

2023 SUSTAINABILITY REPORT



Cover Story

The cover presents Ennoconn Corporation's ten major smart market applications (ESG smart technology, smart manufacturing, smart retail, smart finance, entertainment and lottery, smart transportation, aerospace and military engineering, information security, smart home, and energy management) linked with ESG greening and natural ecology. The concept of colorful circular halo symbolizes that the Company plays a leading role in smart technology innovation through transformative integration functions.











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Message from the Management

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This was a year of significant changes in the industry conditions. Despite the negative disturbances in the overall environment, such as the Russo-Ukrainian War, global rate hikes, inflation, destocking, slowdown of end consumption, rising energy costs, and geopolitics, Ennoconn adopted operational policies based on the continuously implemented strategy of "diversified management." These policies included: (1) product technology: "software and hardware integration" and "cloud and network integration"; (2) resource integration: "technology + products," "manufacturing + marketing," and "investment + fundraising"; and (3) focused development: corporate sustainable development based on "EPS + ESG + ESaaS." This not only contributed to the Company's high corporate resilience in 2023 with a remarkable result of net income after tax reaching NT\$ 2.26 billion, but also brought a great momentum of order receiving that could create opportunities for steady expansion of the Company's revenue and profit in the following three to five years.

The Company's efforts to facilitate the scale-up of individual operations and optimize the overall business structure have gradually appeared. As the Company has enhanced the business scope of industrial control design in different industrial markets (especially those in Europe and the US), both the purchases by customers of smart retail, smart finance, and lottery and the orders by the customers of industrial network communication and smart home have increased. Meanwhile, the Budapest Factory in Hungary has achieved new sales due to the rising demand of the major smart finance customers for smart and interactive large ATMs and self-checkouts, etc., which has contributed to the Group's overall profitability performance.

The new global trend of AI technology has driven the vigorous development of AI application products around the world, which will significantly increase the demand for technology upgrades of infrastructure and smart solutions in various industries. The huge market opportunities will be favorable for Ennoconn and its partners to expand business. Ennoconn is continuing to implement three operational policies, which are: (1) "software and hardware integration" by improving IIoT devices and integrating application software solutions; (2) "cloud and network integration" by integrating equipment communication protocols and providing diverse cloud services; and (3) "subscription-based services" of ESaaS, which is aimed at high gross profit margins, with the platform transformed for five major applications (digital, AI, energy, information security, and ESG). The whole business team, including the Company's wholly owned subsidiaries, is actively engaged in upgrading and developing new products for customers in finance/retail, lottery, machine vision, etc.,

in-depth integration of hardware, software, hybrid cloud platform and AI, and energy management system, etc. The number of orders is growing in a constant manner, which will encourage the steady growth of the overall operation this year.

With regard to 2024, despite the increasing international and geopolitical risks and the higher frequency of extreme weather, there is gradual recovery and destocking in the global manufacturing industry. The promotion of localization services across the world will stimulate the demand for AloT smart manufacturing solutions, new energy integration solutions, and other equipment and services. Based on the original aspirations, the management team and all employees of Ennoconn continue to shoulder heavy responsibilities, stay prudent, take on challenges, and make breakthroughs. We would like to express our sincere gratitude to all shareholders for the long-term support and encouragement to the Company. With the operational missions and responsibilities entrusted by the shareholders in mind, the management team and all employees will strive for stable profit growth throughout the year while developing ESG sustainable management internally and externally to create a win-win situation with maximized interests of the Company, shareholders, suppliers, and partners, and make this year a prosperous year of the dragon featuring positive development.

We wish you good health and all the best of luck.





ESG Performance

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○ ESG Performance Highlights in 2023

Aspect of sustainable governance

The Company was ranked in the top 5% of the 10th Corporate Governance Evaluation in 2023.

We won the Bronze Award in the Corporate Sustainability Report Category of the 16th Taiwan Corporate Sustainability Awards (TCSA) in 2023.

We received a certificate of the "2023 Greentech Startup Challenge" from the Ministry of Economic Affairs in 2023.

The ISO 27001 information security management system certification was obtained on June 13, 2023.

Vecow (subsidiary) obtained the US product safety certification (UL) in 2023.

Aspect of sustainable environment

- Ennoconn (Suzhou) used green power up to 52.72% in 2023.
- Ennoconn obtained the ISO 50001:2018 energy management system certification on June 4, 2023.
- Ennoconn obtained the ISO 14064-1 verification statement on January 23, 2023.
- Ennoconn obtained the ISO 14001 environmental management system certification on September 16, 2022 (valid through September 15, 2025).
- The Company was verified by *CommonWealth Magazine's* "Corporate Carbon Reduction White Paper" survey in 2023 to be one of the companies in line with the Paris Agreement's 1.5°C warming limit.

___ Aspect of sustainable society

- We were awarded the Badge of Accredited Healthy Workplace from the Ministry of Health and Welfare in 2023.
- The Company was granted the "2023 Happy Enterprise Silver Award" by the 1111 Job Bank on November 17, 2023.
- Ennoconn obtained the ISO 45001 occupational health and safety management system certification on January 10, 2023.





About this Report

Goals for Sustainable Management

Entities Included in This Report

Ennoconn Corporation (ticker symbol: 6414; hereinafter referred to as "Ennoconn") published its first sustainability report in 2021. This report is the third sustainability report of the Company. The report, prepared primarily based on Ennoconn's 2030 sustainability vision: achieving sustainable development through innovative technology and becoming an innovation partner for a new sustainable lifestyle, covers four main aspects: "environmental protection, social responsibility, corporate governance, and green business." Key ESG performance results are disclosed to demonstrate Ennoconn's specific ESG actions for the sustainable development strategy, so that the stakeholders' expectations are met.

Corporate Governance

Reporting Scope and Calculation Basis

Sustainable Innovative Services Regarding the boundary of this report, Ennoconn is the main scope of disclosure. The data covers the period from January 1, 2023 to December 31, 2023. For the financial management performance of the economic aspect in this report, the reporting content is prepared in accordance with the International Financial Reporting Standards (IFRS), and the scope covers Ennoconn and all the investees included in the consolidated financial statements. Part of the environmental data covers the six important listed subsidiaries and their main operating locations, including: Marketech International Corp., CASwell, Goldtek, Ennoconn (Suzhou), Kontron, and Vecow. As for the social aspect, Ennoconn is the main scope of disclosure for performance indicators. In addition, in terms of the subsidiaries, EnnoRise and Ennowell, mentioned in this report, their data are only disclosed in "3.2 Smart Solutions" and "4.1.3 Investment and Expenses for Environmental Protection"; they have not yet been included in the scope of environmental performance with the six subsidiaries mentioned above.

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Principles and Guidelines for the Preparation of the Report

Building Common Prosperity in This report has been compiled based on the analysis of stakeholder issues and relevant material topics during the reporting period. The report was prepared with reference to the GRI Standards 2021, Sustainability Accounting Standards Board (SASB), Task Force on Climate-Related Financial Disclosures (TCFD), the Rules Governing the Preparation and Filing of Corporate Sustainability Reports by TWSE Listed Companies as required by the competent government authorities, and the sustainability indicators of specific industries to be disclosed as required by the Financial Supervisory Commission (industry: Computer and Peripheral Equipment). Please refer to the relevant indicator comparison table in the appendixes of this report for details.

Guarantee and Assurance for the Report

The information and data disclosed in the report were collected and compiled by the employees of various departments, and reviewed by the respective department heads before being submitted to the Corporate Sustainable Development Committee for confirmation. After improvements are made and all information and data are completed, the report will be released upon the Chairman's approval. The financial data disclosed in this report is based on the annual financial statements attested by KPMG. Such data is stated in NTD as the basic calculation unit, and has been verified by SGS Taiwan Ltd., the independent third-party certification body, pursuant to the AA1000 v3 Type I (Moderate) Assurance Standards. Please refer to Appendix 6 for the verification statement.



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Restatements of Information

Ennoconn has published the sustainability report since 2021. This year, the report includes six important listed subsidiaries and their main operating locations, with their ESG-related critical data in the past three years consolidated, adjusted, and disclosed.

Publication Time

Ennoconn regularly publishes the sustainability report for the previous year at the end of June each year.

Previous report: September 2023.

This report: June 2024. Next report: June 2025.

Contact Information

Where there are any corrections to the errors or updates to the information of the report, the version of the electronic file disclosed on the Company's website should prevail. If you have any opinions, suggestions, or questions about the report, please feel free to contact us using the following contact information:

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Tel.: +886-2-55908050 Email: esg@ennoconn.com

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

In response to the Company's paperless operation policy for environmental protection and fulfillment of corporate social responsibility, the annual sustainability reports are disclosed on the Company's website (https://www.ennoconn.com/zh-tw/ennoconn-corporate-social-responsibility-esr/) for readers to refer to or scan the QR codes.



Website page for previous reports



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1.1 Sustainable Development Strategy

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As we look back on the changes in the industry conditions in recent years, there have been the Israel–Hamas conflicts, Russo-Ukrainian War, global rate hikes and inflation, energy crisis, China's COVID-19 lockdown, geopolitical issues, and EU CBAM carbon tariffs, etc., as well as our national government's "Taiwan's Pathway to Net-Zero Emissions by 2050" and amendments to the "Climate Change Response Act" and other related regulations. The impacts thereof are likely to increase the operating and management costs of domestic and foreign companies. Committed to responding to the needs of stakeholders in the value chain, Ennoconn has undergone internal operational transformation while expanding their products and services externally. The IPC3.0 "diversified management" strategy related to three major business units has been adopted, covering industrial control design, brand channel and system integration, and ESaaS and ESG smart cloud services. With the help of big data and AI application technology, we assist enterprises and institutions in achieving their sustainable development goals.

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Q Ennoconn's Steady Operational Growth in Recent Years

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Innovative smart technology Creative human lifestyle 1.0 **Industrial Personal Computer** Intelligent Performing Computing **Innovation Platform Convergence** Transformation and upgrading Integrated development Google Cloud s&t Kontron MEDIATEK mergers and acquisitions MIC VIA I:nnoconn kontron **M**IC **CASWELL** CASWELL arm @ GOLDTek ARBOR Ennoconn Establishment and development **als** intel **C**DEXATEK Industrial **Chunghwa Telecom INGRAM** FOXCODD, ENNOCONN póstab Enno Mech Acquired by **TD SYNNEX** SYSTEX IPO 亚士德科技 ASIATEK Foxconn IPC 1.0 ... (2011~15) IPC 2.0 ... (2016~20) IPC 3.0 ... (2021~25)

AIoT, software and hardware integration service, standardization, modularization, introduction of open cloud platforms, focusing on the applications of smart factory, smart city, etc.



1.1.1 Sustainability Policy and Mission

Goals for Sustainable Management For environmental sustainability development issues, there are general consensuses of GHG net-zero emissions, renewable energy application, and elimination of fossil fuels, etc. among countries around the world. Thus, the "Climate Change Response Act," promulgated and put into effect on February 15, 2023, explicitly states that the long-term national GHG emission reduction goal is achieving "GHG net-zero emission by 2050." The Company has also clearly established short-term, medium-term and long-term pathways to netzero by 2050, namely the targets of carbon emission reduction of 30% by 2025 and of 50% by 2030, compared to the base year of 2021. The long-term strategy is aimed at net-zero emissions by 2050. To achieve the targets, carbon reduction measures have also been taken. We have implemented power saving plans in three major directions—air conditioning system, electric lighting, and other electricity consumption, and regularly checked and replaced equipment to prevent excessive energy consumption due to old equipment. Meanwhile, we have effectively monitored our carbon emissions in a smart, systematic, and data-driven manner using the "Energy Management System (EMS)" of the subsidiary, Ennowell.

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Short-term, Medium-term and Long-term Paths to Net-zero Carbon Emissions by 2050

Green procurement, energy-saving Reduction by 30% by 2025 Short-term target -30% compared to the result in the base year

Systems: Support of energy saving and carbon reduction systems Reduction by 50% by 2030 Medium-term target -50% compared to the result in the base year

Reduction by 100% by 2050 Long-term target Net-zero carbon emissions

Implementation programs for the targets

- · Purchase of eco-labeled infrastructure and equipment based on green procurement.
- · Annual energy saving project through facilities and equipment.
- · Renewable energy and purchase of certificates.

1.1.2 Ennoconn ESG Strategies

The Company's Sustainable Development Committee established the 2030 sustainability vision, in the hope of achieving sustainable development through innovative technology and becoming an innovation partner for a new sustainable lifestyle. The ESG pathway is devised based on 4 major aspects and 5 major strategies, with 12 Sustainable Development Goals (SDGs) of the United Nations integrated to perform sustainability-related actions.



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2030 Sustainability Vision

Achieving sustainable development through innovative technology Becoming an innovation partner for a new sustainable lifestyle

4 Aspects of Sustainable Development

5 Strategies for Sustainable Development

Sustainable Development **Pathway**

Positioning in Sustainable Development **Environment**

Net Zero

Corporate's Net Zero carbon emissions Green Product Design Recycling

All employees participate to create Net Zero environment for the planet





Society

People with Purpose

Providing a workplace with a culture of innovation. inclusion and integrity where employees respect and support each other

One ensuring employee rights and employee care







Governance

Improvement of business administration and operation mechanism

Enhancing Information Disclosure and Risk Management Finance and System

Transparency Protection of Shareholders' Interests

Improving the management system with information security tool



Innovation

Smart Energy Management

Green Technology Solutions

Simultaneously supporting customers to improve energy management efficiency so as to achieve low carbon emissions

ESG Technology Services and Intelligent Energy Solutions for Sustainability Business

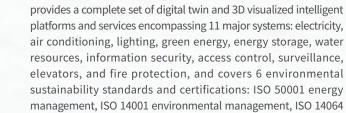












carbon inventory, ISO 14067 carbon footprint, PAS 2060 carbon neutrality, and ISO 14046 water footprint. The technology is applied to 10 smart markets, addressing the stakeholders' needs for software and hardware integration while disclosing ESG-related practices.

In terms of Ennoconn's ESG strategies, the "Cloud-Based ESG

Empowerment Technology" is the most innovative part. It

Ennoconn's 10 Major Market Applications





1.2 Framework of Sustainable Governance

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1.2.1 Sustainable Development Committee

Structure and Duties of the Sustainable Development Committee

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Committee
5 members
(incl. 3 independent directors)



Chief Sustainability Officer President Nelson Tsay

Environment

Energy saving and carbon reduction

Energy/resource utilization

Waste management

GHG emissions

Green design and product liability

Supplier environmental assessment

Climate change response



Society

Employee diversity and equality

Occupational safety and health

Customer services

Customer privacy

Employment relations

Supply chain

Social care

Human rights policy

Governance

Risk Management

Internal audit

Financial performance

IT Security

Governance

Legal compliance

Ethical management

Sustainable Procurement



Smart Energy Management system

Smart Building Solutions

Energy Creation, Storage, Electricity Power

Cloud Digital Platform and ISO Inventory

Digital Twin and Net Zero Building



Organization Regulations of the Sustainable Development Committee



Sustainable Development Best-Practice Principles



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Introduction

The duties of the Sustainable Development Committee include:

- Formulating the Company's sustainable management strategies, systems or related management policies, and reviewing the corporate sustainability report.
- Planning and directing sustainability affairs to keep in line with international standards and regulatory requirements.
- Setting specific directions and targets for sustainable development.

- Determining the annual work plan for sustainable development and the various resources to be input, and reviewing the implementation status and results.
- Supervising the timelines and accuracy of the sustainability-related information disclosed.
- ⇒ Handling other material matters as required by the Company or the competent authority.

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The Sustainable Development Committee meets twice a year in principle to discuss the implementation targets and results of each working group for matters in relation to the Company's sustainable development. The meeting frequency can be adjusted flexibly whenever necessary based on the environment, the Company's status, or legal changes. In addition to the committee members who attend meetings routinely, the Chair may invite the members of working groups to participate in meetings according to the content of the proposals. Resolutions made by or matters approved upon discussion by the Sustainable Development Committee are documented and further reviewed by the Chairman, who will then submit them to the Board of Directors for reporting or discussion so that relevant department may take actions accordingly.

In 2023, the Sustainable Development Committee met twice, on May 10, 2023 and November 13, 2023. With a focus on the three major ESG aspects, the implementation results of the key ESG tasks in 2023, the ESG targets to be achieved in 2024, the GHG inventory, the ISO environmental certifications, the results of the 9th corporate governance evaluation, etc., and relevant improvements were reported to the committee members for discussion and resolution.

Overview of the Directions and Targets of the 4 Working Groups under the Sustainable Development Committee

	Environmental protection	Social care	Corporate governance
Scope of responsibility	 Implementing the Company's environmental energy policy. Introducing the Company's 5 major environmental protection policies. 	Paying attention to employee care and welfare.Supporting social welfare activities.	 Managing corporate governance affairs. Holding Board meetings and functional committee meetings. Maintaining information security.
Short-term targets -2024	 Completing the third-party verification for ISO 14001, ISO 50001, and ISO 14064-1 in 2024. Reducing carbon emissions in 2024 by 3%-5% from energy consumption compared to 2023. 	 Maintaining the competitiveness of salary in the market. Providing English training for key talents. Arranging courses and activities for work-life balance and health promotion in a constant manner. Raising the awareness against sexual harassment in the workplace continuously. Introducing app services to take care of the physical and mental health of employees in real time. Implementing the ISO 45001 management system. 	 Maintaining the Company's top-two level in the 2024 corporate governance evaluation. Holding the 2024 general shareholders' meeting with the assistance of video conferencing tools. Completing the setup of 3 information security platforms in 2024.
Medium-term and long-term targets –2030	 Making assessments for the solar photovoltaic equipment and increasing the percentage of green energy usage. 	 Recruiting more talents and improving the retention rate. Increasing globalization management capabilities and benefits. Supporting the local industries of arts, film and television. Launching industry-academia collaboration projects. 	 Improving corporate governance. Strengthening information disclosure. Protecting information security.

Global Business Division/Chief Strategy Officer putting

the resolutions of the meetings into action.



1.3 Stakeholder Engagement



In accordance with the international standard AA1000 SES (AA1000 Stakeholder Engagement Standard), five categories of major stakeholders were defined based on five aspects: dependency, influence, tension, responsibility, and diverse perspectives. Such categories were: employees, customers, suppliers/contractors/subcontractors, competent authorities, and shareholders/investors. Issues of concern to stakeholders were identified through a systematic analysis model, and their impacts on the Company were measured as the reference for preparing this report. Through information disclosure, it is our hope to engage in effective communication with stakeholders and demonstrate the Company's efforts in corporate management, environmental protection, and social co-prosperity. The categories of stakeholders identified in 2023 are the same as those in 2022.

Ennoconn identified five categories of stakeholders that are highly relevant to the Company's operations. Each of our relevant units and departments recorded the issues that stakeholders were concerned about in a thorough and timely manner. They also established diverse and comprehensive communication and engagement channels to respond to

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1.3.1 Communication with and Response to Stakeholders

confidentiality.

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Stakeholders	Importance	Issues of concern to stakeholders	Communication channels	Communication frequency
Employees	Employees are the most important partners in terms of sustainable development. The Company is committed to creating a diverse, equal, and healthy work environment to grow and develop together with our employees.	 Remuneration and welfare. Learning and development. Diversity and inclusion. Occupational safety. 	 Communication about the Company's operational direction and various policies through the monthly employee meeting. Everyday management meeting for cross-departmental communication and coordination. Discussion as to policies on various welfare matters at labor-management and Welfare Committee meetings. Passing on relevant knowledge and skills through a variety of training courses. Dissemination of information on our human rights policies and occupational safety and health through the intranet. 	 Monthly employee meeting (irregular). Management meeting (daily). Welfare Committee meeting (monthly). Labor-management meeting (quarterly). Education and training courses (irregular). Announcement of internal information (timely).
Customers	They are relevant to the localized customer services and transparent, real-time, and diversified communication channels around the world.	 Competitive products and services. Quality standards. On-time delivery. Flexible resources. Protection of 	 A global business service team working 24/7 with offices distributed worldwide. Multiple contact channels among the top supervisors of different departments. Weekly meetings, and quarterly face-to-face QBR reviews with customers. Establishment of a steering committee for the strategic project, which is chaired by the President. 	 Business offices set up in Taiwan, the US, and Europe to serve the needs of local customers. Around 416 video conferences per year to track the progress of customer projects. About 16 large-scale QBR meetings every year. Roughly 50 senior steering committee review meeting a year, with the Senior Assistant Vice President of the

strategic project, which is chaired by the President

and Senior Assistant Vice President of the Global

Business Division/Chief Strategy Officer.



Introduction	Stakeholders	Importance	Issues of concern to stakeholders	Communication channels	Communication frequency
Goals for Sustainable Management Corporate Governance Sustainable Innovative Services	Suppliers/contractors/subcontractors	We hope to build a sustainable partnership with our partners, continue to provide services that meet the needs of stakeholders, and jointly fulfill corporate sustainable development.	 Supplier evaluation management procedure. Compliance with laws and regulations. 	 New supplier evaluation, including the green supplier evaluation form/supplier evaluation report form, etc. Quarterly supplier evaluation system and annual evaluation summary; unscheduled audits to suppliers. Irregular communication meetings (including inviting suppliers to visit the Company, or visiting suppliers, or conference calling). 	 Written or on-site evaluation of new suppliers according to internal audit and internal control requirements before the first delivery date (a total of 9 suppliers evaluated this year). Quarterly evaluation, review and guidance for the suppliers which the Company has transactions with (a total of 213 suppliers evaluated and reviewed this year). Unscheduled supplier audits for products discussed for design changes or DFM (a total of 163 audits conducted this year). Weekly/monthly large-scale communication meeting for each of the 6 major suppliers (a total of 116 meetings held with the 6 major suppliers so far). (Intel*1/ (monthly) / Arrow*20 (bi-weekly) / Microchip*39 (weekly) / Avnet*39 (weekly) / TI*39 (weekly)) QBR/seminars and visits to suppliers every quarter to understand the suppliers and market conditions (a total of 213 suppliers involved in the QBR meetings, and 80 visits to and technical exchanges with major suppliers arranged).
Devotion to Environmental Sustainability	Competent authorities	The Company not only abides by the relevant regulations of government agencies and proactively cooperates with the policy implementation, but also gains the trust, support, and cooperation opportunities from the government through transparent two-way communication.	 Corporate governance. Sustainable development. Internal audit and internal control. Operations. 	Competent authorities' irregular notice of relevant regulations to be observed and implemented policies requiring cooperation to the Company through official correspondence, email, or phone contact.	A total of 96 official letters from competent authorities (the Securities and Futures Bureau of the FSC, TWSE, and Taxation Bureau) and 151 emails from TWSE received by the Company in 2023; irregular phone calls with competent authorities to keep up with the matters the Company was required to follow and implement as per laws.
Building Common Prosperity in Society	Shareholders/investors	The Company's investors and shareholders should receive the Company's material information fairly. Based on the spirit of integrity and sustainable management, we keep our information open and transparent to protect the rights and interests of our shareholders/investors.	 Corporate governance. Sustainable development strategy. Risk management implementation. Shareholder engagement. Operational performance. 	News release/announcement of monthly revenue and quarterly financial status; real-time material information; regular investor conferences (offline or online); annual shareholders' meeting and publication of annual report; irregular reception of domestic and foreign investors and analysts; irregular participation in domestic and international forums and roadshows; setup of a contact point for communication about stock affairs and investor relations.	 A total of 52 investor emails received through the investor mailbox in 2023. A total of 3 investor conferences, 1 media conference, and 18 investor industry seminars held in 2023. A total of 48 research reports in relation to foreign and domestic corporate investors made in 2023. 36 press releases and 539 pieces of media exposure by Ennoconn in 2023. (including newspapers/magazines/Internet/TV)



1.4 Management of Material Topics

In 2023, Ennoconn identified the issues of concern to stakeholders through the following 5 steps:

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GRI Standards published by the Global Reporting Initiative (GRI), and the S&P Global Corporate Sustainability Assessment, and with reference to the Taiwan Stock Exchange's "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies." With the overall status of the organization and business relationships taken into account, the actual and potential impacts on the economy, environment and human rights, including positive/negative, short/long-term, intentional or reversible/irreversible ones, were identified and used as a reference for questionnaire design; 20 sustainability issues were covered in the questionnaire.

An online questionnaire was distributed to investigate the level of impact and level of concern of sustainability issues to stakeholders. The survey and analysis results were further confirmed by the President and Chief Sustainability Officer. A total of 199 questionnaires were retrieved this year, including 100 questionnaires on the level of impact to stakeholders, 91 questionnaires on the level of concern, and 8 questionnaires of senior executives.



Identifying the

potential impacts

actual and

Step 2

Step 3 Assessing the

Step 4

Step 5

significance of

the impact

After the questionnaire calculation, a matrix analysis was conducted based on the level of impact of issues assessed by stakeholders (A) and the level of impact of issues assessed by senior executives (B), along with the level of concern of stakeholders (C). The sustainability report preparation team and the Sustainability Development Committee resolved to identify the issues with a level of impact (A+B) higher than 7.9 points and a level of concern (C) higher than 3.9 points as Ennoconn's material topics; 6 material topics were thus identified.

Compared with 2022, the number of material topics (6) this year was the same as that in 2022. However, new 3 topics (occupational health and safety, risk management, supply chain sustainability) were included while 3 topics (labor human rights, economic performance, energy management) were excluded. The identified material topics, corresponding chapters. impact boundaries, and management approaches are disclosed in this report. The management effectiveness is also disclosed in an effective manner, and the Company continues to review the material topics every year for necessary adjustments (if any).



1.4.1 Ranking of Material Topics

Q Ennoconn's Matrix of Material Topics for 2023

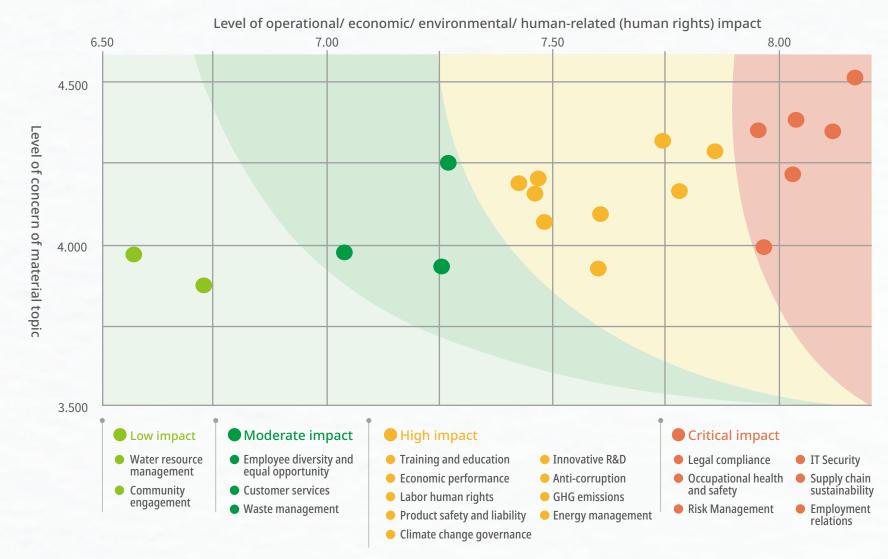


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Introduction	Level of Impact	Material topic	Aspect of ESG	Change from 2022	Significance to Ennoconn
		Legal compliance	G	-	We are committed to adhering to the principle of ethical corporate management and complying with the laws and ethical standards of the countries where we do business, and making legal compliance an important reference in the Company's policies. In order to ensure legal compliance, we adopt specific management system, identify relevant regulations, and arrange education and training.
Goals for Sustainable Management		Occupational health and safety	S	<u>~</u>	To fulfill our corporate social responsibility and our commitment to sustainable management, and to create a better workplace that protects both physical and mental health, we actively adhere to the development philosophy of safety first, and endeavor to implement the Company's occupational safety and health management system based on this.
Corporate Governance	Gritisa I	Risk Management	G	<u>~</u>	The Company defines different types of risks according to the overall operational policies, and adopts the risk management mechanism covering identification, measurement, supervision and control, and formulation of policies and response actions to protect the rights and interests of stakeholders such as employees, shareholders, suppliers and customers. We also thereby increase the Company's value, and achieve the principle of optimization for the Company's resource allocation.
Sustainable	Critical	IT Security	G	<u>~</u>	With emphasis placed on the security and privacy of different stakeholders and operation-related information assets, the Company has introduced effective information security measures and equipment, which helps guarantee business continuity, enhance customers' trust in the Company, and minimize legal risks by ensuring that the corporate operations are in line with regulatory requirements.
Innovative Services		Supply chain sustainability	G	<u>~</u>	Valuing suppliers as important partners for sustainable management, we implement sustainable supply chain management to reduce business risks and costs, strengthen the partnerships for supply chain sustainability in a constant manner, and implement the concept of ESG alignment with upstream and downstream suppliers to provide the best quality while protecting the environment together.
Devotion to Environmental Sustainability		Employment relations	S	<u>\</u>	Upholding the people-oriented business philosophy, we place importance on employee diversity and equality in the workplace, and make sure that there are no pay differences for all employees on the grounds of gender, age, race, religion, or political stance. A low turnover rate and a good employee retention policy not only reduce the cost of recruitment and training, but also enhance the team morale of employees and further attract more outstanding talents in the industry.
		Training and education	G	<u>~</u>	The Company lays emphasis on learning and growth, for only by improving employee competencies and work quality through persistent learning and training can we successfully meet the corporate and customer needs, achieve profit targets and shareholders' expectations, and become a benchmark enterprise in the industry.
Building Common Prosperity in Society	High	Economic performance	G	<u>~</u>	Stable and growing economic performance is not only an important indicator of sustainable development, but also an issue of concern to investors and shareholders. To achieve sustainable development and satisfy the needs of stakeholders, we focus on developing the fields of smart industrial control, smart retail, smart gaming, smart home, and smart transportation, and explore the emerging markets in Europe, the US, Japan, Southeast Asia, China, South America, etc. for stable and growing revenue.
Appendixes	Labor human rights	S	<u>\</u>	Respecting and guaranteeing human rights, adhering to international labor standards and safeguarding labor rights are the basic conditions for the Company's sustainable management. We respect the freedom of association, care for disadvantaged groups, prohibit child labor and forced labor, eliminate employment discrimination, eradicate human rights violations, protect gender diversity and equality, and treat all employees fairly.	



Introduction	Level of Impact	Material topic	Aspect of ESG	Change from 2022	Significance to Ennoconn
	;	Product safety and liability	G	<u>~</u>	We give weight to safe, stable, and high-quality products, and have management procedures and regulations related to customer services in place to ensure the quality of professional services in all aspects. A channel is also provided for customers to make suggestions or complaints, which is one of the essential criteria for customer satisfaction.
Goals for Sustainable Management		Climate change governance	Е	<u>~</u>	With attention paid to the risks and opportunities brought by climate change issues, we implement climate governance, regularly check the impact level and probability of climate risks, and set carbon reduction goals and response strategies with reference to the TCFD guidelines.
Corporate Governance Sustainable Innovative	High	Innovative R&D	G	<u></u>	In light of the increasingly serious impact of climate change, the Company perseveres in green innovation and R&D, collects the requirements of domestic and foreign laws more intensively, assesses products' compliance with the standard of "green," introduces the concept of eco-friendly design during the product development stage, and incorporates the concepts of energy conservation, low harm, and easy recycling, so as to face the challenges of environmental issues squarely.
		Anti-corruption	G	<u></u>	We adhere to the principle of integrity in management and value honest partnerships with all stakeholders. Our contracts include protection norms and confidentiality clauses, and we require suppliers to engage in transactions with integrity to eliminate corruption and bribery. This ensures the protection of the rights and interests of all stakeholders.
		GHG emissions	E	<u>\</u>	Domestic and international policies and regulations in relation to carbon emission reduction have been developed. For Ennoconn, part of the international supply chain whose scope of business is mainly office
Services		Energy management	E	<u>\</u>	operations, it is especially important to identify Scope 1 and Scope 2 GHG emission sources, and set carbon reduction and energy saving targets.
Devotion to Environmental		Employee diversity and equal opportunity	S	<u></u>	We attach importance to employees' human rights. The principle of "employing people for the position corresponding to their capabilities" is applied to the recruitment, training, remuneration, promotion, and performance evaluation of employees, in order to create a workplace featuring diversity, equality, and inclusiveness.
Sustainability	medlum	Customer services	S	<u>~</u>	Prizing customer development and customer relationship management, the Company conducts periodic satisfaction surveys aimed at key customers every year, and continuously improves the quality of products and services to meet customer needs.
Building Common		Waste management	Е	<u>\</u>	Most of the waste generated by Ennoconn is domestic waste. However, to keep in line with our philosophy of environmental protection, we have set environmental policies and indicators for all departments and employees to effectively manage and dispose of waste.
Prosperity in Society		Water resource management	E	-	Ennoconn does not produce factory process wastewater, and its office locations are not in areas with water stress. Although there are no water resource-related impacts and risks, in view of the uncertainty of water resources due to climate change, we continue to track our water consumption in the hope of cutting it down in a stepwise manner.
Appendixes	ppendixes	Community engagement	S	<u>_</u>	Emphasis on altruism is one of the cornerstones that contribute to corporate sustainable development. We offer technology-based support to public welfare and educational activities by incorporating our core smart technologies with the services of cloud and on-premise applications integration, hoping to expand our social influence and network.



1.4.2 Analysis and Management of Material Topics

					Boundary	of impact on	the value chain		Corresponding		
Goals for Sustainable Management	Material topic	GRI Standard	SDGs indicators	Employees	Customers	Competent authorities	Shareholders/ investors	Suppliers/ contractors	chapter for the description of positive/ negative impacts and management approaches	Target for 2023	Performance in 2023
	Legal compliance	∞ 2-27	SDG 3SDG 10	0	0	0	0	Ø	2.5.1	0 fine	0 fine
Corporate Governance	Occupational health and safety	 ○ 403-1 ○ 403-2 ○ 403-3 ○ 403-8 ○ 403-4 ○ 403-9 ○ 403-5 ○ 403-10 	ρ SDG 3 ρ SDG 8 ρ SDG 4	⊘		©		⊘	5.4.1	0 occupational injuries 0 occupational accidents 0 absenteeism cases	0 occupational injuries 0 occupational accidents 0 absenteeism cases
Sustainable Innovative Services	Risk Management	o 2-12 o 2-13	 SDG 3 SDG 9 SDG 4 SDG 10 SDG 5 SDG 11 SDG 6 SDG 12 SDG 7 SDG 13 SDG 8 SDG 17 	⊗	©		⊘	©	2.8.1	Supervision and yearly reporting on risk management status to the directors by the Audit Committee	2023 risk management status reported at the Board meeting on November 14, 2023
Devotion to Environmental Sustainability	IT Security	∞ 418-1	SDG 4 SDG 9 SDG 8	0		0		0	2.6.1	Introduction of ISO 27001	Certification received on June 13, 2023
Building Common Prosperity in	Supply chain sustainability	 ○ 2-6 ○ 409-1 ○ 308-1 ○ 414-1 ○ 308-2 ○ 414-2 	 SDG 8 SDG 12 SDG 9 SDG 13 SDG 11 SDG 17 	©	©			Ø	2.9.1	Continuous internal training on ESG procurement	7 lectures attended by 32 participants in 2023, with the training time totaling 190 minutes
Society Appendixes	Employment relations	0 2-7 0 401-3 0 2-8 0 404-1 0 202-1 0 404-3 0 202-2 0 405-1 0 401-1 0 405-2 0 401-2 0 401-2	p SDG3 p SDG8 p SDG4 p SDG10 p SDG5	⊘	©		©		5.2.1	Regular labor– management meetings for two-way communication	4 meetings held in 2023



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2.1 Company Profile

Goals for Sustainable Management

2.1.1 About Ennoconn

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Company profile				
Company name	Ennoconn Corporation			
Date of establishment	July 12, 1999			
Chairman	Steve Chu			
President	Nelson Tsay			
Paid-in capital	NT\$1.282 billion (as of December 31, 2023)			
Stock code	6414			
Total capital	NT\$2.5 billion			
Number of employees	189 employees			
Headquarters	3-6F., No. 10, Jiankang Rd., Zhonghe Dist., New Taipei City			
Contact Information of the Headquarters	+886-2-5590-8050			

	Main produc	ts and services	
IPC 1.0 (IPC software and hardware integration)	IPC (IoT platform		IPC 3.0 AloT cloud software and hardware services)
1	2	3	4
Industrial control design	Brand channels	System integration	ESaaS
Finance, retail, lottery, gaming, industrial control products, machine vision	AIoT hardware	Factory engineering	HaaS
Information security network	Software solutions	System application	laaS Pass
Building security, building intelligentization	IT/OI services	Equipment manufacturing	SaaS
> 60	countries > 5k system prov	viders > 250K customers	from various industries

Appendixes

Note: Ennoconn did not experience any major changes in the organizational structure and supply chain in 2023. If there are any retroactive changes in some of the data, explanation notes will be provided nearby the changed data.



