulations, we have built a solid corporate governance system to reinforce efforts to safeguard shareholders' rights and interests, strengthen board functions, respect stakeholders' rights and interests, and enhance information transparency. Our board has ratified Corporate Governance Code of Practices 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 Operating Procedures Governing Handling of Internal Material Information and Management Procedures Regarding Prevention of Insider Trading to prohibit the use of material information that have not yet been publicized in the market by directors, managerial officers, and employees for their own profit. In addition, Ennoconn has established a complete and reliable information disclosure system by embracing the principles of accuracy, timelines, and fairness and made information pertaining to our operations, financial affairs, board meetings, and shareholders' meetings available on our corporate website and the Market Observation Post System to ensure shareholders access to the latest news concerning the company.

In 2022, the Company took the initiative to discover that an employee misappropriated the Company's assets by taking advantage of his/her duties. Ennoconn immediately stopped payment at the bank counter, replaced the stamp for bank retention, and actively performed reconciliation operations with the bank. It also took the initiative to file with the New Taipei City Field Division of the Investigation Bureau of the Ministry of Justice, and submitted the personal criminal evidence of the employee, as investigated internally in the Company, to the New Taipei City Field Office. The whole case has now entered into judicial proceedings.
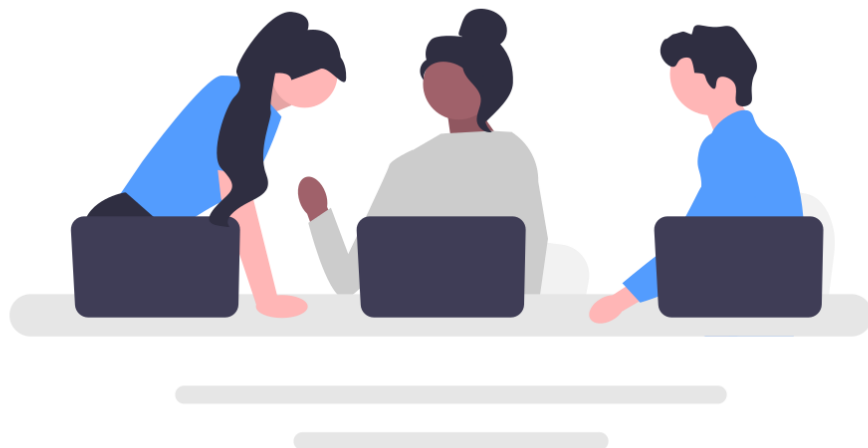
▶ Governance Practices

Shareholders' meetings which are composed of and 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 assurance-monitoring of the legal compliance of the Company's operations. The Company's Board of Directors has set up functional committees such as Audit, Remuneration, and Sustainability 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 Company's 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.

Ennoconn places strong emphasis on corporate governance and pursues sustainable growth and integrity-based 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, along with the internal control system designed and executed reliably. 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 environments of the Company. Sound management mechanisms not only enhance performance of the operations but also facilitate achievement of sustainability goals.

In November 2021, the Board of Directors of the Company passed a resolution to appoint a Chief Governance Officer (CGO) to strengthen the support provided by the Company 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 required and scheduling of advanced training, handling of matters pertaining to the board and shareholders' meetings according to the law, and assistance in compliance with the resolutions from the board of directors and shareholders' meetings for the Company. In 2022, 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 trust of the stakeholders.

Results of Execution in Corporate Governance for 2022

The Board of Directors of the Company approved the establishment of the Sustainability Committee on June 23, 2022 and convened the First Sustainability Committee on October 30, 2022.

The Company commissioned the Taiwan Corporate Governance Association to conduct the external performance evaluation of the board of directors and the functional committee in 2022, and the association issued the evaluation report and certification on January 16, 2023.

58hr 58 hours of advanced training and specialized governance-related courses for directors and supervisors and 22 hours of sustainability-related courses.

Public announcement of material information to ensure the legality and accuracy of relevant contents and guarantee symmetry of trading information for investors.

Provision of information regarding advanced training for independent and non-independent directors and assistance in the completion of such advanced training programs.

Regular closed communications between independent directors and CPAs to gain a clear understanding of the status of financial operations of the Company.

Independent directors carry out closed communication with the auditors on a regular basis to understand the state of the Company's operations and internal controls.

Assessment and effecting of adequate liability insurance for directors and managerial officers.

Furthermore, we commission the professional accounting firm KPMG 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 strategies for sustainable governance 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. Execution of all business operations of the Company and operations and arrangements of the governance systems for 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 regular election of board of directors 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 member seats. 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 of this period currently consists of 7 directors (including 4 independent directors). At present, there are 6 directors, of which 4 are women directors, and the proportion of female directors is 66%. There is still one vacancy for independent director, which will be elected at the 2023 general shareholders' meeting. The term of directors is 3 years. Pursuant to applicable legal provisions, the board convenes at least once a quarter, with a total of 11 meetings convened in 2022 and an overall attendance rate of 100%.

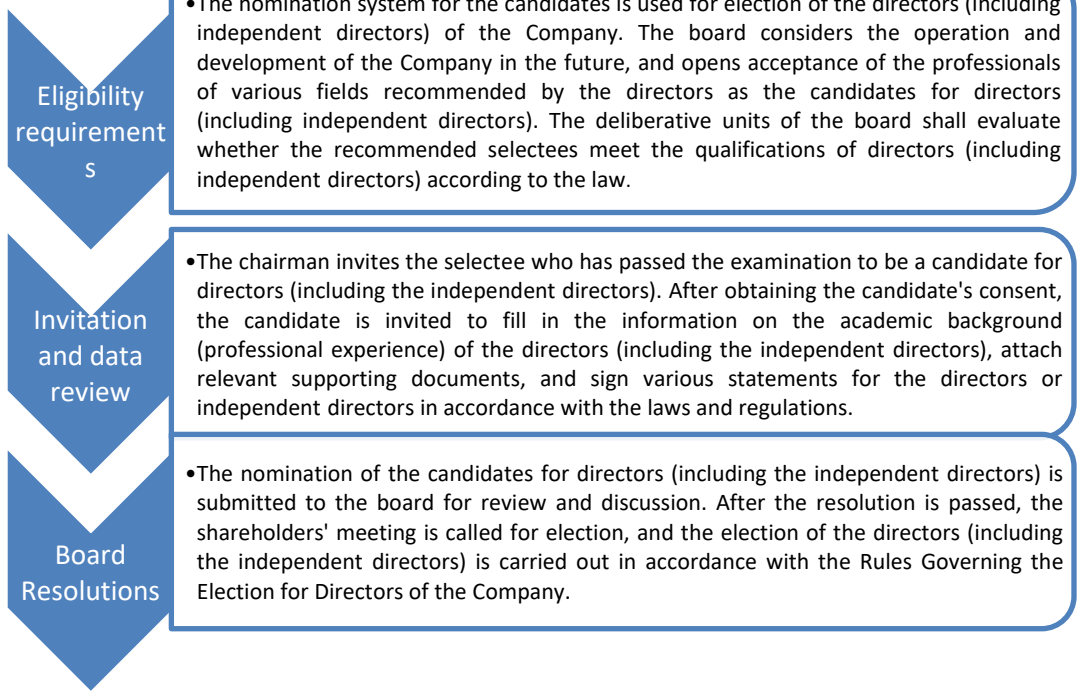Guidelines for Evaluation of Board Performance

Ennoconn Corporation

Note: For more information on the professional and education backgrounds and concurrent positions held by Ennoconn board members, please refer to the following link to the Company website: 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 for compliance, 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, that director may not participate in discussion or voting on that agenda item and may not exercise voting rights as proxy for another director. The board of the Company 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 performance of the functional committee 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 the performance evaluation of the individual directors, on the other hand, may also serve as a reference for determining individual compensations.

Nomination and Selection Process for Board of Directors and Committees

Eligibility requirements
- The nomination system for the candidates is used for election of the directors (including independent directors) of the Company. The board considers the operation and development of the Company in the future, and opens acceptance of the professionals of various fields recommended by the directors as the candidates for directors (including independent directors). The deliberative units of the board shall evaluate whether the recommended selectees meet the qualifications of directors (including independent directors) according to the law.

Invitation and data review
- The chairman invites the selectee who has passed the examination to be a candidate for directors (including the independent directors). After obtaining the candidate's consent, the candidate is invited to fill in the information on the academic background (professional experience) of the directors (including the independent directors), attach relevant supporting documents, and sign various statements for the directors or independent directors in accordance with the laws and regulations.

Board Resolutions
- The nomination of the candidates for directors (including the independent directors) is submitted to the board for review and discussion. After the resolution is passed, the shareholders' meeting is called for election, and the election of the directors (including the independent directors) is carried out in accordance with the Rules Governing the Election for Directors of the Company.

Mechanism for Evaluation of Board Performance	Reinforcement initiatives
• Annual questionnaire-based self-assessment • Triennial external expert evaluations	• 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 operations

1	Internal performance evaluation: The average score for the results of the self-assessment of the performance of the members of the board of directors in 2022 was 92.5 points, the self-assessment of the performance of the board of directors was 97.3 points, and the self-assessment of the performance of the functional committee was 9 1.7 points.
2	External Performance Assessment: In order to enhance the independence of performance assessment, Ennoconn has entrusted the Taiwan Corporate Governance Association to carry out the external performance assessment of the board of directors and the functional committee, and the association issued an assessment report and certification on January 16, 2023.
3	The Company will report the results of the internal and external performance evaluation of the board of directors and the functional committee in 2022 to the board of directors of March 8, 2023.

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 carry out their duties in a worry-free manner while reducing and spreading the risk of major damage to the company and its shareholders caused by mistakes or negligent conducts of the directors.

We actively encourage our directors to attend specialized advanced courses scheduled by us in consideration of potential legal compliance and governance practice issues that the directors may face when they participate in decision-making processes in respect to the Company's operations. Advanced training hours for the directors amounted to a total of 58 hours in 2022. The CGO plans to add more advanced training and corporate sustainability-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 the board of directors that embraces principles of integrity-based corporate management and has abundant experience in the industry.

Functional Committees

With a view to perfecting it's supervisory and management functions, the board of directors has set up Audit, Remuneration, and Sustainability Committees. These functional committees exercise their powers independently. They are responsible to the board of directors and submit their proposals to the board for reporting or resolution.

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 3 independent directors 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 10 committee meetings were held in 2022 with an attendance rate of 100%.

The CIA engages in regular discussions with all the independent directors in closed meetings to report on implementation status of the internal audit and control. Three such closed discussion meetings were held in 2022 by the independent directors and CIA. In addition, another 2 closed discussion meetings were convened in 2022 by the independent directors with accountants for the reporting of the results of financial statement review or auditing to the independent directors by the accountants who also served the purpose of exchanging opinions and providing education on applicable laws and regulations during the meeting. For more information on attendance records of the audit committee members and resolutions adopted, please refer to the section titled "Audit Committee Operations" from the Annual Report of the Company's 2022 general meeting of shareholders.

Remuneration Committee

> Ennoconn's Board of Directors has ratified the Remuneration Committee Charter to perfect the remuneration system for directors and managerial officers and facilitate evaluations of the performance of the director and managerial officers and the fairness and reasonableness of compensations received. The established Remuneration Committee is subordinate to the board of directors and one of its members must be an independent director. The 3 committee members are currently composed of independent directors exclusively. A total of 2 meetings were held in 2022 with an attendance rate of 100%.

The main powers of the Remuneration Committee are as follows: Formulation and regular review of the systems and standards governing the performance of and compensations for the directors and managerial officers, as well as regular evaluations of the remunerations for the directors and managerial officers. The Committee takes the following principles into consideration when conducting its assessments and evaluations:

(1) For the remuneration of directors of the Company, in accordance with the provisions of Article 16 of the Articles of Incorporation of the Company, the board of directors is authorized to agree on the remuneration of all directors based on the value of their participation in and contribution to the operation of the Company, irrespective of operating profit or loss, in accordance with the normal level of the industry. In addition, if the company is profitable in the current year, the remuneration of directors shall be the amount allocated which is no more than 2% in accordance with the provisions of Article 20 of the Articles of Incorporation of the Company. The Company periodically evaluates the remuneration of directors. The criteria for measurement of the performance of the directors are based on the results of the Company's annual operating indicators in respect to its operations, governance, and financial results. The scope of evaluation includes: pre-tax net profit, evaluation of board performance, customer satisfaction and corporate governance evaluation, company ESG performance, and other aspects. Relevant performance evaluation and reasonableness of remuneration are reviewed and approved by the Remuneration Committee and board of directors, and the board of directors formulates the plan for distribution of the remuneration for the directors and reports to the shareholders' meeting.

The remuneration of managers of the Company shall, in accordance with the rules of the Company regarding salary, clearly stipulate various work allowances and bonuses to empathize and reward employees for their hard work. The relevant bonuses shall also be based on the annual operating performance, financial status, operating status, and individual performance of the Company. In addition, if the Company has profited in the current year, it shall allocate not less than 2% as employee remuneration in accordance with the provisions of Article 20 of the Articles of Incorporation of the Company. The results of the performance evaluation carried out by the Company in accordance with the Rules Governing Performance Management shall serve as the basis of reference for the issuance of bonuses to managers. The remuneration of employees shall be reviewed by the Remuneration Committee and the board, and shall be reported to the shareholders' meeting after the resolution by the board.

For items of the evaluation on the remuneration of directors and managers of the Company, there are financial indicators, i.e., target achievement rate, company profit margin, revenue contribution, etc., and non-financial indicators, i.e., capability of operational management, participation in sustainable operations, whether there is an event with risk of ethical concerns, company ESG performance, and other important aspects.

The actual amount of the directors' and managers' remuneration paid in 2022 shall be reviewed by the Remuneration Committee and submitted to the board for approval.

(2) The Company has insured the directors' liability insurance, with no cases of litigation. It is unlikely that the future directors will be liable, obligated, or in debt.

In addition, the performance and remuneration of managers are regularly evaluated. For the individual performance and contribution of managers evaluated according to the company's operating performance, departmental performance in management, and procedures for performance evaluation, the performance and results of the operations are appropriately reflected in the manager's remuneration. 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 performance evaluation and remunerations of the directors and managerial officers, as well as regular evaluation and determination of remunerations for the directors and managerial officers, followed with submission of recommendations to the board for discussion. For more information on the committee members, their attendance records, and the resolutions adopted, please refer to the section titled "Remuneration Committee Operations" from the Annual Report of the Company's 2022 general meeting of shareholders.

Sustainability Committee

To improve the functions of the board of directors, strengthen corporate governance, and implement corporate social responsibility, the board of directors approved the establishment of the Sustainability Committee on June 23, 2022, and established the Environmental Protection Group, Social Responsibility Group, Corporate Governance Group, and Green Business Group in accordance with the Sustainability Committee Charter.

The Board of Directors appointed Chairman Steve Chu, Independent Director Su Yu-Hui, Independent Director Chan Hsin-Yi, Independent Director Wen Miao-Hsin, and President Nelson Tsay as members of the Sustainability Committee.

Job Title	Name	Professional qualifications and experiences
Chairman	Steve Chu	Business Judgment, Corporate Management, Crisis Management, Industry Knowledge, International Market Outlook, Leadership and Decision Making.
Independent Director	Su Yu-Hui	Accounting and Financial Analysis, Crisis Management, International Market Outlook, and Corporate Governance.
Independent Director	Wen Miao-Hsin	Accounting and Financial Analysis, Crisis Management, and International Market Outlook.
Independent Director	Chan Hsin-Yi	Accounting and Financial Analysis, Operations Judgment, Operations Management, Crisis Management.
President	Nelson Tsay	Business Strategy, Product Planning, Technology Development.

The Company convened the First Sustainability Committee meeting on October 31, 2022, and the conclusions of the meeting were submitted to the board of directors for report and discussion on November 10, 2022.
The duties of this Committee shall include the following:

1. Formulating the company's sustainable business strategy, system, or relevant management guidelines and review the sustainability report.
2. Planning and directing sustainable affairs to be internationally consistent and in compliance with the regulations to be followed.
3. Formulating specific directions and goals for promotion of the sustainable development.
4. Developing an annual work plan and resource inputs for sustainable development, and reviewing the effectiveness of its promotion and implementation.
5. Supervising for timeliness and correctness of disclosure of information related to sustainable development.
6. Important matters stipulated by other companies or competent authorities.

For members of the Sustainability Committee of the Company, attendance, and resolutions, please refer to the section titled "Sustainability Committee Operations" from the Annual Report of the Company's 2022 general meeting of shareholders.

Internal Audit

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 Committee Charter, the appointment and dismissal of the 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 completed by the Auditor Office in 2022 indicate two items of abnormality, with the subsequent follow-up audit having been conducted with improvement shown and noted.

Auditing procedures

- Formulation of annual audit plans
- Submission to the board of directors for approval
- Execution of audit operations
- Preparation of an audit report
- Provision of recommendations, coordination of corrective action
- 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 integrity-based 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 President's Office is our dedicated internal unit in charge of the implementation of integrity-based corporate management policies. We have formulated internal regulations such as the Operating Procedures and Code of Conduct for Integrity-based Corporate Management and the Operating Procedures Governing Handling of Internal Material Information, 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 President's Office via diversified channels including e-mail and phone.

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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 integrity-based 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 non-integrity-based conduct. If it is detected that transaction counterparties or cooperation partners have engaged in non-integrity-based conduct, it must be assessed whether blacklisting is required pursuant to our integrity-based corporate management policy. Before concluding contracts with trading counterparties, it is mandatory to gain a full understanding of the status of their integrity-based management and incorporate provisions prescribing compliance with our integrity-based 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 non-integrity-based 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 integrity-based corporate management in 2022:

1. All new hires of the year have signed the Integrity & IPR Agreement and have been educated on the operating procedures and code of conduct for integrity-based management in the orientation training, and the dates for these processes in 2022 are June 21 and November 22, with a total of 2 hours of session and a total of 48 people trained.

2. All participants in confidential project meetings have signed NDAs.

3. No incidents associated with violations of policies on ethics & integrity were reported via relevant channels including the corporate website, the HR mailboxes, and Auditor Office mailboxes in 2022.

4. In 2022, all directors and managerial officers were given training via the course "Integrity-based Management and Prevention of Insider Trading" on May 12, June 28, September 27, and November 30, with a total of 4 hours of session and a total of 44 people trained.

5. The Company conducted the Series of Courses on Anti-Corruption for all employees on June 28, September 27 and November 30, 2022 for a total of 3 hours of session, with a total of 525 people trained.

6. On December 16, 2022, the Company conducted the educational training via the course "Internal Material Information and Preventive Insider Trading" for all directors, managerial officers, and employees. The course duration was 0.5 hours, with a total of 203 participants, and the total duration of the educational training was 101.5 hours.

