

02

Corporate Governance



2.1	Company Overview	23
2.2	Governance Structure	25
2.3	Economic performance	31
2.4	Responsible Business Practices	33
2.5	Risk Management	38
2.6	Climate Change Risks and Opportunities	44
2.7	Information Security Policy and Privacy Management	50

2.1 Company Overview

2.1.1 Basic Information

Ennoconn, founded in 1999 and listed on the stock exchange in 2014, specializes the research, development, and manufacturing of industrial computer products. In recent years, the Company has focused on cutting-edge technologies, such as Artificial Intelligence and Internet of Things (AIoT), cloud management, generative AI, and machine vision, delivering exceptional products and solutions for global industries including smart manufacturing, smart energy, smart retail, smart finance, smart home, security monitoring, smart healthcare, smart parks, smart transportation, smart energy storage, and more. Headquartered in Zhonghe District, New Taipei City, Taiwan, the Company has established global supply chain management centers, R&D service centers, regional manufacturing service bases, logistics and customization service centers, and sales service centers across Asia, Europe, the Americas, and other regions.

Company Name	Ennoconn Corporation
Company Type	TWSE Listed & Corporation
Establishment Date	July 12, 1999
Headquarters Location	4-6F, No. 10, Jiankang Rd., Zhonghe Dist., New Taipei City
Industry Category	Electronic Components and Products Manufacturing
Primary Products or Services	The Company provides AIoT Hardware-Software-Cloud Platform solutions as well as design and manufacturing services for terminal interactive systems. Its core offering is a cloud-ground integrated service platform that delivers one-stop solutions for cloud migration, cloud usage, cloud management, and cloud security. Product equipment includes POS (Point of Sale systems), KIOSK (Interactive Information Service Systems), ATM (Automated Teller Machines), Lottery (Public Welfare Lottery Machines), and HMI (Human Machine Interface).
Paid-in Capital	NT\$1,375,397,200

Company Business Strategy

Ennoconn Group's products and services span key sectors including industrial computers, Industrial Internet of Things, automotive electronics, new energy, smart cities, and smart healthcare, fully demonstrating the Group's hardware-software integration capabilities in technological innovation and market applications. To deepen its global presence, the Group has built industry-leading supply chain, R&D, business, manufacturing, logistics, and sales centers. Through five key transformations in digitalization, AI, energy, cybersecurity, and ESG, Ennoconn leads the new business model of ESaaS (Ennoconn Solution as a Service), continuously driving innovation and upgrades in smart solutions to deliver more efficient, intelligent, and advanced technological experiences to customers worldwide.

Ennoconn has steadily accomplished its long-term goals over the past 25 years by maintaining stable growth in revenue, gross profit, and net profit, upholding a robust operational structure, and enhancing equity returns for shareholders. These efforts form the driven force behind the Company's pursuit of sustainable development for the next 25 years.

Association Memberships

Ennoconn Group actively engages in industry development and sustainable transformation strategies by participating external association and organizational activities to stay informed on the latest domestic and international sustainability trends and related regulations. The Group also contributes to discussions and provides feedback on current regulations and national policies, exchanging insights with industry peers to understand benchmark sustainability practices and performance. Through this, Ennoconn manages sustainability risks and opportunities, maintains innovative competitiveness, and aims to collectively respond to global shifts while elevating industry standards. In 2024, Ennoconn joined six association organizations with an investment of NT\$94,000, listed as follows:

Category	Association Organizations	Members hip Status	Purpose	Fees (NT\$)
Trade associations and other think tank organizations	Taiwan Automation Intelligence and Robotics Association (TAIROA)	General Member	Participate in developing strategies for the intelligent robotics industry and investing resources to promote industrial development, accelerating Taiwan's establishment of a robotics development environment, product and technology development.	5,000
Trade associations and other think tank organizations	Taipei Computer Association	General Member	Engage in technology industry policy planning, and promotion; assist in the division and integration of technology industry resources and enhance the industry's international image.	15,000
Trade associations and other think tank organizations	The Institute of Internal Auditors - Chinese Taiwan	Corporate Member	Enhance the exchange of professional audit information and promote the sound development of domestic internal audit systems.	12,000
Trade associations and other think tank organizations	Taiwan Intelligent Zero Carbon Building Alliance	Director	In response to the challenges and opportunities presented by global climate change and net-zero carbon emissions, Ennoconn is seizing opportunities in the global intelligent zero carbon building market by combining industry forces, integrating the development of intelligent zero carbon application systems, proposing solutions, and driving cross-domain development within the building industry.	12,000
Trade associations and other think tank organizations	Taiwan Internet of Things Association	Chief Advisor	Promote the development of Internet of Things related technologies by collaborating with industries across various fields for joint research and development, promoting domestic IoT innovation, and enhancing the international presence of Taiwan's technological capabilities.	50,000

Amount of participation in associations and organizations in the past Four years

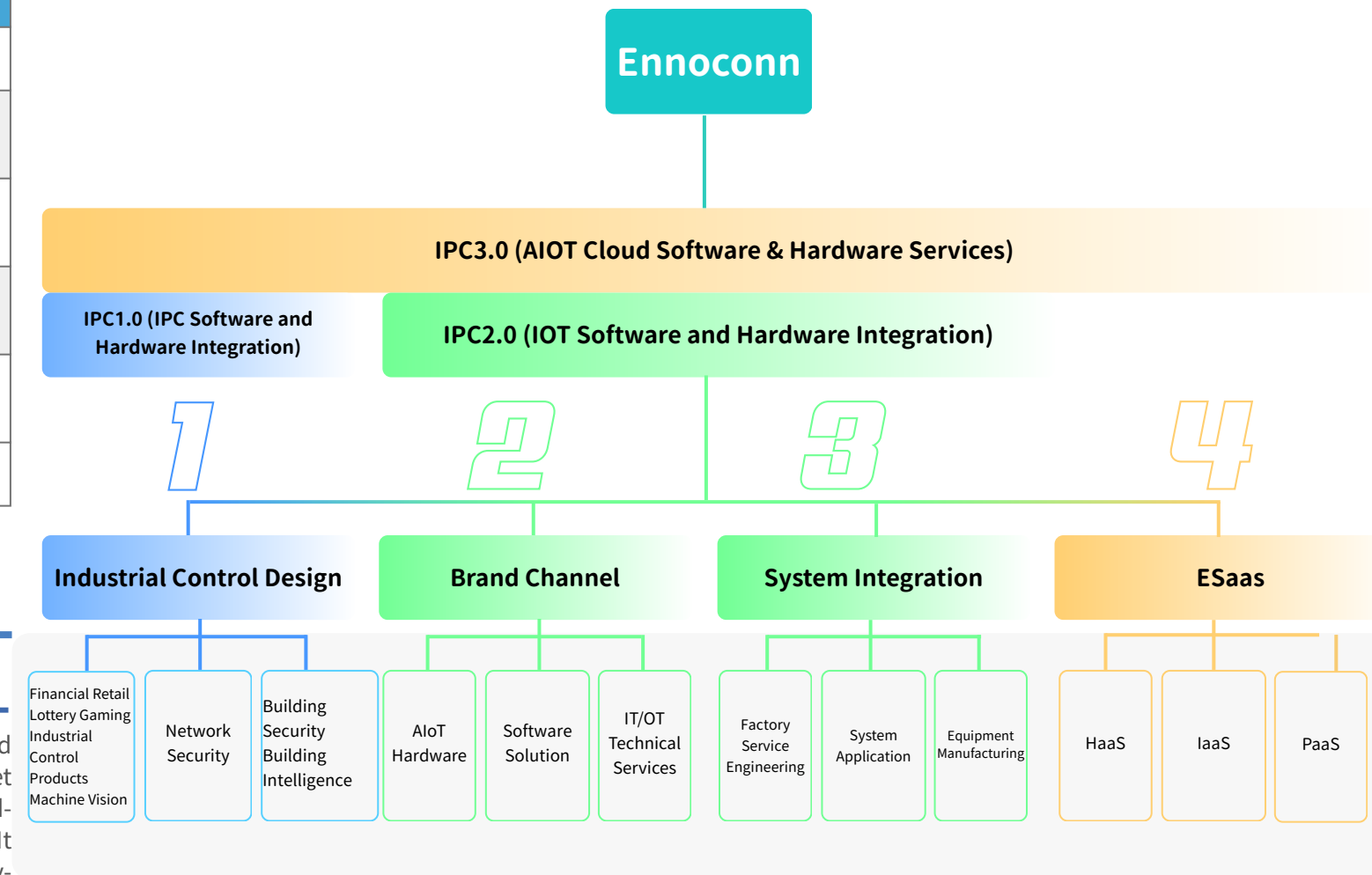
Total Resource Investment Table (Amount: NT\$)	2021	2022	2023	2024
Lobbying, interest representation or similar	0	0	0	0
Local, regional or national political campaigns / organizations / candidates	0	0	0	0
Trade associations or tax-exempt groups (e.g. think tanks)	0	0	171,500	94,000
Other (e.g. spending related to ballot measures or referendums)	0	0	0	0
Donations or other membership fee expenditures	0	0	0	0
Data coverage rate	0%	0%	100%	100%

2.1.2 Operating Locations

Diversified business entity scope

Ennoconn operates globally through three core business entities: industrial control design, brand distribution, and system integration. With the expansion of Edge AI business and growing market demand capacity, the company focuses on core technologies including AI edge computing, cloud-ground integration services, AI smart retail, green energy, and semiconductor facility construction. It continues to deepen the ESaaS (Ennoconn Solution as a Service) platform business, providing energy-saving and carbon reduction solutions for diverse sectors including government, industrial parks, finance, healthcare, manufacturing, and residential areas. The company strengthens its high value-added model of "hardware-software integration, cloud-ground collaboration + subscription services," invests in R&D to accelerate innovation, and actively expands supply chains and international strategic partnerships. It focuses on developing emerging markets such as Southeast Asia and innovative technology application fields, collaborating with smart retail customers to establish sales and service locations in 73 countries worldwide and logistics service centers in 24 countries.

Ennoconn's Diversified Business Entity



Ennoconn's sales are distributed worldwide

73 ↑ Countries

5,000 ↑ System Integrators

250K ↑ Industry Customers

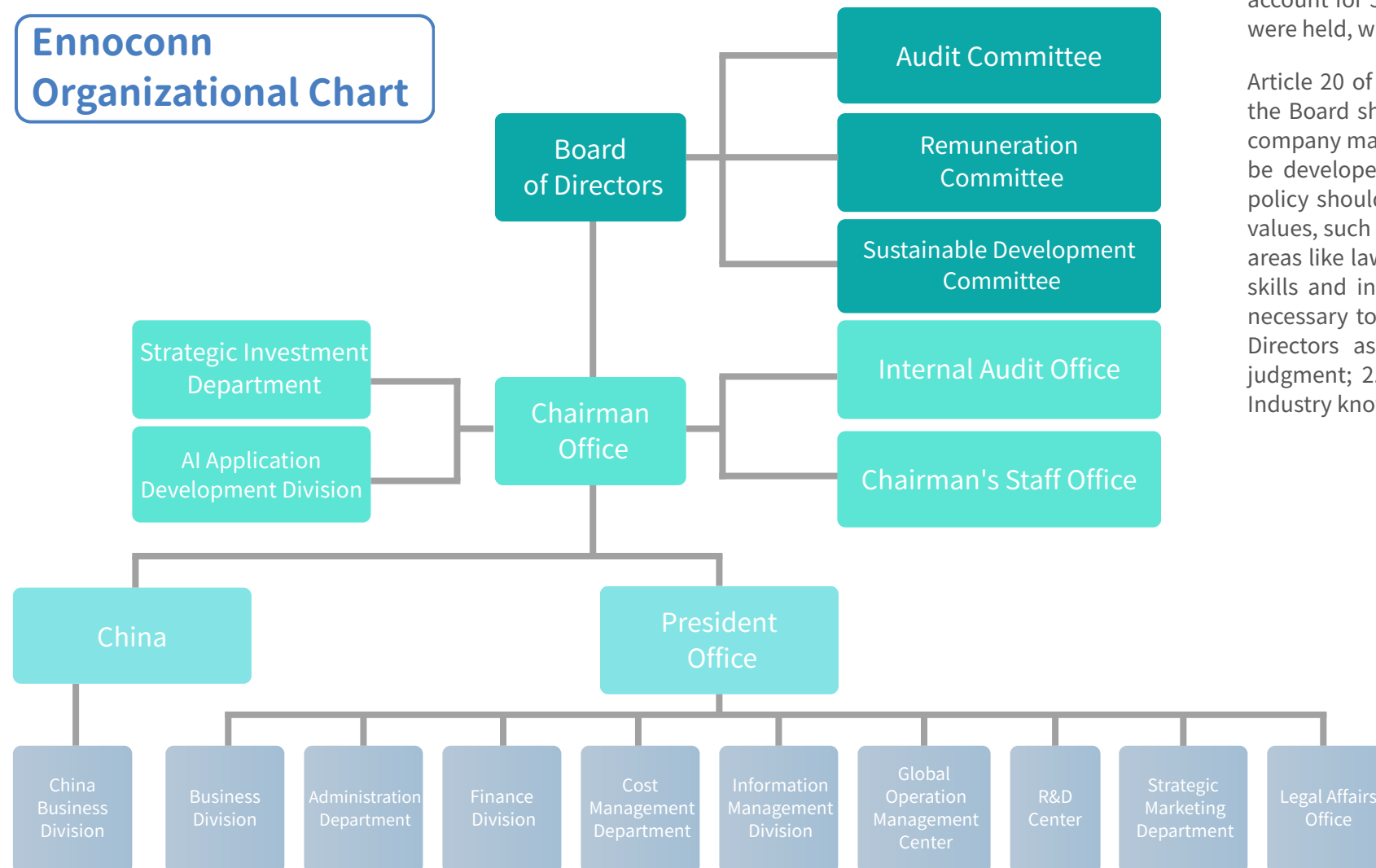
2.2 Governance Structure

2.2.1 Governance Framework

Governance Framework Overview

The Board of Directors serves as the Company's highest governance body, responsible for overall business decision-making. It has established Functional Committees including the Audit Committee, Remuneration Committee, and Sustainable Development Committee to respectively oversee operations, director remuneration, financial statements, and key ESG performance targets. An independent Audit Office has also been set up under the Board of Directors to monitor the effectiveness of the Company's internal control systems. Each committee must regularly report their execution results and resolutions to the Board of Directors to safeguard the interests of the Company and its stakeholders.

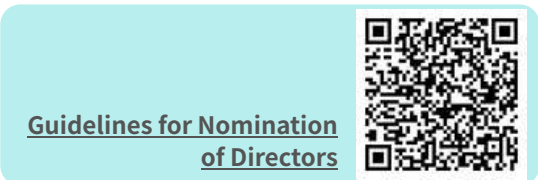
Ennoconn Organizational Chart



Board of Directors Member Operations and Composition

The selection of Ennoconn's Board of Directors (including Independent Directors) adheres to the candidate nomination election system in accordance with the [Guidelines for Nomination of Directors](#). All Board members diligently fulfill their duty of care as good managers, formulate the Company's business policies and review financial performance, and ensure that company operations comply with laws and regulations. To improve corporate governance operations and strengthen the Company's competitiveness, the Board of Directors has established Functional Committees, including the Audit Committee, Remuneration Committee, and Sustainable Development Committee to support and improve the Board's operations. An independent Audit Office has been set up under the Board of Directors to conduct regular audits and report its results to both the Audit Committee and Board of Directors. The current Board of Directors consists of seven directors (including four Independent Directors), with a term of three years and eligibility for re-election. The nomination and selection criteria are based on candidates' independence and the relevance of their professional backgrounds to the Company's operational development, while considering the diversity of the Board of Directors' composition. Currently, among the seven directors (including four female directors), female directors account for 57%. Ennoconn holds quarterly Board of Directors meetings. In 2024, nine Board meetings were held, with an average attendance rate of 98.4%.