2.1.2 Company History

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Year	Important event
1999	July: The Company's establishment was registered.
2004	February: The first industrial-grade motherboard (IP-4PCI20E) was developed.
2006	October: The Company completed the cash capital increase to NT\$98 million, and secured the investment by Portwell, Inc.
2007	February: The Company completed the cash capital increase of NT\$200 million, and secured the investment by Hon Hai Precision Industry Co., Ltd.
2007	October: The Company received an order for OEM motherboards for POS applications from Group A, a major international manufacturer.
	January: A POS PC system was successfully developed in cooperation with Digipos, a major European POS solution provider.
	March: The Company passed the ISO 9001 certification audit.
2008	October: The Company managed to independently develop an All-in-One POS System (TESS), and successfully developed a high-end network storage system with Netgear, a major US computer networking company.
	November: A Touch Monitor for POS systems was successfully developed in cooperation with Digipos.
	December: A Panel PC system was successfully developed in cooperation with Digipos, and a low-voltage, dGPU embedded game console control card was developed in cooperation with the Japanese customer, OEC.
2009	January: The Company received an order for an ATM control system from Group A.
2009	November: A photo kiosk was successfully developed to enhance the design experience of display-related equipment.
2010	September: The Company successfully developed a low-end NAS system with Netgear, and launched a fanless, compact and energy-saving POS PC featuring easy maintenance.
	April: The aluminum die-cast all-in-one POS for surface capacitive touch screens was recognized by Digipos.
2011	July: The Company cooperated with Company B, a major Japanese POS solution provider, on the first ODM system project.
	December: The Company developed a new generation motherboard equipped with Intel HM65 PCH for OEC, a cooperation partner of KONAMI, a market leader in the video gaming industry.
	March: The Company acquired 100% of the equity of INNOVATIVE SYSTEMS INTEGRATION LIMITED and indirectly held 100% of the subsidiary's reinvestment business in China, NANJING ASITEK INC., thereby expanding the business of in-vehicle systems.
2012	June: The Company cooperated with Company B, the world-leading provider of POS solutions, on an ODM motherboard project.
2012	August: The Company received an order for the self-manufactured all-in-one POS after successful negotiations with Wincor Nixdorf, the leading European provider of POS solutions.
	November: The Financial Supervisory Commission approved the public share issue of the Company.
	December: The Company was listed as an emerging stock on TPEx.
	March: The Company's public listing and trading of shares were approved by Taiwan Stock Exchange Corporation.
2014	October: The Company acquired 55.4% of the equity of Goldtek Technology Co., Ltd., a professional manufacturer of industrial-grade handheld devices, through investments by the subsidiary, Ennocond International Investment Co., Ltd.
	December: The Company acquired a total of 38.7% of the equity of Caswell Inc., a cybersecurity equipment provider, through public tender offer, share swap, or investments by the subsidiary, Ennoconn International Investment Co., Ltd. to ensure rapid expansion into new product areas.
2015	July: Ennomech Precision Co., Ltd. was established to produce industrial computer mechanical parts, provide manufacturing capabilities such as stamping, spray painting, laser engraving, sizing, and off exclusive services for the mechanical products of customers.
2015	October: The Company established Huangrui Technology to gain a foothold in the field of global after-sale services in the POS industry and respond to the trend of technological development with Bank At the end of 2015, Ennoconn invested in Ennowsye Corporation and ventured into the emerging field of bank payment technologies.



Introduction	Year	Important event
		January: Engaging in the transnational cooperation with Kontron, a leading German industrial computer brand, the Company invested US\$57.3 million in the subsidiaries to acquire 49% of the equity of Kontron Canada Inc., a Kontron subsidiary engaged in the communications industry. In addition to strengthening Ennoconn and Kontron's competitive edge derived from integration and extension in the field of communication products, this move was expected to generate growth of business opportunities through integrative synergy and joint efforts in the fields of global cybersecurity, big data, cloud-based communication, and IoT applications.
		July: The Company acquired 60% of the equity of AIS Cayman Technology Group through investments by a subsidiary to develop human-machine interface and Industry 4.0 products.
Goals for	2016	August: In response to the IoT market trend, the Company acquired 60% of the equity of Dexatek Technology Ltd. to expedite the development of technologies related to smart living products.
Sustainable Management		October: The Company invested in S&T AG for the acquisition of nearly 30% of the equity to become the largest shareholder of the said company. The goal was to extend the primary product and service scope of S&T into the fields of healthcare, communications, big data, automation, smart grid, and energy optimization technologies, to bolster the capabilities of software R&D, to enhance customer service experiences, and to adopt 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 was expected to further strengthen the core competitive edge and aggregated benefits in the fields of software R&D, hardware manufacturing, system integration, and branding and marketing channels, increase the market share in the industrial computer market through concerted efforts, and ensure the robust development of a diversified business with global operations.
		January: Ennoconn officially ventured into the healthcare sector by acquiring 19.5% of the equity of Diva Laboratories, Ltd. through investments by a subsidiary. Diva Laboratories is a large manufacturer of healthcare displays with a global market share of 3%; its major clients include Philips and GE, and its sales operations span Japan, Europe, and the US.
Corporate Governance	2018	May: The Company acquired approximately 47.15% of the equity of Marketech International Corp. through a public tender offer. This strategic cooperation was expected to enhance Ennoconn and Marketech's comparative edge in the all-inclusive vertical and horizontal development of the manufacturing network in the aspects of factory equipment management, manufacturing execution and management systems, and whole-plant output, accelerating the expansion of business scale of both companies and harnessing synergized benefits based on the core niche to boost the competitive advantages.
		June: The Company acquired Vecow Co., Ltd. through the subsidiary, AIS, to expand the product lines and gain access to various application areas including industrial-grade wide-temperature embedded computers, machine vision, image monitoring and analysis, smart transportation, smart control, industrial automation, automated guided vehicles (AGV), and multi-port Ethernet.
Sustainable		September: The Company expanded and deployed its services for global gaming industry customers, and provided all-in-one electromechanical solutions by integrating the upstream and downstream supply chains.
Innovative	2019	March: The Company provided the 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).
Services	2020	January: Ennoconn acquired 70% of the equity of Poslab Technology Corp., a smart retail solution provider, through investments by a subsidiary to enhance the vertical integration capability in the field of smart retail products. In the future, we will also work in tandem with system integrators to create even more business opportunities.
		January: The Company seized the 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, which helped integrate the strengths of both sides for enhanced overall business performance and joint deployment in the machine vision and AI application markets, thereby boosting the synergy effects of mutual cooperation.
Devotion to Environmental Sustainability	2021	September: The Company issued the first privately placed, unsecured domestic convertible corporate bonds of a total value of NT\$1.5 billion, and worked hand in hand with MediaTek and Via Technologies to form a long-term strategic investment partnership consisting of 3 industry giants. MediaTek's chipsets have a high market share in the smartphone market and power over 2 billion devices worldwide; Via Technologies is a provider of solutions related to Al application 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 a diversity of channels covering industry markets of retail, finance, gaming, and manufacturing. The vertical integration alliance has helped Ennoconn upgrade its design and development technologies for industrial computer products and expand its customer bases at different levels, creating a common victory among the 3 parties through the most effective cooperation model, increasing the market shares of Ennoconn, MediaTek and Via Technologies in the global AloT market in a synchronized manner, and ensuring the parties' joint progress on the path toward a new hi-tech era.
Building Common Prosperity in Society	2022	January: The Company issued 4,880,000 privately placed common shares with a total value of NT\$1.107 billion and built a long-term strategic investment partnership with Google International LLC. The goa was to implement a phased innovative business model based on various tools such as Google Cloud, Google Workspace, and Google Glass and the concepts of "smart industry and smart city" starting in Q4 of this year, which could not only stimulate the long-term stable growth of Ennoconn's future operations, but also enable the formation of a major international alliance based on an open strategy to realize the "3+3 integrated cloud-premise services" proposed. The services include 3 major IoT solutions unveiled for on-premises systems: "standardization" of product design and development, "modularization" of hard- and software for communications, and "digitization" of information and data, as well as 3 major cloud solutions: "cloudification" of computing and storage on cloud network-linked platforms, "intelligentization" of data analysis and optimized human-robot collaboration that could constantly bring high operational performance through cloud-premise cycles, and flexible "servitization" models. Such solutions allow Ennoconn to provide comprehensive one-stop solutions covering the 5 areas of cloud computing (loT cloud connection, cloud migration, cloud usage, cloud management, and cloud protection), thereby enhancing service functions, creating usage volume, opening up new revenue streams, increasing platform values, forming a powerful ecosystem, rendering synchronized assistance to solve customers' pain points regarding cloud-premise integration technologies, security, and reliability, proactively seeking opportunities in the huge industrial metaverse (IMVS) market, and ushering in a new era of IPC 3.0 (Innovation Platform Convergence).
Appendixes	2023	Ennoconn worked with Moai Green Power Corporation through a subsidiary to jointly invest in EnnoRise Corporation. The total amount of capital was NT\$100 million; Ennoconn accounted for 60% while Moai Green Power made up 40% of it. This was a move toward the expansion of value-added smart solutions for green transformation. We intended to first focus on distributed energy storage systems to offer diverse energy storage systems ranging from 5kW to 2MW, and aim at the global markets of industrial parks, data centers, smart factories, commercial buildings, logistics centers, retail malls, etc. to provide customers with solutions that enable off-peak charge and on-peak discharge, which could not only reduce Taipower's stress caused by peak electricity demand, but also increase the application of distributed energy storage and strengthen the resilience of power grids. The Company actively expands the market scope for its business, based in Taiwan, while striving to further enter the international market.



2.2 Business Map

Goals for Sustainable Management

2.2.1 Information on Subsidiaries and Operating Locations

Ennoconn Group is headquartered in Taiwan, and has operating locations across Asia, the US, and Europe.

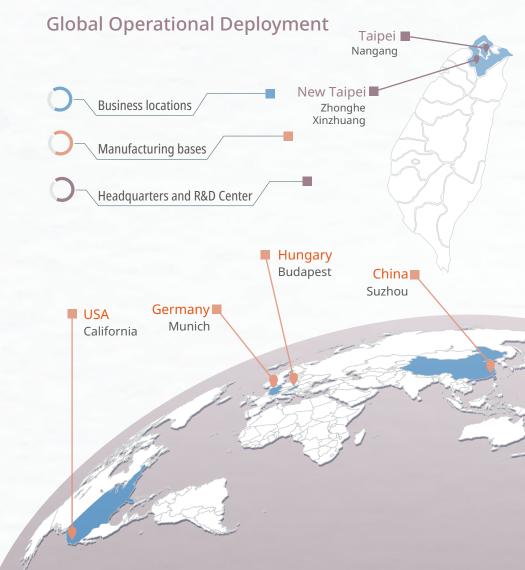
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Operating location	Area	Main products and businesses
Marketech International Corp.	Taiwan	High-tech industry factory affairs and process system planning and integration services
CASwell	Taiwan	Manufacturing of electronic parts, components, computers and peripheral equipment, wholesale of electronic materials, and provision of IT software services
Goldtek	Taiwan	Import of controlled telecommunications radio-frequency devices, and wholesale/ retail sale of IT software
Ennoconn (Suzhou)	China	R&D, production, and sales of industrial computers
Ennoconn (Hungary)	Europe	R&D, production, and sales of industrial computers
Kontron	Europe	Manufacturing and marketing of industrial computers
Vecow	Taiwan	Computer vision systems, and machine vision systems for industrial automation





2.3 Responsible Governance

Goals for Sustainable Management

2.3.1 Organizational Structure of Corporate Governance

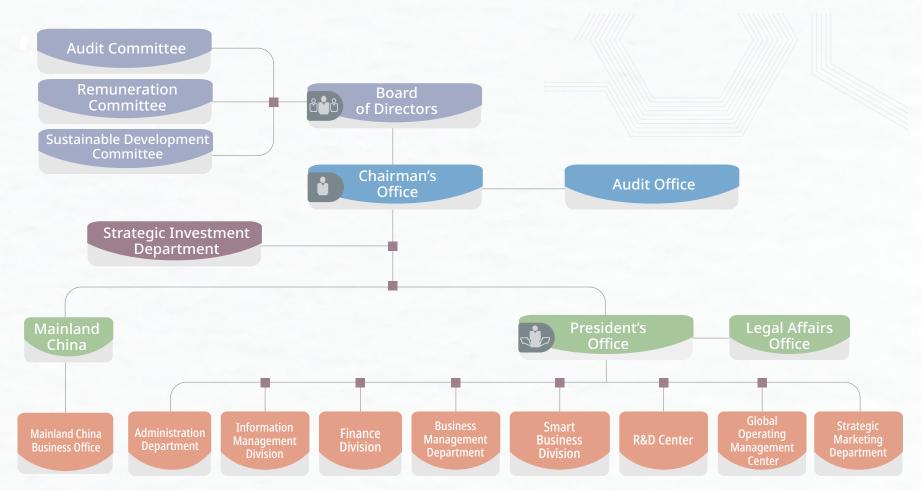
Q Organizational Structure of Ennoconn's Board of Directors and Company

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Department	Main duties				
Chairman' s Office and Staff Office	 Chairman/CEO: Integrating corporate resources, participating in decision-making Board meetings, and promoting corporate growth. Creating, reinforcing or changing the corporate culture. Setting corporate strategies, goals, and strategic mergers and acquisitions. Ensuring a senior management team that can achieve corporate goals. 				
President' s Office	 Comprehensively supervising and managing the Company's business goals, and leading all departments to implement the Company's policies. Taking charge of business/sales strategies, product planning, development of the blueprint for technological progress, and the Company's overall operations. 				
Audit Office	© Being responsible for the assessment and implementation of the Company's audit and internal control, and providing improvement suggestions to facilitate the effective operations of the Company.				
Strategic Investment Department	Drawing up various plans for mergers and acquisitions, investment strategies, and post-investment management in response to the Company's development strategy.				
Business Management Department	ρ Managing and tracking various operational performances, and planning, managing, and reviewing different management systems.				
Administration Department	 Taking care of human resource policies, and the establishment, implementation and improvement of the human resource management system. Offering staff services and managing general affairs. 				
Information Management Division	○ Handling the planning, installation and maintenance of the Company's IT systems.				
Finance Division	© Being in charge of the Company's capital planning, bookkeeping, formulation and implementation of accounting policies, financial data analysis, and stock affairs.				
Smart Business Division	 Staying on top of the global business development, product sales, customer services and operational strategies, and setting development direction. Taking care of product planning, new projects, design, R&D and production, and monitoring product status until the end of the product life cycle. Being responsible for the profit and loss of product lines, setting of retail prices, and management of the costs. 				
R&D Center	○ Coordinating the Company's R&D activities and engineering resources, and determining the R&D direction.				
Global Operating Management Center	○ Procuring various raw materials, parts and components, making production plans, and coordinating supply chain resources.				
Mainland China Business Office	ρ Making development plans for and managing the operational performances of different businesses in Mainland China.				
Legal Affairs Office	○ Providing legal support for the operation of company to protect and maximize the business interests and also minimize risks.				
Strategic Marketing Department	Making and planning a product marketing strategy and responsible for execution, market research, corporate communications and public relations.				



Comprehensive corporate governance includes a robust Board of Directors, rigorous internal control system, and stable financial control; these not only help reduce a company's business risks, but also enhance competitiveness and create brand value for a company. In addition, building a corporate culture of integrity and responsibility, abiding by laws and regulations for ethical corporate management, and maintaining a well-functioning corporate governance framework can ensure the sound development of corporate operations and protect the rights and interests of investors and other stakeholders.

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Ennoconn has established a corporate governance system in accordance with the Company Act, the Securities and Exchange Act, and relevant regulations. To achieve better protection of shareholders' equity, enhance the Board of Directors' functions, respect the rights and interests of stakeholders and increase information transparency, the "Corporate Governance Best-Practice Principles" have been developed upon the Board of Directors' approval. With fair, impartial, and open procedures for director election and measures such as the appointment of independent directors, the management and supervision functions of the Board have been strengthened. Meanwhile, the Board also approved the formulation of the "Procedures for Handling Material Inside Information" and the "Management Procedures for Insider Trading Prevention," under which insiders such as directors, managers and employees are prohibited from making a profit with material market information that has not yet been made public. Moreover, the Company has adhered to the principles of accurate, timely and fair disclosure, and set up a comprehensive information disclosure system. Information regarding the operations, finance, shareholders' meetings, Board of Directors and functional committees is made available on the Company's website and MOPS to ensure that shareholders have access to the latest information related to the Company.



Corporate Governance Best-Practice Principles



Procedures for Handling
Material Inside Information



Management Procedures for Insider Trading Prevention

The shareholders' meeting is attended by all shareholders to make decisions on the Company's material issues and receiving regular reporting from the Board of Directors; it is the Company's highest decision-making unit. The Company's Board of Directors is the highest governance body, and all the Board members fulfill the obligation of due care as good administrators, devise the Company's management policies, review financial performance, and ensure that the corporate operations are in line with various laws and regulations. In order to improve corporate governance and strengthen the Company's competitiveness, the Company's Board of Directors has established functional committees, i.e. the Audit Committee, the Remuneration Committee, and the Sustainable Development Committee, to perfect the operation of the Board of Directors. In addition, the Company has an independent Audit Office under the Board of Directors; the office regularly conducts audits and reports audit results to the Audit Committee and the Board of Directors.

Valuing corporate governance and striving for sustainable growth and ethical management, Ennoconn continues to bolster the corporate governance framework, stick to the principle of information transparency, and maintain an effective internal control system to protect the rights and interests of stakeholders. In accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies, we design the internal control system in consideration of the Company's overall operating activities, properly implement it and review it at all times, in order to respond to changes in the internal and external environment and ensure the continued effectiveness of the design and implementation of the internal control system. Through a comprehensive management mechanism, we improve our operational performance and thereby achieve the goal of sustainable management.



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Ennoconn 2023 Excellent Score in Corporate Governance Evaluation

To broaden the Company's support for directors in exercising their duties and further enhance the functions of the Board, the Company appointed a Corporate Governance Officer upon a resolution of the Board of Directors in November 2021; this officer is responsible for assisting the directors in performing their duties, providing the required materials, arranging for continuing education, dealing with matters related to Board meetings and shareholders' meetings as per laws, and guiding the Company to keep in line with relevant resolutions made at Board meetings and shareholders' meetings. The results of the 8th corporate governance evaluation announced in 2022 placed the Company in the range of top 21%-35%, the results of the 9th corporate governance evaluation announced in 2023 placed the Company in the range of top 6%-20%, while the results of the 10th corporate governance evaluation announced in 2024 placed the Company in the range of top 5%, the highest rating in the evaluation. This shows that Ennoconn has effective and sound operations and improvement in the aspect of corporate governance. In the future, we will keep striving to improve the overall synergy of corporate governance and develop greater trust of investors and stakeholders in the Company.

Ennoconn is devoted to the enhancement of ESG performance and corporate sustainable management. We were ranked in the top 5% among the listed companies participating in TWSE's 10th corporate governance evaluation, which is a significant improvement from the ranking of the top 35% in 2020. This demonstrates Ennoconn's efforts to "maintain the structure and operation of the Board, promote information transparency, protect shareholders' rights, treat shareholders equally, and fulfill corporate sustainable development" in recent years; we regard such efforts as our core corporate values and integrate them into our business strategies, thereby keeping in line with various international industry standards and becoming a benchmark enterprise in the industry. The Company uses innovative technologies or business models to increase the overall value and competitiveness for the Company and customers and create the highest ROI for shareholders, employees, enterprises, and society. Meanwhile, we strive to become a leading company in the global industry of IPC and AIoT by providing the speed, quality, engineering services, flexibility, cost, and added value desired by distributors and brand dealers, developing a green and sustainable industry, and actively pursuing corporate sustainable innovation and growth.

Meanwhile, the Company commissions KPMG to audit and attest the financial statements on a regular basis. Various information disclosures required by laws and regulations have been completed accurately and promptly. We have responsible personnel for externally disclosing the Company's information, and have a spokesperson system in place, so as to ensure the real-time and fair disclosure of all material information, and provide financial and business-related information as a reference for investors and stakeholders. Looking ahead, we will persist in our efforts to strengthen the operations of the Board, enhance information transparency, and incorporate sustainable governance strategies into our corporate governance framework in a stepwise manner.





Receiving the award of the 10th corporate governance evaluation



🖈 Corporate Governance Evaluation Trophy



2.3.2 Nomination and Selection Processes for the Highest Governance Body

Nomination and Selection Processes for the Board of Directors and Committees

Management





The proposal for the nomination of candidates for directors (including independent directors) is submitted to the Board of Directors for review and discussion. If approved upon the Board's resolution, the proposal will be put forward to a shareholders' meeting for an election of directors (including independent directors), which is subject to the Company's "Regulations for Election of Directors."

The Chairman invites the qualified ones to be the candidates for directors (including independent directors). After giving consent, the candidates are required to provide the information on the educational background and experience of the directors (including independent directors) along with relevant supporting documents, and sign the declarations of directors or independent directors in accordance with laws and regulations.

The candidate nomination system is adopted for the election of the Company's directors (including independent directors). In consideration of the Company's future operational development, the Board of Directors is open to current directors' recommendations of director candidates (including those for independent directors) who are professionals in specific fields. Finance Division, the unit responsible for the Company's Board meeting affairs, assesses whether the recommended candidates meet the eligibility requirements for directors (including independent directors) as per laws.



Functional Committees

To enhance the functions of supervision and management, the Board of Directors has established the Audit Committee, the Remuneration Committee, and the Sustainable Development Committee. These functional committees shall be accountable to the Board of Directors and submit their proposals to the Board of Directors for reporting or resolution, except when laws or regulations require them to exercise their power in an independent manner.

? Sustainable Development Committee

To improve the functions of the Board of Directors, strengthen corporate governance, and fulfill corporate social responsibility, the Company established the Sustainable Development Committee upon the Board's approval on June 23, 2022, and formed 4 teams in accordance with the "Organization Regulations of the Sustainable Development Committee": Environmental Protection Team, Social Responsibility Team, Corporate Governance Team, and Green Business Team. The Board of Directors appointed Chairman Steve Chu, Independent Director Yu-Hui Su, Independent Director Hsin-Yi Chan, Independent Director Miao-Hsin Wen, and President Nelson Tsay to serve as the members of the Sustainable Development Committee. For details on sustainability governance and business responsibility, please refer to "1.2 Framework of Sustainable Governance" in this report.



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? Audit Committee

The Audit Committee assists the Board of Directors in supervising the implementation of accounting, auditing, and financial reporting processes and the quality of financial control, and submits the evaluation results to the Board of Directors for discussion. The Board of Directors of Ennoconn adopted the "Organization Regulations of the Audit Committee" and formed the Audit Committee under the Board, with independent directors serving as the Audit Committee members. One of the members is the convener, at least one member has accounting or financial expertise, and the meeting is held at least once a quarter. Currently, the Company has 4 Audit Committee members. A total of 7 Audit Committee meetings were held in 2023, with the attendance rate of all members reaching 100%.

The Company's Chief Internal Auditor regularly holds individual communication meetings with all independent directors to report on and discuss the implementation status of the Company's internal audit and internal control; in 2023, a total of 6 individual communication meetings were held by the independent directors and the Chief Internal Auditor. The were also 2 individual communication meetings between the independent directors and the CPAs in 2023; the CPAs not only reported on the review or audit results of the financial statements to the independent directors, but also disseminated the information on relevant laws and regulations and exchanged opinions during the meetings.



Organization Regulations of the Audit Committee

Remuneration Committee

In order to promote the remuneration system for directors and managers, and to evaluate the fairness and reasonableness of the remuneration of directors and managers based on their management performance, the Board of Directors adopted the "Organization Regulations of the Remuneration Committee" and established the Remuneration Committee under the Board. The committee is required to have at least one independent director among the members. Currently, the 3 Remuneration Committee members are all independent directors. In 2023, a total of 3 committee meetings were convened, with the attendance rate of all members reaching 100%.



Organization Regulations of the Remuneration Committee



2.3.3 Avoidance of Conflicts of Interest for the Highest Governance Body

Q Audit Flowchart

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Ennoconn's corporate core value is established with legal compliance as the primary principle and integrity as the priority. The Company engages in businesses based on the spirit of integrity and legal compliance, and places importance on the morality of employees so that the philosophy of ethical management is ensured throughout the internal organization. The HR Center introduces the Company's internal regulations on integrity to all the new hires when they first report for duty, and asks them to sign the "Service Agreement" and the "Declaration of Commitment" to develop employees' awareness of integrity. Meanwhile, the HR Center requires the management to set an example by adhering to the principle of integrity, shaping the Company's overall culture of integrity by osmosis.

Internally, the President's Office is the responsible unit for promoting the ethical management policy, and by-laws such as the "Ethical Management Procedures and Code of Conduct" and "Procedures for Handling Material Inside Information" have been formulated upon the Board's resolution. Such integrity-related by-laws are disclosed on the Company's official website for stakeholders' inquiries. If employees have questions about the Company's integrity by-laws, they can make inquiries not only on the official website but also through multiple channels, i.e. email, telephone, etc.

In addition, we have a diversity of reporting channels in place. Stakeholders can submit a whistleblower report through the stakeholder section on the Company's official website or through the contact mailboxes of different businesses. When a report is received, the President's Office assigns dedicated personnel to carry out an investigation. In principle, a whistleblower should provide his/her name and relevant information of the reported incident in the report, including but not limited to the name of the subject of whistleblowing, the time, place, and circumstance of the incident, and other basic information and evidence. However, if the whistleblower anonymously provides specific evidence, follow-up investigations will also be conducted by the dedicated personnel. If a dedicated person has an interest relationship with the whistleblower or the subject of the reported case, or has a relationship that may affect the handling of the case, he/she should disclose such relationship and leave the investigation to other personnel. Meanwhile, the investigation process should be handled impartially and confidentially. The Company does not reveal the identity of whistleblowers, and is committed to protecting whistleblowers from misconducts as a result of their reports.



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In terms of business interactions, our employees should explain to the counterparties the Company's ethical management policy and relevant regulations when performing their duties, and explicitly reject any direct or indirect offering of, commitment to, request for or acceptance of improper gains in any form or name. Also, they should avoid engaging in commercial transactions with agents, suppliers, customers or other business partners that are involved in unethical conduct. After discovering any unethical conduct by a party that has business or cooperation relationship with the Company, the employees should assess whether the party is to be rejected for business transactions, so that the ethical management policy is adhered to. When signing a contract with a counterparty, the employees should fully understand the integrity status of the counterparty, and incorporate compliance with Ennoconn's ethical management policy into the terms of the contract. The matters to be covered in such contract whenever possible include but are not limited to the following: When a party is aware that any of the personnel violated the other party's contract terms prohibiting the receipt of commissions, kickbacks, or other undue gains, the party shall immediately and truthfully inform the other party of the person's identity, method of offering, commitment, request or acceptance, and amount or other gains involved, provide relevant evidence and cooperate with the other party's investigation; a party suffering any damages resulting therefrom may claim from the other party, and may deduct the full amount of the damages from the contract price payable. If a party is involved in unethical conduct in its commercial activities, the other party reserves the right to terminate or rescind the contract unconditionally at any time.

The ethical management performance in 2023 is detailed below

- All new employees recruited this year signed the "Agreement on Integrity and Intellectual Property," and the Ethical Management Procedures and Code of Conduct were promoted during the new employee training on March 15, June 28, September 28, and December 28 in 2023. The training totaled 4 hours, with 30 people participating.
- Participants in the confidential project meeting have signed an NDA.
- □ In 2023, no reports of ethics and integrity-related incidents were received from the Company's official website, HR mailbox, audit mailbox, or the President's mailbox.
- □ In 2023, the "Training on Ethical Management and Insider Trading Prevention" was provided for directors, managers and all employees on February 24, September 25, November 23 and December 1. The training totaled 6.5 hours, with 668 participants involved. In particular, the "Training on Material Inside Information and Prevention of Insider Trading" held on December 1, 2023 for all directors, managers, and employees lasted 1 hour, and was attended by a total of 194 people; thus, the total education and training time was 194 hours.



Ethical

Management Procedures

and Code of Conduct



2.3.4 Board Diversity and Independence

Goals for Sustainable Management The Board of Directors maps out the Company's management strategies, and is accountable to shareholders and other stakeholders. The directors faithfully perform their duties, fulfill the obligation of due care as good administrators, and exercise their powers with prudence. The implementation of the Company's businesses as well as the operations and arrangements regarding various governance systems should be subject to the Board's resolution, except for those required to be resolved at the shareholders' meeting as per laws or the Articles of Incorporation. Ennoconn's Articles of Incorporation stipulates that a candidate nomination system is adopted for the election of directors. Such election takes place periodically and is based on the principle of selecting those with the necessary competency. Meanwhile, according to the Corporate Governance Best-Practice Principles, the composition of the Board should not have more than one-third of directors concurrently serving as the Company's managers, and should take account of the diversity policy, including but not limited to the standards in 2 major aspects: basic criteria and values, and professional expertise and skills. Also, the members should generally possess the knowledge, skills and core competencies required to perform their duties.



The directors of Ennoconn have both professional abilities and extensive practical experience in the industry, and are well aware of the development of the industry. In May 2023, 1 independent director was re-elected at the shareholders' meeting. The current Board of Directors consists of 7 directors (including 4 independent directors) in service; there are 4 female directors, accounting for 57.14% of the Board's members. Each director has a term of office for 3 years, and the Board meeting is required to be held at least once a quarter as per laws. In 2023, a total of 7 Board meetings were convened, with the overall director attendance rate reaching 100%.

Sustainable Innovative Services The information on the professional qualifications of directors and the independence of independent directors is disclosed as follows:

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Number of other public companies for which the Professional qualifications and experience Note 1 Independence status Note 2 Title Name person concurrently serves as an independent director Mr. Chu graduated from the Department of Electronic Engineering, St. John's & St. Mary's Institute of Technology, and was formerly the Senior Assistant Vice President of Hon 0 Steve Chu Chairman Hai Precision Industry Co., Ltd. He has the abilities to make N/A operational judgments, conduct business management, handle a crisis and make decisions, and possesses industrial knowledge. international market perspective, and leadership skills. Mr. Chang holds a degree of Master of Advanced Business Administration, Feng Chia University, and is currently the Chuan-Operations Management Associate of Hon Hai Precision Industry Director N/A Wang Co., Ltd. He has the abilities to make operational judgments, Chang conduct business management and handle a crisis, and possesses industrial knowledge. Ms. Hong holds a degree of Master of Business Administration, National Chengchi University, and is currently the Chief Financial Mei-Hui Officer of Hon Hai Precision Industry Co., Ltd. She has the abilities N/A Director 0 Hung to make operational judgments, conduct business management, handle a crisis, and perform accounting and financial analysis.

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Introduction	Name	Title	Professional qualifications and experience Note 1	Independence status ^{Note 2}	Number of other public companies for which the person concurrently serves as an independent director
Goals for Sustainable Management	Yu-Hui Su	Independent director	Ms. Su holds a degree of PhD in Business Administration, National Taiwan University. She was formerly the head of the Department of Accounting, Soochow University, and is currently an independent director of InWin Development Inc., Makalot Industrial Co., Ltd., etc. She has the abilities to perform accounting and financial analysis as well as handling a crisis, and possesses international market perspective. None of the circumstances under Article 30 of the Company Act applies.	Independent Director Yu-Hui Su has completed the verification according to the independence requirements specified in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission 2 years prior to the election and during the term of office, and still meets the relevant independence requirements.	3
Corporate Governance Sustainable Innovative Services	Hsin-I Chan	Independent director	Ms. Chan holds a degree of EMBA of National Taiwan University, and a degree of Master of Finance of Boston University (USA). She is currently the chairperson of several companies, including HUANG HUEI BIOTECHBOLOGY CORP., Jianlian Investment Co., Ltd., etc. She has the abilities to perform accounting and financial analysis, make operational judgments, conduct business management, and handle a crisis. None of the circumstances under Article 30 of the Company Act applies.	Independent Director Hsin-I Chan has completed the verification according to the independence requirements specified in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission 2 years prior to the election and during the term of office, and still meets the relevant independence requirements.	1
	Miao-Hsin Wen	Independent director	Ms. Wen holds a degree of MBA of Rutgers University (USA), and was formerly the Vice President of Citibank Financial Markets and Securities Services Group. She has the abilities to perform accounting and financial analysis and handle a crisis, and possesses international market perspective. None of the circumstances under Article 30 of the Company Act applies.	Independent Director Miao-Hsin Wen has completed the verification according to the independence requirements specified in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission 2 years prior to the election and during the term of office, and still meets the relevant independence requirements.	0
Devotion to Environmental Sustainability	Huang-Hsu Tu	Independent director	Mr. Tu holds a bachelor's degree in mechanical engineering from St. John's University, and is currently the General Manager of Pan German Universal Motors Ltd. He has the abilities to make operational judgments, conduct business management, handle a crisis and make decisions, and possesses industrial knowledge, international market perspective, and leadership skills. None of the circumstances under Article 30 of the Company Act applies.	Independent Director Huang-Hsu Tu has completed the verification according to the independence requirements specified in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission 2 years prior to the election and during the term of office, and still meets the relevant independence requirements.	0
Environmental	Tu Note1: Profes	director ssional qualific a member of	St. John's University, and is currently the General Manager of Pan German Universal Motors Ltd. He has the abilities to make operational judgments, conduct business management, handle a crisis and make decisions, and possesses industrial knowledge, international market perspective, and leadership skills. None of	verification according to the independence requispecified in "Regulations Governing Appointmen Directors and Compliance Matters for Public Compromulgated by the Financial Supervisory Comprior to the election and during the term of office the relevant independence requirements. Deterience of individual directors and supervisors, the accounting or financial background and	irements at of Independent apanies" anission 2 years and still meets ars are required to

whether none of the circumstances under Article 30 of the Company Act applies shall also be provided.

Note2: For an independent director, his/her compliance with the independence criteria shall be specified, including but not limited to whether the independent director or his/ her spouse or relative within the second degree of kinship serves as a director, supervisor or employee of the Company or its affiliates; the number and percentage of shares held by the independent director or his/her spouse or relative within the second degree of kinship (or in the name of others); whether the independent director is a director, supervisor or employee of a company with which the Company has a specific relationship (refer to the provisions of Subparagraphs 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies), and the amount of remuneration received for offering commercial, legal, financial or accounting services to the Company or its affiliates in the most recent 2 years.



