

光紅建聖股份有限公司

EZconn Corporation


2023企業永續報告書


Corporate Sustainability Report





Content

02	Preparation Policy
04	Statement of the Operator
09	About Us
16	Stakeholder Management

	Chapter 1. Corporate Governance	25
28	1.1 Operation by Senior Management	
41	1.2 Economic Performance	
43	1.3 Supplier	

	Chapter 3. Care for Employees	58
61	3.1 Employee Structure	
63	3.2 Remuneration, Benefit, and Retirement Plans	
69	3.3 Employees' Interests and Communication	
71	3.4 Employee Training	
73	3.5 Occupational Safety and Health	

	Chapter 2. Sustainable Environmental Management	46
50	2.1 Volume and Weight of Raw Materials	
51	2.2 Reduce Energy Consumption	
52	2.3 Statistics of Water Resource Consumption	
53	2.4 Waste Management	
54	2.5 Supplier Evaluation and Audit	

	Chapter 4. Social Participation	76
80	4.1 Participation in Public Welfare Activities	
80	4.2 Industrial Academic Cooperation	
81	4.3 Supporting Art and Cultural Activities	
81	4.4 Technical Instruction	

Appendix. 2016 GRI 82

Comparison Table for the Disclosing Items

Preparation Policy

This is the 8th Corporate Sustainability Report issued by EZconn. With long-term work and communications with local communities, we regularly disclose our management methods and execution results in terms of corporate governance, integrity, green and environmental protection, care for employees, social participation, and other sustainable operation aspects through communications with different categories of stakeholders and propose targets for continual improvement in the future to implement sustainable operations through substantial actions.

Preparation Guidelines

The Report is prepared in accordance with the Global Reporting Initiative Standards (the “GRI Standards”) issued by the Global Reporting Initiative (GRI) with an adoption of “core” items; the Report also referred to the “Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” for its preparation. For material aspects concerned by stakeholders, EZconn will make disclosures and provide responses in relevant chapter/section. We identify the sustainability aspects of the year and make information disclosures and set out the comparison table for the disclosure of the GRI Standards to provide an index for the content of chapters/sections.

Method of Disclosure and External Assurance

EZconn prepared the Report through the following steps:

1. Our financial information is denominated in NTD and based on the consolidated financial report certified by Deloitte & Touche in accordance with the (International Financial Reporting Standards (IFRS). Our environmental safety management systems, including ISO 14001:2015 Environmental Management System, ISO45001:2018 Occupational Safety and Health Management System, and Taiwan Occupational Safety and Health Management System (TOSHMS), have passed the certification of the British Standards Institution (BSI). In addition, the performance data related to environmental and social aspects is compiled and provided by internal units of EZconn, and exhibited by means of index calculations that are used worldwide.
2. The content of the Report provided by responsible units and initially confirmed by supervisors for the compliance with the completeness, materiality, and responsiveness of information disclosure, and issued after the President had reviewed and finalized the version.



EZconn Has Included Corporate Social Responsibility into its Regular Communications with its Management; in the Future, It Will Continue Its Implementation and Advancement in the Corporate Social Responsibility Policies.

Boundary of the Report and Period of Disclosure

Covering Period	1 January 2023 to 31 December 2023
Previous Issuance Date	June 2023
Issuance Date	June 2024
Issue Cycle	Once a year
Coverage	Operating joints of EZconn in the Taiwan region

Contact Window

If you have any opinion or recommendation regarding the content of the Report, feel free to contact us.

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Statement of the Operator

“Every Little Good Will Multiply, and Fulfill our Duties for Sustainable Operations.”

This is the 8th Corporate Sustainability Report issued by EZconn to make disclosures related to non-financial business performances to stakeholders, including corporate governance, green manufacturing procedures, and environmental-friendly management measures, employees’ occupational safety, upgrades of software/hardware equipment, employees’ educational training, benefit policies, and execution results for social and public welfare, to show the corporate prospect and mission of sustainable operations.



E-signature of Chairman

E-signature of President



Operating Performance and Ethical Governance

The Company was formally listed on 14 July 2015 (stock code: 6442). In 2023, our consolidated net income was NT\$2,617,385 thousand, representing an decrease of 10.98% from NT\$2,940,188 thousand in 2022; in 2023, the consolidated profit margin was 35.55%, representing an increase of 3.74% as compared with 2022.

To ensure authorities and responsibilities of relevant institutions and individuals are aligned, we are deeply convinced that corporate governance and the transparency of the organizational composition are of crucial importance. Our final target for the implementation of corporate governance is to ensure the maximized shareholders' interests. Through the supervision and balancing system adopted by the operating team, we reasonably define and allocate rights and responsibilities of all shareholders and the operating team. Our business philosophy is trust, diligence, steadiness, practicality, quality without compromise, zero complaint from customers, and no environmental pollution.

The supreme governance body for corporate governance is the Board of Directors (the "Board"), which regularly convenes the shareholders' meeting and complies with requirements under the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." Furthermore, we established our ethical management policies based on the "6th Corporate Governance Evaluation Self-evaluation Index" published by the Corporate Governance Center, Taiwan Stock Exchange (TWSE) to realize ethical operations.

Business Philosophy



Trust, Diligence,
Steadiness, and
Practicality



Quality without
Compromise



Zero Complaint
from Customers



No
environmental
pollution



Green Sustainability

Facing the high procurement standards and thresholds of top-notch customers worldwide, we are committed to improve the attributes of our suppliers to align with the global environmental protection specifications and requirements, including RoHS of EU, WEE, HSF, and other environmental protection specifications. Local suppliers are required to continue improving their skills and knowledge, improve the traditional technologies acquired by laborers and facilitate the procurement department to select environmental-friendly and non-toxic raw materials. We intend to achieve an S curve regarding the sustainable industrial growth of high-frequency connectors and optical communication products in Taiwan. When the industry chain of connectors may be connected through EZconn, we will be able to improve the green manufacturing force in Taiwan.

EZconn continues striving for the improvement in various software and hardware measures and equipment and introduces the concept of energy-saving upon the acquisition of new equipment or the establishment of new offices. Meanwhile, through efforts in R&D, manufacturing procedure improvement, and appropriate processing of wastes, we hope to minimize green house gases (GHG) that may be generated and emitted during the course of product manufacturing, delivery, and scrapping. We adopt supplies control from the source and back-end waste recycling and reuse to minimize potential impacts arising from wastes. We selected two examples to describe our substantial practices to minimize our impacts on natural resources and reduce environmental pollution:

Environmentally friendly design focus

- Reduce box weight.
- Avoid shipping damage and protect the safety of movers.
- Unified packaging specifications improve commonality and avoid waste.
- Comply with the requirements of the WEEE.
- Reduce plastic packaging materials and use environmentally friendly materials.



Care for Employees and Public Welfare Participation

We spare no effort in caring for our employees. The Company provides group insurance, health inspections, on-the-job continuing education subsidies, employees' indemnities, annual company trips, emergency relief, family days, subsidies for marriage, funerals, and celebrations, scholarships, and contracted partner discounts to employees; the Company also provides travel insurance and class subsidies for business trips to employees, for the benefit and convenience of employees who are on business trips. Furthermore, to provide incentives to employees in terms of autonomous improvement activities for their operating procedures, the Company has set up the improvement proposal bonuses, QCC bonuses, and project bonuses, so as to motivate employees' enthusiasm for innovations and improvements regarding their work content and relevant operating procedures. In addition, we organize annual employees' bonus activities to allow all employees to jointly share the joy of performance growth of the Company.

Looking back, since the establishment of EZconn up to now, we started from a group of repairmen to our R&D team with high educational achievements. We spare no effort in exploring different paths and are honored to take part in being a transparent champion in Taiwan. Looking into the future, we will adhere to our perseverance and faith, continue to achieve new development on the riverbank of Tamsui River, strive to achieving the top position for our corporate operations, and stand on the international stage, creating brilliance for our brand reputation of sustainability. More importantly, we will focus on practices of corporate social responsibility and continue making contributions to the society.

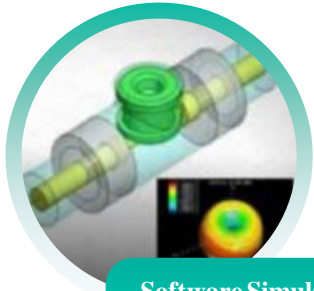
The Company provides a public welfare leave of two days each year to each employee to encourage employees in participating in community and social welfare activities with the spirit to serve, contributing to the society, and caring for local communities, in the hope of building the most beautiful cultural atmosphere in communities.



Accepted the engagement by the Skill Evaluation Center of Workforce Development Agency, MOL, and appointed professional manager of the Company to hold the position as the proctor for the “Class C Certified Technician for Mechanical Processing” exams of Taipei City University of Science and Technology, Taishan Senior High School, and Muzha Vocational High School

About Us

EZconn, established in 1996, merged with Jian-Sheng, established in 1971, in 2003, and was renamed EZconn, which became a brilliant star of the optical communication industry through the integration of experience and innovative advantages of both companies.



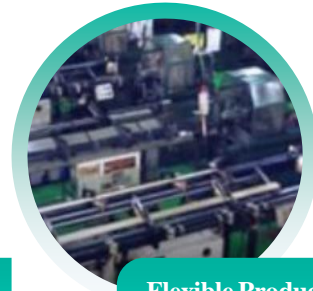
Software Simulation



Comprehensive Quality System



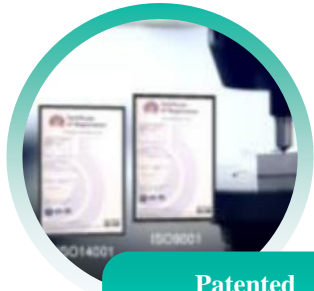
Ability of Automation



Flexible Production



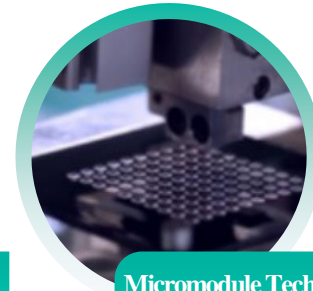
Professional Mechanical Design



Patented Technologies



Precision Packaging Process



Micromodule Technology



About Us

Our primary operating joints are located in Taiwan, Czech, and Ningbo (China). Our Taiwan Plant primarily engages in the R&D and manufacturing of radio frequency connectors and the small-amount pilot production of optical fiber component.

In December 2014, we established the Tamsui Hongshulin Plant in New Taipei City as the R&D and small-amount pilot production base for optical communication products. Our overseas joint at Czech in Europe primarily engages in the R&D of optical communication products, and the Ningbo Plant in China majorly focuses on the mass production of optical communication products.

EZconn was listed on 14 July 2015 (stock code: 6442). In June of the same year, we held a performance presentation before listing and formally disclosed out operating performances to the investors and the public. Our major products are divided into two categories: 1. radio frequency connectors, primarily used in consumer telecommunications, computer and peripheral equipment, and automotives. 2. Optical fiber component, primarily used in optical fiber Internet equipment, telecommunication optical transmission equipment, and cable TV optical transmission equipment.

In 2023, income arising from optical communication products and radio frequency connectors accounted for 77% and 23% of our revenue, respectively. End customers of radio frequency connectors are primarily cable TV system providers, and the major shipping targets are large-scale cable TV system providers in Europe and America. Leveraging on our outstanding production abilities for molds and jigs, the Company secure long-term, stable cooperation with customers with its brilliant delivery terms and quality to mitigate the risk of losing orders. Optical communication products are primarily sold to large-scale world-renowned equipment companies. Through years of consolidation within the optical communication industry, downstream equipment providers in the optical communication industry all maintain stable partnerships with system providers. EZconn continues to reinforce the vertical integration of suppliers to provide comprehensive production line services; it actively explores customer sources in the European, American, and Asian markets to increase the number of core customers, and continues focusing on developing new products and technologies, satisfying the demands of customers for quality, costs, and delivery terms.

Company Name	Ezconn Inc.
Location of Headquarters	13F, No. 28-8. Sec. 2, Zhongzheng E. Rd., Tamsui Dist., New Taipei City
Capital	NT\$663,000 thousand
Revenue of the Year	NT\$2,617,385 thousand
Major Products	Radio frequency connector elements, optical fiber communication elements
Number of Employees	427 employees in Taiwan, 555 employees in Ningbo (China), 24 employees in Czech
Total Number of Operating Joints	<ul style="list-style-type: none"> ♦ Taiwan (Taipei Headquarters Tamsui Hongshulin Plant 、 Shangda Plant and Li De Plant) ♦ China Ningbo ♦ Czech



Worldwide Presence

24

employees

Czech

R&D/Product Engineering
High-end Production

555

employees

China Ningbo

Professional Production Line

427

employees

Taiwan

R&D/Professional Production Line
High-end Production/Product Engineering

A Transparent Champion Started Out from Tamsui Riverbank
With Connector Products of Global Presence!



About Us

In recent years, we continued introducing certifications by domestic and foreign certifying institutions. Through external audits, we continued improving product quality and implementing green manufacturing procedures. Certifications issued by certifying institutions that we obtained are set out below. Except for the ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO45001:2018 Occupational Safety and Health Management System, and Taiwan Occupational Safety and Health Management System (TOSHMS) that we maintained initially, we make executions according to the requirements for five major aspects, including labor, health and safety, environment, ethical specification, and management, to ensure the safety of the working environment and that employees are respected, and be responsible for environmental protection during the manufacturing and production flows.



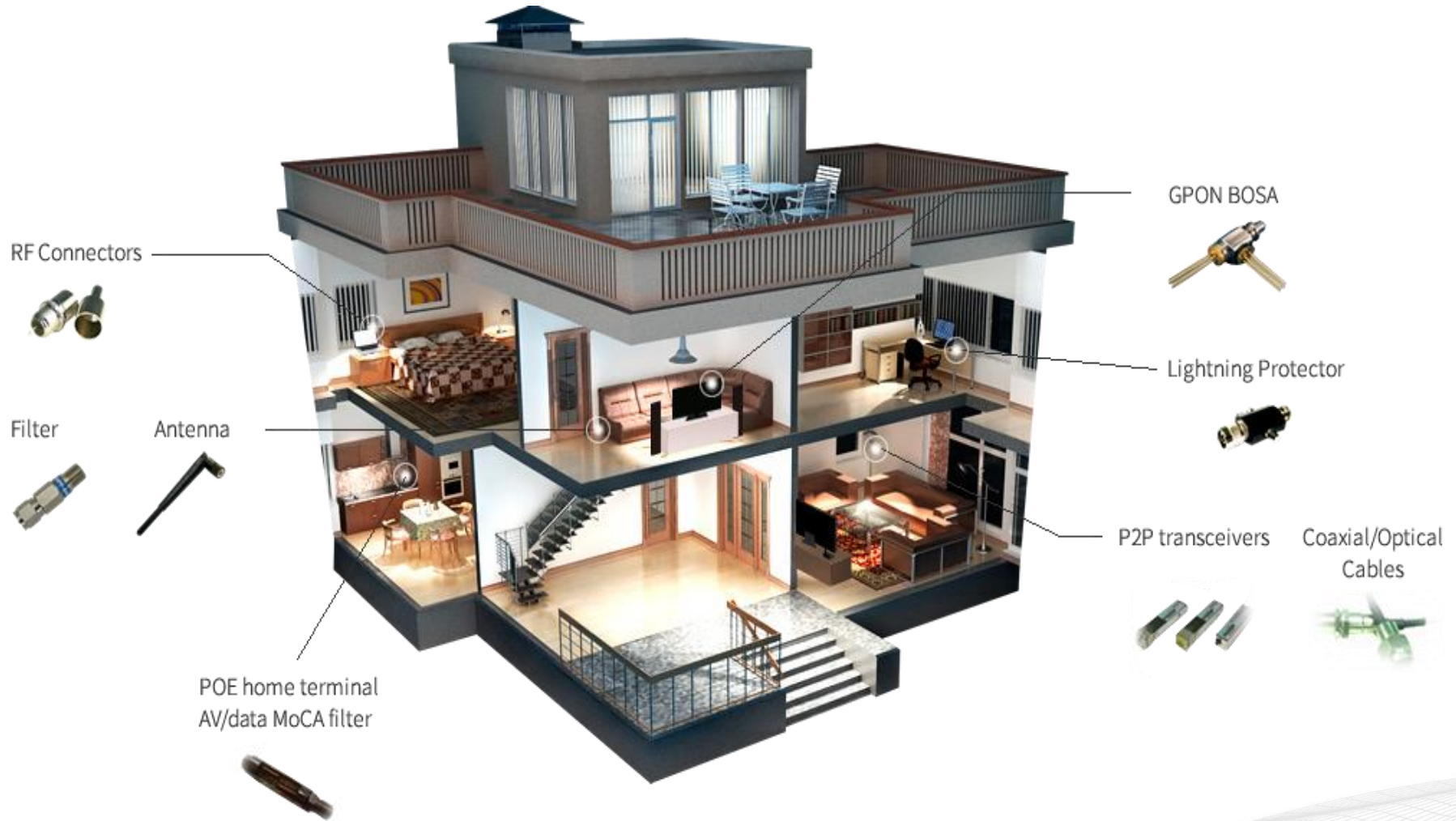
▲ Recognized by VIGORMAN Co., Ltd., ISO system consultant, and received the "30th Anniversary Commemorative Medal of Gratitude."



◀ Certifications issued by certifying institutions: ISO9001 (left) ISO14001 (middle)/ISO 45001 (right)



Products and Services



Connectivity to the Entire Network



Radio Frequency Co-axial Connector

At the initial period of Ezconn's establishment, we encountered the prosperous development period of domestic and overseas cable TV industries. Leveraging on our outstanding metal stamping, lathe cutting, processing, and solid technologies, we produce radio frequency co-axial connector (RF connector) series products with excellent quality, matching the market demand for cable TV transmission tools. At that time, in the mold design workshop, there were only a group of technicians graduated from vocational high schools. Without computer graphics, they produced mold development design graphs one after another within a short period of time leveraging on their extensive experience, by using rulers, compasses, and stationaries, proving their talented skills with profound foundation. With efforts spent in continual improvement of manufacturing procedures over years, the processing error value of metal parts completed through the lathe cutting and processing process has decreased from $\pm 0.05\text{mm}$ to within 0.02mm ; the precision increased by 1.5 times, and the error value is thinner than a piece of paper, showing the significant improvement achieved for the RF connector precision manufacturing procedures. At present, the application field of RF connectors has expanded to consumer electronics, 5G communication, satellite communication, computer, peripheral equipment, as well as audiovisual and safety control elements of automotives.



Vertical Technology Integration Platform



Combining Optical, Mechanical and Electronics Expertise

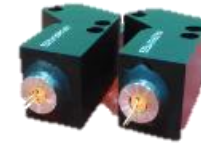


Optical Communication Product

After RF connector products helped us stabilizing our operating foundation, we dare to blaze new trails in the market and make innovations. In August 2005, we merged the optical fiber communication department of Infineon, a German company, and successfully obtained 10 optical communication patents, for which Infineon has been developing for over 15 years, and continued to provide services for its major customers, including Siemens, Alcatel, and other large-scale European companies. By doing so, we built our market competitiveness in terms of optical communication products. Subsequently, we adhere to the philosophy of excelsior and continued improving our development capacity for products related to optical fiber communication; in particular, cultivating the ability to develop molds and equipment independently. As the thickness of an optical fiber merely accounts for one-third of a hair, it is generally required that the level of precision for element assembly shall achieve the nano grade; the difficulty is unimaginable. The process ability of EZconn allows it to drill an inner hole of 3μm on optical fibers that are thinner than hair; the inner hole can only be seen by naked eyes after being magnified for dozen times by the microscope. Such delicate process ability is the key to producing premium optical fiber communication elements. Products and services we provide primarily include optical passive components, optical active components (optical transceiver module and optical sub-assembly), and we provide professional photoelectric assembly integration services for various photoelectric applications.



TO-8 MEMS package



Laser Scanning Module



- ▶ **Passive Components:** The elements are unable to generate photoelectric conversion, and the major functions are to connect, divert, filter, attenuate, or isolate optical signals; the products include:
 - Various connectors, adaptors, and jumper wires
 - Wavelength division multiplexing (WDM):
CWDM MUX/DeMUX and LAN-WDM MUX/DeMUX may be used in wavelength division multiplexer for CATV systems and access points to reduce the volume of optical fibers required by the system.
- ▶ **Optical active component:** Conversion elements for electro-optic or photoelectric signal that transmit signals to optical fibers or access signals from optical fibers.
 - Optical transceiver

The major application market includes FTTH, RAN, and data communication. Main products used by FTTH are various optical transceiver modules for the local side and user side of the GPON, and the transceiver module for 10G PON of the next generation.

 - GPON SFP ONU Transceiver (FTTH, user side)
 - GPON SFP OLT transceiver (FTTH, user side, local side)
 - GPON ONU Mini stick (FTTX, including MAC control)
 - XGS-PON ONU transceiver (FTTH, user side)
 - XGS-PON OLT transceiver (FTTH, user side)
 - 100G QSFP AOC/transceiver (data communication, data center)
 - SFP28 SR/LR (data communication, RAN)



▶ Optical Sub- Assembly (OSA): Provide elements to system providers that can directly be integrated with their modules, systems, or user-side equipment:

- Transmitter optical sub-assembly (TOSA)
- Receiver optical sub-assembly (ROSA)
- Bi-directional OSA (BOSA)
 - 1.25G EPON BOSA
 - 2.5G GPON BOSA
 - 10G EPON BOSA



▶ Customized photoelectric part assembly

- PIN-TIA TO-CAN (Transistor-outline), a metal can packaging with transistor outline
- FP/DFB TO-CAN
- TO-BiDi (TO-CAN Bi-Directional): TO-BiDi is a technology that makes use of micro module to integrate TX and RX in the same TO-can. The micro size is the greatest competitive strength of the product; the technology is EZconn's exclusive patented technology, which can be used in optical communication or industrial control that requires micro-sized module machines.
- 10G cooled TOSA(EML/DML): Integrate the laser TO-CAN packaging for TEC; the wavelength is stabilized via the TEC, allowing the laser to be operated at a high speed (above 10G/S) with the DWDM specification, or reduce the dispersion to transmit for a longer distance.

▶ Others: Design and manufacturing of optical testing and measurement equipment – Tunable laser DWDM; EZconn is one of the few Asian companies being capable of producing DWDM (C+L).

EZconn extend its core competitive strength built by optical communication products and RF products to products and applications beyond the two industries. In 2016, we completed our team formation and the layout for its supply chain. Focusing on features of MEMS laser scanning module, we completed the vertical development and application of products from elements, modules, to systems; the product application includes light detection and ranging (LiDAR), head up display (HUD), 3D depth measuring, and medical imaging system. In recent years, the extensive application of advanced driver assistance systems (ADAS) gave rise to the opportunities of LiDAR for commercial use. The demand of the Indian market for high-speed Internet access brought about business opportunities for optical products using different technologies. With such demands in the market receiving increasing attention, EZconn is able to accelerate the planning for its other optical products for the entrance into the mass production stage.

Stakeholder Management



To communicate with stakeholders in due course and understand issues concerned by stakeholders, we have established an unblocked communication and response system that forms an integral part of our sustainable corporate development strategy.

To implement corporate social responsibility and comply with relevant regulations and requirements promulgated by the government, EZconn’s President declared our corporate social responsibility policy and commitments. When designing, manufacturing, and selling relevant products, and in the course of providing after-sales services to customers, EZconn shall comply with the following practices and be willing to accept the supervision by corporate employees and relevant departments. Meanwhile, to improve the corporate social responsibility awareness of suppliers, we require suppliers to perform self-inspections based on such principles and requirements in the hope of jointly establishing a healthy and positive supply chain of sustainability.



Identification of Stakeholders

Stakeholders are internal and external groups or individuals that affect the organization’s decision-making, operating activities, production, services, or being affected by the organization due to the abovementioned conditions. To realize our commitments to stakeholders and respect their proper interests, EZconn identify relevant stakeholders based on operating and business natures and identify 14 categories of stakeholders related to EZconn based on the guidelines in AA1000 SES : 2015 of the Stakeholder Engagement Standard (SES). Then, we invited 21 of our executives to complete the “stakeholder identification questionnaire” to identify major stakeholders of EZconn based on five major principles of stakeholders’ responsibility, influence, dependency, strain, and diverse viewpoint, comprising five major groups of “customers,” “employees,” “suppliers/contractors/subcontractors,” “shareholders/investors,” and “government agencies.”