Article 20 of Ennoconn's [Corporate Governance Code of Practice](#) stipulates that the composition of the Board should consider diversity. In addition to ensuring that directors who concurrently serve as company managerial officers should not exceed one-third of the director seats, a diversity policy should be developed based on the Company's operations, business model, and development needs. This policy should include but not be limited to the following two major aspects: 1. Basic conditions and values, such as gender, age, nationality, and culture; 2. Professional knowledge and expertise, including areas like law, accounting, industry, finance, marketing, or technology, as well as relevant professional skills and industry experience. Board members should possess the knowledge, skills, and qualities necessary to perform their duties. To achieve the goals of sound corporate governance, the Board of Directors as a whole should collectively demonstrate the following capabilities: 1. Operational judgment; 2. Accounting and financial analysis; 3. Business management; 4. Crisis management; 5. Industry knowledge; 6. International market perspective; 7. Leadership; 8. Decision-making.



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

Director Name	Basic Information										Industry Experience				Professional Expertise									
	Nationality	Gender	Concurrent Employee of the Company	Age				Years of Service as Independent Director			Industrial Computer	Computer and Peripheral Equipment	Automotive Industry	Finance and Accounting	Business Management	Financial Accounting	Information Technology	Risk Management	Operational Judgement	Crisis Management	Industry Insight	Global Perspective	Leadership	Decision-Making
				Under 50 years old	51 to 55 years old	56 to 60 years old	61 to 65 years old	Under 3 years	3 to 9 years	Over 9 years														
Chu, Fu-Chuan	R.O.C.	Male	✓				✓				✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Hung, Mei-Huei	R.O.C.	Female		✓								✓		✓	✓		✓	✓	✓		✓	✓	✓	✓
Chang, Chuan-Wang	R.O.C.	Male			✓							✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Su, Yu-Hui	R.O.C.	Female			✓					✓			✓		✓		✓		✓		✓			✓
Wen, Miao-Hsin	R.O.C.	Female				✓		✓					✓		✓		✓				✓			✓
Chan, Hsin-I	R.O.C.	Female		✓				✓					✓	✓	✓				✓					
Tu, Huang-Hsu	R.O.C.	Male					✓	✓				✓		✓				✓	✓	✓	✓	✓	✓	✓

Board Of Directors Performance Evaluation and Training

Ennoconn's Board of Directors has approved the [Evaluation of Board of Directors](#), conducting annual evaluations of the Board of Directors, individual Directors, and Functional Committees. The Board meeting unit distributes self-assessment questionnaires to Board members for self-evaluation, and every three years, evaluations are performed by external professional institutions and expert panels. The results of performance evaluations may serve as reference criteria for future selection or nomination of Directors. Individual Director Performance evaluation results may also serve as reference criteria for determining their remuneration.

Ennoconn arranges relevant annual training courses for Directors covering professional skills, knowledge, and sustainability-related issues to enhance their understanding of legal compliance and governance practices relevant to the Company's operational decisions. In 2024, all seven Directors completed a total of 45 hours of training. In the future, the Corporate Governance Officer will also plan to increase training courses for Directors related to corporate sustainability management.

<p>Board Of Directors Performance Evaluation Mechanism</p> <ul style="list-style-type: none"> Annual self-evaluation questionnaire External expert evaluation every three years 	<p>Enhancement Plan</p> <ul style="list-style-type: none"> Arrange professional training courses Strengthen effective communication between Independent Directors and the Chief Internal Auditor and Certified Public Accountant Increase Directors' level of participation in company operations
<ol style="list-style-type: none"> 1. Internal Performance Evaluation: In 2024, Ennoconn's Director Self-assessment averaged 93.8 points, the Board self-assessment averaged 99.1 points. Performance evaluations for the committees were as follows: Audit Committee 98.2 points, Remuneration Committee 95.3 points, and Sustainable Development Committee 93 points. 2. External Performance Evaluation: To enhance the independence of performance evaluations, Ennoconn commissioned the Taiwan Corporate Governance Association to complete the 2022 external performance evaluation of the Board of Directors and Functional Committee. The Taiwan Corporate Governance Association issued an evaluation report and certificate on January 16, 2023. External performance evaluations are conducted once every three years, so the 2024 external performance evaluation of the Board of Directors and Functional Committee was not executed. 3. The Company presented the 2024 Board of Directors and Functional Committee performance evaluation results to the Board on March 14, 2025. 	

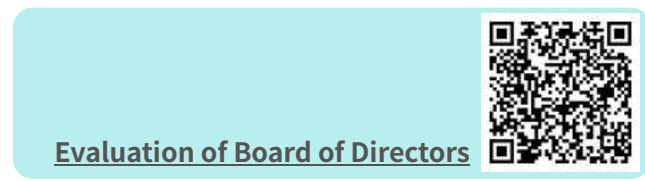
Director and Senior Management Remuneration Policy

To establish a sound remuneration system for the Company's Directors and senior Managerial Officers, Ennoconn has formulated the [Compensation Committee Charter](#), which was approved by the Board of Directors. Remuneration for Director and senior Managerial Officer includes cash, stock options, profit-sharing equity, retirement benefits or severance payments, various allowances, and other substantial incentive measures. The Remuneration Committee references the payment in the same industry and considers factors such as individual time commitment, responsibilities, achievement of personal goals, performance in other roles, and recent remuneration for comparable positions within the Company. It also evaluates the reasonable alignment between individual performance, the Company's operational results, and future risks, based on the achievement of both short-term and long-term business objectives and the Company's financial condition.

Senior Management Remuneration Linked to ESG-Related Performance Evaluation

To encourage senior Managerial Officers and all employees to prioritize ESG performance, in 2024, the 2030 sustainability vision and its indicators were linked to the short-term and long-term remuneration of the Chief Executive Officer, President, senior managers, and supervisors of ESG-related departments. The long-term incentive performance targets for the Chief Executive Officer and President include financial, customer, and management indicators for the next three years (2024–2026), supporting the formulation of long-term strategies to enhance the Group's competitiveness and profitability. Additionally, sustainability development and learning indicators account for a combined total of 30% of evaluation, reinforcing the implementation and promotion of the four major strategies of the 2030 sustainability vision and ensuring oversight of ESG initiatives to achieve strong performance in both domestic and international sustainability assessments. The overall performance incentive system is as follows:

1. Chief Executive Officer and President: Internal management indicators and sustainability development indicators (40%), learning indicators (10%).
2. Executive Managers and ESG Functional Managers: (1) Sustainability development performance (5-10%) includes sustainable procurement management, promotion of renewable energy, climate risk management, human rights due diligence, and information security management. (2) Learning (5%) includes employee ESG training (climate change issues, carbon pricing, and sustainable procurement guidelines).



Target	Performance Indicators	Description	
		2024	2026
President Chief Executive Officer	Financial Indicators (30%)	Ennoconn Group's financial performance compared to industry performance levels, such as: three rates and three increases. Enhance industry competitiveness, profitability, and budget control.	
	Customer Indicators (20%)	Expand Ennoconn Group's international business presence, focusing on smart city, smart manufacturing, and energy market demands.	
	Internal Management Indicators and Sustainable Development Indicators (40%)	Ennoconn Group's medium and long-term strategy formulation and goal deployment, promoting five major transformations (digital, AI, energy, cybersecurity, and ESG). Implement the four major strategies of the 2030 sustainability vision, emphasizing climate change, green products, sustainable supply chain, corporate governance and human resource costs, and carrying out various ESG initiatives.	
	Learning Indicators (10%)	Strengthen Training for Managerial Competencies and ESG Awareness.	
Senior Managerial Officer (ESG Functional Manager)	Sustainable Development Indicators (5 to 10%)	<ol style="list-style-type: none"> Sustainable Procurement Management Promote Renewable Energy Climate Risk Management Information Security Management Human Rights Due Diligence 	<ol style="list-style-type: none"> Green Product Design Low-Carbon Supply Chain Transformation ESG Risk Management
	Learning Indicators (5%)	<ol style="list-style-type: none"> Employee ESG Training (Climate Change Issues, Carbon Pricing, and Sustainable Procurement Guidelines) 	<ol style="list-style-type: none"> ESG Training for Employee (Climate Change Issues, Product Carbon Footprint, and Business Continuity Management) Employee Career Development Plan Employee Satisfaction Survey

In 2024, ESG performance targets were set for the first time for employees below senior management level, including learning Indicators (5%) for sustainability or ESG. Through a top-down performance linkage approach, ESG functional supervisors lead their respective units in implementing relevant initiatives, such as executing sustainable procurement policies, promoting the use of renewable energy, and strengthening information security management. In 2026, long-term incentive indicators will be set with green product design and development and low-carbon supply chain transformation as primary goals. Ennoconn places great importance on ESG training for employees. The Administration Department or ESG Promotion Office arranges external consultants or internal training to enhance employees' awareness of key topics such as climate change, carbon footprint, and business continuity management.

Target	Performance Indicators	Description	
		2024	2026
Employees below Senior Managerial Officer	Sustainability or ESG Learning Indicators (5%)	ESG Training (Climate Change Issues, Carbon Pricing, Sustainable Procurement Guidelines)	ESG Training (Climate Change Issues, Product Carbon Footprint, Business Continuity Management)

Conflict of Interest Management

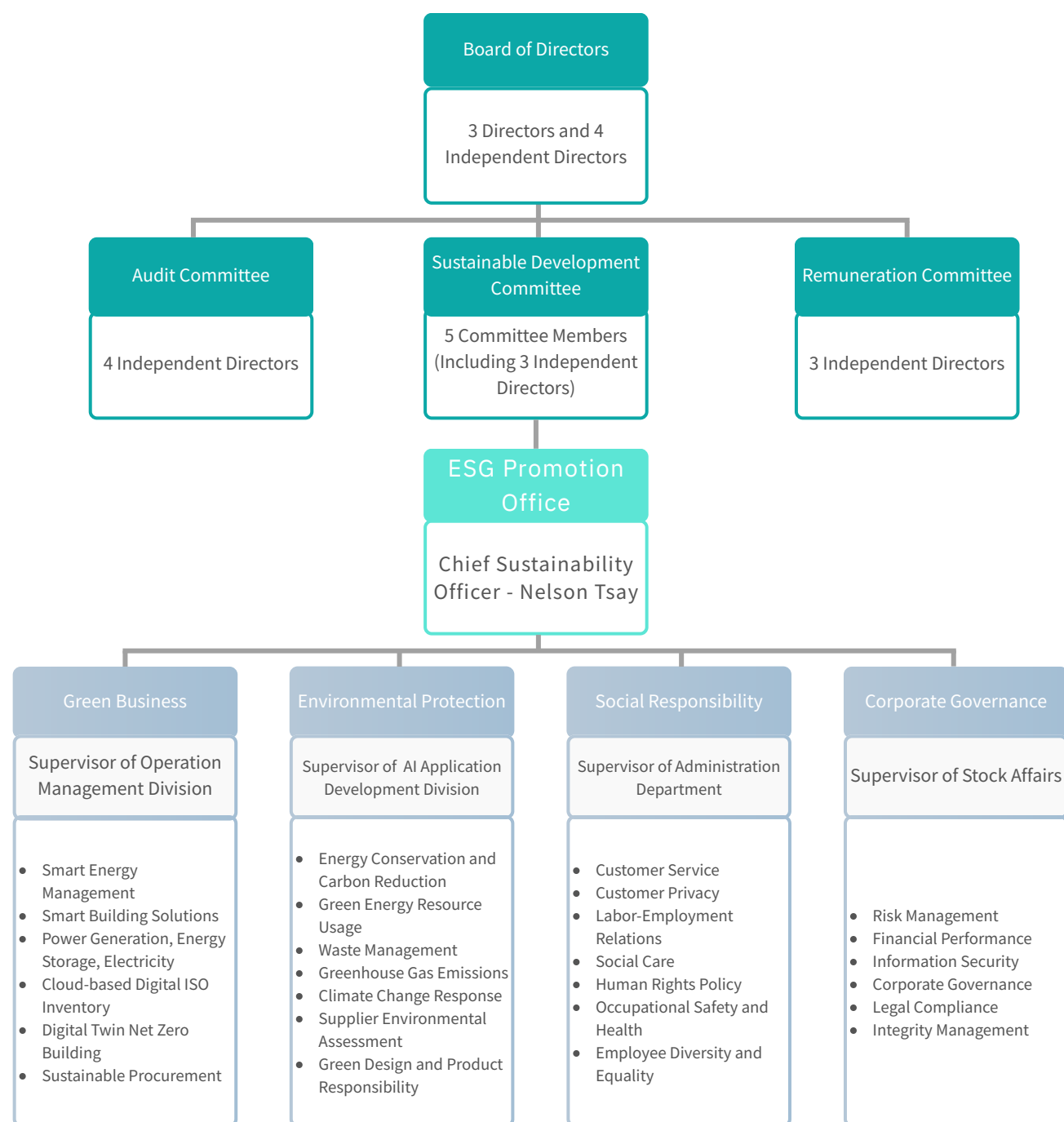
Ennoconn's Board of Directors meeting regulations, as well as organizational charters of the Audit Committee, Remuneration Committee, and Sustainable Development Committee, all include provisions to avoid conflicts of interest. When a Director's proposal involves interests related to themselves, their spouse, blood relatives within the second degree, or companies under the director's control or subordination, they must disclose such interests at the current Board meeting. If the matter may potentially harm the Company's interests, the director is prohibited from participating in discussions and voting, must recuse themselves during discussions and voting, and may not exercise voting rights on behalf of other directors. The names of relevant Directors, explanations of important content, and recusal circumstances are all recorded in the meeting minutes. Directors and Managerial Officers must complete annual related party transaction declarations, with results reported to the Audit Committee.

2.2.2 Functional Committee

To improve oversight and strengthen management, Ennoconn's Board of Directors has established the Audit Committee, Remuneration Committee, and Sustainable Development Committee. Except for where laws require independent authority, Functional Committees are accountable to the Board of Directors and must submit their proposals to the Board for reporting or resolution.

Sustainable Development Committee

On June 23, 2022, Ennoconn Corporation's Board of Directors approved the establishment of the Sustainable Development Committee as the Company's highest-level internal dedicated unit for sustainable development. The Sustainable Development Committee consists of the Chairman, three Independent Directors, and the President as Chief Sustainability Officer as committee members. The Sustainable Development Committee has established the Sustainable Development Committee Charter, which was approved by the Board Of Directors, defining the rights, responsibilities, and obligations of the committee. The committee is primarily responsible for managing, deciding on, and supervising major ESG governance strategies related to company operations, policy implementation effectiveness, and goal achievement rates. The committee reports execution results to the Board of Directors twice a year on a regular basis. Under the committee, four executive groups are established based on their functional responsibilities: Corporate Governance, Social Responsibility, Environmental Protection, and Green Business. The Chief Sustainability Officer serves as a committee member and appoints four department supervisors as leaders of each group. These executive groups are responsible for identifying major ESG issues related to company operations, formulating management strategies and goals, and preparing annual sustainability reports. The Chief Sustainability Officer regularly reviews each group's execution performance and progress toward goals and reports to the Sustainable Development Committee twice a year.