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The information on the diversity of Board members is disclosed as follows:

				Basic	Inforn	nation				Industrial experience			Professional abilities											
	Nationality	Gender	Concurrently employee of Company		Ąį	ge		ser ind	ears of vice as epende lirector	an ent	Industrial computers	Computers and peripheral equipment	Automotive industry	Account Fina	Business administration	Financial a	Information technology	Risk control	Operational judgments	Crisis handling	Industrial knowledge	International perspective	Leadership	Decision-making ability
Name of director	nality	lder	ently an ee of the pany	Below 50	51 to 55	56 to 60	61 to 65	Less than 3 years	3 to 9 years	More than 9 years	computers	ers and equipment	e industry	ounting and Finance	iness stration	Financial accounting	ormation hnology	ontrol	tional nents	andling	knowledge	ational ective	ership	-making lity
Steve Chu	ROC	Male	0				0				0	0			0		0	\odot	0	\odot	⊘	0	\odot	0
Mei-Hui Hung	ROC	Female		0								0		0	0	0		0	0	0		0	0	0
Chuan- Wang Chang	ROC	Male			0							0			0		0	0	0	0	0	0	0	0
Yu-Hui Su	ROC	Female			0				0					0		0		0		0		0		
Miao- Hsin Wen	ROC	Female				0		0						0		0		0				0		
Hsin-I Chan	ROC	Female		0				0						0	0	0				0				
Huang- Hsu Tu	ROC	Male					0	0					0		0				0	0	0	0	0	0

According to Article 20 of the Company's "Corporate Governance Best-Practice Principles," diversity shall be taken into account for the composition of the Board. The Board should not have more than one-third of directors concurrently serving as the Company's managers, and should formulate a diversity policy based on the Board's operations, business model and development needs. It is advisable to include (but not be limited to) the standards of the following 2 major aspects in the said policy:

- ⇔ Basic criteria and values: Gender, age, nationality, and culture, etc.
- Professional expertise and skills: Professional background (e.g. in law, accounting, industry, finance, marketing, or technology), professional skills, and industrial experience. All board members should generally possess the knowledge, skills and core competencies required to perform their duties.



Goals for Sustainable Management



⇔ Ability to make operational

judgments.

Leadership skills.

Ability to perform accounting and financial analysis.

To achieve the ideal goals of corporate governance, the Board of Directors as a whole should be equipped with the following capabilities:

Ability to make decisions.

Ability to conduct business management.

International market perspective.

⇔ Ability to handle a crisis.

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2.3.5 Performance Evaluation of the Board of Directors

shareholders' meeting in 2022; currently, there are 7 directors, including 4 female directors (57.14%).

In order to establish a sound operating system for the Board of Directors, improve the supervisory function, and ensure that independent directors maintain independence when carrying out their duties, the Board of Directors of Ennoconn has passed the "Rules of Procedures for Board of Directors Meetings" to clearly define the scope of responsibilities of independent directors for compliance. Directors shall recuse themselves for avoidance of conflict of interest with a high degree of self-discipline. Where any director or the juristic person represented thereby has a stake in any proposal at the Board meeting, that director may not participate in the discussion or vote on that proposal, shall recuse himself or herself from the discussion and voting, and may not exercise voting rights on behalf of any other director.

The Company's current Board of Directors consists of 7 directors, including 4 independent directors. The members have extensive experience and expertise in the fields of financial accounting, management, and the industrial computer industry, demonstrating that the diversity policy is carried out to enhance the structure of the Company's Board of Directors. In terms of gender equality in the composition of the Board, a target of having female directors account for more than 25% of the Board has been set. The Board of Directors supports and supervises the actions taken by the management to increase the ratio of female senior managers. The aforementioned target was met through the election of directors at the

Meanwhile, to improve the Board's decision-making quality, the Board of Directors has passed the "Regulations for Performance Evaluation of the Board of Directors," under which the internal performance evaluation of the Board, individual Board members and functional committees is performed annually, with the unit responsible for the Company's Board meeting affairs distributing questionnaires to the Board members for self-evaluation. Besides this, an external professional independent institution or a team of external experts and scholars is commissioned to carry out the evaluation every 3 years. The results of the performance evaluation of the Board of Directors may be used as the reference for future director election or nomination; the results of the performance evaluation of individual directors.





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Reinforcement plans

- Ω Arranging professional continuing education courses
- □ Enhancing the effective communication between independent directors, Chief Internal Auditor, and CPAs
- ρ Enhancing directors' participation in the Company's operations

Performance evaluation mechanism for the Board of Directors

- ρ Annual questionnaire-based self-evaluation
- - ⊕ Internal performance evaluation: In 2023, the average score of performance self-evaluation by Ennoconn's Board members was 94.3, the average score of performance self-evaluation by the Board of Directors was 98.7, and the average score of performance self-evaluation by the functional committees was 95.8.
 - External performance evaluation: To boost the independence of performance evaluation, Ennoconn appointed Taiwan Corporate Governance Association to complete the external performance evaluation of the Board of Directors and functional committees for 2022. The Taiwan Corporate Governance Association issued the evaluation report and certification on January 16, 2023. Since the external performance evaluation is conducted once every 3 years, there was no external performance evaluation of the Board of Directors and functional committees carried out for 2023.
 - ⊕ The Company submitted the results of the 2023 internal performance evaluation of the Board of Directors and functional committees to the Board meeting on March 7, 2024.



Rules of Procedures for Board of Directors Meetings



Regulations for Performance Evaluation of the Board of Directors

2.3.6 Continuing Education and Collective Knowledge of the Board of Directors

The Company has established the "Regulations for Performance Evaluation of the Board of Directors" to conduct performance self-evaluation of the Board members every year. The evaluation indicators include the observance of relevant laws and regulations, participation in the Company's operations, directors' compliance with the principle of conflict-of-interest recusal, and fulfillment of the required annual continuing education hours for directors.

In light of the issues related to compliance with various laws and governance practices that directors might face during the participation in the Company's operational decision-making process, the Company actively encourages and arranges for directors to take relevant professional courses. In 2023, the continuing education hours spent by all 7 directors totaled 60 hours. In the future, the Corporate Governance Officer will increase the continuing education training and the courses related to corporate sustainable management for directors. At Ennoconn, we believe that the Board of Directors, with ethical governance and extensive industrial experience, is going to lead the Company to better prosperity, and enable the Company to make great strides on the road of sustainable management permanently.

2.3.7 Impact Assessment for Material Topics by the Highest Governance Body

To effectively manage and fulfill corporate governance, ethical management and corporate social responsibility, the Company has successively formulated regulations such as the "Sustainable Development Best-Practice Principles," "Corporate Governance Best-Practice Principles," "Ethical Management Procedures and Code of Conduct" and "Code of Ethical Conduct" upon the Board's approval. The functional units introduce relevant measures based on the division of responsibilities and in accordance with the Company's policies, and review the performance of implementation every 6 months. All the functional units also pay close attention to related international initiatives and regulations, and always check whether relevant regulations and procedures need to be updated.

In 2023, the Board of Directors held a total of 7 meetings (at least 1 meeting convened every 2 months on average) to review the corporate management performance and discuss important ESG strategies/issues, key material topics and relevant events, including the economic, environmental and social impacts, risks and opportunities, etc. Economic, environmental, and social topics and their impacts, risks, and opportunities, as well as stakeholders' opinions, are considered by the Board of Directors for the resolution of material matters. The Board of Directors regularly receives reports from the management team, engages in a dialogue with the management, assesses the risks and probability of success of the operational strategies proposed by the management, regularly reviews the progress and results of the strategies, and urges the management team to make adjustments.



2.3.8 Remuneration Policy for the Highest Governance Body

Management

The main duties of the Remuneration Committee are to establish and regularly review the systems and standards regarding the performance of and remuneration for directors and managers, as well as regularly assessing the remuneration for directors and managers. Meanwhile, the Remuneration Committee shall consider the following principles in the process of assessment:

- Corporate Governance
- Director remuneration: According to Article 16 of the Company's Articles of Incorporation, the Board of Directors may be authorized to determine the remuneration of all directors based on their respective participation in the Company's operations and the value of their respective contributions, and with reference to the standards adopted in the same industry, regardless of the Company's operating profit or loss. In addition, if there is any profit in the year, the Company shall appropriate no more than 2% of the profit as the remuneration for directors according to Article 20 of the Articles of Incorporation.

Regular assessment of director remuneration: The director performance measurement standards are based on the Company's annual operating indicators related to operations, governance and financial results, and the results of the directors' performance evaluation serve as the basis for evaluation. Reasonable remuneration is given with reference to the Company's overall operating performance and ESG performance, as well as the individual contribution of directors. The rationality of relevant performance evaluation and remuneration is reviewed by the Remuneration Committee and the Board of Directors for approval; the Board of Directors further formulates the proposal for distribution of director remuneration and reports it to the shareholders' meeting.

Managers remuneration: Various work allowances and bonuses are provided under the Company's salary policy to appreciate and reward employees for their efforts at work. Extra bonuses are also given according to the Company's annual operating performance, financial status and operating status as well as employees' personal performance. In addition, if there is any profit in the year, no less than 2% of the profit shall be appropriated as employee remuneration according to Article 20 of the Articles of Incorporation. The results of performance evaluation conducted by the Company in accordance with the "Performance Management Regulations" are used as the reference for bonus distribution for managers. The total amount of employee remuneration is reviewed by the Remuneration Committee and the Board of Directors for approval. The Board of Directors further formulates the proposal for distribution of employee remuneration and reports it to the shareholders' meeting.

The assessment items for the remuneration for directors and managers include financial indicators—target achievement rate, corporate profitability, contribution to revenue, etc., and non-financial indicators—operational management ability, participation in sustainable management, involvement in incidents related to ethical risks, the Company's ESG performance, etc. The performance and remuneration of managers are assessed on a regular basis. The assessment of managers' personal performance and contribution are based on the Company's operating performance, departmental management performance, and procedures for performance evaluation. The operating performance and results are appropriately reflected in the managers remuneration.

- In 2023, the actual amount of remuneration distributed to directors and managers was reviewed by the Remuneration Committee and reported to the Board of Directors for resolution.
- The Company has taken out director liability insurance, and there has been no case of litigation. Therefore, it is unlikely that the directors will have to assume any responsibilities, obligations or liabilities in the future.

The Remuneration Committee strictly abides by the obligation of due care as a good administrator, faithfully performing the duties of establishing and regularly reviewing the policies, systems, standards and structures for the performance evaluation and remuneration of directors and managers, and periodically assessing and determining the remuneration for directors and managers. The committee also submits the proposals to the Board of Directors for discussion. For the members of the Remuneration Committee and their attendance and resolutions, please refer to "Remuneration Committee Operation" in the annual report of the Company's 2023 shareholders' meeting.



2.4 Financial Performance

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2.4.1 Business Performance

Q Operating Revenue and EPS for 2020–2023

unit: NT\$ thousand



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Year	Operating revenue	Operating cost	Operating profit	Net profit after tax	Earnings per share	
2020	84,091,485	64,498,302	3,674,025	3,130,291	11.86	
2021	85,367,035	68,322,139	2,414,332	3,352,124	13.91	
2022	108,228,533	88,617,581	3,083,064	10,212,093	32.62	
2023	121,640,976	98,042,051	5,205,506	5,403,382	19.01	

In addition, the Company focuses on resource integration, expands local overall manufacturing services in customers' areas, and obtains product design and manufacturing turnkey contracts from major customers to provide one-stop product services as a whole. At the same time, we also develop high-growth, high-value and high-margin products and solutions, integrate existing product lines, increase the diversity of industrial computer products, actively deploy IoT platforms from cloud, systems to terminals, and improve our competitiveness in existing fields, thus having better growth potential compared to other listed industry peers.

In terms of the relevance of the value chain, the upstream parts and components include CPUs, chipsets, memories, logic ICs, passive components, PCBs, connectors, casings, mechanical components, panels, touch panels, and power supplies. After midstream assembly, motherboards, barebone systems/system products, and peripheral products are made and delivered to downstream system integrators, POS software/hardware distributors, and ODM/OEM customers.

In this phrase, IPC 3.0 (Innovation Platform Convergence) has been developed with cloud technologies such as Google Cloud, Google Workspace and APIs integrated to achieve "3+3 integrated cloud-premise services." The services include 3 major AloT solutions unveiled for on-premises systems: "standardization" of product design and development, "modularization" of hard- and software for communications, and "digitization" of information and data, as well as 3 major cloud solutions: "cloudification" of computing and storage on cloud network-linked platforms, "intelligentization" of data analysis and optimized human-robot collaboration that could constantly bring high operational performance through cloud-premise cycles, and flexible "servitization" models. Such solutions allow Ennoconn to provide comprehensive one-stop solutions covering the 5 areas of cloud computing (IoT cloud connection, cloud migration, cloud usage, cloud management, and cloud protection), thereby enhancing service functions, creating usage volume, opening up new revenue streams, increasing platform values, forming a powerful ecosystem IoT, and rendering assistance to solve customers' issues regarding cloud-premise integration technologies, security, and reliability.



2.4.2 Products and Services

Unit: NT\$ thousand

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ltem	Production and sales of motherboards	Maintenance of motherboards	Production and sales of network communications products	hardware	Factory affairs and electromechanical system service	Others	Less: Discontinued operations	Total
Operating revenue in 2023	15,900,774	142	3,990,752	40,837,701	56,279,732	4,810,159	-178,284	121,640,976
Percentage in operating revenue in 2023	13.07%	0.00%	3.28%	33.57%	46.27%	3.95%	-0.15%	100.00%

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2.4.3 Customers and Markets

Unit: NT\$ thousand

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		20	20	20	21	20	22	2023		
Type of trade	Market area	Operating revenue	Percentage in the operations	Operating revenue	·		Percentage in the operations	Operating revenue	Percentage in the operations	
Domestic sales	Taiwan	12,264,960	14.59%	19,130,961	22.41%	21,455,921	19.82%	21,123,052	17.37%	
	Asia	20,042,926	23.83%	22,171,281	25.97%	27,896,503	25.78%	22,841,404	18.78%	
E	Americas	10,652,484	12.67%	11,456,490	13.42%	21,438,739	19.81%	33,010,450	27.14%	
Export	Europe	40,798,982	48.52%	32,220,279	37.74%	37,337,759	34.50%	44,620,938	36.68%	
	Others 332,134 0.39% 388,024 0.469		0.46%	99,771	0.09%	45,132	0.03%			
То	tal	84,091,486	100.00%	85,367,035	100.00%	108,228,693	100.00%	121,640,976	100.00%	



2.4.4 Tax Policy

Adhering to the principle of ethical management, Ennoconn pays reasonable taxes in compliance with the tax regulations and laws of government agencies at all levels, and contributes to the economy, environment, and society of the locations where it operates. The Company's tax policy focuses on the following principles:

Management



Sticking to the relevant tax laws and the spirit of legislation in all locations of the Company's operations.



Transferring no profits and value created by the Company to regions with low tax rates.



Taking tax impacts into account when making the Company's important operational decisions.



Engaging in transactions based on the arm's length principle and in accordance with the internationally accepted **Transfer Pricing Guidelines** announced by the Organization for Economic Co-operation and Development (OECD).



Building a relationship of mutual respect with tax authorities based on mutual trust. communication and information transparency.



Ennoconn's operations around the globe observe the tax laws and regulations of the respective countries. Changes in tax laws may cause additional tax costs and have an adverse impact on the Company's overall operation. In order to effectively manage tax-related risks, it is necessary to identify potential problems of tax costs and tax reporting, and report them to the Board of Directors on a regular basis based on the level of risk.



2.5 Compliance

the actions

Stakeholder

engagement

Previous actions effective or not: Yes.

Communication channels with stakeholders:

https://www.ennoconn.com/zh-tw/stakeholder-contacts/

ρ Experiences learned: None.

Goals for Sustainable Management

2.5.1 Impact Assessment and Management Approaches for Material Topics (Legal Compliance)

Stakeholders: Employees, suppliers, customers, competent authorities, and shareholders (investors).

External complaint: Communication channels for issues of concern set up in the stakeholder section of the official website.

Internal complaint: A smooth internal complaint channel with the Company's internal mailbox.





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Impact assessment	 Positive: The Company's strict compliance with regulatory requirements will help avoid damage to the reputation, environment, and human rights of employees, customers, suppliers, shareholders, and investors. Negative: There is a risk of facing fines or non-monetary penalties for violating laws and regulations, and legal liabilities might have certain impact on the environment and human rights of employees, customers, suppliers, shareholders, and investors.
Policies and commitments	 External: The "Ethical Management Procedures and Code of Conduct" is made available on the Company's official website. Internal: The importance of legal compliance is emphasized by internally reminding of legal compliance and arranging relevant education and training. For suppliers: Confidentiality clauses and intellectual property protection clauses, etc., are included in the contracts with suppliers to ensure their integrity during transactions, firmly prohibit bribery (corruption), and prevent infringement of intellectual property rights and other inappropriate behaviors.
Competent authority	Legal Affairs Office
Management actions	 Prevention & mitigation:Internal promotion of legal compliance to employees on a regular basis. Impact management: The Company's operation and management must be in line with relevant laws and regulations of the places where it operates, and all employees must scrupulously observe the Company's by-laws and internal control system to maintain a stable and sustainable corporate management structure.
Follow-up to	 Resources and actions: Continuous enhancement of relevant rules and systems, promotion of legal compliance and integrity education and training, and maintenance of a risk assessment mechanism. Target: Developing a robust culture of legal compliance.



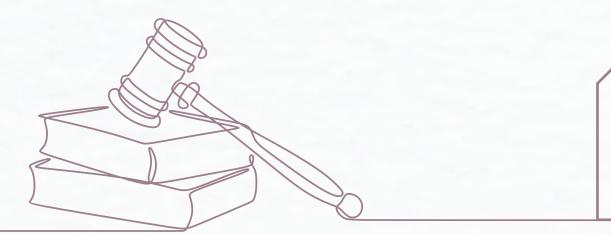
Management



Legal compliance is the foundation of business operations. The Company introduces the internal regulations on integrity to all the new hires when they first report for duty, and asks them to sign the "Service Agreement" and the "Declaration of Commitment." In addition, owing to the great variety of laws and regulations, our departments learn the latest changes in relevant laws and regulations through the interaction with government agencies or through media reports, and further arrange internal and external training for their respective employees, thereby ensuring that the Company's operations are in line with various laws and regulations.

We have formulated internal regulations related to integrity and repeatedly advocated that integrity is our core value. With the establishment and implementation of a series of regulations, self-review, smooth whistleblowing channels and protection for whistleblowers, etc., a comprehensive "firewall" for legal compliance has been built. The management sets a good example while requiring every employee to ensure that their business practices are compliant with laws and the Company's policies/by-laws, reviews the compliance status through the annual internal control self-evaluation, and accepts internal audits. Guidelines to be followed by the employees during their performance of duties have been set out, requiring that all employees of the companies under the Group shall adhere to the "Ethical Management Procedures and Code of Conduct" and "Code of Ethical Conduct" regardless of their position, level, or location, so that the Company can win the public's trust, boost corporate image, and ensure sustainable corporate management and development; the content covers the guidelines for the workplace, equal opportunities, confidentiality clauses, prohibition of concurrent employment, conflict-of-interest recusal, offering or acceptance of gifts and business etiquette, respect for employees and customers, whistleblowing, protection and exemption, etc. Moreover, to prevent and avoid any punishment for violating the rules regarding fair competitive practices and anti-trust, a relevant code of conduct has been specially devised for the management and employees of the Company to comply with during business practices, so as to reduce the risk of violating laws. Ennoconn is involved in industrial competition with integrity and fairness as the principles and develops a corporate culture of legal compliance, creating goodwill as a trustworthy and honorable Company.

For environmental safety and health, relevant supervision, measurement and performance management mechanisms have been established to make sure that the Company is in line with regulatory requirements for environmental protection and occupational safety throughout the life cycle of products and services, and to effectively implement the environmental and occupational safety management systems. By means of management cycle, we discover potential problems, take control measures in a timely manner, and thus avoid any harm to the Company. In terms of the overall legal compliance practice in 2023, there were no violations concerning corporate governance, securities trading, environmental protection, labor human rights, occupational safety, breach of customer privacy, marketing labeling, and product liability, and no penalties were imposed.





Code of Ethical Conduct



2.5.2 Policy Commitment

Goals for	Policy commitment	Highest unit approving the commitment	Applicable activities and scope	Communication topic(s)	Communication channels
Sustainable Management Corporate Governance	Code of Ethical Conduct	Approved by the Board of Directors	The Company's directors and managers (including the president or its equivalent, vice presidents or their equivalents, assistant vice presidents or their equivalents, chief financial and accounting officers, and any other persons authorized to manage affairs and sign documents on behalf of the Company).	 Article 2: (1) Prevention of conflicts of interest; (2) Avoidance of opportunities for personal gains; (3) Fair trade. 	 Internal and external promotion: Policy disclosure on the intranet and the official website. Education and training: New employee training (promotion of the Code of Ethical Conduct), and courses on the principle of integrity and anticorruption.
Sustainable Innovative Services	Ethical Management Procedures and Code of Conduct	Approved by the Board of Directors	Subsidiaries, any foundation to which the Company has directly or indirectly made contribution of accumulative funds exceeding 50%, and other institutions or juridical persons, such as group enterprises and organizations, which are substantially controlled by the Company.	 Article 13: Prohibition of unfair competitive practices. Article 17: Prohibition of corruption and bribery. 	 Internal and external promotion: Policy disclosure on the intranet and the official website. Education and training: New employee training (promotion of the Code of Ethical Conduct), and courses on the principle of integrity and anticorruption.
Devotion to Environmental Sustainability Building Common Prosperity in	Human rights policy	Approved by the Board of Directors	All employees, suppliers/contractors, and business partners of the Company.	 Compliance with applicable laws and regulations to provide a safe and healthy place. Maintenance of a workplace free of violence, harassment and intimidation, and respect for employees' privacy and dignity. Prohibition of child labor. Prohibition of forced labor. Elimination of unlawful discrimination, and guarantee for workplace equality in hiring and promotion. Respect for employees' freedom of association. 	 Internal and external promotion: Policy disclosure on the intranet and the official website. Education and training: New employee training (training on human rights), and courses on labor human rights.
Appendixes	Environmental energy policy	Approved by the President	All employees of the Company.	○ Introduction of energy management systems that are compliant with ISO 14001:2015 and ISO 50001:2018 standards, and commitments to environmental protection: legal compliance, pollution prevention, energy conservation and carbon reduction, participation of all employees, and continuous improvement.	 Internal and external promotion: Policy disclosure on the intranet and the official website. Education and training: New employee training (promotion of the energy policy), energy management training, and awareness-raising training on energy conservation and environmental protection.



2.5.3 Legal Compliance

Statistics on Monetary Penalties for Violations of Laws and Regulations in Recent Years

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Category	Item	2020	2021	2022	2023
Total No. of violation cases subject to monetary penalties	3 aspects (governance, environment, and society)	0	0	0	0
	Issues related to integrity and corruption	0	0	0	0
Aspect of governance	Cases related to competitive (trust) and monopoly practices	0	0	0	0
	Others related to the competent financial authorities	0	0	0	0
	Air pollution emissions	0	0	0	0
	Water pollution discharge	0	0	0	0
Aspect of environment	Waste management	0	0	0	0
	Others related to the competent environmental authorities	0	0	0	0
	Related to the Labor Standards Act	0	0	0	0
Aspect of society	Related to occupational safety and health	0	0	0	0
	Others related to the competent labor authorities	0	0	0	0
Total amount of penalties imposed for violations	3 aspects (governance, environment, and society)	0	0	0	0

Statistics on Non-monetary Penalties for Violations of Laws and Regulations in Recent Years

Category	Item	2020	2021	2022	2023
Total No. of violation cases subject to non- monetary penalties	3 aspects (governance, environment, and society)	0	0	0	0
	Issues related to integrity and corruption	0	0	0	0
Aspect of governance	Cases related to competitive (trust) and monopoly practices	0	0	0	0
	Others related to the competent financial authorities	0	0	0	0
	Air pollution emissions	0	0	0	0
	Water pollution discharge	0	0	0	0
Aspect of environment	Waste management	0	0	0	0
environment	Others related to the competent environmental authorities	0	0	0	0
	Related to the Labor Standards Act	0	0	0	0
Aspect of society	Related to occupational safety and health	0	0	0	0
	Others related to the competent labor authorities	0	0	0	0



2.6 Information Security

2.6.1 Impact Assessment and Management Approaches for Material Topics (Information Security)





assessment

Impact

Positive: Effective information security measures and management help ensure the privacy and personal data of employees, customers, suppliers and investors, and ensure compliance with regulatory requirements to reduce legal and human rights risks.

- and Introduction of information security facilities and management: This will help prevent data loss and system interruption, reduce the risk of business disruption, and protect the human rights of employees, customers, suppliers and investors.
- △ Enhancement of customer trust: Measures will be taken to protect personal data from being leaked.

Negative: The lack of information security measures and management may pose risks of operational disruption, customer data breach, and the loss of human rights governance.

- A Risk of operational disruption: Information security deficiency may lead to the interruption of system services and impact customers, employees, suppliers and other value chains.
- A Reputational damage due to personal data breaches: Poor information security management may lead to data breaches and damage corporate governance, reputation, human rights, and customer trust and satisfaction, or even result in customer claims and legal penalties.

Ennoconn is committed to fulfilling its corporate social responsibility and pursuing sustainable management. We actively promote a corporate culture of information security, and continuously construct our information security management system. Based on this philosophy, we have established an information security policy covering the following to meet our commitment:

- and control standards are established to ensure the confidentiality, integrity and availability of information assets. These include the guidelines on data access, network security, and application security to ensure that the Company's information assets are properly protected.
- A Risk management: The Company actively assesses information security risks, identifies potential threats and weaknesses, and looks for best practices, with a view to reducing and controlling such risks to protect the security of the Company's and customers' data.
- △ Incident response: A comprehensive response plan is devised to deal with information security incidents. The plan contains risk assessment, reporting procedures. incident follow-up and recovery planning, ensuring rapid and effective response to potential information security threats.
- are Continuous enhancement of the information security environment: The Company is committed to the establishment and maintenance of a secure information environment, constantly assessing emerging technologies and threats, adjusting the information security policy, carrying on the improvement of the information security mechanism, and regularly conducting information security training and simulation exercises to ensure the ability to cope with changing risks.
- A Employee training and education: Through regular training, we build all employees' awareness of information security, emphasize their roles and responsibilities in terms of information security, and establish an information security culture that includes all employees.

Competent authority

Policies and

commitments

Information Security Management Department



ntroduction		ρ Prevention & mitigation:						
in oddelon								
		□ Introduction of the ISO 27001 information security management system to establish, implement, monitor and improve the information security management system, and develop a risk assessment system and preventive measures.						
oals for Istainable								
anagement	Management	□ Introduction of information security equipment and tools, such as firewalls, intrusion detection systems and vulnerability assessment, to strengthen system protection.						
	actions	≗ Establishment of a backup mechanism for regular system and data backup, so that the need for system and data restoration in case of disasters can be satisfied.						
		△ Information security review, i.e. the regular security review of systems, to ensure compliance and greater protection.						
Corporato		□ Impact management:						
Corporate Governance								
stainable		△ Regular disaster recovery drills: Through regular drills, the chaos in the event of an accident can be averted, which ensures that the Company can rapidly resume normal operations.						
novative		ρ Resources and actions:						
rvices								
		⊕ Establishment of an internal information security organization						
evotion to								
vironmental	Follow-up to the	△ Arrangement of employee education and training for greater awareness of information security risks						
ıstainability	actions	Target: Building up a comprehensive information security network to ensure that no data breaches occur and that business activities are in line with relevant laws or regulatory requirements, and passing the annual external verification of ISO 27001 information security management system in 2024.						
		□ Previous actions effective or not: Yes.						
uilding ommon rosperity in		Experiences learned: In the preceding year, the Company continuously enhanced internal and external information security protection measures, including the adoption of technical solutions and the establishment of information security systems and regulations. Through regular review and correction, these measures were ensured to effectively address changing threats. During the process, the Company came to understand the constant evolution of information security. In the future, v will continue to invest resources to take up new challenges while carrying on the unremitting efforts of the existing information security foundation, so as to ensure the Company's secure operations in the digital era.						
ociety		□ Stakeholders: Employees, customers, suppliers/contractors, and competent authorities.						
	Stakeholder	© Communication channels with stakeholders:						
	engagement	△ Internal: Annual Information Security Committee meeting, and irregular cross-departmental information security communication meeting.						
		⊕ External: Disclosures in the annual sustainability report.						



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Building Common Prosperity in Society In the worst situation, the occurrence of an information security incident could lead to business interruption of the Company. Placing importance on information security, we have established comprehensive information security and data protection mechanisms to avoid risks, such as confidential information leakage or data damage, that may have operational impact on the Company. Internally, relevant information security control mechanisms, application technologies and data security standards are in place. A data backup mechanism has been established for the Company's critical systems, and restoration testing is performed irregularly every year to ensure that the IT system backup is effective to provide normal restoration, which further reduces the risk of system interruption caused by unexpected natural disasters or human error, and guarantees that the system restoration goal set by the Company can be reached.

☐ Information security organization

The Company has established the Information Security Team, with the President as the chairperson to take charge of the supervision and review of information security risk management and information security target performance; the head of the Information Management Division serves as the executive management representative to take care of the planning and execution of all information security management tasks, and report the actual results of the performance for information security targets to the chairperson at meetings. The representatives of different units serve as the committee members to support the management representative during the implementation of information security tasks.

♠ Information security policy

- The Company abides by information security-related laws and take appropriate protection measures for the Company's information assets to ensure the confidentiality, integrity, and availability; this is the highest guiding principle for the Company's management and operation of information security.
- The Company regularly assesses various potential hazards or impacts on the Company's information assets, and develops emergency response measures and recovery plans for important information assets and critical businesses to ensure the Company's business continuity.
- Our employees are encouraged to implement information security protection, and the responsibilities, concepts, and code of conduct regarding information security of relevant businesses are defined.
- Suppliers, customers, or third parties with related business information that use or connect with the Company's information environment are required to comply with the Company's information security policy.





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♠ Information security management plans

- User permission management: Users need to be granted different permissions according to their security levels.
- Operating system access permission security management: The operating system is installed as per the Company's regulations, and a company domain is added for centralized management. The operating system performs security update regularly, and anti-virus software is installed on the Company's hosts and computers, with the scan engine and virus patterns automatically downloaded and updated every day. The settings of user passwords are updated periodically.
- Application software security management: For installation of other special software other than the application software, tool software, and package for IT operations, separate applications and approval therefor are required before such installation.
- A blocking and filtering mechanism to prevent the access of prohibited software and URLs is set up on IPS firewalls and content management equipment to avoid any impact on the quality and security of network.
- Network communication security management: The use of external VPN (remote) access and internal access (file transfer (FTP), instant messaging (MSN), special connection (HTTPS), and other network applications) are subject to the review by the IT unit and approval by the authorized supervisor.
- Application system security management: The IT unit shall limit the access and update of source code to authorized processing personnel, with different program execution permissions for users set according to operational needs.
- Information security monitoring and management: The event records of internal hosts, network equipment, and information security equipment are integrated into the internal monitoring system (Security Information and Event Management; SIEM). Designated personnel are in place to stay on top of the internal and external information security status, and to notify the personnel of each unit to make responses when an abnormal event takes place.
- Backup management: System disaster recovery and database backup management-related measures are imposed.
- Asset management: The asset numbers of the equipment in the data center and personal computers are managed and regularly checked.
- The Company increases users 'knowledge of protection by educating them on the security mechanisms for configuring and operating the operating system, as well as the sources and infection methods of current viruses (Trojan horses, backdoors, worms, etc.).



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2023 information security performance: In response to the frequent occurrence of corporate information security incidents in 2023, the Company comprehensively strengthened the information security management by introducing the ISO 27001 information security management system, with the certification obtained on June 13. This was disseminated through the new employee training, ISO 27001 training, and information security training for all employees in 2023. The total training hours were 44 hours, with a total of 299 participants trained. The information security projects and resource investment in 2023 cost NT\$2,715,000; the details are shown below:

- □ Introduction and setup cost of the ISO 27001 system: NT\$440,000.
- ⇔ Setup cost of the HA firewall architecture: NT\$850,000.
- ⇔ Setup cost of the SIEM system: NT\$1,300,000
- ⇔ Setup cost for the VPN system replacement: NT\$80,000
- Cloud-premise integration warning system: NT\$30,000.
- Cloud web protection system (Cloud WAF): NT\$15,000.



★ ISO 27001 certification

2.7 Personal Data Protection and Customer Privacy _____

2.7.1 Customer Privacy Policy and Protection

Ennoconn values and are committed to the protection of privacy and personal data. The Company sticks to the Personal Data Protection Act and related laws and regulations in terms of the collection, processing and use of personal data, in order to prevent infringement of personality rights while promoting the rational use of personal data. The Board of Directors approved the formulation of the "Regulations for the Protection of Personal Data."

With a view to protecting employees, customers and suppliers and using the retained personal data of the Company's related websites, the Company expressly stipulates that the rights and interests of the parties concerned shall be respected in the collection, processing and use of data, and the scope shall be limited to the purpose of collection based on ethical management, and have legitimate and reasonable relevance to such purpose. These Regulations are managed through the internal audit and internal control systems, and the Company annually confirms whether personal data risks and data loss complaints have occurred. In 2023, there were no complaints about risks and data loss/leakage.





2.8 Risk Management

Goals for Sustainable Management

> Corporate Governance

2.8.1 Impact Assessment and Management Approaches for Material Topics (Risk Management)

Impact	Positive: Existing and potential risks that may cause operational impacts and the probability of occurrence thereof are systematically and regularly assessed, and timely responses are made based on the response management measures of risk-related units to reduce environmental, human rights, and governance risks.						
assessment	Negative: For the identified 10 risk categories with the greatest impact on the Company's operations, ineffective management and inaction may cause negative impacts in the aspects of environment, human rights and governance, such as decision-making, operating performance, goodwill, or higher operating costs and expenses, etc., and may also pose the risk of litigation by stakeholders.						
Policies and	□ The "Risk Management Policy and Procedures" were developed and approved by the Board of Directors in 2020 as the highest guiding principle for our risk management.						
commitments	Risks are assessed on a regular basis every year, and the risk management policy is formulated for various risks, covering management objectives, organizational structure, power and responsibilities, risk management procedures, and other mechanisms for proper implementation, so as to effectively identify, measure and control the Company's risks, and keep the risks arising from business activities within an acceptable range.						
Competent authority	Audit Committee						
	□ Impact prevention & mitigation management:						
Management	⊕ To monitor the Company's effective operation and implementation of risk management, the Audit Committee supervises the Company's risk management, the President's Office coordinates various risk management-related affairs, and the Audit Office audits the risk management.						
actions	the residence 5 office coordinates various risk management related and ris, and the radial office duals the risk management.						
actions	 \understand \underd						
actions	 At least once a year, the President's Office presents the latest risk management status to the Audit Committee for review, and submits the report to the Board of Directors. The 2023 risk management status was reported at the Board meeting on November 14, 2023. ○ Resources and actions: Effective implementation of the risk management process and countermeasures by risk-related units. (Please refer to 2.8.3 List of Risks.) 						
actions Follow-up to the actions	 At least once a year, the President's Office presents the latest risk management status to the Audit Committee for review, and submits the report to the Board of Directors. The 2023 risk management status was reported at the Board meeting on November 14, 2023. Resources and actions: Effective implementation of the risk management process and countermeasures by risk-related units. (Please refer to 2.8.3 List of Risks.) Target: Taking measures in accordance with the "Risk Management Policy and Procedures" and continuing to effectively manage risks based on the PDCA cycle. 						
Follow-up to	 At least once a year, the President's Office presents the latest risk management status to the Audit Committee for review, and submits the report to the Board of Directors. The 2023 risk management status was reported at the Board meeting on November 14, 2023. ○ Resources and actions: Effective implementation of the risk management process and countermeasures by risk-related units. (Please refer to 2.8.3 List of Risks.) 						