Meaning of Major Stakeholders to EZconn

Customers

Product innovation and quality stability are EZconn’s obligations to its customers, and are also the main source of revenue of EZconn.

Employee

Employees are one of the most significant assets of the Company. Favorable labor-management relationship is the driving force to EZconn’s production.

Suppliers/Contractors/Subcontractors

The upstream, midstream, and downstream supply chain of EZconn are production partners that we work closely together in terms of raw material supply and outsourcing cooperation.

Shareholders/Investors

Based on the benefit-sharing principles, stable revenue and sustainable development are crucial to shareholders’ and investors’ decisions regarding investments in EZconn and their trust.

Government Agencies

Compliance with regulations is the minimum standard for corporate operation; governmental agencies supervise our legal compliance.



Communication with and Issues Concerned by Stakeholders

- ◆ Communication channels and issues

Maintaining favorable communication and interaction with stakeholders is a significant task for sustainable corporate operations. EZconn has built favorable communication platforms with relevant stakeholders in the hope of effectively understand precious opinions of stakeholders to serve as the basis of our response through diverse communication channels. Communication methods vary based on stakeholders; there are regular response methods and non-regular communication channels; issues concerned are also different category from category. Communication channels for and issues concerned by major stakeholders are set out as follows, and we make appropriate response in the Report for issues and matters concerned by stakeholders to maintain favorable relationships with the Company.

- ◆ Communication and response

Perform internal and external stakeholder engagement regularly and from time to time. EZconn actively respond to issues and matters concerned by stakeholders. In terms of external stakeholders, we convene the annual shareholders' meeting once a year for shareholders. For information disclosure required by competent authorities, we also regularly publish information on MOPS of the TWSE; meanwhile, we fully cooperate with the corporate governance evaluation system promoted by the government and proactively submit the "corporate governance evaluation report" once a year. With regard to customer engagement, employees from the sales and QC departments make responses related to the product quotation and submit cargo quality inspection reports requested by customers in due course. Regarding operating performances concerned by financial press, our spokesperson is responsible for officially respond to the inquiries from the press after we received the formal interview notice, and we publish the press release on MOPS of TWSE or our corporate website. At the same time, we actively communicate closely with our internal stakeholders, including holding a Board of Directors meeting, labor-management conference, Labor Retirement Pension Supervisory Committee meeting, Occupational Safety and Health Committee meeting at least once a quarter, and communicating with the Company's intranet. Please see the following descriptions for the communication form and frequency with major shareholders during the reporting period.



Communication with and Issues Concerned by Stakeholders

- ◆ Investor Conference

On 11 April and 27 September 2023, EZconn was invited to participate in the investor conferences held by CTBC Securities and President Securities; sending messages through the investor conference, the operating team of the Company illustrated the operating performances, business development summary, and market trends and accurately disclosed EZconn's operating performances and future prospects to investors and the public.

- ◆ Financial Report

The Company announces and declares its financial reports certified by CPAs according to Article 36 of the "Securities and Exchange Act," with materials published on its corporate website and MOPS of the TWSE; shareholders and stakeholders may access the transparent financial information with ease.

Annual financial report: Within three months from the end of each fiscal year.

Quarterly financial report: Within 45 days after the end of Q1, Q2, and Q3 of each fiscal year.

Monthly income report: Publish each month, and the consolidated income financial report shall be published before 10th of each month.



Main Methods for Stakeholder Engagement, Frequency, and Particular Procedures

Major Shareholder	Major Shareholder Group	Matters Concerned	Communication/Engagement Channel	Communication Frequency	Communication/Engagement Window
Employees	Operating headquarters – Hongshulin Plant	Employees' remuneration Employees' benefits Functional management Educational training Labor-management relations Employment environment	Labor-management conference	Once a quarter	HR Department
			Occupational Benefit Committee meeting	Once a quarter	Occupational Benefit Committee members
			Employees' evaluation interview	Once a year	Supervisors of all departments
	Shangda Plant/Li De Plant		Occupational Safety and Health Committee meeting	Once a quarter	Occupational Safety and Health Committee members
			Labor Retirement Pension Supervisory Committee meeting	Once a quarter	Labor Retirement Pension Supervisory Committee
			Quality and Environment Committee meeting	Once a quarter	Quality and Environment Committee members
			Foreign employee meeting	Once a month	HR Department
			Internal communication: e-mails, posters, elevator billboards	From time to time	HR Department
Shareholders/Investors	Individual investors	Ethical management Organizational strategy Risk management Shareholders' interests Information transparency Internal control Anti-corruption	Annual shareholders' meeting (including annual report)	Once a year	Financial and Accounting Division
	Corporate investors		Annual investor conference	Twice a month	Participation of supervisors of responsible departments
			Monthly income announcement	Once a month	Financial and Accounting Division
Customers	Cable TV service and equipment providers	Produce and service responsibility Customer data confidentiality Consumer rights protection Customer relation maintenance Green design Green product	Product specification consultation	Based on the project	Business departments
	Telecommunication Service and equipment providers				
	Electrical and electronic equipment providers				
Suppliers/Contractors/Subcontractors	Mold-breaking/production for parts	Green procurement Supplier management	Supplier audit: Targeting new suppliers who about to join the supply chain of EZconn	When new suppliers join the supply chain of EZconn	Procurement and QC departments
	Processing and assembly of jigs and parts		Supplier evaluation: Environmental evaluation of current suppliers	Once a year	Procurement and QC departments
Governmental Agencies	FSC	Legal compliance Public welfare activity	Official document/phone call, MOPS	From time to time	Financial and Accounting Division
	National Taxation Bureau	Ethical management Internal control Anti-corruption	Official document/phone call, corporate taxation filing system	From time to time	Financial and Accounting Division
	TWSE				
	Department of Labor	Sustainable environment management	Official document/phone call, MOPS	From time to time	Financial and Accounting Division
	Environmental Protection Bureau	Corporate carbon dioxide reduction management Sustainable environment communication	Online monthly occupational disaster declaration system	Each month	Occupational Safety and Health Management Office
			Business waste declaration and management information system	Each month	Plant Affairs Department
Neighboring Communities (non-major stakeholders)	Village Office	Care for society	Phone call, visit in person, e-mail	From time to time	HR Department

Non-financial Performance Report

Since 2016, we have been publishing the “Corporate Social Responsibility Report” each year, and we published the 8th “EZconn Corporate Sustainability Report” during the year to disclose non-financial operating performances, including corporate governance, green manufacturing procedures, and environmental-friendly management measures, employees’ occupational safety, software/hardware equipment upgrades, employees’ educational training, benefit policies, and execution results of social welfare, exerting our corporate prospects and missions of sustainable operations. The media for the release is our corporate website and MOPS of the TWSE; shareholders and stakeholders may access the transparent financial information with ease.

Customer Satisfaction Survey

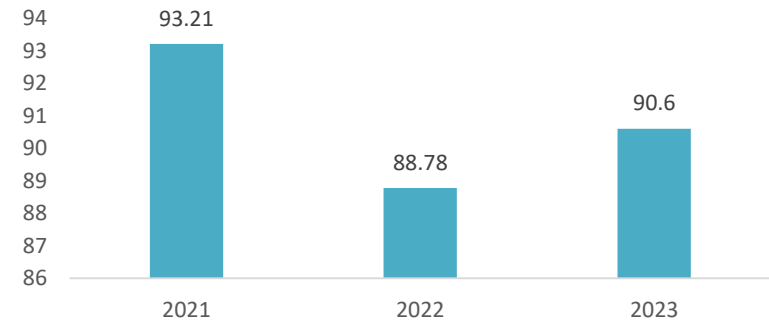
EZconn understands that the trust and procurement of customers to our products is the crucial key to the stable growth of our revenue; therefore, we continue to provide premium products to satisfy customers’ specification requirements. Meanwhile, we regularly carries out customer satisfaction surveys to understand our deficiencies and seek advances and improvements in the future, and in turn, establish long-term cooperating relationships with mutual trusts with customers.

Customer satisfaction is one of the indicator of Ezconn’s annual quality objectives. The target value we set is 90 or above, and the rating method for the customer satisfaction questionnaire is to give scores to the questions from 10 (most satisfied) to 0 (most unsatisfied). After sales personnel recover the questionnaires, the scores therein are entered into the summary table of customer satisfaction survey for calculation. If the results of the customer satisfaction rating calculated is less than 90, the target value, the sales department will perform project improvements, contact responsible departments based on the motion content of the project to jointly carry out improvement activities, and report at the “Quality and Environmental Committee meeting” in the end. This year, EZconn achieved the target value with a score of 90.6, but its satisfactory performance in HSF control did not meet customer expectations. EZconn will accelerate the investigation of products in accordance with the EU SVHC list, and looks forward to improving customer satisfaction and becoming a customer in the coming year. A trusted provider of technology and manufacturing services.



Customer Satisfaction for the Past Three Years

Starting from 2023, as the EU officially announced that the SVHC list has increased to 233 items, customers also require this new policy to investigate whether the delivered products meet the Reach requirements. Because the survey is time-consuming, it will affect the satisfactory performance of HSF control in the 2023 customer satisfaction survey.



年度	產品品質滿意	出貨安排滿意	HSF控管滿意	交期滿意	服務品質滿意	抱怨處理滿意	平均
2021	9.29	9.38	9.37	8.89	9.48	9.26	93.21
2022	8.91	8.89	9.07	8.39	9.07	8.82	88.78
2023	9.32	9.16	8.46	8.76	9.39	8.92	90.6

Note: The rating method for the customer satisfaction questionnaire is to give scores to the questions from 0 (most unsatisfied) to 10 (most satisfied) to.



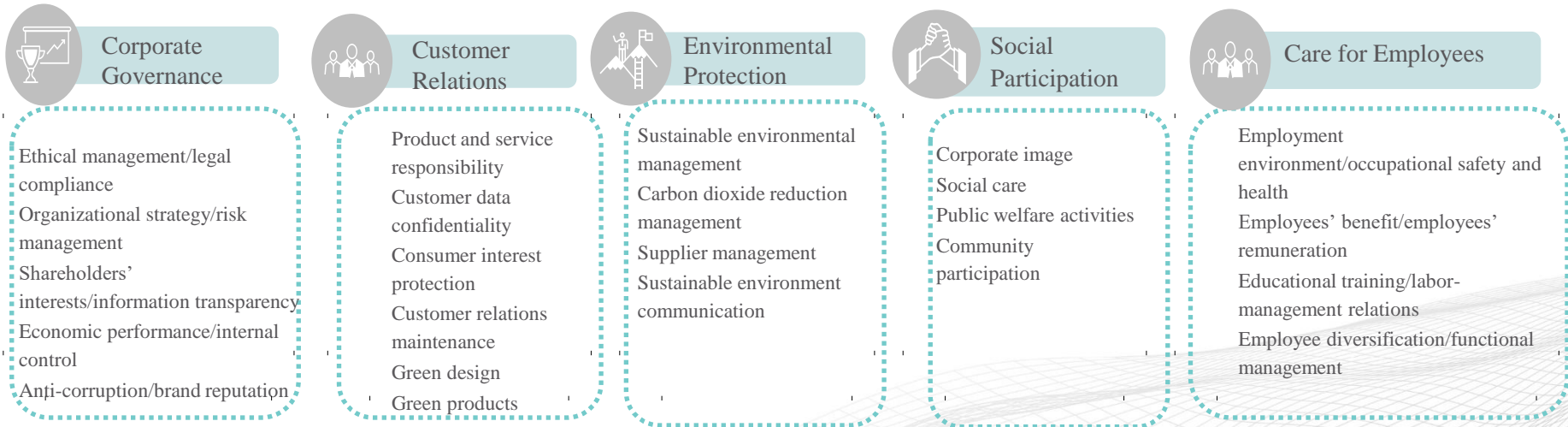
Significant Issue Analysis



First, in the identification process of step 1, the ESG unit convenes the internal meeting to select relevant issues in accordance with topics and standard disclosures under the GRI Standards:2016 and compiles a list of issues that is worthy of being included in the Report (the “Relevant Issue”).

Subsequently, for step 2, as the identification operation for significant topics of EZconn is conducted once every five years, we continued to use the results of the “sustainable development significant topic impact evaluation questionnaire” we invited stakeholders to complete in 2019 and required the senior management of EZconn to hold meetings for evaluating the level of impacts of such issues on the economy, environment, and society. From 33 issues, we identified three significant issues based on the level of effects on the evaluation and decision-making by stakeholders as well as the level of impact on the economy, environment, and society, including “ethical management” under the corporate governance aspect, “employment environment” under the employee care aspect, and “product and service responsibility” under the customer relation aspect. Meanwhile, to balance the information disclosure in terms of five major aspects, including corporate governance, customer relations, environmental protection, social participation, and care for employee, we added four additional issues, namely, “legal compliance” under the corporate governance aspect, “sustainable environment management” under the environmental protection aspect, “corporate image” under the social participation aspect, and “occupational safety and health” under the employee care aspect; we used the abovementioned seven significant issues as our basis of preparation for the Report.

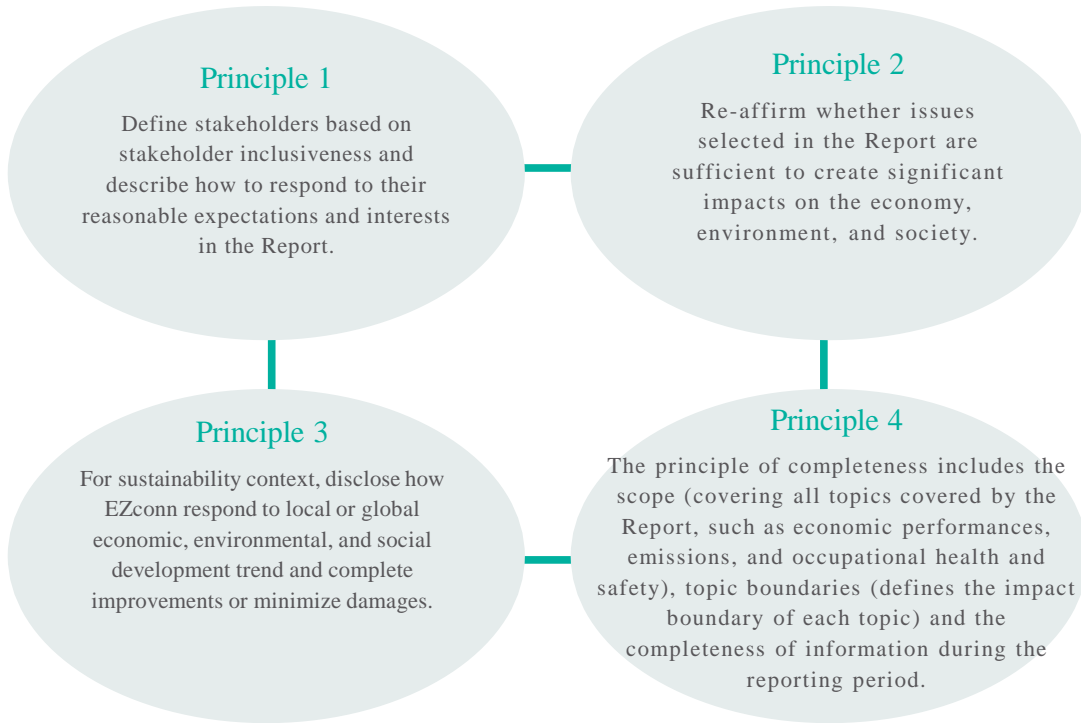
List of Relevant Issues





Significant Issues and Boundary of Topics Disclosed

In the course of assurance in step 3, we defined four major principles of the reporting content based on the GRI Standards, including stakeholder inclusiveness, materiality, sustainability context, and completeness, to evaluate identified significant issues and topics.



High	Carbon dioxide emission reduction	※ Employment environment ※ Product and service responsibility Employee benefit Labor-management relations Educational training Shareholders' interests Functional management Employee diversification	※ Ethical management ※ Occupational safety and health
	Internal control	Supplier management Employees' remuneration Consumer right protection Organizational strategy Customer relations maintenance	※ Legal compliance Economic performance Customer data confidentiality Information transparency
Moderate	Social care	※ Corporate image	
	Public welfare activities	※ Sustainable environment management	
Low	Social participation	Green products Anti-corruption Green procurement	Brand reputation
	Low	Moderate	High

Level of effects of issues on decision-making

Level of concern of stakeholders on the issues



Stakeholder Management

Lastly, based on the significant issues of the Report after prioritization and the list of significant issues approved by the senior decision-makers in accordance with the six major principles (including accuracy, balance, clarity, comparability, reliability, and timeliness) of report quality defined under GRI Standards, we performed our information compilation and disclosure related to our management policy and achievement performance.

For the final stage of identifying significant issues and topics as well as the boundaries, namely, the examination in step 4, we will commence the feedback information collection from stakeholders after the publication of the Report to make preparations for the following reporting cycles, as results of opinion survey on stakeholders represent valuable meanings and values, which will be beneficial for the identification step in the following reporting cycle.

Internal and external boundaries of significant topics and impacts related to significant issues that may occurred to EZconn:

Significant Issue	Corresponding GRI Topic		Disclosure/Description		Internal Boundary of EZconn	External Boundary of EZconn				
					All Employees	Shareholders/Investors	Customers	Suppliers/Contractors/Subcontractors	Governmental Agencies	Neighboring Communities
Ethical Management	102	General disclosure – Ethics and integrity	102-16	Value, principle, standard, and behavioral specifications	●	●	●	●	●	
Occupational Safety and Health	403	Occupational safety and health	403-1	Labor representatives in the formal Labor Health and Safety Management Committee	●	●	●	●	●	●
			403-2	Work injury category, work injury frequency, occupational disease, day of labor loss ratio, absent ratio, and total number of casualty accident due to official business	●	●	●	●	●	●
			403-3	Labor with high occurrence rate due to its occupation or those with high risks	●	●	●	●	●	●
Legal Compliance	307	Compliance with environmental regulations	307-1	Violation of environmental laws and regulations	●	●	●	●	●	●
	419	Compliance with social and economic regulations	419-1	Violation of social and economic laws and requirements	●	●	●	●	●	●
Product and Service Responsibility	102 416	General disclosure – Ethics and integrity Customer health and safety	102-2	Activities, brands, products, and services	●	●	●			
			102-44 416-1	Key topics and matters of concern Evaluation of the effects of products and service categories on health and safety	●	●	●			
Sustainable Environment Management	306	Wastewater and waste	302-2	Waste by category and disposing method	●	●			●	
Corporate Image	202	Market status	202-1	Ratio of standard salaries of grassroots employees of different gender to the local minimum salaries at significant operating joints	●	●				●
			202-2	Ratio of employing local residents as the senior management salaries at significant operating joints						
Employment Environment	405	Employee diversification and equal opportunities Non-discrimination	405-1	Members of the corporate governance organization and the composition of different types of employees by gender, age, minority ethnic groups, and other diverse indexes	●	●	●	●		
	406		406-1	Discrimination and improvement actions adopted						



Chapter 1

Corporate Governances



Significant Issues

Meaning to EZconn

Management System

Major Achievements

Future Plan

- Ethical management
- Legal compliance
- Economic performance

-
- Integrity is the foundation of corporate operation and the core value of EZconn; we adhere to interacting with business partners with ethical spirits to maintain favorable supply and demand relationship.
 - Legal compliance also bring together the consensus of all our employees; we require a higher standard than regulations in terms of corporate governance, green environment, and care for employees.
 - EZconn continues recording stable profits, responding to shareholders, and creating favorable and safe working environment for employees, and it thrives to achieve beneficial situations for the Company, shareholders, and employees.

-
- We engage in business activities by adopting spirits of integrity and transparency; the senior management actively promotes transparent governance and require all employees to implement legal compliance and duly execute risk controls. We are committed to stable revenue and growth in profits and seeking maximized business profits to create benefits for all shareholders and relevant stakeholders.
 - Reduce production costs and improve product yield through resource integration, as well as establish and solidify our competitive status through technology R&D.
 - Establish comprehensive internal reporting and consultation channels and duly implement the internal audit system to generate double assurance for legal compliance.
 - The public financial statements are certified by CPAs to ensure the accuracy.

-
- Commence the annual business plan and establish KPIs, which are connected with the Company' s operating targets and personal performances for all departments.
 - Regularly convene cross-department meetings to examine the achieving status of targets and propose countermeasures for improvements.
 - Establish the improvement proposal incentive system and commit to the study of manufacturing procedures and improvement of product quality.
 - Each department shall identify risk factors that it may face to discuss and arrive at appropriate and feasible management and control measures.
 - Minimize the risk related to the violation of legal compliance through the control systems of legal affairs personnel and the Audit Office.

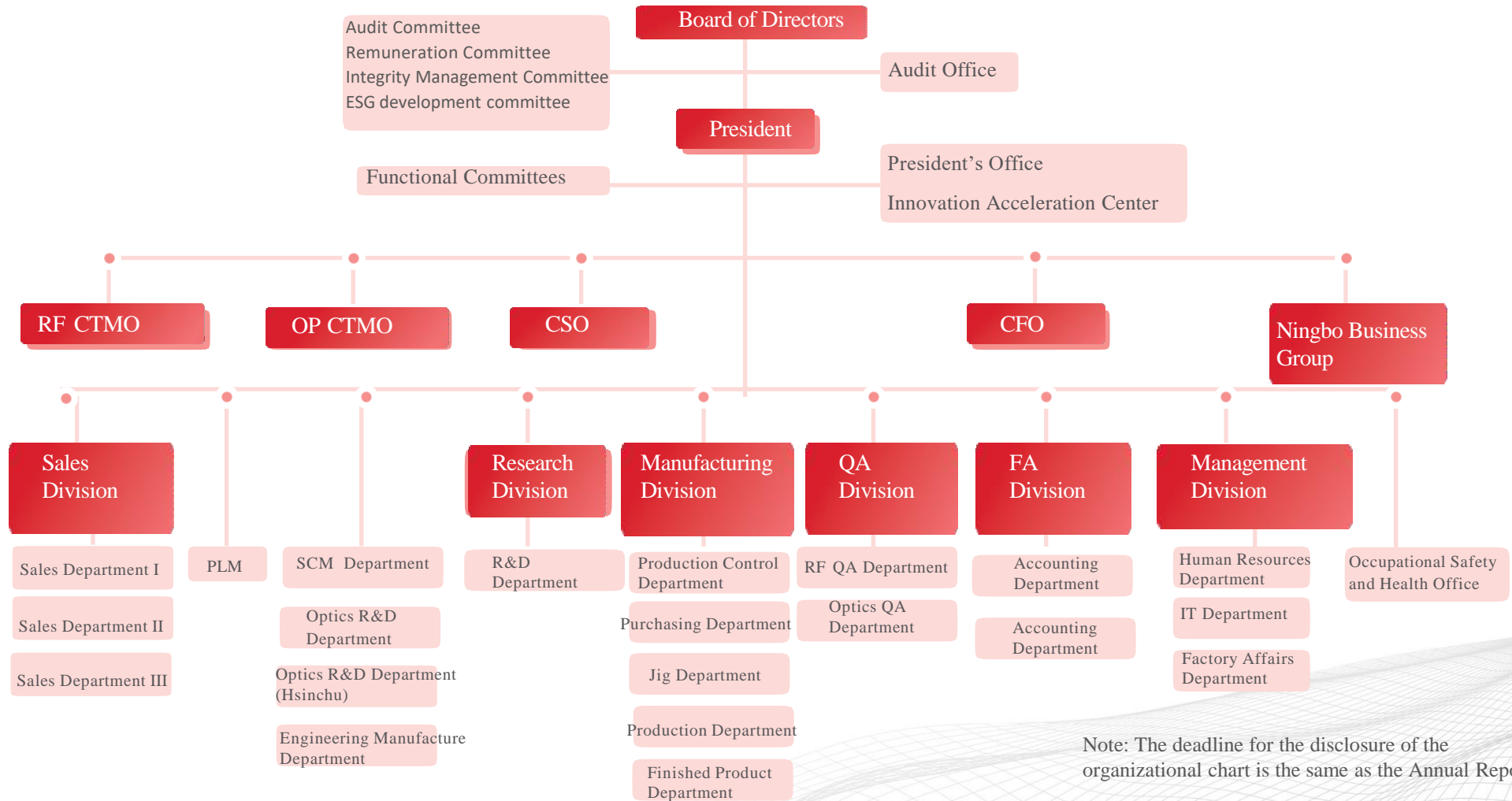
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- Short-term target: Continue to focus on the development of innovative technologies and the improvement of product quality, spare no effort in satisfying customers' requirements, and provide comprehensive services; maintain stable growth in profitability and share operating achievements with shareholders, customers, and employees.
 - Mid-to-long-term target: (1) Actively seek cooperating opportunities with upstream and downstream suppliers and optimize the business model to expand the operating scale. (2) Build global strategical layout to ensure the operating profits and stable growth of the Company. In addition, apart from profiting, the Company will also strive for striking a balance between the green sustainable environment and care for employees. (3) Allow employees to incorporate the corporate culture of ethical management with the execution process of employees; also, set up a comprehensive corporate governance system to achieve the target of sustainable operating growth.