▶ Legal Compliance

Material Topics - Legal Compliance

Policies or commitments	Compliance with regulations is fundamental to the operation of the Company, and it is emphasized that all business activities must comply with the relevant laws and regulations in the local area where the business activities took place. External: The company's official website provides "operating procedures and codes of conduct for integrity-based management" Internally: Educate internally on compliance with laws and regulations; also organize educational training to educate on the importance of compliance with laws and regulations; For suppliers: In the contract with the supplier, regulate with clauses on confidentiality and protection of intellectual property rights and other related provisions, regulate on the supplier's transactions with integrity in mind, along with firm determination for anti-bribery (corruption) and prevention for infringement of intellectual property rights and other inappropriate behavior
Goal/Resource/Action	Goal: To create a strong culture for compliance Resources and actions: Continuous improvement of relevant rules and regulations Continuous promotion of education on legal compliance and educational training on integrity Continuous efforts for establishment of risk assessment mechanism
Stakeholder Communication Mechanism	Internal grievances: There is a company's mailbox set internally, and there is a smooth internal channel in the company for expressing grievances. External Complaint: Announcement of communication channels in the stakeholders section of the official company website https://www.ennoconn.com/zh-tw/stakeholder-contacts/

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 Operating Procedures and Code of Conduct for Integrity-based Corporate Management, Ethical Code of 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 principles of integrity and fairness, we participate in industry competition, shape a compliance-oriented corporate culture, and build a corporate reputation based on trustworthiness and respectability.

Finally, in the aspect of ESH, 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 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 2022, with zero in penalty amount incurred.

▶ Information Security Management

Material Topic - Information Security

Policies or commitments	Information security and safety, to ensure the collection, processing, transmission, storage, and circulation of information security
Goal/Resource/Action	Objective: To build an information security network to ensure that there are no data breaches and that business activities comply with relevant laws or regulations, and to pass the ISO 27001 information security management system certification in 2023. Resources and actions: • Developing security policies and enforcement procedures • Setting up internal organization for information security • Strengthening software and hardware architectures and ensuring the security of network use • Regular asset risk inventory, vulnerability scanning, and recovery plan exercises • Continuous implementation of mechanism for systems backup • Conducting employee education and training to raise awareness of security risks
Stakeholder Communication Mechanism	Internal: The Ministry of Information holds occasional cross-departmental meetings for communication on security issues External: Annual Sustainability Report

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 Management Representative 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 Management Representative 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

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 units and approval by authorized supervisors.

Application system security management: IT units 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.

In view of the rising frequency of information security incidents in corporations in 2022, the Company has made an all-out effort to reinforce our information security management and has therefore set up projects regarding information security and invested resources in 2022, which include the following:

- ✓ Implementation of ISO27001, for 440,000 NTD
- ✓ Construction of Firewall HA, for 820,000 NTD
- ✓ Integrated cloud-premise alarm system (site 24x7), for 30,000 NTD
- ✓ Cloud Website Protection System (GCP Cloud Armor)
- ✓ Zero Trust for Cloud Devices (GCP Beyond Corp)
- ✓ Completion of training sessions for 174 employees in 2023 for a total of 174 hours

Training on information security for new hires and information security education for all staff members were completed in 2022.
No information security incidents occurred in 2022 and the Company remains committed to its zero-incident goal in this area.

ESG Sustainable Development Strategy

Digital Twin

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.

▶ Sustainable Development Unit

The board of directors has made a resolution to establish the Sustainability Committee. This unit is responsible for decisions on and promotion of major tasks in the field of sustainable development and operations. The board of directors appointed the Chairman, the General Manager, and three independent directors as members of the Sustainability Committee. The Company has set up an ESG Promotion Office to implement the resolutions of the board of directors and the Sustainability Committee, The GM serves as the chairman of the committee which features the following four task forces, including the Green Business Group, the Environmental Protection Group, the Social Responsibility Group, and the Corporate Governance Group.

ESG Committee Functions

☑	Formulate the company's sustainable business strategy, system, or related management policies and review the sustainability report
☑	Plan and direct sustainability matters for international consistency and compliance with regulations to be followed
☑	Setting specific direction and goals for sustainable development
☑	Develop an annual work plan and resource inputs for sustainable development, and review the effectiveness of its promotion and implementation
☑	Monitoring the timeliness and correctness of disclosure of sustainability-related information
☑	Major matters stipulated by other companies or competent authorities

The 2022 Sustainability Committee will meet once to discuss the ESG targets for 2023, greenhouse gas inventories, and the latest results from corporate governance assessment, and improvement measures.

board of directors

Audit Committee | Sustainability Committee | Remuneration Committee

ESG Promotion Office

Green Business Group | Environmental Protection Group | Social Responsibility Group | Corporate Governance Group

Sustainability Committee convenes twice a year to discuss targets and results of implementation regarding the operations related to the sustainable development of the Company. Meeting frequency may be adjusted as required in line with the Company's status and regulatory changes. Such meetings are not only attended by 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. Sustainability Committee resolutions or matters approved after deliberation are recorded in detail and forwarded to relevant units for implementation after having submitted to the board for reporting or discussions.

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.

▶ Implementation of Management System

Ennoconn has completed the ISO 9001 quality management certification for G (corporate governance), the ISO 14001 environmental management certification for E (environmental sustainability), and the ISO 14064 organizational carbon inventory certification. At the time of the organizational carbon inventory, since the greenhouse gas emissions generated by the power system accounted for the highest proportion of 80 percent, the Ennoconn entity has also undergone a number of projects for digital transformation, has introduced the ESaaS (Ennoconn Solution as a Service) energy monitoring management system, network security management system, supply chain management system, and the usage rate for renewable energy in its production base in mainland China has reached 50%, with concepts for environmental design also introduced for the product from the development stage.

It is expected that the certifications of ISO 50001 energy management, ISO 14067 carbon footprint verification, ISO 45001 occupational safety and health for S (social responsibility), ISO 27001 information security system for G (corporate governance), and others will be obtained by the end of 2023, and ESG sustainable development will continue to be implemented from the inside out.

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	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
	Investment Department	
Operational and market risks	General Manager's Office	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
	Business Management Department	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
	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 risk	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

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	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.
	Inflation	The Company and its subsidiaries keep abreast of global political and economic changes and market price fluctuations, maintain a sound interaction relationship with suppliers and customers, and adjust procurement and sales policies in a timely manner. Therefore, the Company and its subsidiaries should be able to respond to the impact of changes in the economic situation such as inflation, and their operations will not be seriously threatened.
	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. Regular information security audits by commissioned third-party bodies 5. Setup of the Company's important systems in the cloud. Implementation of remote backup 6. Introduction of ISO 27001 information security management system
	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 and 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. Implementation of an environmental management system 2. Adoption of GHG inventory and reduction measures in coordination with energy conservation policies of the government 3. Compliance with applicable laws and regulations and customer requirements
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.
	Labor shortage risks	1. Establishment of a working hour management system to enable supervisors to manage working hours in an adequate and convenient manner. 2. 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

Governance of Climate Change

Based on the structure of the Task Force on Climate-related Financial Disclosures (TCFD), which is divided into governance, strategy, risk management, indicators, and targets, the CST invited consulting firms to help identify climate risk opportunities, develop subsequent response strategies, and report regularly to the Sustainability Committee on an annual basis.

Governance	Strategies	Risk Management	Metrics and Objectives
Governance of climate-related risks and opportunities	Business, Strategic and Financial Planning, Actual and Potential Climate-Related Impacts	Climate-related risk management processes	Indicators and targets for assessing and managing climate-related issues
Climate risk and opportunity governance combined with annual sustainable risk management issues are reported annually to the Commission on Sustainable Development.	Refer to the 2022 short-, medium- and long-term climate risks and opportunities table	The head office has completed the greenhouse gas inventory in 2021, and is gradually completing the greenhouse gas inventory of the subsidiary, and subsequently planning to incorporate climate risks and opportunities into the risk management policies and operations of various units. Actively develop the three major sustainable strategies of "digital transformation", "information security transformation" and "green transformation", integrate the resources of subsidiaries and partners horizontally and vertically in the business of ESG energy saving and net-zero carbon emissions, and provide an integrated service for enterprises to grasp green business opportunities.	Completion of annual greenhouse gas inventory and increase website and public information disclosure. Annual Electricity Savings 1%
The general manager shall be the chairman of the committee, and the members of the organization shall implement risk identification, assessment and handling.	Reference to climate-related shocks		Scope 1 emissions 8 metric tons in 2022; Scope 2 emissions 3 42.11 metric tons
	The Company refers to international sustainability trends, customer needs and Taiwan government policies to describe the themes of climate change risks and opportunities for physical risks, regulatory transition risks, etc.		Reduce carbon emissions by 30% by 2025 and 50% by 2030. Long-term strategy to achieve net-zero emissions by 2050

The Ennoconn Scientific and Technological Committee commissioned the consulting firms to assist in identifying climate-related risk and opportunities, and the results are as follows:

2022 Short-, Medium- and Long-Term Climate Risks and Opportunities Table

No.	Climate Change Risk Issues	Risk Level	Time Range	No.	Climate Change Opportunity Issue	Opportunity Level	Time Range
R1	Increasing the price of greenhouse gas emissions	Medium	Short-term, medium-term	O1	Reduce water use and consumption	Medium	Medium and long term
R2	Enhanced reporting obligations on emissions	High	Short, medium and long term	O2	Use more efficient production and distribution processes	Medium	Medium and long term
R3	Requirements and Regulations for Existing Products and Services	Medium	Short-term	O3	Recycling	Medium	Medium and long term
R4	Replacing existing products and services with low-carbon goods	Medium	Medium and long term	O4	Converting to more efficient buildings	Medium	Medium and long term
R5	Costs of Transformation with Low-Carbon Technology	Medium	Short-term, medium-term	O5	Adopt more efficient modes of transport	Medium	Short, medium and long term
R6	Changes in customer behavior	Medium	Short-term, medium-term	O6	Use of low-carbon energy	Medium	Medium and long term
R7	Changes in rainfall (water) patterns and extreme changes in climate patterns	High	Medium and long term	O7	Adopt incentive policies	Medium	Medium and long term
R8	Increased severity of events of extreme weather such as typhoons and floods	Medium	Medium-term	O8	Use of new technology	Medium	Medium and long term
R9	Increased cost of raw materials	High	Short, medium and long term	O9	Participation in the carbon trading market	Medium	Medium and long term
R10	Average Temperature Increases	Medium	Medium and long term	O10	Transition to decentralized energy	Low	Medium and long term
R11	Sea level rise	Medium	Medium and long term				

Note 1: Short-term is 1-3 years, medium-term is 3-5 years, and long-term is 6-10 years

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Categories	Oriented	Items	Significance and Impact on the Company	Policies	Management Measures/Response Measures
TCFD (Climate Related Financial Disclosures)	Transition Risk - Policies and Regulations	Enhanced reporting obligations on emissions	Transparent disclosure of environmental information, low financial impact	Develop policies for the management of greenhouse gases, water resources, waste, energy, etc., and implement them in accordance with each policy	1. Record monthly water consumption, wastewater, waste, and energy consumption 2. Carbon stocktaking
	Increased cost of raw materials	Carbon Border Tax and the Net Zero Carbon Trend	Raw material suppliers will increase the cost of raw materials due to transportation costs, carbon taxes, green electricity and other reasons, affecting the company's revenue	Find an alternative supplier	1. Implement supplier audits. 2. Target companies in various industries around the world for vertical integration.
	Immediate physical risk	Increased severity of extreme weather events such as typhoons and floods	Natural disasters cause damage or loss of operations, and the financial impact of the current office properties is low	Assess possible risks and reduce hazards	1. Check whether the ceiling sling is firm every year 2. Annual Educational Exercise
	Products and Services	Developing and/or increasing low-carbon goods and services	Products in line with international environmental protection/energy-saving needs, conducive to the creation of company revenue, financial impact is moderate.	Together with subsidiary Bokang Zhiyun, software and hardware technology and Google Cloud are integrated in the cloud, targeting enterprises in various industries around the world, and launching energy saving and net-zero carbon reduction including smart buildings and smart cloud platforms to achieve energy saving, carbon tax or cost and green transformation and upgrading competitiveness to meet customer-related needs.	1. Corporate Sustainability with EPS + ESG + ESaaS; 2. "Hard and Soft Integration", "Cloud Network Integration"; 3. "Technology + Products", "Manufacturing + Marketing", "Investment + Fund Raising"

CO2 _2025_ **-30%** → **CO2** _2030_ **-50%** → **CO2** _2050_ **-100%**

Reduce carbon emissions by 30% by 2025 and 50% by 2030. The long-term strategy is the implementation of the 2050 net-zero emission target.

1. Purchase eco-friendly labelled infrastructure equipment through green sourcing.
2. Facility energy-saving projects every year.
3. Evaluate the benefits of green electricity purchases.

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TAKEHOLDERS NEGOTIATION

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 mode of 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 co-prosperity. The procedures for identification of issues of concern to Ennoconn's stakeholders in 2022 can be summarized as follows:

Step 1 — Understand the organization's context

Refer to the sustainability-related industry standards and review the organization's operating activities, business relationships, and stakeholder identification process to understand the overall status of the organization and related impacts, and identify stakeholders of sustainability issues

Step 2 — Identify actual and potential impacts

Select the 24 sustainability-related issues of concern based on an organization's overall status and business relationships that have identified actual and potential impacts on the economy, environment, and people, whether positive or negative, short-term or long-term, intentional or irreversible

Step 3 — Assess significance of the impacts

Conduct analysis of materiality through questionnaires on external economic, environmental, and human impact for stakeholders and questionnaires on impact for internal operations

Step 4 — Prioritize on reporting for the most significant impact

Rank the impact of identified issues and examine their significance with consultants according to sustainability-related industry standards, with 9 material topics finally selected

Identification of issues of Concern to Ennoconn Stakeholders in 2022

	Item	Description
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, following the five core principles of AA1000 SES (Stakeholder Engagement Standard), i.e. dependency, responsibility, influence, diverse perspectives, and tension of concern: Employees, customers, suppliers/contractors/subcontractors, competent authorities, and shareholders/investors.
2	Determination of ESG issues	20 issues encompassing the ESG dimensions of corporate governance, environment, social issues were determined as the content for questionnaire design with consideration of the following for gathering of the issues: context in the field of sustainability, based on Sustainable Accounting Standards from SASB, GRI Standards released by the Global Reporting Initiative (GRI), with reference to Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, considering also benchmark studies, company operations, and industry characteristics.
3	Survey on issues of concern	To gain a clear understanding of the level of impact for our stakeholders with regard to sustainability issues, we have conducted a survey on impact of the issues for the stakeholders in the form of questionnaires distributed online. A survey of senior executives on material influence of the identified issues on the Company's sustainable operations served as reference for the ranking of issues. A total of 84 completed questionnaires were received (72 "level of impact for stakeholders" questionnaires and 12 "level of impact" questionnaires (filled out by ESG Committee members)
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 analysis of the questionnaires. Upon discussions by the report editing team and consideration of recommendations offered by external consultants, a total of 6 material topics were identified for the disclosure of relevant management approaches in 2022.
5	Review and discussion	Regarding material topics identified, corresponding chapters, and analysis of boundaries, we continue to enhance our management practice 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.

Stakeholder Inclusion

Ennoconn's issues of concern for each major category of stakeholders vary depending on types of 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.

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.

Through the issues of concern raised from communication between every department and major stakeholders during routine operating activities, members of Ennoconn Sustainability Committee assessed both actual and potential positive and negative impacts of the issues on economy, environment, and people at the meeting of the Sustainability Committee, with reference to specific topics in the GRI Sustainability Reporting Standards 2021 and SASB index for industry sustainability. Finally, 20 sustainability issues encompassing the sustainability dimensions of economy, environment, and society were identified to ensure that the sustainability information disclosed by Ennoconn satisfies the requirements of GRI Standards for integrity and diversity.

Stakeholder Category	Significance for the Company	Issues of Concern	Communication channels (feedback platform)	Frequency of communication
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.	Sustainability of Supply Chain Legal Compliance Occupational Health and Safety Customer Service Innovative R&D Risk Management Energy Management GHG Emissions Information Security Product Safety and Responsibility	Sustainability Report Sustainability Report Sustainability Report Satisfaction Surveys New Product Launch Official Website Sustainability Report Sustainability Report Non-disclosure Agreement Product Inspection	Annually Annually Annually Annually Annually As Required Annually Annually New Client As Required
Competent Authorities	In addition to compliance with regulations of government agencies and proactive cooperation in implementation of relevant policies, we rely on transparent, bidirectional communication channels to gain the trust, support, and cooperation of the government.	Legal Compliance Occupational Health and Safety Energy Management Anti-Corruption Labor Relations GHG Emissions Information Security Climate Change Control Waste Management Water resources Management Community Engagement	Official Website Monthly Occupational Accident Report Sustainability Report Sustainability Report Sustainability Report Sustainability Report Sustainability Report Sustainability Report Sustainability Report Sustainability Report Official Website	As Required Monthly Annually Annually Annually Annually Annually Annually Annually Annually Annually As Required
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.	Legal Compliance Economic Performance Risk Management Anti-Corruption	Official Website Financial Statement Sustainability Report Sustainability Report	As Required Annually Annually Annually
Suppliers/Contractors/Sub contractors	We hope the sustainable partnerships we formed with our cooperating partners would continue to provide services that satisfy the needs of our stakeholders to facilitate the joint implementation of corporate sustainable development.	Sustainability of Supply Chain Legal Compliance	Supplier Evaluations Sustainability Report	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 principles of diversity and equality with the ultimate goal of achieving joint growth and development.	Talent Cultivation and Retention Diversity & Equal Opportunities Occupational Health and Safety Labor Relations Training and Education Employee Diversity and Equal Opportunities Labor Rights	Health Checks Labor-Management Meetings Training & Education Labor-Management Meetings Training & Education	Annually Quarterly As Required Quarterly As Required

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Material Issues and Impacts

Ennoconn Technology introduced materiality analysis in preparation of its Sustainability Report, which employs the identification of stakeholders in regard of the topics from dimensions of corporate governance, environment and society that are related to the impact of economic, environmental and personnel impacts on Ennoconn Technology's sustainable operation as a basis of reference for the disclosure of information in the Report.

These 20 sustainability issues were analyzed through survey stats from questionnaires on stakeholder communication and on impact assessment for internal committee members, and the top 6 sustainability issues were selected in the meeting as material topics.