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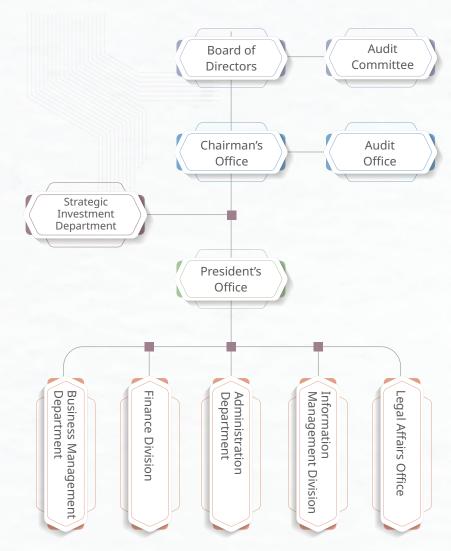
2.8.2 Risk Management Process

Following the "Risk Management Best-Practice Principles for TWSE/TPEx Listed Companies" of the FSC, Ennoconn formulated the "Risk Management Policy and Procedures," which is supervised by the Audit Committee, upon the approval of the Board of Directors. Also, in line with the Company's operational policies, we defined different categories of risks, prevented possible losses within the scope of risk tolerance, increased shareholders' value, and achieved the optimal principle of resource allocation. In addition, with reference to the "Global Risks Report 2023" and industry-related risks, the head of each responsible unit served as the committee member to carry out relevant risk assessments. Based on the assessment of the probability of occurrence and level of impact, 10 major categories and 11 high-risk issues that might have operational impacts were identified. Then, for these 11 issues, countermeasures were adopted and targets were set to lower the level of impact through avoidance, mitigation, retention, and transfer, ensuring that the Company effectively implements risk management. Therefore, through the design and implementation of operating procedures, each responsible unit reached the targets of various risk countermeasures in a stepwise manner; in 2023, we passed the review and certifications of ISO 9001 quality management system, ISO 27001 information security management system, ISO 45001 occupational health and safety system, ISO 50001 energy management system, and ISO 14064-1 greenhouse gas inventory, and a statement of internal control proving the effectiveness of design and implementation was issued after the audit and assessment of internal control in 2023, which demonstrated that the Company has effectively achieved the targets and

reduced risks.

Risk Management
Policy and Procedures

Organizational Structure of Ennoconn's Risk Management





Introduction	Risk category	Responsible department	Risk-related matter						
	Strategic risks	Chairman' s Office	Formulation of the Company's future operational policies.						
Goals for Sustainable Management	Investment risks	Chairman's Office Strategic Investment Department	Risks from excessive concentration of investment subjects, high-risk and high-leverage operations, fluctuating market prices of short-term investment such as derivatives trading and financial management, and regulatory management of the long-term investment in investees.						
Management	Operational and market risks	President's Office Business Management Department Relevant departments	Product R&D, production, and sales according to the Company's strategies, and efforts to improve the production technologies for higher quality and lower cost, in order to increase the Company's profitability.						
Corporate Governance	Financial and liquidity risks	Finance Division	Hedging of interest rate and exchange rate risks, credit management and relationship maintenance with banks, etc.						
	Customer credit risks	Finance Division	Establishment and review of customer credit lines, as well as management and follow-up collection of accounts receivable.						
Sustainable Innovative Services	Legal risks	Legal Affairs Office	Review of contracts, company authorization, and reduction of corporate legal risks to protect the Company's tangible and intangible assets.						
	Worker safety risks	Administration Department	Implementation of safety and health management and improvement of management performance, with focuses given to the potential safety and health hazards and specific risk factors in the workplace, and based on the core of the safety and health policy.						
Devotion to Environmental Sustainability	Information security risks	Information Management Division	Risks related to general and digital information security and confidentiality, the inability to ensure information content and processing method, inability to access information and use of relevant assets in a timely manner, etc.						
Building	Environmental risks	Administration Department	Risks regarding GHG emission management, carbon rights management, energy management, compliance with international and local environmental laws and regulations or environmental impact assessment, etc.						
Common Prosperity in Society	Human resource risks	Administration Department	Risks associated with human rights issues of employees or suppliers (including but not limited to labo relations, child labor, forced labor) and talent development management (including but not limited to recruitment, retention, and development).						



2.8.3 List of Risks

Q Ennoconn Risk Matrix

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Risk Topics and Response Strategies

Risk topic	Materiality	Probability of occurrence (low, medium, high)	Level of impact (low, medium, high)	impact			Response strategies
		medium, mgm/	iligii/	Е	S	G	
trade barriers	Trade barriers and geopolitical risks will pose significant risks to the global economy and multinational enterprises. Geopolitical tensions may trigger serious de-globalization of the trade and financial systems.	High	High			0	 Manufacturing bases are established in places other than China and Taiwan. The division of tasks and the ecosystem of global suppliers are improved. The product structures are optimized and rising costs are controlled. A consensus is ensured to be reached between the customers and partners over their concerns.



Introduction	Risk topic	Materiality	Probability of occurrence (low, medium, high)	Level of impact (low, medium, high)	sust i	spect ainal mpac S	oility ct	Response strategies
Goals for Sustainable Management	Global inflation, interest rate hikes, and ongoing wars	Inflation indicates rising costs; the inventory value of products and raw materials becomes higher than that in the past, and the supply chain operating costs are gradually rising due to the impact. The risks related to wars can cause the crisis of chain disruption as well.	High	High		3	⊗	 The Company stays on top of the order and shipment schedules in hand, performs destocking for materials, and strictly controls the purchase of parts and components. The status of rising material and manufacturing costs is reported to customers in a timely manner. The Company actively strengthens the R&D and design technology, and aims at high-margin and high-compound annual growth markets. The ESaaS (Ennoconn Solution as a Service) open platform is extended. The corporate resilience in the Company's operations is created.
Governance	Changes in interest rates	The Company's interest rate risks mainly come from the interests at floating rate of long-term and short-term debts and fixed income. Changes in interest rates will affect part of the Company's cost for obtaining capital.	Medium	Low			0	The Company's financial structure has been sound, and funds have been used conservatively and prudently. There are dedicated personnel to keep abreast of financial information, and the Company makes use of financial tools from a conservative and prudent stance to reduce the risk of interest rate changes.
Sustainable Innovative Services	Changes in exchange rates	The prices of raw materials for the Company's major products and services are mostly denominated in US dollars; thus, changes in exchange rates will affect the cost and income of products.	High	High			0	The Company's financial personnel constantly gather information on exchange rate changes and refer to the financial information provided by banks and investment institutions to stay on top of the exchange rate dynamics in real time.
Devotion to Environmental Sustainability Building Common Prosperity in Society	Information security risks	In recent years, the threats to information security have increased significantly year by year, and information security attacks by ransomware and cybersecurity issues keep happening. Enterprises must invest resources to prevent sensitive corporate data from being tampered with or leaked due to information security attacks.	High	High			0	 Security management of files and equipment is conducted, and the overall systems are subject to regular backups and periodic defragmentation, so that more disk space can be saved and the system operating performance can be enhanced. For equipment security, the access status and the data center shall be kept under control, and the maintenance and management of facilities and data center equipment are needed. The security measures for the data center are also subject to regular inspection. The permission management is set to ensure the internal control cycle for information security. The Company commissions an external party to carry out information security audits on a regular basis. A cloud environment is set up for the remote backup of the Company's critical systems. The ISO 27001 information security management system is introduced.



Introduction	Risk topic	Materiality	Probability of occurrence (low, medium, high)	Level of impact (low, medium, high)	Aspect of sustainability impact		sustainability impact		sustainability impact		sustainability impact		sustain imp		sustainability impact		sustainability impact		sustainability impact		oility ct	Response strategies
Goals for Sustainable Management	Market competition	The economic downturn, inflation, and geopolitical wars have affected interest rates and the willingness to make investment, resulting in a decrease in the demand for end products and consequently impacting corporate profits.	High	High	E	3	⊘	 The Company maintains close contact with customers, keeping abreast of and meeting their latest needs, and regularly visiting them with R&D technicians, in order to grasp the future trends of customers' products and develop new products for early preparation The innovation of R&D technology and the acquisition of patents ensure that we are consistently one of the world's leading enterprises 														
Corporate Governance	Risk management for the supply and demand of raw materials	The supply, demand and the cost are impacted by the fluctuating oil prices, instable transportation market, and uncertainties in China's supply of goods, further impacting the Company's net operating profit.	High	Low			0	 In response to the uncertainties in China's supply of goods, we not only develop and turn to new supply countries, but also adopt hedging procurement to reduce the risk of disrupted supply of goods. Through the logistics consolidation mechanism and our request to suppliers, we increase the ratio of consolidated container shipments and reduce the risk of non-consolidated shipment control. 														
Sustainable Innovative Services	Green products	Due to the greater ESG awareness of investors, customers and other stakeholders, there is a rising demand for low-carbon product certification and alternative raw materials, which makes existing products lose their competitiveness.	High	High	0			 The Company identifies the laws and customers' requirements related to green products. We control the raw materials, manufacturing processes and finished products as per laws and customers' requirements. The concept of green design is introduced to save energy and reduce waste from the very beginning stage. 														
Devotion to Environmental	Climate change risks	As sustainability-related regulations are growing tight in response to climate change issues, the Company might need to increase capital expenditures on environmental improvements, or increase the manufacturing cost to comply with regulations.	Low	Low	0			 The Company implements the environmental management system. The GHG inventory is introduced for emission reduction to respond to the government's energy conservation policy. We keep in line with government regulations and customers' needs. 														
Building Common Prosperity in Society	Occupational disaster risks	In the event of a major labor/occupational disaster, if any violation of the Occupational Safety and Health Act is found to be true after the investigation conducted by the labor inspection agency, the labor inspection agency will order the operation to be suspended. The operational disruption will result in production loss and affect the Company's image and reputation.	Low	Low		0		Employees are important assets. We ensure safety in the work environment to avoid potential costs and risks caused by the loss of employees due to occupational disasters. Hazard identification and risk management are performed based on the planning of setting up the ISO 45001 management system.														
	Risk of labor shortage	The lack of staff will affect the Company's operation and lower productivity and work efficiency, which in turn leads to an increase in recruitment and training costs.	Low	Low		0		 A working hour management system is established for supervisors to manage working hours properly and conveniently. The manpower increase plan is implemented. 														

Appendixes

Note1: Probability of occurrence: Low (occurs once in more than 5 years), medium (occurs once in 3–5 years), high (occurs once in 3 years). Note2: Level of impact: Low (less than NT\$50 million), medium (NT\$50.01 million to 100 million), high (over NT\$100 million).



2.9 Supply Chain Management

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> Corporate Governance

2.9.1 Impact Assessment and Management Approaches for Material Topics (Supply Chain Sustainability)

This annual report externally discloses the supply chain management status in recent years.

		ly chain related management police	ice strongthone the partnership between	on cumpliars and amplayons works w			
Impact			human rights, and improves the trust				
assessment	Negative: Failure to assess the probability of occurrence and level of harm of supply chain risks may have impacts on human rights and the environment and lead to reputational impact and a disrupted value chain as well. In the worst situation, the Company might even face legal penalties or litigation risks.						
Policies and commitments	To ensure effective supply chain management, the Company has formulated the "Ennoconn Supplier Code of Conduct," "Supplier Evaluation Management Procedures," "Outsourcing Contractor Management Regulations," "Green Supplier Evaluation Form," and "CSR Supplier Self-evaluation Questionnaire."						
Competent authority	Outsourcing Management Department, E-Procurement Department						
	□ Prevention & mitigation:						
	△ Requirement for the suppliers to comply with the "Ennoconn Supplier Code of Conduct" and thereby be aware of the standards they should follow.						
Management	△ Supplier evaluation conducted on a quarterly basis, with suppliers that fail to meet the required score being asked to make improvements within a specific timeframe. Annual target: a qualification rate of 100%.						
actions	ρ Impact management: The Company aim reduction of impacts on environmental μ	pollution, occupational safety and h	nealth, and labor human rights when s				
	enhancing the positive impact of ESG in 50001, ISO 14001 or ISO 9001, for the eva			ertifications they have passed, such a			
		aluation of their compliance with th ion in domestic and international E	e Company's supplier system. SG evaluation events, and update of tl	ne Company's supply chain policy ba			
Follow-up to the	50001, ISO 14001 or ISO 9001, for the eva Ω Resources and actions: Active participat on the opinions of external consultants i	aluation of their compliance with th ion in domestic and international E	e Company's supplier system. SG evaluation events, and update of tl	ne Company's supply chain policy ba			
Follow-up to the actions	50001, ISO 14001 or ISO 9001, for the eva Ω Resources and actions: Active participat on the opinions of external consultants i Ω Target:	aluation of their compliance with th ion in domestic and international E in 2023, in order to keep in line with	e Company's supplier system. SG evaluation events, and update of the domestic and foreign regulations and	l standards.			
	50001, ISO 14001 or ISO 9001, for the eva ○ Resources and actions: Active participat on the opinions of external consultants i ○ Target: Audit outcome	aluation of their compliance with the ion in domestic and international E in 2023, in order to keep in line with	e Company's supplier system. SG evaluation events, and update of the domestic and foreign regulations and 2023	ne Company's supply chain policy ba I standards. Target achieved?			
	50001, ISO 14001 or ISO 9001, for the eva □ Resources and actions: Active participat on the opinions of external consultants i □ Target: Audit outcome Passing the SCM audit	aluation of their compliance with their ion in domestic and international E in 2023, in order to keep in line with 2022 99.13%	e Company's supplier system. SG evaluation events, and update of the domestic and foreign regulations and 2023 100.00%	he Company's supply chain policy ba I standards. Target achieved? Yes			



engagement



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The Company has devised and passed the "Ennoconn Supplier Code of Conduct" to ensure that all suppliers and employees are treated with their human rights respected and working in a safe environment, and that they shoulder the responsibility for environmental protection and stick to the ethics in their business operation. Meanwhile, we urge all suppliers to sign the code of conduct through the following methods:

- Making official announcements
- Having new suppliers to sign the code of conduct together with the new partnership contract
- Having existing suppliers to sign the code of conduct together with the new contract upon the expiration of a contract

Ennoconn Supplier
Code of Conduct

The goal must be set to ensure suppliers share the same values with the Company, so that product quality can be guaranteed.

? Supplier evaluation

Ennoconn evaluates suppliers through five major steps, as shown in the figure below.



The Company's four major units (R&D, procurement, quality control, and quality units) are responsible for conducting supplier evaluation separately. In addition to the quality control of upstream raw materials by the Quality Control Department, the raw material suppliers are also taken into account in a multi-faceted manner. That is, the suppliers are reviewed based on the criteria of legitimacy, excellent reputation, conformity to in-plant sample specifications, protection of employee rights, emphasis on food safety, and environmental protection actions.



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Building Common Prosperity ir Society For the subsequent documentary review of suppliers, suppliers need to provide relevant documents such as business registration certificates and factory registration certificates to prove that they are legitimate companies and factories, and present various certifications they have passed, such as ISO 50001, ISO 14001 or ISO 9001, for the evaluation of their compliance with the Company's supplier system.

The Company conducts quarterly evaluation on the raw material suppliers and commissioned OEMs that have transactions therewith, evaluating and rating them based on four major dimensions—quality, cost, delivery, and services (QCDS)—as the reference for risk management. Those with a score of 86 or above are considered Grade A (qualified), those with a score of 71–85 are considered Grade B (qualified), while those with a score of 70 or lower are considered unqualified. Suppliers that have major quality abnormality or are manufacturers of key raw materials are prioritized for on-site visits. Moreover, suppliers with abnormality are required to submit improvement reports within a specific timeframe, and the quality, delivery, and service of three batches of materials received from such suppliers are tracked. If there is no improvement after three consecutive times of quality tracking, the Company instructs relevant units to discuss the disqualification of such suppliers.

Under the Supplier Evaluation Management Procedures (SCM) of the Company's cross-departmental team, raw material suppliers are regularly audited to assess whether they comply with relevant environmental laws and human rights protection. By prudently selecting excellent and reliable suppliers, we ensure that the quality level of procured raw materials and the suppliers' manufacturing capacity meet the Company's requirements, thereby facilitating smooth production while achieving the goal of sustainable management. In 2023, 227 suppliers received SCM audit, and none of them were found to have non-conformities or major risks. All of them passed the audit, achieving a qualification rate of 100%.

Overview of	Overview of supplier audit in recent years		2021	2022	2023
Supplier overview	Number of partners	268	250	229	227
Supplier	Number of qualified suppliers	256	245	227	227
SCM audit	Percentage of the qualified	95.52%	98.00%	99.13%	100.00%

• On-site evaluation of suppliers 'functions and responsibilities by each unit







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Outsourcing processing factory management

Ennoconn's selection of outsourcing processing contractors is based on the processes of rating, price comparison, or price negotiation in an open and impartial manner with reference to the Government Procurement Act, and has domestic suppliers as the first options. When selecting outsourcing subcontractors, we prioritize those that have purchased products and equipment with energy-saving labels, water-saving labels and energy-saving facilities, and have met the requirements for specifications and performance. Then, we assess the transaction risks (legally registered company or not, and payment terms) to make sure that the cooperation therewith is of no concern before entering into a cooperative relationship.

For the work safety management of outsourcing suppliers, we have established the "Outsourcing Contractor Management Regulations" under which the outsourcing suppliers are notified of the hazards before entering the factory for production and manufacturing. During the process, we adopt the strategy that focuses on guidance, audit and technology transfer at the same time, actively guiding the suppliers through safety management, enhancing the measures for safety and health promotion, raising the awareness of labor safety in the working environment, and ensuring safety protection in the workplace to maintain worker safety. In 2023, the existing suppliers did not have any significant changes or violated any relevant environmental and social regulations and impacted the Company's operation.

2.9.2 Supplier Risk Management

The Company experienced the impacts and challenges resulting from the pandemic, geopolitical risks and the US-China trade war, such as factory shutdown, logistics obstruction, delayed delivery of suppliers, or unexpected chain disruption and urgent order crisis due to the new regulations of import/export customs clearance in various countries. Manufacturing resources across the country have been re-arranged; the operation of the Company's production elements—man, machine, material, method, and environment (4M1E)—is fully under the control of the plan, and the production flexibility and challenges are also maintained.

To keep the business continuity, the Company has prepared measures to stabilize the supply chain. First, we manage the demand, supply, and inventory internally while conducting inventory and confirming the status of inventory and the capabilities of logistics providers (land, sea, and air) externally, and check if the suppliers are able to deliver goods on schedule. In addition to maintaining the trust relationship with existing suppliers, we actively look for spare parts and possible second or third supplier to spread the procurement risks and maintain flexibility.

In 2023, there were still a variety of risks and difficulties despite the post-pandemic era, including the high inflation, rapid interest rate hikes, significant volatility in stocks, foreign currencies and bonds, Russo-Ukrainian War, and Israeli-Palestinian conflict. Enterprises have been diversifying their deployment of supply chains and moving to places closer to Taiwan for lower risks.

In light of customers' legal requirements for quality, carbon tax and carbon fee, quality issues are also part of the supply chain risks. Therefore, the Company has worked out plans to obtain qualified and high-quality raw materials to meet customers' increasingly complex expectations, and strengthening the supply chain risk management is the key to the Company's sustainable operation.

For a sustainable supply chain, the Company has formulated the following three major plans:

- Starting the early production and material preparation of the Southeast Asia Production Backup Plan in response to natural disasters and conditions of other countries, and introducing local supply chain resources.
- Comprehensively reviewing the diverse solutions for different models, and reducing the condition of single material consumption.
- □ Launching collaboration between the parent and the subsidiary to jointly own the materials for review, meet customers 'needs, and review the status of materials on a regular basis.



2.9.3 Supplier ESG Management

Enhancing supplier ESG and the green supply chain is one of the key sustainability tasks of Ennoconn. Regarding the supplier environmental protection evaluation, the procurement personnel regularly supervise the environmental performance of suppliers according to the "Green Supplier Evaluation Form," and review suppliers based on suppliers' self-evaluation score of the "CSR Supplier Self-evaluation Questionnaire."

The Company also pays attention to labor human rights, environmental issues and regulatory updates, and communicates international trends and needs to upstream suppliers. It is our hope to build a green supply chain in tandem with suppliers, with the promotion divided into four stages: awareness, implementation, sustainability, and commitment.

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- Awareness: We educate and assist suppliers in disclosing the inventory of direct/indirect materials and energy consumption, waste emissions and transportation energy consumption, so that suppliers can understand the calculation method of the life cycle of their products and be aware of the possible ecological impact thereof. In addition, we continue to share the practices and achievements of corporate sustainable development with important part and component suppliers, and promote critical international trends such as the new version of the Responsible Business Alliance Code of Conduct (RBA Code), conflict metals-related laws, method of writing the corporate sustainability report, and GHG inventory method, etc. to raise suppliers' awareness and engagement.
- Implementation: Starting from 2022, the Company has expanded the requirements for suppliers year by year, asking suppliers to sign the Social Responsibility and Business Ethics Agreement, and make a commitment to abiding by the Responsible Business Alliance Code of Conduct (RBA Code) and Social Accountability Standard (SA 8000). Furthermore, surveys on supplier CSR and environmental safety and health have been conducted for the purpose of verifying compliance with various international standards, such as the environmental management systems (ISO 14001), occupational health and safety management systems (ISO 45001), social accountability management systems (SA 8000), RBA Code (RBA), quality management system (ISO 9001), and different regulations and standards. In 2022, the GHG inventory questions for suppliers were added to keep in line with international trends and customer requirements. Starting from 2023, specific suppliers are selected every year to fill out the Self-Assessment Questionnaire (SAQ) released by the RBA Code so that they understand their conformity with the RBA Code; the results will be used as the reference for the on-site RBA Code audit of the next step.
- Sustainability: In the future, we will provide education, training and information for first-tier suppliers and key customers, not only improving suppliers 'environmental protection awareness and corporate responsibility, but also letting suppliers and customers stay at the forefront of environmental protection needs in the manufacturing industry based on customers' promotion examples. At the same time, we will improve our self-management capabilities by reinforcing the production and manufacturing as well as the practical actions of suppliers, in the hope that our suppliers will show their actual performance in the sustainability report. Relevant requirements and management approaches will be extended through cooperation to cover the next-tier suppliers, and we will actively encourage the suppliers that have not yet implemented the management system verification to apply for relevant verification, so as to jointly create a true green supply chain and achieve the goal of corporate sustainable development.

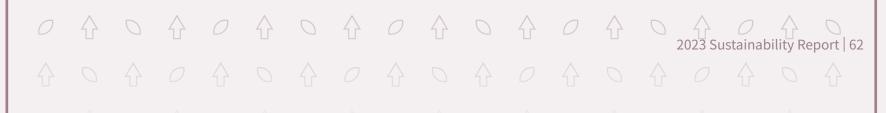




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🖒 100% commitment: To enhance suppliers 'ESG-related commitment, since 2022, we have requested suppliers to add ESG-related audit indicators to the supplier audit evaluation form, such as whether GHG and water footprint inventory is performed. In 2023, all the 227 suppliers underwent ESG audits, and no risks and non-conformities with environmental and social impact were found. The achievement rate was 100%, an increase of 5.68% compared to 2022.

		2020	2021	2022	2023
Supplier overview	Number of partners	268	250	229	227
Cupplier ESC audit	Number of audited suppliers	-	-	216	227
Supplier ESG audit	Percentage of the audited	-	-	94.32%	100.00%
	Suppliers signing the CSR Commitment	268	250	229	227
	Percentage of suppliers signing the CSR Commitment	100.00%	100.00%	100.00%	100.00%
ESG commitment	Suppliers signing the Due Diligence Mineral Commitment	268	250	229	227
	Percentage of suppliers signing the Due Diligence Mineral Commitment	100.00%	100.00%	100.00%	100.00%





Evaluation Form



CSR Supplier Self-evaluation Questionnaire



2.10 Participation in Associations

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Dedicated to industrial development, Ennoconn actively participated in the activities of external associations and organizations in 2023. We learned domestic and international trends and regulations through external exchange activities, understood the latest trends in the industry through interactions with peers, provided suggestions and opinions on existing laws and policies through public associations, and stayed on top of the relevant risks and opportunities to maintain competitiveness; these were regarded as aspects to be considered for the Company's sustainable operation. In 2023, Ennoconn joined and continued to invest NT\$171,500 of resources to support the promotion of smart IoT, industrial training, dissemination of new knowledge, and protection of related interests. The table below shows the relevant data of the 6 indicative associations.

2.10.2 Political Contributions and Charitable Donations

Amount: NT\$

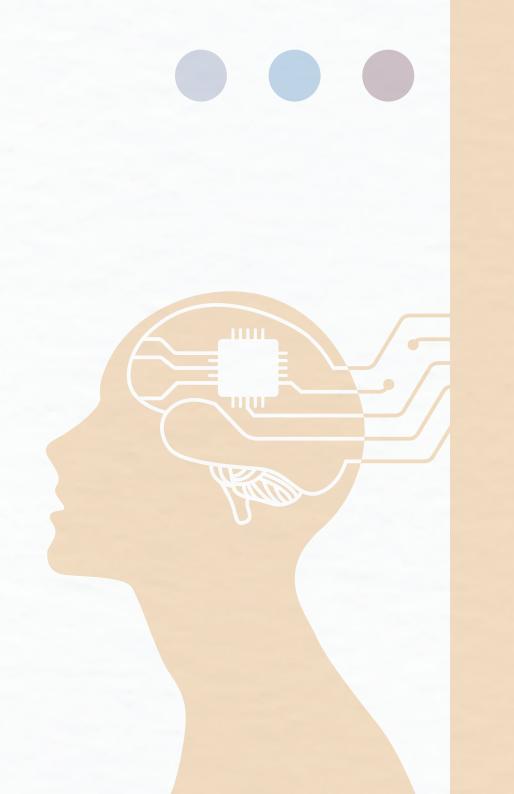
2020	2021	2022	2023
0	0	0	0
0	0	0	0
0	0	0	171,500
0	0	0	0
0	0	0	0
0%	0%	0%	100%
	0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0

Resource coverage rate: 100% applicable to Ennoconn Group's employees in Taiwan (189 employees in the head office, 784 employees in Marketech International Corp., 279 employees in CASwell, 134 employees in Goldtek, and 128 employees in Vecow).

2.10.1 List of Associations

Name of association	Annual fee in 2023(Unit: NT\$)	Purpose	Our status
Taiwan Intelligent Zero Carbon Building Alliance	22,000	Staying on top of the global market of smart zero carbon buildings and incorporating industrial strengths in response to the challenges and opportunities resulting from global climate change and net-zero carbon emissions, integrating and developing smart zero carbon application systems, and proposing solutions to drive the cross-domain activities of the building industry	Director
Taiwan Internet Of Thing Association	50,000	Promoting the development of IoT-related technologies, engaging in joint R&D with industries in different fields, facilitating IoT technologies domestically, and internationalizing Taiwan's R&D capabilities.	Chief Consultant
The Institute of Internal Auditors – Chinese Taiwan	12,000	Increasing and exchanging professional audit information to foster the sound development of the internal audit system in Taiwan.	Group member
Taiwan Smart City Solutions Alliance	*52,500	Promoting the development of smart cities and integrating the strengths from different fields to expand business opportunities of smart cities at home and abroad; engaging in cross-industry exchanges to facilitate the application of IoT and organize various activities.	Regular member
Taiwan Intelligent Building Association	17,500	Aiming at intelligent buildings featuring "safety and security, healthcare, convenience and comfort, energy conservation and sustainability," and establishment of quality smart living. Providing members with education and training and international exchange activities.	Regular member
Taipei Computer Association	17,500	Participating in the planning, formulation and promotion of technology industry policies; assisting in the division and integration of technology industry resources, and boosting the international image of the industry.	Regular member

Note: Taiwan Smart City Solutions Alliance is a strategic organization of the Taipei Computer Association (TCA) for promoting the development of smart cities and IoT. NT\$52,500 was the exhibition participation fee for TCA members.



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3.1 Smart Industry Chain

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Building Common Prosperity in Society According to the data compiled by international research institutions, it is estimated that for the global industrial computer market in 2025, the market size of hardware equipment solutions alone will be worth US\$ 6.2 billion. Following the technological change stemming from IoT, the creation of software and hardware integration solutions and the emergence of IoT cloud platforms enable equipment manufacturers to provide global cloud application services for design, simulation, maintenance, production, manufacturing, and e-commerce development environments, bridge the digital divide that industries could face during transformation, and stimulate the market scale and business opportunities by more than 180 times and up to US\$ 1.1 trillion. This will create a good space for business expansion for Ennoconn Group, which already has complete solutions.

Vertical and horizontal integration (IPC 1.0 → IPC 2.0 → IPC 3.0): With leading industrial motherboard designs and complete hardware system solutions, Ennoconn is an integrated solution provider in the field of professional industrial computers, offering a variety of products and services for vertical markets (e.g. POS, bank automation, gaming machines, industrial controllers, human-machine interfaces, IoT gateways, and cloud servers). The Company has long invested in the research and development of new products and technologies. Meanwhile, we have also been investing in innovation and leading strategic alliances. Each year, we review the R&D results, input resources, and make timely future plans based on the management strategies, with a view to actively boosting design capabilities, product quality, and customers' satisfaction with services. With the maturity and vigorous development of technologies such as 5G transmission, cloud computing, and AI, digital transformation and smart upgrades have gradually become the development objectives of all industries for the next stage. Ennoconn has worked with excellent partners of a major international alliance in the industry since 2021, leveraging the strengths in technology and business to generate huge commercial benefits with the "integrated cloud-premise services" that allow operations on an open hybrid multi-cloud platform, strengthen the complete digital service platform value chain, realize the connectivity between premise and cloud services, and create a new business operation model for Ennoconn's next-generation AloT digital products and services.

In response to the industry trends and market business growth, Ennoconn offers 4 transformation solutions: digitalization, green operation, information security, and Al. Products and services required for software and hardware integration, cloud and network integration, and intelligent linkage have been standardized, modularized, platformized and put into subscription models, and glocalization services have been provided as well, with the focus given on the top 10 markets for the applications of smart factories, smart buildings and cities, etc. As a company orientated towards industrial computer services and innovative solutions, Ennoconn focuses on the design, manufacturing and OEM of computer-related products for applications, and is committed to becoming the best total solution provider in the industrial computer field. Having more and more cooperation projects and experience with many customers, the Company has been recognized as an innovation pioneer in various embedded applications and the best partner in the field of industrial computers.

Over the past 20 years, the direction and evolution of our operations have been progressing along with technological advancements. We have continued collaborating with more strategic partners to enhance the Group's competitiveness and operational performance. Initially providing IIoT and special industrial-grade hardware products and services applicable to unfavorable environments, the Company rapidly expanded its market share and further vertically integrated the software and hardware required by the market, introduced sector-specific AI application solutions, and extended to the provision of the comprehensive and subscription-based open hybrid cloud solution—ESaaS (Ennoconn Solution as a Service). With this as the basis, the Company has integrated the upstream and downstream supply chain to create XaaS (Everything as a Service), which covers HaaS, laaS, PaaS, and SaaS and enables the high value-added differentiation by incorporating software and cloud services in Ennoconn Group's industrial control products. Following the major customers' increasing application of the said software and cloud services, the Group is convinced that the individual gross profit margin, operating profit margin and net profit margin of the Ennoconn will further increase and bring positive contributions to the overall operation.



3.1.1 Main Products and Value Chain

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Building Common Prosperity ir Society 5G will see more applications in combination of big data and related AI fields, and IoT products such as sensors and AI big data analysis will become more and more popular. Ennoconn's R&D strategy starts from interactive terminal products and focuses on the emerging products of smart industrial control, smart retail, smart gaming, smart home, and smart transportation.

- In terms of the field of human-machine interface for smart industrial control, Ennoconn has launched industrial control units with a touch screen featuring a wide temperature range, high brightness, and a long service life. Such units are compatible with the programmable logic controllers (PLCs), variable-frequency drives, servomotors, reducers and other production equipment units of different brands, and have an intuitive operation interface to facilitate the operation of production machines and to stay on top of various production information and machine status in real time. The technologies of industrial computers such as industrial firewalls and NAS developed by the Company and the subsidiaries, have also been applied to direct the R&D from rugged industrial computer systems to the industrial communication field, ranging from industrial servers to the development of industrial smart gateways to collect data from various traditional instruments, digital instruments, sensors, servomotors, and production machines in a factory. Through big data analysis and the IT/ERP information system, smart production and predictive equipment maintenance can be achieved, and an important cornerstone for Industry 4.0 smart factories can be formed.
- Regarding smart transportation, the R&D and design have been focused on the industrial control units for rail transit and marine applications with various IPx features such as water and dust resistance. We have also developed industrial control units and Panel PCs applicable to maritime power supply, and developed color correction software to keep panels aligned with corresponding certification specifications during industrial applications, make the design in compliance with DNV association regulations and pass stringent tests related to EMC/safety and power supply requirements, so that customers are enabled to launch products in a faster manner.
- For smart retail, x86 computers are mainly used in retail POS, interactive multimedia machines (kiosks), automatic control equipment, ATMs, lottery machines, electronic signage, medical care equipment, and network storage equipment, etc. The Company and its subsidiaries have worked hand in hand with Intel to pursue the development opportunities of new industries and new markets. Adopting the new generation of Intel S and U Series CPU, standardized design, integrated motherboard and system, coupled with embedded storage memory peripheral and multi-mode embedded wireless transmission, they provide a different development platform of General SBC and serve as different products for different vertical markets. The products can accelerate and improve the development speed of extension machine products and the development efficiency of system products, thereby ensuring the provision of optimal customized module designs and becoming the devices or equipment used in various industries.
- With regard to smart gaming products, the Company continues to work with gaming machine providers to meet different application needs of customers by provide Intel CPU platform controllers with different cores. In addition, the Company has been committed to software and firmware development and provided enhanced boot security firmware designs to help customers pass the GLI certification. For now, we are also constantly scaling up our cooperation with customers and winning more projects.
- In the aspect of AI, the Company has collaborated with Intel OpenVINO (Open Visual Inference & Neural Network Optimization) to develop relevant POS applications. With the integration of big data analysis technology, customers can easily convert the image data collected by edge and IoT devices into commercially valuable information, such as facial recognition and customer recognition, and push corresponding advertisements. At the same time, we have also planned to launch AMD chip products to seize the gaming entertainment market of multi-screen and 4K in Japan and the US.
- The smart industrial Internet is another key promotion work. The Company develops software and hardware technologies and products of the core layer, connects various industrial machines to the network, uses sensors and gateways to collect data, applies fog cerebellum to analyze data, makes a smart judgment on the cloud, and finally empowers edge devices to achieve the ultimate goal of cost reduction, storage reduction, quality improvement, and efficiency improvement.