Corporate Governance

EZconn understands the importance of the information transparency related to corporate governance and organizational decision-making; meanwhile, as a profit-making corporation, our business target is to seek the maximization of shareholders' benefits. Through decision-making and planning by the senior management team, we reasonably define and allocate the responsibility and power of shareholders and the operating team.

■ Organizational Structure of EZconn



Note: The deadline for the disclosure of the organizational chart is the same as the Annual Report.

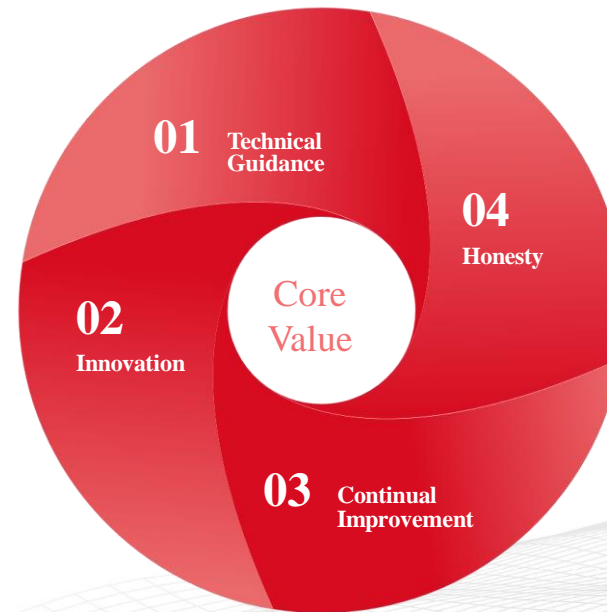
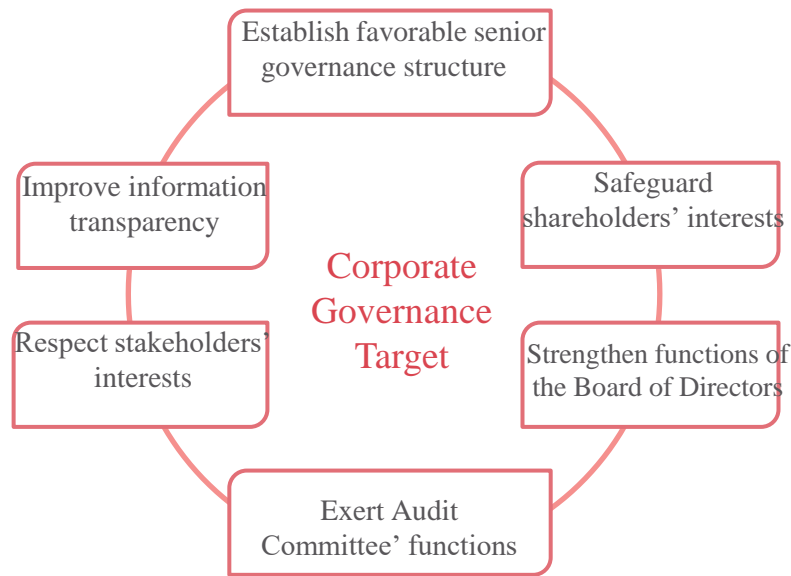


1.1 Senior Management

The business philosophy of EZconn is trust, diligence, steadiness, practicality, quality without compromise, zero complaint from customers, and no environmental pollution. Its supreme governance body is the Board of Directors, and it complies with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.” The Board of Directors appoints and authorize the Chairman and the President to execute the daily operations of the Company. The Remuneration Committee formulates and supervises the remuneration system of Directors, audit committee, and managers. In addition, audit committee are in place to exercise their power of supervision and facilitate the smooth operations of the internal supervisory and internal audit system based on the philosophy of fairness, transparency, and well-defined accountability. Furthermore, the Company establish its internal CSR organization, for which the President is the convenor, and the President report to the senior management and the Chairman regarding the recommendations related to environmental and social impacts from time to time.

Our sales department regularly report to the senior management and the Chairman of economic issues. In addition, we engage professional CPAs to execute audit works based on the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and audit standards generally recognized and provide assurance to the content of the consolidated financial statements.

An Occupational Safety and Health Office is established under the President; the Office is responsible for handling issues related to employees’ occupational health. Meanwhile, we established the FP connector business group and the optics communication business group to jointly accept, handle, and report economic and environmental issues.





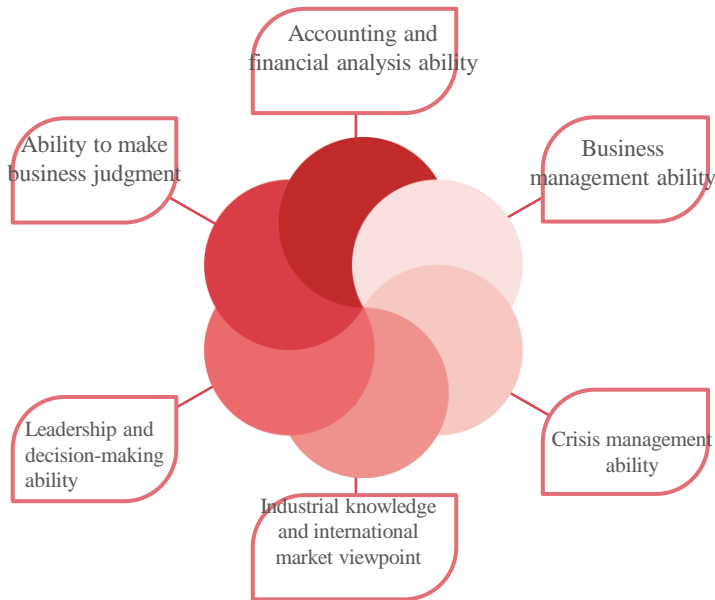
1.1.1 Operations of the Board of Directors

Adheres to the principle of integrity, focus on shareholders’ interests, and believes that an efficient Board of Directors is the foundation of favorable sustainable corporate governance. The shareholders’ meeting shall elect persons of integrity and professional capacity to form the supreme governance institution. Apart from considering the diversity of composition, the election of Board of Directors shall be based on its own operations, operating model, and development requirements, Directors shall also possess basic qualifications, ethical philosophy in compliance with EZconn, and professional knowledge and skills, such as extensive business, legal, financial, accounting, or practical experiences required by the Company’s operations, so as to include legal risks, green environment, labor and social aspects into the general considerations when the Board is facing material decisions to be made, benefitting Ezconn’ operations and achieve sustainable operations.

In recent years, we also established a comprehensive corporate governance structure step by step. Considering Independent Directors have no particular interest in our corporate operations, they may provide objective and unbiased opinions upon the decision-making process of the Board of Directors based on its professionalism and independence to achieve diverse considerations, avoiding corrupted practices related to decisions made in the Ivory Tower; also, the establishment of Independent Directors is beneficial for supervising corporate operations and governance and the protection of shareholders’ interests. The Board of Director comprises seven Directors, including three Independent Directors. The Board authorizes the establishment of the Remuneration Committee to assist the performance of duties and regularly report to the Board of its meeting resolutions.

■ In 2023, the Board of Directors held a total of 10 meetings (A); the attendance (presence) rate of Directors and audit committee is as follows:

Term	Title	Name	Actual attendance (presence)(B)	Attendance by proxy	Actual attendance (presence) rate(%)【B / A】	Remark
The ninth Term	Chairman	eGtran Corporation Representative : Chen, Steve	3	0	100%	
	Director	SHC Consolidated Investors LLC Representative : Ko, Yuan-Yu	3	0	100%	
	Director	Jia Jiu Investment Co., Lt Representative : Chang, Ying-Hua	3	0	100%	
	Director	Transnational Investment Limited Representative : Lan, Chin-Yin	3	0	100%	
	Independent Director	Peng, Xie-Ru	3	0	100%	
	Independent Director	Ciou, Er-De	3	0	100%	
	Independent Director	Huang, Kui-Wen	3	0	100%	
The tenth term	Chairman	SHC Consolidated Investors LLC Representative : Chen, Steve	7	0	100%	
	Director	eGtran Corporation Representative : Chang, Ying-Hua	7	0	100%	
	Director	Jia Jiu Investment Co., Lt Representative : Pan, Bo-Cang	7	0	100%	
	Director	Transnational Investment Limited Representative. : Lan, Chin-Yin	7	0	100%	
	Independent Director	Peng, Xie-Ru	7	0	100%	
	Independent Director	Ciou, Er-De	7	0	100%	
	Independent Director	Huang, Kui-Wen	7	0	100%	





Title	Name	Gender	Major experience (educational background)	Concurrent position in the Company and other companies
Chairman	eGtran Corporation	-	-	
	Representative: Chen, Steve	Male	Doctor of Law, Law School, Harvard University	Chairman of the Company; chairman of eGtran Corp., chairman of Gtran Inc., director of FlipChip International Inc., director of Spatial Digital Systems Inc., director of SHC Consolidated Investors LLC , chairman of TriMax & Companies, LLC, chairman of DNA Asset Management LLC , director of StemBios Tech , independent director of SERCOMM Corporation
Director	SHC CONSOLIDATED INVESTORS LLC	-	-	-
	Representative: Ko, Yuan-Yu	Male	Accounting Department, National Cheng Kung University	Vice Chairman of the Company
			Founder of Ernst & Young	Director of eGtran Corp.
				Supervisor of Formosan United Corporation
			Supervisor of Knowledge Sharing Technology Inc.	
Director	Jia Jiu Investments Co., Ltd.	-	-	-
	Representative: Chang, Ying-Hua	Female	Department of Accounting and Statistics, Hsing Wu University	President of the Company, director of EC-Link Technology Inc.
Director	Transnational Investment Limited	-	-	-
	Representative: Lan, Chin-Yin		Industrial Technology R & D Master Program of Photoelectric, National Taipei University of Technology	OP CTMO of the Company
Independent Director	Peng, Xie-Ru	Male	EMBA, National Chao Tung University; CFO, Entire Technology Co., Ltd.	Remuneration Committee member of the Company, VP of Enflex Corporation, independent director and remuneration committee member of Eurocharm Holdings Co., Ltd., director of ICOMETRUE Co., Ltd.
Independent Director	Ciou, Er-De	Male	Doctor of Physics, California Institute of Technology; Professor of Institute of Biophotonics and Director of Institute of Electro-Optical Engineering, National Yang-Ming University	Remuneration Committee member of the Company
				Honorary professor and adjunct professor of National Yang-Ming University
				Adjunct professor of National Cheng Kung University
			Adjunct professor of National Normal University	
Independent Director	Huang, Kui-Wen	Female	EMBA, National Taiwan University, Director, Office of Business Development, Taipei Medical University; President of TMU International Biotech Co., Ltd.; chairman of Ji Zhi Hospital Management Consultation Co., Ltd.; President of Lu Xing Business Co., Ltd.	President of Calgen Biotechnology Co., LTd.
				Special assistant of the Chairman of the Taipei Medical University
				President of Diligent Biotechnology Inc.
				President of Taipei Shida Pharmaceutical Co., Ltd.



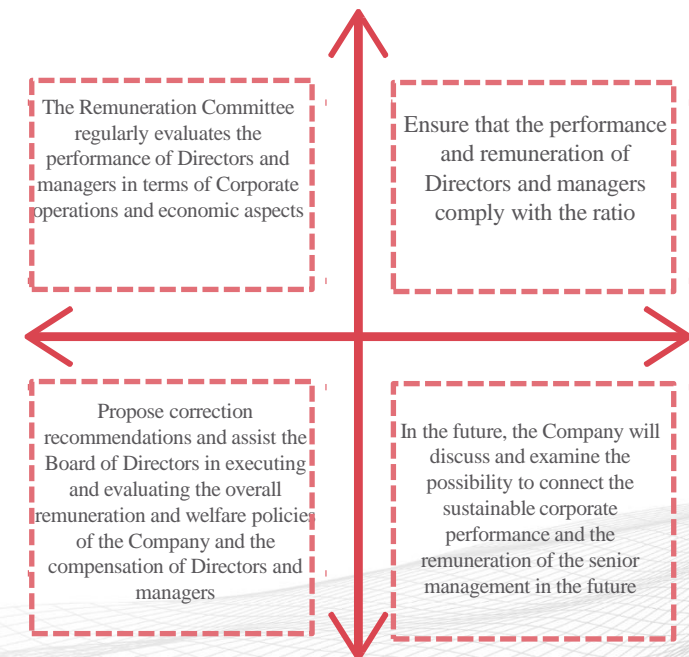
1.1.2 Operations of Remuneration Committee

To evaluate the operating performance of the senior management and whether the compensation received by it is fair and reasonable, EZconn established the Remuneration Committee (the “Remuneration Committee”) under the Board of Directors, and appointed four independent persons as members.

When carrying out the evaluation, the Remuneration Committee considers the performance assessment and remuneration of Directors and managers and refer to the general standard within the industry, taking into account the reasonableness of the connectivity between personal performance, corporate operating performance and future risks, so as to ensure that Directors and managers will not engage in acts that exceeds the risk appetite of the Company for seeking salaries and compensation.

In addition, the Remuneration Committee determine the ratio of short-term performance distribution for Directors and the senior management and partial changes in the payment time of remuneration with consideration to industrial features and the Company’s business nature. The Remuneration Committee duly adheres to the compliance with the responsibility of care of a good administrator, faithfully performs and regularly examines the policies, systems, standards, and structures for the performance evaluation and remuneration of Directors, audit committee, and managers, as well as establishes remuneration and other functions of Directors, supervisors, and managers, and submits the recommendations proposed to the Board of Directors for discussion.

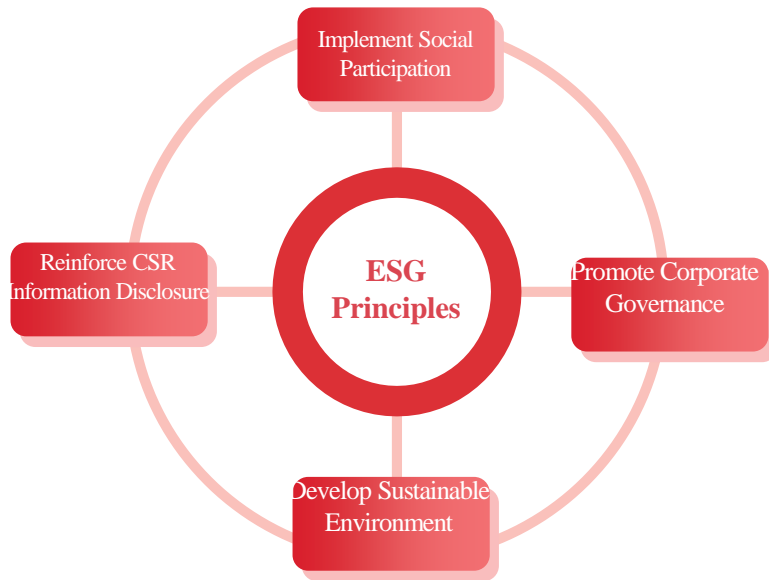
Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%)	Remark
				(B/A)	
Convener	Peng, Xie-Ru	3	0	100%	
Member	Ciou, Er-De	3	0	100%	
Member	Huang, Hui-Wen	3	0	100%	
Member	Tsai, Xing-Juan	3	0	100%	





1.1.3 Operations of ESG

Given the rising call from the government or the private sector in requiring enterprises in duly performing their social responsibility in recent years, EZconn, as a part of the society, deeply understands that we shall make contributions to the society as we took from the society. Therefore, to promote the sustainable corporate operations and implement our social responsibility, we established targets for achievement in terms of promoting corporate governance, facilitating economic growth, implementing green environment, and actively participating social activities.



ESG Target

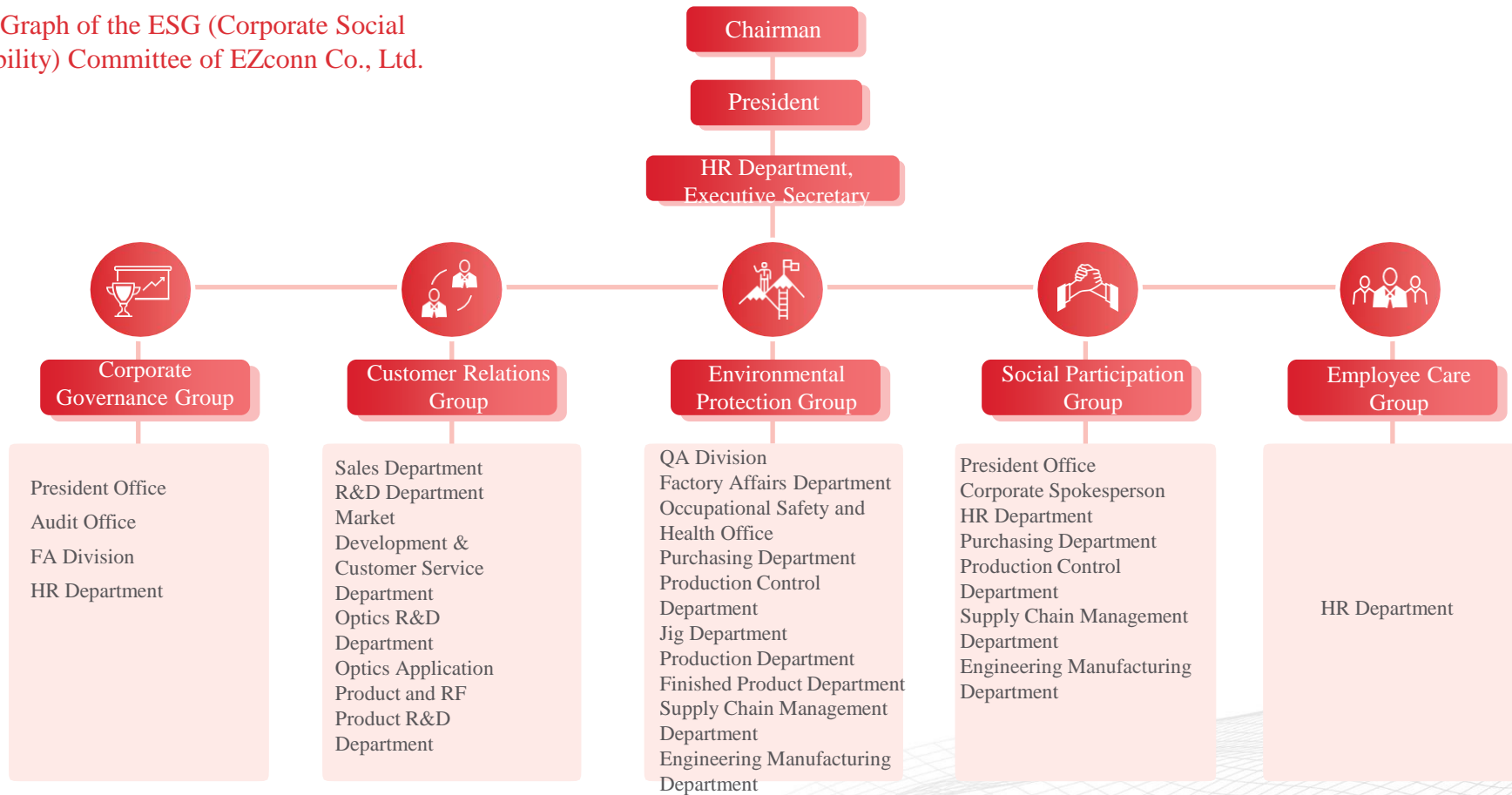
Promote Corporate Governance	<ul style="list-style-type: none"> ◆The Board of Directors shall duly perform the obligation of care of a good administrator to supervise the Company in implementing social responsibility and examine its implementation effects and continue to improve to ensure the implementation of CSR policies. ◆The Board of Directors shall perform its CSR in the following aspects: <ol style="list-style-type: none"> (1) Propose CSR mission or prospects and establish CSR policy statements. (2) Include CSR into the Company’s operating activities the development directions. (3) Ensure the timeliness and accuracy of the information disclosure related to CSR. (4) Regularly organize educational training related to CSR and communicate regarding matters in the preceding paragraph. ◆Respecting interests of stakeholders, we identified stakeholders of the Company and set up a special section on its corporate website. Through appropriate communication method, we understand stakeholders’ reasonable expectations and requirements, and duly respond to significant CSR issues they concerned.
Develop Sustainable Environment	<ul style="list-style-type: none"> ◆Comply with environment-related regulations and relevant international standards and specifications and appropriately protect natural environment; also, when executing business activities, we commit to our target of sustainable environment. ◆Promote the utilization efficiency of various resources and use renewable supplies with low impacts on the environmental load, allowing the sustainable use of earth resources. Establish appropriate environmental management system based on the industrial features and appoint dedicated unit or personnel for environmental management to promote and maintain the system related to environmental management, and organize environmental educational program for the management and employees. ◆To promote the use efficiency of water resources, the Company will duly and sustainably utilize water resources and establish relevant management measures. Meanwhile, we plan to build and reinforce relevant environmental protection processing facilities to avoid pollutions to water, air, and lands. Furthermore, we will spare no effort in minimizing adverse effects on human health and environment, and adopt the best practicable measures for pollution control and technology control.
Implement Social Participation	<ul style="list-style-type: none"> ◆Comply with relevant labor regulations, protect the legal interests of employees. Our human resource employment policies are free of differentiated treatment due to gender, ethnicity, age, marital status, and family situations so as to realize the equality in compensation, employment conditions, training, and promotion opportunities. ◆Provide safe and healthy work environment for employees, including providing necessary health and first-aid facilities, commit to reducing hazardous factors for employees’ safety and health to prevent occupational disaster, and regularly organize safety and health educational training for employees. ◆Evaluate effects of the procurement practices on the environment and society of the source community and cooperate with suppliers to jointly strive for improving CSR. ◆Participate in relevant activities organized by civil organizations of community development and community education, charitable and public welfare groups, and local government agencies to facilitate community development.



Corporate Governance

The Board of Director resolved to pass the “Best Practice Principles of Corporate Social Responsibility” to establish the Corporate Sustainability Committee (the “ESG Committee”), EZconn’s Board of Directors authorized the ESG Committee to be responsible for coordinating the corporate governance, economic, environmental, and social issues. The Chairman is the chairman of the Committee; there are five subordinated groups of corporate governance, environmental protection, employee care, social participation, and customer relations, striving for facilitating the progress in the economic, environmental, and social aspects, to achieve the target of sustainable development.

■ Structure Graph of the ESG (Corporate Social Responsibility) Committee of EZconn Co., Ltd.