Sustainability Issues
Legal Compliance
1
Ranking of Impact

Sustainability Issues
Labor Rights
2
Ranking of Impact

Sustainability Issues
Community Engagement
7
Ranking of Impact

Sustainability Issues
Anti-Corruption
9
Ranking of Impact

Sustainability Issues
Sustainability of Supply Chain
11
Ranking of Impact

Sustainability Issues
Occupational Health and Safety
8
Ranking of Impact

Sustainability Issues
Innovative R&D
10
Ranking of Impact

Sustainability Issues
Labor Relations
3
Ranking of Impact

Sustainability Issues
Economic Performance
4
Ranking of Impact

Sustainability Issues
GHG Emissions
12
Ranking of Impact

Sustainability Issues
Employee Diversity and Equal Opportunities
13
Ranking of Impact

Sustainability Issues
Risk Management
14
Ranking of Impact

Sustainability Issues
Waste Management
15
Ranking of Impact

Sustainability Issues
Energy Management
5
Ranking of Impact

Sustainability Issues
Information Security
6
Ranking of Impact

Sustainability Issues
Training and Education
16
Ranking of Impact

Sustainability Issues
Product Safety and Responsibility
17
Ranking of Impact

Sustainability Issues
Customer Services
18
Ranking of Impact

Sustainability Issues
Water Resources Management
19
Ranking of Impact

Sustainability Issues
Climate Change Control
20
Ranking of Impact

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▶ Material Topics and Internal/External Boundaries

Material Topics	Positive and Negative Impact	GRI Standards	Boundaries of Material Topic Impacts on the Value Chain					Management Approach Corresponding Chapter	Page No.
			Corporate HQ	Customers	Government Agencies	Suppliers	Shareholders /Investors		
Legal Compliance	Legal compliance is the cornerstone of corporate responsibility. Employee misappropriation of assets occurred in 2022, which was a negative actual impact	GRI 2-27	●	●	●	●	●	1.1 Accountable Governance - Legal Compliance	
labor Rights	Respect for and safeguarding of human rights are the core foundations of corporate sustainability. Ennoconn adheres to the policies for human rights, in line with the Company's goals of development, which is a positive actual impact.		●	●			●	4.0 Friendly Workplace	To be filled after layout finalized by DTP
Labor Relations	With a view to fulfilling our social responsibility, reducing risks to human rights, and providing employee-friendly workplaces, we place importance on employee benefits, creation of communication and grievance channels for employees, and optimization for a decent work environment, in line with the Company's goals of development, which is a positive actual impact.	GRI 401-1 GRI 401-2	●	●	●			4. 0 Friendly Workplace	
Economic Performance	Economic performance represents a core task of corporate operations. We therefore persist in our efforts to pursue maximum profits. Ennoconn continues to innovate for revenue, to meet expectations of stakeholders and their sense of belonging, which is a positive actual impact.	GRI 201-1	●	●			●	3.1 Smart Industry Chain	
Energy management	Ennoconn continues to engage in the monitoring of its energy conservation and carbon reduction activities in the dimensions of energy management and GHG emission management and adopt corrective reduction actions for improvement accordingly Its effort to implement those actions in the manufacturing industry chain was a positive actual impact.	GRI 302-1 GRI 302-4 GRI 305-5	●	●	●			5.0 Sustainable Environment	To be filled after layout finalized by DTP
Information Security	Occurrence of information security incidents tends to cause business interruptions and information leakages. Ennoconn continues to invest its resources to strengthen the information security network, which is a positive actual impact.		●		●			1.1 Accountable Governance- Information Security Management	

▶ Changes in Material Topics

Material topics changed this year as a result of adjustment of the sustainability issues, as compared to those identified for 2021, and assessment of their impacts.

| 2021		2022	Change in ranking1.
1. Occupational Safety and Health	7.Energy Conservation and Carbon Reduction	1.Legal Compliance	↑ 8
2. Information Security	8.Innovative R&D	2.Labor Rights	↑ 1
3. Labor Rights	9.Legal Compliance	3.Labor Relations	↑ 2
4.Economic Performance	10.Social Engagement	4.Economic Performance	—
5.Labor Relations		5.Energy Management	Newly added
6.Ethics and Integrity			↓ 4

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SUSTAINABLE INNOVATION RESPONSIBILITY

Responsibility for Sustainable Innovation

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, its RD results, investment of resources, and future plans will be reviewed on rolling basis through its operation strategy meetings in a hope to proactively enhance its design capability, product quality, and services with customer satisfaction.

With the maturing and prosperous development of technologies of 5G transmission, cloud computing and Artificial Intelligence (AI), digital transformation and upgrade with intelligentization have tacitly become the development goals for respective industries during their 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. Its product is utilized on new technological solutions such as Cloud-Edge Anthos Server, Connectivity Gateway, and video conference system. It operates on open hybrid multi-cloud platform, enhances the value chain for a complete digital service platform, and fulfills connectivity between premise and cloud services. This also creates new model of business operation for Ennoconn's new generation of AIoT digital products and services.

Ennoconn carried out digital transformation of the corporation to lead the path of industrial metaverse . Our mission is to fulfill accelerated cultural transformation through continued integration of IIoT platform and cloud-based artificial intelligence. To keep this new function consistent with the future of manufacturing industry, we have implemented the high-performance cloud solution to expand your groups of products and solutions. Our integrated services, powered by Google Cloud, are designed to drive the emergence of intelligent manufacturing, smart finance, smart city, smart retail as well as media and recreation.

In response to industry trends and growth of business in the market, Ennoconn provides products and services with integration of software and hardware, combination of cloud and network, and intelligent linkage that are required for major transformations toward digitalization, greenness, information security, and AI by carrying out standardization, modularization, platform-basis, and subscription-basis in its services. . It also provides localized global services, focusing on related areas of applications such as smart factories, smart buildings, and cities.

Ennoconn integrates the resources of its subsidiaries and partners to offer subscription-based services of "software + hardware and software suites" in its independently-developed ESaaS (Ennoconn Solution as Service) platform. It has developed five major application solutions, which are "energy monitoring and management system", "monitoring and prediction on equipment operation", "greenhouse gas management platform" for green transformation, "network security management system" for transformation in information security, "supply chain management system" for AI transformation, providing many small and medium-sized corporations with solutions for industry-based digital upgrading and intelligentization.
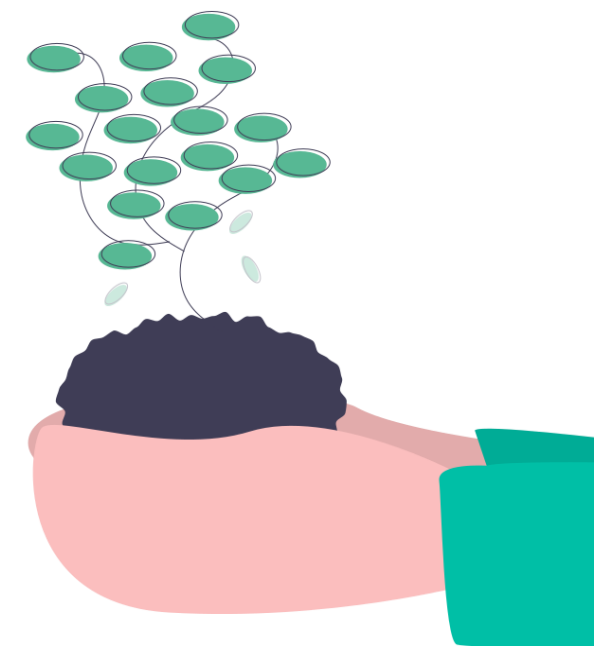
▶ Ennoconn ESG Intelligent Solution

In its business for ESG energy efficiency and net zero emission of carbon, Ennoconn Group's integration of software and hardware, combination of cloud network, and intelligent linkage, employed horizontal and vertical integration of the resources of its subsidiaries and partners to help with the all-in-one integrated smart solutions for the government and corporation, utilizing digital technology to drive sustainability in energy and environment. To achieve the goal of net-zero carbon emission globally in 2050, Ennoconn Group has built a comprehensive cloud platform for smart buildings, opened up the ESG metaverse market, and integrated Ennoconn AIoT on-premise equipment and Ennowell smart building platform. The integration in software and hardware provided visualized management on electricity, lighting, water resources for air conditioning, etc. for existing buildings, and utilized the data obtained to predict energy expenditure through Google Cloud AI algorithm, provide calculation in carbon footprint verification and make recommendations on optimization to achieve optimized energy efficiency.

Ennoconn introduced full 3D virtual image into the smart building system, where the users simulate the actual scenario in the environment and the state of equipment operation through these images during operation and through visual charts that present the usage status of energy such as electricity, fuel and water resources After the data obtained is imported into the Ennowell intelligent cloud platform, with suggestions for optimization offered by Google Cloud AI and ML big data analysis, administrators can view the energy consumption behavior through the central monitoring screen, and adjust the energy configuration according to the suggestions in order to develop the high-performance integrated module for the subsystem. The owner can select and expand the required functions according to the needs, complete the cross-system intelligent linkage to achieve the purpose of energy conservation and carbon reduction, creating a full-performance management tool.

▼▼▼▼▼▼▼ Focus case: Ennoconn Cloud Platform ▼▼▼▼▼▼▼
Service for Green Energy

In 2022, it assisted the New Taipei City Government and the Taichung City Government to complete the integration of smart buildings and the construction of energy management systems, as well as the integration of the central control and protection system for the Taipei City Hall Building and the introduction of the intelligent building system for Yunlin Second Prison.

In 2023, Ennoconn Group joined forces with Ennowell Intelligent Cloud ESaaS to score another success, with the four linked systems to be introduced into the Machohou smart park to achieve sustainability for energy and environment.

Machohou smart park will provide manufacturers with a demonstration area with smart manufacturing applications as the maintheme, with plans to implement digital transformation and green transformation by combining AI, big data analysis, smart linkage systems, etc., so that park manufacturers can build intelligent environments through new types of green smart production parks, with the construction of systems such as intelligent transportation, intelligent sustainability, intelligent security and intelligent governance, to achieve the goals of digital nation and smart cities.

he Ennoconn Group has joined hands with Ennowell Intelligent Cloud to introduce Ennoconn Solution as a Service (ESaaS) into the Machohou smart park to create a smart park where ecological and economic development coexist, driving the upgrading of local industries; its ESaaS platform services include four major systems for AI and ESG:

Intelligent Linkage for Environment Detection

GIS Geographic Information System

ERP Enterprise Resource Planning System

Intelligent Integration Platform of the Management Center

With the concept of global localization is injected into Chiayi, the "Machohou industrial park" has risen to become a new base for the high-tech industry globally. Preserving the natural landscape and biodiversity of the park while building it into a smart park where ecological and economic developments coexist, it serves its purpose in driving the upgrading of local industries!

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 take advantage of digitalization to manage integration of production tools, package manufacturing service and product-oriented manufacturing service, as well as visibility from design chain to supply chain and to assembly, integration, testing and packaging in manufacturing factory.。

■ Digitization as a Service

Digitalization as a Service" is a bundled product, service and solution based on Ennoconn's new cloud AIoT digital transformation.
Ennoconn productized "digitalization as a 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 levels of revenue generation.

■ Integration of Google Cloud Platform (GCP)

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 convert ODM service for clients, offering IT/OT fusion, cloud, and integrated AI, 5G, and AIoT solutions. Comprehensive participation – digitalization transformation includes:•Artificial Intelligence Platform •Cloud, Software, Hardware Intelligence Platform •Organizational Optimization •Resource Integration

■ Utilization of 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 key core vertical industries to which Ennoconn continues to pay attention.
Ennoconn's digitalization transformation strategies provide visions for supply chain management teams and manufacturers.

- 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 information related to the client.
- Integration of cloud service and solution enables Ennoconn to manufacture products in more sustainable manners.
- Cloud service and solutions enable us to effectively bundle more advanced platforms and smart equipment for critical core clients in key markets. The platforms and equipment include smart city, smart manufacturing, smart retail, financial service, and media and entertainment.

■ Strategic Collaborating Partnership

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

- Advancement and innovation of operation for manufacturing process and supply chain control, and ultimate delivery of the world's top products and supporting solutions to clients.
- Utilization of Google's infrastructure, platform, and expertise to advance Ennoconn's existing DMS work process as well as develop new cloud-based products, services, and solutions.

■ Ennoconn's GCP Integrated Solutions

- Enable clients to move to digitalization through competitive pricing plan maintained by Ennoconn.
- Include reliability management, cloud storage, computing engine, AI integration and other featured solutions that come with Google Cloud Platform (GCP).
- Combine with internet giants in the industry in transforming the way clients connect and collaborate.
- Are the Safest, most flexible and most cost-efficient solutions which ensure virtually zero downtime for clients.
- Allow Ennoconn's clients to run applications on the cleanest cloud in the industry, and develop new applications and experiences faster to enable organization to make smarter decisions.

■ Other Integrated Products and Services on Ennoconn-Google Platform

- Ennoconn connects Google Workspace with its products and solutions which include authorized dealership opportunities for Google Workspace and other Google-related products.
- Workspace expands this relationship and refines the strategy for completely integrated products and service for digitalization transformation.
- Ennoconn and Google Suite offer smart solutions which make collaboration easier, faster, and more efficient.
- Bring flexible collaboration into your team. Demonstration can be made to hundreds of people, with reactions to be observed and any question answered in real time.
- Automatic editing with tracked changes, with no e-mails needed.
- Convert messages and group chatting into video call for spontaneous rapid synchronization.
- On-line discussion platforms allow people to establish connection more easily and break organizational barriers.
- Ennoconn and Google Meet allow clients to meet securely on any device. Working together with modern web browser, there is no need to install any software.
  - Encryption during transmission process – our range of safety measures are constantly updated to provide complete protection.
  - Make business suggestions, collaborate on team tasks, or just hold a video conference.
  - Live stream meeting capable of accommodating 100,000 viewers.

Google Workspace

■ Ennoconn Green Energy Cloud Platform Service

Ennoconn works together with Google in using the industry's greenest (zero carbon) cloud service, with Google data center aiming at complete adoption of carbon-free energy by 2030.We work together to assist enterprises in achieving net-zero sustainable development, providing corporate customers one-stop cloud service from connecting, logging on, using, managing, and protecting cloud.

The technology services we offer are built on Google Cloud including:

Web	Computing	Storage	Database	Data Analysis	Artificial Intelligence
Computer room structure is migrated to cloud for creating and running virtual machines.	Provides highly efficient and flexible allocation of resource for global web computing	Provides secure, scalable, and cost-effective storage.	Provides databases that provide hosting service and are fit for various industries' applications.	Provides data analytics and open platforms with high performance and economic costs.	ML/AI modules are built using high-performance computing and big data.

▶ Green Design - Environmentally Sustainable

Recently, the increasing need for environment-friendly products has made them fundamental requirements of respective countries. Upholding its green design, Ennoconn Corporation has devoted its efforts in protectint the earth. Faced with the ever serious impact from global climate change, the Company continues to strengthen collection of various countries' regulatory requirements, formulate policy on environment control, and assess product's level of green compliance. During product development phase, the Company introduces the concept of environmental design and faces up to environmental issues through adding concepts of energy saving, low hazard, and ease of recycling. A green technology team is established within the Company to carry out 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 the paperless system PDM includes management system for green products to carry out green monitoring from components to products to ensure materials comply with the requirements for international green regulations, thereby contributing some efforts to our earth through reduced use of hazardous materials. The Company also continues to pay attention to international environment-related directives of REACH, RoHS, WEEE, PFOS, Halogen-Free and Conflict Metal, and offers comprehensive assistance to development and manufacturing of green products.

More and more companies have exerted their efforts in devoting to Corporate Social Responsibility (CSR). Many corporations focus on the aspect of environment sustainability hoping to save resources. The paperless mode of office work not only achieves the goal above and improves corporate image in terms of corporate social responsibility, it can also solve difficulties of document storage, transmission, and signing while allowing corporates to maintain business continuity to the utmost extent amid unclear situations during the pandemic. It provides electronic signing platform and environment-friendly paperless process to realize remote signing for the purpose of fulfilling safe and fast enhancement on the speed of signing and approval. 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 the aspect of environment sustainability, Environmental Protection Administration has also launched the marks for carbon footprint and carbon reduction. Ennoconn Corporation understands the importance of resource sustainability, energy saving, and carbon reduction. We encourage our employees to be and act in environment-friendly manner any time in their work environments. Same for most electronic manufacturing companies, Ennoconn Corporation's electronation also starts from the introduction of Enterprise Resource Planning (ERP) which provides multi-function modules of purchase, sales, inventory, HR, finance, quality management and project management to optimize corporate processes and enhance competitiveness of the corporation. It was later extended from ERP to applications such as Product Data Management (PDM), Workflow, Technology Document Service Center (TDSC), Knowledge Management (KM), Human Resource Portal (HR Portal), and Manufacturing Execution System (MES) which connect each originally independent system in moving toward the goal of paperless operation with reduced transmission and consumption of paper. The Company has also established responsible IT department which has set up "paperless meeting system" featuring the service for connecting remote/near side meetings. In addition to features of energy efficiency and reduction of paper printing, confidential information can even be controlled through this service during the period of pandemic to reduce risks of data leaking.

In terms of reduction of waste generation as well as recycling and re-utilization, Ennoconn Corporation integrates concepts of easy-disassembly or modularity into product design in accordance with EU's WEEE directives, and it utilizes the exploded drawing for easy-disassembly analysis, under which the drawing of composition structure for the respective products is generated. The time needed to disassemble products is then calculated to give insight for improving the structures of product assembly to reduce operation time needed for disassembly and recycling, for the purpose of complying with WEEE's regulatory requirements. Ennoconn Corporation produces disassembly manual in accordance with the requirements of the rules for the client's environmental certification, and calculates product recycle rate (3R = Reuse + Recycle + Recovery) to meet the regulatory requirements on product's overall rate of recycling. In terms of selection for product packaging materials, in addition to considering product's protective effect, the Company also needs to pay special attention to environment-friendly features of the materials which come with recyclable effects but contain no hazardous substance in order to comply with EU directives for packaging and regulatory requirements from respective countries, i.e., requirements from directives announced by EU regarding packaging and waste from packaging. Corporate will exert its utmost effort in environmental protection and utilization of recycled resources, which are taken into considerations of client's needs during the development of new products. The product's level of compliance is verified according to various energy consumption requirements on environmental protection labels, and the environmental performance in its life cycle is adjusted accordingly. Other possible alternate technologies for other parts are also sought in order to enhance product's environmental performance and develop more environment-friendly products. R&D team continues to develop low energy-consuming products in order to comply with related requirements from EU regulations such as Energy Star, for low energy consumption.

Our 2021 signature KSwitch series of industrial control products have already obtained the report with 96.6% in recycle rate index from ETC Taiwan Testing and Certification Center. As such, products developed or manufactured by Ennoconn will continue to comply with EU standards and maintain 75% of recycle rate which is higher than the one required by WEEE directives of the EU. In 2022, products or services provided by the Company did not show any incidence of having violated regulations on health and safety of the products and services.