2024 Sustainable Development Committee and Board of Directors Communication Matter

Meeting Date	Major Matters Communicated with the Board of Directors	Major Recommendations by the Board of Directors	ESG Committee Resolution Results	Board of Directors Resolution Results
November 13, 2024	2024 Stakeholder Communication Status	None	Unanimously approved by all attending committee members	Unanimously approved by all attending Directors
November 13, 2024	2024 Sustainable Management ESG Operations and Implementation Report	None	Independent Directors recommended that the next report should include detailed methods for achieving initiatives and specific action plans, along with carbon reduction actions already implemented by the Group	Unanimously approved by all attending Directors
November 13, 2024	2025 ESG Implementation Targets	None	The Chairman directed the Company to meet the regulatory requirement for completing Phase 1 of the IFRS Sustainability Disclosure Standards by the fourth quarter of 2026, one year ahead of schedule	Unanimously approved by all attending Directors
November 13, 2024	2024 Q3 Greenhouse Gas Inventory Report and 2025 Greenhouse Gas Emission Targets and Implementation Measures	None	Unanimously approved by all attending committee members	Unanimously approved by all attending Directors

Sustainable Development Committee Implementation

In 2024, the Sustainable Development Committee held two meetings, achieving an average member attendance rate of 100%. Four major matters were communicated with the Board of Directors, mainly including the 2024 stakeholder communication, the 2024 sustainable management ESG operation and implementation report, the 2025 ESG work execution targets, the 2024 Q3 greenhouse gas inventory report, and the 2025 greenhouse gas emission targets and implementation measures. Please refer to the table below for related resolutions.



Main Directions and Objectives of the Implementation Team	Corporate Governance	Social Responsibility	Environmental Protection	Green Business
Work Direction	<ol style="list-style-type: none"> Corporate Governance Operations Convene Board of Directors and Functional Committee Maintain Information Security 	<ol style="list-style-type: none"> Care for Employee Welfare and Benefits Foster a Diverse, Friendly, and Inclusive Workplace Support Social Welfare Activities 	<ol style="list-style-type: none"> Implement Corporate Environmental and Energy Policies Achieve Corporate Energy Conservation and Carbon Reduction Goals Implement ISO Environmental Management Systems 	<ol style="list-style-type: none"> Promote Energy Management System (EMS) Promote Green Technology Solutions
Short-term Goals—2025	<ol style="list-style-type: none"> Remain top two-tier performance in Corporate Governance Evaluation by 2025 Hold the 2025 Annual Shareholders' Meeting with video-assistance Complete the establishment of three information security platforms by 2025 Continue sustainable procurement management based on ISO 20400 in 2025 	<ol style="list-style-type: none"> Sustain competitive salary in the market Strengthen English proficiency of key talent Support work-life balance and health-related course activities Enable APP services to provide real-time care for employees' physical and mental well-being Complete third-party verification of ISO 45001 management system Strengthen the Company's DEI workplace environment 	<ol style="list-style-type: none"> Complete third-party verification of ISO 14001, ISO 50001, and ISO 14064-1 by 2025 Reduce carbon emissions from energy consumption by 3%-5% in 2025 compared to 2024 	<ol style="list-style-type: none"> Strengthen energy management efficiency Achieve low-carbon economic scale Cloud AI digital ISO inventory system Continue sustainable procurement management based on ISO 20400 in 2025
Medium to long-term goals—2030	<ol style="list-style-type: none"> Improve corporate governance Cultivate a risk management culture Enhance information disclosure Ensure information security 	<ol style="list-style-type: none"> Improve talent acquisition and retention Conduct employee satisfaction surveys Perform human rights due diligence Strengthen global talent management expertise and effectiveness Support local arts, culture, and film industry Promote industry-government-academia collaboration programs 	<ol style="list-style-type: none"> Implement ISO 14067. Plan to purchase sustainability bonds. Ennoconn standalone entity uses 50% green electricity. 	<ol style="list-style-type: none"> Alongside using green electricity usage, investing in energy generation, storage, and conservation equipment Utilize digital twin technology to achieve zero carbon emissions

Remuneration Committee

To establish a sound remuneration system for Directors and Managerial Officers, Ennoconn evaluates the fairness and reasonableness of their operational performance and remuneration. Therefore, the Board of Directors has approved the [Compensation Committee Charter](#) and established a Remuneration Committee under the Board, which includes at least one Independent Director as a member. Currently, all three members of the Company's Remuneration Committee are served by Independent Directors. In 2024, a total of four meetings were held, with 100% attendance rate by all committee members.

Audit Committee

The Audit Committee assists the Board of Directors in supervising the quality of the Company's accounting, auditing, financial reporting processes, and financial controls, and submits evaluation results to the Board for discussion. Ennoconn's Board Of Directors has approved the [Audit Committee Charter](#) and established an Audit Committee, with Independent Directors serving as committee members, one of whom serves as the convener, and at least one member possessing accounting or financial expertise. The committee holds at least one meeting per quarter. Currently, the Company's Audit Committee consists of four seats. In 2024, a total of nine Audit Committee meetings were held, with 100% attendance rate by all committee members. Ennoconn's Chief Internal Auditor regularly holds separate communication meetings with all Independent Directors to report on and discuss the implementation of the Company's internal audit and controls. In 2024, Independent Directors and the Chief Internal Auditor held a total of six separate communication meetings. Additionally, in 2024, Independent Directors also held two separate communication meetings with Certified Public Accountants. During these meetings, the Certified Public Accountants not only presented the review or audit results of financial reports but also conducted regulatory updates and engaged in opinion exchanges.

[Compensation Committee Charter](#)



[Audit Committee Charter](#)



2.3 Economic performance

Material Issues Impact Assessment and Management Approach

Impact Assessment	Positive: Strengthen the Company's economic growth momentum, provide stable remuneration for employees, increase shareholders' and investors' willingness to invest, and steadily create corporate value year after year.
	Negative: Operating losses or revenue falling short of expectations could damage the Company's reputation and affect operational flexibility. This may undermine stable benefits for shareholders, employees, and the value chain, resulting in a loss of trust and support from stakeholders.
Policies and commitments	Committed to creating increasing economic value each year to reward shareholders, investors and other stakeholders.
Responsible unit	All units of Ennoconn Group
Management actions	Prevention and Mitigation: Optimize company financial structure
	Impact Management: Strengthen the linkage between Key Performance Indicators (KPIs) and company revenue and profitability targets, regularly conduct agile assessments of short-, medium-, and long-term goal execution effectiveness, and provide strategic feedback and rolling reviews.
Action Tracking	Resources and Actions: Continuously improve relevant operational regulations and systems, and continuously implement risk assessment mechanisms.
	Goal: Build a solid operational foundation.
	Were previous actions effective: Yes
	Lessons learned: Maintain or improve existing actions.
	Stakeholders include: All Ennoconn Group employees, shareholders, and investors Stakeholder Communication Channels: Investor conferences, shareholders' meeting annual reports, sustainability reports, monthly meetings

2.3.1 Economic Value

Each fourth quarter, departments prepare budgets for the following year. The management department consolidates budgets or targets for sales, production, procurement, and personnel expenses, and prepares projected income statements, balance sheets, and cash flow statements for submission to the President for review. At the first Board of Directors meeting of the following year, the Chairman or a designated representative reports the results of budget preparation, which are then approved by Board of Directors resolution.

Each month, the Finance Department consolidates current financial statements and compares them with budgets and previous operating conditions, submitting them to the President for discussion and review of operational policy improvements. Ennoconn's quarterly consolidated financial statements, annual consolidated financial statements, as well as its Parent Company Only Financial Statements, are published on the Company's official website and the Market Observation Post System. In 2024, Ennoconn's consolidated revenue was NT\$146.4 billion, an increase of NT\$24.7 billion from the previous year, representing a growth of 20.34%.

Ennoconn's Consolidated Financial Performance Over the Past Four Years	2021	2022	2023	2024
Operating Revenue (NT\$)	85,367,035	108,228,533	121,640,976	146,383,720
Net Income (Loss) Before Tax (NT\$)	3,534,329	3,709,274	6,915,695	7,633,179
Net Income (Loss) After Tax (NT\$)	3,352,124	10,212,093	5,403,382	6,131,781
Earnings (Loss) Per Share (NT\$)	13.91	32.62	19.01	20.03
Cash Dividends (NT\$/Share)	7	12.75	11.41	12.2

Note: The 2024 cash dividends were approved by the Board of Directors on March 28, 2025, and are subject to approval by the Shareholders' Meeting.

Economic Value	Item	2024 (NT\$)	Notes
Direct Economic Income	Ennoconn Parent Company Individual Revenue	5,334,540,000	-
Direct Economic Value Generated		5,334,540,000	Operating Revenue
Economic Distribution	Operating Costs	4,215,695,000	Operating Expenses
	Employee Salaries and Benefits	383,988,000	Employee Salaries + Labor and Health Insurance + Retirement + Other Employee Benefits
	Interest Payments	29,697,000	Interest Paid
	Tax Payments	438,527,000	Income Tax Paid
	Community Investment	0	-
Distributed Economic Value		5,038,206,000	-
Retained Economic Value		296,334,000	-

Note: Retained Economic Value = Direct Economic Value Generated – Distributed Economic Value

2.3.2 Tax policy

Tax Policy

The Company complies with the tax regulations of the countries in which it operates and adheres to the tax planning guidelines issued by the Organization for Economic Cooperation and Development (OECD). We formulate tailored tax strategies for each tax jurisdictions and establish reasonable pricing principles within the Group based on functions and associated risks to fulfill our tax obligations. To effectively manage tax policies and risks, the Chief Financial Officer evaluates, identifies, and manages tax risks that may arise from changes in tax regulations and operational activities in various countries, conducting appropriate measurement, management, and control. The Company's sustainability strategy seeks to strike a balance among corporate governance, environmental governance, and social governance, thereby fostering effective communication with stakeholders. Its tax management aims to reduce audit risks and tax risks while retaining sufficient and reasonable tax burdens in each tax jurisdiction of the Group.

Ennoconn Tax Strategy and Management Policy

Highest Tax Governance Authority	Board of Directors
Tax Execution Unit	The Finance Division conducts irregular discussions on the Company's tax strategies and tax risks and is responsible for daily tax administration and filing practices.
Tax Audit Unit	The Internal Auditor Office conducts annual reviews of tax processing procedures, filing procedures, internal control systems, and compliance with tax regulations.
Tax Regulatory Compliance	Filing and paying taxes in accordance with local regulations and standards requirements.
Tax Strategy	<ol style="list-style-type: none"> 1. Compliance with relevant tax laws and legislative spirit in all operating locations. 2. Not transferring the profit value created by the Company to low tax rate regions. 3. The Company takes tax implications into account in all important operational decisions. 4. Transactions are based on arm's length principles and comply with the internationally recognized transfer pricing guidelines published by the Organisation for Economic Co-operation and Development (OECD). 5. Establish a mutually respectful relationship with tax authorities through trust-based communication and information transparency. 6. Tax Governance: Ennoconn's global operating locations fully comply with the tax regulations of their respective countries. Changes in tax laws may result in additional tax costs and adversely affect overall operations. To effectively manage tax risks, it is necessary to identify potential issues in tax costs and filings and regularly report to the Board of Directors based on the level of risk.
Governance Unit Training	Tax governance unit members all receive regular educational training from regulatory authorities or internal company programs to strengthen their tax professional knowledge.

Tax Risk Management

Changes in tax laws and regulations may increase the Company's effective tax rate, leading to a higher tax burden and affecting its net profit. To effectively manage tax risks, the tax implementation unit regularly monitors the tax regulatory in each country, identifies potential risks, and reports to the Board of Directors for discussion and development of response measures. When new operational activities or transaction behaviors arise, potential tax impacts are also assessed in advance to develop an appropriate tax strategy. On November 13, 2024, the Chief Financial Officer reported tax cost risks and response strategies to the Board of Directors.

High-Risk Items	Risk Assessment	Response Strategies
Tax Cost Risks (Import/Export, Value-Added Tax, and Income Tax)	Global localized operations must ensure that corporate tax-related activities comply with local tax regulations.	Improve corporate internal control systems, establish sound tax agency systems, and recruit dedicated tax personnel

Whistleblower Mechanism

The Company has established grievance channels. If employees or stakeholders identify any unethical or illegal tax activities, or mechanisms that could jeopardize the Company's tax integrity, they can submit complaints through the Business Ethics whistleblowing mechanism on the official website. Upon receiving a complaint, the Administration Department receives will be forward it to the President, who will assign tax-related units to handle the matter. No unethical or illegal tax behavior occurred in 2024.

Stakeholder Communication

The Company formulates tax strategies in accordance with regulations, interpretation letters, or announcements published by competent authorities, and regularly participates in tax seminars or courses held by local tax authorities to update the latest regulatory information. The Company also regularly discusses with Certified Public Accountants the potential impact of future tax regulations on the Company. If regulations require tax policies to be reviewed by competent authorities in advance, or for tax incentive applications, the Company obtains approval from competent authorities in accordance with regulatory requirements. Ennoconn's income tax is audited and certified by external accounting firms to ensure the Company pays fair and compliant taxes locally. In addition, the Company cooperates with tax investigations conducted by the local Taxation Bureaus, providing supplementary explanations and supporting documents as required by the authorities.

Effective Tax Rate Statistics of Ennoconn's Consolidated Financial Statements

Item		2023	2024
Earnings before tax		6,915,695,000	7,633,179,000
Reported taxes		1,594,621,000	1,609,821,000
Cash taxes paid		1,664,820,000	2,190,030,000
Effective Tax Rate	Percentage	23.06%	21.09%
	Industry Average	22.50%	15.39%
Cash Tax Rate	Percentage	24.07%	28.69%
	Industry Average	24.35%	15.09%

Note:

1. Effective Tax Rate = Reported taxes / Earnings before tax; Cash Tax Rate = Cash taxes paid / Earnings before tax.
2. Industry average refers to the average book effective tax rate and cash effective tax rate for the technology hardware and equipment industry among the 20 industry groups under the Global Industry Classification Standard, as referenced from the CSA Handbook 2025 published by S&P Global.



2.4 Responsible Business Practices

Material Issues Impact Assessment and Management Approach

Impact Assessment	Positive: Strictly comply with regulatory requirements, maintain integrity in operations to maintain relationships across the upstream and downstream value chain, suppliers, and customers, and avoid reputational, environmental, and human rights harm risks and impacts to stakeholders.
	Negative: Violations of integrity in operations may result in regulatory breaches, fines, non-monetary penalties, and legal liabilities, which may also impact the environment, governance, and human rights across the upstream and downstream value chain, suppliers, and customers.
Policies and commitments	External: Disclose Procedures for Ethical Management and Conduct Principles on the Company's official website.
	Internal: Promote legal compliance through educational training that emphasizes its importance.
	For suppliers: Include confidentiality and intellectual property protection provisions in contracts with suppliers, regulate ethical transactions, strictly oppose bribery and corruption, prevent intellectual property infringement, and reject unfair competition and other improper activities.
Responsible unit	Administration Department, Legal Affairs Office
Management actions	Prevention and Mitigation: Regularly promote ethical business management regulations and responsible business conduct to employees, colleagues, and suppliers.
	Impact Management: The Company's operations and management must comply with relevant laws and regulations in the locations where business activities take place. Based on the Company's internal regulations and control systems, all employees must strictly comply to these standards to ensure a stable foundation for sustainable corporate operations.
Action Tracking	Resources and Actions: Continuously improve relevant regulations and systems, continuously promote legal compliance advocacy and integrity education training, continuously establish risk assessment mechanisms.
	Goal: Build a solid culture of legal compliance.
	Were previous actions effective: Yes
	Lessons learned: Maintain or improve existing actions.
Stakeholder Engagement	Stakeholders include: employees, suppliers, and customers. Stakeholder Communication Channels: 1. Internal Grievance: Internal company mailbox is established, offering effective grievance channels. 2. External Grievance: The stakeholder section on the official website provides communication channels for issues of concern.

2.4.1 Integrity Management

Legal compliance forms the foundation of business operations. New employees are introduced to Ennoconn's internal integrity regulations to upon onboarding and are required to sign the Service Agreement and Declaration of Commitment. All employees and departmental units must stay informed of regulatory developments relevant to their businesses through engagement with stakeholders such as regulatory authorities and the media. In addition, internal and external training are conducted by department to ensure compliance with all regulations across company operations.