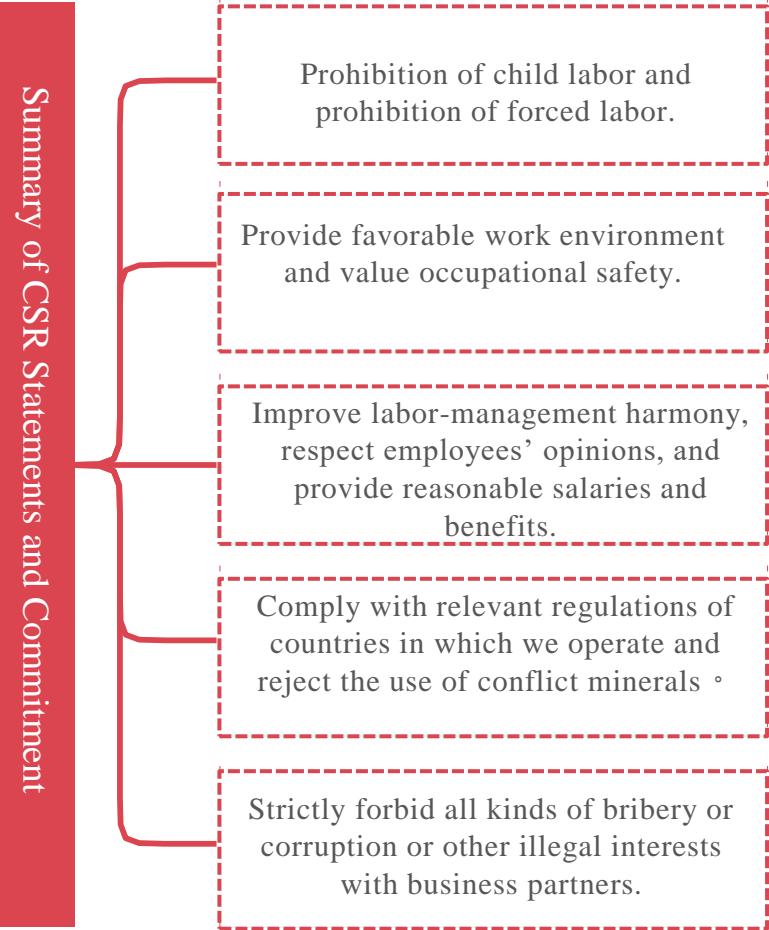
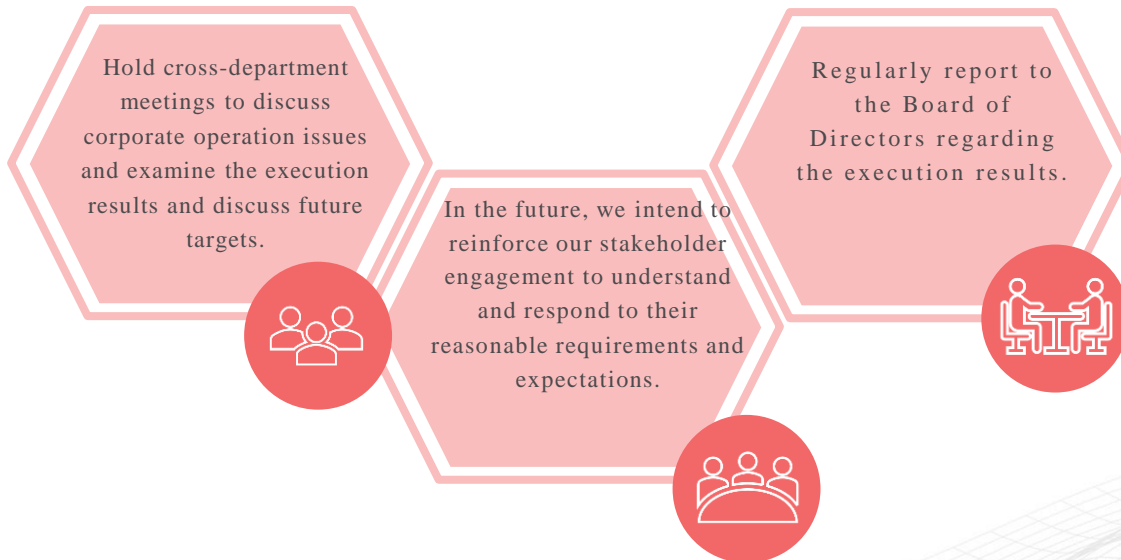




In addition, we further published our “Corporate Social Responsibility Policy Statements and Commitment” to declare our commitments to implementing ESG.

Currently, EZconn has regular cross-department meetings in place to discuss various significant issues related to sustainable corporate operations and establish targets of departments and examine the execution status.

In the future, we plan to introduce the spirit of implementing CSR into our regular cross-department meetings; departments will conduct sufficient discussions and make decisions at the meeting through diverse engagement channels with different categories of stakeholders, regardless of reasonable requirements and expectations toward EZconn from competent authorities, shareholders, employees, suppliers, and customers, so as to reach a consensus related to corporate governance, economic, environmental, and social aspects between EZconn and stakeholders. Meanwhile, the Company will evaluate the execution results for economic, environmental, and social aspects reported by the departments in the cross-department meetings and formulate the feasibility of future targets. Lastly, through regular reports to the Board of Directors, the supreme governance body will understand achievements of the Company in terms of economic growth, green environments, and social care aspects.





1.1.4 Operations of Legal Compliance

Legal compliance is the basic requirement for corporate operations; like the foundation of a building, when the foundation is stable, the building may be built upward step by step. Furthermore, in recent years, there have been news about damaged goodwill build through toil and moil of enterprises due to insider trading of senior management of enterprises, emission of wastes by factories at will, or harsh treatment to laborers; the great amount of penalties or compensations would damage corporate profits, even shareholders' interests; the suspension of work and business even further affect employees' livelihood, which would also affect customers and generate damages to enterprises.

Based on our core concept of integrity and unrighteous, EZconn executed relevant necessary measures in terms of legal compliance and require all internal employees to comply with regulations; there are also relevant dedicated unit for regulations that regularly follows up and examines the content of existing laws and regulations. For any amendment to laws and regulations, the unit will also forward the information to relevant responsible department, and it will report to the senior management regarding the level of impact of amendments to laws and regulations on the Company.

In addition, the Company provide internal educational training to communicate with employees for them to duly learn the legal specifications involved in the execution of business. Meanwhile, for any employee is not familiar with the laws and regulations related to their scope of business, we also provide a channel to consult legal personnel to avoid accidental violation of laws or regulations.

Moreover, the Audit Office also include legal compliance as one of the items for the annual audit items in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" to allow EZconn to maintain its favorable records in terms of legal compliance under corporate governance, and there was no record of punishment imposed by the competent authority. In addition, EZconn adheres to its philosophy of complying with local laws and regulations for all operating joints worldwide; therefore, there is no violation of regulations or prohibition of sales in particular markets by local competent authorities, or suspicions or disputes by stakeholders in different sectors.

The headquarters and branches of EZconn comply with environmental protection regulations of Taiwan, including the Air Pollution Control Air, the Water Pollution Control Act, the Noise Control Act, and the Drinking Water Management Act, and regularly carry out declaration, clearing, disposal, and testing ; there was no case of punishment imposed by the competent authority for environmental protection during the reporting period.

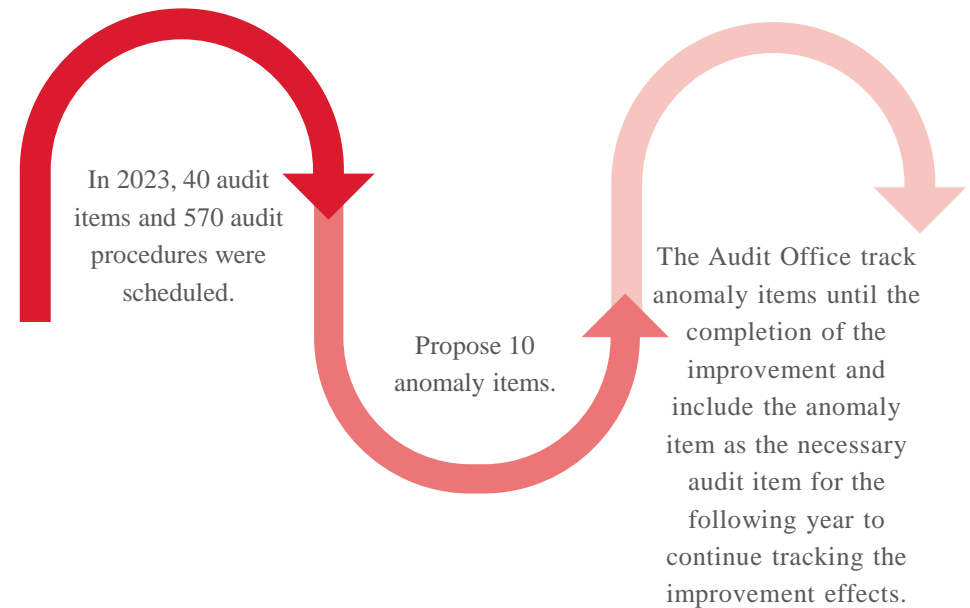
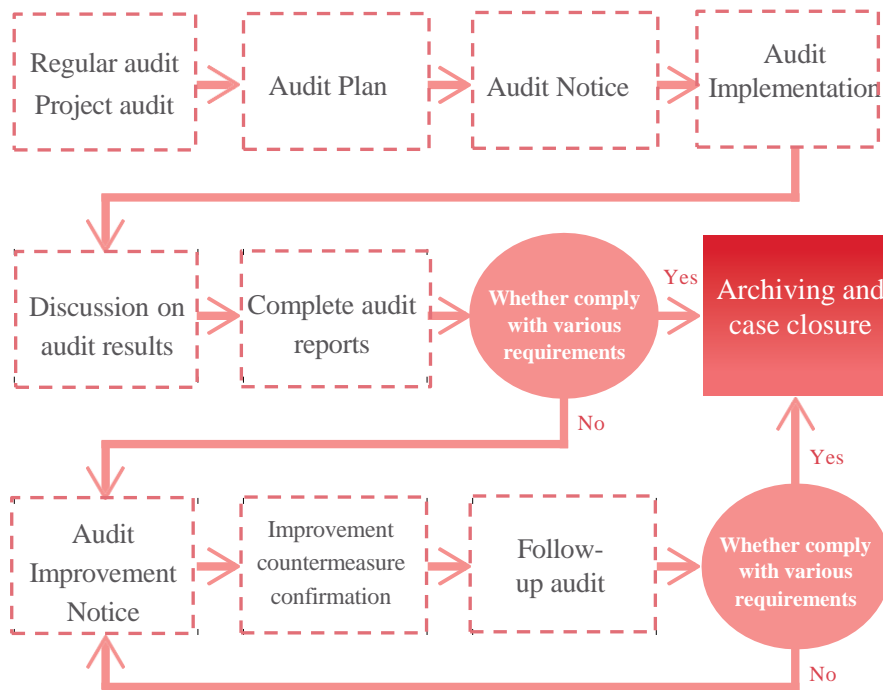
As partial social regulations affect employees' interests, dedicated units are responsible for maintenance and update; the Occupational Safety and Health Office is responsible for examining whether there is any amendment to regulation related to occupational safety and health; the HR Department is responsible for examining relevant regulations related to the Labor Standard Act from time to time, updating the management regulations according to regulations for any amendment, and announcing the new regulations to the entire Company; we provide legal working conditions to protect employees' interest. Lastly, we deeply understand that legal compliance is merely the foundation of corporate operations; for further expectations to become an enterprise with sustainable operations, we will have to engage in our businesses with cautious and conscientious in the future in terms of corporate governance, ethics and integrity, environmental protection, and care for employees.



1.1.5 Internal Audit and Risk Control

The Audit Office is directly subordinate to the Board of Directors. With its independent, objective, and detached operations, it examines whether the Company’s internal control system is effective through reviews and re-inspections. Apart from reporting at regular meetings of the Board of Directors, it report to Independent Directors or the senior management in meetings when necessary. The audit work is primarily executed based on the audit plan, and the audit plan is formulated based on identified risks; the Audit Office execute project audits regularly or subject to the requirements to ensure whether the internal operations of the Company complies with laws and regulations and the internal control system. In addition, it executes project audit subject to the circumstances and provide information for the Board of Directors to understand potential risks in the operations; it also assists the Board of Directors and the senior management in carrying out the evaluation on the completeness, effectiveness, and implementation status of the internal control system independently and subjectively and provides improvement recommendations in due course to reasonably ensure the continual implementation of the internal control system. Meanwhile, the Audit Office provides relevant investigation, evaluation, or consultation services to assist the Board of Directors in performing its corporate governance responsibilities.

■ Flowchart of Internal Audits





Risk Aspects		Countermeasures
Finance	Changes in interest rate	Primarily interest expenses arising from loans from financial institutions. As the expenses accounted for minor part of our revenue, changes in interest rate has insignificant effect on EZconn and subsidiaries. We will closely focus on the changes in interest rate and negotiate preferential interest rate conditions with banks we deal with to reduce interest costs.
	Changes in exchange rate	<ul style="list-style-type: none"> · The product sales of EZconn and its subsidiaries are primarily export sales with payment income denominated in USD, and we purchase raw materials from domestic and foreign suppliers; however, the amount of receivables denominated in the USD is higher than payables denominated in USD; therefore, changes in exchange rate has potential effects on the Company' s profit or loss. · We primarily adopt the natural hedging method by offsetting the foreign exchange receipt and payment positions and pay attention to information related to exchange rate changes at all times and adjust the holding positions of foreign currencies and exchange time in due course; when necessary, we also select appropriate hedging instruments to mitigate risks of currency rate volatility in due course.
	Inflation	<p>The major production raw material for RF connects of EZconn and its subsidiaries are copper rods. When international changes in raw material prices occurred, we reflect such changes in product cost and selling price in due course; therefore, such changes have no significant effect on us.</p> <ul style="list-style-type: none"> · For other major raw materials, we closely monitor the fluctuation of raw material price and inflation in the hope of reflecting the changes in costs and prices in selling prices in due course, avoiding significant effects on our profits. · We also continue optimizing our production flow in the hope of improving our production efficacy and reduce costs and maintaining favorable competitiveness under the backdrop of price competition in the market.
Over-centralized purchases or sales	Purchases	The suppliers of EZconn and its subsidiaries are mostly companies that we have business dealings with, in the long run; we have favorable cooperating relationship with suppliers for partial special raw materials, and they provide stable raw material sources. Therefore, except for closely monitoring the changes in demand and supply in the raw material supply market, we also actively explore new suppliers to disperse the risk of centralized purchases.
	Sales	<ul style="list-style-type: none"> · For RF connects, EZconn and its subsidiaries focus on securing orders from first-tier large-scale companies in Europe and America; as the end customers of RF connectors are primarily cable TV system providers and the industry is fully developed, such providers continue to occupy the market share, and our major shipping targets are primarily large-scale cable TV companies in Europe and America, leading to the situation of concentrated sales. However, with our excellent mold and jig manufacturing capacity, we are able to secure long-term stable cooperation with customers leveraging on the favorable delivery terms and conditions; even if there are fluctuations in the sales status for end customers, we are able to secure orders from other customers to mitigate the risk of order losses. · Optics communication products are primarily sold to globally renowned large-scale equipment companies. With the consolidation of the optic communication industry in recent years, a trend of large-scale companies continuing occupying the market shares rises. We maintain steady cooperation with downstream equipment companies and system suppliers of optic communication and form fixed matchings with the upstream supply chain; unless there are significant suspicions on quality or delivery term, once being certified, we will not replace suppliers easily. Concentrated sales occurred as we became a supplier of large-scale terminal system providers (i.e., Huawei Group). We actively reinforce the vertical integration as an equipment supplier and provide comprehensive product line services. Meanwhile, we proactively explore customers who are telecommunication system providers in Europe and America, increase the number of core customers, and strive to develop new products and technologies continuously to satisfy customers' requirements in terms of quality, costs, and delivery term. At the same time, with outstanding technical abilities, we can take up customer orders with particular production requirements, which also reduces the risk of sales concentration.
Impacts of amendments to labor regulations on the Company		<p>The partially amended Labor Standard Act was formally enacted after being promulgated by the President. Since the promulgation, industries were impacted at different levels. Ezconn has always been adhering to labor laws and regulations, and even providing labor conditions more favorable than laws and regulations; the substantial responding methods are as follows:</p> <ul style="list-style-type: none"> · Working hours: One fixed day off and one flexible rest day are stated in the law. Considering employees' work-life balance, we have been implementing two days off a week for years; the amendment has no effect on our operation. · Working shift: Ezconn adopts two shifts for its operations; the amendment has no effect on our operation. · Wages: Apart from starting to accrue from the 9th hour, we have been distributing overtime payment for working on off days based on laws and regulations in effect. The amendment has minor effect on us; our response method is to control the number of overtime work on off days when overtime work is required for operational purposes, and adopt four-hour as the unit and avoid any overtime work exceeding eight hours to protect employees' physical and mental health. · Annual leave: The amendment modify the number of days of annual leaves. Considering that the purpose of annual leaves is to allow employees to have sufficient rest, achieve physical-mental balances, improve work efficiency, and give equal considerations to families and work, Ezconn adopts the response method to offer the number of days of annual leaves more favorable than legal requirements. From on-boarding, employees are entitled to three days of annual leaves; subsequently, we offer number of days of annual leaves in accordance with legal requirements based on the standard of 【seniority + 1 year】 , and require employees to actively arrange their leave schedules; leaves not taken are settled according to the law.



1.1.6 Ethics and Integrity

The core value of Ezconn is integrity. To establish an ethical business environment, Ezconn has established relevant specifications for Directors, managers, and all employees to jointly observe. Through stringent management systems and effective control, we minimize the risk related to the violation of ethics. “Ethical Management Principles,” “Code of Ethical Conduct,” and relevant internal regulations were passed by the Board of Directors and reported to the shareholders’ meeting for establishment; such regulations are also announced on our intranet for employees to make inquiries at all times. Furthermore, through educational training and the promotion of ethical management policies, employees are able to fully understand and duly observe such regulations, and implement in daily work.



Applicable Target: All employees
Summary of Ethical Management Principles

- All employees are forbidden to directly or indirectly provide, promise, request, or accept unjust benefits or engage in any unethical behaviors in the course of business activities.
- Strictly adhere to laws and regulations of the Republic of China related to corporate governance to serve as the foundation for implementing ethical operations.
- To realize our business philosophy of integrity, transparency, and responsibility, we established measures for preventing unethical behaviors, including preventing the following behaviors: 1. bribery and accept bribery; 2. providing illegal political donations; 3. unjust charitable donations or sponsorships; 4. providing or accepting unjust gifts, entertainment, or other unjust benefits.
- Before any business dealing, we consider whether suppliers, customers, or other transaction counterparties have any unethical records and avoid having transactions with counterparties with unethical records.
- The content of contracts with counterparties of transactions shall include the compliance with the ethical management policies and the terms to terminate or cancel contracts when the counterparties engage in any unethical behaviors.
- We established policies to prevent the conflict of interest and provided appropriate channels for stakeholders to proactively explain that whether they have any potential conflict of interest with the Company.
- Regularly organize educational training for all employees and combine ethical operation policies with employees’ performance evaluation to establish an accurate and effective incentive and punishment system.
- Organize the whistleblowing system and appoint dedicated personnel to commence subsequent investigations; provide anonymous measures for the protection of whistleblowers.

Applicable Target: Directors and managers
Summary of Code of Ethical Conduct

- Prevent the conflict of interest.
- Avoid opportunities to seek private interest.
- Confidentiality responsibility.
- Fair trade.
- Protection and appropriate use of corporate assets.
- Legal compliance.
- Encouraging the report of any illegal act.
- Establish punishment measures.



1.1.7 Participation in External Associations

External Initiative

Based on different related parties, customer commitments, and the attention attached to environmental protection, Ezconn provide the following guarantee and statement, respectively.

- (1) HSF Declaration Guarantee (including ROHS/REACH/TSCA legal requirements)
- (2) SVHC Declaration
- (3) Conflict Minerals Declaration
- (4) ISO 9001:2015 Quality Management System Certificate
- (5) ISO 14001:2015 Environmental Management System Certificate
- (6) ISO 45001:2018 Occupational Safety and Health Management System Certificate
- (7) TOSHMS Taiwan Occupational Safety and Health Management System Certificate

■ Formulate countermeasures for the misuse of conflicted metal

Ezconn understands that participating in industrial associations or academic institutions is a favorable interaction channels to advance its abilities in the communication network industry and exert its effects in corporate social responsibility. Therefore, we have been actively participating in relevant industrial associations in recent years and become members of such associations in the hope of promoting the focuses on sustainable operations of companies within the same industry by utilizing our influences in the industry.

External Association Participated	Role Assumed
Taiwan Electrical and Electronic Manufacturers' Association	Member
Space Industry Development Association	Member
TOSIG	Member
25GS-PON MSA GROUP	Member



Convene Meetings

The management shall convene the meeting for disposals.

Isolation and Non-usage

Isolate conflicted metals and the derived products for non-usage.

Change Supplier

Immediately change to a qualified supply for such metals.

Audit Countermeasures

Require the supplier to propose improvement countermeasures and perform an audit to confirm its countermeasures.

Report of Results

Report to the customer regarding the results and measures of disposals.



1.1.8 Intellectual property management

EZconn actively encourages employees to innovate and conduct independent research and development to create company value and competitiveness through intellectual property rights. In order to protect R&D resources, maintain innovation energy, strengthen competitive advantages, increase corporate profits, achieve operational goals, consolidate leadership positions, and ensure sustainable operations, the company continues to promote intellectual property management to maintain the maximum value and interests of the company and shareholders.

1. Patent Management

Technology development is carried out by the research and development unit, and it is not regularly commissioned by an external patent firm to submit a patent application plan to the competent authority of intellectual property rights at home and abroad, and in accordance with the regulations of the patent offices of each country, handle Maintain effective procedures and pay fees. Through non-scheduled patent education and training, and the introduction of external resources, introduce timely new knowledge, improve the quality of patent applications, and combine the company's patent application awards The incentive system drives the research and development and innovation of the company's product technology, effectively carrying out a positive cycle.

2. Trademark management

Trademarks can establish customers' image of the brand and consolidate market advantages. The company's trademark management focuses on maintaining the market recognition of various products, and strives to ensure that the economic benefits brought by trademarks to the company can be fully utilized

3. Management of trade secrets

- 3.1 Through the classification and labeling of confidential information, including but not limited to research and development related records, financial information, personnel information, procurement information, etc., and take appropriate and reasonable confidentiality measures.
- 3.2 Various access control management, authority control, confidentiality agreement, information equipment control, etc., to prevent confidential information from being stolen, tampered with, damaged, lost or leaked, so as to ensure internal competitive advantages such as technology and customer trust.
- 3.3 Company colleagues shall take necessary measures to maintain the confidentiality of business secrets known or held by colleagues during their employment. Except for the normal use of duties or without the prior written consent of the company, the trade secrets shall not be disclosed, notified, delivered or transferred to a third party, published externally, or used or exploited for oneself or a third party.

4. Execution situation

- 4.1 At least once a year, the board of directors shall report the implementation status of intellectual property rights to the directors, and propose improvement measures in response to the directors' suggestions.
- 4.2 The company has been committed to the management plan of intellectual property rights, and the main implementation results are as follows:

	Number of effective patents	Current number of applications
RF product	86	30
Optical product	80	32

- 4.3 The company organizes relevant educational training or study activities according to actual needs, and publicizes relevant laws and regulations to employees.



1.2 Economic Performance

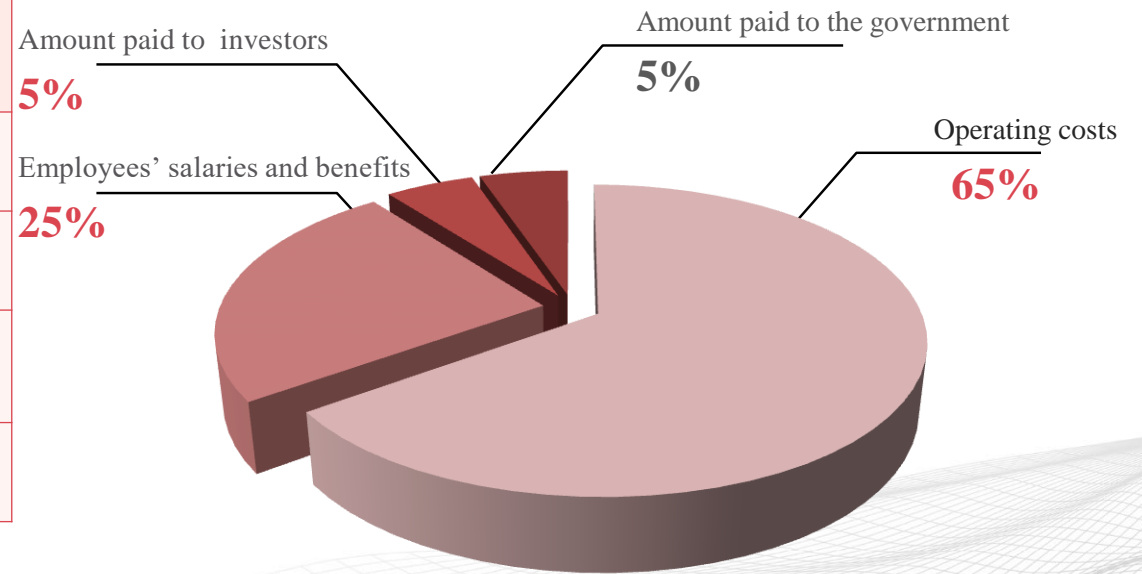
Direct economic impact is the measured transaction value between enterprises and stakeholders that is displayed in currencies. In particular, employees of our Taipei Headquarters Tamsui Hongshulin Plant and Shangda Plant of Ezconn whose household registration are in the neighboring area accounted for 75% of our overall employees, representing our operating activities generate positive effects on local economic prosperity and facilitate the employment opportunities of local population.