▶ R&D achievements over the years

Fiscal year	Fiscal year
2019	◊ Launched AMD standard motherboard with 4 display cards and integrated single SOC chip to successfully become a game console vendor and present high–performance effect of dynamic video and audio display. ◊ The Company continued to work with Intel in expanding the application of Coffee lake platform on game consoles, enhanced application of USB device management and MCU device control to provided more various types of system integration applications, and has successfully become a vendor of game console such as dart machine. ◊ The Company continued to enhance collaboration with gaming clients, and developed functions of firmware in Boot Security and various core modules in order to satisfy various needs of the clients. ◊ The Company collaborated with medical equipment vendors in developing hand-held ultrasound tablet which complies with EN60601 requirements, and developed various firmware to assist clients in integrating various needs. ◊ The Company launched marine reinforced mainframe for the Coffee lake platform, and went deep into the capability for development required for rigorous maritime EMI/EMC, safety, and power requirement to solved voltage fluctuation and related insulation problems and comply with certifications of related DNV and various test requirement, thus providing clients with more diversified product choices. ◊ The Company developed ECDIS color correction software which enables compliance with certification standards for the panel in industry applications, and enables accurate display of marine charts and message systems on LCD screens under various brightness levels, and integrates communication protocols for use on control of ship-borne devices. ◊ The Company developed Intel Apollo Lake entry-level POS and provides clients with more comprehensive product lines. ◊ The Company developed USB SR Pro software tool kit to be used on industrial computers based on the accompanying design of hardware. It provided detection and reset of the device to lower the likelihood of having personnel to maintain on-site. ◊ The Company developed Intel-integrated single SOC chip that provides AOI inspection and application through machine vision integrated with robotic products from the client, and designed PSE module system with industrial-grade insulation that provides 4 sets of POE ports for the use by the camera, and developed firmware for control of light source that provides various parameters together with high-wattage module for light source control to provide more optimized LED light dimming functions.
2020	• The Company developed mid-to-low-end POS machines for Intel Whiskey Lake platform to provide clients with diversified product portfolio. • The Company developed box PC for Intel Elkhart Lake platform to provide clients with product portfolio for kitchen controllers. • The Company combined chips from video chip manufacturers and MediaTek for developing and designing video conference products featuring 4k image stitching and AI smart identification. • The Company developed box PC for Intel Tiger Lake platform having introduced interface matching NMEA isolated design and enhanced ECDIS color correction technology, with products featuring marine chart system introduced, offering clients new generation of product portfolio. • The Company developed box PC for rail-traffic applications for Intel Elkhart Lake platform, having introduced designs matching on-board ignition and complying with requirements for voltage changing and power isolation. It features integrated 4G/5G modules into one system, thus adding more diverse applications and providing clients with more comprehensive whole-machine system products. • The Company developed industrial class Ethernet switch products with serial ports supporting communication with real-time data transmission and receipt. After the expansion box for web interface is connected, serial port will resume to communication status instantly. Just plug in and use it. There is no need for complicated IP setting and it is easy to install and maintain. • The Company developed ARM-structure CPU module for Rockchip, offering more diverse choices of products featuring SMARC Embedded structure. • The Company continued to enhance the overall system capability of gaming products by providing design and support for hard/soft electromechanical systems and optimizing mass-production products such as lottery machines. The Company also works with major chip manufacturers in launching new platform design and offering clients higher price/performance ratios. • The Company developed software for Microsoft Azure Cloud applications by setting up mechanisms for remote monitoring and recovery, thus offering clients with more choices on additional features for the products. • The Company developed technology for storage of encrypted data and ECDSA digital signature that provide integrated hard-plus-software encryption technology to clients.
2021	• The Company developed all-in-one POS machines for Intel Whiskey Lake platform to provide clients with diversified product portfolio. • The Company developed box PC for Intel Elkhart Lake platform to provide clients with controller solutions for kitchen applications. • The Company developed box PC for Intel Tiger Lake platform having introduced interface matching NMEA isolation design and enhanced ECDIS color correction technology, with products featuring marine chart system introduced, offering clients new generation of product portfolio. • The Company developed box PC for rail-traffic applications for Intel Elkhart Lake platform, having introduced designs matching on-board ignition and complying with requirements for voltage changing and power isolation. It features integrated 4G/5G modules into one system, thus adding more diverse applications and providing clients with more comprehensive whole-machine system products. • The Company developed lottery machine motherboard for Intel Elkhart Lake platform to provide clients with more diversified product portfolio. • The Company developed small-size display lottery machine system for Intel Whiskey Lake platform with wireless BCR Reader design. It provides easy-to-assemble products with variability in response to different locations. • The Company developed integrated smart projector which support different projection input source and combine with multi-media products from cloud software services. • The Company combined relevant chips from video chip manufacturers and MediaTek for developing and designing video conference products featuring 4K panorama image stitching and AI smart identification, and integrated video software and cloud collaboration software on its products. • The Company developed fan-less all-in-one system for Intel Whiskey Lake platform. • The Company collaborated with clients in expanding designs of related plastic and iron parts for large cabinets used for gaming products, optimized changes, and continued to introduce new design solutions for related systems.
2022	• Developed the high-end POS motherboard paired with I/O board and AD board module for the Intel Tiger lake platform, providing customers with a variety of flexible combinations for the full console system. • Developed high-end lottery machine motherboard for the new Intel ADL-P platform, providing customers with a portfolio of high-end products. • Developed the Intel Elkhart Lake platform for use with low-level design of POS motherboard. Worked with a new generation of system mechanisms featuring miniaturization, simplicity, low noise, etc. to roll out products with low-consumption design. • Development of a new generation of video conferencing system, adding VIA module (MediaTek chip)

▷ **Economic Performance**

Material Topic - Economic Performance

Policies or commitments	Diversified multi-angle operations
Goal/Resources/Actions	Target: Continue to generate revenue and meet stakeholder expectations, with overall revenue target from 2022 to 2025 to grow by 20-25% and the overall gross margin to increase by 10-15% as the goals Resources and actions: • Product technology: "integration of hard- and software", "integration of cloud network " • Integration of Resources: "Technology + Products", "Manufacturing + Marketing", "Investment + Fundraising" • Main Theme of Development: Corporate sustainable development in EPS + ESG + ESaaS
Stakeholder Communication Mechanism	Shareholder/Investor Point of Contact: stockaffairs@ennoconn.com +886-2-5590-8050

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

Additionally, we are focused on resource consolidation for expanding local overall manufacturing service in areas where clients are located to obtain major client's turnkey contracts for product design and manufacturing, offering 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 diversity of industrial computer products, proactively works on IoT platforms which spans from cloud and system to terminal devices, and enhances competitiveness in existing fields. The Company's growth potential is better than the ones for other TWSE/TPEx-listed players in the same industry.

Percentages of Business for Major Products ■Unit: NTD in thousands

Year / Product Items	2020		2021		2022	
Product Items	Net Operating Income	Percentage (%)	Net Operating Income	Percentage (%)	Net Operating Income	Percentage (%)
Industrial Computer Hardware/ Software sales	84,090,614	99.99	85,366,375	99.99	108,227,723	99.99
After-sales Service	871	0.01	660	0.01	810	0.01
Total	84,091,485	100	85,367,035	100	108,228,533	100

Sales Regions for Major Products: ■Unit: NTD in thousands

| Year / Region		2020		2021		2022	
		Amount	%	Amount	%	Amount	%
Domestic Sales		12,264,960	14.59	19,130,961	22.41	21,455,921	19.82
Export	Asia	20,042,926	23.83	22,171,281	25.97	27,896,503	25.78
	America	10,652,484	12.67	11,456,490	13.42	21,438,739	19.81
	Europe	40,798,982	48.52	32,220,279	37.74	37,337,598	34.50
	Others	332,134	0.39	388,024	0.46	99,771	0.09
Total		84,091,485	100.00	85,367,035	100.00	108,228,532	100.00

Financial Performances of Previous Years
Operating Performances of Previous Years

Unit: NT in thousands

Fiscal year \ Items	2019	2020	2021	2022
Operating Income	81,506,216	84,091,485	85,367,035	108,228,533
Operating Gross Profit	18,752,645	19,593,183	17,044,896	19,610,952
Operating Net Profit	3,377,347	3,674,025	2,414,332	3,083,064
Profit before Tax	3,811,956	3,976,567	3,534,329	3,709,274
Profit after Tax	1,080,242	1,111,524	1,334,944	3,452,916
Earnings per Share (NTD)	13.22	12.13	13.91	32.60
Dividend Amount Distributed per Share (NTD)	5	5	7	15
Economic Values Distributed				
Operating Cost	62,753,571	64,498,302	68,322,139	88,617,581
Employee Salary and Benefit Expenditure	11,764	12,813	14,954	89,000
Payment to Government	785,648	821,184	897,129	1,325,888
Dividend to Shareholder	414,597	480,785	742,259	1,604,719
Social Investment / Donation & Expenses	341	353	268	130
Retained Economic Values (Operating Income Distributed Economic Value)	18,325,157	19,098,411	19,724,575	16,591,215

Note 1: Financial performance is based on International Financial Reporting Standards adopted for use in this report.
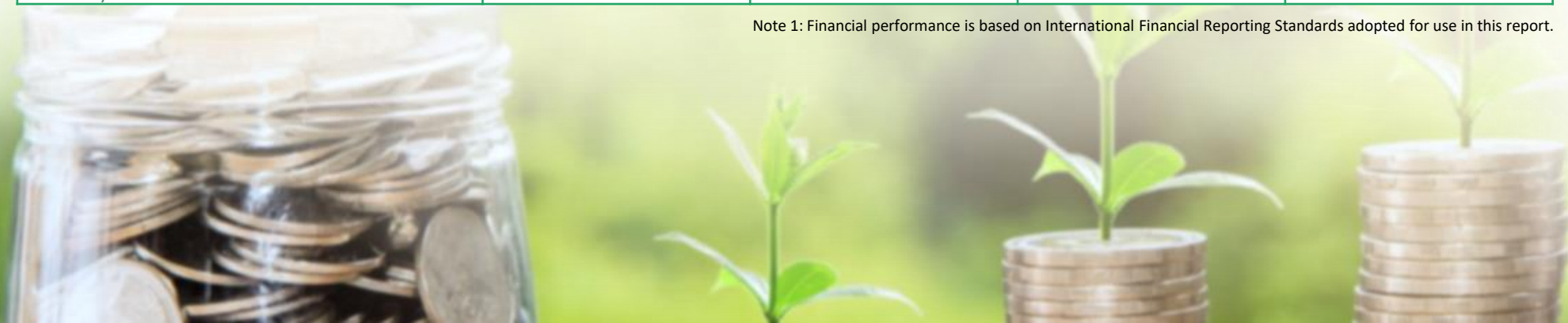
Quality, Environmental Protection, and Customer Satisfaction

Ennoconn Corporation has always been persistent in pursuing excellence and stability in quality, with the parent company having obtained certifications of ISO9001 in quality management system and ISO14001 in environment management system. It passed the certifications of ISO 50001 energy management system and ISO14064-1 GHG inventories, and it is implementing ISO27001 information security management system and ISO 45001 occupational health and safety management system, with passing of these certifications expected in 2023. Under client's continued satisfaction, Ennoconn Corporation of Suzhou, China has also obtained certifications of ISO 9001 in quality management system and ISO14001 in environmental management system. The Company also has received certification of ISO13485 quality management system for medical industry. These are truly fulfillment of the requirements for product quality as specified from client's perspectives. In carrying through the Company's policy of "Customer Satisfaction, Quality is the King" on quality and then implementing "Total Quality Management" throughout various phases of the Company's operations, we have searched all the time for room of continuous improvement for the purpose of earning client's constant satisfaction and recognition.

All of the Company's products have implemented third party (such as SGS) safety verification during design and development phase to ensure compliance with requirements from safety labels. In 2022, major clients and their important new products have gradually received the 9 important certifications including FCC, CE, TUV-UL, CB, NOM, RCM, and BSMI, respectively. They have 100% complied with regulatory requirements from the clients and regions. In the meantime, under considerations of economy and technology, Ennoconn continues to abide by internationally-released regulations and norms on environmental protection, and complies with related international norms on green products from effective utilization of natural resources to prohibition of hazardous substances and to Life Cycle Assessment (LCA) for 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, recall or customer complaints resulting from violation of environmental regulations by our products or services in 2022. With our rigorous spirit for quality management, we shall continue to monitor every step of the way.

In terms of quality management, we utilize Google Cloud Services technology to allow systems to manufacture next-generation products which span across core vertical industries. In the meantime, digitalization transformation solutions have provided visions for supply chain and production management team. Real-time monitoring is conducted on management and control of material supply/demand 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 lifecycle and durability have received significant improvement. Ennoconn production system utilizes analytics technology to collect and analyze related data on manufacturing and design and is capable of manufacturing products continuously. Sensor, machine-to-machine communication, artificial intelligence, and augmented human machine interface facilitate improvements through data from real-time operation and intelligent insights. As the IoT machine conducts its learning through artificial intelligence algorithms, its reliance on human operator will decrease. Ennoconn's IoT factory machines are still adaptable and highly customizable, and they are redesigned to build products which are capable of continuously adapt to fast-changing needs of clients. In a traditional factory, repair will be conducted once breakdowns occur to equipment, which will lead to expensive down time while creating unnecessary resource wastes. In a Metaverse factory driven by Ennoconn and Google technologies, data are collected continuously through smart sensors to run forecast report, with maintenance arranged before machines are shut down. Ennoconn's strategic alliance provides embedded computer system and solutions on industrial automation. A smart factory is capable of enhancing product quality, increasing safety, and lowering manufacturing costs. Industrial-grade components of specialized design are employed on embedded products to ensure longer product life cycle and capability to work under wider range of temperature in a factory with hostile conditions.
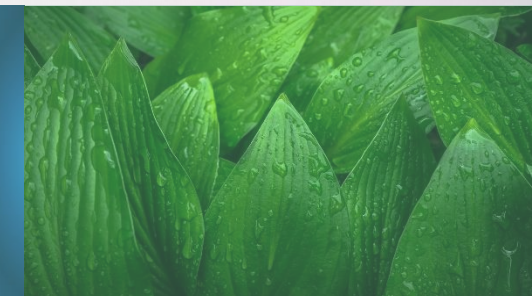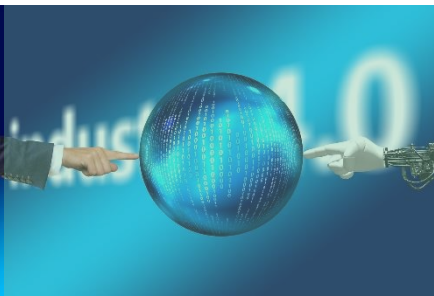
▶ Conflict Mineral Policy

Ennoconn Corporation requests that producers, manufacturers, and their suppliers must fulfill social and environmental responsibilities and fulfill international justice. Demonstration of continued enhancement of morality, environmental protection, and social contributions is a fundamental element when illustrating good governance to stakeholders. Through regular investigations under due diligence from "Responsible Minerals Assurance Process" under Responsible Minerals Initiative, we request suppliers to purchase non-conflict raw materials and avoid using conflict minerals which indirectly causes problems of behaviors infringing on human rights or behaviors violating national or international laws.

We hereby pledge not to 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 investigate and trace sources of conflict minerals contained in all products, that these metals come from certified smelters recognized by RBA (EICC) to ensure that these metals are not from areas with conflict minerals, and that this requirement of no use of conflict minerals be forwarded to their upstream suppliers for compliance accordingly.

In 2022, the Company continued to conduct supplier chain investigation in accordance with CMRT latest version of v6.22, and generated RMI mine list for

https://www.responsiblemineralsinitiative.org/smelters-refiners-lists

▶ Customer Satisfaction

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

In addition to pursuing innovative development to meet clients' needs, Ennoconn Corporation has also formulated 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 make complaints about product quality. After receiving the related information, the Company will create files for tracking purpose, discuss and analyze improvement plans with related departments, propose prevention measures on issues raised, and respond to clients in real time on handling progress and measures for solution.

In 2022, there were no occurrences of customer complaint with respect to violation of regulatory or contractual requirements.

Ennoconn Corporation values customer development and customer relationship management. Through customer satisfaction survey conducted each year, the Company is able to understand client's evaluations on various services provided by Ennoconn Corporation, and make improvements accordingly based on clients' 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, with improvement plans identified on areas with lower customer satisfaction. The Company will reply clients in writing in order to obtain client's support, and will continue to enhance quality of product and service in the future for the purpose of ensuring that client's needs are understood and satisfied.
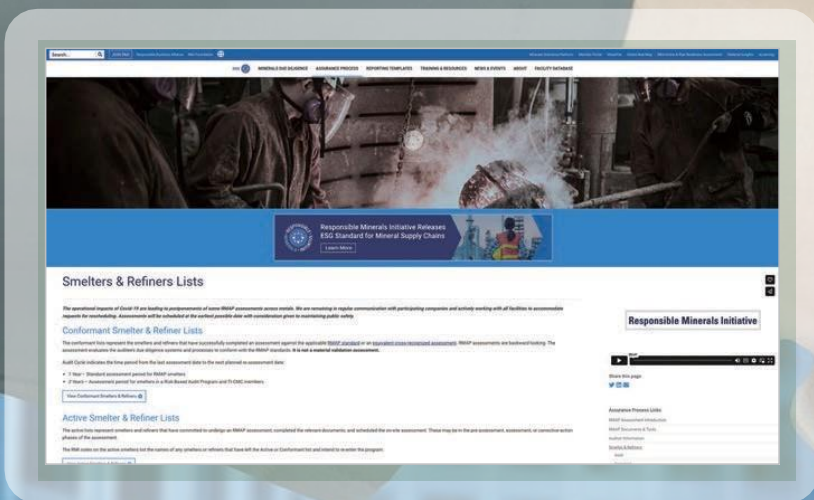
Supplier's Sustainable Partner

▶ ## Sustainable Development

Enhancement of supplier's corporate social responsibility and creation of green supply chain are important and continued tasks for sustainable development. Currently, supplier's environmental assessment is conducted by purchase personnel, who regularly monitor suppliers' performance in environmental protection and double check on vendors' self-assessment score on "Green Environmental Supplier Assessment Form" for approval. Ennoconn Corporation pays close attention to updates on labor and environmental issues and regulations, and conveys about international trends and demands to upstream suppliers. Currently, Ennoconn Corporation has set 3 phases for its promotion tasks to make supply chain environmental: awareness, promotion, and sustainability.

✓Awareness

Suppliers are educated and guided in the areas of inventory check on direct/indirect materials and energy utilization, self-disclosure of waste discharge and energy consumption in transportation for the purpose of allowing suppliers to understand about how their product life cycles are calculated as well as possible impact on ecology. The Company continues to share about its practices and effectiveness on corporate sustainable development with its critical component suppliers, and disseminate information about critical trends internationally such as new version of RBA (Responsible Business Alliance) Code of Conduct, Conflict Minerals Act, ways for drafting corporate sustainable development reports, and ways for conducting greenhouse gas inventory check. It is hoped that the associated awareness and participation rate of the suppliers can therefore be enhanced accordingly.

✓Promotion

Starting from 2022, the Company plans to request more suppliers to sign agreement letters for social responsibility and business ethics, requiring their commitment to comply with RBA Code of Conduct and Social Accountability 8000 (SA 8000). Furthermore, the Company implements inspections on supplier social responsibility and environment health and safety 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), RBA Code of Conduct, and various laws and regulations as well as standards. In 2022, question items for supplier's greenhouse gas inventories are added in order to comply with international trend and client's requirements. For each year beginning from 2023, specific suppliers will be selected for filling the Self-Assessment Questionnaire (SAQ) published from RBA Code of Conduct in order to understand about supplier's compliance with RBA Code of Conduct, serving as references for the on-site audit of RBA Code of Conduct to be carried out in the next phase.

✓Sustainability

In terms of future management practices, our level I suppliers and critical clients are still the major recipients for education and training as well as supply of materials. In addition to increasing suppliers' awareness of environmental protection and corporate responsibility, the Company also employs clients' promotion with "leading by example" to allow suppliers and clients to walk together on the frontier of the environmental needs of the manufacturing industry. Meanwhile, capability for self-management is enhanced through strengthening of the actual practices of the manufacturers and suppliers. It is hoped that the suppliers demonstrate their actual performance of implementation on their corporate social responsibility reports. Through collaboration, the related requirements and management practices are expanded into next level of suppliers. The Company also proactively encourages suppliers, who have yet to implement certifications of management systems, 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 purchase of green products and values safety requirement and environmental protection. Suppliers which protect labor human rights will be listed as priority purchase counterparts. Meanwhile, under considerations of freight costs and environmental protection issues, purchase will be made from domestic suppliers as much as possible in order to mitigate impact to the environment during transportation. This will also assist in promoting the development of Taiwan's upstream raw material industries. Upon assessment on equipment for purchase request, an assessment form for major energy consuming equipment filled for equipment from respective suppliers will be utilized to verify types of energy utilized and status of energy consumption.