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We have continued to expand the development of application computers in different vertical fields with various chip factories, introduce the latest Intel chip platform design, offer Elkhart Lake, Tiger Lake, and other related latest platforms to solve customers' requirements for specifications, and provide customers with the track rugged computer consistent with the EN50155 power supply specifications. We have also provided total progress computers that are in line with maritime association specifications, such as DNV and IEC 60950, for verification by related customers. The "AloT hardware, software, and cloud service platform" solutions and the design and manufacturing services for end interactive systems are continuously provided, and the software and hardware integration services are standardized and modularized. Meanwhile, cloud platform services are introduced so that products have the capability of cloud-premise integration. Most attention is placed on the application fields related to smart factories and smart cities; we gather partners to assist customers in more industrial markets, and incorporate the software capabilities of hybrid cloud in existing products to provide customers with a diversity of options for edge computing, data cloud migration, and information security management.

Countries around the world have been promoting ESG and environmental protection in recent years. For carbon emission-related products, the Company has currently developed protocol converter/collector products that help compile data from various sensors (including related data from on-premise sensors), migrate the data to the cloud server, and convert the data into visualized dashboards for convenient data management and interpretation, providing a reference for monitoring the environment and adjusting equipment energy consumption.

Smart Transportation Rail Transit

US\$ 27.2 billion of business opportunities for the rail transit system

Operation of 84,000 km of railroad in Europe, Asia. and Africa

Leader in railway dedicated networks (RDN)



Industrial loT Railway dedicated networks

Smart Finance/ Retail Self-service Banks and Stores

More than US\$ 22.8 billion of business opportunities for ATMs

More than US\$ 3.6 billion of business opportunities for SCO

More than 800,000 H&M units and 100,000 stores



Interactive teller machine Self-checkout machines

Smart Manufacturing Industrial Internet

US\$ 277.8 billion of business opportunities of smart manufacturing

IIoT+5G smart manufacturing solution Susietec & ECOWatch application software



Industrial computer platform Smart automated equipment

Smart Gaming

Self-service Lottery

More than US\$ 28 billion of business opportunities for lottery

More than 77% of the market share of the public welfare lottery in the US
More than 800,000 equipment units in

Public welfare lottery machines Entertainment gaming machines



Advanced Semiconductor

Advanced Process

Construction of a new 2nm fab and expansion of a 3nm fab

Establishment of factories in the US, Japan and Germany

Provision of smart manufacturing and advanced equipment





Semiconductor factory affairs Semiconductor equipment

Smart Energy

operation worldwide

Energy Creation, Energy Storage, Energy Conservation

US\$ 94 billion of business opportunities for energy management systems Application of smart solutions to industrial

parks and buildings

Application to government agencies and famous financial buildings



Smart industrial parks
Smart buildings



3.2 Smart Solutions

Goals for Sustainable Management

Corporate Governance



Devotion to Environmenta Sustainability

Building Common Prosperity ir Society Ennoconn Group's technologies of software and hardware integration, cloud and network integration, and intelligent linkage have facilitated the horizontal and vertical integration of the resources of the subsidiaries and partners in terms of ESG operations such as energy conservation, consumption reduction, and net-zero carbon emissions, assisting the government and enterprises with all-in-one integrated smart solutions to promote energy and environmental sustainability based on digital technology. To achieve the global goal of net-zero carbon emissions by 2050, Ennoconn Group has created a comprehensive cloud platform for smart buildings, and opened up the ESG carbon reduction, energy saving and digital twins. In June 2022, Ennoconn Group invested NT\$ 9 million in Ennowell with the aim of supporting enterprises to achieve ESG sustainability and carbon reduction. In October 2023, NT\$ 60 million was invested in EnnoRise for the purpose of upgrading the technical services of energy conservation, energy storage, and energy creation.

We also integrated Ennoconn's AloT on-premise equipment and Ennowell's 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 Al algorithm, provide calculation in carbon inventory, and make recommendations on optimization to achieve optimized energy efficiency.

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

3.2.1 ESG Energy Saving and Carbon Reduction

Ennowell has taken the lead in the field of carbon reduction management by creating the integrated carbon management service that covers energy consumption monitoring, GHG inventory and carbon footprint inventory based on the cloud subscription model (SaaS). The professional knowledge of experience of consultants are also incorporated to help enterprises with the development of carbon reduction strategies for zero carbon sustainability.





Goals for Sustainable Management

Corporate Governance



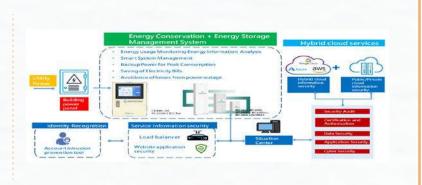
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? EnnoRise 's energy storage equipment

EnnoRise produces 5kW, 15kW, and 100kW all-around energy storage equipment for distributed buildings that are for industrial, commercial, and household use. In addition to distributed energy storage systems, one-stop energy management systems are another main focus. EnnoRise's energy storage and energy creation equipment integrates both equipment and technology through Ennowell's energy consumption monitoring, energy information analysis, and smart system management, thereby meeting customer needs for backup power during the peak consumption period, saving electricity bills, and avoiding power outages.



Benchmark cases: Ennoconn Solution as a Service (ESaaS)

? New Taipei City Government

In 2022, we assisted in the replacement of most old equipment in the administration building of the New Taipei City Government, checked and integrated 8 systems—lighting, water, electricity, air conditioning, firefighting, access control, elevators, surveillance—of different brands in the old building through Ennowell's monitoring system integration and energy management deployment, and monitored a variety of software and hardware systems thereof through 3D images to create a "situation room" of central control for customers. Besides the administration building, the central control room of the New Taipei City Government could also form a "New Taipei City Grid of Thing" to remotely monitor the power consumption of a total of 162 agencies and 365 schools, and to receive timely warnings upon the discovery of any abnormalities. The smart management center analyzed the big data for the New Taipei City Government to think of ways to improve.

In 2023, Ennoconn Group joined hands with Ennowell for another action: implementing 4 major linkage systems in the Machohou Smart Park for the fulfillment of energy and environmental sustainability. The Machohou Smart Park will provide manufacturers with a demonstration site aimed at the application of smart manufacturing, and make plans to integrate AI, big data analysis, intelligent linkage systems, etc. to realize digital transformation and green transformation. With the new type of green smart production park, particularly the installation of systems for smart transportation, smart sustainability, smart security, and smart governance, the companies in the park may build a smart environment and reach the objectives of a digital country and smart city.

For this case, Ennoconn Group worked in tandem with Ennowell to introduce ESaaS (Ennoconn Solution as a Service) into the Machohou Smart Park to create a smart park featuring the coexistence of ecological and economic development, and driving the upgrading of local industries. The ESaaS platform services include 4 major systems related to AI and ESG: (1) Intelligent Linkage for Environment Detection, (2) Geographic Information System (GIS), (3) Enterprise Resource Planning (ERP) System, and (4) Intelligent Integration Platform of the Management Center.



Goals for Sustainable Management

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> Sustainable Innovative Services

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We have thereby developed the concept of glocalization in Chiayi, transforming the "Machohou Smart Park" into a new base for global high-tech industries. With the natural landscape and biodiversity of the park preserved, the park has become a smart park where ecological and economic developments coexist and successfully drive the upgrading of local industries and the return of talent!



☆ 得獎績效

		グ 侍 突 線 グ	X
Program	Application	Outcomes of energy saving and carbon reduction	Photo
New Taipei City Government	Smart building with systems of firefighting, surveillance, lighting, water, air conditioning, elevators, electricity, and access control integrated; the first "Smart Energy Management Center" among all government agencies in Taiwan.	 2023 Platinum Award in System Product Category of the 3rd Asia Pacific Region Outstanding Intelligent Green Building Award Electricity consumption: 1.36 million kWh reduced Electricity bills: About NT\$ 4.8 million saved Carbon emissions: 628.72 tons reduced Manpower: About 21% reduced (NT\$ 11.6 million/3 years) Decrease in contract capacity by 10.3%: 5,020 kW → 4,500 kW 	
Taichung City Government	Comfort control and energy saving management based on AI and big data training to optimize the effectiveness of air conditioning control.	 ○ Electricity consumption: 1.34 million kWh reduced ○ Electricity bills: NT\$ 4.697 million saved (2020 - 2023) ○ Carbon emissions: 672.734 tons reduced 	
Machohou Smart Park	Intelligent Linkage for Environment Detection, Intelligent Integration Platform of the Management Center, Enterprise Resource Planning System, and Geographic Information System.	 □ The Diamond Intelligent Building Mark obtained. □ Comprehensive cloud smart management achieved. □ Carbon inventory system for buildings □ Smart microgrid (solar/energy storage) 	



3.3 Innovative R&D Technology

Goals for Sustainable Management

Corporate Governance



Devotion to Environmenta Sustainability

Building Common Prosperity in Society In recent years, the demand for environmentally friendly products has gradually increased, and such products have become a basic requirement of various countries. Hence, Ennoconn is committed to protecting the earth by adhering to the spirit of green design. In response to the increasingly severe impact of global climate change, the Company continues to enhance the collection of legal requirements of different countries, formulate environmental control policies, assess product green compliance, introduce the concept of environmental design during the product development stage, and incorporate the concepts of energy saving, low harm, and easiness to recycle, in order to face up to environmental issues. In addition, a Green Technology Team has been formed within the company to implement internal and external testing and control to ensure that products are in line with green requirements. At the same time, the Company keeps a close eye on the materials in the aspects of source control, parts and products to make sure that the materials meet international green regulations and the use of harmful substances in our products is reduced. These are all part of our efforts to protect the earth. Moreover, we pay constant attention to international environmental directives such as REACH, RoHS, WEEE, PFOS, Halogen-Free, Conflict Metals, etc., and offer comprehensive assistance for the R&D and manufacturing of green products.

In terms of our products, we follow the environmental concept of 4R (reuse, recycle, recovery, replace) and conform to customers' environmental certification regulations. We also make disassembly manuals and calculate the product recycling rate to meet the regulatory requirements for the overall product recycling rate. In the selection of product packaging materials, the environmental characteristics of the materials are taken into account, in addition to the protection effect. To comply with the Packaging and Packaging Waste Directive (PPWD) and demonstrate our greatest effort in environmental protection and waste reduction, such materials must be recyclable and contain no harmful substances.

In compliance with the EU's Waste Electrical and Electronic Equipment Directive (WEEE), Ennoconn has incorporated the concept of easy-to-disassemble modules into product designs. The easy-to-disassemble structures are analyzed based on exploded views, a structural diagram showing the composition of each product is generated, and the time required for disassembly is calculated. Improvements are made to the assembly structure of products to cut the disassembly and recycling time to stick more closely to the EU WEEE regulations. In 2023, the products and services provided by the Company did not lead to any violations of product and service health and safety regulations.

All of the Company's products are subject to third-party safety verification in the design and development stage to ensure their compliance with the safety labeling requirements. In 2023, our major customers and important new products successively received 9 important certifications including FCC, CE, TUV-UL, CB, NOM, RCM and BSMI, respectively. They were 100% compliant with the customer requirements and regional regulations. Moreover, customer needs are considered during the development of new products, and products' compliance with various energy consumption requirements in the eco-label is confirmed. From effective utilization of natural resources to prohibition of hazardous substances, and to life cycle assessment (LCA) for proper waste management, we consistently abide by related international norms on green products. Or, we seek possible alternative technologies for other parts to improve the environmental performance of products and develop products that are more environmentally friendly. The R&D team keeps developing low-energy consumption products that are in line with Energy Star's requirements and the EU's regulations regarding low energy consumption.

The Company has promoted its green products from 3 perspectives: safety, energy saving, and environmental protection. As such, there was no punishment, fine, sales ban, recall, or customer complaints resulting from a violation of environmental regulations by our products or services in 2023. With our rigorous spirit for quality management, we carry on the control of every step.



Comprehensive high-quality management

Goals for Sustainable Management

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Devotion to Environmenta Sustainability

Building Common Prosperity ir Society In regard to process quality management, Google Cloud services are used to enable the systems to provide digital transformation solutions for the supply chain and production management team to monitor and control materials and thereby avoid error and waste during the manufacturing process. In addition to the improved profitability and efficiency, problems can also be detected before a product is damaged, as the IoT monitors embedded in packaging and shipping containers can measure temperature, vibration and humidity, etc.

The visibility on demand, design chain, product selection, and product life cycle have been improved following the implementation of cloud tools. Ennoconn's production system utilizes analytics technology to collect and analyze related data on manufacturing and design, and is capable of manufacturing green products. There has been less error during manual operations due to IoT machine learning based on AI algorithm, and data has been collected in a non-stop manner through smart sensors to make predictive reports and schedule maintenance before downtime.

Our strategic alliance provides embedded computer systems and industrial automation solutions for smart factories to improve product quality, enhance safety, and reduce manufacturing costs. The embedded products are designed with industrial-grade components to ensure a long product life cycle and the ability to operate over a wide temperature range under harsh factory conditions.

Ennoconn is in pursuit of stability and excellence in high-quality management. Our parent company has obtained the international certifications of ISO 9001 quality management system and ISO 14001 environmental management system, passed the verification of ISO 50001 energy management system and ISO 14064-1 greenhouse gas inventory, and implemented ISO 27001 information security management system and ISO 45001 occupational health and safety management system, which were verified in 2023. The subsidiary, Ennoconn (Suzhou), has obtained the certifications of ISO 9001 quality management system and ISO 14001 environmental management system, as well as the certification of ISO 13485 quality management system for the medical industry, properly fulfilling the requirements for product quality from customers' perspective. Please refer to the table below for the ISO management system certifications acquired by the other important subsidiaries.

Q 2023 Statistics on ISO Management Systems

	Quality-related								
Company	ISO 9001	ISO 13485	TL 9000	AS 9100	ES 9100				
Ennoconn	0								
Marketech International Corp.	0	0							
CASwell	0		0						
Goldtek	0								
Ennoconn (Suzhou)	0	0							
Vecow									
Kontron	0	0		0	0				



Q 2023 Statistics on ISO Management Systems

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	Society-related			Environment-related				Governance-related					
Company	ISO 45001	SA 8000	ISO 14001	ISO 14064-1	ISO 50001	IATF 16949	IECQ-H DNVTW	ISO 27001	ISO 31000	ISO 37001	AEO	ISO 28000	ISAE 3402 Type II
Ennoconn	0		Ø	0	0			0					
Marketech International Corp.	©	0	⊘	©	0						⊘		
CASwell	0		0	0				0				0	
Goldtek	0		0	0									
Ennoconn (Suzhou)	0		Ø	0	0	0							
Vecow				0									
Kontron	0		0	0	0		0	0	0	0			0



3.3.1 Conflict Minerals Policy

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Ennoconn requires its manufacturers and their suppliers to fulfill social and environmental responsibilities and put international justice into practice. With continual improvement of ethics, environmental protection and social performance, the basic elements of good governance are demonstrated to stakeholders. Through regular due diligence under the Responsible Minerals Initiative (RMI) - Responsible Minerals Assurance Program, we request our suppliers to source conflict-free raw materials and avoid any indirect violations of human rights and national or international laws, etc. due to the use of conflict minerals.

We promise not to accept "conflict minerals" from Congo and its surrounding countries and regions as input into our products. The said conflict minerals include gold (Au), tantalum (Ta), tin (Sn), tungsten (W), and cobalt (Co). The Company requests suppliers to investigate and trace the sources (including smelters) of the conflict minerals contained in all products (if any), and requires these metals to come from only qualified smelters recognized by the RBA (EICC), so as to ensure that these metals are not from conflict mining areas, and communicate the prohibition of conflict minerals to upstream suppliers for compliance. In 2023, the Company continued to conduct supply chain investigations based on the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT), and used the mine list as the basis for source confirmation.



Documents related to the conflict minerals policy

3.3.2 R&D Achievements and Patents

In order to protect Ennoconn's professional knowledge, boost quality, improve efficiency, maintain advanced technological achievements, strengthen competitive advantages, and keep the leading role, the Board of Directors approved the establishment of an intellectual property management organization at the meeting on November 11, 2021; the "Intellectual Property Management Plan" with the Company's operational goals incorporated therein was developed subsequently and announced for implementation upon the approval of the Board of Directors. The Board of Directors receives reports every Q4; the latest report was delivered on November 14, 2023. Such reports focus on the implementation of 5 major dimensions: patent management, trademark management, copyright management, trade secret protection, and human resource management. As of 2023, Ennoconn and Ennoconn (Suzhou) accumulated 11 valid patents.

? Patent Status in Recent 4 Years

	2020	2021	2022	2023
No. of new patent applications	2	2	2	4
No. of valid patents	5	5	7	7
Total No. of valid patents registered	7	7	9	11

Note: The scope of statistics is Ennoconn and Ennoconn (Suzhou).



QR code of Ennoconn's Intellectual
Property Management Plan



troduction	Year	R&D projects
		Ennoconn launched the AMD standard motherboard with 4 display cards and integrated single SOC chip, thus successfully becoming a game machine vendor that presented the high-performance effects of dynamic video and audio display.
ala fam		P The Company continued to work with Intel in expanding the application of the Coffee Lake platform to game machines, and enhanced the application of USB device management and MCU device control to provide more types of system integration applications, thereby becoming a game machine vendor for dart machines, etc.
als for stainable magement		ρ The company continuously enhanced its collaboration with customers in the gaming industry and developed firmware functions in Boot Security and various core modules to satisfy different customer needs.
nagement		The Company collaborated with medical equipment providers in developing the handheld ultrasound tablets which complied with EN60601 requirements, and developed various firmware to assist customers in integrating various needs.
	2019	A marine rugged host was launched for Intel's Coffee Lake platform, and the R&D capabilities needed to meet rigorous requirements for maritime EMI/EMC, safety, and power supply were increased to solve voltage fluctuations and related insulation issues, comply with related requirements of DNV certification and various test specifications, and accordingly provide customers with more diversified product options.
rporate vernance		Particles The Company developed the ECDIS color correction software to meet certification standards for the panels in industry applications, provided nautical charts and messa systems that could be accurately displayed on LCD screens under various brightness conditions, and integrated communication protocols used for the control of shipborne devices.
		△ The Intel Apollo Lake entry-level POS was developed for customers to have better product line deployment.
Suctainable		ρ The USB SR Pro package software tools were developed and used on industrial computers along with a specific hardware design. They provided the device detection an reset functions, and lowered the probability of personnel on-site maintenance.
Sustainable Innovative Services		Description Products integrated single SOC chip that could, coupled with customers' robot products integrating machine vision, be used for AOI inspection applications. A PSE module system with industrial-grade insulation was also designed, providing 4 sets of POE ports for camera use; the firmware for light source control with various parameters available was developed at the same time, adopting high-wattage light source control module to offer better LED dimming functions.
		Mid-to-low-end POS machines for Intel's Whiskey Lake platform were developed to provide customers with a diversified product portfolio.
		□ The BOX PC for Intel's Elkhart Lake platform was developed to provide customers with a product portfolio for kitchen controllers.
otion to		Σ The Company combined the chips from video chip manufacturers and MediaTek to develop and design video conference products featuring 4K image stitching and Al smart recognition.
vironmental stainability		The BOX PC for Intel's Tiger Lake platform was developed, with an interface matching the NMEA isolation design introduced, the ECDIS color correction technology-enhanced, and the product of the nautical chart system implemented to offer customers a new generation of the product portfolio.
		Particles The BOX PC for rail transit applications for Intel's Elkhart Lake platform was developed, with a design conforming to on-board ignition introduced. It satisfied the requirements related to voltage fluctuation and power isolation, and featured integrated 4G/5G modules in one system, thus enabling more diverse applications and providing customers with more comprehensive system products.
ilding mmon	2020	The Company developed industrial-grade Ethernet Switch products with serial ports supporting communication via real-time data transmission and reception. Once the network interface expansion box was connected, the serial ports immediately restored the communication status. With the "plug and play" feature, it required no comp IP settings and ensured easy installation and maintenance.
sperity in ciety		○ The Company developed Rockchip's ARM architecture CPU module board, offering more diverse choices of SMARC embedded products.
ociety		Providing design support for software and hardware electromechanical systems and optimizing mass-produced products such as lottery machines. The Company also worked with major chip manufacturers in launching new platform desig to provide customers with higher cost-performance.
P		P The Company developed software for Microsoft Azure Cloud applications and set up mechanisms for remote monitoring and recovery, thereby giving customers more options on additional features for products.
pendixes		ρ The company developed encrypted data storage technology and ECDSA digital signature technology, and provided customers with encryption technology that integrat hardware and software.



ntroduction	Year	R&D projects
		The all-in-one POS machine for Intel's Whiskey Lake platform was developed to provide customers with a diversified product portfolio.
		○ The BOX PC for Intel's Elkhart Lake platform was developed to provide customers with controller solutions in the field of kitchen applications.
pals for		Description of the BOX PC for Intel's Tiger Lake platform was developed, with an interface matching the NMEA isolation design introduced, the ECDIS color correction technologyenhanced, and the product of the nautical chart system implemented to offer customers a new generation of the product portfolio.
ustainable anagement		The BOX PC for rail transit applications for Intel's Elkhart Lake platform was developed, with a design conforming to on-board ignition introduced. It satisfied the requirements related to voltage fluctuation and power isolation, and featured integrated 4G/5G modules in one system, thus enabling more diverse applications and providing customers with more comprehensive system products.
		ρ The lottery machine motherboard for Intel's Elkhart Lake platform was developed to provide customers with a diversified product portfolio.
	2021	P The Company developed a lottery system with a small-sized display for Intel's Whiskey Lake platform. Coupled with the design of the wireless BCR Reader, it provided variable easy-to-assemble products for different fields.
orporate overnance		P The Company developed integrated smart projector products that supported different projection input sources and were combined with multimedia products of cloud software services.
		^Ω The Company combined the chips from video chip manufacturers and MediaTek to develop and design video conference products featuring 4K panoramic image stitchin and AI smart recognition. Video software and cloud collaboration software were also integrated into the products.
		A fan-less all-in-one system for Intel's Whiskey Lake platform was developed.
Sustainable		P The Company collaborated with customers to expand the designs of related plastic and iron parts for large cabinets used for gaming products, optimize changes, and introduce new design solutions for related system components in a constant manner.
Innovative Services	2022	The mid-to-high-end POS motherboard paired with an I/O board and AD board module for Intel's Tiger Lake platform was developed to provide customers with a variable and flexible product portfolio for the overall systems.
		The mid-to-high-end lottery machine motherboard for the new Intel ADL-P platform was developed to provide customers with a high-end product portfolio.
		The Company developed Intel's Elkhart Lake platform for use with low-end POS motherboard design, and worked with a new generation of system mechanisms featuring miniaturization, simplicity, low noise, etc. to roll out products with low-consumption design.
evotion to		ρ A new generation of video conferencing system was developed with a VIA module (MediaTek's chip) added.
nvironmental ustainability		P The Company optimized the visual display processing architecture of the host system of the existing gaming machines, aiming to continuously meet the market needs with low prices and high performance.
		○ The new generation of lottery machine systems for Intel's Elkhart Lake platform was designed with a focus on compact, beautiful, and streamlined system integration to bring a brand-new user-friendly experience.
uilding		The new generation of high-end innovative lottery optical recognition system for Intel's ADL-P platform was designed. It ensured rapid and accurate information collection under any ambient light sources, and featured a new slim and futuristic design.
ommon rosperity in	2023	In response to the business opportunities of carbon reduction, the Company developed a simple and intuitive carbon emission data collector that could display the power consumption data of a single piece of equipment and perform carbon reduction analysis.
ociety		A smart power panel for monitoring the energy consumption of energy devices was developed. This could be used in homes or smart buildings to help measure and record electricity consumption and power consumption.
		Description The Company developed an energy management system (EMS) to be incorporated into the smart power panel to achieve cloud software and hardware integration. It was used to analyze the power consumption of electrical appliances and accordingly formulate power saving plans with a view to producing the effects of power saving and carbon reduction.
ppendixes		 A software and hardware integrated product for the early warning and monitoring of device failures was developed. Coupled with the application of AI algorithm technology, it helped predict failures. The patent is still pending.



3.4 Co-creation with Partners and Customers

Goals for Sustainable Management Ennoconn is a global manufacturing solution provider. The new strategic partnership with Google Cloud Platform (GCP), Google Meet, and Google Workspace has enabled Ennoconn to take advantage of digitalization to manage the 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 workshops. In addition, the Company has launched corporate digital transformation solutions and "Digitalization as a Service."

"Digitalization as a Service" is a bundled product, service and solution based on Ennoconn's new cloud AIoT and digital transformation. Ennoconn has productized "Digitalization as a Service" and integrated it into the customer service portfolio. Customers are therefore able to better manage their consumption and utilization of cloud services to increase the revenue generated.

Corporate Governance

Solutions of Digitalization as a Service



Devotion to Environmental Sustainability

Building Common Prosperity ir Society

			Stakeholders		
Solution	Description	Customers	Supply chain	Employees	Benefit
	Converting ODM services for customers and offering IT/OT fusion, cloud, and a solution with AI, 5G, and AloT resources integrated.	⊘			 □ Digital transformation: □ Al platforms (cloud, software, hardware Al platforms). □ Optimized organization and decision-making. □ Transformation of the way customers connect and collaborate. □ The most secure, flexible, and cost-effective solution that ensures almost non-stop operations for customers.
Google Cloud Platform (GCP)	Transforming manufacturing systems to create the next generation of products, services, and industrial manufacturing methods in key core vertical industries.		⊘	⊘	 ○ Efficiency upgrade: □ Implementation of cloud-based tools for better visibility of requirements, design chain, product selection, product lifecycle, and end of life. □ Cloud data analysis technology available to collect and analyze customer-related information during the manufacturing and design processes. □ Integration of cloud services and solutions that enable Ennoconn to manufacture products in a more sustainable manner. □ Cloud services and solutions that help Ennoconn effectively introduce more advanced platforms and smart equipment for critical core customers in key markets.



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			Stakeholders			
Solution	Description	Customers	Supply chain	Employees	Benefit	
Google Workspace	Linking to products and solutions, and covering authorized dealership opportunities for other Google-related products.	⊘	Ø	⊘	 Efficiency upgrade: Improvement of the strategy for integrating digitally transformed products and services. 	
Google Meet	Allowing safe meetings on any devices; no software installation required thanks to its compatibility with all kinds modern web browsers.	0	0	0	 Information security: Data encryption during transmission to provide complete protection. Efficiency upgrade: Versatile equipment connection that increases the efficiency of online meetings and supports the live broadcast for up to 100,000 viewers. 	

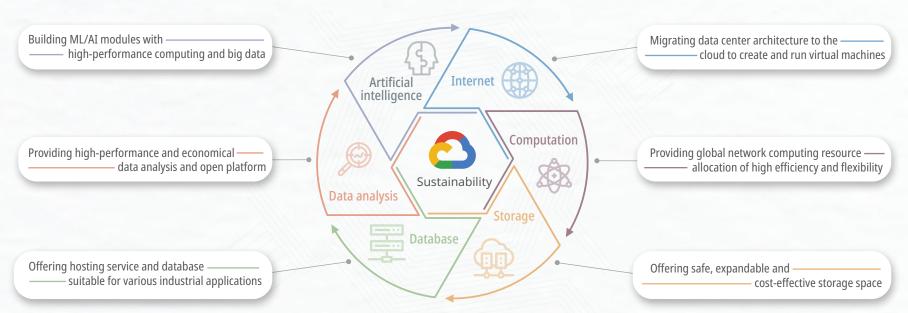
⇒ Ennoconn 's green energy cloud platform service

Sustainable Innovative Services

Ennoconn works together with Google to adopt the industry's greenest (zero carbon) cloud service, with Google's data center aiming at complete adoption of carbon-free energy by 2030. Through technical collaboration, we jointly assist enterprises in achieving net-zero sustainable development and provide corporate customers with a one-stop cloud service covering cloud connection, cloud migration, cloud usage, cloud management, and cloud protection.

Devotion to Environmenta Sustainability

Building Common Prosperity in Society





Goals for Sustainable Management

Corporate Governance



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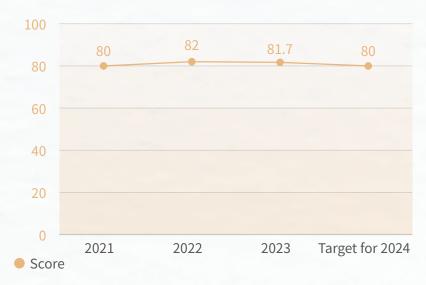
Appendixes

3.4.1 Customer Satisfaction Survey

Ennoconn places great emphasis on product development, and aims to satisfy all customers with innovative services. Our R&D team focuses on the implementation of innovation and collaboration, as well as the development and employment of environmentally responsible technologies and solutions. Green product design and supply chain management are the keys to the overall sustainable development of the Company. We have formulated customer service-related management procedures and regulations to ensure the quality of professional services in all aspects. Meanwhile, various channels are in place for customers to make suggestions or complaints. After receiving a suggestion or complaint, the Company documents it for follow-up, and has relevant units discuss and analyze improvement methods, propose preventive measures for the problems, and notify the customer of the processing status and solutions in a timely manner. In 2023, there were no customer complaints about non-compliance with regulatory or contractual requirements.

Ennoconn values customer development and customer relationship management. Each year, the Smart Business Division conducts a questionnaire-based satisfaction survey of important customers with a target score of 80 or higher. The scoring results and suggestions are compiled into a table for the senior management to review. For the parts with low customer satisfaction scores, improvement measures are devised and written responses are given to customers. In addition, the product and service quality is continuously enhanced to meet customers' requirements. The score in 2023 was 81.7, which was higher than the target score of 80.

Q Customer satisfaction in recent years



Calculation method: Total score / No. of customer satisfaction questionnaire copies. There is no satisfaction score in the sustainability report in 2022. The information was re-compiled during the preparation of the sustainability report this year; the overall score has decreased, but the overall performance is not affected.





3.4.2 Collaboration with Corporate Partners

	Company	Product/service	Application	Collaboration benefit
Goals for Sustainable Management	Intel	Intelligent system	The knowledge and experience shared by the members of the Intel Intelligent Systems Alliance provide an attractive competitive edge for OEMs that are in search of embedded application solutions. Ennoconn works closely with Intel to adjust the technology roadmap and plans while optimizing the development synchronized with the version of Intel's platforms.	Participation in training, education, market development, and other ecosystem activities have been facilitated to help provide and expand the market for product-embedded smart systems based on the premier solutions of the latest Intel architecture.
Corporate Governance		Google Cloud	Ennoconn has gone into a strategic partnership with GCP to transform Ennoconn's manufacturing system and create new products, services, and industrial manufacturing methods for international customers, including smart city, smart manufacturing, smart retail, financial services, and media and entertainment.	Manufacturing digital transformation has been promoted.
Sustainable Innovative Services	Google	Google Glass	Google Glass has become a fully integrated technology among and around Ennoconn's processes and services for manufacturing and design. As a major value-added supplier of Google Glass, Ennoconn is committed to providing comprehensive solutions and architectures from equipment to technical SI management.	Ennoconn and Google Glass can be intuitively integrated into one's workflow, and allow one to stay focused, engaged, and attending while providing real-time collaboration. They are ready to activate the appropriate application at any time. © Enhancing accuracy and completing tasks safely and rapidly. © Accessing training videos, images, or quality assurance checklists. © Allowing real-time contact with partners and sharing of expertise through video streaming. © Ensuring timely collaboration and troubleshooting.
Devotion to Environmental Sustainability Building Common Prosperity in Society	Google Workspace		Ennoconn connects Google Workspace with its products and solutions, including authorized dealership opportunities for Google Workspace and other related products. Meanwhile, the strategy for integrating digitally transformed products and services has been expanded and improved.	 Ennoconn and Google Suite provide smart solutions to make collaboration easier, faster, and more efficient. Introducing flexible collaboration for a team. Allowing demonstrations to hundreds of people and replying to any questions in real-time. Allowing automatic editing and change tracking without the need for email. Converting messages and group chats into video calls for spontaneous rapid synchronization. Making the establishment of connections easier and breaking down organizational barriers by providing an online discussion platform.
	MediaTek		Ennoconn's industrial motherboards, POS (point of sale/service) equipment, and self-service terminal functions include MediaTek's chipsets, thus applicable to a variety of cloud-based computing designs and technology applications.	Through this strategic collaboration, Ennoconn is able to promote, market, design, build up and deliver MediaTek's SoC solutions that are based on 5G, Wi-F and other advanced wireless communication technologies.



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4.1 Key Results

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Appendixes

4.1.1 Environmental Management Policy

Environmental sustainability is one of Ennoconn's commitments to green management. In response to the global trend of energy saving and carbon reduction, we have improved engineering efficiency through system engineering design and system integration, reduced energy consumption during engineering, and formulated the "environmental energy policy." As an indicative international ODM/OEM supplier, the Company passed the ISO 50001:2018 energy management system certification on June 4, 2023, and is committed to environmental protection. In addition to fulfilling corporate social responsibility and environmental protection, we also spare no effort to promote the subsidiaries' compliance with the ISO 14001:2015 environmental management system standard.

Ennoconn also supports the government's green procurement regulations. From raw material acquisition, engineering implementation, transportation and distribution, completion, and customer use, the Company makes relevant plans for all stages of the product life cycle and requires manufacturers to provide eco-friendly products with low pollution, recyclability, and reusability to achieve the goal of waste reduction.

Annual results related to energy conservation, carbon reduction, and waste reduction are reported at the Sustainable Development Committee meets twice a year, with the committee members setting and confirming the roadmap targets for energy conservation, carbon reduction, and waste reduction and conducting a timely reviews at all times. The Company promotes environmental protection through 5 major approaches:

- Legal compliance: Complying with the relevant requirements of environmental and energy laws and regulations to make environment and energy-related improvements in a constant manner.
- Pollution prevention: Adopting products of low pollution and low energy consumption to keep improving environmental and energy performance.
- Energy conservation and carbon reduction: Devising management plans for energy conservation and carbon reduction, and facilitating the integration and utilization of resources and energy.
- Participation by all: Internally disseminating the concepts of environmental protection and energy conservation to raise employees 'awareness of environmental protection and ensure their practice in daily life.
- Continuous improvement: Strengthening the performance of sustainable management by taking account of environmental protection, energy saving and economic development at the same time.