Integrity and Anti-Corruption

Ennoconn upholds the principles of integrity and compliance with national laws and ethical standards across all its business locations, making regulatory compliance one of the Company's core policies. Through the Legal Affairs Office, we establish management processes and continuously strengthen management policies to create a comprehensive legal protection network and constantly monitor any domestic and international legal changes or updates that may have significant impact on company operations. Furthermore, working with the Internal Auditor Office to implement annual risk management plans and supervision, using internal control systems to prevent improper compliance risks and minimize risks to the lowest level. For major investment projects, additionally, the President assigns particular processes and contract management project teams to control illegal fraud risks and other unlawful activities. Ennoconn has established comprehensive integrity regulations, requiring all employees to comply with the [Procedures for Ethical Management and Conduct Principles](#). This code prohibits dishonest behaviors including bribery, acceptance of improper benefits, insider trading, and unfair competition. The company has also implemented a whistleblowing system with a commitment to protecting whistleblowers from any retaliation or improper treatment resulting from their reports. Additionally, through the [Code of Ethics](#), we constrain managers and management levels to lead as typical standard, avoiding profiteering, conflicts of interest, and other such situations, participating in industry competition and cooperation with principles of integrity and fairness, fostering a compliance corporate culture, and establishing a reputation trusting by customer. In light of guiding stakeholders in understanding and implementing integrity management-related policies, we utilize diverse communication channels, training measures, and management mechanisms, and require suppliers to complete ESG self-assessment questionnaires to facilitate due diligence, review, and screening by relevant internal units. For details, please refer to 4.2 Supply Chain Management.

Approving Unit	Scope of Regulations	Policy Regulations	Referenced Documents (Government Official Documents, Standards, and Initiatives)	Communication Channels
Board of Directors	The Company, subsidiaries, foundations with cumulative direct or indirect donations exceeding 50%, and other group enterprises and organizations with substantial controls	Procedures for Ethical Management and Conduct Principles	In accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, as well as laws and regulations applicable in the locations where the Company and its group enterprises operate	<ol style="list-style-type: none"> 1. Internal and external promotion: Policy disclosure on internal network and official website. 2. Education and training: New employee training (promotion on Code of Ethical Conduct), integrity principles, and anti-corruption series courses
Board of Directors	Directors and Managerial Officers of the Company, including President and equivalent positions, Director and equivalents, Heads of Finance and Accounting Departments, as well as other personnel authorized to manage company affairs and holding signing rights.	Code of Ethics	Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies	<ol style="list-style-type: none"> 1. Internal and external promotion: Policy disclosure on internal network and official website. 2. Education and training: New employee training (promotion on Code of Ethical Conduct), integrity principles, and anti-corruption series courses
Board of Directors	All employees	Insider Trading Rules	None	<ol style="list-style-type: none"> 1. Internal and external promotion: Policy disclosure on internal network and official website. 2. Education and training: New employee training (promotion on Code of Ethical Conduct), integrity principles, and anti-corruption series courses

[Procedures for Ethical Management and Conduct Principles](#)



[Code of Ethics](#)



In 2024, Ennoconn held integrity management-related training courses, explaining prohibited behaviors related to business execution. Total training hours amounted to 1,737.4 person-hours, with details as shown in the table below. Additionally, all participants in confidential project meetings are required to sign NDAs, and all new employees must sign the Integrity and Intellectual Property Rights Agreement.

Course Items	Course Content	Target	Total Hours	Number of Participants/Percentage	Total Training Person-Hours
Promoting Procedures for Ethical Management and Conduct Principles	1. Understanding the importance of ethical corporate management Best Practice 2. Emphasizing on ethical corporate management assessment before establishing business relationships with customers and suppliers 3. Avoiding engaging in transactions with unethical business operators 4. Preventing insiders and other related parties from violating insider trading regulations 5. Legality and Accuracy of Material Information	New Employees	35	35/100%	1225
Training on Ethical Management and Insider Trading Prevention		Managerial Officer All employees	2	183/94%	366
Material Information and Insider Trading Prevention Training		Director Managerial Officer All employees	0.5	183/94%	146.4

Note:

1. Percentage = Number of Participants / Annual Number of Employees.

Internal Control and Whistleblowing Handling

Article 21 of Ennoconn's Procedures for Ethical Management and Conduct Principles clearly stipulates the handling methods for personnel involved in unethical behavior and establishes an Business Ethics whistleblowing mechanism on the official website for both internal and external stakeholders. Reports concerning general employees are directed to the President, while those involving Directors or senior supervisors are reported to Independent Directors. The dedicated unit handling the case and the reported President, Directors, or senior management must promptly investigate the matters. When necessary, the Legal Affairs Office will form an investigation team, and other relevant departments will provide support. If reported matters are confirmed, relevant units must review the internal control system and operating procedures, propose corrective measures, and report their findings to the Board of Directors. No whistleblowing cases involving violations of integrity or other illegal behaviors occurred in 2024.

2.4.2 Human Rights Policy

Human Rights Policy

Ennoconn prioritizes employee rights and is committed to fostering a friendly workplace that protects human rights. In line with the principles of the UN Universal Declaration of Human Rights, UN Global Compact, UN Guiding Principles on Business and Human Rights, and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, we have established the [Ennoconn Corporation Human Rights Policy](#) to safeguard these rights. This policy applies to the Ennoconn Group and its suppliers and includes principles such as respecting employees' freedom of association, caring for vulnerable groups, prohibiting child labor and forced labor, preventing employment discrimination, eliminating any human rights violations, promoting gender equality, and ensuring fair treatment of all employees. Ennoconn has also established reporting channels for employees, with designated personnel responsible for handling cases and conducting due diligence investigations while ensuring confidentiality of whistleblowers' personal information. If a case is confirmed to be true, the Company is committed to taking no adverse action against the whistleblowers. There were no recorded human rights violations in 2024. To ensure that suppliers and outsourcing contractors comply with the Company's human rights protection policy, Ennoconn has incorporated human rights-related clauses into the Ennoconn Sustainable Procurement Guidelines. All suppliers and outsourcing contractors must comply with the Responsible Business Alliance (RBA) Code of Conduct and cooperate with regular evaluations and audit activities to ensure the consistent implementation and enforcement of human rights policies at the supplier and outsourcing contractor level. For details, please refer to 4.2 Supply Chain Management.

Human Rights Due Diligence

In July 2024, the Company published the Ennoconn's [Human Rights Risk Identification and Due Diligence Report](#), focusing initially on all 190 employees of the Ennoconn individual Parent Company, represented by 15 supervisors at the first-level supervisor and Director level and above from each functional area, to consider and identify human rights impact risks that may occur or have occurred in Ennoconn's operations. The Social Responsibility Team of the Sustainability Committee established a list of potential human rights issues based on the UN Guiding Principles on Business and Human Rights. After incorporating concerns raised by various departmental units, the team identified ten major human rights issues and conducted a comprehensive questionnaire survey. The 2024 assessment revealed three high-risk areas: overtime work, workplace harassment, and occupational health and safety. To address these risks, the Administration Department has implemented remedial and mitigation measures, establishing comprehensive procedures to improve conditions and minimize risk impact (see table below for details). This assessment will be conducted every three years, with plans to expand the scope in 2027 to encompass Ennoconn's supply chain and operational sites, thereby strengthening the foundation for labor-management relations.

[Ennoconn Corporation Human Rights Policy](#)



[Human Rights Risk Identification and Due Diligence Report](#)



Human Rights Issues Management and Risk Mitigation Measures Table

Human Rights Issues	Overtime Work	Workplace Harassment	Occupational Health and Safety
Human Rights Risk Assessment	Overtime work may reduce employees' time available for family responsibilities, making it difficult to maintain a work-life balance.	Exposure to discrimination, threats, personal attacks, or harassment can negatively impact employees' physical and mental well-being.	Employees exposed to workplace hazards that could lead to injury incidents and affect their physical and mental health.
Risk Level	High Risk	Medium Risk	Medium Risk
Event Description	While executing projects or following up on shipments may result in exceeding eight hours of work per day, however monthly overtime is strictly controlled to not exceed 46 hours.	<ol style="list-style-type: none"> Supervisors may have a more stern tone and attitude due to work requirements. Communication may inadvertently vary due to gender differences. 	<ol style="list-style-type: none"> Traffic accidents that occur during employees' commute to and from work. Injuries sustained by newly engineering personnel during machinery operation.
Current Practices/Policies	<ol style="list-style-type: none"> Complying with labor law regulations on working hours and regularly reviews its compliance to ensure their effective implementation. Recording employees attendance and absences by attendance system. Each department conducts workload surveys. Make appropriate adjustments to set annual work objectives. Provide overtime compensation leave (compensatory time off) system. 	<ol style="list-style-type: none"> Complying with the Gender Equity Education Act and other relevant legal regulations by establishing company standards that protect employees, dispatched workers, and job seekers from sexual harassment. These standards aim to prevent such incidents and include appropriate preventive, corrective, disciplinary, and response measures to safeguard the rights and privacy of all parties involved. Continuously offers online courses on sexual harassment prevention and education, and irregularly organize related in-person sessions to strengthen supervisors' and employees' understanding of gender equality, reinforcing the Company's commitment to fostering a harassment-free workplace. Establishing multiple complaint channels such as verbal reports, employee complaint forms, sexual harassment complaint hotline, and a dedicated mailbox, enabling employees to promptly voice their concerns. 	<ol style="list-style-type: none"> To protect employee health and safety and prevent occupational accidents, the Company regularly monitors and tests the work environment to ensure a safe workplace. Implement dedicated occupational safety and on-site occupational health nursing. Conduct occupational safety courses and fire and disaster prevention drills.
Mitigation and remedial measures	<ol style="list-style-type: none"> Provide compensatory time off and overtime pay in accordance with legal requirements and encourage employees to make full use of compensatory time off to ensure timely rest. Conduct assessment and provide guidance on abnormal workload, ensure reasonable and fair task assignment, and supplement adequate manpower as needed based on organizational demands. Unit management must monitor employees' workload and the cause of excessive working hours, while also supporting employees in optimizing work processes and efficiency. 	<ol style="list-style-type: none"> Offer multiple channels for feedback and complaints, such as: a dedicated hotline, email, counseling and guidance services, and referrals to professional counseling or medical institutions. Ennoconn also takes corrective, disciplinary, and handling measures as needed. When handling harassment complaint cases, Ennoconn maintains confidentiality and protects the privacy of both parties involved. A complaint handling committee may be established to process complaint cases. 	<ol style="list-style-type: none"> Units are required to submit occupational safety improvement reports and strengthen training. Proactively provide support and relevant insurance information to help employees understand the process for applying for related compensation. Adjust work arrangements promptly based on employees' physical and mental recovery status. Offer emergency medical and first aid treatment, comprehensive medical assistance, and work-related injury leave in accordance with legal requirements. Arrange nurse interviews and provide health guidance.
Policy Commitment	The internal policy, Work Rules, outlines the standards and procedures for overtime work, wages, and compensatory leave.	Establish company standards such as Workplace Sexual Harassment Prevention Measures, Complaints and Punishment Measures .	<ol style="list-style-type: none"> Obtained ISO 45001 Occupational Health and Safety Management System certification. Establish the Occupational Safety and Health Policy. Establish the Occupational Safety and Health Work Rules.

[Workplace Sexual Harassment Prevention Measures, Complaints and Punishment Measures.](#)



[ISO 45001 Occupational Health and Safety Management System certification](#)



[Occupational Safety and Health Policy](#)



[Occupational Safety and Health Work Rules](#)



Human Rights Policy Training

To help employees, suppliers, and stakeholders understand the content of Ennoconn's human rights policy, we regularly invite external experts to provide education and advocacy through various approaches such as regulatory and case study introductions. These efforts ensure that all personnel are aware of their rights and company regulations. All relevant human rights policies are translated into English to accommodate employees and vendors of different nationalities and are publicly disclosed on the Company's official website and in its sustainability reports. In 2024, Ennoconn continues to conduct human rights protection-related training for all employees. Beginning with new employee orientation, the Company offers human rights education and training courses including the Procedures for Ethical Management and Conduct Principles and Code of Ethics, Human Rights Policy, and Workplace Sexual Harassment Prevention Measures, Complaints and Punishment Measures. Ennoconn is committed to creating a workplace that is anti-corruption, privacy-secure, equitable, inclusive, and respectful. The Company attaches great importance to human rights protection-related training and adjusts its content in accordance with local regulations to meet the requirements of various stakeholders. In 2024, a total of 98 human rights training-related courses were conducted, totaling 1,405.5 hours, an increase of 348.5 hours compared to 2023.

Course Items	Number of Courses	Total Training Hours
Occupational Health and Safety Training	45	1,405.5
Integrity Principles and Anti-Corruption Courses	39	
Health Promotion Courses	12	
Sexual Harassment Prevention and Gender Equality Courses	2	

Human Rights Policy or Case Communication and Remedial Measures

The Company has established a feedback platform and suggestion mailbox on its official website, enabling all employees and external stakeholders to communicate with the responsible department regarding various human rights matters, including policy improvement suggestions, potential risk alerts, and complaints about violations. To ensure fair procedures in reviewing and investigating complaints or whistleblowing cases, a cross-departmental team is formed to handle investigations, review human rights incidents, and develop improvement measures. In 2024, there were no human rights incidents involving discrimination and harassment, child labor employment, forced labor, or violations of employees' freedom of association and collective bargaining.

2.4.3 Regulatory Compliance

Ennoconn maintained zero incidents of violations of environmental, social, governance, product and service regulations in 2024, the same as in 2023.

Major Violations

In the event of any “material incident” as defined in the Procedures for Verification and Public Disclosure of Material Information by Listed Companies—including cases where the accumulated fines for a single incident amount to NT\$1 million or more—the Company shall make disclosures in accordance with applicable regulations and provide explanations in the Sustainability Report. No major violations occurred in 2024. For further details, please refer to the table below.