Ennoconn values growing together with supplier partners, jointly extending benefits of social responsibilities in the supply chain. By operating the enterprise in a responsible manner to have the suppliers provide quality and authentic raw materials to the Company, together we can build up a value supply chain that belongs to the group.

Ennoconn Corporation needs to comply with the Company's purchase standards when purchasing raw materials, and the Company is committed to domestic purchase to serve its clients and satisfy resource distribution. Measures to strengthen control over raw materials include the following criteria for suppliers of raw materials:

▼▼▼▼▼▼▼▼▼ Material supplier specification ▼▼▼▼▼▼▼▼▼

- Legitimate registration in government's systems for industry players;
- Tested and recognized by related R&D units or units recognized by clients;
- Complete product data must be provided for analysis and comparison, and no altering of package or replacement of label is allowed;
- Raw materials imported from abroad need to have permits and should be purchased in original manufacturer's packaging;
- Raw materials need to be stored in accordance with regulations and need to obtain related permits;
- Assessment process need to be conducted again in the event of change of electronic information regarding the raw materials.

▶ 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, delay in suppliers' delivery, or delay of delivery from blockage in logistics, broken chain without early warning, or crisis with urgent order resulting from compliance with new export/import regulations of respective countries for customs clearance. As such, precautionary measures need to be prepared in advance in order to maintain continued operations of a corporation. The most important thing is a stable supply 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 the situation of supplier's exposure in areas with risk of pandemic, status of suppliers' inventory, capability of logistics vendor's (transportation via land, sea, and air), and if suppliers are able to deliver on time. Under relationship of trust maintained with existing suppliers, the Company in the mean time needs to proactively search for backup products and possibility of having the second or the third suppliers 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 of economic lockdown and entered the post-pandemic era. That includes extended delivery time for the suppliers, increase in raw material cost due to increase in transportation fees and short-supply of cross-border transportation. With the increase in costs of order fulfillment, frequent changes in consumer needs, and increase of returned goods and scraped items have all become challenges in building up effective inventories. Furthermore, clients' demands on quality have become higher given the fact that the regulations are getting more stringent each day. As quality issues have dramatically increased supply risks, keeping track on qualified raw materials is more important than when the materials would arrive. To satisfy clients' ever complicated expectations, supply chain still needs to continuously solve aforementioned difficulties and face many other frequently-changing challenges from clients.

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

5.
THE FIVE STRATEGIES

02.
Early preparation on purchase
Shipments for purchase orders already placed have all been delivered to the factory earlier. For period with extended demand, place orders six months to one year earlier.

01.
Check delivery for the place of origin
situations of lockdown, factory shutdown, or blockage in transportation around the world. Check all the situations and come up with the right strategies for different situations.

03.
Look for alternative source
Develop locally for customized manufacturing if original manufacturer's factory is shutdown. In case of lost contact with the original manufacturer, look for alternate products in non-pandemic areas.

04.
Multiple solutions
In the event that vendors refuse to accept extended delivery orders, make down payment to reserve source of products. Reserve space in advance for sea transportation, or switch to air transportation for imported goods.

05.
Coordination and cooperation
Coordinate and collaborate with the purchasing power of Foxconn Technology Group. Conduct review using jointly-owned materials. Actively coordinate with clients' delivery date and conduct regular reviews on shortage of materials.

▶ Supply Chain Management

Ennoconn Corporation has established "Ennoconn Corporation Supplier Code of Conduct" and will employ the following approaches to gradually promote signing of the code of conduct by all suppliers:

- Official promotion and announcement;
- Synchronized signing when signing new contracts with new suppliers;
- Synchronized signing when renewing contracts upon expiration. We can ensure the quality of our products only when we share consistent values with our suppliers.

New Supplier Assessment

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

Selection of Supplier → Qualification Verification → Sample Assessment → On-Site Assessment → **Assessment Approved** → Formal Transaction → **Regular Review**

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

In addition to control on quality of the raw materials by Quality Control Department, multi-aspect considerations will also be conducted on raw material suppliers, and supplier's conditions are reviewed from the perspectives, with legitimacy, excellence in reputation, compliance with requirements of the specifications for the factory samples, protection of employees' rights, emphasis of product safety and actions for environmental protection to serve as the criteria for reviewing the suppliers. Document review on suppliers will then proceed, and the suppliers need to submit related documents such as registration of profit-seeking enterprises and factory registration to prove that they are legitimate companies and factories. Certificates received from the passing of various certifications shall also be provided for verification if supplier's establishment of the rules and planning are comprehensive. A cross-department team is formed to conduct supplier assessment. For our audit and review on suppliers of raw materials, assessment team will randomly conduct onsite audit on suppliers to assess if suppliers comply with related regulations and supervise on rectifications for the purpose of rigorous implementation of supply chain risk management. Only suppliers meeting qualification criteria required by the score cards can continue to become transaction suppliers.

Due to impact of the pandemic in 2022, supplier exploration has been expanded, with 64 new suppliers added. All new suppliers have been assessed as qualified suppliers.

Roles and Responsibilities for On-site Assessment of Suppliers

R&D Department

Verify specifications for the new materials, test-make of samples, and participate in supplier assessment when necessary

Purchasing Department

Screening and assessment of suppliers, compiling and filing of assessment and rating materials

Quality Control Department

Responsible for testing of the samples from suppliers and assessment of the suppliers

Quality Assurance Department

Responsible for verification of quality-related materials and assessment of the suppliers

Manufacturing/Ware housing Department

Evaluation and Assessment of production capacity and environment of the suppliers

Assessment of Existing Suppliers

Ennoconn regularly conducts annual assessments on suppliers of raw materials and outsourced OEM factories with transactions taken place.

Q	C	D	S
35%	25%	20%	20%
> Quality	> Cost	> Delivery	> Service/Technology
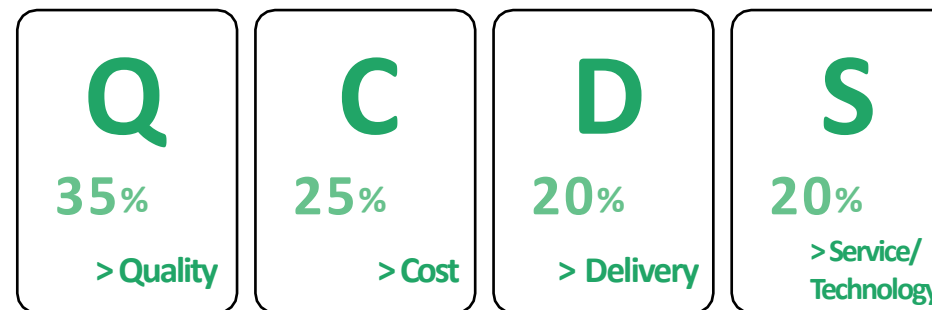
Assessment and rating are conducted in four major fields of Q (Quality, 35%), C (Cost, 25%), D (Delivery, 20%), and S (Service/Technology, 20%) for the purpose of serving as basis for risk management. Vendors with assessment total score of 85 or more are class A excellent vendors. Vendors with total score of 71~84 are class B qualified 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 vendors manufacturing those critical raw materials, site visits will be arranged with priority. In addition, in 2022, the ESG audit of suppliers was strengthened, with ESG-related audit items added on the supplier audit assessment form, e.g. the survey for certificate of 14001, with the follow-up promotion plan and implementation results. The ESG questionnaire survey was completed, and a total of 214 suppliers responded, with the results showing that the requirements were met. 。

Management of Outsourced Factory

Ennoconn Corporation's selection for outsourced contractors for the processing work takes reference from requirements of Government Procurement Act. Through open and fair means, the procedures of evaluation, price competition, or price negotiation were employed for selection and determination, and priority is given to domestic vendors. In selecting for outsourced vendors, our priority lies in purchasing of products and equipment from vendors with energy saving label, water saving label, and energy saving facilities, taking reference from those already complying with specifications and performance needs, and will proceed with collaboration only after confirmation from assessment of transaction risk (legitimate registered company and payment terms). For the work safety management of outsourced suppliers, we established the "Outsourced Contractor Management Measures" to implement notification of hazards before the outsourcer enters the factory for production and manufacturing. During the process, the strategy of placing equal importance on coaching, auditing, and technology transfer is employed to actively coach the outsourced vendors on safety management, strengthening measures for promotion of safety and health, reinforcing awareness of labor safety at workplace, and doing a good job with protection of workplace safety to maintain safety of labors. There were no significant changes to existing suppliers in 2022, and there were no incidences in violation of environmental and social regulations causing impact to the company's operations.

▶ **Collaboration Partners**

INTEL® SMART SYSTEM

THE KNOWLEDGE AND EXPERIENCE OF THE MEMBERS FROM INTEL® SMART SYSTEM ALLIANCE PROVIDE AN EXTREMELY ATTRACTIVE COMPETITIVE EDGE FOR OEMS THAT ARE SEARCHING FOR EXCELLENT SOLUTIONS OF EMBEDDED APPLICATIONS. AN ASSOCIATE MEMBER LIKE ENNOCONN WORKS CLOSELY WITH INTEL IN ADJUSTING ITS TECHNOLOGY ROADMAP AND PROGRAM WHILE OPTIMIZING DEVELOPMENT SYNCHRONIZED WITH THE VERSION OF INTEL PLATFORMS. THEY PARTICIPATE IN TRAINING, EDUCATION, MARKET DEVELOPMENT, AND OTHER ACTIVITIES IN THE ECOSYSTEM, HELPING THEM DELIVER PREMIER SOLUTIONS BASED ON THE LATEST INTEL ARCHITECTURE WHILE EXPANDING THE MARKET FOR EMBEDDED SMART SYSTEMS THAT ARE BASED ON INTEL PRODUCTS.

GOOGLE CLOUD

ENNOCONN COLLABORATES WITH GCP IN CARRYING OUT DIGITALIZATION TRANSFORMATION ON ITS GLOBALLY OPEN AI-OF-THINGS CLOUD PLATFORM. ENNOCONN AND GCP HAVE ALREADY AGREED ON A STRATEGIC PARTNERSHIP AIMED AT TRANSFORMING ENNOCONN'S MANUFACTURING SYSTEM AND CREATING NEW PRODUCTS, SERVICES, AND INDUSTRIAL MANUFACTURING METHODS FOR THE INTERNATIONAL CLIENT BASE IN CORE INDUSTRIES. THAT INCLUDES SMART CITY, SMART MANUFACTURING, SMART RETAILING, FINANCIAL SERVICE, AND MEDIA AND RECREATION.

GOOGLE GLASS

GOOGLE GLASS ENTERPRISE VERSION HAS BECOME A FULLY INTEGRATED TECHNOLOGY AMONG AND SURROUNDING ENNOCONN'S PROCESSES AND SERVICES FOR MANUFACTURING AND DESIGN. IN THE MEANTIME, ENNOCONN CARRIES OUT PRODUCTIZATION AND PROVIDES GOOGLE GLASS IN THE INTEGRATION OF VARIOUS NEW MANUFACTURING OR ODM PRODUCT SOLUTIONS. ENNOCONN AND GOOGLE GLASS ARE INTUITIVELY INTEGRATED INTO YOUR WORKFLOW, AND ALLOW YOU TO STAY FOCUSED, REMAIN ENGAGED AND ATTENDING WHILE PROVIDING REAL-TIME COLLABORATION. ENNOCONN IS GOOGLE GLASS'S PRIMARY VALUE-ADDED SUPPLIER. FROM EQUIPMENT TO TECHNOLOGICAL SI MANAGEMENT, WE ARE DEVOTED TO DELIVERING COMPREHENSIVE GOOGLE GLASS SOLUTION AND ARCHITECTURES.
  ✧ READY TO ACTIVATE APPROPRIATE APPLICATION FOR YOU AT ANY TIME.
  ✧ ENHANCE ACCURACY AND COMPLETE TASKS SAFELY AND SPEEDILY.
  ✧ ACCESS TRAINING VIDEOS, IMAGES, OR QUALITY ASSURANCE CHECK LISTS.
  ✧ CONTACT YOUR COLLABORATION PARTNER IN REAL TIME. BRING IN EXPERTISE AND SEE WHAT YOU SEE THROUGH VIDEO STREAMING.
  ✧ REAL-TIME COLLABORATION AND TROUBLESHOOTING.

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 PERFECTED FULLY-INTEGRATED STRATEGIES FOR PRODUCTS AND SERVICES IN DIGITALIZATION TRANSFORMATION. 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 THEIR REACTIONS, AND BE CAPABLE OF ANSWERING ANY QUESTION IN REAL-TIME.
  ✧ AUTOMATIC EDITING AND TRACKING OF MODIFICATIONS WITHOUT THE NEED FOR EMAIL.
  ✧ CONVERT MESSAGES AND GROUP CHATS INTO VIDEO CALLS FOR SPONTANEOUS RAPID SYNCHRONIZATION.
  ✧ ON-LINE DISCUSSION PLATFORM MAKES IT EASY FOR PEOPLE TO ESTABLISH CONTACT AND BREAK ORGANIZATION BARRIER S.

MEDIATEK AND VIA TECHNOLOGIES

ENNOCONN'S INDUSTRIAL MOTHERBOARDS, POS (SELLING POINT/SERVICE POINT) EQUIPMENT, AND SELF-SERVICE TERMINAL FUNCTIONS INCLUDE MEDIATEK'S CHIP SETS THAT CAN SUIT VARIOUS CLOUD-BASED COMPUTING DESIGNS AND APPLICATION OF TECHNOLOGIES. THIS CAPABILITY IS ROOTED IN THIS LONG-TERM STRATEGIC RELATIONSHIP WHICH INCLUDES ASPECTS OF DESIGN, RESOURCES FOR SALES AND MARKETING, WITH SUPPORT PROVIDED FROM THE ASPEC

ENNOCONN'S STRATEGIC COLLABORATION PARTNERSHIP WITH VIA TECHNOLOGIES COMBINES ENNOCONN-CENTERED HARDWARE WITH CAPABILITY OF DMS SERVICE MANUFACTURING AS WELL AS VIA TECHNOLOGIES' CAPABILITY IN DEVELOPING EMBEDDED OPERATING SYSTEM SOLUTIONS WHICH 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, BUILD UP, AND DELIVER MEDIATEK'S SOC SOLUTIONS WHICH ARE BASED ON 5G, WI-FI 6, AND OTHER ADVANCED WIRELESS COMMUNICATION TECHNOLOGIES, AND DO THE SAME FOR VIA TECHNOLOGIES'S EMBEDDED OPERATING SYSTEM SOLUTIONS WHICH ARE USED IN DEVELOPING ITS MOBILE EMBEDDED COMPUTING EQUIPMENT.

BRING YOUR AI + IOT APPLICATIONS TO YOUR STRATEGIES. THE SEAMLESS PARTNERSHIP ESTABLISHED BY MEDIATEK AND VIA TECHNOLOGIES FOR JOINT DEVELOPMENT ENCOMPASSES A WIDE RANGE OF PRODUCTS AND FUNCTIONS COVERING SMART RETAILING, SMART FINANCE, SMART CITY, SMART MANUFACTURING, AND MEDIA AND RECREATION.

▶ Participation in External Organizations

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

Participating Unit	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	✓	

FRIENDILY WORKPLACE

FRIENDLY WORK ENVIRONMENT.

Friendly Workplace

Material topics - labor rights, labor relations

Policies or commitments

Follow human rights policies, workforce harmony

Mechanism for Stakeholder Communication

Internal: Quarterly labor meeting and HR mailbox

External: Publication of human rights policy on the official website

Goal/Resource/Action

Goal: Achieve a friendly workplace
Resources and actions:

● Develop human rights policy and conduct related training
● Conduct social assessments of suppliers, including investigations on human rights
● Provide a competitive compensation and benefits system, and adhere to the concept of profit sharing, in order to attract, retain, cultivate and motivate outstanding talents, reduce personnel changes.
● Promote communication between workers and employers through regular labor meetings and internal complaint channels to maintain harmony

Ennoconn Technology attaches importance to the labor rights and interests of employees, creates a happy and safe work environment, provides colleagues with friendly and equal work opportunities, implements gender equality policies, and creates an atmosphere of mutual respect. It provides market-competitive compensation levels, improves colleagues' cohesiveness to the company, reduces frequent staff turnover, and makes the company's operations develop steadily. Ennoconn Technology has set up a complete education and training system. Various training courses are held from time to time to enrich the professional functions of colleagues and enhance the competitiveness of the workplace; whereas the transparent promotion pipeline is in place so that colleagues can expect the possibility of future career development. Through positive interactions between labor and employer, colleagues can speak freely in labor meetings, express their opinions, and the company also responds with kindness to reach consensus between the labor and employer. In addition, Ennoconn Technology implements laws and regulations related to occupational safety and health by providing on-site services through nurses to strengthen the company's performance in managing occupational safety and health, while effectively safeguarding the physical and mental health of employees in move toward a happy corporation.

▶ Human Rights Policy

Based on the principles enshrined in human rights conventions such as the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the company recognizes internationally recognized basic human rights, including respect for employees' freedom of association, care for underprivileged groups, prohibition of child labour, elimination of all forms of forced labour, elimination of employment and discrimination, elimination of any infringement or violation of human rights, guarantee of gender equality, and fair treatment of all employees. Ennoconn's compensation policy also guarantees that employees' salaries will not vary based on their gender, age, race, religion, or political positions.

At the same time, Ennoconn Technology complies with the labor and human rights laws of each location of operation, and informs about important information such as human rights and labor rights for newcomers and employees. In addition, Ennoconn Technology also provides a whistleblowing channel for employees to use, conducts investigation under due diligence after being accepted for handling by a specialist, and keeps the personal information of the whistleblower confidential. If verified to be true, the company promises not to treat the whistleblower unfavorably. Ennoconn Technology has no record of human rights violations in the year of 2022. In 2022, the Company continued to train all employees on human rights issues, provided education and training courses on anti-corruption, business code of conduct, workplace health and safety, creating a healthy and safe working environment for employees. It also reviewed the implementation of human rights policies at the annual management meeting.

A total of 178 participants in human rights training accounted for 93 percent of the total number of employees.

Ennoconn's Declaration of Human Rights goes as follows

Diversity, Inclusion and Equal Opportunity

Regardless of one's gender, race, class, age, marriage status, language, ideology, religion, political party, ancestry origin, place of birth, appearance, five senses, physical and mental disabilities, etc., the company allows no differential treatment in language, attitude, and behaviors, while working together to create a work environment with dignity, safety, and equality that is free from discrimination and harassment.

Prohibition of child labor

Employment standards meet the minimum age limit set by local regulations.

Reasonable salary and working conditions

Employees are offered with reasonable wages and related welfare conditions in accordance with laws and regulations.

Healthy and safe workplace

The company strives to create a safe and healthy work environment, jointly reduce risks in workplace safety and health, and promote the physical and mental health of employees in attaining work-life balance.

Harmonious relations between labor and employer

Diversified and open channels of communication are in place, with regular labor meetings held to promote harmony between labor and employer and create good labor relations, along with effective mediation on differences in opinion.

Prohibition of forced and compulsory labor

The company respects the wishes of employees and prohibits forced labor.

Human resources

In responding to the impact of US-China trade confrontation for the external environment, along with the trend of development in blockchain technology, causing Taiwanese investors to return to Taiwan which in turn resulted in a gap in manpower for the overall employment market. In face of the adverse environment, Ennoconn Technology relies on a competitive level of salary and welfare, always maintaining a stable manpower to ensure the sustainable provision of the company's products and services. 。

100% The company responds to the government's policy of localized development. The senior executives (internal managers above, inclusive) and employees are 100% locally employed (Taiwan), and the employees of the company are full-time employees.