Meanwhile, under the trend of sustainable development, apart from the positive economic impact results arising from the flows of capital between stakeholders, indirect economic impacts also occurred. In another word, the results of the impacts arising from the operating activities of Ezconn on local society triggered various potential long-term benefits that are not obviously and immediately visible besides quantifiable economic data.

Economic Performance in 2023		
Director economic value generated	Reporting year - income	NT\$2,617,385 thousand
Economic value allocated	Operating costs	NT\$1,737,489 thousand
	Employees' salaries and benefits	NT\$653,963 thousand
	Amount paid to investors (bank loans, shareholders' dividends)	NT\$139,230 thousand
	Amount paid to the government (taxation, fines)	NT\$138,982 thousand



Economic Value Allocated

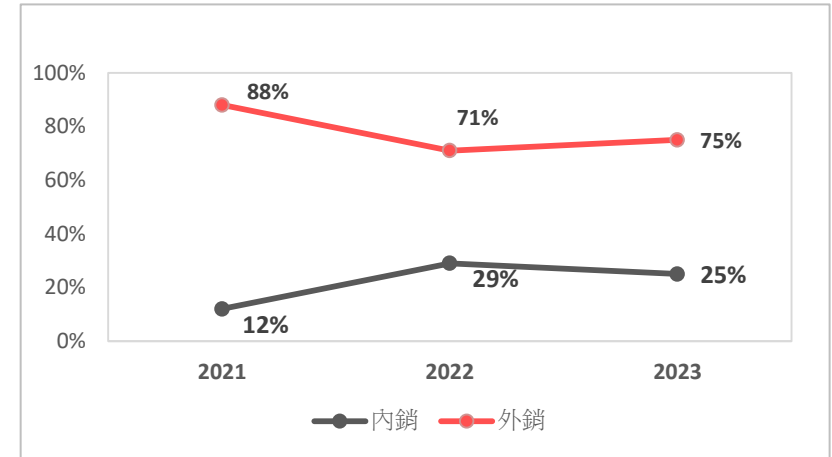




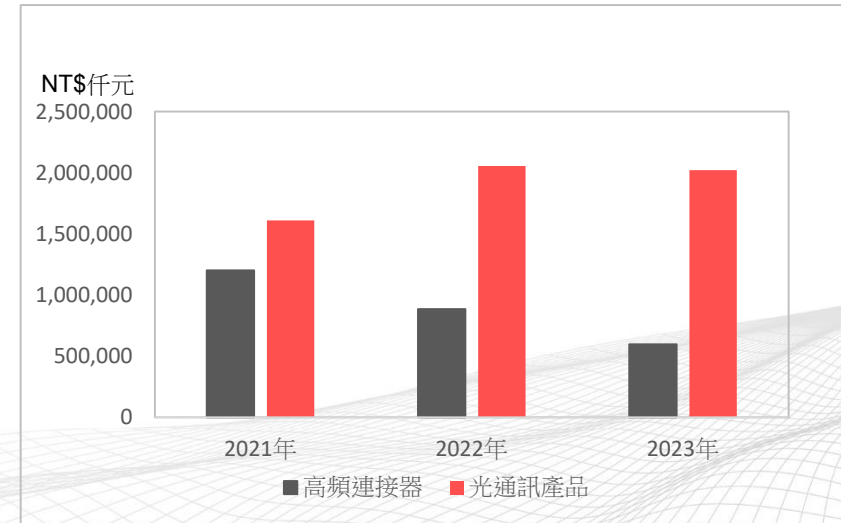
Business Proportion for the Past Three Years	Unit: NT\$000'					
	2021		2022		2023	
	Revenue	Business Proportion	Revenue	Business Proportion	Revenue	Business Proportion
RF connectors	1,202,225	43%	885,088	30%	595,492	23%
Optics communication products	1,610,791	57%	2,055,100	70%	2,021,893	77%
Total	2,813,016	100%	2,940,188	100%	2,617,385	100%



Proportion of Domestic and Foreign Sales for the Past Three Years



Revenue of Products for the Past Three Years



Comparison of Sales Regions for the Past Three Years	Unit: NT\$000'					
	2021		2022		2023	
	Amount of Sales	Sales Proportion	Amount of Sales	Sales Proportion	Amount of Sales	Sales Proportion
Domestic sales	336,260	12%	840,137	29%	666,849	25%
Foreign sales	2,476,756	88%	2,100,051	71%	1,950,536	75%
Total	2,813,016	100%	2,940,188	100%	2,617,385	100%



1.3 Suppliers

Cultivate Soft Power for Green Manufacturing Procedures to Benefit Supply Chains in Taiwan One After Another

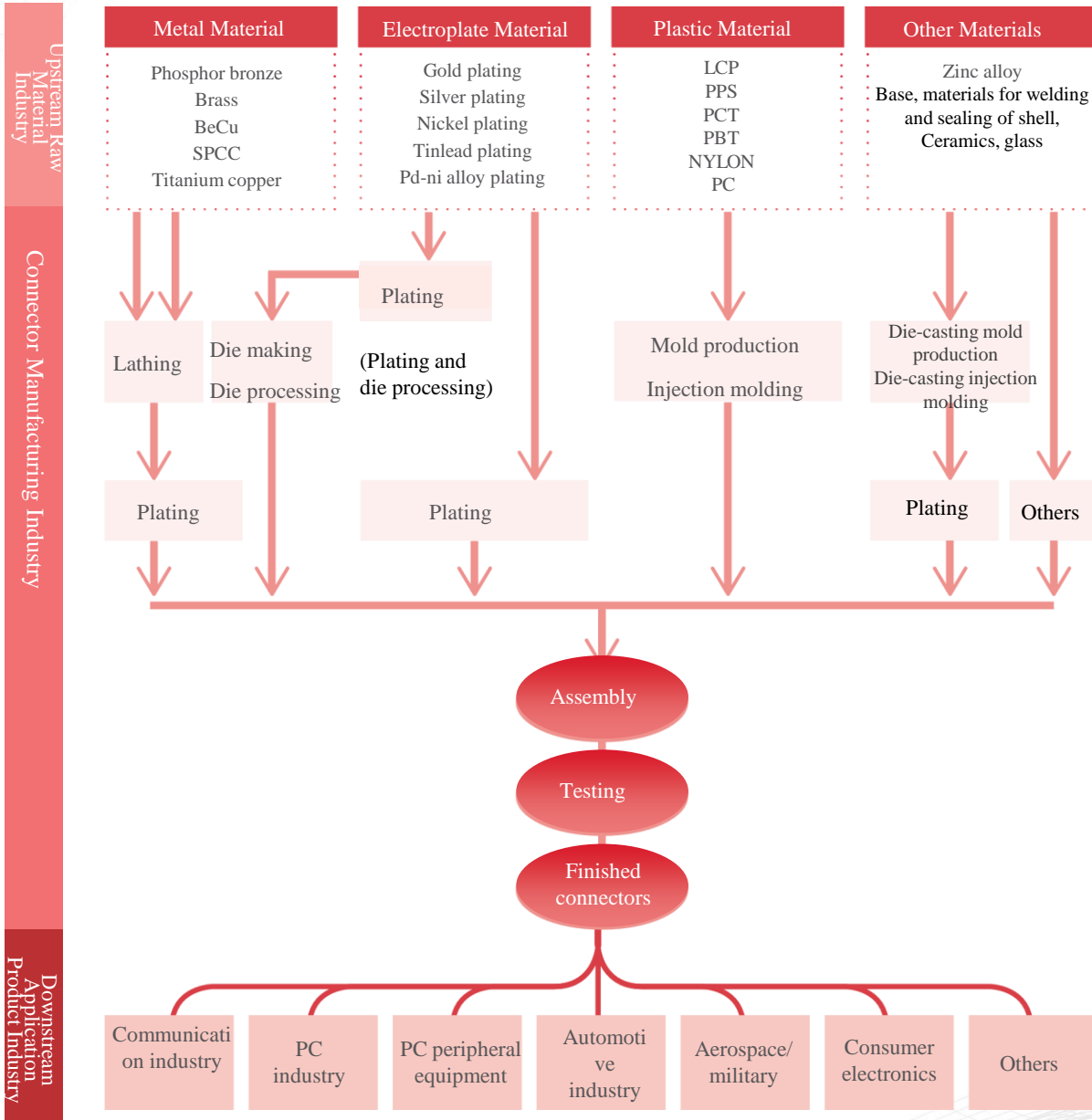
Facing customers' high-standard procurement threshold in terms of product quality and green manufacturing procedures, Ezconn imposes the request related to the compliance with global environmental protection specifications on its local suppliers. Therefore, for local suppliers, they also constantly enhance their skills and knowledge and improve the traditional skills of laborers and cultivate the culture of their procurement departments to select environmental-friendly non-toxic raw materials, indirectly facilitating the formation of a brand-new learning cycle.

We continue organizing various internal and external educational training to cultivate the soft power of our talents in procurement and QC departments, and in turn, driving the factories of our supply chain in the neighboring area to create a sigmoid growth curve for RF connector and optics communication product industries in Taiwan. The manufacturing capacity in Taiwan will be improved in the case when the connector industrial chain is able to be connected via Ezconn.

As such, we are responsible for our sustainable corporate development and hope to create higher output and contributions for the connector industry in Taiwan. Looking forward to the subsequent development, driven by the promotion of FTTH for 80 million households in China and the robust demand for bandwidth upgrade of telecommunication companies in the U.S., we can even set foot in automotive and smart home industries, as connectors are the key part and component for connecting all appliances in smart homes, sufficiently showing the growth trend of Ezconn's products in line with the changes in the global market.

1.3.1 RF Connectors

Ezconn is a professional connector manufacturer with its upstream raw materials mainly copper and plastics, covering industries of copper and plastics; its end product spans extensively from electronics, communication, consumer electronic, to transportation industries. The relationship diagram between the upstream, midstream, and downstream is set out in the following page:

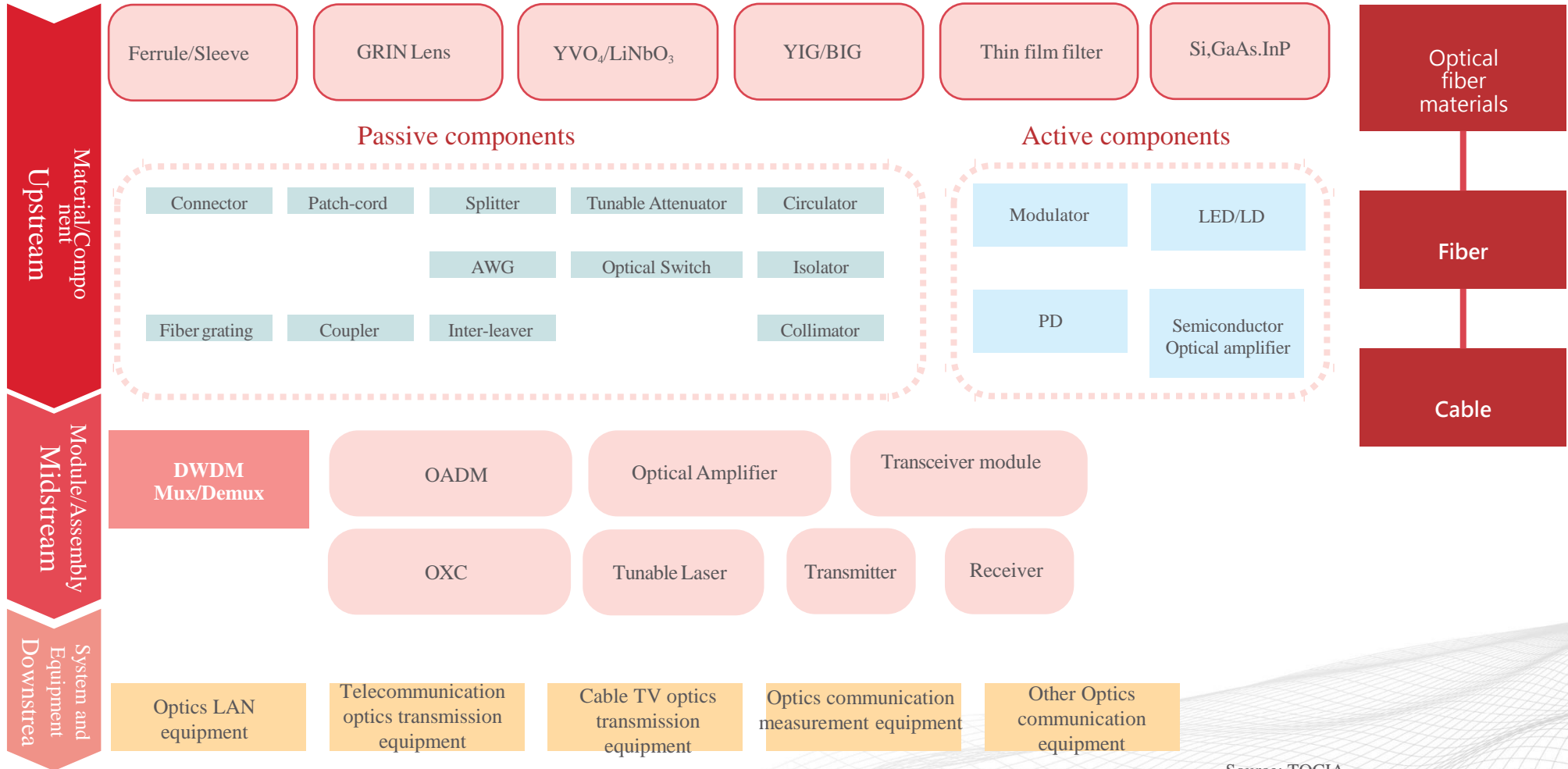


For the connector industry, the upstream is suppliers of raw materials, including metal, plating, plastics, and other materials, the midstream is suppliers of connector design, assembly, and manufacturing, and the downstream is suppliers of electronic products. Upstream raw materials are majorly metal materials, plating materials, and plastic materials. For metal materials, considering the mechanical strength, favorable conduction characteristics, and heat resistance, the copper alloy plates adopted by domestic connector suppliers are majorly brass and phosphor bronze. Even though the international regulations have no accurate specifications for “green products,” certificates of no prohibited materials have become a trend; unreliable documents will not only result in the return of connector products by customers buy also cause the distrust of customers with the connector suppliers. Currently, as downstream customers are reducing the number of connector suppliers, the chance of being replaced is high; therefore, long-term trust and cooperation relationships with upstream suppliers have become the best guarantee for favorable raw material supply and the reliable document of no prohibited materials. For the downstream industrial application , the downstream application field of connectors in Taiwan is mainly focusing on computers and the peripheral products; Ezconn’s RF connectors are mainly used in the system establishment for cable TV and the infrastructure of cable broadband.



1.3.2 Optics Communication Products

Fiber optic transmission equipment may be divided into raw materials (optic fiber, optic cable), optoelectronic active components, and), optoelectronic passive components. In particular, active components refer to optoelectronic components that require electricity to perform optoelectronic or electro-optics signal conversion and optic signal magnification, and passive components refer to components that are responsible for the transmission and adjustment of and optic signals, which are not related to the conversion of power between optics and electricity. The relationship diagram between the upstream, midstream, and downstream is set out in the following page:



Source: TOCIA



Chapter 2

Sustainable Environmental Management



Sustainable Environmental Management

As a part and component manufacturer in the optics communication industry, in terms of our products' lifecycle depending on the environment, impacts arising from Ezconn on the environment primarily result from the energy and resource consumption of and waste discharged by our plants. From 2002, Ezconn has established an environmental management system suitable for itself based on ISO 14001 issued by the International Organization for Standardization (ISO); the management system includes the headquarters, Shangda Plant, and Hongshulin Plant, and our President executed and announced our environmental management policies to respond to the impacts on the environment through green design and source control.





Environmental Management Policies and Commitments

Ezconn adheres to the world environmental protection viewpoint of there is only one Earth and encourages all employees to actively participate in the environmental protection system; in accordance with the operations of the environmental management system, it commits that its manufacturing procedures and products comply with various regulations and environmental protection connotations; it educates employees and communicates with customers, cares for and implements environmental protection topics, and fulfills the corporate social responsibility to maintain a favorable Earth. Ezconn has established the following environmental policies for employees to implement.

Observe and comply with environmental protection regulations

Implement the operation of the environmental management system

Employees to participate in and seek low-pollution environments

Promote the environmental management cycle and continual improvements

Environmental and Occupational Safety and Health Committee

To continue improving the environmental management, Ezconn has established its “Environmental and Occupational Safety Committee” to coordinate the following environmental protection operations:

Review the environmental management handbook, procedures, relevant plans, regulations, and corporate standards.

Coordinate and solve environmental management issues (i.e., cross-department environmental issues).

Examine the implementation and performance of environmental operations and regularly report the implementation results to the President.

Examine the execution effects of preventive and corrective measures.

Lead the promotion and implementation of projects related to continual environmental improvement.

Execute the environmental system operations for all departments.

Examine the environmental system implementation and performance of all departments.

Examine the execution effects of preventive and corrective measures.

Promote and implement of projects related to continual improvement.



Environmental Objectives and Targets

Products

1. New products in compliance with the HSF requirements: Monthly achievement rate for RF and optics communication reached 100%.
2. No order ratio for level D suppliers under the HSF: Monthly achievement rate for RF and optics communication reached 100%. (Note: 1. Level D suppliers under the HSF in the RF group exclude “copper bar” suppliers.)

Operating Activities

1. Waste reduction: Implement the average control over the monthly business waste (excluding recycling wastes that are renewable) per working hours, with 0.08Kg/working hour (excluding wood chips) recorded for Shangda Plant.
2. Carbon dioxide emission intensity: Implement the average control over the CO2 emission through the translation of monthly electricity consumption, with 3.1kg-CO2-e /working hour and 2.7kg-CO2-e/working hour recorded for Shangda Plant and Hongshulin Plant, respectively.

EZconn organizes quarterly “Environmental and Occupational Safety and Health Committee meetings” to examine whether the monthly performance indexes achieves the requirement of our targets; for any failure in achieving the target, a **【Meeting Resolution Execution Order】** will be issued after the meeting to the responsible units, for them to carry out the anomaly reason analysis and improvement, and then, perform the confirmation for the management representative to make judgment for the case closures.

Reporting System:

At present, Ezconn has not established an open environment report platform; for any effects occurred, apart from reporting to local Environmental Protection Bureau, relevant stakeholders may also report to the Plant Affairs Department of Ezconn by dialing 02-2806-6333.



2.1 Volume and Weight of Raw Materials

2.1.1 RF Connectors

The disclosure of raw material consumption indexes represents our contributions to global resource protection and efforts made to minimize the raw material consumption intensity and improve economic benefits. Raw materials used by RF connectors include plastics, electronic kelling, electroplating, rubber, and copper. In particular, for copper raw materials, we select recoverable copper, which can be recycled and used in reproducing copper alloy bars after the end of the product lifecycle. In addition, the source of such raw materials is procurement from suppliers, instead of self-mining. In accordance with RoHS promulgated by the EU in 2006, the abovementioned raw materials are not hazardous substances. During the reporting period, renewable raw materials of RF connectors include plastic, copper, electronic kelling, and electroplating, accounting for 100% of the total raw materials consumed 32,901kg.

2.1.2 Optics Communication Products

In addition, we disclosed raw material consumption for our optics communication products. Raw materials used include zinc alloy, SUS stainless steel, plastic, rubber, and two kinds of compounded raw materials. In accordance with EU RoHS(2011/65/EU) and EU REACH , we performed the RoHS and SVHC tests, and the abovementioned raw materials are free from hazardous substances, showing the substantial results of our commitments to non-toxic raw material control. During the reporting period, renewable raw materials of optics communication products include plastic, copper, and nickel brass, accounted for 98% of the total consumption 5,559.89kg, and non-renewable raw material (rubber) accounted for 2% of the total consumption 133.60kg

RF Connector Raw Material Consumption Statistical Chart

Raw Material	Whether contain hazardous substance	2021		2022		2023		
		Consumption (kg)	Ratio	Consumption (kg)	Ratio	Consumption (kg)	Ratio	
Renewable	Plastic	No	14,150	10.72%	3,950	10.72%	10,703	32.53%
	Copper	No	117,015	88.70%	32,665	88.70%	21,962	66.75%
	Electronic kelling	No	303	0.23%	85	0.23%	129	0.39%
	Electroplating	No	461	0.35%	129	0.35%	107	0.33%

Optical Transceiver Raw Material Consumption Statistical Chart

Raw Material	Whether contain hazardous substance	2021		2022		2023		
		Consumption (kg)	Ratio	Consumption (kg)	Ratio	Consumption (kg)	Ratio	
Renewable	Zinc alloy	No	4247.488	42%	1497.718	42%	2907.610	51%
	SUS stainless steel	No	2299.181	23%	640.741	18%	905.196	16%
	Plastic	No	1182.538	12%	487.948	13%	626.483	11%
	Compounded raw material	No	338.788	3%	245.363	7%	390.948	7%
	Nickel brass	No	992.597	10%	525.832	15%	729.654	13%
Non-renewable	Rubber	No	953.508	10%	192.595	5%	133.600	2%



2.2 Carbon management

2.2.1 GHG inventory

For EZconn, the main source of GHG emissions is the purchased electricity (category 2) required for factory operations, accounting for more than 94% of the total emissions. Based on various considerations such as reducing energy costs and reducing carbon footprints, we will continue to improve equipment (Such as air compressor system, motor, AC power and lighting, etc.), and turn off the lights at night in the factory area to reduce power consumption, so as to achieve the goal of reducing GHG emissions.

Year	Unit	2020	2021	2022	2023
Direct GHG emissions (category 1)	Mt/CO ₂ e	-	-	31.84	104.4428
Indirect GHG emissions (category 2)	Mt/CO ₂ e	2,334.59	2,108.60	1,919.59	1,601.2727
Total emissions	Mt/CO ₂ e	2,334.59	2,108.60	1,951.43	1,705.7155
Emission intensity	MtCO ₂ e/NT\$ million	0.97	0.75	0.66	0.65

2.2.2 GHG and Average Carbon Dioxide Emission Reduction

In accordance with the electricity emission coefficient review results for 2023 announced by the Energy Bureau, MOEA, the CO₂ emission for the generation of 1Kwh of electricity was 0.495kg CO₂e. According to the statistical results, approximately 1,601.27 tons of CO₂ under scope2 of the indirect energy emission was consumed. Furthermore, the average carbon dioxide emission per working hour was 1.7 kg-CO₂-e/working hour and 2.6kg-CO₂-e/working hour for Hongshulin Plant and Shangda Plant, respectively, during the reporting period, both achieving the expected target.