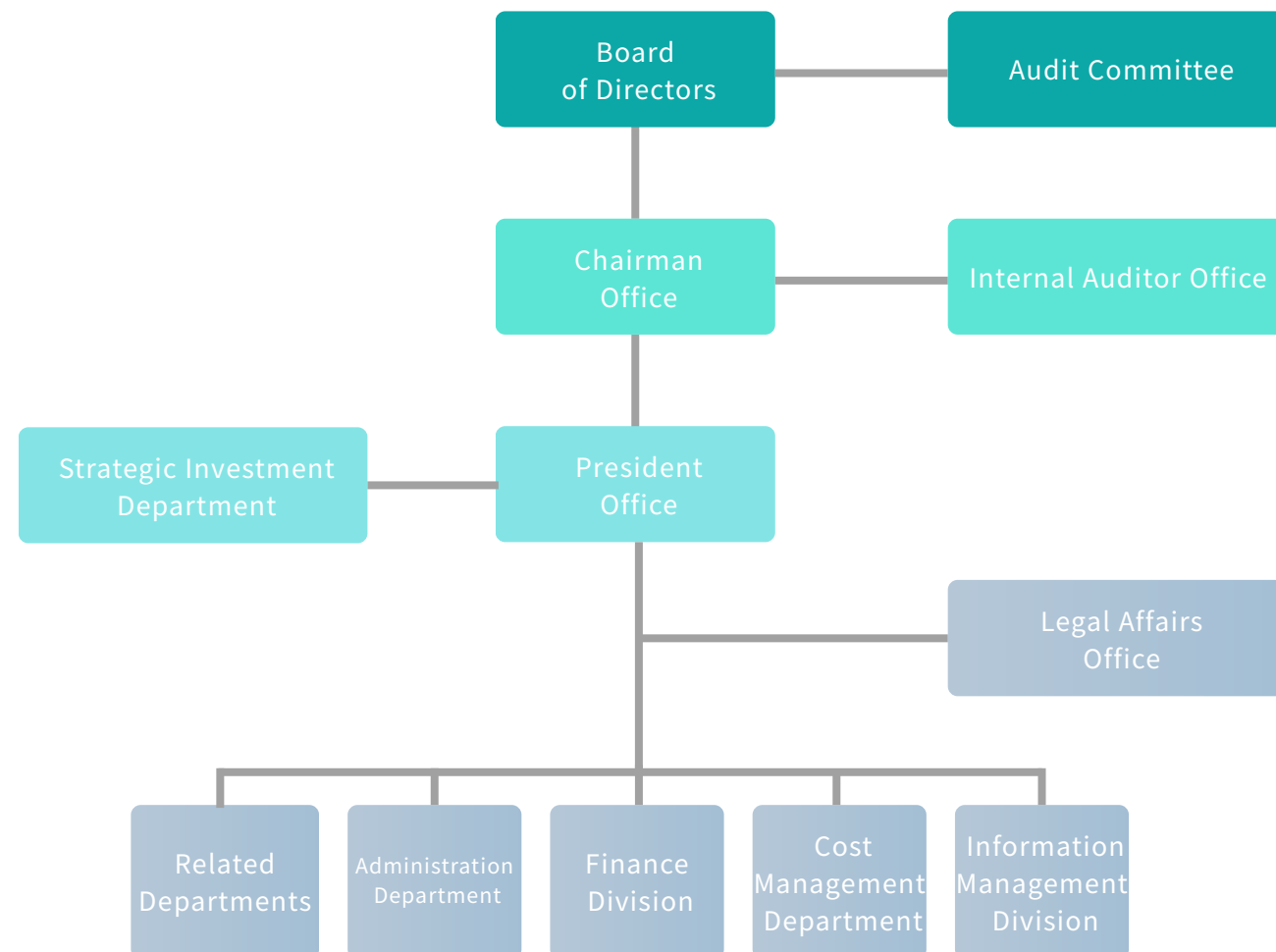
Category	Item	2021		2022		2023		2024	
		Monetary Penalties (TWD)	Non-monetary Penalties (Number of Cases)	Monetary Penalties (TWD)	Non-monetary Penalties (Number of Cases)	Monetary Penalties (TWD)	Non-monetary Penalties (Number of Cases)	Monetary Penalties (TWD)	Non-monetary Penalties (Number of Cases)
Governance Aspect	Bribery and Corruption	0	0	0	0	0	0	0	0
	Competition (Antitrust) and Monopolistic Practices	0	0	0	0	0	0	0	0
	Customer Privacy	0	0	0	0	0	0	0	0
	Money Laundering and Insider Trading	0	0	0	0	0	0	0	0
	Conflicts of Interest	0	0	0	0	0	0	0	0
Environmental Aspect	Environmental Regulation Violations	0	0	0	0	0	0	0	0
Social Aspect	Labor and Human Rights	0	0	0	0	0	0	0	0
	Discrimination and Harassment	0	0	0	0	0	0	0	0
Total Amount of Regulatory Fines		0	0	0	0	0	0	0	0
Total Number of Non-monetary Regulatory Penalties	ESG Aspects	0	0	0	0	0	0	0	0

2.5 Risk Management

2.5.1 Risk Management Policy and Organizational Structure

Ennoconn complies with the Financial Supervisory Commission's Risk Management Best Practice Principles for TWSE Listed and TPEX Listed Companies and has established a [Procedures and Policies for Risk Management](#) approved by the Board of Directors. The Company defines four major categories of risks are defined (strategic, operational, financial, and other risks) based on its operational policies and guidelines. Within the acceptable risk range, the Company aims to prevent potential losses, increase Shareholder value, and optimize resource allocation. Regular reports on the Company's risk environment, risk management priorities, risk assessment, and response measures are submitted to the Audit Committee meetings, with the Audit Committee Chairperson reporting to the Board of Directors.

Ennoconn Risk Management Organization Chart



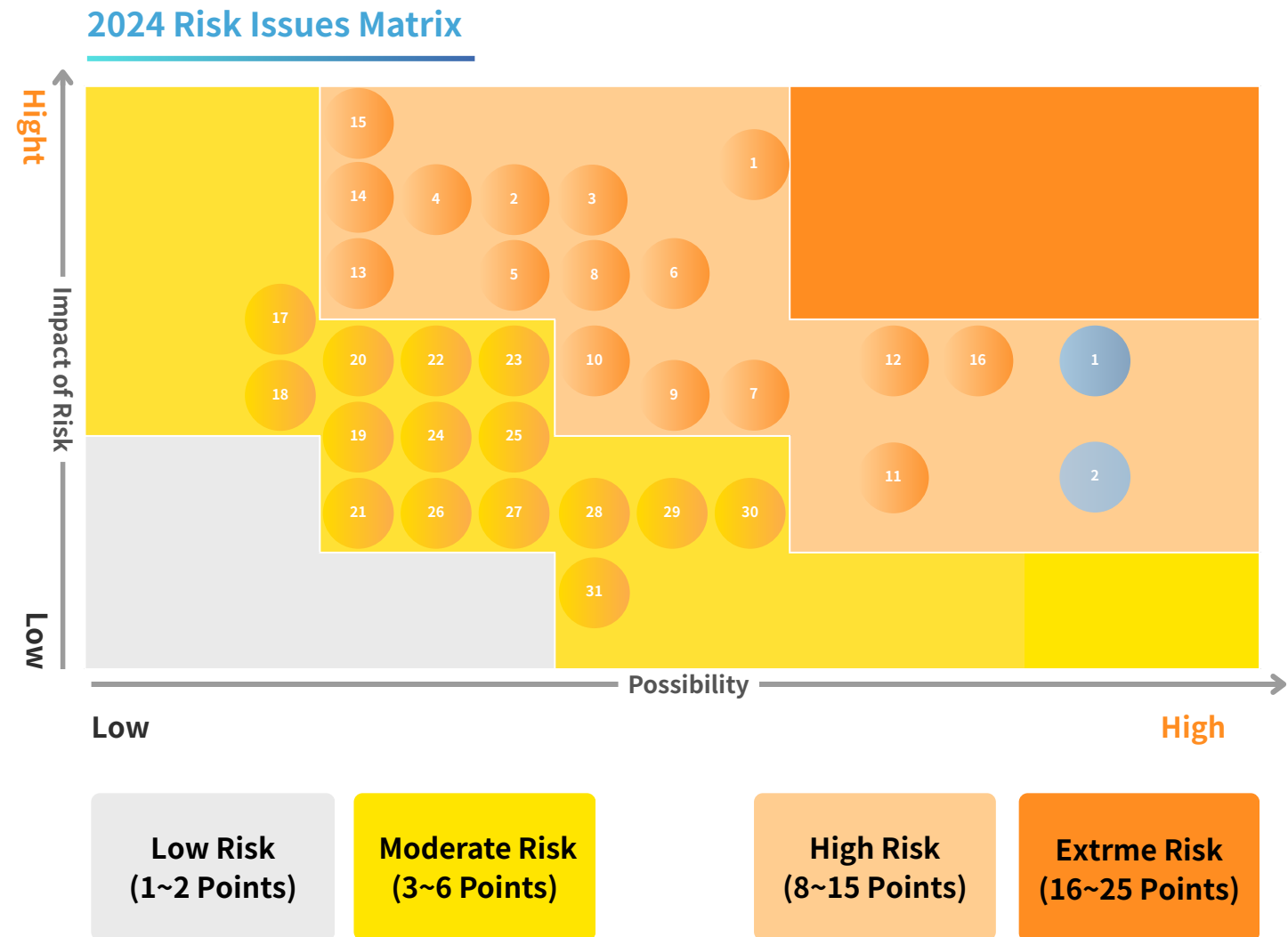
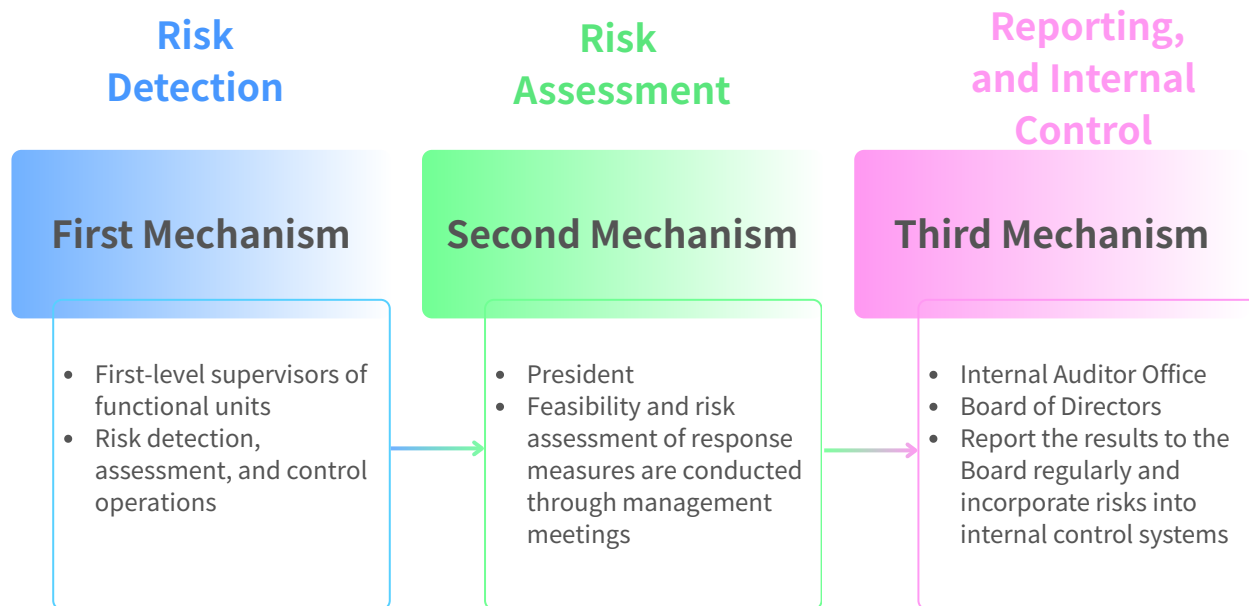
Responsible Departments	Risk Business Matters
Board of Directors	The Board of Directors is the highest unit for the Company's risk management. It complies with relevant laws and regulations, with the goal of promoting and implementing the Company's overall risk management. The Board has a clear understanding of the operational risks, ensures the effectiveness of risk management, and assumes ultimate responsibility for risk management.
Supervisor Meeting	A meeting chaired by the President, responsible for reviewing risk assessments of various plans and projects initiated by the first mechanism.
Finance Division	The Financial Department operates independently from all other functional units, responsible for managing the financial operations of each unit and reporting on short, medium, and long-term investment evaluations.
Internal Auditor Office	The Internal Auditor Office operates independently under the Board of Directors, responsible for internal control and audit. It inspects and reviews various risk operating procedures to ensure their effectiveness.
Each Functional Unit	First-level supervisor in each functional unit is responsible for front-line risk management, analyzing and monitoring relevant risks within their units, and ensuring effective implementation of risk control mechanisms and procedures.

[Procedures and Policies for Risk Management](#)



2.5.2 Risk Identification and Response Measures

Ennoconn emphasizes that all employees must engage in risk control, which is structured into three-tier mechanisms, including: risk detection, assessment, reporting, and internal control processes. Based on internal control system guidelines and referencing the 2024 Global Risk Report, first-level supervisor of each functional unit identifies four major risk categories and assesses 31 risk items. These assessments evaluate potential or existing risks that could impact the Company's business, considering both the level of impact and the probability of occurrence, with scoring criteria calculated by multiplying both factors (1) x (2), as shown in the table below. In 2024, a total of 16 high-risk (≥9 points) and 15 medium-risk (≥4 points) issues were identified. After evaluation and confirmation of the risk list through management meetings chaired by the President, it was reported to and approved by the Board of Directors on November 13, 2024, and incorporated into the 2025 internal control processes for management.



2024 Risk Issues List

High Risk Issues									
Risk Category	No.	Risk Issues	Description	Probability of Occurrence (1)	Impact Level (2)	Impact Dimension			Response Measures
						Environmental Aspect	Social Aspect	Governance Aspect	
Strategic Risk	1	New Product Technology Innovation	Rapid development of innovative technologies or products may shift market demand, making existing products or technologies to lose competitiveness.	Medium	Medium	✓		✓	<ol style="list-style-type: none"> 1. Identify regulations and customer requirements related to green products. 2. Executive control of raw materials, processes, and finished products according to regulations and customer requirements. 3. Adopt green design to reduce energy consumption and waste from the source.
	2	Industry Changes	Changes in industry structure or trends, such as market size reduction or demand shifting to other substitutes, leading to revenue decline or increased operational pressure.	Medium	Medium			✓	<ol style="list-style-type: none"> 1. Carry out the Company's diversification and multi-business operational strategy. 2. Conduct regular forecasting and analysis of industry trends.
	3	Industry Competition	Intense competition among industry peers may trigger price wars, shrink profit margins, or prompt competitors to launch more attractive products or services, potentially resulting in customer loss.	Medium	Medium			✓	<ol style="list-style-type: none"> 1. Maintain close communication with customers to consistently understand and meet their needs, and regularly conduct visits alongside R&D technical personnel to stay informed about future trends of customer products and proactively develop new products accordingly. 2. Innovation in R&D technology and patent acquisition to ensure belonging to the global leading group.
	4	Changes in Domestic and International Landscape and Important Policies	Changes in political and economic conditions or policy shifts (such as tariffs, import/export restrictions, and subsidy policies) may affect operational costs and markets.	Medium	Medium			✓	<ol style="list-style-type: none"> 1. Establish manufacturing bases outside of China and Taiwan. 2. Improve global supplier division of labor and ecosystem. 3. Optimize product structure and control rising costs.
	5	Legal Changes	Changes in government laws or regulations may affect compliance costs and operational processes, and could even lead to business disruptions or require strategic readjustments.	Medium	Medium			✓	<ol style="list-style-type: none"> 1. Regularly and promptly update on domestic and international regulatory changes and trends. 2. Maintain flexibility in process adjustments in response to risk occurrence.
Operational Risk	6	Supply Chain	Raw material price fluctuations and shortages.	Medium	Medium	✓		✓	<ol style="list-style-type: none"> 1. Implement sustainable procurement policy management. 2. Strengthen supplier ESG performance management and establish a merit-based reward and elimination system. 3. Global localized procurement policy and initiate backup site contingency plans. 4. Enhance partnerships with suppliers and regularly conduct ESG-related initiatives.
	7	Procurement Concentration	Dependence on a single or limited number of suppliers can pose significant risks. If these suppliers encounter issues such as supply disruptions or price fluctuations, it may seriously impact production or the supply chain.	Medium	Medium			✓	<ol style="list-style-type: none"> 1. Diversify business expansion and establish manufacturing and R&D centers internationally. 2. Strengthen customer relationships and develop unique industry differentiators.
	8	Sales Concentration	High dependence on a limited number of major customers can pose risks. If these customers change their demand, terminate cooperation, or encounter financial difficulties, it will directly impact the Company's revenue and profitability.	Medium	Medium		✓	✓	<ol style="list-style-type: none"> 1. Diversify business expansion and establish manufacturing and R&D centers internationally. 2. Strengthen customer relationships and develop unique industry differentiators.
	9	Capacity Expansion	During the capacity expansion, difficulties such as funding shortages, equipment installation delays, or insufficient market demand may arise, leading to resource waste or increased financial pressure.	Medium	Medium			✓	<ol style="list-style-type: none"> 1. Conduct strategic capacity planning, estimate long-term customer demand, and ensure improvement in production efficiency and product utilization.