The company cares for the underprivileged and employs 1 person with severe physical and mental disabilities, which meets the requirements of the laws and regulations.

In 2002, the ratio of male to female employees was 1.48: 1, with male employees accounted for 60% and female employees 40% of the total number of employees.
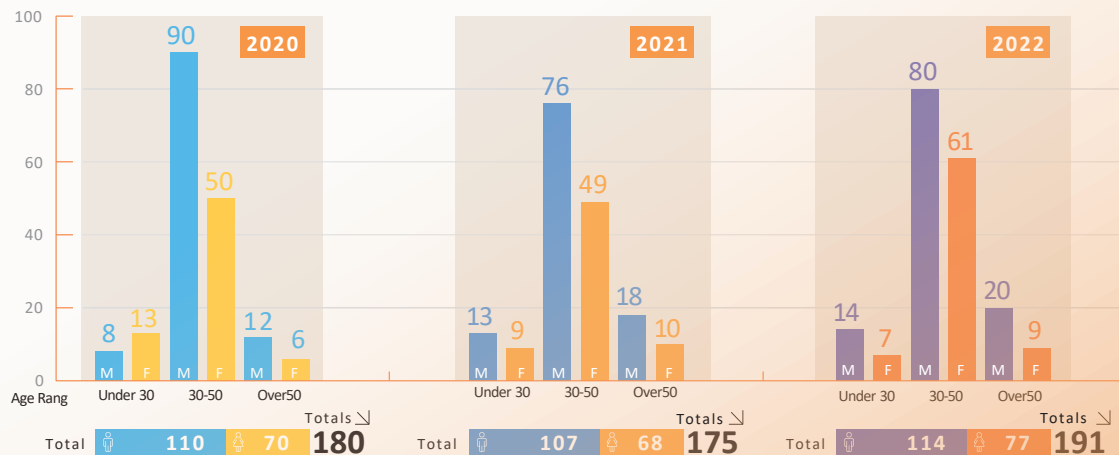
Senior managers are all male. (Internal managers above, inclusive, are senior managers)

Compared with the rate for statutory basic wage, the salary of the grassroots personnel is 1.34 times.

Stats for the number of men and women and age of employees over the years

2020

Age Rang	Under 30		30-50		Over50	
	M	F	M	F	M	F
	8	13	90	50	12	6

Total ♂ 110 ♀ 70 Totals 180

2021

Age Rang	Under 30		30-50		Over50	
	M	F	M	F	M	F
	13	9	76	49	18	10

Total ♂ 107 ♀ 68 Totals 175

2022

Age Rang	Under 30		30-50		Over50	
	M	F	M	F	M	F
	14	7	80	61	20	9

Total ♂ 114 ♀ 77 Totals 191

Note: Ratio of new employees = (Total number of new employees / Total number of employees annually); Ratio of separated employees = (Total number of separated employees / Total number of employees annually)

Employee Stats / Fiscal Year		Year 2020		2021		2022	
		Totals	Rate (%)	Totals	Rate (%)	Totals	Rate (%)
Number of Male Employees in the Year		110	61.11	107	61.14	114	59.69
Number of Female Employees in the Year		70	38.89	68	38.86	77	40.31
Total number of employees in the year		180	100	175	100	191	100
New Employee							
Age	Under 30	11	50.00	11	42.31	12	57.14
	Over 30 and under 50	25	18.25	18	15.00	36	25.53
	Over 50	1	4.76	7	24.14	2	6.90
Gender	Male	13	11.82	20	18.69	25	21.93
	Female	24	34.29	16	23.53	25	32.47
Leaving Employee							
Age	Under 30	5	22.73	7	26.92	8	38.10
	Over 30 and under 50	25	18.25	32	26.67	24	17.02
	Over 50	6	28.57	1	3.45	2	6.90
Gender	Male	18	16.36	23	21.50	18	15.79
	Female	14	20.00	17	25.00	16	20.78

Note: Recruitment rate = (Total new employees in the specific category for the current year / Total employees in the specific category at the end of the year) * 100%.

For example, the ratio of new female employees = (Total number of new female employees in the current year / Total number of female employees at the end of the year) * 100%.

Separation rate = (Total number of separated employees in the specific category for the current year / Total number of employees in the specific category at the end of the year) * 100%.

Rate of separation for employees under the age of 30 = (The total number of employees under the age of 30 for the current year / Total number of employees under the age of 30 at the end of the year) * 100%.

Salary levels for women and men

Full pay ratio for women and men	Ratio			
	2021		2022	
Employee Categories	Male	Female	Male	Female
Below manager level (1-8 inclusive)	1	0.82	1	0.807
Above manager level (9 or above)	1	1.08	1	0.961

Note: Compensation refers to base salary plus additional amounts paid to workers. "Additional amount paid to workers" includes seniority allowance, bonus (including cash and equity), benefits, overtime pay, adjusted leave, and any other allowances (such as transportation allowance, cost-of-living allowance, and childcare allowance).

▶ Education and training

Ennoconn Technology's corporate culture attaches importance to learning, and only through persistent continuous learning and training to improve the function and quality of work of the employees could the needs of the company and customers be met, along with profit targets and shareholders' expectations attained, thus obtaining the status of the industry benchmark. We believe that every employee has the potential to become a human asset of the company through trainings that help them thus become the core competitiveness of Ennoconn Technology, so that the company and employees can grow together.

We promise that all Ennoconn employees will have access to systematic and professional training, nurturing, and guidance. Ennoconn provides appropriate resources to enable each employee to obtain the professional skills and knowledge to effectively perform the company's tasks as a means of improving productivity, linking corporate strategy with the professional directive of quality training for nurturing and development.

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Description of the company's performance in training

1 Diverse specialty courses

professional technology, management, general knowledge, English, business, product planning, R&D skills, and ISO training.

2 Description of diversified category of education and training

Ennoconn Technology plans different training courses for different categories of personnel, with new staff training for new personnel, professional training on audit related business for auditing personnel , training related to the latest financial and legal information for financial supervisors, training in security and health for fire management and first aid personnel, as well as training courses in integrity-based operation and prevention of insider trading for managers and employees to ensure integrity inoperation and related anti-fraud efforts.

3

With consideration given for the impact of the pandemic, online courses continued to be promoted in 2022.
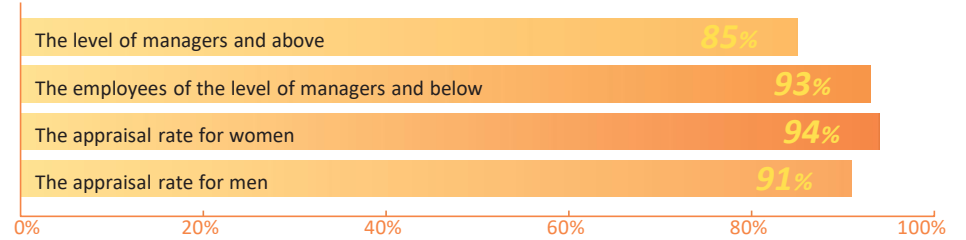
4 2,787

In 2002, the total number of training hours for employees reached 2,787 hours, the average number of training hours for employees was 14.59 hours, the average number of training hours for male employees was 13.94 hours, and the average number of training hours for female employees was 15.54 hours. The average training hours for those employees below the manager level (inclusive) is 15.08 hours, and the average training hours for those above the manager level is 11.44 hours.

▸ Performance appraisal

The purpose of the performance management and development system is to improve the overall performance of individuals, departments, and organizations, including goal setting, empowerment, communication coaching, links between performance and reward, career development, etc. In 2022, the performance appraisal rate for all employees was 92.1%, with the appraisal rate for men being 91% and the appraisal rate for women 94%. The appraisal rate for employees of the level of managers and below was 93%, and the appraisal rate for those of the level of managers and above was 85%.

The level of managers and above	85%
The employees of the level of managers and below	93%
The appraisal rate for women	94%
The appraisal rate for men	91%

0%   20%   40%   60%   80%   100%

Happy Corporation

▼ Employee Benefits

Categories	Descriptions
Dividends/Bonuses	Competitive salary payment, guaranteed annual salary of 14 months. Dragon Boat Festival, Mid-Autumn Festival and Year-end bonuses are provided. In addition, the company issues performance/incentive bonuses and dividend plans according to the operating conditions and individual performance.
Insurance	In addition to statutory labor and health insurance, the employees enjoy a perfect insurance system such as free group insurance, including life insurance, accident insurance, medical insurance, cancer insurance, and occupational accident insurance, and are also provided with preferential family insurance plan to enable employees and their families to enjoy more comprehensive protection.
Subsidy	Special discounts at contract stores, various ticket purchase deals and wedding grants, maternity allowance, hospital/funeral condolences pay, and birthday gifts pay. We provide free annual health checkups for employees, and, working with large hospitals or health checkup centers, we care about the health of each work partner and keep our employees' physical and mental health in check.
Leisure/Activities	Various social activities of different nature, including yoga clubs, badminton clubs, basketball clubs, and billiard clubs.
Education and training	The company is committed to personnel training and actively encourages employees to participate in various training courses and provides equal opportunities for education and training. Internal training courses are for the exchange and inheritance of professional knowledge to improve the efficiency of employees. Depending on the company's business and work needs, the employees can apply for external education and training. The company also encourages R&D and PM units to actively participate in seminars on various technologies and industry trends in grasping the pulse of the industry at any time. According to the relevant internal and external regulations, Ennoconn obtained courses for continuous training of internal auditors, fire management personnel, supervisors of class A labor safety and health matters, accounting supervisors, first-aid personnel, newcomers, etc.
Other	We offer free overtime dinners, so you don't have to be worried about dinner. Free freshly grounding coffee machine, with just press of a button, you can brighten up from the tangled thoughts! When tired of work, the company also provides fitness equipment, pingpong table, and pool table to let you stretch the muscles. Practical Care: Employees are assets for sustainable development of the corporation. , Ennoconn pays attention to personnel health and has special contract medical care staff available to provide consulting on managing health of the employees.

Exercise and fitness equipment

2022 Worshipping and welcoming of the deity of fortune and wealth on the start of work day after the Lunar New Year

Ennoconn Technology Group New Year Party

2022 Christmas Party

2022 Ennoconn Technology Net Zero Sustainable Love for the Earth Beach Cleaning Activities

Parental Leave

Ennoconn Technology provides parental leave in accordance with the provisions of Act of Gender Equality in Employment, which does not affect work opportunities due to gender differences. In 2022, the number of persons entitled to maternity leave was 62 (34 men and 28 women). The actual number of women who applied for maternity leave was 11, and the number for men was 10. In 2022, the number of women who should return to work after the expiration of the maternity leave period was 11, and the number for men was 10, and the actual number of women who returned to work was 8, and the number for men was 10. The percentage of employees who actually resumed work after the expiration of the maternity leave period was 100%, and the percentage for women was 73%. The percentage of employees who remained in work for 12 months after the expiration of the maternity leave period and resumption of work was 64%, and the proportion for women was 80%.

Pension deposit

According to the requirements of the labor law, Ennoconn Technology allocates the worker's retirement pension every month. All employees of the company receive allocated pension under a new system.

2022 parental leave

Women **28**

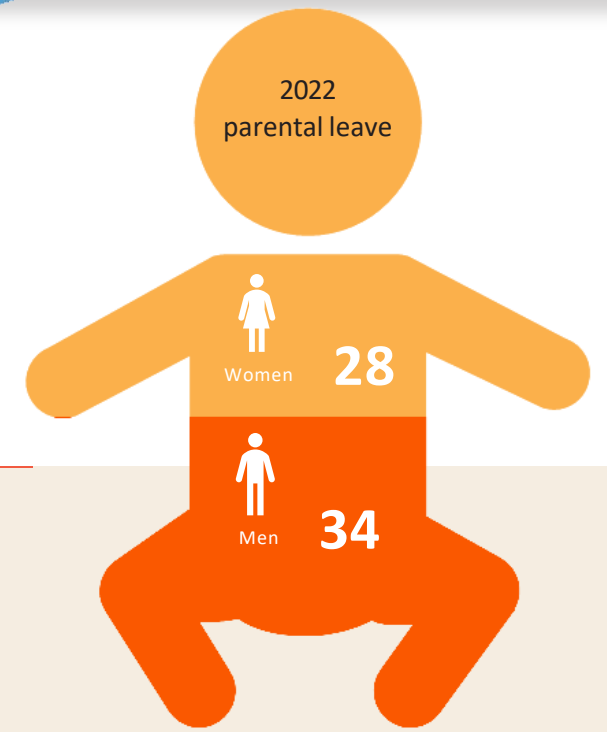Men **34**

COVID-19 Response

The COVID-19 pandemic began in January 2020, and there was a heavy sense of unease. In view of impact on the overall operation, the company immediately activated the epidemic prevention and response mechanism. Since February, the top supervisor has served as the convener to form a team for epidemic prevention and response, and paid immediate attention to the latest epidemic information, got a hold on employee health management, supply of epidemic prevention materials, supply and demand allocation, production and delivery dates for the products through daily supervisor meetings, etc., to ensure that the company maintains normal operations in the shortest amount of time.

Personnel safety management:

- Facial temperature measurement and hand alcohol disinfection before daily office entry.
- Conduct daily quarantine surveys.
- Occasionally carry out epidemic prevention announcement and implement measures for epidemic prevention and safety.
- Establish the CDC to carry out the program for monitoring employee health and mechanism for tracking anomaly .
- Cancel or postpone work-related entity meetings or change with alternatives (e.g., videoconferencing, teleconferencing).
- Flexible adjustment of manpower, activation of diversion and work-from-home mechanism (online check-in system).
- Provide quarantine leave (paid) and family care leave (paid) for those who need it due to the COVID-19 pandemic.
- The company insures all employees with the plan for epidemic prevention and vaccine Protection.

Management for Continuity of Production

- Keeping in touch with customers through videoconferencing, communicating epidemic prevention measures and production capacity, and dynamically adjusting the way of business practices and time.
- Implement dispatch of supply chain materials

Control on facility entry
Maintain access to single entrance before 9:30 a.m. every day, with entrance of colleagues after mandatory measuring of the temperature and disinfecting of their hands.

Control of office areas
Wear a mask throughout the whole process. Change to video and telephone voice conferencing to avoid face-to-face conversations.

Control of space use during meal time
The colleagues are to eat at its own desk and are encouraged to bring their own lunch boxes or order food delivery to reduce the need of eating out.

Control of visitor reception
Visitors shall be important guests, as the principle. They shall fill in the health condition statement, have body temperature measured, and wear masks throughout the visit.

Environmental control
Regular cleaning of public and office areas.

Control of people who are tested positive and are suspected of being close contacts
Daily follow-up of the health status of those tested positive and those in close contact.

Vaccination
Weekly survey of the number of people vaccinated is updated and reported.

Epidemic prevention materials
Regularly confirm the quantity of epidemic prevention supplies and maintain the level of use for more than 2 weeks.

▶ Occupational health and safety

In commitment to abide by international conventions and the relevant provisions of the National Occupational Safety and Health Management Law and to maintain work safety and employee health, Ennoconn Technology has established a good occupational safety and health management system to ensure maintenance of occupational safety and health, to achieve the prevention of hazards and occupational injuries, and to pursue with a determination of zero occupational accidents. We have implemented full participation in activities to continuously improve the working environment to reduce risks to occupational health, and we strive to create a healthy and comfortable working environment to ensure safety and health of our employees in order to achieve the sustainable operation of the company. The company introduced its occupational health and safety system in February 2023 and is expecting to obtain certification by the end of 2023

Policy for Occupational Safety and Health：

Ennoconn Technology strives to promote the company's occupational safety and health management system by making good use of its corporate social responsibility and commitment to the goal of sustainable management, creating a better quality work environment that protects physical and mental health, and actively implementing the ideal of development with safety in first place. Based on the above-mentioned ideal, the following are the company's policies on safety and health, and the company strives to achieve the following commitments:

- **Compliance with laws and regulations:** Comply with the relevant domestic laws and regulations on occupational safety and health and the relevant requirements of international standards, and regularly review the appropriateness.
- **Risk Management:** Implement hazard identification and risk management to achieve the goal of preventing accidents and reducing the risk of harm.
- **Safeguard for safety:** Participation of all employees. Implement education, training, consultation, communication, and other means to enhance employees' awareness of environmental safety and, through the safety setting of the on-site environment, to ensure the safety of workers.
- **Promotion for health:** Utilize training, advocacy and communication to improve safety and health awareness, and take the initiative to care for the physical and mental health of employees and promote the health and well-being of employees.
- **Continuous improvement:** Regularly monitor occupational safety and health management, and continuously improve the performance of occupational safety and health to minimize the impact of hazards and risks.

Ennoconn Technology has set up labor safety personnel, who are responsible for establishing the rules for occupational safety and health management, establishing the group for implementing occupational safety measures, and implementing occupational safety and health management. We are committed to providing customers with high-quality and safe products and services that comply with relevant laws, regulations, and standards, as well as preventing occupational accidents, promoting health, moving toward a friendly workplace, and fulfilling corporate social responsibility.

Ennoconn Technology is actively committed to promoting labor safety, health, and health promotion. To reduce occurrence of occupational accidents. It took reference from occupations safety and health management systems and the requirements of RBA (Responsible Business Alliance) Code of Conduct to continuously improve the work environment for employee safety and health, prevent occupational injuries and diseases, and reduce risk factors in the work environment. It hopes to comply with the Occupational Safety and Health Act in creating a safe and healthy corporate workplace.

For a long time, we have been committed to employee care, employee health and safety, corporate social responsibility and the pursuit of

sustainable operation for the corporation. We always firmly believe that the safety and health of employees is the invaluable property of the corporation!

Performance in occupational safety and health management:

In 2020, the total working hours of all employees in Ennoconn for the whole year were 357,258 hours, with zero accidents continuously maintained. There was no death-causing occupational injuries or serious occupational injuries for all employees that could be recorded as the event of occupational injuries, and there were no deaths caused by occupational illnesses or occupational illnesses that were recordable.

Note 1: Serious occupational injury: Occupational injury resulting in death or injury causing the worker to be unable or difficult to return to the pre-injury health status within six months, but the number of deaths should be excluded from the stats.
Note 2: Occupational injury or occupational illness that can be recorded: Occupational injuries or occupational illnesses caused by any of the following circumstances, such as death, leaving the workplace, work restrictions or changing of jobs, medical treatment beyond first aid, or loss of consciousness, or major injury or illness diagnosed by a doctor or other licensed healthcare professional (even if it does not result in death, leaving the workplace, work restrictions or changing of jobs, medical treatment beyond first aid, or loss of consciousness), are included in the statistics; minor injuries (work-related injuries resolved by first aid on site) are excluded. The company's potential occupational illness is fatigue from overworking

● Hazard identification, risk assessment, and investigation of incidence

The hazards of Ennoconn employees are mainly abnormal workloads and human-induced hazards. We have established the Human Hazard Prevention Plan, the Prevention of Illnesses Induced by Abnormal Workload, and the Occupational Safety and Health Code of Practice to ensure the effective operation of hazard identification and risk assessment. The hazard identification takes into consideration the work safety risks of workers on the aspect of daily execution and the safety risks derived from changes, and have them assessed as high-risk items. After confirmation by the occupational safety and health administrator and occupational nurses, the target plan for the occupational safety is developed to require the responsible unit for implementation, with the implementation results tracked by the labor safety personnel.