★ ISO 50001:2018 energy management system certification



4.1.2 Environmental Management Performance

	Category	Item	Consumption in 2022	Consumption in 2023	Target for 2023	Target achieved?	Management measures
Goals for Sustainable					Annual		Energy-saving air conditioning management was fully implemented in the office area. The air conditioners were uniformly set to not lower than 26 °C through the temperature control panel, and the Company promoted the concept of not turning on air conditioners except in summer.
Management		Electricity consumption (kWh)	687,457	695,910	Annual electricity saving per capita of	0	The Company replaced old air conditioner chillers and pipes, performed annual cleaning of filters and maintenance of chillers, and maintained equipment performance to reduce electricity consumption.
		(1.0011)			1%		During the Lunar New Year and other consecutive holidays, all units were required to turn off the power of computers and unplug all unnecessary plugs after work every Friday.
Corporate Governance	Energy saving and carbon reduction						 Employees were encouraged to take public transportation or participate in carpooling for business trips and commuting to work. On-site services were replaced by remote services to reduce GHG emissions from transportation.
	reduction						Employees were encouraged to go to other floors within a distance of two stories on foot to save the electricity needed for taking elevators.
		Fuel			Year-		○ The 4 central chillers on the 3rd, 4th, 5th, and 6th floors were connected in parallel to save electricity.
Sustainable		consumption (L)	3,616	2,100	by-year decrease	0	The concept of turning off the lights and equipment when leaving the office or after a meeting was promoted.
Innovative Services							 The lighting in public areas was turned off during lunch breaks and after work, and the number of lamps was adjusted according to the level of illumination necessary in the working areas. The office lighting was fully replaced with LED lights.
							The office prioritized the use of recycled paper and required that the paper must be used on both sides, in order to ensure sustainable utilization of the earth's resources.
Devotion to Environmental		Domestic waste (tons)	2.561	2.486		0	Office waste was divided into general waste and waste resources to be recycled, and the Building Management Committee commissioned a private company to dispose of the waste. Meanwhile, employees were encouraged to use reusable cups and tableware to reduce waste generation.
Sustainability	Waste reduction				Year-		 Discarded IT equipment and toner cartridges were collected and recycled by a related service provider.
	- Resource reuse				by-year decrease		 A recycled paper area was set up next to each printer so that employees could reuse single-sided waste paper, thereby cutting down paper consumption.
		Paper consumption	_	77,071			○ The Company was committed to the implementation of a paperless policy, making good use of electronic IT systems to replace traditional paper-based applications.
Building Common		(sheets of paper)		,			ρ The Company promoted duplex printing or N-up printing to save paper and toner.
Prosperity in Society		pape.)					Meeting materials for Board meetings and business management meetings, etc. were replaced by electronic ones using tablet computers to significantly reduce the amount of paper used.
occiety							Although the Company only used water for office activities and did not consume much domestic water, to develop employees' environmental protection awareness, we communicated the concept of water conservation to employees routinely to minimize the waste of water resources.
	Water resource management	Water consumption (million L)	3.653	4.455	Year- by-year decrease	×	 One touch water saving valves were installed on toilet faucets in the office building to heighten employees' awareness of water saving.
Appendixes	management	(IIIIIIOII L)			Getrease		The target in 2023 was not reached mainly due to the greater internal promotion of washing hands before working. The Administration Department continued to actively disseminate the water conservation policy through internal communication letters and the website.

Note: "-" indicates that no data was available for the year.



4.1.3 Investments in Environmental Protection

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Building Common Prosperity in Society Ennoconn has developed the concept of green office, educated employees about the conservation of energy and resources (water, electricity, paper, and fuel) in the workplace, and encouraged employees to take public transportation more and choose green venues for activities. An office system featuring green environment was developed in a top-down manner; the management team played a leading role, motivating employees to implement environmental protection in the office space and further achieve low-carbon green lifestyle in their daily life.

The Company aims to reduce the annual per-capita electricity consumption by 1%. In 2023, we introduced ISO 50001 green energy-saving equipment internally for improvement. Also, we prioritized the procurement of green products with environmental label, Type II environmental label, energy/water saving label, carbon footprint reduction label or MOEAEA Class I/II energy efficiency label according to the list of 51 designated green procurement items on the Green Life website of the Environmental Protection Administration, providing the most substantial support to manufacturers engaging in green manufacturing. In 2023, the Company's green procurement was mainly focused on OA office equipment and home appliances, with a total of NT\$ 628,461 invested. The increase in the proportion of green procurement will be carried on in the future as well.

In 2023, due to the growing demand in the energy market, the Company made a green energy investment of NT\$ 60 million in EnnoRise in July for the ambitious deployment of energy storage and energy creation equipment related to energy management. In 2023, EnnoRise collaborated with Ennowell, a subsidiary of Ennoconn, to launch a distributed energy storage system, which was further exhibited at Energy Taiwan to help customers reduce the stress of peak electricity demand, save electricity bills and avoid losses stemming from power outages through off-peak charge and on-peak discharge.



4.1.4 Air Pollution Prevention

In September 2021, the World Health Organization (WHO) updated the "Air Quality Guideline" to point out that clean air should be a basic human right. Air pollution is the biggest environmental threat to human health, as well as a public health issue that cause losses up to trillions of US dollars and at least 7 million deaths every year.

The Company cares about air pollution prevention performance and air quality. Although there are no volatile organic compounds (VOCs) generated by our manufacturing factories, there are pollutants in our indoor environment, including particulate matter, smoke hazards, volatile and semi-volatile organic substances, formaldehyde, combustion gases, carbon dioxide, ozone, microorganisms, radon, etc. They are so tiny that they can easily penetrate deep into the lungs and cause unignorable impact on human health.

According to Paragraph 1, Article 12 of the "Occupational Safety and Health Act" of the Ministry of Labor, employers are responsible for providing employees with a clean workplace. The Company has not only arranged regular disinfection, but also monitored the carbon dioxide concentration and air quality every six months. A third-party was invited on March 24 and September 21, 2023 to produce monitoring reports. The carbon dioxide concentration stayed below 5,000 ppm, which was consistent with laws and regulations and reduced the risk of employees suffering from an unhealthy work environment.



4.2 Climate Policy

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Building Common Prosperity ir Society The United Nations Intergovernmental Panel on Climate Change (IPCC) released its Synthesis Report for the Sixth Assessment Report in Switzerland on March 19, 2023, pointing out that GHG emissions have increased severe disasters such as extreme storms, droughts and wildfires, and ice sheet melting, sea level rise, and other significant changes have also been observed through observation satellites. Climate change is affecting ecosystems, people, infrastructure and economies around the world faster than ever before.

At the end of 2023, the National Development Council also announced "12 Key Strategies" for net-zero emissions by 2050, including wind/solar PV, hydrogen, innovative energy, power systems and energy storage, energy saving, carbon capture, utilization and storage (CCUS), electric and carbon-free vehicles, resource recycling and zero waste, carbon sinks, green lifestyle, green finance, and just transition. As a part of the global industrial computer industry chain, Ennoconn not only sets energy saving and carbon reduction targets and invests in energy management systems to achieve the objectives of energy conservation, energy storage, energy creation, waste reduction, water conservation, and low-carbon operation, but also strives to mitigate environmental and climate change by providing cloud-premise integration and ESG system solutions.

The framework of the Task Force on Climate-related Financial Disclosures (TCFD) provides 11 indicators in 4 major aspects: governance, strategy, risk management, and indicators and targets. The Financial Supervisory Commission has taken account of the TCFD international standards in the "Corporate Governance 3.0 - Sustainable Development Roadmap," which was applied in 2023 and strengthened listed companies' disclosure of climate information in sustainability reports. Ennoconn identifies climate risks and opportunities, formulates subsequent response strategies, and reports to the Sustainable Development Committee members on an annual basis.

Governance	Strategy	Risk Management	Indicators and targets
Ennoconn' s governance of climate-related risks and opportunities	Actual and potential climate-related impacts of Ennoconn's business, strategies, and financial planning	Ennoconn' s climate-related risk management process	Ennoconn's indicators and targets for assessment and management of climate-related issues
 Board of Directors' supervision of climate-related risks and opportunities 	Short-term, medium-term and long-term climate-related risks and opportunities identified by the organization	 Climate-related risk identification and assessment processes of the organization 	Indicators used by the organization to assess climate-related risks and opportunities according to its strategies and risk management process
The Sustainable Development Committee reports the climate risk and opportunity governance status as well as the annual sustainability risk management issues to the Board of Directors every year.	Please refer to the Table of Short-term, Medium-term and Long-term Climate Risks and Opportunities in 2023.	The head office completed the GHG inventory and verification in 2023, and planned to have the subsidiaries complete their GHG inventory and verification on a yearly basis. During the subsequent planning, climate risks and opportunities will be incorporated into the risk management policy and the operation of each unit.	The organizational GHG inventory and ISO 14064 verification are performed every year, with improvements made to the external information disclosure on the official website and the Market Observation Post System.



Governance	Strategy	Risk Management	Indicators and targets
 The management's role in assessing and managing climate-related risks and opportunities 	 Impacts of climate-related risks and opportunities on the organization's business, strategies, and financial planning 	 Description of the organization's climate-related risk management process 	 Scope 1, Scope 2, and Scope 3 (as applicable) GHG emissions and related risks
The President serves as the chairperson of the Sustainable Development Committee and has four subordinate working groups to identify and assess climate risks and take countermeasures.	Please refer to the impact level of the climate-related risks and opportunities.	Climate risks and opportunities will be incorporated into the risk management policy and the operation of each unit during the subsequent planning, and reported to the Board of Directors annually.	Please refer to 4.2.2 Carbon Emission Management.
	The organization's strategic resilience and consideration of different climate- related scenarios (including the 2 °C or more severe scenarios)	 How the climate-related risk identification, assessment, and management processes are integrated into the organization's overall risk management system 	Description of the targets adopted by the organization to manage climate- related risks and opportunities, and the performance of actions therefor
	To further assess the influence and possible financial impacts of climate change, the Company specifies the topics of climate change risks and opportunities for physical risks and regulatory transition risks with reference to international sustainability trends, customer needs, and Taiwan government policies, identifies climate-related risks, and uses the risk matrix to determine the most important climate-related risk issues to be prioritized.	Ennoconn actively develops 3 strategic cores for sustainability: digital transformation, information security transformation, and green transformation. Focusing on these cores, we deal with ESG risks, impacts or opportunities such as promoting energy saving, consumption reduction, and net-zero carbon emissions, and horizontally and vertically integrate the resources of subsidiaries and partners to provide enterprises with one-stop cloud- premise integration services and grasp	 ⊕ The short-term, medium-term and long-term paths to net-zero carbon emissions by 2050 have been set: carbon reduction by 30% by 2025, carbon reduction by 50% by 2030, and net-zero emissions by 2050 (long-term strategy goal). ⊕ The target of annual electricity saving per capita of 1% has been set.

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4.2.1 TCFD Disclosure

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The Sustainable Development Committee gathered the 4 working groups to form a cross-department team that defined 17 climate risks and 20 climate opportunities based on the TCFD framework and the list of topics and opportunities in 2022 covering 11 climate risks and 10 climate opportunities. After cross-department discussion and external consultation, the climate topics related to the scope of the Company's operation were adjusted and better clarified. In 2023, 10 climate risks and 8 climate opportunities were selected, which will enable the Company to more accurately assess the scope of operational impact and adjust the corresponding policies in the face of climate risks.

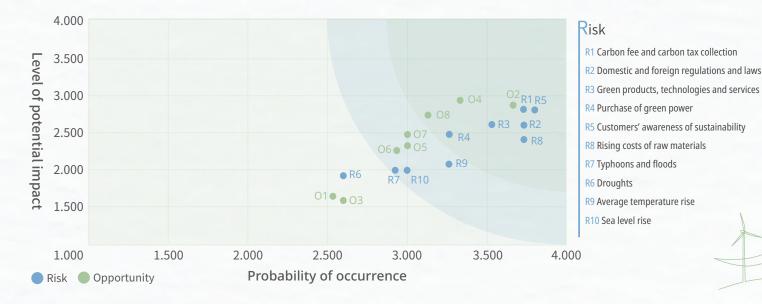
green business opportunities.

A questionnaire on risks and opportunities focusing on the "level of impact, probability of occurrence, and risk exposure" was designed. Based on the level of impact and probability of occurrence of each item, a risk matrix was prepared, the possible financial impacts were analyzed and discussed cross-departmentally, and the overall climate risks and opportunities throughout the Company were listed with relevant countermeasures accurately proposed.



Ennoconn's climate risk and opportunity matrix

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Opportunity

- 01 Water saving benefits
- O2 Energy saving benefits
- 03 Waste reduction benefits
- 04 Green buildings
- 05 Green transportation
- 06 Solar installation
- 07 Incentive policy
- 08 Green technology solutions and carbon trading

Q List of climate risks and opportunities

Period of

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	comr	nittee members t	hereby make assessments and include	the topics wit	th relatively grea	t impact on the Company in th	e scope of risk management.
Transition risk	R1 Carbon fee and carbon tax collection	Short-to- medium-term	 In 2023, the government promulgated the "Climate Change Response Act," under which a carbon fee will be levied on companies in a stepwise manner based on their amount of carbon emissions. A carbon tax has been gradually levied since 2023 under the 	Moderate	Short-term	Possible increase in operational costs due to the government's climate change adaptation policy.	 □ The Company's managem the amendments to domes related policies and laws (in related regulations) at all ticompliance. □ The Company's Scope 1 amended in 1023 totaled 360.57 tCO₂ expected to be levied in the term. However, we continus saving and carbon reduction

EU Carbon Border Adjustment

Mechanism (CBAM).

Policies and regulations: Ennoconn pays constant attention to domestic and foreign regulations on climate change issues, and reports to the Sustainable Development Committee twice a year; the

- □ The Company's management team has reviewed the amendments to domestic and foreign ESGrelated policies and laws (including climate changerelated regulations) at all times to ensure legal compliance.
- The Company's Scope 1 and Scope 2 emissions in 2023 totaled 360.57 tCO₂e. A carbon fee is not expected to be levied in the short-to-medium term. However, we continue to promote energy saving and carbon reduction measures internally, and monitor emission data to support the government's policy goal of net-zero emissions by 2050.



Introduction	Туре	Торіс	Period of impact	Description	Level of Impact	Probability of occurrence	Potential business/ financial impact	Management action
				□ The Bureau of Energy, Ministry of Economic Affairs stipulates that electricity consumption should be reduced by 1% every year.				
oals for ustainable				In 2023, the government promulgated the "Climate Change Response Act." The 2021 2023 "Comparate	Moderate	erate Short-term	Possible increase in operational costs due to the government's climate change adaptation policy.	○ In response to the FSC's requirement for all listed
lanagement	Transition risk	R2 Domestic and foreign regulations and laws	Short-term, medium-term and long-term					companies to complete GHG inventory by 2027 ar GHG assurance by 2029, Ennoconn completed the ISO 14064 greenhouse gas accounting in 2021 and has carried on the measure every year. Supply chain management: A consensus on a sustainable supply chain has been reached through
Corporate Governance								audits and screening of suppliers to reduce the environmental impact of business activities.
ıstainable novative		Technolo	ogy: Ennoconn pr	ovides systems and solutions of cloud-p	remise integ	ration, energy sav	ring and carbon reduction to r	ninimize environmental hazards.
ervices	Transition risk	R3 Green products, technologies and services	Short-term, medium-term and long-term	As the environmental awareness of customers and suppliers has increased the demand for green products, new products, technologies and services are integrated and provided to meet the expectations and market demands.	Moderate	Medium-term	Higher R&D costs owing to the R&D of low-carbon technology solutions and the procurement of low-carbon raw materials and products.	 Corporate sustainable development has been facilitated based on "EPS+ESG+ESaaS." ESaaS platform: Through "software and hardware integration" and "cloud and network integration," we provide customers with low-carbon technologies and services.
Devotion to Environmental Sustainability	Transition risk	R4 Purchase of green power	Short-term, medium-term and long-term	In response to the Company's short- term, medium-term and long-term paths to net-zero carbon emissions by 2050, we have mapped out the plans to purchase green power certificates for our equipment, systems, and operations stepwise.	Moderate	Medium-term	Increased costs due to the additional purchase of green power certificates for the goal of net-zero carbon emissions.	With 2021 as the base year, carbon emissions need to be cut by 50% by 2030.
Building Common	Market fluct	Market: Ennocor uations and change	nn is committed to es might occur du	o helping customers reduce carbon emi e to the increasing risk of uncertainties market demand, changes in cus	in global eco	nomic conditions	, such as natural disasters, ged	ergy conservation and carbon reduction. opolitical issues, inflation, sudden rate hikes, tightenin
Prosperity in Prociety	Transition risk	R5 Customers' awareness of sustainability	Short-to- medium-term	Upstream and downstream suppliers are imposing stricter requirements for the carbon footprint assessment of their products.	Moderate	Short-term	More manpower and time required for training on the carbon footprint calculation and life cycle assessment of products.	The transition risk has been mitigated based on customer needs and the implementation of a sustainable supply chain management policy.



Introduction	Туре	Topic	Period of impact	Description	Level of Impact	Probability of occurrence	Potential business/ financial impact	Management action
Goals for Sustainable Management Corporate	Transition risk	R8 Rising costs of raw materials	Short-term, medium-term and long-term	After the pandemic, the risk of uncertainties in the global economic conditions has became higher and resulted in an increase in the expenses for raw material transportation.	Moderate	Short-term	Higher raw material costs resulting from the adoption of renewable raw materials following the increasing emphasis on environmental protection. Raw material suppliers' increase in the costs of raw materials for reasons such as transportation costs, carbon tax and green power, which further affects the company's	 All of the suppliers were qualified in the audit. We have targeted global enterprises in various industries for vertical integration and expansion of foreign markets.
Governance			Acur	te risks: Such risks are mainly single acu	ito ovtromo v	voathor ovents tha	revenue.	parations
			ACU	te risks: Such risks are mainty single act	ite extreme w	reather events tha	1	perations.
Sustainable Innovative Services	Physical risk	R7 Typhoons and floods	Medium-term	Flooding could lead to suspended production and impacted the delivery to customers.	Low	Long-term	 Probability of supply chain disruption caused by flooding that could reduce production capacity and revenue. Higher manpower costs result from the potential impossibility of employees' attendance at work due to flooding. 	The Company regularly maintain and inspect machinery and equipment for damage to reduce the risk of damage to the corporate assets.
		C	Chronic risks: Such	n risks are long-term disaster pattern of	extreme wea	ther that may con	tinuously push up the Compa	ny's management costs.
Devotion to Environmental Sustainability	Physical risk	R6 Droughts	Medium-to- long-term	Water outage could lead to water shortage/need for purchasing water.	Low	Long-term	Employees' productivity was affected, and the cost of water purchases increased due to water outages or shortages.	The Company constantly promotes the concept of water conservation. Measures have been taken to improve the utilization efficiency of office resources such as water, electricity and waste disposal, which helps reduce operating costs (e.g. saving energy and water bills) as well as waste disposal costs.
Building Common Prosperity in	Physical risk	R9 Average temperature rise	Medium-to- long-term	The increase in annual average temperature could lead to an increase in electricity consumption, such as air conditioning equipment.	Low	Long-term	Higher operating costs due to the increased use of air conditioners, power rationing, and even power outages resulting from a rise in average annual temperature.	The Company strictly implements the policy on energy conservation and carbon reduction, and sets a specific time and temperature standard for the air conditioning of offices and conference rooms.
Society	Physical risk	R10 Sea level rise	Medium-to- long-term	Inundation of low-lying areas could bring permanent business shutdown.	Low	Long-term	Impossibility of employees' attendance at work and higher cost of business shut down due to sea level rise.	No management action has been planned yet. The Company refers to the countermeasures for flooding risks in the short term.



Introduction	Туре	Topic	Period of impact	Description	Level of Impact	Probability of occurrence	Potential business/ financial impact	Management action
	Improvemen	t of resource utiliza	tion efficiency: Th	nis includes improving the efficiency of		vater consumptio	on, electricity consumption, wa	aste, logistics, and energy utilization to reduce operatin
Goals for Sustainable Management	Opportunity	O1 Water saving benefits	Medium-to- long-term	The water-saving policy could help reduce costs.	Low	Medium-term	Additional costs for water consumption in 2023.	The office water-saving policy has been implemented and promoted to improve the efficiency of water use.
	Opportunity	O2 Energy saving benefits	Medium-to- long-term	Reducing energy consumption by 1% every year could help reduce costs.	Moderate	Short-term	Lower costs for electricity consumption in 2023.	The Company monitors power consumption every day with the energy management system (EMS) and smart power panel.
	Opportunity	O3 Waste reduction benefits	Medium-to- long-term	Reducing the production of domestic waste every year and implementing the recycling policy could help reduce costs.	Low	Medium-term	Lower costs for the disposal of domestic waste in 2023.	Domestic waste has been divided into general and recycled waste, and employees have been encourage to follow the recycling and waste reduction policy.
orporate overnance	Opportunity	O4 Green buildings	Medium-to- long-term	Applying for the green building label could help improve production efficiency.	Moderate	Short-term	NT\$ 60 million invested in the equipment of green energy, energy storage and energy creation in 2023.	Energy storage and energy creation equipment could help satisfy the need for backup power during peak consumption periods, saving electricity bills and avoiding losses from power outages. The office's energy efficiency and the performance of energy conservation and carbon reduction have been improved accordingly.
ustainable inovative ervices	Opportunity	O5 Green transportation	Short-term, medium-term and long-term	Electric vehicles are used to bring down carbon emission costs.	Moderate	Short-term	Lower environmental and operating costs following the declining demand for gasoline used by company cars.	The Company reduces employees' unnecessary outdoor tasks or outdoor activities, sees videoconferencing as the first option, and requires employees to record the fuel consumption of their vehicles.
	E	Energy sources: Fos	sil energy such as	s coal, natural gas and petroleum is repl	aced with lov	v-carbon energy s	such as wind power, solar pow	ver, geothermal power and biomass energy.
Devotion to	Opportunity	O6 Solar installation	Medium-to- long-term	Plans for the installation of solar power-related equipment have been made.	Moderate	Short-term	More capital costs invested in solar power equipment.	Investment plans for solar power equipment are to be made in response to the Company's medium-term carbon reduction plan till 2030.
Environmental Sustainability	Opportunity	O7 Incentive policy	Short-term, medium-term and long-term	Collaboration with government and academic institutions helps enhance innovative R&D and obtain patents.	Moderate	Short-term	NT\$ 40 million invested in 2023.	From 2022 to 2025, the Company is working with National Yang Ming Chiao Tung University to run a "Research Center for ESG Net Zero Transformation and Innovation" for innovation and industry- academia collaboration.
uilding ommon rosperity in ociety	Opportunity	O8 Green technology solutions and carbon trading	Short-term, medium-term and long-term	Developing a new economic model and providing customers with various energy saving and carbon reduction technologies/ solutions could create more win-win opportunities.	Moderate	Short-term	Provision of low-carbon solutions for customers to meet their needs for climate change adaptation and attract the attention of investors. Industry or cross-industry transformation and collaboration facilitated by new products, new services, and new technologies.	From 2021 to 2025, we are engaging in new economic markets with the 10 major smart solutions of IPC 3.0 cloud-premise integration system incorporated with the concept of ESG.

Appendixes

Note1: Probability of occurrence: Short-term: 1 - 3 years, medium-term: 3 - 5 years, and long-term: 6 - 10 years. Note2: Level of impact: Low (less than NT\$ 30 million), moderate (NT\$ 30 million - 100 million), high (over NT\$ 100 million).



Climate risk scenario analysis

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Туре	Scenario	Time	Parameter	Analysis result (
	IEA 2 °C (2DS)	2021-2050	Carbon price: US\$ 80-100/tCO ₂ e.	With the temperature rise limit target of 2 °C (or < 2 °C), it is necessary to cut CO_2 emission by nearly 60% in 2050, and continue to cut such emissions after 2050 until carbon neutra			
	IEA below 2 °C (B2DS) 2021-2050		Carbon price: US\$ 90-120/tCO₂e.	is achieved. The Company must actively introduce carbon reduction projects and renewab energy to reduce carbon price risks.			
Transition				○ The national reduction target is to achieve a reduction of 24% in 2030 compared to the base year.			
	STEPS	Taiwan's Pathway to Net-	Annual carbon reduction by up to 2.4%. Carbon price: NT\$ 300/ tCO ₂ e (US\$ 10).	Our carbon reduction target is more ambitious than the 24% set by the government: a medium-term target of reduction by 50% by 2030.			
		Zero Emissions by 2050 (1.5 °C)		The Company's carbon emissions in 2021 (base year): 397.02 tCO₂e (Scope 1+2); 2022: 364.98 tCO₂e, a reduction by 8.07%.			
				○ If the Company reaches the emission target for 2030 of 294.90 tCO₂e, the burden of operating costs will be lightened.			
	RCP 4.5	Assessment of Taiwan as a whole to around mid- century (2060)	Medium emissions scenario: Average temperature rise of 1.6 °C to 2.5 °C by 2060.	Based on the simulation chart provided by the National Science and Technology Center for Disaster Reduction and the base period of 1976-2005, it is estimated that the warming scenario will lead to heavy rainfall in the middle of the century, with cumulative rainfall in 2 hours reaching 600 mm and showing flooding tendency. Ennoconn, with its main location i Zhonghe District, New Taipei City, will thus face the physical impact of flooding, which is of the highest risk level (Level 5). (Figure 1 below)			
Physical –	RCP 8.5	Assessment of Taiwan as a whole to around mid- century (2060)	Very high emissions scenario: Average temperature rise of 1.9 °C to 3.0 °C by 2060.	Based on the simulation chart provided by the National Science and Technology Center for Disaster Reduction and the base period of 1976-2005, it is estimated that the warming scenario will lead to heavy rainfall in the middle of the century, with cumulative rainfall in 2 hours reaching 600 mm and showing flooding tendency. Ennoconn, with its main location in Zhonghe District, New Taipei City, will thus face the physical impact of flooding, which is of the highest risk level (Level 5). (Figure 2 below)			

Accordingly, the scenario analysis in the table above, for transition risks, the Company must conceive carbon reduction projects and increase relevant investments to reduce the costs related to carbon fees in response to the trend of domestic and foreign carbon reduction policies. As for physical risks, the risk of flooding resulting from climate change has the greatest impact; the building, machinery and equipment, and materials of Ennoconn's office in Zhonghe District might thus be inundated, and there might be traffic and power disruption that makes it hard for employees to attend work.

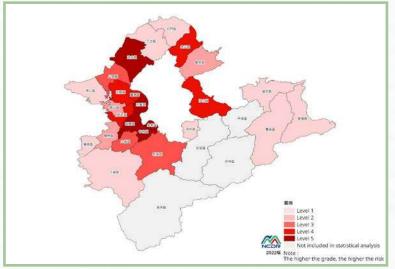
The Company regularly reviews the protection status of building structures, facilities and equipment, and provides employees with training and drills on natural disaster prevention. In the event of a disaster, an occupational safety team will be immediately organized to implement 3 disaster recovery actions: (1) Evacuating employees and transferring important documents, machinery and equipment to a safe place; (2) Taking care of the injured and closing unsafe areas to reduce the spread of flooded areas; (3) The management team assesses the disaster recovery cost and activates the mechanism of working at other operating locations or remotely to prevent business disruption.



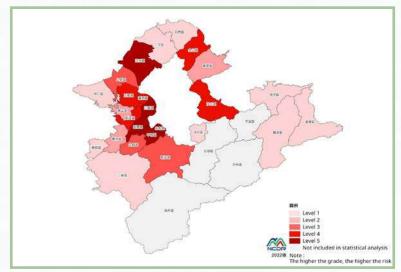
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★ Figure 2: RCP 8.

Source: Taiwan Sustainability Hub's compilation of IPCC AR6 WGI key points; Disaster Risk Adaptation (Dr.A).

4.2.2 Carbon Emission Management

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Building Common Prosperity in Society The increase in GHG emissions has led to climate change, which has caused direct impacts on the global ecological environment and indirect impacts on enterprises' energy and resources acquisition and has thus become an environmental issue of concern, gaining worldwide attention. To fulfill the responsibility for environmental protection, the Company has identified the sources of GHG emissions, including Scope 1: direct GHGs, Scope 2: energy indirect GHGs, and Scope 3: other indirect GHGs.

As the Company primarily operates in an office environment, the emission sources are mainly indirect GHGs. In particular, the emissions from Category 2: energy inputs and Category 3: transportation accounted for the largest proportions. In 2023, the emissions of Scope 2 and Scope 3 totaled 3,469.5574 tCO_2e , showing an increase of 1,644.3607 tCO_2e compared to the amount of 1,825.1967 tCO_2e in 2022. This was mainly due to the increase in product transportation by land, sea, and air by upstream and downstream suppliers.



★ SO 14064-1 verification statement



Statistics on GHG Emissions of Ennoconn Group (Including Important Subsidiaries) in Recent Years

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	Scope 1: Direct GH	G emissions (tCO₂e)		Scope 1: Direct GHG emissions (tCO₂e)				
Operating location	2021	2022	2023	Operating location	2021	2022	2023	
Ennoconn	21.0375	24.6943	*21.1200	Ennoconn	375.9778	340.2914	*339.4500	
Marketech International Corp.	47.6377	81.0369	*591.6040	Marketech International Corp.	817.7309	744.5774	*9520.9048	
CASwell	-	55.5763	*44.2895	CASwell	-	693.8588	*744.1924	
Goldtek	37.9570	39.8466	*42.0910	Goldtek	301.9766	205.4333	*184.7486	
Ennoconn (Suzhou)	-	315.9840	*564.1960	Ennoconn (Suzhou)	-	4,037.8670	*3316.8510	
Kontron	-	3,126.0000	*3773.0000	Kontron	-	9,702.0000	*9878.0000	
Vecow	-	14.9047	*19.1416	Vecow	-	155.9753	*162.2728	

S	Scope 3: Other indirect GHG emissions (tCO ₂ e)											
Ennoconn	1,307.5439	2,984.8299	*2873.9395									

Sum of Scope 1 & Scope 2 emissions

Note1: "-": No data available.

Note2: "*": The data in 2023 was derived from the self-inventory data; no third-party external verification statement has been obtained for it yet. The data will be verified and updated in the sustainability report in 2024.



29,201.8617





Q Ennoconn's Identification of and Statistics on Scope 3 GHG Emissions

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Category	Item	GHG emissions (tCO₂e)	Methodology				
	Raw material transportation	143.9824	The quantified emissions of this category include the emissions of transportation fro suppliers' locations to the airports/ports of the areas where the suppliers are.				
	Business travel	N.A	The quantified emissions of this category include the emissions from air travel.				
3	Employee commute	N.A	The activity data used in the emission quantification of this category was obtained using the estimation method.				
	Product transportation	2840.8475	The quantified emissions of this category include the emissions of transportation from the airports/ports of the areas where the customers are to the customers' locations.				
	Procurement of goods and services	66.8896	The activity data used in the emission quantification of this category was obtained using the estimation method.				
	Capital goods	2.1840	N.S				
4	Upstream fuels and energy	N.S	N.A				
	Operational waste	N.S	N.A				
	Upstream leased assets	N.S	N.A				
	Product processing	N.S	N.A				
	Product use	50.6682	N.S				
	Product end-of-life treatment	N.S	N.A				
5	Downstream leased assets	N.S	N.A				
	Franchise	N.S	N.A				
	Investment	N.A	The activity data and emission factors used in the emission quantification of this category were obtained using the surplus allocation method.				

Note: The data in 2023 was derived from the self-inventory data; no third-party external verification statement has been obtained for it yet. The data will be verified and updated in the sustainability report in 2024.

N.S: Non-significant N.A: Not available



4.3 Energy Management

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As there are no production factory areas within Ennoconn's business boundary, the energy consumption primarily comes from the electricity used in office areas, with the electricity mainly purchased from Taipower. Monthly statistics are produced based on independent electricity meters and are compiled and managed by the Administration Department every month. The Company has not only set the target of energy saving of 1% as required by the Ministry of Economic Affairs, but also set the target of annual electricity reduction per capita of 1%. In 2023, the annual electricity consumption per capita was 7.5204 GJ, showing a reduction by up to 0.3852 GJ compared to the total electricity consumption of 7.9056 GJ in 2022.

Starting in 2022, the subsidiary, Ennoconn (Suzhou), has planned to adopt green power and reached 52.10% of electricity use with green power; the proportion increased to 52.72% in 2023. The results of having more than half of the overall energy use with green power in these 2 years make the subsidiary a benchmark for Ennoconn Group. In the future, plans to install solar panels on the top floor of the head office in Zhonghe will also be made, in the hope of achieving Ennoconn Group's energy saving and carbon reduction goals with the use of renewable energy.



Q Statistics on Energy Use in Recent Years

En	noconn	2020	2021	2022	2023
Non- renewable energy	Purchased electricity (kWh)	716,720	712,160	687,457	659,910
	Purchased electricity (GJ)	2,580.20	2,563.78	2,474.85	2,375.68
Ennoco	nn (Suzhou)	2020	2021	2022	2023
Non- renewable energy	Purchased electricity (kWh)	-	-	2,496,457	2,373,969
Renewable	Green power (kWh)	-	-	2,714,901	2,646,866
energy	Percentage of green power use	0.00%	0.00%	52.10%	52.72%

Note1: "-": No data collected. Note2: 1 kWh = 0.0036 GJ

Q Statistics on Energy Intensity in Recent Years

Unit: GJ/million of revenue

	Purchased electricity (GJ)	Revenue	Intensity*1000
2020	2,580.20	84,091,485	0.031
2021	2,563.78	85,367,035	0.030
2022	2,474.85	108,228,533	0.023
2023	2,505.28	121,640,976	0.021



4.4 Water Resource Management

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Corporate Governance water obtained from tap water. The office is located in an area with no water stress, and does not produce any impact on water resources. Nevertheless, in response to the unstable water conditions in Taiwan due to climate change, the Company still keeps track of water consumption so as to gradually reduce water consumption. In 2023, the water consumption was 4.455 million liters, showing an increase of 0.802 million liters (21.95%) compared to that in 2022. This was mainly due to the Company's emphasis on hygiene and employees' health; the Company internally promoted the concept of washing hands before working in the office, resulting in an increase in water consumption.

Ennoconn does not generate factory process wastewater. Most of the water consumed is domestic

Statistics on Water Consumption in Recent Years

Unit: Million liters

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Water source	Tap water	Water use intensity
2020	3.122	37.13
2021	3.272	38.33
2022	3.653	33.75
2023	4.455	36.62

Note: Water use intensity = kWh/million of revenue

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4.5 Waste Management

With the primarily office-based operation, Ennoconn generates relatively few types of waste in comparison with the companies in other industries. However, to stick to the concept of environmental protection, manage and dispose of waste in an effective manner, improve environmental sanitation, prevent public pollution, and reduce environmental burden, the Company has formulated the "Waste Management Regulations" for all departments and employees to follow.

Ennoconn has long implemented a paperless policy and provided an electronic signature system, not only reducing the indoor space needed for document retention but also increasing the efficiency of sending and signing documents. Like most electronics manufacturing industry enterprises, Ennoconn's e-transformation of waste reduction is divided into 3 stages:

- Introducing Enterprise Resource Planning (ERP) to provide multifunctional modules covering purchase/sales/inventory, HR, finance, quality management, and project management, in order to optimize corporate processes and enhance corporate competitiveness.
- Extending from ERP to the application of Product Data Management (PDM), Workflow, Technical Data Service Center (TDSC), Knowledge Management (KM), Human Resource Portal (HR Portal), and Manufacturing Execution System (MES), thereby connecting formerly independent systems together to avoid utilization and consumption of paper and further pursue the goal of paperless operation.
- Requesting the responsible IT Department to build a paperless meeting system featuring the service for connecting remote/near side meetings, which helps save energy, reduce the need for paper printing, and even control sensitive data for lower risk of data leakage.



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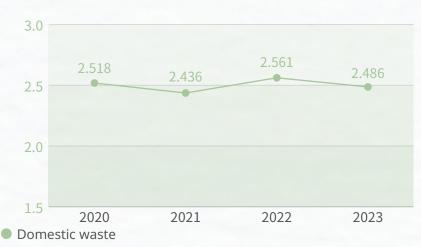
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The Company's waste is managed from the source—employees' domestic waste. The Building Management Committee is responsible for the cleaning, transportation, and disposal of domestic waste. Meanwhile, the Company also effectively promotes waste reduction and sorting through employee education and training, improving the reuse and regeneration value of resources. Domestic waste is disposed of in two ways: recycling and incineration. The Company's total waste was 2.486 tons in 2023, 2.561 tons in 2022, 2.436 tons in 2021, and 2.518 tons in 2020. The amount of waste in 2023 shows a reduction by 2.93 % compared to that in 2022.