High Risk Issues									
Risk Category	No.	Risk Issues	Description	Probability of Occurrence (1)	Impact Level (2)	Impact Dimension			Response Measures
						Environmental Aspect	Social Aspect	Governance Aspect	
Operational Risk	10	Human Resources	May face challenges in recruiting, retaining and training employees, or be affected by labor disputes, talent loss, and other issues that impact normal operations and development.	Medium	Medium		✓		<ol style="list-style-type: none"> 1.Improve working hours management, salary and benefits, and promotion systems to enhance employee retention rates. 2.Regularly conduct internal human rights due diligence to listen to employee voices.
	11	Merger and Acquisition Risk	Risks may arise during the merger and acquisition, such as poor cultural integration, failure to achieve synergies, and unresolved legal or financial issues, all of which could impact post-acquisition operational performance.	Medium	Medium			✓	<ol style="list-style-type: none"> 1. Clearly define the strategic objectives of mergers and acquisitions. 2. Comprehensively consider the integration of corporate culture, management, finance, legal affairs, taxation, and human resources.
	12	Quality Control	Quality issues may cause product defects, returns or recalls, resulting in increased costs and damage to customer relationships.	Medium	Medium		✓		<ol style="list-style-type: none"> 1. Implement quality management systems. 2. Ensure the accuracy of product inspection processes and elimination mechanisms.
Financial Risk	13	Fluctuations in interest rates and exchange rates	Fluctuations in interest rates or exchange rates may directly affect the Company's financing costs, overseas income or import/export business, thereby increasing operational uncertainty.	Medium	Medium			✓	<ol style="list-style-type: none"> 1. Strengthen the Company's financial structure and capital utilization, hire dedicated personnel to continuously monitor financial and exchange rate changes.
	14	Inflation	Increase the Company's operating costs (such as raw materials and wages) may compress profit margins and lead to declining demand.	Medium	Medium			✓	<ol style="list-style-type: none"> 1. Keep track of the delivery schedule of orders, inventory depletion of materials, and strictly control the procurement of components. 2. Timely communicate with customers about the rising costs of materials and manufacturing. 3. Actively advance R&D design technologies and target high gross margin and high compound annual growth markets. 4. Expand ESaaS (Ennoconn Solution as a Service) open platform.
	15	Strategic Investment	Inappropriate or unsuccessful strategic investments (such as expansions or entering new markets) may result in capital waste, asset losses, or hindered business development.	Medium	Medium			✓	<ol style="list-style-type: none"> 1. Clearly define investment targets for business and products. 2. Conduct comprehensive analysis of industry, technology, and customer. 3. Evaluate the feasibility of strategic investments and corresponding opportunities and risks from industry, business, financial, legal, and valuation perspectives.
Other Risks	16	Cyber Attacks	Malicious cyber attacks may involve threats such as data theft, ransomware, system paralysis, and phishing, resulting in data breaches, business interruptions, financial losses, and reputation damage.	Medium	Medium			✓	<ol style="list-style-type: none"> 1. Manage file and equipment security by regularly performing comprehensive backups and conducting cybersecurity awareness and training. 2. Equipment security should include access control for entry and server rooms, management of equipment and server room maintenance, and regular inspections of server room security measures. 3. Establish permission management and implement cybersecurity internal control cycles. 4. Regularly outsource information security audits. 5. Deploy the Company's critical systems in the cloud and establish off-site backup and recovery procedures. 6. Implement ISO 27001 Information Security Management System.

Medium Risk Issues

Risk Category	No.	Risk Issues	Description	Probability of Occurrence (1)	Impact Level (2)	Impact Dimension			Response Measures
						Environmental Aspect	Social Aspect	Governance Aspect	
Operational Risk	17	Natural or man-made disasters	Earthquakes, typhoons, fires, explosions, and infectious diseases, causing equipment damage, production interruption, and even casualties.	Low	Medium	✓	✓	✓	1. Regularly conduct occupational safety and health training and promotion. 2. Enable disaster scenario simulation and timely activate protective mechanisms..
	18	Climate Change	Pose impact on supply chain stability, product costs, or energy supply. Domestic and international environmental regulations also increase company operating costs.	Low	Medium	✓		✓	1. Implement environment-related ISO management systems. 2. Continuously update domestic and international environmental regulations and indicators to comply with government and customer requirements.
	19	Change in Management Control	May trigger management instability or changes in strategic direction, thereby affecting the Company's long-term development and market trust.	Low	Medium			✓	1. The Company's business philosophy is based on the principle of maximizing shareholder equity. 2. Improve corporate management mechanisms and Corporate Governance Best-Practice Principles.
	20	Intellectual Property Rights	Legal disputes arising from intellectual property infringement or the improper use of others' patents, trademarks, and copyrights may affect the Company's market competitiveness and reputation.	Low	Medium			✓	1. Regularly report the Group's annual patent acquisition or maintenance status to the Board of Directors. 2. Managed by both legal and R&D departments.
	21	Litigation Risk	May result in high legal costs, compensation liabilities, and damage to corporate reputation, potentially affecting normal operations.	Low	Medium			✓	1. Enhance corporate governance mechanisms. 2. Ensure the applicability and legality of company policies such as the Corporate Governance Best-Practice Principles and Ethical Corporate Management Best Practice Principles.
	22	Confidential Data Leakage	Unauthorized access to or leakage of internal confidential data or sensitive customer information may result in business losses, reputational damage, and legal liabilities.	Low	Medium		✓	✓	1. Conduct regular simulated hacker attacks to strengthen employee cybersecurity awareness. 2. Establish encryption systems for information equipment and require employees to regularly change passwords.
	23	Equipment Failure	Equipment failures or improper maintenance may result in production stagnation, delivery delays, thereby affecting the Company's reputation and revenue.	Low	Medium			✓	1. Conduct regular internal reviews of equipment usage status and replace high energy-consuming equipment. 2. Prioritize purchasing products with long lifecycles that are easy to maintain and disassemble.
	24	Financial/Operational Information Reliability and Completeness	Incomplete data records or misreporting may lead to erroneous decision-making.	Low	Medium			✓	1. Regularly organize unnecessary data to ensure file consistency. 2. Strengthen audit processes and conduct re-evaluation to verify data availability.
	25	Improper allocation of responsibilities and resources	Risks may arise from unclear role definition or unreasonable resource allocation. These issues may lead to poor decision-making, resource waste, low efficiency, and may even affect team collaboration and morale. Failure to make timely adjustments and optimizations may negatively impact the Company's overall performance and long-term development.	Low	Medium		✓	✓	1. Hold daily supervisor meetings to report on departmental and project progress, with the President coordinating resource allocation and responsibility assignment.
	26	Process Risk	Issues such as improper planning, poor management, system errors, or control deficiencies that may arise in the specific processes of transactions.	Low	Medium			✓	1. All cash flow and order flow are subject to multi-level controls within internal system processes to mitigate risks. 2. All transactions are reviewed by the legal department for contract approval and then filed for record.
	27	Transaction Risk	Uncertainty and potential losses inherent in transactions, such as price fluctuations, contract risks, or credit risks.	Low	Medium			✓	

Medium Risk Issues									
Risk Category	No.	Risk Issues	Description	Probability of Occurrence (1)	Impact Level (2)	Impact Dimension			Response Measures
						Environmental Aspect	Social Aspect	Governance Aspect	
Operational Risk	28	Financing Risk	Failure to secure necessary funding at the appropriate time, or excessively high capital costs, may affect expansion plans and short-term working capital needs.	Low	Medium			✓	1. Establish comprehensive risk management and internal control systems. 2. Carry out long-term development assessment and select appropriate financing methods.
	29	Asset Protection	Risks of asset loss, value impairment, poor management, and inadequate liquidity.	Low	Medium			✓	1. Improve financial management mechanisms and internal control systems. 2. Safeguard and enhance the value of fixed, current, and intangible assets.
	30	High-Risk, High-Leverage Investments	Involves borrowing large amounts of funds for investment, using small capital to operate large assets. During market volatility, losses may be amplified, potentially leading to cash flow difficulties or bankruptcy.	Low	Medium			✓	1. Improve financial management mechanisms and internal control systems.
	31	Lending Funds to Others, Endorsements and Guarantees	When providing funds, endorsements, and guarantees for others, if the counterparty fails to meet debt obligations or defaults, the Company may be held responsible for repayment. This could increase financial pressure and potentially affecting the Company's cash flow liquidity and operational stability.	Low	Medium			✓	1. Fund lending assessment. 2. After loan disbursement, regularly monitor the financial, business and credit conditions of borrowers and guarantors.

Note:.

1. Probability of occurrence: Low (once within two years), Medium (once within one year), High (once within six months).
2. Impact level: Low (losses or expenses below NT\$10 million), Medium (losses or expenses above NT\$10 million), High (losses or expenses above NT\$100 million).

Emerging Risk Issues Management

Risk Category	No.	Risk Issues	Description	Probability of Occurrence (1)	Impact Level (2)	Impact Dimension			Response Measures
						Environmental Aspect	Social Aspect	Governance Aspect	
Emerging Risks	1	AI Technology Risks	In recent years, generative AI and tools have rapidly advanced, and leveraging AI can improve work efficiency. However, reliability and accuracy still need improvement; security concerns regarding confidential information and data storage, if compromised, could disrupt operations.	High	High			V	1. Strictly prohibit downloading and installing generative tools from unknown sources. 2. Prioritize using web-based versions or tools provided by the Group and with approval from the IT department.
	2	Risks Stemming from a Declining Birth Rate	Taiwan's aging society and falling birth rate affect corporate human resource planning, as emerging generations place greater emphasis on the alignment with corporate culture.	High	High		V	V	1. Create a diverse, equal, and mutually prosperous workplace. 2. Establish diversified job roles and promotion pathways. 3. Provide competitive salary and benefit systems.

2.6 Climate Change Risks and Opportunities

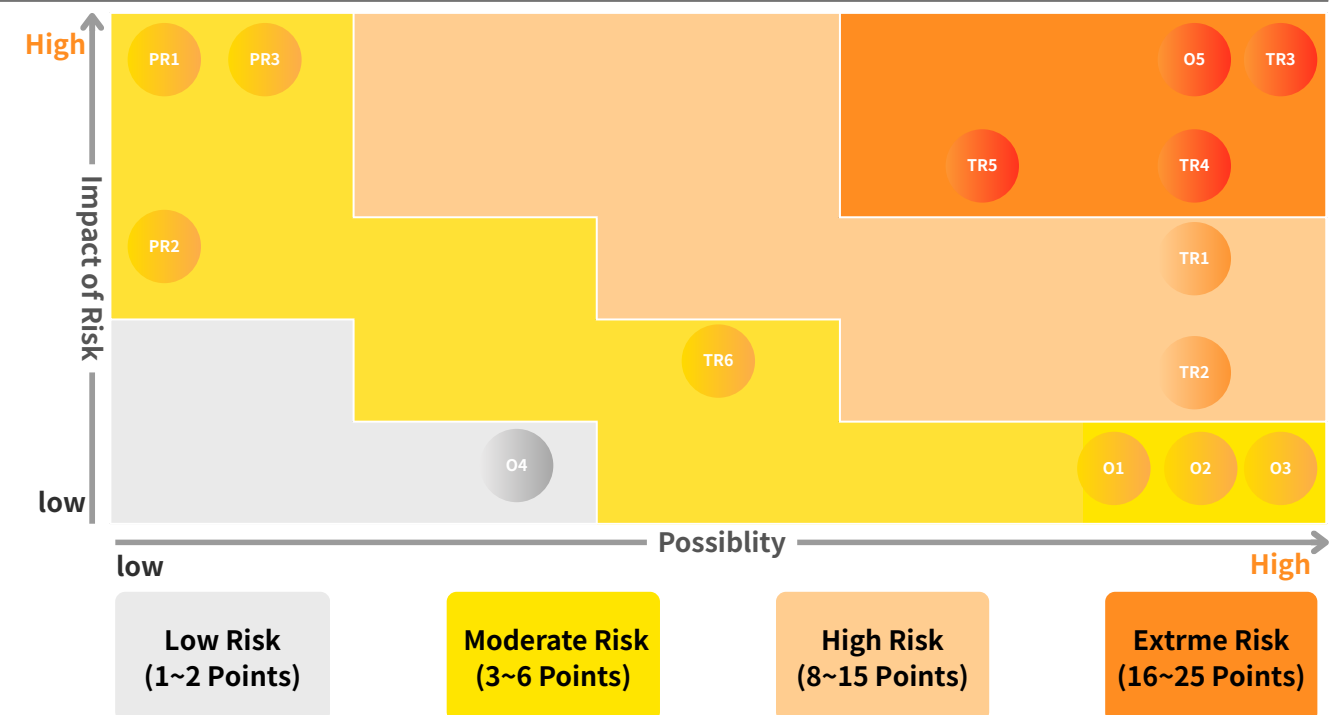
2.6.1 Climate Governance

The World Economic Forum's Global Risks Report 2024 indicates that environmental risks are the foremost concerns both in the short term (within two years) and long term (within ten years), with extreme weather events potentially reaching irreversible levels. Climate change is also one of the critical issues affecting Ennoconn's sustainable operations. The Chief Sustainability Officer leads the Environmental Protection Team, managing climate change response-related work, and delegates the Chief Financial Officer to support financial disclosure discussions and calculations. The ESG Promotion Office identifies major climate risks and collaborates with first-level management of relevant units to develop response measures. Upon completion of risk assessment, results are submitted to the Sustainable Development Committee for supervision and subsequently reported to the Board of Directors alongside the 2024 annual audit plan.

Aspect	Description	Indicator	Disclosure
Governance	Ennoconn's Governance of Climate-Related Risks and Opportunities.	a. Board of Directors' oversight of climate-related risks and opportunities. b. Management's role in assessing and managing climate-related risks and opportunities.	1. The Board of Directors acts as the highest oversight body for risk management (including climate risks), responsible for overseeing climate risk management and strategic implementation results. 2. Review significant budgets for climate-related response strategies (green electricity RE100). 3. The Sustainable Development Committee under the Board of Directors reports climate risk and opportunity governance status to the Board as part of the annual audit plan. 4. Discussion and implementation of climate risk and opportunity response measures by unit-level supervisors.
Strategy	Ennoconn's business, strategy, and financial planning, actual and potential climate-related impacts.	a. Short, medium, and long-term climate-related risks and opportunities identified by the organization. b. The impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning. c. The organization's strategic resilience, considering various climate-related scenarios (including 2°C or more stringent scenarios).	1. Please refer to 2.6.2 Climate Risk and Opportunity Identification and Assessment. 2. Please refer to 2.6.2 Climate Risk and Opportunity Identification and Assessment. 3. Please refer to 2.6.3 Climate Risk and Opportunity Impact Assessment.
Risk Management	Ennoconn's Climate-Related Risk Management Process.	a. The organization's process for identifying and assessing climate-related risks. b. Describe the organization's process for managing climate-related risks. c. How the processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management system.	1. The Sustainable Development Committee is chaired by the President as Chief Sustainability Officer, with the ESG Promotion Office identifying and assessing climate risks. 2. Discussion and implementation of climate risk and opportunity response measures by unit-level supervisors. 3. Environmental Protection Team manages climate change response initiatives. 4. The TCFD climate risk assessment was introduced in 2022, with the ESG Promotion Office tasked with identifying, assessing, and managing these risks. 5. In 2023, clear hierarchical responsibilities for climate risk identification, assessment and management were established, with reporting to the Board of Directors. 6. In 2024, TCFD climate risks were incorporated into the annual risk management strategy, with enhanced scenario modeling and financial impact reporting to the Board of Directors.
Metrics and Targets	Ennoconn evaluates and manages climate-related issues through metrics and targets	a. Metrics used by the organization to assess climate-related risks and opportunities in accordance with its strategy and risk management processes. b. Scope 1, Scope 2, and Scope 3 (if applicable) greenhouse gas emissions and related risks c. Targets set by the organization to manage climate-related risks and opportunities, along with performance in meeting those targets.	1. Passed the SBT Science-Based Targets review. 2. Please refer to 5. Environmental Friendliness (including energy saving, carbon reduction, waste management, and water resource management). 3. Please refer to 5.2 Carbon Emission Management (Scope 1 to Scope 3).