In addition, for the investigation of incidents, the company has established a process for investigating occupational incidents to implement the investigation and management of incidents, including the recording of false alarm incidents and the policy and requirements that workers can leave the work status they think may cause injury or illness. When any work-related incident occurs, its notification and handling and improvement processes are implemented in accordance with the process. The work incident investigation report is approved by the management representative and publicized on the company's internal website. Every year, labor safety personnel report the results of improvement on labor safety at the meeting of the work safety implementation group. Except for traffic accidents in 2020, all employees of the company did not have any occupational injuries or working hours lost.

● Occupational Health Services and Health Promotion

With social and economic changes, the International Labour Organization (ILO) and the World Health Organization (WHO) advocate that workplace safety and health services are fundamental rights, and Ennoconn Technology is actively involved in planning, promotion, and implementation of health issues in accordance with the intentions of the ILO and WHO and in accordance with laws and regulations. Starting in 2021, we will provide services through presence of staff onsite from contracted health management company on a monthly basis, including information sessions for awareness of disease prevention and control, awareness of health care topics, seminars on health topics, and consultation on preventive health for employees. Based on the position of protecting the health of employees, we focus our efforts on services such as assessment of health-related risks, health management, health promotion, and assessment and advice on work environment hazards, and provide employee concepts from health education, hoping that health problems will not affect work during work time and that health care for workers in the workplace will be implemented.

In order to implement the system for labor health service and measures on protection of physical and mental health, in a bid to improve the health-related knowledge of the workplace, Ennoconn Technology actively plans and advocates the promotion of correct health knowledge from a caring perspective, hoping to build a healthy, friendly, and happy work environment. We hope that employees will cultivate a positive concept of health, maintain a healthy body and mind, and integrate the health of the workplace into their daily lives and achieve a happy family and work life.

● Health Management

The company conducts health checks every year, manages levels of anomaly from the results of the health checks, provides personal health guidance for employees, strengthens health management measures such as illness-related information sessions on health education and follow-up on health checks, and continuously manages health of its employees. There were 147 personnel qualified for health examination in 2022. As of December 31, 2022 (the actual health examination deadline until March 31, 2023), there were 94 personnel who had completed the health check with 64% in achievement rate for the health checks.

In addition, in order to promote the health of employees, the company set up health sports equipment and announced the regulations for use of fitness equipment, with clear precautions on safety of the use, hoping that the physical and mental stress of colleagues can be effectively relieved.

● Participation, consultation, and communication of workers

Ennoconn Technology set up human resources and labor safety lines, employee feedback boxes, offering colleagues advice and assistance on physical and mental health-related issues at workplace. Labor safety personnel collect regulations related to occupational safety and health or requirements of competent authorities and management committees on safety and health matters, and make internal announcements to facilitate employees' understanding and implementation.

Other specific measures on participation, consultation, and communication of workers are as follows:

✓Occupational safety and health training for new recruits.

✓Monthly counseling services available onsite from healthcare professionals.

✓Occupational safety and health training for employees.

Health Check Program

60,000 Class A	20,000 Class B	15,000 Class D	10,000 (Cost) Class E
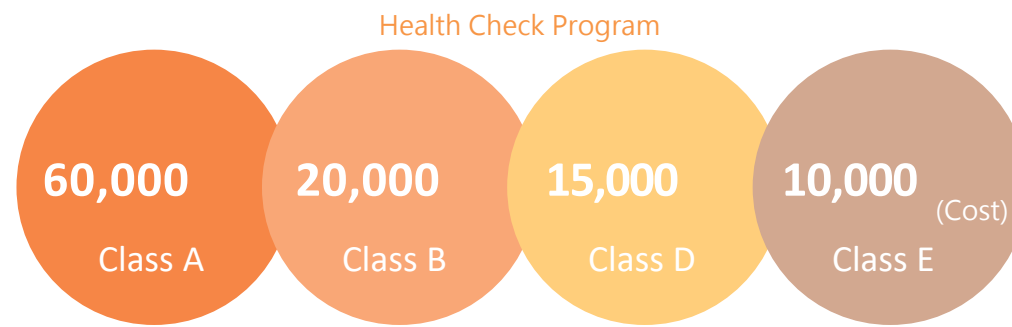
Note: Category A (position level 14 above), Category B (level 10 above), Category C (level 8 above), Category D (other employees who have completed one year of employment)

Diversified communication channels

The Company's channels for workplace violence, safety and health consultation, complaints:

Tel: 02-55908050 Ext. 1946   02-55908050 Ext. 1906

Location of mailbox for complaints only: Employee lounge area

Complaint E-mail:

joan.lee@ennoconn.com 、 mike.lo@ennoconn.com

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●Occupational Safety and Health Training

The Company implements occupational safety and health training for new employees and all employees and workers already on posts.

> ➢ **100% completion rate in occupational safety and health training for new recruits in 2022.**
>
> ➢ **3 hours of occupational safety and health training for new recruits in 2022.**
>
> ➢ **Fire drills and training were conducted twice in 2022.**

Content of the education training on general safety and health

- Summary of regulations on work safety and health.
- Concept of occupational safety and health and Code of Practice for safety and health.
- Automatic inspection before, during, and after work.
- Standard operating procedures.
- Emergency response and handling.
- Common knowledge of and exercises for firefighting and first aid.
- Other knowledge of safety and health related to work of labors.

Emergency Education Training

- To respond promptly to possible contingencies and emergencies through effective emergency response plans and procedures to prevent or mitigate the impact of emergencies on the company and its personnel, property damage, and the environment.
- Conduct firefighting training for employees.
- Cooperate with the fire brigade to offer employees trainings on fire escape, first aid, etc.
- Participate in fire drills in the building.
- Construction projects were coordinated with customers to implement contingency drills.
- The annual fire drill in 2022 was implemented twice on 2022/6/28 and 2022/12/28, respectively, and the results of the drill were in line with expectations.

Highlights of Occupational Safety and Health Activities

Preventing and mitigating the impact on occupational safety and health

The major impact on occupational safety and health in 2022 was mainly the management of personnel safety during the COVID-19 pandemic.

The response plan takes reference to the above-mentioned chapters on COVID-19 response.

 In addition, in response to the epidemic, considering the work stress of colleagues, special health promotion activities were held, witha total of 138 people having participated. The activities received good feedback from employees and will continue to be promoted.

Date： 2022/03
Event Name： Making of potted plants with seeds
Purpose： Work-life balance
Sessions held： 1
Number of Participants： 18

Date： 2022/04
Event Name： Star painting for stress relief Work-life
Purpose： Work-life balance
Sessions held： 1
Number of Participants： 22

Date： 2022/08
Event Name： Energetic aerobic
Purpose： Work-life balance
Sessions held： 2
Number of Participants： 18

Date： 2022/08
Event Name： Yoga stress relief
Purpose： Work-life balance
Sessions held： 2
Number of Participants： 14

Date： 2022/09
Event Name： Mindfulness coffee for stress relief
Purpose： Work-life balance
Sessions held： 1
Number of Participants： 20

Date： 2022/09
Event Name： Decoupage décor art
Purpose： Work-life balance
Sessions held： 1
Number of Participants： 13

Date： 2022/09
Event Name： Meditation sand painting
Purpose： Work-life balance
Sessions held： 1
Number of Participants： 13

Date： 2022/11
Event Name： "Peace with your allergies" Seminar
Purpose： Health Promotion
Sessions held： 1
Number of Participants： 20

SUSTAINABLE ENVIRONMENT

Sustainable Environment

Material Topic - Energy Management	
Policies or commitments	Compliance with regulations, pollution prevention, energy conservation and carbon reduction, involvement of all personnel, and continuous improvement
Goal/Resource/Action	Goal: Annual energy savings of 1% Resources and actions: The temperature of the office air conditioning is adjusted by 26°C to reduce excess carbon emissions. Annual cleaning and maintenance of air-conditioning equipment to maintain the efficient operation of air-conditioning equipment. Selection of equipment, air conditioners, refrigerators and other electrical products that come with the mark for energy-efficiency. Full adoption of LED energy-efficient lamp tubes and lamps for use in office
Mechanism for Stakeholder Communication	Internal: Aperiodic public information announcement for energy-saving measures External: Annual issuing of sustainability report

Sustainable environment is a green commitment from the company's business philosophy. In response to the global demand for environmental protection and energy conservation, we improve engineering efficiency and reduce energy consumption during the engineering process through system engineering design and system integration. Ennoconn Technology responds to the government's green procurement methods. We plan for each stage of the product life cycle from raw material acquisition, engineering implementation, transportation and distribution, completion to customer use, etc., giving priority to requiring manufacturers to provide low-pollution, recyclable, and reusable environment-friendly products to achieve the goal of waste reduction. Every year through the Sustainable Development Committee meeting, the policies for energy conservation and carbon reduction are developed along with the effectiveness of the energy conserving and carbon reducing operations reviewed.
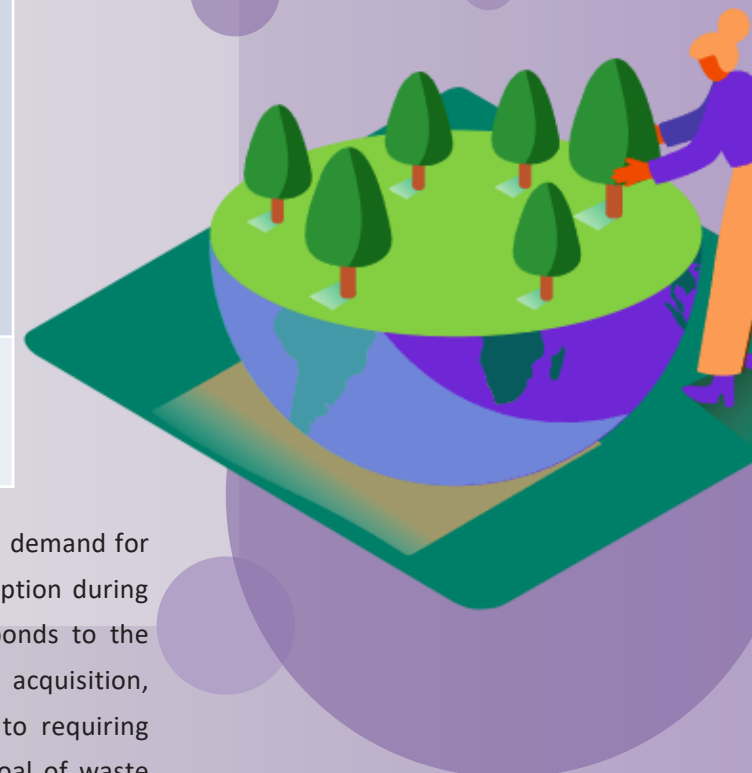
▶ Water, electricity, daily management measures

✓ Energy conservation and carbon reduction management

◆ Managed energy-saving air-conditioning is carried out comprehensively in the office area, with the temperature control panel on the air-conditioning uniformly set not less than 26 degrees, and announcement is put in place that air conditioning is not turned on during the seasons other than summer, which is energy-saving and environmentally friendly.
◆ Replace cold water mains and pipelines for old air-conditioning, and clean filters and maintain mains every year, as a means of maintaining efficiency of equipment to reduce power consumption.
◆ During the Spring Festival and consecutive holidays, remind all units to turn off all unnecessary power and unplug the power.
◆ Encourage colleagues to travel and commute to and from work via public transportation or ridesharing.
◆ Remote services to replace onsite services to reduce greenhouse gas emissions from transportation.
◆ Encourage employees to walk the stairs within two floors above and below to reduce the use of electricity and energy.
◆ Four ice water mains from the central system are set and used in parallel on the third, fourth, fifth, and sixth floor for the purpose of saving electricity.

✓ Energy-saving management of lighting equipment

◆ Advocate leaving the office to turn off the lights, turn off the power to the computer equipment; lunch break and down
◆ Turn off lighting fixtures in public areas during shift hours; adjust the number of lamps according to the illumination requirements of the working area.
◆ Unless necessary, there is no need to open the lighting of unoccupied meeting rooms, machine rooms and other spaces.

✓ Water resources management

Due to Taiwan's geographical location, coupled with the frequent droughts in recent years due to climatic abnormalities, events of water scarcity frequently occur in the south-central region. Although located in the northern part of the country with only office activities and little regular water consumption, in order to cultivate the environmental awareness of colleagues, the company promotes the concept of water conservation in colleagues on a daily basis and minimizes the waste of water resources, striving to be in line with the environmental policy of the company to improve the efficiency of use of water resources.

✓ Reuse of resources without paper

◆ Ennoconn Technology is committed to reducing the consumption of various resources and using recycled materials with low impact on the environment, such as recycled paper preferred for office use and mandatory use of both sides of papers to make the earth's resources sustainable.
◆ Office garbage is divided into general garbage and resource recycling, with garbage removal commissioned by the building management committee to private companies. Colleagues are also encouraged to use environment-friendly cups and cutlery to reduce generation of waste.
◆ Waste information equipment, toner cartridges, etc. are recycled by the manufacturer.
◆ Set up a recycled paper area next to the photocopier, so that colleagues can reuse single-sided waste paper to reduce paper consumption.
◆ Committed to the implementation of paperless operation by making good use of electronic information systems to replace the traditional applications with use of paper.
◆ Promote double-sided or multiple-pages-on-one printing to save from consumption of paper and toner.
◆ Meeting-minute information is replaced by electronic files, such as board meetings, management meeting minute information noted on tablets, greatly reducing the amount of paper.

Environmental energy policy

As an international ODM/O standard and ISO 50001:2018 energy management system, Ennoconn Technology Co., Ltd. is committed to the following in the work of environmental protection: As an EM manufacturer, in order to fulfill its corporate social responsibility and protect and contribute to the environment, the company thus fully implements compliance with ISO 14001: 2015

Compliance with regulations:
Comply with regulations and requirements on environment and energy-related areas, and continue to carry out improvement on those areas.

Pollution prevention
Utilize materials with low pollution and low energy consumption to continuously improve performance on environment and energy.

Energy conservation and carbon reduction
Establish waste management programs and promote the rational use of energy and resources.

Participation by all personnel
Promote the concept of environmental protection and energy conservation, and implement employee awareness.

Continuous Improvement
Balanced care to the economy based on environmental protection and energy conservation, continuous improvement of sustainable business.

Ennoconn Technology Co., Ltd. will continue to educate and inform employees so that they can understand and maintain this policy which can also be disclosed to the public.

What we do

Energy conservation and carbon reduction
- The temperature of the office air conditioning is adjusted by 26 °C to reduce excess carbon emissions.
- Annual cleaning and maintenance of air-conditioning equipment to maintain the efficient operation of air-conditioning equipment.
- Selection of equipment, air conditioners, refrigerators and other electrical products that come with the mark for energy-efficiency.
- Full adoption of LED energy-efficient lamp tubes and lamps for use in office.
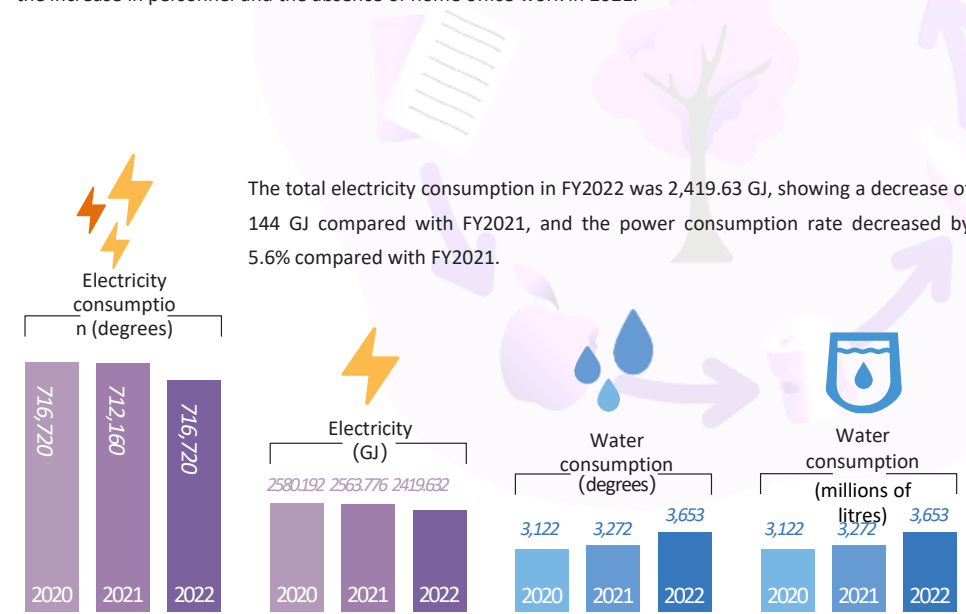
Resource reduction garbage sorting
- Promote garbage sorting and set up recycling bins to reduce waste.
- Promoting the use of recycled paper
- Bring your own eco-friendly dishes and chopsticks to reduce the amount of household waste.
- Internal meetings encourage colleagues to bring their own kettles or mugs.

Management of Energy Resources

Ennoconn Technology's business scope includes the headquarters building, with energy mainly based on purchase of electricity outside from Taipower and managed monthly according to stats from independent meters. The water usage is for regular purpose, with no wastewater from manufacturing processes, and the water is drawn from tap water. The company is not located in the area under stress for water, thus not causing the impact from water resources.

According to the statistics of the Department of Management, the amount of water used in 2022 was 3.653 million liters, which was 11.6% higher than the amount of 3.272 million liters of water used in 2021, due to the increase in personnel and the absence of home office work in 2021.

The total electricity consumption in FY2022 was 2,419.63 GJ, showing a decrease of 144 GJ compared with FY2021, and the power consumption rate decreased by 5.6% compared with FY2021.

Electricity consumption (degrees)
- 2020: 716,720
- 2021: 712,160
- 2022: 716,720

Electricity (GJ)
- 2020: 2580.192
- 2021: 2563.776
- 2022: 2419.632

Water consumption (degrees)
- 2020: 3,122
- 2021: 3,272
- 2022: 3,653

Water consumption (millions of litres)
- 2020: 3,122
- 2021: 3,272
- 2022: 3,653

Fiscal year	Electricity (GJ)	Revenue (millions)	Intensity (GJ/million revenue)
2020	2580.192	84,091	0.031
2021	2563.776	85,367	0.030
2022	2419.632	108,229	0.022

Note: GJ is 10^9 Joule.

▶ Greenhouse Gas Emissions

Due to the increase in greenhouse gas emissions, climate change not only directly affects the global ecological environment, but also indirectly affects the access of enterprises to energy resources, and has become a global environmental issue of common concern and importance. In order to fulfill its environmental protection responsibilities, the company identifies sources of greenhouse gas emission, including direct adjacent greenhouse gases, indirect greenhouse gas emissions from second energy sources, other indirect greenhouse gas emissions from third energy sources, and calculation of greenhouse gas emission intensity, including other indirect greenhouse gas emissions from third energy sources. Because the company is mainly operating in an office environment, greenhouse gas emissions mainly come from the emissions of externally purchased electricity, so the disclosure of greenhouse gas emissions is implemented for category two.