Statistics on Waste Volume in Recent Years

Unit: Tons



4.6 Biodiversity

Since 2023, Ennoconn has paid more and more attention to the importance and impact of biodiversity-related issues. According to Goal D of the "Kunming-Montreal Global Biodiversity Framework" adopted during the UN Convention on Biological Diversity (COP15) in 2022, the means to fully implement the framework include financial resources, capacity-building, technical and scientific cooperation, and access to and transfer of technology. Therefore, we hope to take more active biodiversity protection actions with smart IoT technology. For example, the "Machohou Industrial Park" in Chiayi features the integration of a smart system and the preservation of the natural landscape and biodiversity in the park. In 2024, we also plan to encourage employees to participate in the beach cleanup event at the North Coast Scenic Area, internally heightening the Company's awareness of environmental protection in a gradual manner and further spreading the influence outside the organization.





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5.1 Human Rights Policy

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Ennoconn values the rights of employees and creates a friendly environment that protects human rights. In accordance with the principles under the United Nations' "Universal Declaration of Human Rights," "UN Global Compact," "UN Guiding Principles on Business and Human Rights," the International Labor Organization's "Declaration on Fundamental Principles and Rights at Work," and other human rights conventions, the Company recognizes the internationally agreed fundamental human rights, including the respect for

We have also provided employees with whistleblowing channels; dedicated personnel will perform due diligence after receiving a report, with the personal data of the whistleblower kept confidential. If the reported matter is verified, we promise to ensure that the whistleblower will no be treated adversely. In 2023, the Company had no record of violations against human rights.

employees' freedom of association, care for disadvantaged groups, prohibition of child labor, elimination of all forms of forced labor, eradication of employment discrimination, and

5.1.1 Human Rights Policy and Commitment

prevention of all forms of human rights abuse and violations, ensuring gender equality and fair treatment for all employees.

Ennoconn's human rights policy and commitment aim to achieve human rights protection based on 6 major aspects and objectives, and are applicable to all employees of Ennoconn. Suppliers/contractors/subcontractors are also expected to stick to them.

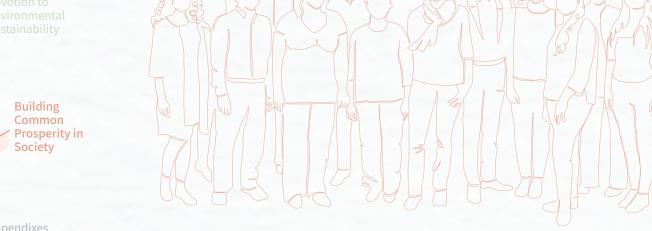
Objective	Description
	ρ The Company adheres to domestic OSH laws and regulations as well as relevant requirements of international standards, and periodically reviews their suitability.
	The Company prevents the occurrence of accidents and reduces the risk of hazards via hazard identification and risk management.
Compliance with applicable laws and regulations to provide a safe and healthy place.	ρ We increase all employees' awareness of ESH through education, training, consultation, communication and other methods, and ensure the safety of workers through safety settings in the on-site environment.
	ρ We promote the health and well-being of employees by improving the awareness of safety and health through training, advocacy and communication, and by paying attention to employees' physical and mental health.
	Description of hazards and risks is minimized through Ennoconn's regular monitoring of occupational safety and health management that helps continuously improve OSH performance.
Maintenance of a workplace free of violence, harassment and intimidation, and respect for	We properly devise and implement the necessary safety measures to ensure the physical and mental health of the Company's employees when they suffer illegal harm to the body or health during the performance of their duties due to the actions of others.
employees' privacy and dignity.	ρ A plan for prevention of illegal infringement during the performance of duties has been worked out to avoid workplace

violence, so that workplace violence incidents can be prevented and handled properly.



Introduction	Objective	Description
	Prohibition of child labor.	Protecting the opportunities for growth and development of the youth, the Company does not accept any job application from anyone under the age of 16.
Goals for Sustainable Management	Prohibition of forced labor.	 No form of slavery or coercion of employees for involuntary labor activities is allowed. Ennoconn protects the physical and mental health and living arrangements of employees, and develops a working hour system and a management plan that are in line with local laws and regulations depending on the location of the operation. The Company's overtime work arrangements in accordance with the operational needs are subject to the consent of the employees, and consistent with laws and regulations; overtime pay or compensatory time off is given as compensation thereafter.
Corporate Governance	Elimination of unlawful discrimination, and reasonable guarantee for workplace equality in terms of the opportunities for hiring and promotion.	We provide an equal and fair work environment, and do not allow the processes and decisions of recruitment and promotion to be affected by any forms of discrimination on the grounds of race, religion, belief, gender, marital or parental status, age, political affiliation, nationality, disability, sexual orientation, zodiac sign, blood type, etc.
Sustainable Innovative	Respect for employees' freedom of association.	 The Company respects the rights of employees; employees may freely associate in accordance with the law. A diversity of clubs has been established, and we actively encourage employees to join clubs. Protecting the welfare of employees, we have established an Employee Welfare Committee ("Welfare Committee") and selected employee representative members as per the law to ensure the rights and interests of employees.

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5.1.2 Human Rights Training

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In 2023, Ennoconn continued to provide all employees with training related to human rights protection, including human rights education and training on the Ethical Management Procedures and Code of Conduct, the human rights policy, and the Regulations for the Prevention Measures, Reporting and Punishment of Sexual Harassment in the Workplace promoted in the training for new hires, and was devoted to ensuring a friendly work environment that emphasized anti-corruption, privacy security, equality, inclusion, and respect. We attached great importance to the training content regarding human rights protection, and adjusted it according to local or legal conditions to meet the requirements of different stakeholders. In 2023, a total of 5 human rights training sessions were arranged, with the training hours totaling 1,057 hours.

Head office

4 sessions on the principle of integrity and anti-corruption, and 1 session on the analysis of amendments to the Gender Equality in Employment Act and the Sexual Harassment Prevention Act, together with the Company's response measures

No. of trainees

662

Training hours (hours)

1057

5.1.3 Sexual Harassment Prevention

Ennoconn does not allow any inappropriate harassment and treatment to employees. In order to prevent sexual harassment in the workplace and protect gender equality at work and human dignity, the Company has established the "Regulations for the Prevention Measures, Reporting and Punishment of Sexual Harassment in the Workplace" as per the "Gender Equality in Employment Act" and the "Regulations for Establishing Measures on Prevention of Sexual Harassment in the Workplace" of the Ministry of Labor.

The Regulations apply to all employees and job seekers. The Company has set up a reporting hotline and a reporting channel on the official website, with the Human Resources Department being responsible for accepting sexual harassment complaints. A Complaint Handling Committee consisting of 5 members will be formed within 3 days of the filing of a complaint to conduct an investigation and review; 1 of them should be the management representative while the other 4 should be labor representatives, and female members should make up no less than half of the total number of the members. Sexual harassment complaints can be made in speech or in writing. There were no cases of sexual harassment and complaints in 2023.



Regulations for the Prevention Measures, Reporting and Punishment of Sexual Harassment in the Workplace



5.2 Talent Attraction and Retention

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5.2.1 Impact Assessment and Management Approaches for Material Topics (Employment Relations)

Impact assessment	 Positive: Ennoconn's employees are provided with a workplace featuring diversity and human rights equality; it is ensured that there are no pay differences on the grounds of gender, age, race, religion, or political stance. Moreover, the Company formulates talent policies to reduce the risks of recruitment and training costs, etc. improve employee satisfaction, and strengthen labor relations. Negative: High turnover rate and low employee satisfaction will impact employee human rights, morale, and work efficiency. Additional training, recruitment, and time costs may lead to serious risks regarding the reputation of, any lawsuit against, and the investors' confidence in the Company. 					
	© Ennoconn's business philosophy: The Company shows integrity and kindness to the stakeholders to attract more supporters; the actions include seeking benefits for employees, accumulating wealth for shareholders, creating value for enterprises, and contributing to happiness for the society.					
Policies and	$oldsymbol{eta}$ The Company has a salary ratio that is better than what is required by laws and regulations.					
commitments	△ Labor-management meetings are held regularly (4 meetings in 2023) to provide a two-way communication channel for employees.					
	$oldsymbol{ ilde{\Omega}}$ The Welfare Committee provides various multiple benefits.					
	$\underline{\circ}$ The percentage of performance evaluation is increased annually.					
	⊕ We are committed to a healthy workplace free of occupational accidents, discrimination and harassment.					
Competent authority	Human Resources Department					
Management actions	Prevention & Mitigation: Implementation of the policies of and commitments to labor human rights, with the performance reviewed through the annual management meeting and with the HR unit responsible for accepting relevant complaints.					
	© Resources and actions: Investment of more resources and funds to build an employer brand and recruit outstanding talents.					
Follow-up to the	© Target: Reducing the turnover rate and maintaining a healthy workplace with zero accidents.					
actions	ρ Previous actions effective or not: Yes.					
	ρ Experiences learned: Existing actions are maintained or optimized.					
Stakeholder	ρ Stakeholders: Employees.					
engagement	□ Internal complaint: Internal mailbox of the Human Resources Department.					



5.2.2 Composition of Employees

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The impact of the US-China trade war and the development trends of blockchain in the external environment have prompted Taiwanese companies to return to and invest in Taiwan, further causing manpower shortage in the overall job market. In the face of the labor shortage in Taiwan resulting from the low birth rate, Ennoconn, knowing that talents are fundamental to sustainable management, provides employees with competitive salaries, benefits, and bonuses, as well as comprehensive training and career development. We care about the work-life balance of our employees, retain and maintain a stable workforce to ensure that the Company's products and services are in line with the goal of sustainability. The turnover rate in 2023 was 15.63%, a decrease of 4.79% compared to the rate of 20.42% in 2022.

In response to the development policy of workplace localization, the Company reached 100% local employment for all middle and senior managers (grade 9 and above) and entry-level employees (grade 8 and below); in particular, up to 58.73% of the middle and senior managers and entry-level employees were residents in New Taipei (based on the household registration in New Taipei), meeting even more narrow definition of local employment. The employees were all full-time employees (i.e. permanent employees); there were no non-staff workers and any employees without guaranteed hours of work (e.g. part-time and dispatched workers). In 2023, the ratio of female to male employees was 0.73:1. Male employees and female employees accounted for 57.67% and 42.33% of the total number of employees, respectively. Taking care of the disadvantaged, we hired 1 person with severe physical/mental disabilities, who was an entry-level employee (visually impaired masseur), as per regulatory requirements.

Unit: No. of employees / percentage (%)

			20	21			20	22			20	23	
Hea	ad office	N	1ale	Fe	male	М	lale	Fer	nale	М	ale	Fe	male
No. of full-time employees		107 68 (61.14 %) (38.86 %)				77 31 %)	109 (57.67 %)		80 (42.33 %)				
Total No.	Total No. of employees		17		.75		19	91			189		
Middle and	Under 30 years old	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
senior managers (grade 9 and	31-50 years old	10	5.71%	0	0.00%	10	5.24%	0	0.00%	6	3.17%	0	0.00%
above)	Over 51 years old	12	6.86%	3	1.71%	13	6.81%	2	1.05%	15	7.94%	2	1.06%
Entry-level	Under 30 years old	13	7.43%	12	6.86%	15	7.85%	10	5.24%	16	8.47%	10	5.29%
employees	31-50 years old	65	37.14%	46	26.29%	68	35.60%	58	30.37%	58	30.69%	58	30.69%
(grades 1-8)	Over 51 years old	7	4.00%	7	4.00%	8	4.19%	7	3.66%	14	7.41%	10	5.29%

Note1: The total number of employees refers to those who were still in service on December 31 of the reporting year, excluding personnel on leave without pay.

Note2: The denominator of the percentage of full-time employees is the total number of employees.

Note3: The denominator of the percentage for each age and gender group is the total number of employees.



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Unit: No. of employees / percentage (%)

			2021			2022				2023			
New em	ployees in recent years	N	1ale	Fe	male	M	ale	Fe	male	N	1ale	Fe	male
No	. of new employees		21		23		27		30		19		13
	Under 30 years old	7	15.91%	5	11.36%	8	14.04%	6	10.53%	5	15.63%	6	18.75%
Age group	31-50 years old	8	18.18%	17	38.64%	16	28.07%	24	42.11%	11	34.38%	7	21.88%
	Over 51 years old	6	13.64%	1	2.27%	3	5.26%	0	0.00%	3	9.38%	0	0.00%
Per	rcentage by gender	12	.00%	13	.14%	14	14%	15	.71%	10	.05%	6.	88%
N	ew employee rate		25.1	L4%			29.8	34%		16.93%		93%	

Note1: The denominator of the percentage for each age and gender group is the total number of new employees in the reporting year.

Note2: The denominator of the percentage by gender is the number of employees who were still in service on December 31 of the reporting year.

Note3: New employee rate = Number of new employees in the reporting year / number of employees still in service on December 31 of the reporting year.

Unit: No. of employees / percentage (%)

		2021			2022				2023				
Resigned employees in recent years		M	ale	Fe	male	M	1ale	Fe	male	М	ale	Fe	male
No	. of resigned employees		24		26		26		23	2	23		12
	Under 30 years old	2	4.00%	4	8.00%	9	18.37%	4	8.16%	3	8.57%	0	0.00%
Age group	31-50 years old	21	42.00%	22	44.00%	16	32.65%	18	36.73%	15	42.86%	12	34.29%
8	Over 51 years old	1	2.00%	0	0.00%	1	2.04%	1	2.04%	5	14.29%	0	0.00%
ſ	Percentage by gender	10	.67%	11	.56%	10	.83%	9.	58%	10.	27%	5.	36%
	Turnover rate 22		22.2	22%		20.		.42%		15.63%			

Note1: The number of resigned employees includes retirees while excluding employees with specific conditions (e.g. on annual leave or leave without pay)

Note2: The denominator of the percentage for each age and gender group is the total number of resigned employees in the reporting year.

Note3: The denominator of the percentage by gender is the number of resigned employees in the reporting year + the number of employees who were still in service on December 31 of the reporting year.

Note4: Turnover rate = Number of resigned employees in the reporting year / (number of resigned employees in the reporting year + number of employees still in service on December 31 of the reporting year).



Management

Foreign nationals 0 (0 %)

Unit: No. of employees / percentage (%)

in recent years 2021 175 (100 %) 2022 190 (99.48 %) 1 (0.52 %) 2023 189 (100 %) 0 (0 %)

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5.2.3 Salary Structure

law, and more than the median salary of NT\$ 17,581.

Nationality of employees

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Ennoconn's remuneration policy also ensures that the salary of employees does not differ on the grounds of gender, age, race, religion, or political stance. In 2023, the average salary of non-managerial personnel was 4.25 times the minimum salary of

Ratio of Average Salary to Legal Minimum Salary

Unit: Employee / NT\$

Non-managerial employees in recent years	2021	2022	2023
No. of non-managerial employees	152	153	172
Average monthly salary	93,128	107,232	112,281
Median monthly salary	87,033	96,909	94,700
Legal minimum salary	24,000	25,250	26,400
Ratio of average salary to legal minimum salary	3.88	4.25	4.25

Note1: Non-managerial employees: The annual average number of full-time employees working for more than 6 months, excluding the Company's managers.

Note2: Average salary, median salary: With the salary of the Company's managers deducted.

Note3: Average monthly salary = (all employees working for more than 6 months - the Company's managers) annual salary / average number of people / 12 months; average number of people = (all employees working for more than 6 months the Company's managers) / 12 months.

Note4: The above information was the data uploaded upon the assurance by the CPAs.

Percentage of local employment in 2023	Head office (Taiwan)	Head office (New Taipei City)	
Total No. of employees who were local residents	189	111	
No. of entry-level employees who were local residents	166	102	
No. of middle and senior managers who were local residents	23	9	
Percentage of middle and senior managers who were local residents	12.17%	8.11%	
Percentage of entry-level employees who were local residents	87.83%	91.89%	

Note1: The statistics were based on the place of household registration in Taiwan and New Taipei City.

Note2: Percentage = Middle and senior managers (or entry-level employees) / total number of employees who were local residents.

Minimum salary and ratio in 2023 by gender

Gender	Male	Female
Minimum monthly salary	31,000	26,400
Ratio	1.17	1.00

Note1: Minimum monthly salary: The minimum salary for male and female employees still in service on December 31 of the reporting year.

Note2: Ratio: Minimum salary for male (or minimum salary for female) / minimum monthly salary for female.

Unit: NT\$

	Average mo	nthly salary	Average annual salary			
	Male	Female	Male	Female		
Entry-level employees	68,881	57,738	945,178	804,342		
Ratio	1.19	1	1.18	1		
Middle and senior managers	142,210	132,800	5,125,475	2,517,425		
Ratio	1.07	1	2.04	1		

Average monthly salary: Total monthly salary of employees still in service on December 31 of the reporting year / number of employees still in service on December 31 of the reporting year.

Average annual salary: (Total income and benefits + voluntary contribution to labor pension) of all employees in the reporting year / number of all employees in the reporting year.



5.2.4 Training and Development

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Ennoconn lays emphasis on learning in terms of the corporate culture, for only by improving employee competencies and work quality through persistent learning and training can we successfully meet the corporate and customer needs, achieve profit targets and shareholders' expectations, and become a benchmark enterprise in the industry. Through training, every employee has the potential to become part of the Company's human assets and further become the core competitiveness of Ennoconn, which facilitates a winwin situation in which the Company and employees to grow together. We are committed to systematic and professional training, development and guidance for all Ennoconn employees. The Company's training system is divided into the levels of general employees, middle managers and senior managers. The training for general employees includes the new employee training, the training for middle managers includes the training on competence, expertise, and mid-level management, while the training for senior managers includes the ethical management training. For the aspect of career development, employees are provided with opportunities for job rotation, expatriation, and promotion to supervisory positions and even professional managers. Appropriate resources are made available so that each employee can acquire the professional skills and knowledge to effectively perform the Company's tasks and thereby achieve career development and personal goals in Ennoconn. All managers and employees regularly give feedback on the performance and hold a discussion at the end of a year; the Company accordingly offers education, training and support that are in line with the Company's goals based on the development direction desired by the employees. Each year, we invest training funds and increase employee training hours and opportunities.

Unit: Hour / percentage (%)

Education and training hours in recent years Total hours of courses Training hours per capita		2021				2022				2023				
		Male		Female		Male		Female		Male		Female		
		1,150 6.57				2,787 14.67				4,346.5 23				
														Grade
102.0	4.64	22.0	7.33	326.0	10.26	126.0	63	536.5	25.55	18.5	9.25			
Entry-level employees (grades 1-8)	520.0	6.12	506.0	7.78	1,263.5	13.88	1,071.5	14.29	2,288.0	26	1,503.5	19.28		
Total training hours/ percentage by gender		622 hours/54.09%		528 hou	528 hours/45.91%		1589.5 hours/57.03%		1197.5 hours/42.97%		2824.5 hours/64.98%		1522 hours/35.02%	

Note1: Total hours of courses: The statistics on the hours are based on the courses offered in recent years.

Note2: raining hours per capita: Total hours of courses / total number of employees still in service at the end of the year.

Note3: Training hours per capita by gender: Total training hours of the gender in recent years / total number of employees of the gender and grade that are still in service at the end of the year.



Q Education funds in recent years

Unit: NT\$ / session

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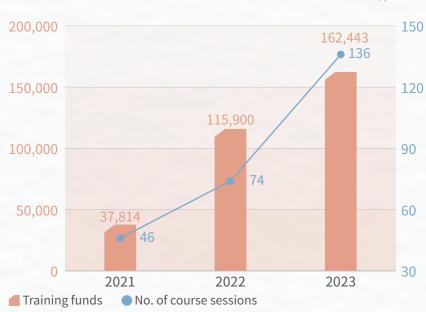
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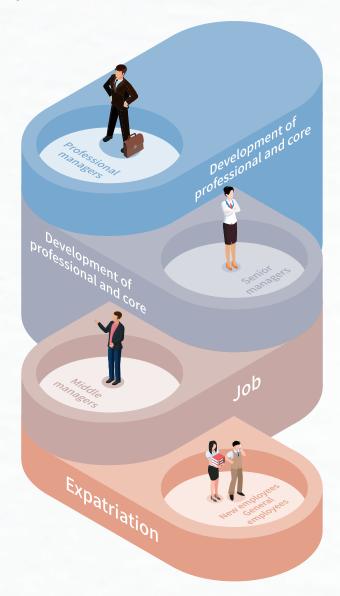
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Q Ennoconn Career Development Path and Competence Trainin

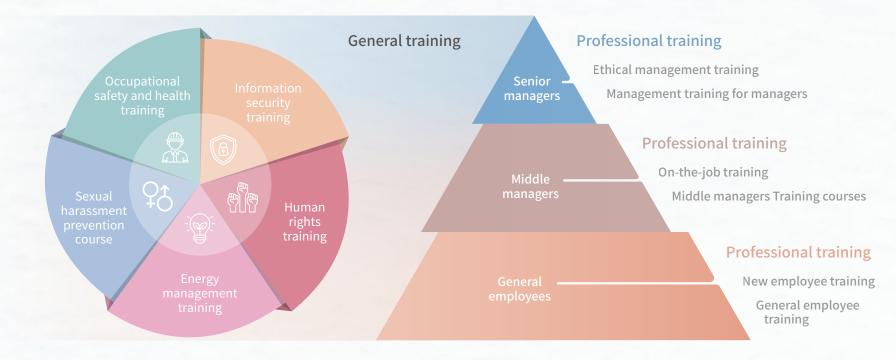




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Q Employee Development Approaches

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Approach	Description	Participants	Participants as a percentage of all the Company's employees
Work exchange meeting of senior managers	In 2023, our senior managers were invited to exchange and share information with regard to the business of their departments every morning to enhance cross-departmental brainstorming and facilitate positive business development.	Top-level managers of all departments	The participating managers accounted for 12.17% of all the employees in Taiwan.
A series of courses on ethical management and anti- corruption	In 2023, we provided a series of physical and online courses on ethical management and anti-corruption for our directors, managers, and all employees, and promoted our systems and principles through our intranet.	Directors, managers, and all employees	The participating employees accounted for 83.60% of all the employees in Taiwan.
Occupational safety and health training	Occupational safety and health training and self-defense fire marshalling and evacuation drills were arranged for new hires and all employees.	New hires and all employees	The participating employees accounted for 100% of all the employees in Taiwan.
Information security promotion courses	In 2023, the Company organized social engineering drills for all employees, as well as awareness-raising activities and training in relation to information security.	New hires and all employees	The participating employees accounted for 100% of all the employees in Taiwan.



5.2.5 Bonuses and Performance Evaluation

Management

The purpose of the performance management and development system is to improve the overall performance of individuals, departments, and the organization. The system covers goal setting, empowerment, communication and guidance, the link between performance and rewards at the end of each year, and career development, etc. In 2023, the performance evaluation rate of all employees was 91.00%. The details are shown in the table below.

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Unit: Employee / percentage (%)

Number of employees undergoing		2021			2022			2023					
perforn	performance evaluation in recent years		Male		male	N	lale	Fe	male	N	1ale	Fei	male
No. of e	employees undergoing evaluation		98		67	1	101		71		99		73
	Middle and senior managers (grade 9 and above)	17	10.30%	3	1.82%	17	9.88%	2	1.16%	17	9.88%	2	1.16%
Grade -	Entry-level employees (grades 1-8)	81	49.09%	64	38.79%	84	48.84%	69	40.12%	82	47.67%	71	41.28%
	Evaluation rate	5	66 %	38.	29 %	52.	88 %	37	.17 %	52.	.38 %	38.	62 %

Note1: Evaluation requirement: Employees first report for duty before September 30 of the previous year.

Note2: The denominator of the percentage for each grade and gender group is the total number of employees undergoing evaluation in the reporting year.

Note3: Evaluation rate = Number of employees undergoing evaluation in the reporting year / number of employees still in service on December 31 of the reporting year.







5.3 Employee Welfare and Communication

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Ennoconn has established an Employee Welfare Committee ("Welfare Committee"). Each year, the Company allocates employee welfare funds to plan and provide a variety of high-quality benefits and activities for employees, including subsidies for employee travels, subsidy for arts courses, birthday vouchers, marriage allowance, childbirth allowance, funeral allowance, club subsidy, birthday parties, family days, ESG public welfare activities, etc. In addition, the Company's employees are provided with a health checkup subsidy ranging from NT\$ 10,000 to NT\$ 60,000 depending on their respective positions, as well as a group insurance plan that is better than the other peers in the industry. Besides the legally required labor and health insurance, they are also covered by a comprehensive insurance system that includes free group insurance such as life insurance, accident insurance, medical insurance, cancer insurance, and occupational accident insurance. We also have a preferential insurance plan for the s of our employees, so that our employees and their dependents can enjoy more complete and comprehensive protection.

The Company's employees are assigned challenging projects. To keep their enthusiasm and creativity for work, we provide free coffee and irregular afternoon tea, and offer blind massage service, massage machine, pool table, basketball arcade machine and treadmill, creating a high-quality and comfortable work environment where employees can have adequate rest.

Most importantly, the Company has introduced a flexible working hour system under which employees may achieve work-life balance by properly arranging their work and personal time without taking a leave. An employee who nourishes a baby, suffers from serious injury, sickness or accident may also apply for a leave without pay, and apply for reinstatement after the period of the leave has passed, which ensures that personal and daily needs can both be addressed. A good welfare policy is subject to the discussion and agreement between the management and the employees, and makes it easier for the Company to recruit and retain excellent talents.

Employee welfare category	Group insurance	Childbirth allowance	Employee recreation/activities	Education and training	Parental leave	Pension	Flexible working hours
No. of applicants (unit: person)	49	5	220	42	2	0	189
Expenditure in 2023 (unit: NT\$)	1,269,919	30,000	74,000	162,443	413 days	0	N/A



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5.3.1 Communication Channels

We protect the employees' freedom of association, and actively show our care to the employees and listen to their voices based on the universal value of people-oriented concept and sustainable management. Our employees may organize clubs and participate in all activities prepared by the Welfare Committee; this applies to all employees and the Company's operating locations. Valuing the labor rights and interests of employees, the Company is committed to creating a happy and safe workplace with positive labor-management interactions. Our employees can speak and express their opinions freely at labor-management meetings, and the Company responds in good faith to achieve labor-management consensus in the hope of minimizing conflicts in relation to human rights. Labor-management meetings take place on a regular basis for the purpose of building a diverse, open, safe and healthy workplace; in 2023, a total of 4 labor-management meetings were held. We place importance to our employees' opinions, improving the work environment and optimizing the welfare system through the interaction between the Company and the employees.

5.3.2 Pension and Relevant Planning

Ennoconn is committed to ensuring a stable retirement for employees. According to the Labor Standards Act, for the employees who started working for the Company before the Labor Standards Act applied, their pension shall be calculated as per the applicable laws at that time, or as per the Company's regulations or the conclusion of labor-management negotiation when there are no former applicable laws. For employees eligible for the new pension system, the Company contributes 6% of the employee's salary every month to their personal pension accounts. As of December 31, 2023, the Company had 189 employees; 7 of them were entitled to the old system while switching to the new one. The money has been fully paid to the pension accounts of the employees eligible for the old system, and the Company will apply to the Labor Affairs Bureau for a letter regarding the full payment every year. In 2023, no employees applied for pension.

5.3.3 Maternity Benefits and Parental Leave

Ennoconn provides parental leave in accordance with the "Gender Equality in Employment Act," and the work is not affected by gender differences. In 2023, there were 8 employees eligible for parental leave (1 male and 7 females), with 2 female employees and 0 male employees actually applying for parental leave without pay. The number of employees to be reinstated after expiration of the parental leave without pay in the same year includes 1 female employee and 0 male employees, and the number of employees actually reinstated was 1 female employee and 0 male employees; the percentage of male and female employees who were actually reinstated after the expiration of parental leave without pay was 0% and 100%, respectively.

To continuously protect maternal health, the Company has formulated the "Maternal Health Protection Plan for Female Workers" in accordance with the "Occupational Safety and Health Act" and the "Regulations Governing the Implementation of Maternal Health Protection for Female Workers." Maternal health protection measures such as the assessment, control, and classification management of relevant hazards should be taken for female workers facing maternal health-related hazards, so that the health of mothers and fetuses can be protected.

Statistics on parental leave without pay in 2023	Male	Female
No. of employees eligible for parental leave without pay	4	7
No. of employees actually applying for parental leave without pay	0	2
No. of employees expected to be reinstated in the year	0	1
No. of employees actually reinstated	0	1
Reinstatement rate	0%	100%
No. of employees actually reinstated in 2022	0	0
No. of employees remaining in service for more than 1 year after the reinstatement in 2022	0	0
Retention rate	NA	NA



Note: The number of employees eligible for parental leave without pay includes the female employees who applied for maternity leave and the male employees who applied for paternity leave during the period from Jan. 1, 2020 to Dec. 31, 2023.



5.4 Occupational Health and Safety

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5.4.1 Impact Assessment and Management Approaches for Material Topics (Occupational Health and Safety)

Positive: Ennoconn regularly provides training and promotes the policy in relation to occupational health and safety, which helps reduce the probability of hazards and accidents for employees, avoid losses from human rights risks, protect reputation, improve employee satisfaction, and hold down the employee turnover rate.
Negative: If the health and safety of employees and customers is affected, the Company might be punished by the competent authorities and get negative reputation. In the worst situation, the Company might be financially impacted due to the negative impression that shareholders and investors have.
To fulfill our corporate social responsibility and our commitment to sustainable management and to create a better workplace that protects both physical and mental health, we actively stick to the development philosophy of safety first and strive to implement the Company's occupational safety and health management system based on this. Anchored in the above philosophy, we have established the Company's safety and health policy covering the following essential commitments that we strive to achieve:
⊕ Strict legal compliance: The Company adheres to domestic OSH laws and regulations as well as relevant requirements of international standards, and periodically reviews their suitability.
🕰 Risk management: The Company prevents the occurrence of accidents and reduces the risk of hazards via hazard identification and risk management.
⊕ Guarantee of safety: We increase all employees' awareness of ESH through education, training, consultation, communication, and other methods, and we ensure the safety of workers through safety settings in the on-site environment.
⊕ Health promotion: We promote the health and well-being of employees by improving the awareness of safety and health through training, advocacy and communication, and by paying attention to employees' physical and mental health.
△ Continuous improvement: The impact of hazards and risks is minimized through Ennoconn's regular monitoring of occupational safety and health management that helps continuously improve OSH performance.
Administration Department
○ Prevention & mitigation:
⊕ The introduction of the ISO 45001 occupational health and safety management system and occupational safety and health training will enhance employees' risk awareness and educate them on how to cope with potential hazards. Regular risk assessment is needed to ensure that the workplace meets safety standards, and corresponding safety measures are updated at all times.
⊕ Establishment of an effective emergency response plan to make sure that an accident can be handled quickly and effectively to minimize damage. Set up an occupational health and safety monitoring mechanism for regular follow-up of accidents and health problems, and for timely improvement of management measures. Arrangement of an open communication mechanism based on which employees are encouraged to report safety issues and actively participate in the improvement process.
□ Impact management: The Company establishes effective occupational health and safety management, improves employee satisfaction, and proactively takes part in industry standards and initiatives.
Resources and actions: The Company's active introduction of the ISO 45001 occupational health and safety management system in 2023 under the guidance of a management consulting firm.
 □ Target: Obtaining the ISO 45001:2018 OH&S management system certification. □ Previous actions effective or not: Yes.
Experiences learned: The Company has introduced professional occupational safety training, established an occupational safety management system, obtained the third-party verification, and improved the employees' hazard identification ability.
 Stakeholders: Employers, employees, employees' family members, customers, the Occupational Safety and Health Administration, neighbors, nearby residents, contractors, fire brigades, police stations, Taiwan Centers for Disease Control, and verification companies.



5.4.2 Occupational Safety and Health Policy

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Ennoconn is committed to complying with international conventions and the relevant provisions of the "Occupational Safety and Health Management Regulations." In order to maintain work safety and employee health, a sound OSH management system has been established to ensure the maintenance of occupational safety and health, and to achieve the prevention of hazards as well as occupational injuries and diseases. In addition, the Company has formulated the "occupational safety and health policy" for 5 commitments: strict legal compliance, risk management, guarantee of safety, health promotion, and continuous improvement, with the target of zero occupational accidents set.

We have all our employees participate in such actions to improve the friendly workplace in a continuous manner and reduce OSH risks. On January 10, 2024, the Company passed the ISO 45001:2018 occupational health and safety management system certification. In 2023, the actual working hours of all employees of Ennoconn totaled 373,360 hours. We maintained a record of zero accidents and zero absenteeism. There were no recordable occupational injuries that caused deaths or serious occupational injuries, nor occupational diseases causing deaths or identified under the "Regulations for Implementing Labor Occupational Accident Insurance Occupational Disease Appraisal." A healthy workplace certification was obtained.

The Company has set up a labor safety hotline and an employee mailbox to provide employees with consultation and assistance on issues related to physical and mental health at work. Moreover, the labor safety personnel compile information on OSH regulations or relevant requirements of the competent authorities and the Occupational Safety Promotion Team to make internal announcements for employees to understand and act according to them.

Based on Articles 2 and 10 of the Regulations on the Occupational Safety and Health Management Regulations, the Company is a Category 3 business entity that does not need to organize an occupational safety and health committee. Hence, the Company only discusses relevant issues through the Occupational Safety Promotion Team and the labor-management meetings. The "Occupational Safety Promotion Team" and the "labor-management meetings" regularly review OSH issues to give full play to the operational functions of the OSH management system. They also conduct hazard identification/risk assessment, determine necessary control measures, and participate in the establishment, implementation, inspection, and improvement of the OSH management system.

The Company follows Articles 6, 30 and 31 of the "Occupational Safety and Health Act," the "Regulations Governing the Implementation of Maternal Health Protection for Female Workers," and Articles 324-1, 324-2 and 324-3 of the "Regulations for the Occupational Safety and Health Equipment and Measures" to, based on the characteristics and forms of the Company's work environment, carry out 4 major plans: the Plan for Prevention of Ergonomic Hazards, the Plan for Protection of Workplace Maternal Health, the Plan for Prevention of Illegal Infringement during the Performance of Duties, and the Plan for Prevention of Diseases Induced by Exceptional Workload. The hazards to employee health are identified

under these 4 major plans, and contracted medical personnel are hired for on-site services. Health classification management is performed based on the identification results, and the planned services are implemented by physicians (twice a year) and occupational health nurses (twice a month) according to the risk levels of the classification.



Occupational safety and health policy



5.4.3 Occupational Safety Training

Ennoconn provides occupational safety and health training for new employees and all current employees. There are 2 main types of training:

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Туре	Training course	Results in 2023
General safety and health education and training	 Introduction to the laws and regulations regarding occupational safety and health. OSH concept and the Occupational Safety and Health Work Rules. Standard operating procedures and automated checks. Emergency response and handling. Knowledge of firefighting and first aid, and relevant drills. Other safety and health knowledge related to labor operations. 	In 2023, the completion rate of occupational safety and health training for new hires was 100%, with their training totaling 99 hours.
Emergency response education and training	 Firefighting training for employees. Fire evacuation and first aid training for employees. Office building fire drill. Response drills in cooperation with customers for engineering projects. 	In 2023, a total of 2 fire drills and training were conducted on June 28 and December 20, 2023, respectively. The results were in line with our expectations.

5.4.4 Chemicals Management

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The chemicals used in the Company's laboratory are organic solvents, including isopropanol. Hazard control equipment has been installed in accordance with laws and regulations, and the operating environment is monitored twice a year. The monitoring results have indicated that our escape level of hazardous substances is lower than the permissible concentration exposure limit.