2.6.2 Climate Risk and Opportunity Identification and Assessment

In 2024, building on the 2023 TCFD climate risk and opportunity identification methodology, we initially inventoried ten climate risks and eight climate opportunities in 2023. The ESG Promotion Office then assessed those risks with higher likelihood or significant potential impact on Ennoconn in 2024, resulting in nine climate risks and five climate opportunities. We internally evaluated each item's impact level, frequency, timing, and likelihood of occurrence. Based on the level of impact and probability of occurrence for each item, we developed a risk matrix diagram, conducted climate scenario simulations for high-risk issues, and calculated financial impacts in alignment with operational deployment. The table below demonstrates that Ennoconn plays a key role in the global transition to a low-carbon economy. When confronted with various risk issues, the Company also considers the impacts brought by climate issues. By implementing mechanisms such as identification of climate-related risks and opportunities, and setting relevant indicators and targets, Ennoconn improves its management of climate change risks and opportunities and proposes various response and mitigation measures for each identified risk. In 2024, to achieve the goal of energy saving and carbon reduction, we continued to promote climate change response actions through science-based reduction targets.



Climate Change Risk and Opportunity List

Main Category	Subcategory	Number	Risk and Opportunity Items	Description	Impact Scope	Impact Level (1-5 points)	Financial Impact Level	Occurrence Frequency (1-5 points)	Occurrence Probability	Management Approach
Transition Risk	Policy and Regulatory Risk	TR1	Carbon Fee and Carbon Tax	<ol style="list-style-type: none"> In 2025, the Ministry of Environment will impose carbon fees on major carbon emitters with annual emissions exceeding 25,000 tonnes. In 2026, the EU will impose carbon taxes on specific products. 	<ol style="list-style-type: none"> Direct company operations Upstream or supply chain Downstream or end-user 	3	Medium	5	Short-term	<ol style="list-style-type: none"> The Ministry of Environment's first wave of collection list includes subsidiary Marketech International Corp., which has initiated energy-saving and carbon reduction projects to lower carbon emissions below 25,000 tonnes, with no immediate impact. The operations team has established systematic management of domestic and international ESG-related policies and regulations, and in response to carbon tax planning, is introducing ISO 14067 product carbon footprint.
	Technology Risk	TR2	Green Products and Design Services	In response to increasing demand for green products from customers and suppliers.	<ol style="list-style-type: none"> Direct company operations Upstream or supply chain Downstream or end-user 	2	Medium	5	Short-term	<ol style="list-style-type: none"> Implementing ISO 20400 Sustainable Procurement Guidelines. The Company has established sustainable materials and green design management policies.
		TR3	Green Electricity Certificate Procurement	In response to regulatory requirements and in alignment with the Company's energy conservation and carbon reduction roadmap.	<ol style="list-style-type: none"> Direct company operations Upstream or supply chain Downstream or end-user 	5	High	5	Short-term	<ol style="list-style-type: none"> Planning to join the RE100 international initiative. Group-wide procurement of green electricity certificates to expand the usage of green electricity.
	Market Risk	TR4	Customer Sustainability Requirements	Sustainable Supply Chain Requirements and Supply Chain Disruption Crisis.	<ol style="list-style-type: none"> Direct company operations Upstream or supply chain Downstream or end-user 	4	High	5	Medium-term	Mitigate transition risks and implement sustainable supply chain management.
		TR5	Rising raw material costs	Increased shipping costs due to geopolitical and pandemic risks.	<ol style="list-style-type: none"> Direct company operations Upstream or supply chain 	4	High	4	Short-term	<ol style="list-style-type: none"> Require 100% suppliers to pass audits. Executive localized production and manufacturing strategy.
	Reputational risk	TR6	Stakeholder concerns	A decline in company sustainability disclosure and rating performance may negatively affect investors' evaluation of the enterprise, investment allocation, and the Company's market value.	<ol style="list-style-type: none"> Direct company operations Upstream or supply chain Downstream or end-user 	2	Medium	3	Medium-term	Engage with stakeholders to discuss Ennoconn's ESG goals, plans, initiatives, and quarterly progress toward annual targets, while ensuring consistency in external disclosure information.

Main Category	Subcategory	Number	Risk and Opportunity Items	Description	Impact Scope	Impact Level (1-5 points)	Financial Impact Level	Occurrence Frequency (1-5 points)	Occurrence Probability	Management Approach
Physical Risks	Immediate Risk	PR1	Typhoon and flood disasters	Flooding leading to production shutdowns and delays in customer deliveries.	1. Direct company operations 2. Upstream or supply chain 3. Downstream or end-user	5	High	1	Long-term	Conduct regular inspections and maintenance to ensure equipment hazard resistance.
		PR2	Drought disaster	Water shortage and lack of water supply causing machines to overheat and malfunction.	Direct company operations	3	Medium	1	Long-term	Enhance water source utilization efficiency, plan for recycled water use, and reduce operational costs.
	Long-term risk	PR3	Sea level rise	Flooding in low-lying areas causing permanent business shutdown.	1. Direct company operations 2. Upstream or supply chain 3. Downstream or end-user	5	High	1	Long-term	Short-term flood risk response measures, and medium to long-term planning for new office locations, with a priority on areas of low flood risk.
Opportunity	Resource utilization efficiency	O1	Energy saving benefits	Implement energy-saving policies to reduce electricity expenses.	Direct company operations	1	Low	5	Short-term	Reduce per capita electricity consumption by 1% annually.
		O2	Water saving benefits	Promote water-saving policies to reduce water expenses.	Direct company operations	1	Low	5	Short-term	Set a target of 3% per capita water savings by 2026, with two-phase management to improve water resource efficiency.
		O3	Waste reduction benefits	Adopt company waste recycling policies to reduce cost expenditures.	Direct company operations	1	Low	5	Short-term	Set a target of 1% per capita waste reduction by 2025
		O4	Low-carbon transportation	Adopt electric transportation to lower carbon emission costs.	Direct company operations	1	Low	2	Medium-term	Reduce unnecessary employee field work and business trips.
	Energy sources	O5	Solar photovoltaic	Investment in green energy projects and sustainable development bonds.	Direct company operations	5	High	5	Short-term	In July 2024, the Company invested NT\$5 million to establish a green energy industry subsidiary, EnnoFill Power Co., Ltd., to accelerate the integration efficiency of renewable energy use within the Ennoconn Group. Additionally, In June 2025, Ennoconn Corporation invested NT\$10 million in green bonds code: G12441) issued by Taiwan Cooperative Bank and this bonds were qualified as green bonds by TPEX.

Note:

1. Probability of occurrence: Short-term 1-3 years, Medium-term 3-5 years, Long-term 6-10 years.

2. Financial impact level: Low (NT\$1-3 million), Medium (NT\$10 million-100 million), High (over NT\$100 million).

2.6.3 Climate Risk Scenario Analysis

Ennoconn assesses physical and transition risks in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) framework, and conducts scenario analysis for both risk types. This enable the Company to evaluate the financial impact and timeframe under various future warming scenarios, thereby formulating relevant policies and response measures. Ennoconn selects multiple scenarios for transition and physical risks. For transition risk scenarios, carbon fees and carbon taxes, identified as having the highest risk impact, are considered as the primary assessment factors. The assessment adopts the International Energy Agency's IEA 2DS, IEA B2DS, and the Stated Policies Scenario (STEPS) to evaluate the financial impact of future carbon price trends on Ennoconn and its outsourced factories. Additionally, for physical risks, Ennoconn evaluates the geographical locations of its Taipei operations and key outsourced factories, considering potential impacts from future climate disasters such as drought and flooding. Therefore, the Company selects the low greenhouse gas emission scenario (SSP1-2.6) and the very high greenhouse gas emission scenario (SSP5-8.5) published by the United Nations Intergovernmental Panel on Climate Change (IPCC). Through scenario analysis, it facilitates Ennoconn Group's strategic planning to minimize financial and operational impacts when facing future climate risks.

Risk Type	Scenario Description	Key Parameters	Impact Content
Transition Risk	IEA 2°C	Carbon Price: 80–100USD/tCO ₂ e	To limit the temperature rise to 2°C (or below), CO ₂ emissions need to be reduced by nearly 60% by 2050, with continued reduction after 2050 until carbon neutrality is achieved. Due to additional costs from carbon fees or carbon trading over the next five to ten years, the Group must actively implement ISO carbon reduction projects and adopt renewable energy to mitigate the impact of carbon fees.
	IEA below 2°C (B2DS)	Carbon Price: 90–120USD/tCO ₂ e.	
	NZE 2050	Carbon Fee: General Rate 10USD/tCO ₂ e.	To limit the global average temperature rise to no more than 1.5°C above pre-industrial levels by the end of this century, the global energy sector must achieve net-zero carbon dioxide emissions by 2050. Ennoconn has set a 2030 carbon reduction target of 42% (Scope1+2) based on SBTi. The Company's 2021 (baseline year) carbon emissions: 2e (Scope1+2); 2024: 351.42tCO ₂ e, a reduction of 11.49%. If the Company achieves its target emission of 230.27tCO ₂ e by 2030, it will reduce operating costs.
Physical Risks	SSP 1-2.6	By the end of this century, low emission scenarios will control temperature rise to below 2°C.	Both scenarios project a temperature rise of 1.5°C by 2040, potentially leading to droughts and floods that disrupt operations and impair assets across the Group.
	SSP 5-8.5	Under the very high emission scenario, temperatures are expected to increase by 4.4°C by the end of this century.	

Transition Risks: Taiwan Carbon Fee and EU Carbon Tax

In August 2024, the Ministry of Environment announced the Carbon Fee Collection Regulations, which will be implemented on a trial basis in 2025, with formal payment beginning in 2025. Although the Group's current emissions have not yet reached the Ministry of Environment's annual collection threshold of 25,000 tonnes, we continue to monitor developments on environmental regulations and prepare for the EU's carbon tax collection in 2026.

Physical Risks: Sea Level Rise, Flooding and Drought Risks

Ennoconn places strong emphasis on the physical risks of climate change and regularly assess the operational impacts brought by climate risks. Using climate scenarios SSP 1-2.6 and SSP 5-8.5, we analyze the Group's important operational locations and manufacturing facilities in Taiwan and abroad to evaluate disaster impacts. We primarily identify two major risks - flooding and drought - and assess their impacts on net asset value and operating revenue. The findings are incorporated into future climate adaptation strategies to enhance the operational resilience of each facility.



1. Sea Level Rise and Flooding Risk

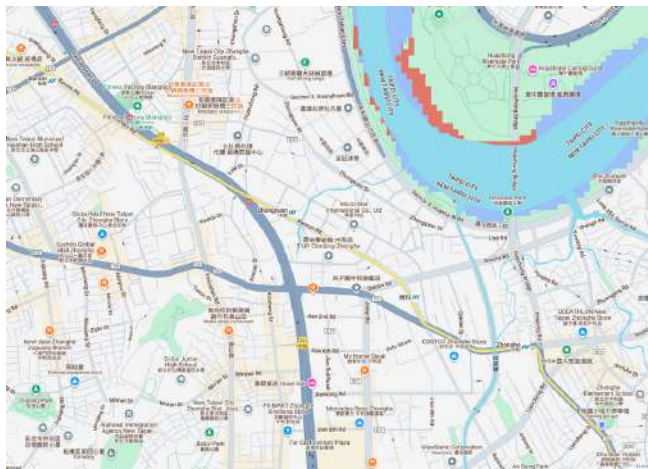
According to Section B.5.3 of the IPCC Sixth Assessment Report, it is certain that global mean sea level will continue to rise throughout the 21st century. By the end of this century, sea levels are estimated to rise between 0.32-0.62 meters under the low emissions scenario (SSP1-2.6), and between 0.63-1.01 meters under the very high emissions scenario (SSP5-8.5). Using the Climate Central sea level rise map, the Group's subsidiary Ennoconn (Suzhou) may be impacted first. Since Suzhou's low-lying terrain, combined with typhoons with heavy rainfall, and plum rains, increases its flood risk. If flooding leads to long-term operational disruptions and asset impairments, the Group will conduct regular flood disaster simulations at its locations to minimize potential losses and operational risks, enhance factory adaptation measures, and assess financial impacts.

(SSP1-2.6)

(SSP5-8.5)

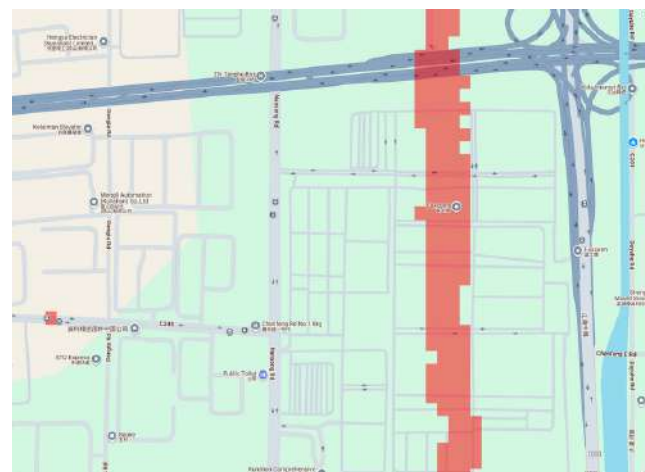
Ennoconn (Taipei) (Low Flood Risk Area)

Ennoconn (Taipei) (Low Flood Risk Area)



Ennoconn (Suzhou) (High Flood Risk Area)

Ennoconn (Suzhou) (High Flood Risk Area)

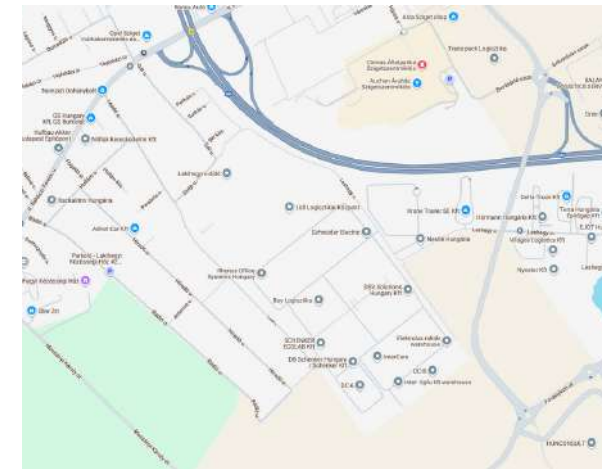


(SSP1-2.6)

(SSP5-8.5)

Ennoconn Hungary kft (Low Flood Risk Area)

Ennoconn Hungary kft (Low Flood Risk Area)



Ennotech Vietnam (Low Flood Risk Area)

Ennotech Vietnam (Low Flood Risk Area)



2. Drought Risk

Under the very high emissions scenario (SSP5-8.5), extreme heat or reduced rainfall may lead to droughts. The Group's headquarters and manufacturing factories are primarily located in regions with unstable rainfall patterns. These extreme climate conditions increased the likelihood of droughts, which not only increases the frequency of flooding but also affects water usage at production sites, affecting production schedules and operating revenue. To mitigate these risks, the Group will review water resource management at high-risk locations.