Electricity Consumption Statistical Chart

Year	2020	2021	2022	2023
Electricity consumption (unit: Kwh)	4,586,623	4,200,400	3,970,714	3,144,753
Energy consumption (unit: MJ)	16,511,843	15,121,440	14,294,570	11,321,111
Carbon dioxide emissions (kg)	2,334,591	2,108,601	1,919,588	1,556,653

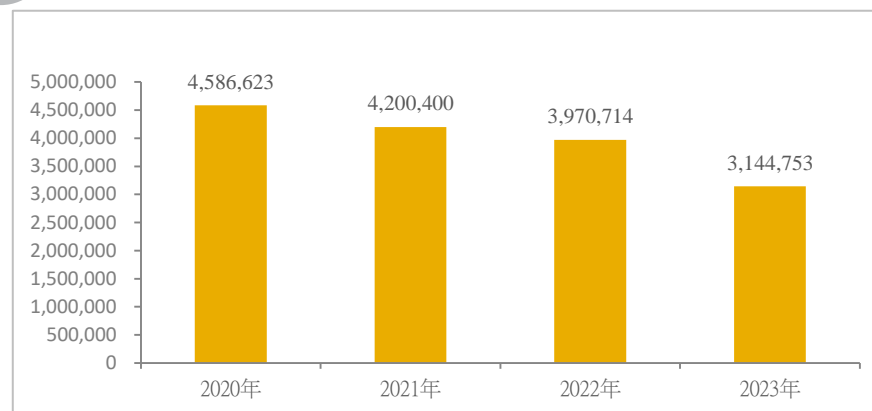
Announced by the Energy Bureau, MOEA:

Translation formula: 1Kwh of electricity equals to 3.6MJ

Electricity-carbon dioxide discharge coefficient: 2023: 0.495kg CO₂-e/Kwh



Consumption (Kwh)



Achieved the Target and Performance of the Carbon Dioxide Emission per Working Hour

Plant	2023 Target (kg-CO ₂ -e/working hour)	2023 Performance (kg-CO ₂ -e/working hour)	Target Achieving Status
Hongshulin Plant	<2.2	1.7	Achieved
Shangda Plant	<3.1	2.6	Achieved
LiDe Plant	<3.1	2.5	Achieved



2.3 Water resource management

For the water resource consumption by source, the manufacturing procedures of Ezconn’s products is free from the consumption of water resources; instead, such procedures only consume lubricating oil for machines’ operations; also, the lubricating oil is 100% recycled and reused. Therefore, the use of water resources is for general domestic use, and the water is supplied by Taiwan Water Corporation. In 2023, we consumed a total of 8,768 m3 of water, representing a year-on-year decrease of 25.49%. After inspection, it is determined that such increases were due to water leakage; a crack of closed circuit was found and replaced; furthermore, we also found water leakage of the impounding reservoir, and we have arranged for the repair handling.

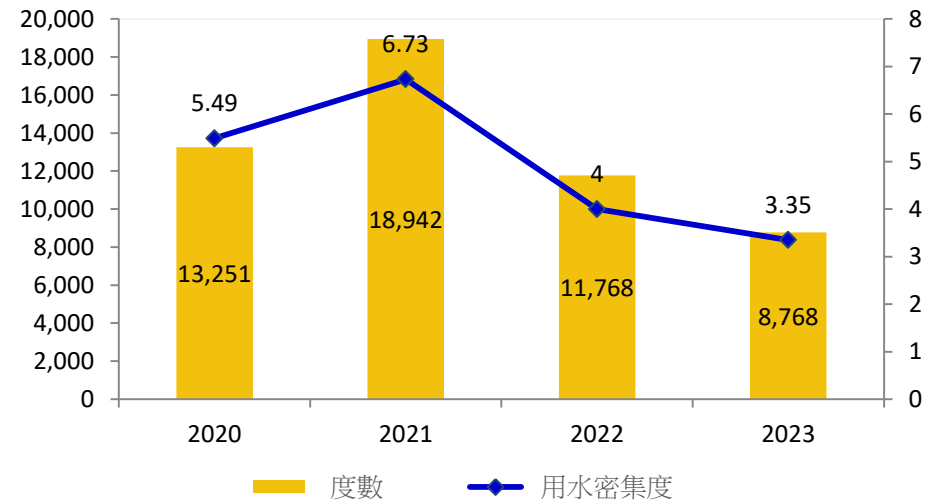


Water Resource Consumption (m3)

年份	2020	2021	2022	2023
m3	13,251	18,942	11,768	8,768
Water consumption intensity	5.49	6.73	4.00	3.35

* Water consumption intensity = total water consumption / operating income (NT\$ million)

Water consumption and intensity





2.4 Waste Management

Wastes are divided into manufacturing wastes and domestic wastes. For domestic wastes, staff is appointed to separate the wastes produced for control based on the principle of waste categorization and place at designated location for storage; after waste categorization, recyclable wastes (i.e., paper, bottles) are donated to Tzu-Chi Foundation, a public welfare group in the neighboring area (4,480kg by Tamsui Shangda Plant); for non-recyclable wastes, we selected waste processing suppliers permitted by the Environmental Protection Administration, Executive Yuan, based on the waste clearing plan for clearing and processing. During the reporting period, we produced 38,360kg of general wastes and general business wastes in aggregate, which were delivered to Bali Refuse Incinerator Plant for incineration. In addition, there was zero output of hazardous business waste during our manufacturing procedures. Ezconn has established emission control targets per capital for business wastes each month (excluding non-recyclable resource wastes). During the reporting period, 0.07kg/working hour was recorded for Shangda Plant (excluding wood chips), and it complied with our estimated targets; there was no material waste or chemical leakage found during the course of storage, clearing, and processing, and there was no significant fine imposed due to the violation of environmental laws and regulations; all manufacturing and production activities complied with local environmental regulations.

Plant	2023 Target (kg-CO ₂ -e/ working hour)	2023 Performance (kg-CO ₂ -e/ working hour)	Target Achieving Status
Shangda Plant	<0.08	0.07	Achieved

General Wastes Management Statistic Chart

Year	2021	2022	2023	2024 Target
Shangda Plant	44,661	32,230	30,350	44,000
Lide Plant		3,825	8,010	9,200
Total	44,661	36,055	38,360	53,200

Category of Waste	Categorization Principle	Storage/Clearing Method	Processing Principle	
General Wastes	Refer to general wastes other than resource garbage	Set up dumpsters	Legal supplier Daily clearing	
	Night soil, sewer	Request suppliers for clearing and recycling	Processed by suppliers regularly	
	Recycling	Beverage cans and bottles made with paper (including aluminum foil package, paper container), aluminum, glass, plastics (PET, PE, PVC, PP, PS, excluding plastic bags)	Set up recycling bins	Recycled by Tzu-Chi regularly
		Waste lightning tubes, waste batteries	Set up recycling bins	Recycled by Tzu-Chi regularly
		Electronic appliances and IT items	Request suppliers for clearing and recycling	Processed by suppliers regularly
	General Business Wastes	Scrap iron, scraps	Set up collection bins	Scrapped by suppliers regularly
Waste chemical fluid or containers		Set up collection bins	Recycled and processed by suppliers regularly	
Oil-stained cloth to wipe machines		Set up collection bins	Legal supplier	

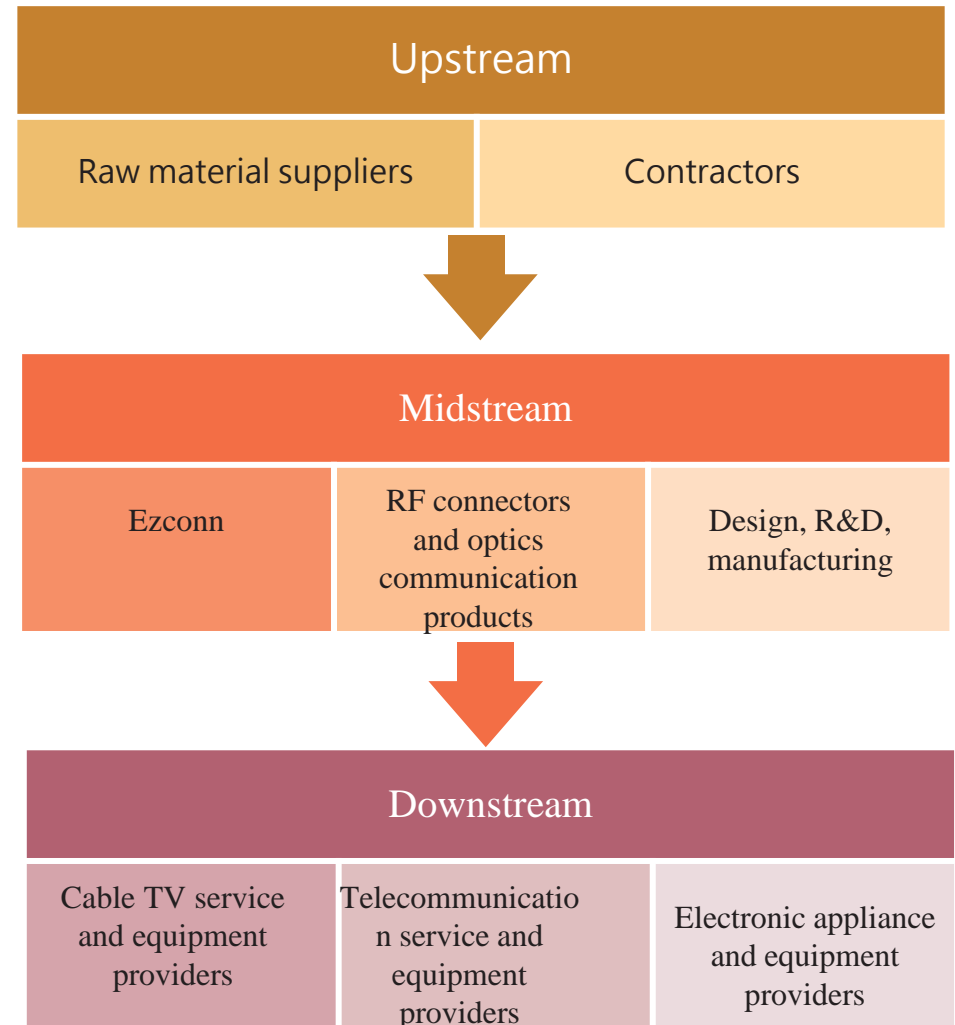


2.5 Supplier Evaluation and Audit

Each Review is An Opportunity for Improvement

Ezconn has established its “regulations for Supplier Management” and “Regulations for Intake Control” for the QC, Procurement, and QA Departments to execute the “supplier evaluation and audit operations” for all suppliers; the item of which includes quality, cost, delivery, service, and Hazardous Substance Free (HSF) of the EU. Through the audit system, we can improve suppliers’ QCDS abilities; therefore, we developed stages of audit procedures to assist suppliers in complying with the “Ezconn Quality Standards.” There are written and field HSF evaluations, and the evaluation results are divided into four levels from A, B, C, to D. Apart from monopolistic market, customer designation, or other particular factors, level D suppliers will not be included in our list of procurement targets. We also recognize and execute various environmental initiatives established by external parties and concurrently require suppliers to make commitments to such requirements; during the reporting period, there were 5 new suppliers passing the written, HSF, and field evaluations, and were included in the “List of Qualified Suppliers” for management. The procurement department also conducts annual assessments in 2023 for factories that have traded or whose transaction volume has reached the top 90% of that year; HSF assessments will be conducted based on customer needs or manufacturers with HSF abnormalities during the assessment period. A total of 9 suppliers accepted HSF assessments, and 182 suppliers accepted the annual qualified supplier assessment.

■ Upstream, Midstream and Downstream Supply Chain Flowchart of Ezconn





Sustainable Environmental Management

In 2023, Ezconn established product management and procurement targets for product HSF and supplier management; the targets for new RF connectors and optics communication products fully comply with HSF requirements; except for the “copper rod” supplier, being a level D HSF supplier, the zero-order rate reached 100%. During the reporting period, the target achievement status for HSF compliance of products and the zero-order for level D suppliers are disclosed as below. Through monthly performance monitoring and measurement analysis, new RF connector and optics communication products fully comply with the HSF requirements; for suppliers and companies and RF connector procurement suppliers, apart from being designated by customers, we achieved the zero-order status for level D optics communication product and RF connector suppliers.

RF Connectors														
Index	Target (Annual Target)	Review Cycle	2023/01	2023/02	2023/03	2023/04	2023/05	2023/06	2023/07	2023/08	2023/09	2023/10	2023/11	2023/12
Compliance of new products with HSF requirement	100%	Monthly	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Zero-order rate for level D HSF suppliers	100%	Monthly	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Optics Communication Products														
Index	Target (Annual Target)	Review Cycle	2023/01	2023/02	2023/03	2023/04	2023/05	2023/06	2023/07	2023/08	2023/09	2023/10	2023/11	2023/12
Compliance of new products with HSF requirement	100%	Monthly	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Zero-order rate for level D HSF suppliers	100%	Monthly	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%



RF Connector Supplier Localization

The ratio of local suppliers for the RF connector product's procurement expenditures is 100%. From the economic perspective, economic effects generated from Ezconn's operating activities are more than the creation of employment opportunities, distribution of salaries, and tax payment. Furthermore, it includes small and medium satellite factories into its supply chain to invigorate the economic development of Tamsui region, Taipei, generating positive effects. We opt to procure from local suppliers, which, to a certain degree, proven that it is more effective than remote management. On the other hand, we also considered the sustainable development of suppliers; the use of non-toxic raw materials and the improvement in environmental manufacturing procedures are the targets that Ezconn and subcontractors are jointly making efforts for.

Optics Communication Product Overseas Supplier Management

The supplier management policies of the optics communication product line is the same as the RF connectors, showing the consistency of Ezconn's management measures. For EPI-wafers and chips, the upstream raw material of fiber active component, Ezconn and the large-scale supplier in Japan maintain highly friendly relationships. In recent years, Ezconn has been continuously expanding and arranging the pilot production and mass production base for optics communication products in Taiwan and the Mainland. With the increasing distance of the cross-nation logistics for overseas suppliers, there has been a certain level of increase in the carbon dioxide emission during the course of transportation and in the transportation costs. The optics communication department has included the shortening of cross-border transportation route as one of its substantial targets for implementing its CSR, and continued striving for achieving low carbon dioxide emission. Furthermore, in recent years, global warming has caused climate change and anomalies, including intensified wind damage, flood, and drought, and even extreme weathers. Through building long-term stable cooperative relationships with overseas suppliers, we will be able to reduce wastes arising from transportation and reduce carbon dioxide emission, and in turn, achieve the goal of GHGs reduction.

Suppliers Are Required to Pass the RoHS, WEEE, and HSF Environmental Protection Specifications by the EU

Suppliers shall comply with the HSF by the EU and execute the guarantees for the Restriction of Hazardous Substances Directive 2011/65/EU (RoHS) and the Waste Electrical and Electronic Equipment (WEEE). In particular, RoHS strictly control the maximum volume of hazardous substances contained in the raw materials used by suppliers; the following ten kinds of chemicals shall not be used: lead, mercury, cadmium (maximum permitted volume of 100ppm), CrVI, PBB, PBDEs, DEHP, BBP, DBP, and DIBP. Also, suppliers shall provide the Material Safety Data Sheet (MSDS) for the materials of products and the inspection reports issued by a certifying institution.



Require to Execute the REACH Guarantee by the EU

For the Registration, Evaluation, and Authorization of Chemicals of the EU (the “REACH”), as compared with the control over electronic and electromechanics products under the RoHS, the control targets of REACH are chemical raw materials. As EU has realized that chemical engineering products are used in the manufacturing procedures of electronic and electromechanical products and as the source of raw materials (i.e., plastic, rubber, organize or non-organize chemical raw materials), REACH was thus passed in 2008. From 2009, Ezconn introduced the REACH by the EU into its supplier management system and required its suppliers to commit and guarantee that their products will comply with the REACH by the EU. When products of a supplier contains Substances of Very High Concern (SVHC), it shall fulfill its duty to communicate(Duty to Communicate).

In 2023, we have signed the new version of relevant environmental regulations and updated the supplier evaluation program synchronously:

New Version of Supplier Survey on (SVHC) (2023A), 137 copies.

New version of Supplier Survey on (SVHC) (2023B), 120 copies.

No conflict mineral

In accordance with the “conflict mineral Act,” we require suppliers to not procure or use conflict minerals; suppliers shall commit to us responsible mineral sources to ensure the minerals used in products of Ezconn (i.e., tin, tantalum, tungsten, gold, and other minerals) will not bring profits for armed conflicts. We have included the policy as a necessary item for the procurement management, provision, and product design for suppliers. When a supplier uses conflict t minerals, it is mandatory for the supplier to disclose the information of the smelting plant.

Conflict Mineral Policy of Ezconn

As a member of the electronic industry, Ezconn maintains customers’ interests, duly fulfills its CSR, and respects human rights worldwide; we strictly adheres to the EICC and refuses to use conflict minerals to achieve the corporate mission of “green optics communication, sustainable operation, interest creation, and result sharing.”





Chapter 3

Care for Employees



Diversity and gender equality in the workplace

EZconn attaches great importance to human diversity and gender equality, and continuously reviews, evaluates, plans, and improves workplace-friendly measures to implement diversity, fairness, and inclusion, and promotes fair treatment and an environment of full participation for all employees.

We are committed to creating a dignified and safe working environment for our employees and to implementing equal employment opportunities, fairness in pay and promotion, and to ensuring that employees are not discriminated against or treated unequally on the basis of race, class, language, ideology, religion, party affiliation, national origin, place of birth, gender, sexual orientation, age, marriage, appearance, facial features, physical or mental disabilities, astrological sign, blood type, previous union membership, or other circumstances as required by law

In accordance with the law, if the number of mentally and physically challenged employees exceeds the number of employees stipulated in the Protection of the Rights and Interests of the Mentally and Physically Handicapped Act, and if the number of employees does not meet the standard, the company is required to pay the “shortfall subsidy fee” to the labor authority on a regular basis.

The legal requirement is to employ 4 employees, but the actual number of employees is 4. In accordance with the regulations, the number of employees for persons with physical and mental disabilities of severe degree or above shall be counted as 2 for each employee, and the number of employees shall be 5 in accordance with the law.

In order to respect the culture and customs of the aboriginal people, the Council of Indigenous Nationalities of the Executive Yuan has declared a national holiday for the “Yearly Ceremony of the Aboriginal People”, and there has been no violation of the labor rights and human rights of the aboriginal people.



Wage equality

EZconn plans and designs a reward and incentive system based on main considerations such as operational development, profitability, motivating colleagues for long-term development, personal participation in operations and contribution value, combined with sustainable development and fulfilling corporate social responsibilities as its mission. When the company achieves its profit goals, we thank our employees for their efforts and contributions, share operating profits with them, give back to employees who work hard, and hope that employees will continue to learn, strive for excellence, and continue to move forward side by side with the company to create company operating performance and sustainable operations.

Transparent and equal salary policy, for inexperienced employees, the salary standard is the same, for employees with related professional and working experience, the salary will be based on the nature of work, academic experience, expertise, etc., and there is no difference due to gender, ethnic group or other factors.

Achievements

Employee Stock Ownership Trust: :

In order to strengthen the concept of profit-sharing, motivate outstanding talents, and protect the retirement life to attract talents and enhance the competitiveness of the enterprise, the shareholding trust plan will be launched in 2023, and it is planned that employees will contribute a fixed amount of money every month, while the company will contribute the incentive payment and deposit it into the trust account together.

Capital Increase Employee Stock Options:

Considering the company's operational development and enrichment of working capital, the company's board of directors decided to increase cash capital and issue new shares in 2023. In accordance with Article 267 of the Company Law, 15% of the total amount of new shares issued will be reserved, totaling 1,395 thousand shares, to be subscribed by the company's employees.

3.1 Employee Structure

Through statistics and disclosures of the number of employees, investors are able to understand the methods to arrange human resources and the business models of the organization of Ezconn for its overall strategies, and may show the stability of employees' work and the benefit standards provided by the organization to employees. The subdivision of gender is able to disclose the internal gender distribution of the organization to carry out appropriate human resource planning and arrangements for existing labor forces and talents.

At the end of 2023, the total number of employees in the Taiwan region is 427, and all employees are full-time employees with permanent contract (interns are equivalent to full-time employees); they are entitled to all labor benefits required by the government in Taiwan, representing a stable employee structure, which is beneficial for the operational development of the Company. There were 189 male employees and 238 female employees, accounting for 44% and 56%, respectively; the ratio between male and female employees is balanced. In 2023, the separation rate was 12.3% (including 1 retired employees).

3.1.1 Employee Statistics

During the reporting period, the total number and ratio of new and separated employees by age, gender, and region.

Major Category	Secondary Category	Male – Number of People	189	Female – Number of People	238	Total	427
		Number of People	Ratio	Number of People	Ratio	Number of People	Ratio
New Employees	Below 30	9	5%	41	17%	50	12%
	31-50	3	2%	3	1%	6	1%
	Over 51	0	0%	0	0%	0	0%
	Subtotal	12	6%	44	18%	56	13%
Separated Employees	Below 30	16	8%	21	9%	37	9%
	31-50	4	2%	10	4%	14	3%
	Over 51	2	1%	1	0%	3	1%
	Subtotal	22	12%	32	13%	54	13%

61 Separated employees, including 1 retired employees.



Ratio between Male and Female Employees by Duty, Age, Educational Background, Identity of Indigenous People, Physical/Mental Impairment, and Nationality

Major Category	Secondary Category	Male	189	Female	238	Subtotal	427
Calculated by the share of the total number of people		Volume	Ratio	Volume	Ratio	Volume	Ration-Additional
By duty	Supervisor	40	21%	21	9%	61	14%
	Technician	145	77%	158	66%	303	71%
	Administrator	4	2%	59	25%	63	15%
Subtotal		189	100%	238	100%	427	100%
By age	Below 30	39	21%	90	38%	129	30%
	31-50	113	60%	113	47%	226	53%
	Over 51	37	20%	35	15%	72	17%
Subtotal		189	100%	238	100%	427	100%
By educational background	Master, doctor	20	11%	6	3%	26	6%
	University (college)	96	51%	87	37%	183	43%
	(Vocational) high school and below	73	39%	145	61%	218	51%
Subtotal		189	100%	238	100%	427	100%
By the identity as minority	Indigenous people/	0	0%	1	0%	1	0%
	Non-indigenous people	189	100%	237	100%	426	100%
Subtotal		189	100%	238	100%	427	100%
By physical/mental impairment	Physical/mental impairment	2	1%	1	0%	3	1%
	Non-physical/mental impairment	187	99%	237	100%	424	99%
Subtotal		189	100%	238	100%	427	100%
By nationality	Taiwanese	165	87%	162	68%	327	76%
	Vietnamese	23	12%	74	31%	97	23%
	Thai	1	1%	2	1%	3	1%
Subtotal		189	100%	238	100%	427	100%

Note 1: In response to the new GRI standards, the indexes for the reduction of physical and mental impairment, and the education level is adopted for exhibition.

Note 2: Duty division:

Supervisor: (Assistant) foreman, (deputy) section chief, (deputy) manager, (deputy) director, CEO, President, and others.

Technician: Operator, technician, engineer, associate engineer, assistant engineer, senior engineer, project (assistant) manager, CTO, and others.

Administration: Assistant, administrative officer/sales, associate administrative officer/sales, assistant administrative officer/sales, senior administrative officer/sales, project (assistant) manager, special assistant, and others.



3.1.2 Driving Local Employment

The number of Ezconn’s employees who have their household registration in the neighboring communities reached 319, accounting for 75% of total employees, showing that Ezconn’s operating activities have driven the prosperity and employment opportunities of local economies. In addition, the ratio of the senior management being local residents in Taiwan is 100%. Ezconn’s selection for senior management complies with the local employment principle; the localization of the management team is able to reinforce the human resource capital and improve the quality of local talents.

3.2 Remuneration, Benefit, and Retirement Plans

Favorable remuneration is beneficial for improving employees’ loyalty, facilitating the work proactiveness, and effectively retaining professional talents required by the Company within the manufacturing business of labor intensity. Remuneration offered by Ezconn differed due to the educational background, experience, duties, and performances; however, it is not differentiated due to gender; the packages offered to employees are higher than the minimum wages in Taiwan, and we execute our remuneration policies according to the governmental laws and regulations.

In 2023, the basic wages was stated as NT\$26,400 per month; the minimum salaries of male and female employees of our plants in Taiwan were higher than the requirement. However, as male and female employees with the lowest salaries have different categories of duties, males receive higher salaries due to the nature of their labor-intensity work.