The table below shows the process the Company's chemicals are subject to in accordance with the "Procedures for Classification Management of Chemicals"

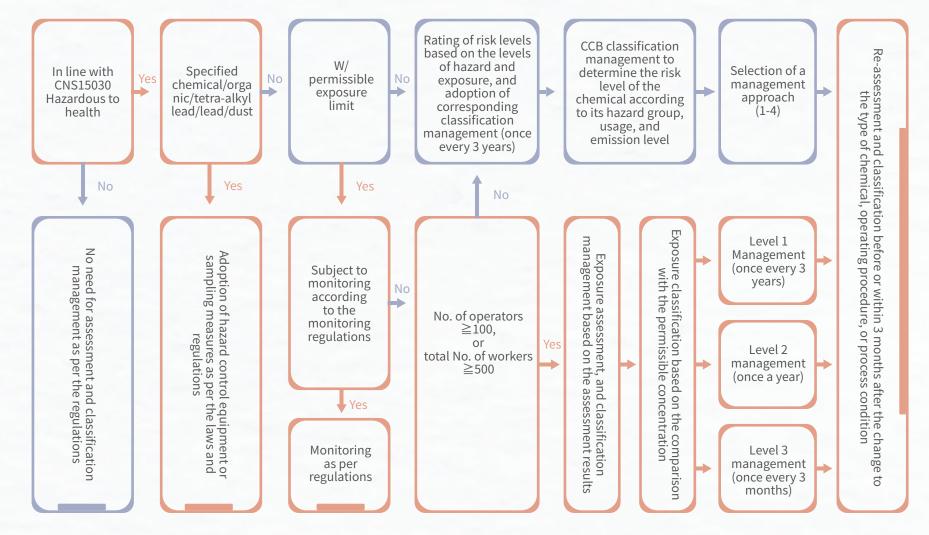
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The Company's laboratory performs safety and health management in accordance with the "Procedures for Automatic Inspection and Management of Safety and Health," "Procedures for Classification Management of Chemicals," "Procedures for Management of the Use of Organic Solvents," and "Procedures for Monitoring and Management of Operational Environment," minimizing the relatively high risks identified based on the automatic inspection and the classification management of chemicals.



5.4.5 Occupational Disasters

Goals for Sustainable Management The occupational hazards that the employees of Ennoconn face mainly come from exceptional workloads and ergonomic hazards. To ensure the effectiveness of hazard risk identification and risk assessment, the Company has formulated the "Plan for Prevention of Ergonomic Hazards," the "Plan for Prevention of Diseases Induced by Exceptional Workload," and the "Occupational Safety and Health Work Rules."

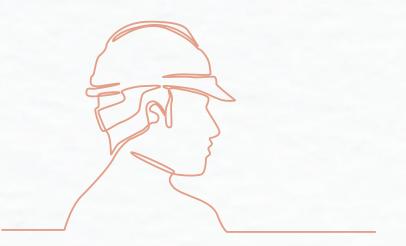
Corporate Governance The safety risks at the workers' routine operation and the safety risks arising from the changes have been assessed as high-risk items. After the confirmation by the occupational safety and health manager and occupational health nurses, an OSH target program has been established for the responsible units to implement; the implementation results and effectiveness are tracked by the labor safety personnel.

Sustainable Innovative Services In addition, for accident investigation, the Company has set up an occupational accident investigation process to properly investigate and manage accidents, including the recording of near misses. The accident unit should submit the "Accident Reporting and Investigation Form (Incl. Near Miss)" to the Administration Department within 3 days after the accident. The occupational safety personnel will gather relevant personnel and labor representatives to form an investigation team for joint investigation, production of an accident investigation report, and suggestions for preventive countermeasures, with meeting minutes made consequently. The "Correction and Prevention Procedures" may be adopted whenever necessary to supervise the accident unit's improvement measures. The accident unit should provide the "Accident Reporting and Investigation Form (Incl. Near Miss)" along with the prepared preventive countermeasures and improvement measures to the Administration Department within 3 days after the accident. The improvement measures will be reviewed by the occupational safety personnel and labor representatives, and further implemented upon the approval of the management representative.

In the event of any occupational injury, there are procedures for reporting and handling the incident. The occupational accident investigation report will be published on the Company's intranet upon the approval of the management representative. Each year, the labor safety personnel report on the occupational safety improvement results at the meeting with the Occupational Safety Promotion Team. In 2023, there was 1 traffic accident, for which the Company provided group insurance payment, occupational injury leave for follow-up appointment with the hospital, and more intense education on traffic safety. There was no other occupational injury or loss of person-work hours other than this case.

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Plan for Prevention of Diseases Induced by Exceptional Workload





Q Statistics on Occupational Injuries in Ennoconn

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Head office	2020	2021	2022	2023
Sum of working hours in monthly occupational accident report (Unit: Hour)	382,516	344,486	338,358	373,360
No. of absentees/ (%)	0	0	0	0
No. of deaths due to occupational injuries	0	0	0	0
No. of employees suffering serious occupational injuries	0	0	0	0
No. of near misses	0	0	0	0
No. of days lost due to occupational injuries	0	0	0	0
No. of recordable occupational injuries	0	0	0	0
Occupational injury rate	0	0	0	0
Serious occupational injury rate	0	0	0	0
Total recordable incident rate (TRIR)	0	0	0	0
Mortality arising from occupational injuries	0	0	0	0
Near miss frequency rate (NMFR)	0	0	0	0
Occupational injury lost day rate	0	0	0	0
Disabling injury frequency rate (FR)	0	0	0	0

Ennoconn's Statistics on Categories of Employees' Occupational Injuries

2023	Head office
Falling/tumbling	0
Falls and collisions	0
Collapse/ falling objects	0
Bumps and cuts	0
Exposure to high/ low temperature	0
Chemical exposure	0
Electric shock	0
Fire	0
Commuting accidents	1
Improper machine operation	0



5.4.6 Employee Health Services

Following social and economic changes, the International Labor Organization (ILO) and the World Health Organization (WHO) advocate that occupational safety and health services are fundamental rights of workers. Keeping in line with the spirit of the ILO and WHO as well as relevant laws and regulations, Ennoconn is actively engaged in the planning, promotion and implementation in terms of health issues in 3 major aspects: health services, health education, and a healthy work environment.

Corporate Governance Starting from 2021, the Company has appointed contracted occupational doctors and occupational nurses of a health management company to offer on-site services, such as disease prevention education, health promotion education, health lectures and employee preventive healthcare consultation, on a monthly basis. From the standpoint of protecting the health of employees, we focus on the services of health risk assessment, health management, health promotion, work environment hazard assessment and advice, etc., and educate employees about health-related concepts, hoping that their work will not be impacted by any health problems during the work period and that the occupational healthcare for workers is provided.

Each year, Ennoconn arranges health checkups and a related subsidy for employees based on their job grade, performs classification management for abnormal checkup results, gives employees personal health guidance, enhances disease-related health education, and introduces health management measures in relation to return visits and follow-ups, such as the H2U Health Bank app, to facilitate employees' continuous recording of their health activities. In 2023, a total of 144 employees were eligible for the health checkup. As of December 31, 2023 (the actual health checkup period ended February 28, 2024), 74 employees had received the health checkup, reflecting a health checkup completion rate of 51%. The amount invested in the health subsidy exceeded NT\$ 1 million.

To implement the employee health service system and physical/mental health protection measures, and to increase our employees' knowledge and abilities regarding occupational health, we proactively compiles, disseminates and introduces correct health knowledge from a caring perspective, in the expectation of building a healthy, friendly and happy work environment. We hope each of our employees can develop positive concepts of health, maintain a healthy body and mind, integrate occupational health into their daily life, and lead an enjoyable life with family and work.

A total of 169 employees joined the yoga club, badminton club, basketball club and billiard club; the participation rate Sports clubs of sports clubs was 89.42%.

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Sports facilities

Work-life balance

cleanup, family day, etc.

Professional massage service

The Ennoconn Group Family Day was held on August 28, 2023, with a total of 860 employees and their dependents Activities such as mountain climbing, hiking, beach attending the event.

There were 2 massage machines in place, and the professional massage service was used 618 times in 2023.

Various facilities and activities, such as table tennis, billiards, basketball arcade machines, darts, fitness equipment,

Employee health passport app There were 28 downloads in 2023. (by new employees)

> In 2023, 9 sessions of activities were held with government support amounting to NT\$ 53,000; the participants totaled 184 employees.

and table football, are provided for employees as multiple channels for stress relief.

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Health promotion activities In 2023, there were 3 sessions of promotion activities attended by a total of 52 participants.



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♠ Professional massage service







Course title	Date	No. of participants	Photo
Tips for a Sound Sleep	April 2023	23	
Plant Your Own	May 2023	30	

Course title	Date	No. of participants	Photo
Stress Relief Cards	May 2023	16	
Anxiety- relieving Aromatherapy	June 2023	21	



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Commerciale	Data	No. of montining	Dhata
Course title	Date	No. of participants	Photo
Secret Nutrition Tips: Eating While Losing Weight	July 2023	20	
New Era of Muscle Stretching	July 2023	14	
Office Workers' Just-know Tips for Relieving Soreness	August 2023	21	niny and a second secon
	Nutrition Tips: Eating While Losing Weight New Era of Muscle Stretching office Workers' lust-know Tips for Relieving	Secret Nutrition Tips: Eating While Losing Weight New Era of Muscle Stretching Office Workers' lust-know Tips for Relieving July 2023 August 2023	Secret Nutrition Tips: Eating While Losing Weight New Era of Muscle Stretching Muscle Stretching August for Relieving August 20 20 20 21

Course title	Date	No. of participants	Photo
Energetic Aerobics (1)	June 2023	20	
Energetic Aerobics (2)	June 2023	19	





5.5 Social Welfare

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2023 Statistics on Ennoconn's Social Welfare Activities

Item	Aspect of ESG	Activity details and performance
Support for the right to work of disadvantaged groups	S	On the Ennoconn Group Family Day, the Association for the Visually Impaired in Taichung City was invited to provide massage service, and a band formed by physically challenged performers was invited to give performance. A charity sale was held that day as well, with the proceeds of the charity sale amounting to NT\$ 18,870, and with 160 receipts for public welfare massage service and donations generated.
Environmental sustainability with Step30	E/S	A total of 120 pairs of used shoes were collected to support the Step30 International Ministries' rescue project in Kenya.
Community care: Donation of fruits and vegetables for orphanage kids	S	The Company donated NT\$30,000 to purchase 50 boxes of safe, non-toxic fruits and vegetables for the children of the Rong-Guang Social Welfare Institution in New Taipei City.
Support for the development of local cultural groups	S/G	A total of 112 employees participated in the activities of the Godot Theatre Company, Comedians Workshop, and My Little Boys Theatre.
Industry-academia collaboration	E/S/G	Ennoconn and National Yang Ming Chiao Tung University jointly established an ESG Innovation Accelerator to facilitate the collaborative promotion of subsequent academic research and industry practice.

Happy Ennoconn Group Family Day in 2023



We fostered communication with stakeholders, enhanced cooperation and harmony between the Company and our employees, and participated in public welfare activities. We donated NT\$ 25,000 each to the Association for the Visually Impaired in Taichung City and the Special Education Association in Miaoli County.





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Ennoconn with Step30 in 2023

During the 12-day event from August 7 to August 18, 2023, 120 pairs of used shoes were collected from employees within the Company and donated to the Step30 International Ministries to support their rescue project in Kenya.





Safe fruits and vegetables for orphanage kids in 2023

In November 2023, the Company donated NT\$ 30,000 to an orphanage organization to purchase 50 boxes of safe, non-toxic fruits and vegetables for the kids there.



贊助【財團法人新北市榮光育幼院】

如果商幼院本月需求已滿,我們會將您的贊助,加到未來有缺蔬果的月份。 例:當月已經到配送時間,但有商幼院菠果不足或是寶寶人數值時增加。

* 贊助 50 箱、小計: 29950元(一箱五台斤) 提供1位0-3歲資資 1000天 的農果需求







£63

Support for the arts activities of local cultural groups in 2023

From October to December, 2023, the Company supported 3 cultural groups: Godot Theatre Company, Comedians Workshop, and My Little Boys Theatre. A total of 112 employees took part in their events, contributing NT\$ 93,647.

Stage play: Tuesdays with Morrie







5.5.1 Industry-Academia Collaboration

© Ennoconn and National Yang Ming Chiao Tung University's "ESG Innovation Accelerator"

Management

In 2023, Ennoconn Group integrated resources and joined forces with 6 subsidiaries to sign the 4-year "Academia-Enterprise Strategic Alliance Collaboration Plan" with National Yang Ming Chiao Tung University and St. John's University, under which Ennoconn provides NT\$ 10 million per year, or NT\$ 40 million in total, to support the faculties and students of both universities and the setup of the "ESG Innovation Accelerator," a research center at National Yang Ming Chiao Tung University.

Corporate Governance Ennoconn also took part in the industry-academia program of the National Science and Technology Council to fulfill the concepts of ensured employment upon school admission and business startup upon graduation. At the same time, we facilitated the joint promotion of subsequent academic research and industry practice through collaborative practicum education and practical internship training in the hope of reducing the gap between the academic and industrial sectors.

We accelerated our business innovation through startups, and created a win-win situation by assisting the startups and university students in expanding their scope of innovation. Via an open, fair, and impartial selection mechanism, target themes and topics were selected for the startup team. By linking the corporate resources at Ennoconn, the Company fostered the implementation of an accelerated development mechanism based on the concept of leading the developing units, creating value for the team in the smart technology market.

Industry-academia collaboration

Based on the needs and pain points of the existing technology, the Company invited professors of related fields from National Yang Ming Chiao Tung University to jointly develop sustainable green energy and AI forward-looking technologies, share knowhow for the seamless connection between industry and academia, and contribute to the development of sustainable AI forward-looking technologies at the same time. By building an industry-academia collaboration alliance, we promoted the industrial innovation ecosystem.

A series of lectures on ESG were arranged, and industry experts and scholars were gathered to devise practical courses as multiple learning channels for Ennoconn's employees, students, and the general public. This helped enhance the ESG knowledge within the Company, organize teams, and arrange customized ESG solutions.



ESG Innovation Accelerator

The Company looked for high-potential startup teams and provided Ennoconn Group's industry-academia startup fund resources. Accordingly, we engaged in two-way strategic collaboration, joint development, resource integration, substantive business cooperation, and international market expansion, forming a long-lasting coaching and collaborative relationship with them. By helping startups expand their markets, the Group also managed to make breakthroughs in external innovative technologies.







Appendix 1: GRI Standards Corresponding Table

Goals for Sustainable Management

Statement of Use	Ennoconn Corporation has reported the contents of the GRI corresponding table for the period from January 1 to December 31, 2023 with reference to the GRI Standards.
Applicable GRI Sector Standards	Ennoconn is a listed company in the computer and peripheral equipment industry in Taiwan, which has no applicable GRI sector standards.

GRI 2: General Disclosures 2021

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GRI Standard No.	Disclosure item	Corresponding chapter	Page
2-1	Organizational details	2.1, 2.2	21, 22, 24
2-2	Entities included in the organization's sustainability reporting	0.3, 2.2	5, 24
2-3	Reporting period, frequency and contact point	0.3	5
2-4	Restatements of information	0.3	6
2-5	External assurance	0.3	5
2-6	Activities, value chain and other business relationships	2.1, 2.2, 2.4, 2.9, 3.1, 3.2, 3.4	21, 24, 39, 57, 65, 68, 77
2-7	Employees	5.2	102, 103
2-8	Workers who are not employees	5.2	103
2-9	Governance structure and composition	1.2, 2.3	11, 25
2-10	Nomination and selection of the highest governance body	1.2, 2.3	11, 29
2-11	Chair of the highest governance body	1.2, 2.3	11, 29
2-12	Role of the highest governance body in overseeing the management of impacts	1.2, 2.3, 2.8	11, 37, 52
2-13	Delegation of responsibility for managing impacts	1.2, 2.8	11,52
2-14	Role of the highest governance body in sustainability reporting	1.2	11



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GRI Standard No.	Disclosure item	Corresponding chapter	Page
2-15	Conflicts of Interest	2.3	31
2-16	Communication of critical concerns	2.3	37
2-17	Collective knowledge of the highest governance body	2.3	37
2-18	Evaluation of the performance of the highest governance body	2.3	36
2-19	Remuneration policies	2.3	38
2-20	Process to determine remuneration	2.3	38
2-22	Statement on sustainable development strategy	0.1, 1.1	5,8
2-23	Policy commitments	1.1, 2.5, 2.9, 4.1, 4.2, 5.1	8, 44, 57, 82, 85, 86
2-24	Embedding policy commitments	1.1, 2.5, 4.1, 4.2, 5.1	8, 44, 57, 82, 86, 99
2-25	Processes to remediate negative impacts	1.3, 2.5, 5.1	15, 42, 99
2-26	Mechanisms for seeking advice and raising concerns	1.3, 2.5, 5.1	13, 42, 99
2-27	Compliance with laws and regulations	2.5	42
2-28	Membership associations	2.10	63
2-29	Approach to stakeholder engagement	1.3	13
2-30	Collective bargaining agreements	The Company has not signed any collective bargaining agreements.	

GRI 3: Material Topics Disclosures

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Material topic	GRI Standard No.	Disclosure item	Corresponding chapter	Page
3-1		Process to determine material topics	1.4	15
3-2		List of material topics	1.4	15
Legal compliance	3-3 2-27	Management of material topics Compliance with laws and regulations	2.5	42 (Legal Compliance)



Introduction	Material topic	GRI Standard No.	Disclosure item	Corresponding chapter	Page
		3-3	Management of material topics		
		403-1	Occupational health and safety management system		
Goals for		403-2	Hazard identification, risk assessment, and incident investigation		
Sustainable		403-3	Occupational health services		
Management		403-4	Worker participation, consultation, and communication on occupational health and safety		
	Occupational health and safety	403-5	Worker training on occupational health and safety	5.4	112 (Occupational Health and Safety)
	and safety	403-6	Promotion of worker health		and Salety)
Corporate		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
Governance		403-8	Workers covered by an occupational health and safety management system		
		403-9	Work-related injuries		
		403-10	Work-related ill health		
Sustainable Innovative		3-3	Management of material topics		
	Risk Management	2-12	Role of the highest governance body in overseeing the	2.8	51 (Risk Management)
		2-13	management of impacts		, , ,
			Delegation of responsibility for managing impacts		
	IT Security	3-3	Management of material topics	2.6	46 (Information Security),
Devotion to	11 Security	418-1	Customer privacy	2.7	50
Environmental		3-3	Management of material topics		
Sustainability		2-6	Activities, value chain and other business relationships		
		2-23	Policy commitments		
		308-1	New suppliers that were screened using environmental criteria		
Building Common Prosperity in	Supply chain sustainability	308-2	Negative environmental impacts in the supply chain and actions taken	2.9	57 (Supply Chain Sustainability)
		409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		
Society		414-1	New suppliers that were screened using social criteria		
		414-2	Negative social impacts in the supply chain and actions taken		





Introduction	Material topic	GRI Standard No.	Disclosure item	Corresponding chapter	Page
		3-3	Management of material topics		
		2-7	Employees		
		2-8	Workers who are not employees		
Goals for Sustainable		202-1	Ratios of standard entry level wage by gender compared to local minimum wage	2.3 5.2 5.3	25, 102 (Employment Relations), 110
Management		202-2	Proportion of senior management hired from the local community		
	Employment relations	401-1	New employee hires and employee turnover		
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		
Corporate		401-3	Parental leave		
Governance		404-1	Average hours of training per year per employee		
		404-3	Programs for upgrading employee skills and transition assistance programs		
		405-1	Percentage of employees receiving regular performance and career development reviews		
Sustainable Innovative		405-2	Diversity of governance bodies and employees		
			Ratio of basic salary and remuneration of women to men		

Voluntary disclosure of GRI indicators

Devotion to Environmental Sustainability

GRI 200: Economic

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GRI Standard No.	Disclosure item	Corresponding chapter	Page
201-1	Direct economic value generated and distributed	2.4, 3.2, 3.4	39, 68, 77
201-2	Financial implications and other risks and opportunities due to climate change	4.2	85
201-3	Defined benefit plan obligations and other retirement plans	5.3	111
201-4	Financial assistance received from government	3.3	71
202-2	Proportion of senior management hired from the local community	5.2	103





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GRI Standard No.	Disclosure item	Corresponding chapter	Page
203-1	Infrastructure investments and services supported	5.5	121
204-1	Proportion of spending on local suppliers	4.1	84
205-2	Communication and training about anti-corruption policies and procedures	2.5	44
205-3	Confirmed incidents of corruption and actions taken	2.5	44
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.5	44
207-1	Approach to tax	2.4	41

GRI 300: Environmental

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RI Standard No.	Disclosure item	Corresponding chapter	Page
301-1	Materials used by weight or volume	3.3	71
302-1	Energy consumption within the organization	4.3	95
302-2	Energy consumption outside of the organization	4.3	95
302-3	Energy intensity	4.3	95
302-4	Reduction of energy consumption	4.3	95
302-5	Reductions in energy requirements of products and services	3.2, 3.3	68, 71
303-1	Interactions with water as a shared resource (2018)	4.4	96
303-2	Management of water discharge-related impacts (2018)	4.4	96
303-3	Water withdrawal (2018)	4.4	96
303-5	Water consumption (2018)	4.4	96





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GRI Standard No.	Disclosure item	Corresponding chapter	Page
304-2	Significant impacts of activities, products, and services on biodiversity	4.6	97
305-1	Direct (Scope 1) GHG emissions	4.2	93
305-2	Energy indirect (Scope 2) GHG emissions	4.2	93
305-3	Other indirect (Scope 3) GHG emissions	4.2	94
305-4	GHG emissions intensity	4.2	134
305-5	Reduction of GHG emissions	4.2	92
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.1	84
306-3	Waste generated	4.5	96
308-1	New suppliers that were screened using environmental criteria	2.9, 3.4	57,77
308-2	Negative environmental impacts in the supply chain and actions taken	2.9, 3.4	57,77

GRI 400: Social

GRI Standard No.	Disclosure item	Corresponding chapter	Page
401-1	New employee hires and employee turnover	5.2	104
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3	110
401-3	Parental leave	5.3	111
403-1	Occupational health and safety management system	5.4	113
403-2	Hazard identification, risk assessment, and incident investigation	5.4	113
403-3	Occupational health services	5.4	118



Introduction	GRI Standard No.	Disclosure item	Corresponding chapter	Page
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.4	113
	403-5	Worker training on occupational health and safety	5.4	114
oals for ustainable	403-6	Promotion of worker health	5.4	118
lanagement	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.4	112
	403-9	Work-related injuries	5.4	116
orporate	403-10	Work-related ill health	5.4	113
Governance	404-1	Average hours of training per year per employee	5.2	106
	404-2	Programs for upgrading employee skills and transition assistance programs	5.2	108
ustainable novative	404-3	Percentage of employees receiving regular performance and career development reviews	5.2	109
ervices	405-1	Diversity of governance bodies and employees	2.3, 5.2	33, 103
	406-1	Incidents of discrimination and corrective actions taken	5.1	101
evotion to	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	5.1	101
nvironmental ustainability	408-1	Operations and suppliers at significant risk for incidents of child labor	5.1	100
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.9	57
uilding	412-2	Employee training on human rights policies or procedures	5.1	101
ommon rosperity in	414-1	New suppliers that were screened using social criteria	2.9	57
ociety	414-2	Negative social impacts in the supply chain and actions taken	2.9	62
	415-1	Political contributions	2.10	63
Appendixes	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.7	50



Appendix 2: SASB Corresponding Table (Hardware in Technology & Communications) 2023-12 Version

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Торіс	Index code	Disclosure index	Nature of disclosure	Disclosed information						
Product security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	Description and analysis	Ennoconn is in pursuit "Statistics on ISO Mana			anagement. Ple	ase refer to tl		
		Percentage of gender			Taiv	vanese	Foreign	nationals		
Employee diversity and inclusion	TO 11111 000 1	and racial/ethnic group representation for (1)	Quantitative	2023	Male	Female	Male	Female		
	TC-HW-330a.1	management, (2) technical	(%)	Management	21	2	0	0		
		staff, and (3) all other employees		Technical staff	88	78	0	0		
				All employees	109	80	0	0		
	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative (%)	0 %						
Product lifecycle	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Quantitative (%)	0 %						
management	TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	Quantitative (%)	0 %						
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Quantitative (Ton, %)	Not applicable to B2B business model						
Supply chain management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent	Quantitative (%)	100 %						



	Topic	Index code	Disclosure index	Nature of disclosure	Disclosed information			
Goals for Sustainable Management			Tier 1 suppliers' non-		0 %	Rating		
	Supply chain management	TC-HW-430a.2	conformance rate with the RBA Validated	Quantitative (rating)	86 or above	Grade A		
	Ü		Audit Process (VAP) or equivalent		71-85	Grade B		
Corporate Governance					70 or lower	Unqualified		
	Materials sourcing	TC-HW-440a.1	management of risks Description and quality assurance, and technology) are resp		o's 5 major units (R&D, procurement, quality control, o) are responsible for controlling the quality of o, with raw material suppliers also taken into account cts.			
Sustainable Innovative Services					2023 statistics on production Major product	Production volume (pieces)		
					Sales of industrial computer software and hardware (selfmade)	41,951,525		
Devotion to Environmental Sustainability		TC-HW-000.A Number of units produced by product category Industry activities	Quantitative (number)	Production and sales of network communications products (self-made)	116,237			
Building			by product category	(number)	Factory affairs system and electromechanical system service	Due to the wide variety of products and the fact that factory engineering projects are tailored to the needs of the owners and independent from each other, it is impossible to calculate the production volume.		
Common Prosperity in					Others (outsourced)	11,384,299		
Society					Total	53,452,061		
		TC-HW-000.B	Area of manufacturing facilities	Quantitative (m2)	Due to outsourced production, the	ere was no area of manufacturing facilities.		
Appendixes		TC-HW-000.C	Percentage of production from owned facilities	Quantitative (%)	Due to outsourced production, the	ere were no facilities owned by the Company.		



Appendix 3: TCFD Corresponding Table

	Aspect	Description	Recommended disclosures	Disclosed information	Page of corresponding chapter
Goals for Sustainable Management	Governance	Disclose the organization's governance around climate-related risks and opportunities.	 Describe the board's oversight of climate-related risks and opportunities. Describe management's role in assessing and managing climate-related risks and opportunities. 	 The Sustainable Development Committee reports the climate risk and opportunity governance status as well as the annual sustainability risk management issues to the Board of Directors every year. The President serves as the chairperson of the Sustainable Development Committee and has four subordinate working groups to identify and assess climate risks and take countermeasures. 	4.2 (85-86)
Corporate Governance Sustainable Innovative Services	Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	 Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. 	Please refer to the Table of Short-term, Medium-term and Long-term Climate Risks and Opportunities in 2023 in this report. Please refer to the impact level of the climate-related risks and opportunities in this report. To further assess the influence and possible financial impacts of climate change, the Company specifies the topics of climate change risks and opportunities for physical risks and regulatory transition risks with reference to international sustainability trends, customer needs, and Taiwan government policies, identifies climate-related risks, and uses the risk matrix to determine the most important climate-related risk issues to be prioritized.	4.2 (85-86)
Devotion to Environmental Sustainability Building Common	Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.	 Describe the organization's processes for identifying and assessing climate-related risks. Describe the organization's processes for managing climate-related risks. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. 	 The head office completed the GHG inventory and verification in 2023, and planned to have the subsidiaries complete their GHG inventory and verification on a yearly basis. During the subsequent planning, climate risks and opportunities will be incorporated into the risk management policy and the operation of each unit. Climate risks and opportunities will be incorporated into the risk management policy and the operation of each unit during the subsequent planning, and reported to the Board of Directors annually. Ennoconn actively develops 3 strategic cores for sustainability: digital transformation, information security transformation, and green transformation. Focusing on these cores, we deal with ESG risks, impacts or opportunities such as promoting energy saving, consumption reduction, and net-zero carbon emissions, and horizontally and vertically integrate the resources of subsidiaries and partners to provide enterprises with one-stop cloud-premise integration services and grasp green business opportunities. 	4.2 (85-86)
Prosperity in Society Appendixes	Metrics and targets	Disclose the metrics and targets used to assess and manage relevant climate- related risks and opportunities where such information is material.	 Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. 	 The organizational GHG inventory and ISO 14064 verification are performed every year, with improvements made to the external information disclosure on the official website and the Market Observation Post System. Please refer to 4.2.2 Carbon Emission Management. The short-term, medium-term and long-term paths to net-zero carbon emissions by 2050 have been set: carbon reduction by 30% by 2025, carbon reduction by 50% by 2030, and net-zero emissions by 2050 (long-term strategy goal). The target of annual electricity saving of 1% has been set. 	4.2 (85-86)



Appendix 4: Climate-related Information of TWSE/TPEx Listed Companies

Risks and Opportunities Resulting from Climate Change, and the Related Countermeasures Taken by the Company

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Item	Status of implementation	Page of corresponding chapter
Describe the board's and management's oversight and governance of climate-related risks and opportunities.	Already implemented	4.2
Describe how the identified climate risks and opportunities affect the business, strategy, and finance (short, medium-, and long-term) of the Company.	Already implemented	4.2.1
Describe the financial impact of extreme climate events and transitional actions.	To be implemented	
Describe how the climate risk identification, assessment, and management processes are integrated into the overall risk management system.	To be optimized	4.2.1
If scenario analysis is used to assess the resilience to climate change risks, the scenario, parameters, assumptions, analysis factors, and key financial impacts used should be described.	To be optimized	4.2.1
If there is a transition plan for managing climate-related risks, describe the contents of the plan, and the indicators and targets used to identify and manage physical and transition risks.	To be implemented	
If internal carbon pricing is used as a planning tool, the basis for price setting should be stated.	To be implemented	
If climate-related targets are set, the activities covered, the scope of GHG emissions, the planning period, the annual progress of achievement, and other information should be stated; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon credits to be offset or the quantity of renewable energy certificates (RECs) should be stated.	To be implemented	
GHG inventory and assurance situation	Already implemented	Refer to the table below.

	Basic information of the Company	According to the Sustainable Development Roadmap of Public Companies, at least the following shall be disclosed
O Compar	nies with a capital of more than NT\$ 10 billion, or in the steel industry or cement industry nies with capital of more than NT\$ 5 billion but less than NT\$ 10 billion nies with capital of less than NT\$ 5 billion	☐ Parent-only inventory ☐ Parent-only assurance ☐ Inventory for subsidiaries in the consolidated financial statements ☐ Assurance for subsidiaries in the consolidated financial statements

Parent company	Total emissions (tCO₂e)	Intensity (tCO ₂ e / million revenue)	Assurance institution	Description of assurance
Scope 1	21.1200	0.0002		According to the verification process and procedures conducted by the
Scope 2	339.4500	0.0028	Bureau Veritas Certification	assurance institution, there is sufficient evidence showing that the GHG statement of the verified company makes substantially correct and fair
um of total emissions (Scope 1 + Scope 2)	360.5700	0.0030	(Taiwan) Co., Ltd. (Bureau Veritas)	presentation of the GHG data and related information, and that the GHG statement, prepared based on the ISO 14064-1:2018, was consistent with the level of reasonable assurance under the verification agreement.



Appendix 5: TWSE Sustainability Disclosure Index (Computer and Peripheral Equipment Industry)

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Appendixes

Metrics	Category of metrics	Unit	Page of the corresponding chapter
Total energy consumption, percentage of purchased electricity, and utilization rate of renewable energy	Quantitative	Gigajoule (GJ), percentage (%)	4.3 Energy Management
Total water withdrawal and total water consumption	Quantitative	1,000 m ³	4.4 Water Resource Management
Weight of hazardous waste generated, and percentage recycled	Quantitative	Tons (t), percentage (%)	The Company does not generate hazardous waste.
Description of the type, number, and rate of occupational injuries	Quantitative	Rate (%), quantity	5.4.5 Occupational Disasters
Disclosure of product life cycle management: Weight including end-of-life products and e-waste, and percentage recycled	Quantitative	Tons (t), percentage (%)	The Company has no product waste and e-waste.
Description of the risk management associated with the use of critical materials	Qualitative description	N/A	N/A
Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	Reporting currency	There are no related legal proceedings.
Number of units of major products produced by product category	Quantitative	Varying by product type	Please refer to the table below.

Unit: piece / NT\$ thousand

2021			2022			2023			
Major product	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Sales of industrial computer software and hardware	135,242,856	46,233,817	1,496,144	121,544,949	39,38,756	6,054,070	116,539,936	41,951,525	8,635,182
Production and sales of network communications products	178,072	151,832	1,863,019	232,229	168,082	2,277,689	196,285	116,237	1,702,086
Factory affairs system and electromechanical system service	(Note 2)	(Note 1)	30,838,692	(Note 2)	(Note 1)	44,980,634	(Note 2)	(Note 1)	51,032,096
Others	(Note 2)	18,845,633	17,434,935	(Note 2)	16,848,944	5,663,611	(Note 2)	11,384,299	1,862,099
Total	135,420,928	65,231,282	51,632,790	121,777,178	56,255,782	58,976,004	116,736,221	53,452,061	63,231,463

Note1: Due to the wide variety of products and the fact that factory engineering projects are tailored to the needs of the owners and independent from each other, it is impossible to calculate the production capacity and volume.

Note2: As production is outsourced to external parties, there are no statistics on production capacity



Appendix 6: SGS Verification Statement

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Sustainable Innovative Services

Devotion to Environmental Sustainability

Building Common Prosperity in Society SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ENNOCONN CORPORATION'S SUSTAINABILITY REPORT FOR 2023

NATURE AND SCOPE OF THE ASSURANCE

SSS Taiwan Ltd. (hereinafter referred to as SSS) was commissioned by ENNOCONN CORPORATION. (hereinafter referred to a Ennoconny to conduct an independent assurance of the Sustanshith Report for 2023. The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AN1000 Assurance Standard v3 Type 1 Moderate level to assess whether the text and data in accompanying tables contained in the report presented and complies with the GRI Standards and AN1000 Accountability Principles (2018) during assurance (2024/04/15/22) in Enroconn headquarter. The assurance processed id not include the evaluation of specific performance information outside the scope, such as climate-related financial disclosures (TCPI) and sustainability accounting standards (SASS).

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

ESPONSIBILITIES

The information in the Ennoconn's Sustainability Report of 2023 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 Ennoconn's Sustainability Report.

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

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocods 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 11: Foundation 2021 for report quality, CRI 2 General Disclosure 2021 for organization's reporting practices and other organizational deals, CRI 3 2021 for organization's process of determining metatic plote, is list for material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of

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

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

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SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of adherence to the following reporting criteria.

Reporting Criteria Options

1 GRI Standards (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) is conducted at a moderate level of scrutiny, and therefore the reliability and quality of specified sustainability performance information is concluded.
- The evaluation of the report against the requirements of GRI Standards is listed in the GRI contenindex as material in the report and is conducted with reference to the Standards.

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Talwarr, 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 securance nuroses

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethoisal auditing and training; environmental, social and sustainability profits assurance. SGS affirm our independence from Ennocom, being free from bias and conflicts of interest with the organization, 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 2000.0 (SQ 2012.1), ISO 50001, SA8000, RA8, CMS, EMS, SMS, GPMS, CPP, WFP, GHP definition and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

ASSURANCE / VERIFICATION OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information in the scope of assurance is reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria. We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting.

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Reporting Criteria Options

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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) is conducted at a moderate level of scrutiny, and therefore the reliability and quality of specified sustainability performance information is excluded.
- The evaluation of the report against the requirements of GRI Standards is listed in the GRI content index as material in the report and is conducted with reference to the Standards.

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

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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, SA6000, RBA, OMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

ASSURANCE / VERIFICATION OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information in the scope of assurance is reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria. We believe that the oranzization has obseen an accordate level of assurance for this state on their recording.

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