2.6.4 Climate-related Metrics and Targets

Category	Item	2022	2023	2024	2024 Targets	Achievement Status	Explanation for Not Meeting Targets
Energy Conservation and Carbon Reduction	Power Consumption (kWh)	687,457	695,910	767,146	1% annual per capita electricity savings	No	1. Total power consumption in the third quarter of 2024 increased compared to the same period in 2023, primarily due to intensive machine projects at Ennoconn and Vecow from July to September 2024, along with frequent reliability testing involving constant temperature and humidity machines in the laboratory. 2. The Administration Department plans to add energy-saving agents to the refrigerant of the 4th floor office air conditioning system in 2025 and track power consumption improvements.
	Fuel Consumption (Liters)	3,616	2,100	3,204	Gradual annual reduction	No	The increase in business trips is primarily due to the need to support and oversee production models and quality control at outsourced factories.
	Carbon Emissions (tCO ₂ e)	364.9857	369.0805	351.4232	Gradual annual reduction of 4.2%		Target achieved.
Waste Management	Domestic Waste (Tonnes)	2.561	2.486	1.939	1% reduction in per capita waste by 2025		Target achieved.
Water Resource Management	Water Consumption (m ³)	3,653	4,455	5,816	0.6% annual per capita water savings	No	This is primarily due to an increase in the number of employees and Ennoconn's emphasis on employee hygiene and health. Internal guidelines have reinforced the requirements for employees to wash their hands before starting work, leading to higher water consumption.

Note:

1. Carbon emissions: Scope 1 + Scope 2
2. "-": Indicates no recorded data

2.7 Information Security Policy and Privacy Management

"Everyone upholds cybersecurity, security for all" is a core principle of Ennoconn's information security policy. To strengthen information security management and ensure the confidentiality, integrity, and availability of critical information systems, Ennoconn has established relevant regulations and systems to govern employees' information security practices. Additionally, third-party reviews of relevant systems are conducted annually to respond to shifts in the external environment or operations, with timely adjustments made as needed. Ennoconn ensures security throughout its entire data processing and is committed to delivering safe, stable, and highly efficient information services to safeguard the privacy of customer and employee data.

Material Issues Impact Assessment and Management Approach

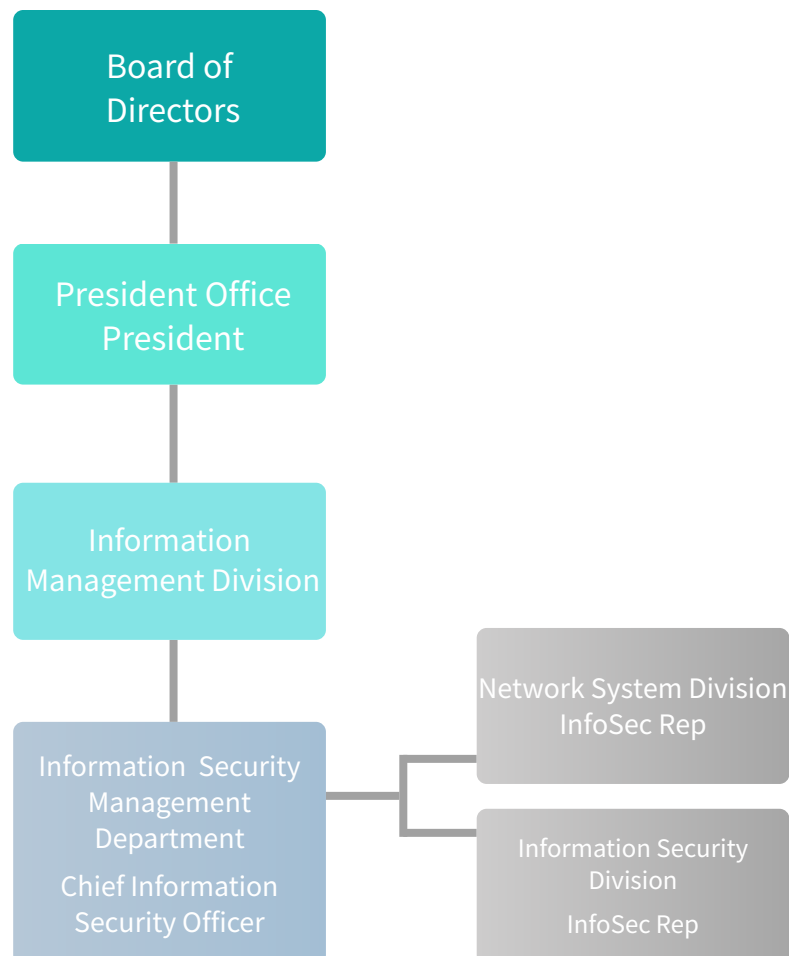
Aspect	Description
Impact Assessment	Positive: Robust information security measures and management protect the privacy and personal data of employees, customers, and suppliers, ensuring compliance with regulatory requirements to reduce legal, governance, and human rights risks. 1. Establishing information security facilities and management systems: Preventing data loss and system interruptions, reducing the risk of business disruption, and protecting the human rights of employees, customers, and suppliers. 2. Enhancing customer trust: Protecting against personal data breaches.
	Negative: Lack of information security measures and management may result in operational disruptions, customer data breaches, and risks of human rights and governance losses. 1. Operational disruption risk: Information security vulnerabilities may lead to system service interruptions, affecting the value chain impact on customers, employees, suppliers, and others. 2. Personal data breach damaging reputation: Poor information security management may lead to data breaches, harming corporate governance reputation and human rights, undermining customer trust and satisfaction, and, in severe cases, resulting in customer claims and regulatory penalties
Policies and commitments	Ennoconn is committed to fulfilling corporate social responsibility and pursuing sustainable operations. We actively cultivate a corporate culture of information security and relentlessly strengthen our information security management system. Based on this philosophy, we have established the following information security policies to fulfill our commitments: <ol style="list-style-type: none"> Information asset protection: Establish information security policies and control standards to ensure the confidentiality, integrity, and availability of information assets. Including guidance on data access, network security, application security, and other aspects to ensure the Company's information assets are properly protected. Risk management: Actively conduct information security risk assessments, identify potential threats and vulnerabilities, and seek best practices to reduce and control these risks, ensuring the data security of both the Company and customers. Incident response: Develop comprehensive response plans to address information security incidents, including risk assessment, notification procedures, incident tracking, and recovery plans, ensuring rapid and effective action against potential security threats. Continuous improvement of security environment: We are committed to fostering a secure information environment by continuously assessing emerging technologies and threats, updating information security policies, improving security operations, and regularly conducting security training and simulations to ensure readiness against evolving risks. Employee training and education: We conduct regular training to enhance employees' awareness of information security, emphasizing each individual's role and responsibility. We are committed to building a security culture that involves participation from all employees.

Aspect	Description
Responsible unit	Information Security Administration Department
Management actions	<p>Prevention & Mitigation:</p> <ol style="list-style-type: none"> Establish an information security team: Responsible for monitoring, responding to, and preventing information security incidents, ensuring the Company's information security operations. Implement ISO 27001 information security management system: Develop, implement, monitor, and improve the information security management system, developing risk assessment mechanisms and preventive measures. Establish effective emergency response plans: Ensure the Company can respond quickly and effectively when security incidents occur, thereby minimizing damage. Deploy security equipment and tools: Configure security tools such as firewalls, intrusion detection systems, and vulnerability scanning, to strengthen system protection. Establish backup and redundancy mechanisms: Regularly perform system and data backups to support recovery in case of disasters. Implement information security audits: Regularly conduct security audits of systems to ensure compliance and strengthen protection.
	<p>Impact Management:</p> <ol style="list-style-type: none"> Develop disaster recovery plans: Create disaster recovery plans to ensure information systems can rapidly recover following major incidents. Establish incident monitoring and tracking mechanisms: Detect and respond to information security incidents to minimize damage. Conduct regular disaster recovery drills: Perform routine drills to reduce confusion during incidents and ensure the Company can swiftly restore normal operations.
Action Tracking	<p>Resources and Actions:</p> <ol style="list-style-type: none"> Develop information security policies and implementation procedures. Establish internal information security organization. Strengthen software and hardware architecture and ensure network usage security. Conduct regular asset risk inventory, vulnerability scanning, and recovery plan drills. Continuously implement system backup mechanisms. Organize employee education and training to enhance information security risk awareness.
	Objective: Establish a comprehensive information security network to prevent data breaches, ensure business activities comply with relevant laws and regulations. In addition, the Company has successfully received the ISO 27001 Information Security Management System annual external certification in 2024.
	Were previous actions effective: Yes
	Lessons learned: Over the past year, the Company has continuously enhanced internal and external information security protection measures, including technical solutions and establishing information security system regulations. Ensure these measures effectively address evolving threats through regular review and revision. Through this process, we have gained a deep understanding of the continuous evolution of information security. We will continue to invest resources to address emerging challenges while maintaining relentless efforts on our existing information security foundation to ensure the Company's secure operations in the digital age.
Stakeholder Engagement	Stakeholders include: employees, customers, suppliers, and regulatory authorities. Stakeholder communication methods: 1. Internal: Regular annual information security committee meetings and irregular cross-departmental information security communication meetings. 2. External: Annual sustainability report disclosure.

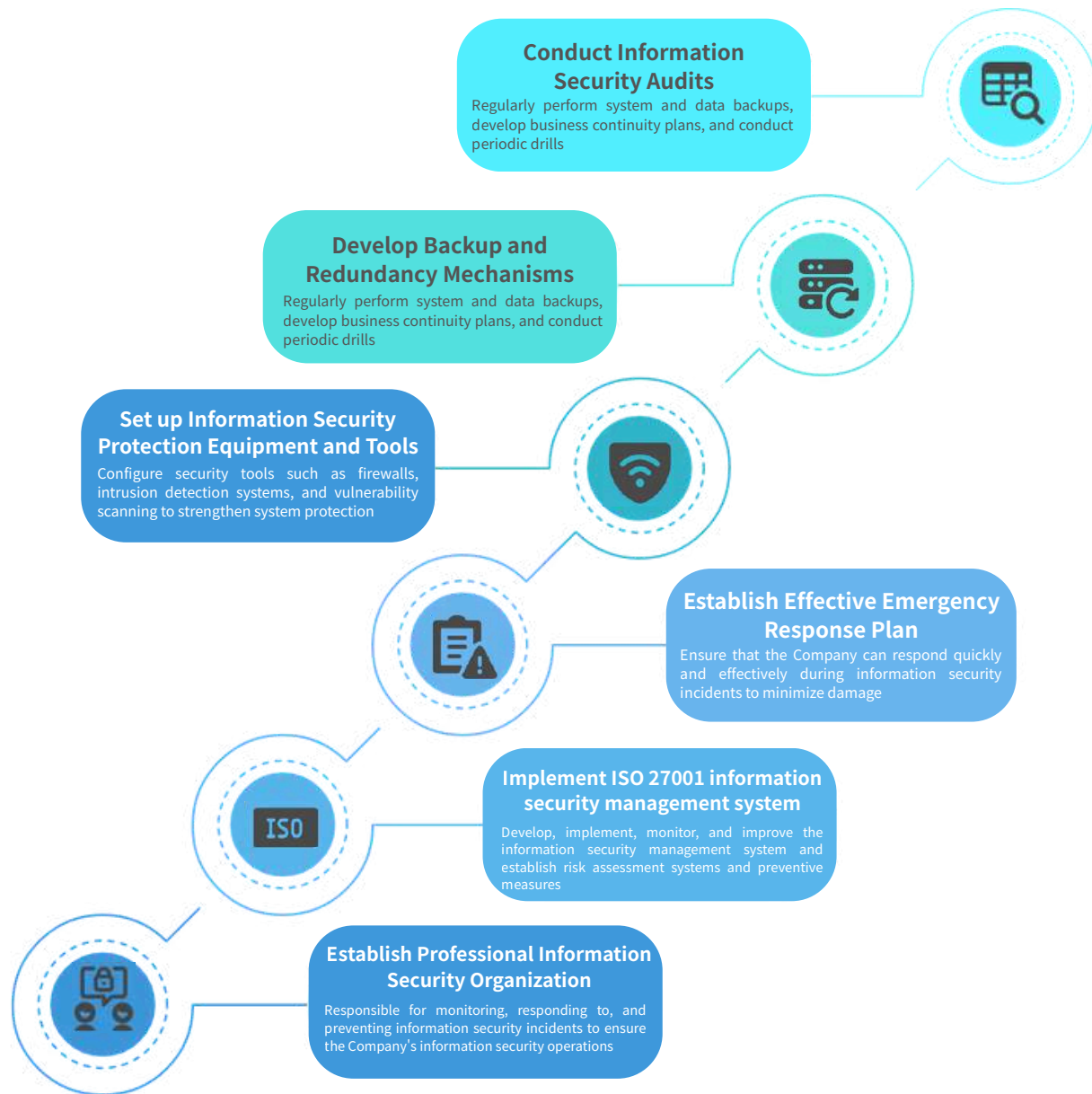
2.7.1 Information Security Risk Management Framework

To implement information security policies and ensure the confidentiality, integrity, and availability of information systems, Ennoconn follows the PDCA cycle for continuous information security management. We have identified the six major risks with significant operational impact, established information security risk management, and continuously improve risk mitigation measures. In 2023, we obtained ISO 27001 Information Security Management System certification and successfully passed the surveillance audit in April 2024. This demonstrates Ennoconn's active commitment to conducting information security risk assessments, identifying potential impacts and vulnerability scans, and seeking optimal improvement solutions to reduce and control these risks, thereby protecting the data security of the Company and its customers. In response to Foxconn headquarters' information security joint defense policy, we use an Information Security Scorecard to assess enterprise information exposure risks. Ennoconn Taipei scored 94 points and Ennoconn (Suzhou) scored 98 points, ranking in the top three. In the future, all group subsidiaries will adopt the information security joint defense policy for vulnerability reporting and incident response across the organization. On November 13, 2024, we reported the status of information and communication security risk management and security incidents to the Board of Directors. Through IPS and firewalls, we effectively prevent information security attacks and reduce their impact. There were no significant hazard events in 2024.

Information Security Organization



2.7.2 Information Security Management Prevention and Mitigation Measures



2.7.3 Information Security Education and Training

To strengthen Ennoconn's awareness and understanding of information security, the Education and Training Management Procedures have been established as the management basis.

Course Items	Training Content	2024 Promotion and Course Results
Internal Social Engineering Simulation and Information Security Awareness.	Conduct internal social engineering drills irregularly and enhance employees' awareness through announcement emails.	Internal information security awareness emails were sent three times to remind employees about the latest phishing techniques and precautions.
Information Security Training for New Employees.	Present common information security threats, ISO 27001 policies, information security objectives and policies, password principles and precautions, information security awareness.	A total of 35 information security training sessions were conducted for new employees, with 35 participants, totaling 17.5 hours.
Educational Training on Preventing Malicious Email Social Engineering.	Explain social engineering attack methods, share case studies, and describe protective measures.	Two information security training sessions were conducted for all employees, with 156 participants, totaling two hours.

2.7.4 Privacy Policy and Protection

Ennoconn is committed to protecting the privacy and personal data of stakeholders. To comply with the Personal Data Protection Act and related regulations regarding the collection, processing, and utilization of personal data, to prevent infringement of personality rights, and to promote the reasonable use of personal data, the [Management Measures for Personal Data Protection](#) has been formulated and approved by the Board of Directors. To safeguard the personal data of employees, customers, suppliers, or users of the Company's related websites, clear provisions have been established to ensure that the collection, processing, or utilization respect the rights and interests of the data subjects, operate with integrity and zero tolerance without exceeding the scope of collection purposes, and maintain legitimate and reasonable relevance to the collection purposes. This policy is managed through the internal audit and control system, with an annual review of personal data risks and data loss complaints. In 2024, no complaints related to risks, data loss, leakage, or similar incidents were reported.

[Management Measures for Personal Data Protection](#)