Minimum salaries of males exceed the number stated by regulations by 8%

Minimum salaries of females exceed the number stated by regulations by 8%

Material Operating Joint	Address	Number of Employees in Plants	Number and Ratio of Employees Having Their Household Registration in the Neighboring Communities		Note: Define neighboring communities
Operating Headquarter Honshulin Plant	13F, No. 27-8 & 2F, No. 27, Sec. 2, Zhongzhen E. Rd. Tamsui Sec. New Taipei City	141	80	57%	Employees with household registration in Taipei City: Beitou District New Taipei City: Tamsui, Bali
Lide Plant	No. 12, Houzhouzi, Tamsui Dist., New Taipei City	18	14	78%	Employees with household registration in Taipei City: Beitou New Taipei City: Tamsui, Bali, Sanzhi
Shangda Plant	No. 380, Sec. 3, Tamjin Rd., Tamsui Sec. New Taipei City	160	115	72%	Employees with household registration in Taipei City: Beitou New Taipei City: Tamsui, Bali, Sanzhi
Total		319	209	66%	

Note 1: Excluding the number of foreign employees who live outside of Taiwan in 2022 and only calculate the number of employees who have household registration at the location of the plants.
 Note 2: The geographical definition of “local” means the Taiwan region.
 Note 3: The “material operating joint” refers to the operating headquarters, Beitou Plant, Shangda Plant, and Hongshulin Plant, which are all in the Taiwan region.



3.2.1 Employee Benefits

Benefits of full-time employees of Ezconn in the Taiwan region are divided into corporate benefits and Employee Benefit Committee's benefits. Apart from providing annual leaves, paternal leaves, nursery leaves without pay, labor and health insurance, labor retirement pension, and other basic protection, Ezconn otherwise offers public welfare leaves, paternal leave for pregnancy checks, payroll transfer discount, group meal subsidies, employee bonuses, on-the-job continuing education, employees' indemnity, travel insurance for business trips, year-end dinner, year-end bonuses, and other benefits. We also established our "Employee Benefit Committee" to manage the benefit system related to employees, regularly organize employees' activities, distribute bonuses, subsidies, and scholarships, and negotiate with merchants regarding discounts.

Corporate Benefit and Subsidy

Group insurance, employees' health inspection, travel insurance for business trips, year-end dinner, employees' bonuses, employee stock option, year-end bonus, public welfare leave, paternal leave for pregnancy check, indemnity of employees, referral bonus, nursery room, healthcare room, health check subsidy for the assumption of duties, subsidies for the underlying retention for labor and health insurance, extra number of days for annual leaves, subsidies for internal lecturers, subsidies for the official use of personal automotives, subsidies for official use mobiles, QCC bonuses, LEAN bonuses, improvement proposal bonuses, false alarm report bonuses, parking lot and salary transfer account discount, and group meal subsidy.

Employee Benefit Committee's benefits

Company trip, festival bonus and vouchers, birthday gift money, new year's feast, subsidies for marriage, funeral, and celebrations, subsidies for gatherings, benefits from contracted merchants, scholarships, emergency allowance, club subsidies, family day, and exclusive T-shirts.



3.2.2 Subsidies for On-the –job Continuing Education

The Company has established management rules for educational training, in-service continuing education, and internal lecturers and provides diverse training programs and in-service education.

Relevant training is as follows:

New employee training (introduction to the Company, occupational safety and health, quality, information, and department work training), professional training by duty, management training, re-training for reinstatement, particular training (required by law or audit), common training (hazardous substance, emergency response, sexual harassment, ethical corporate management, unjust benefit, anti-terrorism training, workplace illegal infringement training, and occupational safety and health), and other programs to train all employees and improve their capacity of main duties.

To actively cultivate core talents, improve talent quality, and accord with the future development of the Company, employees may visit academic institutions for continuing education during a certain period to systematically learn professional knowledge and skills of certain subjects. We also encourage employees to aim for degrees other than their own degrees or higher degrees, subsidize tuitions, and encourage the self-education of employees.

To cultivate outstanding talents, improve their capacity of main duties, and combine with their career development, the Company encourages in-service continuing education of employees to systematically learn professional knowledge and skills. EZconn has established its “Regulations for In-service Continuing Education” and provides subsidies for 70% of the tuition and a paid official leave once a week to support in-service continuing education of employees.





3.2.3 Employee Family day 、 Year-end Banquet and Gathering

Employees are usually busy at work and rarely socialize. We appreciate the efforts made by our employees throughout the year, and at the same time, we also provide a better experience for our employees by bonding them together, taking care of their family members to increase cohesion, enhancing and encouraging work performance, building up personal connections, promoting work development, and welfare marketing and publicity, which is beneficial to establishing the company brand and helping employees to perform better in their work and life.

Participating in the activities together with the family members of the employees can strengthen the relationship between the employees and their family members and establish closer connections, which is conducive to the promotion of family unity and communication and interaction. At the same time, they can also take this opportunity to show their commitment and concern for social responsibility to their family members and strengthen their sense of identification with EZconn. At the same time, it also promotes social participation activities, which demonstrates our concern for social welfare and the disadvantaged in the community.





3.2.4 Retirement Plan

Providing an accurate retirement plan is beneficial for attracting talents and maintain the stability of employees and teams, exerting positive support to the long-term business strategic planning of the Company. Established in 1971, EZconn has been operating for over 50 years, and partial employees' seniority has fulfilled the retirement conditions. To manage matters related to the retirement of employees, EZconn has established the "Regulations for Retirement" that specify the retirement conditions. In light of employees' self-career planning, health, family consideration, and other factors, we added the preferential retirement chapter that is more favorable than the requirements of the Labor Standard Act in 2016. Employees may apply for early retirement as long as the number of their work seniority plus age reaches 60.

Preferential Retirement Regulations :

Work Seniority + Age \geq 60



In 2023, there is one employee applied for retirement upon reaching the age. Retirement benefit fees provided by EZconn include pension, post-retirement benefit fees, insurance premium, and other benefit fees. Pension of employees are subject to the requirements under the "Labor Standard Act" and "Labor Pension Act." We regularly appropriate labor pension allowance to the labor pension account with the Bank of Taiwan and examine annually whether the amount in the account is sufficient. At the end of 2023, the account has NT\$71,041,728, which is sufficient for paying the fees for personnel expected to retire in the following year.

1. Before 1 July 2005, the Company complied with relevant requirements of the Labor Standard Act, regularly appropriated labor pension allowance to the account with the Bank of Taiwan, established the Supervisory Committee of Labor Retirement Reserve to monitor and manage labor pension allowance, and established the Charter of Supervisory Committee of Labor Retirement Reserve for implementation to protect the retirement interest of employees.
2. The new labor pension system was implemented on 1 July 2005. According to the requirements of the Labor Pension Act, the Company shall appropriate no less than 6% of the monthly wages each month to the labor pension account. Employees may apply for voluntary appropriation on the day reporting to work or during the in-service period, and arrangements are made according to relevant requirements in the Labor Pension Act.
3. The Regulation for Retirement established by the Company was declared to and archived by the competent authority. Apart from the pension stated in Labor Standard Act (old labor pension system) and the Labor Pension Act (new labor pension system), there is also an early retirement (preferential retirement) solution provided for employees' reference.
4. If an employees applies for retirement, if its day of reporting to work is earlier than 1 July 2005, its pension is calculated based on the standards of the pension system it selected to apply.



3.2.5 Nursery Leave without Pay

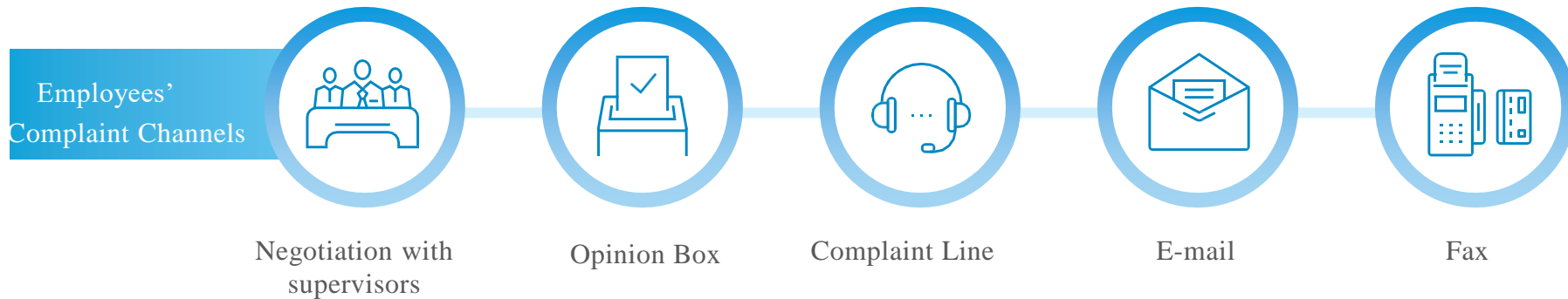
In accordance with the requirements under the “Act of Gender Equality in Employment,” Ezconn’s employees who assumed the job for six months may apply for nursery leave without pay before their children reach three years old. Relevant statistics in the reporting period by gender is as follows:

Nursery leave without pay	Gender	Total/Ratio		
		2021	2022	2023
Total number of employees who are entitled to nursery leave without pay – Employees who applied for nursery leave without pay (within three years)	Male	10	12	13
	Female	31	40	36
Total employees who used nursery leave without par – Number of persons applied in 2022	Male	2	1	1
	Female	12	12	12
Total number of employees who shall be reinstated upon the end of the period for nursery leave without pay	Male	0	0	1
	Female	3	4	7
Total number of employees who reinstated upon the end of the period for nursery leave without pay	Male	0	0	1
	Female	2	2	5
Ratio of employees who were reinstated upon the end of the period for nursery leave without pay (reinstatement rate) – 1 out of 2 male employees returned and 1 out of 3 females returned	Male	0	0	12.5%
	Female	100%	50%	62.5%
Total number of employees who are still on the job after 12 from the reinstatement upon the end of the period for nursery leave without pay	Male	0	0	0
	Female	0	1	2
Ratio of employees who are still on the job after 12 from the reinstatement upon the end of the period for nursery leave without pay (retention rate)	Male	0	0	0
	Female	0	50%	100%



3.3 Employees' Interests and Communication

EZconn values labor human rights. Regardless of nationality, gender, and position, fair and respectful treatments shall be given to employees to ensure that their work conditions and treatment are in line with the spirits and requirements of labor-related regulations. To ensure the observation of basic human rights, various labor rules and management regulations are in line with the human rights justice principles. During the reporting period, none of the following events that materially infringe human rights had occur to our operating joints, including discrimination, violation or material damage to the freedom of association and group negotiation, the use of child labor, sexual harassment, and there was no risk of severe forced labor.



The Company has established employees' complaint channels, Employee Benefit Committee, labor-capital conference, Supervisory Committee of Labor Retirement Reserve, cybersecurity and personal data protection committee, occupational safety and health committee, Audit Committee, Remuneration Committee, ethical corporate management committee, and sustainable corporate development committee. Furthermore, there are ethical corporate management workforce, sustainable corporate development workforce, human resources arbitration committee, and quality and zero hazardous substance committee in place.

Operations of the labor-capital conference, Supervisory Committee of Labor Retirement Reserve, and occupational safety and health committee are subject to the law. Employees may express their opinions and make complaints via the abovementioned channels to receive equal and justifiable treatment. Smooth and diverse complaint channels are beneficial for employees to protect their interest. Providing an equal and safe working environment has always been the reason for the efforts. EZconn targets zero labor-capital dispute, and there was no complaints during the annual reporting period.

For the labor-capital conference, the Company has established the Regulations for Labor-capital Conference and our plants make implementation according to the law. Apart from reflecting according to the internal requirements of the Company, employees may also access fair and reasonable treatment via this channel. Since the establishment, the labor-capital relationship of the Company is harmonious.

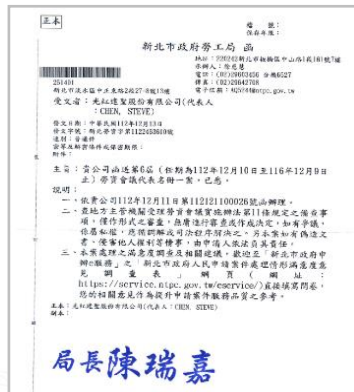
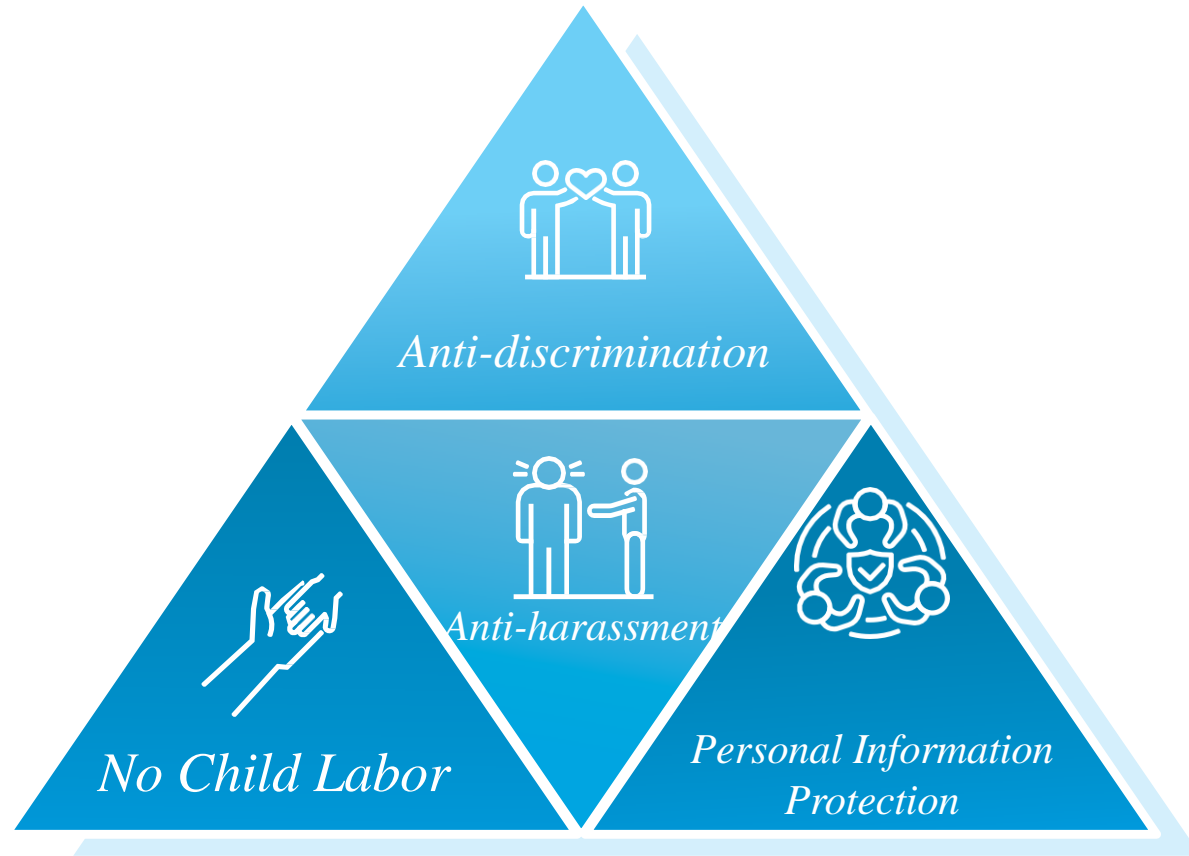
For the occupational safety and health committee, the Company has established the charter of occupational safety and health committee and meeting procedure. Labor representatives shall account for one-third of the members or above, and they shall be elected by the representatives of the labor-capital conference. The Company implements its occupational safety and health policies to prevent the occurrence of occupational disasters and establish a friendly and favorable working environment for protecting employees' safety and health.



Labor-Management Conference

The Labor-Management Conference is an important and formal communication channel between employers and employees. It is operated in accordance with relevant laws and regulations, company management rules, and conference resolutions, with the aim of ensuring smooth dialogue between the two parties, maintaining harmonious labor-management relations, and sustainable operations.

The term of office of the representatives of the 5th Labor-Management Meeting of the Operation Headquarters will expire on December 9, 2023. The representatives of the 6th Labor-Management Meeting will be reelected by means of direct election or open ballot, with the number of female colleagues exceeding one-half of the total number of employees, and the quota of the elected representatives shall not be less than one-third of the total number of 5 representatives, and 2 female representatives will be guaranteed to be elected, which will be reported to the competent authorities for approval and implementation in accordance with the law.





3.4 Employee Training

The Company’s operations depends on employees’ efforts, and employees with high caliber are the key factors to the future development of the Company. Therefore, Ezconn invests resources for the HR Department to lead the planning for employees’ training, establish systemized educational training, and improve employees’ knowledge foundation and working skills through planned training courses. Ezconn provides diverse training courses and on-the-job training, including new employee training and department functional training, and organized internal or external training courses to achieve the high quality of training results.

By gender and employee category, in 2023, the average training hours per male employee for the year was 11 hours and the average training hours per female employee for the year was 10 hours. As the training hours for professional training related to R&D and technologies are higher, and supervisors participated in the training were mainly males, the average training hours of male are higher than that of female.

■ Average Training Hours of Employees by Gender and Employee Category



Major Category	Sub-category	Training Hour	Number of Persons	Average Training Hour
By Gender	Male	1994	189	11
	Female	2278	238	10
Sub-total		4272	427	21
By Duties	Supervisor	750	61	12
	Technician	5726	303	19
	Administrator	1695	63	27
Sub-total		8171	427	58



Function Management

The domestic investment environment has changed in recent years. Apart from material impacts on enterprises brought by the severe external operating environment, the lack of talents has become a crises faced by all industries, imposing a great difficulty on traditional industries that are highly dependent on labor skills. After four decades of our establishment, the Company has entered the growth and transition period, together with the everchanging environment, the method to the precise introduction of operating strategies to facilitate the achievement of operating objectives has become the key to success of enterprises. To achieve sustainable corporate operation and deeply root our human resource capital, we have been committed to introducing a function establishment project in recent years. To allow the function model built to have credibility and effectiveness, the human resource department and relevant supervisors jointly verified and amended the position/job description, laying a solid foundation for the talent cultivation plan of the Company.

Performance Evaluation

To evaluate the work performance of employees and formulate career planning, the Company has established the Regulations for Performance Evaluation. A supervisor of a department shall jointly discuss the individual KPIs with its subordinated employee based on the annual objectives of the Company and the department and propose a feedback and improvement plan based on the achieving status of objectives each quarter. The supervisors shall evaluate the achieving status of the subordinated employee, work capacity, and special performance, carry out joint discussions with the party involved, carry out a performance interview, and provide recommendations, expectations, and improvement suggestions. Based on the results of the interview, they shall jointly formulate a substantial improvement action plan, including the improvement that the supervisor expected the employee to realize and the assistance that the employee expected the supervisor to provide. The action plan formulated shall be used as the director for annual training program planning of the individual. During the reporting period, the ratio of employees accepting the formal performance evaluation and occupational development evaluation was 100%.

The Company has established a document management system that sets out various regulations, rules, and systems and stipulates items of employee rights, obligations, and benefits; the benefit content is regularly examined to protect employees' interest.

We have established working rules (archived by the competent authority), Workplace Health and Safety Rules (archived by the competent authority), Regulations for Workplace Sexual Harassment Control, Regulations for Complaint Systems of Employees, Regulations for Ethical Conduct, Regulations for Freedom of Association and Group Negotiation, Regulations for Distribution of Employee Bonuses, Regulations for Indemnity, Regulations for Patent Innovation Incentives for Employees, Regulations for QCC, instructions for referral incentives, instructions for in-service continuing education, and instructions for internal lecturers and fully protect and maintain relevant interest of employees.



3.5 Occupation and Health

Occupational safety and health has become and increasingly important issue, which is also a part of the material scope of social responsibility. Therefore, EZconn has established its environmental and occupational safety and health committee with one-third of members or more being labor representatives. The committee proposes recommendations for the occupational safety and health policies formulated by the Company, reviews safety and health proposals, reviews matters of health management, occupational disease prevention, and health improvement, reviews occupational disaster investigation reports, and evaluates the on-site safety and health management performance and other management matters related to occupational safety and health. The Company will continue to promote the work of occupational safety and health with respect to environment, society, corporate governance, training, and education, health improvement, and corporate culture to realize the joint development and health of the Company and employees.



Environmental safety policy:

1. Observe and comply with the requirements of environmental safety and health requirements.
2. Implement the environmental safety and health system.
3. Full participation of the entire Company to seek a low pollution environment.
5. Promote environmental safety and health management cycle and continue to improve.
6. Prevent accidents, diseases, and injuries and improve health.

■ Performance indicator of the Occupational Safety and Health Office in 2023

Existing operating indicator and management	Target value	Accumulated during the year
Number of work safety cases (false alarm)	≧ 5	8
Number of work safety cases (not required to go to hospitals)	≦ 0	0
Number of work safety cases (sent to hospitals)	≦ 0	0
Number of days for the losses of working hours due to work safety	≦ 0	0
FR	≦ 0	0
SR	≦ 0	0
FSI	≦ 0	0

■ Safety and health execution items

Regulation identification	Health inspection, management, and improvement	Safety and health educational training	Damage identification
Operating environment monitoring	Chemical management	Occupational disaster prevention	Contractor management
Emergency response measures	Collection, sharing, and use of information on safety and health	Hearing protection plan	Four major plans for labor health protection

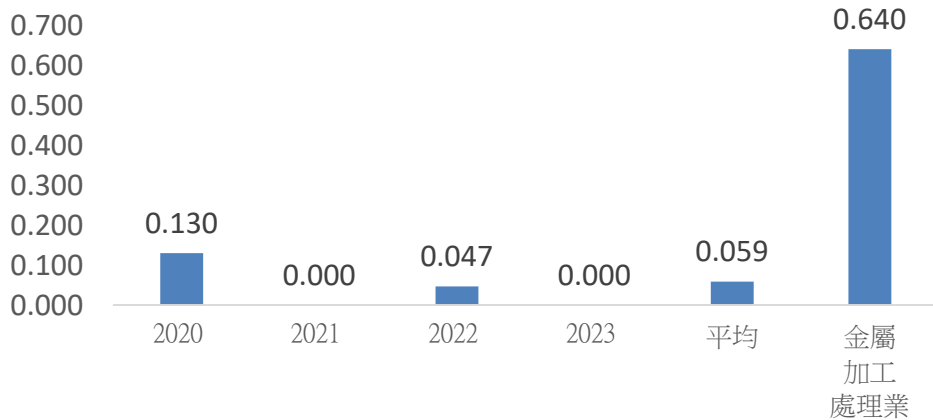


3.5.1 Occupational Safety and Health Management System

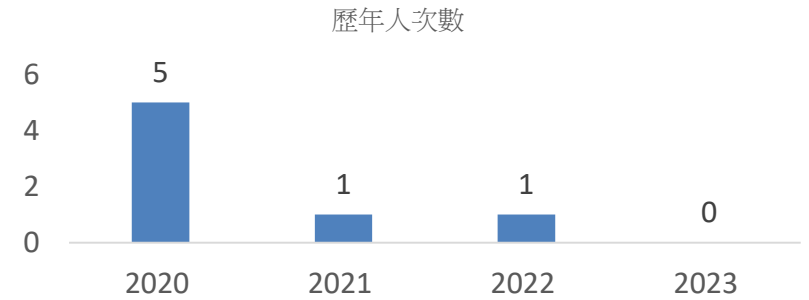
Ensuring employees' health and safety during work is the basic responsibility of the Company; the introduction of the management system can assist the Company in planning and formulating complete policies, procedures, and improvement plans to smoothly promote the internal occupational safety and health operations; therefore, Ezconn passed the CNS 45001 and ISO 45001 audit verification each year. Through our comprehensive management circular system, we carry out the hazard identification and risk evaluation each year to discover high-risk operating behaviors in advance, formulate improvement measures, and establish preventive systems, and ensure the compliance with the occupational safety and health regulations to effectively minimize the risk of accident and minimize the occurrence of work injuries, building a health and safe working environment.

In 2023, there is zero incapacitating injuries in the entire plant. The Occupational Safety and Health Office carries out the improvement tracking for accidents and requires all units to perform operational observation and establish safety operating standards for improper acts, machinery equipment, and tools related to accidents with high occurrence; meanwhile, we carry out operational promotion and training for relevant operators to minimize the occurrence of unsafe operational behaviors.