We estimate from conversions of Scope 2 GHG emissions based on total monthly electricity usage to learn about trends and respond early. The total electricity consumption in 2022 was 672,120 degrees, and the latest CO2 emission coefficient of 0.509 Kg CO2e/kWh announced by the Energy Bureau was estimated to produce 342 metric tons of carbon dioxide emissions from electricity consumption. The total emission equivalent of Category I and Category II is 350.1 t CO2e, and the density of the total emission equivalent is 0.0624 t CO2e/M 2 (floor area).

To meet our 2050 net zero emissions target, we set the following targets

Reduce carbon emissions by 30% by 2025 and 50% by 2030 using the 2021 base year target. The long-term strategy is to achieve net-zero emissions by 2050 and be committed to environmental responsibility. The short-term plan will be expanding the scope of the inventory check and implementing the inventory check in accordance with the requirements of ISO 14064-1:2018 edition as a reference for performance in subsequent energy-conservation and carbon reduction efforts.

The target of 2023 is to reduce carbon emissions by 3 to 5 percent compared to 2022

Fiscal year	Scope 1 (t CO_2e)	Scope 2 (t CO_2e)	Total (t CO_2e)
2020	4	359.8	363.8
2021	7	362.5	369.5
2022	8	342.1	350.1

Note: Gasoline emissions are calculated according to the sum of CO2 emissions provided on the gasoline replenishment sheet.
Note: This data has not been externally verified.

▶ Waste Management

The company employs the operation method based on source management for collection of waste, with the source being waste from regular use by employees. Regular waste is uniformly handed over to the building management committee for cleaning and handling, and through employee education and training, the company achieves effective promotion of reduction and management via classification, and improves the reusability of resources and their recycling value.

The treatment of regular waste is divided into two ways, namely recycling and incineration.

The total amount of waste of the Company is 2.561 tons in 2022, 2.436 tons in 2021, and 2.518 tons in 2020, respectively.

Note: The value of the waste is an estimate, based on the amount of garbage collected by colleagues in waste containing means per day, and distinguishes between resource recycling (reuse) and non-resource recycling (incineration). Total annual waste = Estimated daily amount X Annual working days. 。

CO-PROSPERITY IN SOCIETY

Society Co-Prosperity

While seeking profits and the sustainable operation of the company, we continue to devote ourselves to care for the underprivileged. In order to strengthen the participation of society and fulfill responsibilities for giving back to society, the company continues to implement the policy of care for the underprivileged and response to charitable cause, contributing to stability and development of the society.

2022 annual performance in social participation is as follows:

Name of Public Welfare Activity	Contents of donation	Descriptions
Taipei Blood Center, Taiwan Blood Services Foundation Full Score with heartfelt warmth	Number of bags of blood donated **31** bags	In response to "donating a bag of blood to save lives", Ennoconn Technology Co., Ltd. promoted the culture of corporate-wide blood donation by cordially inviting all colleagues and neighboring corporate partners to donate blood to pass on lives.
Le-Chi Household Resource Center, The First Social Welfare Foundation	Donation of goods **$17,741**	In holding forth the spirit of giving back to society by supporting
New Taipei City Association of Advocacy Family Caregiver	Donation of goods **$15,637**	disadvantaged groups, Ennoconn Technology Co., Ltd. donates
Taiwan LF HMV Caring for Animals Association	Donation of goods - Dog Feed **3 8** Packets, with a total of **$15,421**	goods every year to the disadvantaged groups for their material needs (including food, cleaning supplies, animal feed, etc.), so that the development of enterprises is not only about taking from society, but being more committed and caring for this land of Taiwan.
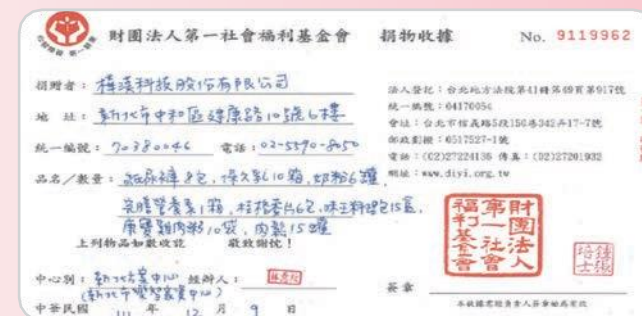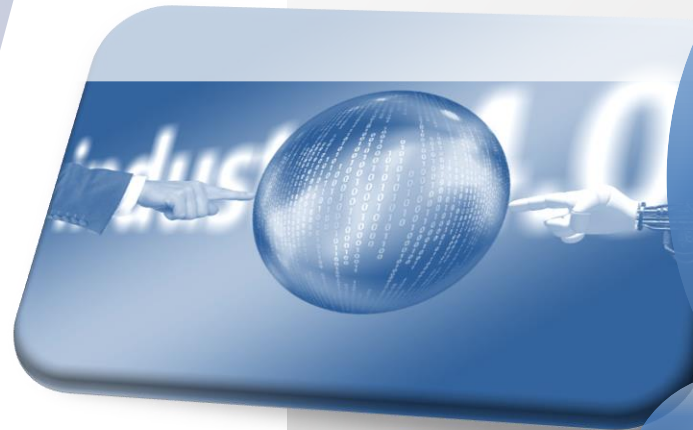
APPENDIX

Appendix I

Table for Comparison to GRI Sustainability Reporting Guidelines

Statement of Use	Ennoconn Technology Co., Ltd. has reported on the period from January 1 to December 31, 2022 with reference to the GRI Guidelines
GRI used 1	GRI 1: Foundation 2021
Applicable GRI Industry Guidelines	The Company belongs to Taiwan-listed computer and peripheral equipment industry and has no GRI industry standards
Notes	Mark * as a material topic before the topic

Topic	Disclosure	Description	Corresponding chapter	Page	Omissions/Remark
		GRI 2: General Disclosure 2021			
The Organization and Its Reporting Practices	2-1	Organization Details	1 .0 About Ennoconn	07	
	2-2	Entities Included in Organization's Sustainability Reporting	0.2 About this Report.	04	
	2-3	Reporting Period, Frequency and Contact Point	0.2 About this Report.	04	
	2-4	Restatements of Information	0.2 About this Report.	04	
	2-5	External assurance	0.2 About this Report.	04	
Activities and Workers	2-6	Activities, value chain and other business relationships	1 .0 About Ennoconn	50	
	2-7	Employees	4.1 Human Resources	50	
	2-8	Workers who are not employees	4.1 Human Resources	50	
Governance	2-9	Governance Structure and Composition	1.1 Accountable Governance	10	
	2-10	Nomination and Selection of the Highest Governance Body	1.1 Accountable Governance	10	
	2-11	Chair of the highest governance body	1.1 Accountable Governance	10	
	2-12	Role of the highest governance body in overseeing the management of impacts	1.2 ESG Sustainable Development Strategy 1.3 Sustainable Risk Management	21	
		Delegation of responsibility for managing impacts	1.2 ESG Sustainable Development Strategy 1.3 Sustainable Risk Management	23	
	2-13	Role of the highest governance body in sustainability reporting	1.2 ESG Sustainable Development Strategy	21	
		Organization Details	1 .0 About Ennoconn	23	
	2-14	Entities Included in Organization's Sustainability Reporting	0.2 About this Report.	21	

Topic	Disclosure	Description	Corresponding chapter	Page	Omissions/Remark
Governance	2-15	Conflicts of Interest	1.1 Accountable Governance	11	
	2-16	Communication of critical concerns	1.1 Accountable Governance	11	
	2-17	Collective Knowledge of the Highest Governance Body	1.1 Accountable Governance	12	
	2-18	Evaluation of the Performance of the Highest Governance Body	1.1 Accountable Governance	13	
	2-19	Remuneration Policies	1.1 Accountable Governance	13	
	2-20	Process to Determine Remuneration	1.1 Accountable Governance	13	
	2-21	Annual Total Compensation Ratio	Disclosure omitted	—	Maximum annual gross remuneration for company is confidential information
Strategy, Policies & Practices	2-22	Statement on Sustainable Development Strategy	Joint Statement of the Chairman and President	2	
	2-23	Policy Commitments	1.2 ESG Sustainable Development Strategy	21	
	2-24	Embedding Policy Commitments	1.2 ESG Sustainable Development Strategy	21	
	2-25	Processes to remediate negative impacts	1.3 Sustainable Risk Management	23	
	2-26	Mechanisms for seeking advice and raising concerns	1.1 Accountable Governance	10	
	2-27	★Compliance with Laws and Regulations	1.1 Accountable Governance	18	
	2-28	Membership Associations	3.3 Sustainable Partners	44	
Stakeholder engagement	2-29	Approach to Stakeholder engagement	2.1 Stakeholder Inclusion	29	
	2-30	Collective Bargaining Agreements	- ---	—	The company did not sign a group agreement with the union.
GRI 3: Material Topics 2021					
Material Topics	3-1	Process to Determine Material Topics	2.2 Material Issues and Impacts	31	
	3-2	List of Material Topics	2.2 Material Issues and Impacts	32	
GRI 3: Material Topics 2021	3-3	Management of Material Topics	4.0 Friendly Workplace	50	
GRI 3: Material Topics 2021	3-3	Management of Material Topics	1.1 Accountable Governance	19	

Topic	Disclosure	Description	Corresponding chapter	Page	Omissions/Remark
		Information security			
GRI 3: Material Topics 2021	3-3	Management of Material Topics	1.1 Accountable Governance - Information Security	19	
Economic Aspects					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	3.1 Smart Industry Chain	36	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed (by the organization)	3.1 Smart Industry Chain	37	
		Market Position			
GRI 202: Market Presence 2016	202-1	Ratio of standard entry level wage by gender compared to local minimum wage	4.1 Human Resources	52	
	202-2	Proportion of senior management hired from the local community	4.1 Human Resources	2	
		Indirect economic shocks			
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	6.0 Society Co- Prosperity	67	
		Anti-corruption			
GRI 205: Anti-Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	1.1 Accountable Governance	11	
	205-3	Confirmed incidents of corruption and actions taken	1.1 Accountable Governance	11	
		Anti-competitive behaviour			
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.1 Accountable Governance	11	
Environmental Aspects					
		*Energy management			
GRI 3: Material Topics 2021	3-3	Management of Material Topics	5.0 Sustainable Environment	62	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	5.0 Sustainable Environment	62	
	302-2	Energy consumption outside the organization	Omitted		Information cannot be obtained and thus incomplete. The organization's external energy consumption includes the upstream and downstream of the value chain, and the external electricity consumption upstream and downstream cannot be obtained
	302-3	Energy intensity	5.0 Sustainable Environment	63	

Topic	Disclosure	Description	Corresponding chapter	Page	Omissions/Remark
		Water resources management			
GRI 303: Water and Effluents 2018 (Management Guidelines)	303-1	Interactions with Water as a Shared Resource	5.0 Sustainable Environment	63	
	303-2	Management of water discharge-related impacts	5.0 Sustainable Environment	63	
	303-3	Water withdrawal	5.0 Sustainable Environment	64	
		Greenhouse Gas Emissions			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) Greenhouse Gas (GHG) Emissions	5.0 Sustainable Environment	65	
	305-2	Energy Indirect (Scope 2) GHG Emissions	5.0 Sustainable Environment	65	
	305-4	GHG Emissions Intensity	5.0 Sustainable Environment	65	
	305-5	Reduction of GHG Emissions	5.0 Sustainable Environment	65	
		Waste Management			
GRI 306: Waste 2020	306-3	Waste generated	5.0 Sustainable Environment	44	
		Supply Chain Sustainability			
GRI 308: Supplier Environmental Assessment 201	308-1	New suppliers that were screened using environmental criteria	3.3 Sustainable Partner	45	
	308-2	Negative environmental impacts in the supply chain and actions taken	3.3 Sustainable Partner	45	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	3.3 Sustainable Partner	45	
	414-2	Negative social impacts in the supply chain and actions taken	3.3 Sustainable Partner	46	
Social Aspects					
		* Labor Relations			
GRI 3: Material Topics 2021	3-3	Management of Material Topics	4.1 Human Resources	52	
GRI 401: Employment 2016	401-1	New Employee Hires and Employee Turnover	4.1 Human Resources	53	
	401-2	Benefits provided to full-time employees that were not provided to temporary or part-time employees	4.2 Happy Enterprise	55	
	401-3	Parental Leave	4.2 Happy Enterprise	56	

Topic	Disclosure	Description	Corresponding chapter	Page	Omissions/Remark
Occupational Health and Safety					
GRI 403: Occupational Health and Safety 2018 (Management Guidelines)	403-1	Occupational Health and Safety Management System	4.2 Happy Enterprise	57	
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	4.2 Happy Enterprise	58	
	403-3	Occupational Health Services	4.2 Happy Enterprise	58	
	403-4	Worker Participation, Consultation, and Communication on Occupational Health and Safety	4.2 Happy Enterprise	58	
	403-5	Worker Training on Occupational Health and Safety	4.2 Happy Enterprise	59	
	403-6	Promotion of Worker Health	4.2 Happy Enterprise	59	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.2 Happy Enterprise	59	
	403-9	Work-related Injuries	4.2 Happy Enterprise	59	
	403-10	Work-related Ill Health	4.2 Happy Enterprise	59	
Training and Education					
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	4.2 Happy Enterprise	54	
	404-3	Percentage of employees receiving regular performance and career development reviews	4.2 Happy Enterprise	54	
Employee Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of Governance Bodies and Employees	4.1 Human Resources	51	
	405-2	Ratio of basic salary and remuneration of women to men	4.2 Happy Enterprise	53	

Appendix II

SASB - Technology and Communication Hardware

Indicator	No.	Indicator Description	Disclosure
Product Security	TC- HW-230a.1	Description of approach to identifying and addressing data security risks in products	**3.1 Smart Industry Chain**
Employee Diversity and Inclusion	TC- HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	**4.1 Human Resources**
Product Lifecycle Management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	0%
	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	0%
	TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	0%
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	It belongs to the B2B business model, and thu does not apply.
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	3.2 Quality, Environmental Protection and Customer Satisfaction
Industry Activities	TC-HW-000.A	Number of units produced by product category	Annual production in 2022 is as follows:
	TC- HW-000.B	Area of manufacturing facilities	No factory area due to production by an outsourced factory
	TC- HW-000.C	Percentage of production from owned facilities	No own facilities due to production by an outsourced factory.

Annual production in 2022 is as follows:

Main Commodities	Yield (tablets)
Sales of software and hardware for industry computers (Homemade)	39,238,756
Production and sales of network and communication devices (custom-made)	168,082
Services for plant and electromechanical systems	Due to the wide variety of products and the engineering projects in the factories being tailored to the needs of the owners, each has its own independence and the volume of production cannot be calculated.
Other (outsourced)	16,848,944
Total	56,255,782

TWSE/TPEx - Indicators for Disclosure on Sustainability - Computers and Peripherals from Listed Companies

No.	Indicator	Indicator Type	Unit	Report Contents Section
One	Total Energy Consumption, Percentage of Electricity Purchased Outside and Usage Rate for Renewable Energy	Quantitative	billion joules (GJ), percentage (%)	5.0 Sustainable Environment
Two	Total water withdrawal and total water consumption	Quantitative	Thousand cubic meters (m³)	5.0 Sustainable Environment
Three	Weight of hazardous waste generated and percentage recycled	Quantitative	Metric tons (t), percentage (%)	The company produces no hazardous waste.
Thu	Description of the type, number and rate of occupational hazards	Quantitative	Rate (%), Quantity	4.2 Happy Enterprise
Fri	Disclosure on Product Lifecycle Management: Percentage of Weight and Recycling Containing Scrapped Products and Electronic Waste	Quantitative	Metric tons (t), percentage (%)	The company has no products and electronic waste generation
Six	Description of risk management associated with the use of key materials	Qualitative description	N/A	3.2 Quality, Environmental Protection and Customer Satisfaction
Seven	Total monetary losses due to lawsuits related to the ordinance on anti-competitive conducts	Quantitative	Reporting Currency	No related lawsuits.
Eight	Main product output by product category	Quantitative	Varies by product type	Table below

Fiscal year Value of Production Volume Main Commodities	2021			2022		
	Capacity	Yield	Output value	Capacity	Yield	Output value
Sales of software and hardware for industry computers	135,242,856	46,233,817	1,496,144	121,544,949	39,38,756	6,054,070
Production and sales of network and communication devices	178,072	151,832	1,863,019	232,229	168,082	2,277,689
Services for plant and electromechanical systems	(Note 2)	(Note 1)	30,838,692	(Note 2)	(Note 1)	44,980,634
Other	(Note 2)	18,845,633	17,434,935	(Note 2)	16,848,944	5,663,611
Total	135,420,928	65,231,282	51,632,790	121,777,178	56,255,782	58,976,004

Note 1: Due to the wide variety of products and the engineering projects in the factories being tailored to the needs of the owners, each has its own independence, and the capacity and volume of production cannot be calculated.

Climate-related Information of TWSE/TPEx Listed Company

Implementation of Climate-Related Information

	Item	Section of Report Disclosed
1	Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	1.4 Governance of climate change
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	1.4 Governance of climate change
3	Describe the financial impact of extreme weather events and transformative actions.	1.4 Governance of climate change
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	1.4 Governance of climate change
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	1.4 Governance of climate change
6	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	1.4 Governance of climate change
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Internal carbon pricing not yet implemented
8	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	1.4 Governance of climate change
9	Greenhouse gas inventory and assurance status	5.0 Sustainable Environment

Parent	Total emissions (Metric tons CO2e)	Intensity (Metric tons CO2e/M2 floor area)	Assurance Body	Description of Assurance Status (Certificate of Confidence)
Scope 1	8	0 .00 1 4	None	None
Scope 2	342.1	0.0609		
Total emissions	350.1	0.0624		

Note: Floor area of parent company building = 1700 ping

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ENNOCONN CORPORATION'S ESG REPORT FOR 2022

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 Report for 2022. The scope of the assurance, based on the SGS ESG and Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during verification (2023/04/06~2023/04/26). 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 Report of 2022 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 Ennoconn's ESG 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 and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation's reporting practices and other organizational detail, GRI 3 2021 for organisation's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards and/or ISAE3000.

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

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

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 Universal Standard (2021) (Reference)
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 Universal Standards (2021) listed in the GRI content index where the organization has referenced for the preparation of the reported information.

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, Task Force on Climate-related Financial Disclosures (TCFD) and SASB related disclosures 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

ASSURANCE/VERIFICATION 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.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY

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

MATERIALITY

Ennoconn has established 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 acceptable 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 represented impacts that encompass a range of environmental, social and governance topics from 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 with combination of qualitative and quantitative measurements. The measurements might be amended to demonstrate a clear positive/negative and substantial/potential metrics.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, Ennoconn's ESG Report of 2022, complies with the Requirements for reporting with reference to the GRI Standards set out in Section 3 of GRI 1. The significant impacts are assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021. The report has disclosed information related to Ennoconn's contributions to sustainability development. For future reporting, it is recommended to have more descriptions on how the organization has applied due diligence as a method for the identification and the evaluation of its impacts on the economy, environment, and people, as well as the role of the highest governance body in overseeing these processes. Moreover, we encouraged Ennoconn to set more quantitative targets for material issues and to disclose more detailed and instant information.

Signed:
For and on behalf of SGS Taiwan Ltd.

Stephen Pao
Knowledge Deputy General Manager
Taipei, Taiwan
19 May, 2023
WWW.SGS.COM