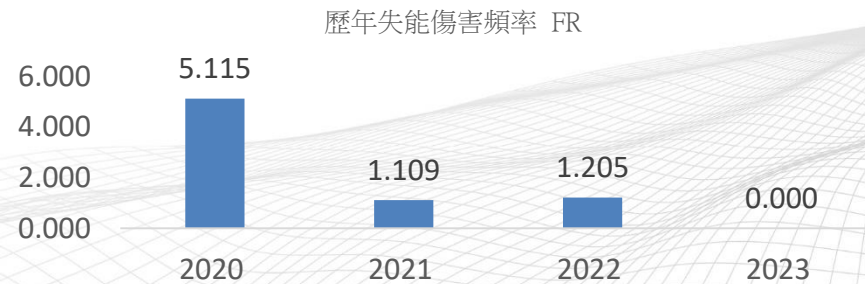
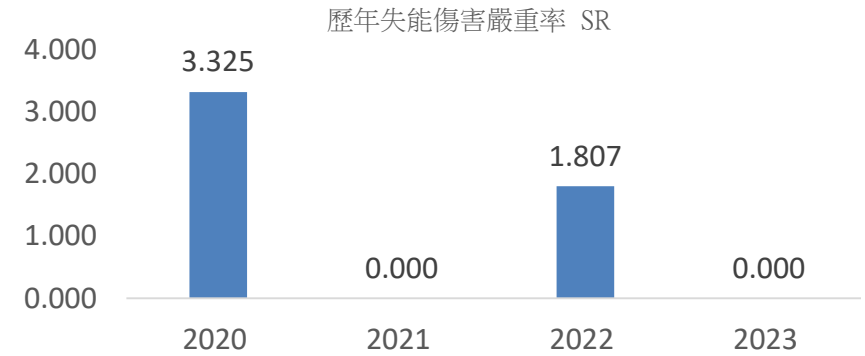
FSI in 2023 (FSI)



Performance Indicators for the Occupational Safety and Health Office in 2023



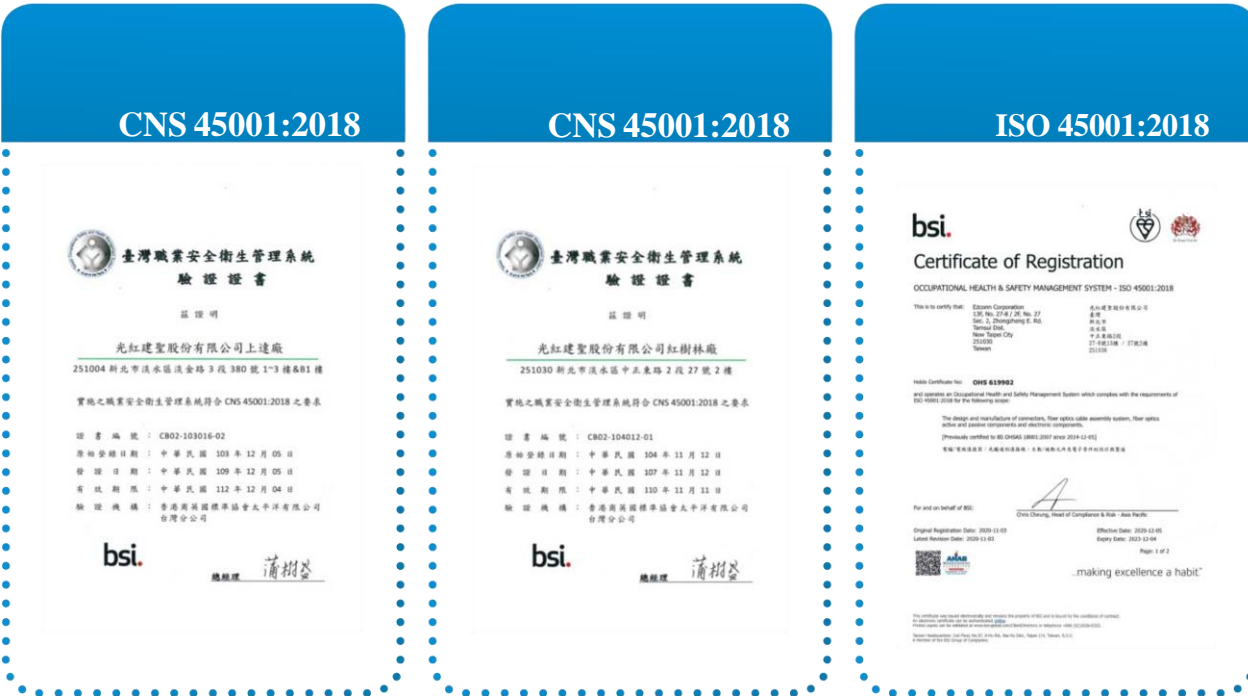
Data Related to Ezconn's Occupational Safety and Health in the Taiwan Region from 2020 to 2023





3.5.2 Occupational Safety Management System Certification

Occupational Safety and Health Improvement Plan in 2023



Shangda Plant

- ◆ Improvement of manual equipment operation safety to prevent workplace accidents
- ◆ Enhancement of chemical operation safety
 - Plant-wide protection against flammable materials
 - Prevent leakage in oil storage area
- ◆ Improvement of anti-skid staircase on site
- ◆ Improve traffic safety in the plant
 - Improve parking lot safety facilities
 - Installation of warning lights and buzzers in the old guard room's electric door
- ◆ Reduce carbon emissions: Replace 50HP air compressors with inverter air compressors.

Hongshulin Plant

- ◆ Reduced carbon emissions: Replaced 80 tons of chilled water mainframe with an inverter mainframe on the 2nd floor of the production line.
- ◆ Enhance the safety of chemical operation and protection of flammable materials.

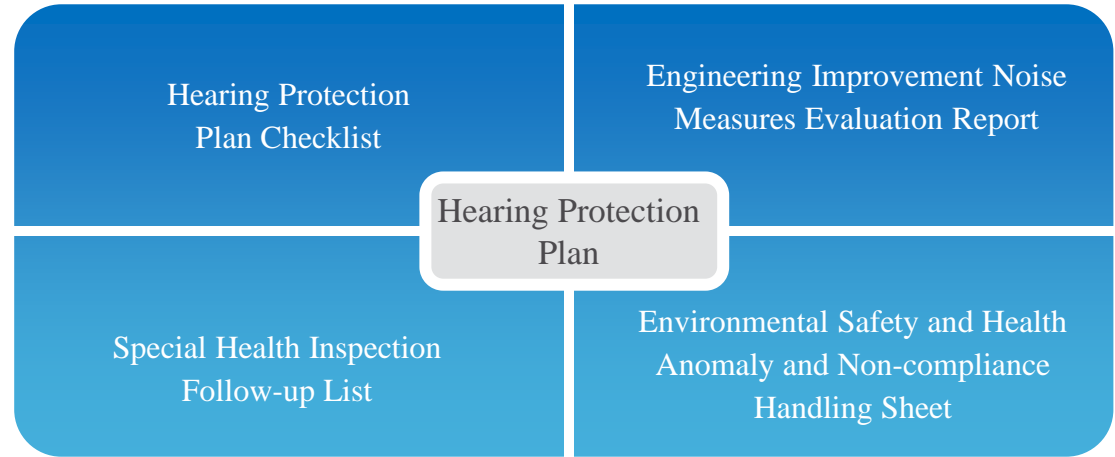


3.5.3 Health Inspection

In order to ensure early detection of workers' health conditions, we have implemented health checkups for 9 new employees, 256 annual regular health checkups, 72 special hazardous operation health checkups, 8 maternal health protection management, 52 cerebral and cardiovascular disease prevention and management, and 4 human-caused musculoskeletal disease prevention and management. Every year, we appoint a Labor Council-approved work environment testing organization to conduct work environment tests for chemical substances and noise twice a year to assess the exposure of workers to the work environment, improve the environment based on the test results, provide sufficient and effective protective equipment, and regularly care for their health conditions.

In 2023, the results of special hazardous operation health examination showed that there were 35 employees whose hearing was managed at level 2 (not related to work), and there were no level 3 or 4 employees.

The Occupational Safety and Health Office reported to the Occupational Safety and Health Committee for discussion, and adopted protection measures such as hearing protection education and training, arranging for health guidance from occupational specialists, strengthening noise protection for machinery and equipment, tracking the effectiveness of ear protection for employees, and providing 3 hours of hazardous material awareness training for employees annually to maintain employee health.





3.5.4 Emergency Management Exercise

Upon the occurrence of disasters, remaining calm is beneficial for persons to escape from dangers. The Company sets different disasters for organizing general emergency management exercises twice a year. Through watching emergency management clips, evacuation and escape route simulation, and emergency management exercises, employees are able to duly understand their personal duties upon the occurrence of disasters and can calmly protect themselves and help colleagues to escape from the disaster area, minimizing the possibility of casualties.





Chapter 4 Social Participation



Continual Contributions Will Generate Massive Effects

EZconn believes that, apart from the favorable operating performance, the recognition of the enterprise by society is the qualification for being a good enterprise. Established in 1971, we appreciate the support of the Taiwanese society over the years and is willing to assume greater social responsibility. Each year, we continue to invest resources to contribute to local communities. We care for the safety of neighbors, donate to the disadvantaged, and carry out cooperative education with schools to offer employment opportunities so as to improve our CSR image, and we hope that the Taiwanese society will become better and better.

Caring for neighboring communities

Parents need to spend a lot of effort and money to take care of these slow-flying angels, and the relationship between family members will also be affected, which is a great financial challenge for these families. We hope to provide timely help to these disadvantaged families so that they can feel the support and warmth. At the same time, we will work together with the Family Support Foundation's multi-dimensional assistance programs to provide children and their families with the opportunity to become independent and self-reliant.

For this reason, on 2023/2/14, our company donated \$50,000 to the New Taipei City Family Support Center in the hope that we can do our part to help these angels fly again and soar into the sky together with the Family Support Center.

After the Family Day on 2023/12/16, we donated a batch of lunch boxes to the private Sheng Dao Children's Home in Taipei City to help these children enjoy a healthy meal, which we believe will give them some warmth. In our neighboring communities, we believe that some families and people may be facing various difficulties, and we hope to bring some positive impact in this way. Our company will continue to persevere and look for more opportunities to help those in need, and actively implement public welfare, so that CSR is not just a slogan, but each and every employee of K Laser & Sterling becomes a seed of goodness, spreading positive and continuous warmth.





4.1 Participation in Public Welfare Activities

EZconn provides each employee with two days of public welfare leave per year to encourage employees to take the initiative to participate in social welfare activities with the spirit of service. During the reporting period, colleagues took a total of 24 hours of public welfare leave to participate in the activities of associations and governmental organizations in order to give back to the society in a physically active way.

Encourage employees to take the initiative to participate in community and social welfare activities in the spirit of service, to give back to the community, to care for the local community, to experience the feeling of “it is more blessed to give than to receive”, and at the same time, to understand the community in the course of the service and to respond to the needs of different customers, in line with the Company's objective of community care and fulfillment of corporate social responsibility.

Internal public welfare activities:

Public welfare and volunteer service activities organized, co-organized, sponsored, or encouraged by the Company, the Welfare Committee, or social organizations, and formally announced to employees.

External public welfare activities:

Employees participate in external volunteer service activities related to information education and promotion, environmental protection, relief of the disadvantaged, charitable services, eco-education, disaster humanitarian relief, promotion of international exchanges and cooperation, and enhancement of public interest.

2023/6/2 Participated in the “My Future is Unlimited” resume clinic organized by 104 Human Resources Bank, offering free resume clinics and career counseling, providing one-on-one advice to freshmen for their reference, so as to help freshmen solve their problems and stop them from losing their minds.



4.2 Industrial Academic Cooperation

Young students are the future pillars of society, and we look forward to helping them better meet the challenges of the future. We look forward to cooperating with students and schools to cultivate a new generation of capable and responsible people to fulfill our social responsibility.

We hope that through the cooperation between the industry and schools, we can strengthen the practical skills of young talents through internships, experiences and mentorships, so as to meet the needs of industry development and youth employment. Enterprises will be able to identify talents that meet their needs, and students will be able to gain an early understanding of the workplace ecosystem, corporate operations, and the overall employment environment, make ideal career choices, and strengthen the knowledge and skills needed to quickly apply them to real-world work.

On August 1, 2023, after five months of negotiation with the Department of Sea and Air Logistics and Marketing Management of Taipei University of Marine Science and Technology (Tsui Campus), we reached a consensus on the internship plan and hired three Filipino students as full-time employees.

On 2023/12/12, 12/20, and 12/29, we participated in the "One-day Workplace Experience Program" of the Department of Social Work, National Taipei University, and provided three places for students to have workplace experience. Special personnel will lead students on internships, participate in various work practices of the department, and explore personal areas of interest through internships, which will be of great help to future employment. At the same time, it will bring a new atmosphere to the company, achieve mutual prosperity and sharing between industry and academia, and do its best to cultivate the country's future elites.





4.3 Supporting Art and Cultural Activities

Article 27-1 of the Code of Practice for the Sustainable Development of Listed and OTC Companies stipulates that listed and over-the-counter companies are encouraged to continue to invest resources in arts and cultural activities and cultural and creative industries through donations, sponsorships, investments, purchases, strategic partnerships, corporate volunteering technical services or other modes of support to promote cultural development.

The Company invests resources to support related arts and cultural activities and cultural and creative industries to promote domestic cultural development.

In order to balance the physical and mental health of employees, the Company encourages colleagues to participate in cultural and artistic activities, and the Company has also taken practical and concrete actions to allocate resources to relevant organizations.

On 2023/12/2, the Company sponsored the performance of “The Color of Love” by the Shadow Flying Dance Company (located on the 4th floor of the building where the Company is located) at the Hsin-Chuang Cultural Center. In addition to sponsoring the performance fee, one employee also acted as a volunteer to assist in the related affairs.



4.4 Technical Instruction

In order to support the "Promotion of the Private Industrial Training Strategic Alliance Application Functional Benchmark Plan", our company's senior professional managers were assigned by the Skills Certification Center of the Workforce Development Agency of the Ministry of Labor to serve as the technical test for the "Machining Occupation Class C Skilled Technician" of Liuhe Senior High School Monitoring and evaluation personnel.

This period enables schools, training institutions and application-side enterprises to calibrate industry needs under the same standards, shorten the gap between learning, training and application, and achieve the goal of integrating learning, training and application.





■ Appendix. Comparison Table for the Disclosing Items under the GRI in 2016

Topic	Disclosing Item	Description of Disclosing Item	Chapter	Remark (including omitted description)	Page
GRI 101: Basics 2016 (GRI 101 does not include any disclosure)			Significant Issue Analysis Preparation Policy		22 2
GRI 102: General Disclosure 2016					
Organization Overview	102-1	Name of Organization	About us		9
	102-2	Activity, Brand, Product, and Service	Products and Services, 1.1.4 Legal Compliance		12 35
	102-3	Location of Headquarters	About us		9
	102-4	Operating Location	About us		9
	102-5	Ownership and Legal Format	About us		9
	102-6	Market of Service Provision	1.2 Economic Performance		41
	102-7	Scale of Organization	About us		9
	102-8	Information of Employees and Other Workers	3.1 Employee Structure		61
	102-9	Supply Chain	1.3 Suppliers		43
	102-10	Significant Changes in Organization and Its Supply Chain	N/A	The organization and its supply chain has no significant change	
	102-11	Early Warning Principles or Policies	1.1.5 Internal Audit and Risk Control		36
	102-12	External Initiatives	1.1.7 Participation in External Associations		39
	102-13	Membership	1.1.7 Participation in External Associations		39
Strategy	102-14	Statement of Chief Decision Maker	Statement of the Operator		4
Ethics and Integrity	102-16	Value, Principles, Standards, and Behavioral Specifications	1.1.6 Ethics and Integrity		38



Topic	Disclosing Item	Description of Disclosing Item	Chapter	Remark (including omitted description)	Page
Governance	102-18	Governance Structure	1.1 Senior Management		28
	102-19	Authorization	1.1.3 Operations of ESG		32
	102-20	Responsibility of the Operating Management for Economic, Environmental, and Social Subjects	1.1.3 Operations of ESG		32
	102-21	Consultation with Stakeholders for Economic, Environmental, and Social Subjects	1.1.3 Operations of ESG		32
	102-36	Remuneration Determination Procedures	1.1.2 Operations of Remuneration Committee		31
Stakeholder Engagement	102-40	List of Stakeholder Group	Identification of Stakeholders		17
	102-41	Group Negotiation Agreement	N/A	Ezconn has no labor union	
	102-42	Stakeholder Identification and Selection	Identification of Stakeholders		17
	102-43	Methods for Stakeholder Engagement	Communication Channels and Issues		20
	102-44	Key Subjects and Matters of Notice	Communication and Responses		19
Reporting Practices	102-45	Entities Included in and Excluded from Consolidated Financial Statements or Equivalent Documents of the Organization	Preparation Policy		2
	102-46	Process for the Determination of the Reporting Content and the Subject Boundaries and the Compliance with the "Principles for Defining the Reporting Content"	Stakeholder Management		16
	102-47	List All Material Issues Identified in the Course of Defining the Reporting Content	Stakeholder Management		16
	102-48	Effects of Restatement for Any Information in the Previous Report and Reasons Thereof	Stakeholder Management		16
	102-49	Significant Changes in the List of Significant Subjects and Subject Boundaries as Compared with the Preceding Reporting Period	Stakeholder Management		16
	102-50	Reporting Period for the Information Provided	Preparation Policy		2
	102-51	Date of the Latest Report	Preparation Policy		2
	102-52	Reporting Cycle	Preparation Policy		2
	102-53	Contact Who Can Answer Questions Related to the Report	Preparation Policy		2
	102-54	Declaration for the Compliance of the Report with GRI Standards	Preparation Policy		2
	102-55	GRI Content Index	Preparation Policy		2
102-56	External Guarantee	Preparation Policy		2	



Particular GRI Topic	Disclosing Item	Description of Disclosing Item	Chapter	Remark (including omitted description)	Page
Economic Aspect					
GRI 201: Economic Performance 2016	201-1	Direct Economic Value Generated and Allocated by the Organization	1.2 Economic Performance		41
※GRI 202: Market Image 2016	202-1	Ratio of Standard Salaries of Junior Staff of Different Gender to the Local Minimum Salaries at Significant Operating Joint	3.2 Remuneration, Benefit, and Retirement Plans		63
	202-2	Ratio of Employing Local Residents as the Senior Management at Significant Operating Joint	3.1 Employee Structure		61
GRI 103: Management Policies 2016	103-1	Explanation for Significant Subjects and Their Boundaries	Significant Issue Analysis		22
	103-2	Management Policies and Their Elements	1.1.3 Operations of ESG Chapter 4 Social Participation		32 78
	103-3	Management Policy Evaluation	1.1.3 Operations of ESG		32
GRI 203: Indirect Economic Effects 2016	203-1	Infrastructure Investment and Supportive Services	Chapter 4. Social Participation		78



Particular GRI Topic	Disclosing Item	Description of Disclosing Item	Chapter	Remark (including omitted description)	Page
Environmental Aspect					
GRI 301: Supplies 2016	301-1	Weight or Volume of Raw Materials Used	2.1 Volume and Weight of Raw Materials		50
	301-2	Ratio of Renewable Raw Material Used	2.1 Volume and Weight of Raw Materials		50
GRI 103: Management Policy 2016	103-1	Explanation of Significant Subjects and Their Boundaries	Significant Issue Analysis Chapter 2. Sustainable Environmental Management		22 46
	103-2	Management Policies and Their Elements	Chapter 2. Sustainable Environmental Management		46
	103-3	Management Policy Evaluation	Chapter 2. Sustainable Environmental Management		46
※GRI 306: Sewage and Waste 2016	306-2	Total Weight of Wastes by Category and Disposing Method	2.4 Waste Management		53
GRI 103: Management Policy 2016	103-1	Explanation of Significant Subjects and Their Boundaries	Significant Issue Analysis Chapter 1. Corporate Governance 1.1.4 Legal Compliance		22 25 35
	103-2	Management Policies and Their Elements	Chapter 1. Corporate Governance 1.1.4 Legal Compliance 2.4 Waste Management		25 35 53
	103-3	Management Policy Evaluation	1.1.4 Legal Compliance		35
※GRI 307: Compliance with Environmental Regulations 2016	307-1	Violation of Environmental Laws and Regulations	2.4 Waste Management		53



Particular GRI Topic	Disclosing Item	Description of Disclosing Item	Chapter	Remark (including omitted description)	Page
Social aspect					
GRI 401: Labor Employment Relationship 2016	401-1	Total Number and Ratio of New Employees and Separated Employees by Age Group, Gender, and Area	3.1 Employee Structure		61
	401-2	Benefits Exclusively for Full-time Employees by Significant Operating Joint	3.2.1 Employee Benefits		64
	401-3	Ratio of Reinstatement After Nursery Leave and Retention by Gender	3.2.5 Nursery Leave Without Pay		68
GRI 103: Management Policies 2016	103-1	Explanation of Significant Subjects and Their Boundaries	Significant Issue Analysis		22
			3.5 Occupational Health and Safety		73
	103-2	Management Policies and Their Elements	3.5.1 Occupational Safety and Health Management System		74
103-3	Management Policy Evaluation	3.5.1 Occupational Safety and Health Management System		74	
※GRI 403: Occupational Safety and Health 2016	403-1	Ratio of Labor Representatives Who Assist in Supervising the Providing Recommendations for the Planning Related to Occupational Health and Safety at the Formal Labor Health and Safety Management Committee	3.5 Occupational Health and Safety		73
	403-3	Laborers with High Occurrence Rate and High Risk for Diseases Related to Their Occupations	3.5.1 Occupational Safety and Health Management System		74
GRI 103: Management Policies 2016	103-1	Explanation of Significant Subjects and Their Boundaries	Significant Issue Analysis		22
			3.4 Employee Training		71
	103-2	Management Policies and Their Elements	3.4 Employee Training		71
103-3	Management Policy Evaluation	3.4 Employee Training		71	
GRI 404: Training and Education 2016	404-1	Average Training Hours for Each Employee Each Year by Gender and Employee Category	3.4 Employee Training		71
	404-2	Improvement in Employees' Skills and Transfer to Assistance Plan	3.4 Employee Training		71
	404-3	Ratio of Employees Who Receive Regular Performance and Career Development Examination by Gender and Employee Category	3.4 Employee Training		71



Particular GRI Topic	Disclosing Item	Description of Disclosing Item	Chapter	Remark (including omitted description)	Particular GRI Topic
Social Aspect					
※GRI 405: Employee Diversity and Equal Opportunity 2016	405-1	Composition of Members of the Corporate Governance Organization and Employees by Gender, Age, Minority Group, and Other Diversity Indicators	3.1.1 Employee Statistics		61
※GRI 406: Non-discrimination 2016	406-1	Cases of Discrimination and Improvement Actions Adopted by the Organization	3.3 Employees' Interests and Communication		69
GRI 103: Management Policies 2016	103-1	Explanation of Significant Subjects and Their Boundaries	Significant Issue Analysis Chapter 2. Sustainable Environmental Management		22 46
	103-2	Management Policies and Their Elements	2.1 Volume and Weight of Raw Materials		50
	103-3	Management Policy Evaluation	2.1 Volume and Weight of Raw Materials		50
※GRI 416: Health and Safety of Customers 2016	416-1	Evaluation on Effects of Products and Services on Health and Safety	2.1 Volume and Weight of Raw Materials		50
			2.5 Supplier Evaluation and Audit		54
GRI 103: Management Policies 2016	103-1	Explanation of Significant Subjects and Their Boundaries	Significant Issue Analysis Chapter 1. Corporate Governance 1.1.4 Legal Compliance		22 25 35
	103-2	Management Policies and Their Elements	Chapter 1. Corporate Governance 1.1.4 Legal Compliance		25 35
	103-3	Management Policy Evaluation	1.1.4 Legal Compliance 3.5.1 Occupational Safety and Health Management System		35 74
※GRI 419: Compliance with Social and Economic Regulations 2016	419-1	Violation of Requirements under Laws of Social and Economic Fields	1.1.4 Legal Compliance		35



EZCONN Corporate Sustainability Report



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Should you have any opinion or recommendation regarding the content of the report, please feel free to contact us.