




2021 EZconn Corporation


Corporate Sustainability Report


2021 ESG

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[Appendix. 2016 GRI 77](#)

Comparison Table for the Disclosing Items

Preparation Policy

This is the 6th 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 2021 to 31 December 2021 |
| Previous Issuance Date | June 2021 |
| Issuance Date | June 2022 |
| 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.

| EZconn Inc. | |
|------------------------|---|
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| ESG Section of EZconn | http://www.ezconn.com/chinese/about/detail.php?pid=7 |

Statement of the Operator

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

This is the 6th 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 2021, our consolidated net income was NT\$2,813,016 thousand, representing an increase of 16.55% from NT\$2,413,548 thousand in 2020; in 2021, the consolidated profit margin was 21.37%, representing an increase of 4.49% as compared with 2020.

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:

Reduce Electricity Consumption

EZconn is committed to implement various energy-saving measures. During the reporting period, we replaced 393 LED lights (7 to 40W); it is estimated to save energy amounted to 21,528kWh. We replaced old model air conditioners with 11 inverter air conditioners with grade 1 energy efficiency; it is estimated to save energy amounted to 9,574kWh. In 2022, apart from investing in the improvement of air pressure systems for energy-saving, we will continue focusing on the improvement of other software and hardware measures and equipment.

Selection of Green Building Materials

EZconn makes extensive use of green building materials during the course of plant building, primarily due to the minimized environmental pollution in the stages of raw material acquisition, production and manufacturing, finished good delivery, and use, so as to minimize the generation of substances that are harmful to the environment and human body, ensuring the safety and health of living spaces and protect the ecological environment.



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

副本

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發文日期：中華民國110年8月18日
發文字號：新北新工資字第1109588148號
類別：普通件
密等及解密條件或保密期限：
附件：

主旨：茲敦聘貴公司廖涸嶠老師擔任110年度在校生工業類專業技能檢定機械加工丙級術科監評委員，敬請惠予同意並於監評期間給予公假，敬請查照。

說明：
一、監評時間：110年9月16日。
二、監評地點：新北市立新北高級工業職業學校機械科1樓車工場

正本：廖涸嶠老師
副本：光紅建聖股份有限公司

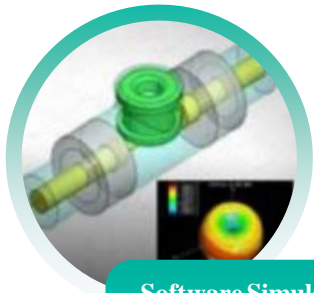
校長林清南

本案依分層負責規定授權業務主管決行

第1頁 共1頁

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.



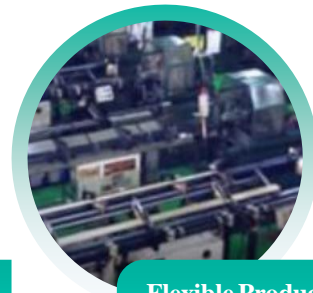
Software Simulation



Comprehensive
Quality System



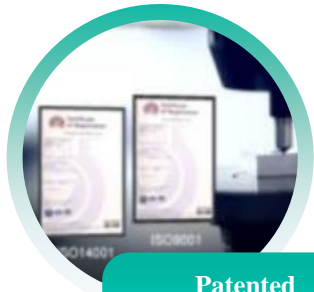
Ability of Automation



Flexible Production



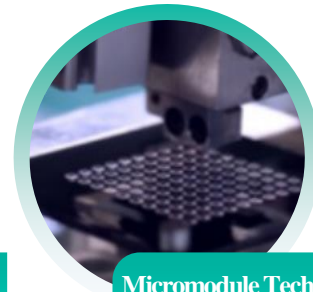
Professional Mechanical Design



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 2021, income arising from optical communication products and radio frequency connectors accounted for 57% and 43% 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\$ 693,000 thousand |
| Revenue of the Year | NT\$2,813,016 thousand |
| Major Products | Radio frequency connector elements, optical fiber communication elements |
| Number of Employees | 421 employees in Taiwan, 741 employees in Ningbo (China), 29 employees in Czech |
| Total Number of Operating Joints | <ul style="list-style-type: none"> ♦ Taiwan (Taipei Headquarters Tamsui Hongshulin Plant and Shangda Plant) ♦ China Ningbo ♦ Czech |



Worldwide Presence

29

employees

Czech

R&D/Product Engineering

High-end Production

741

employees

China Ningbo

Professional Production Line

421

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!

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 Qualify 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.



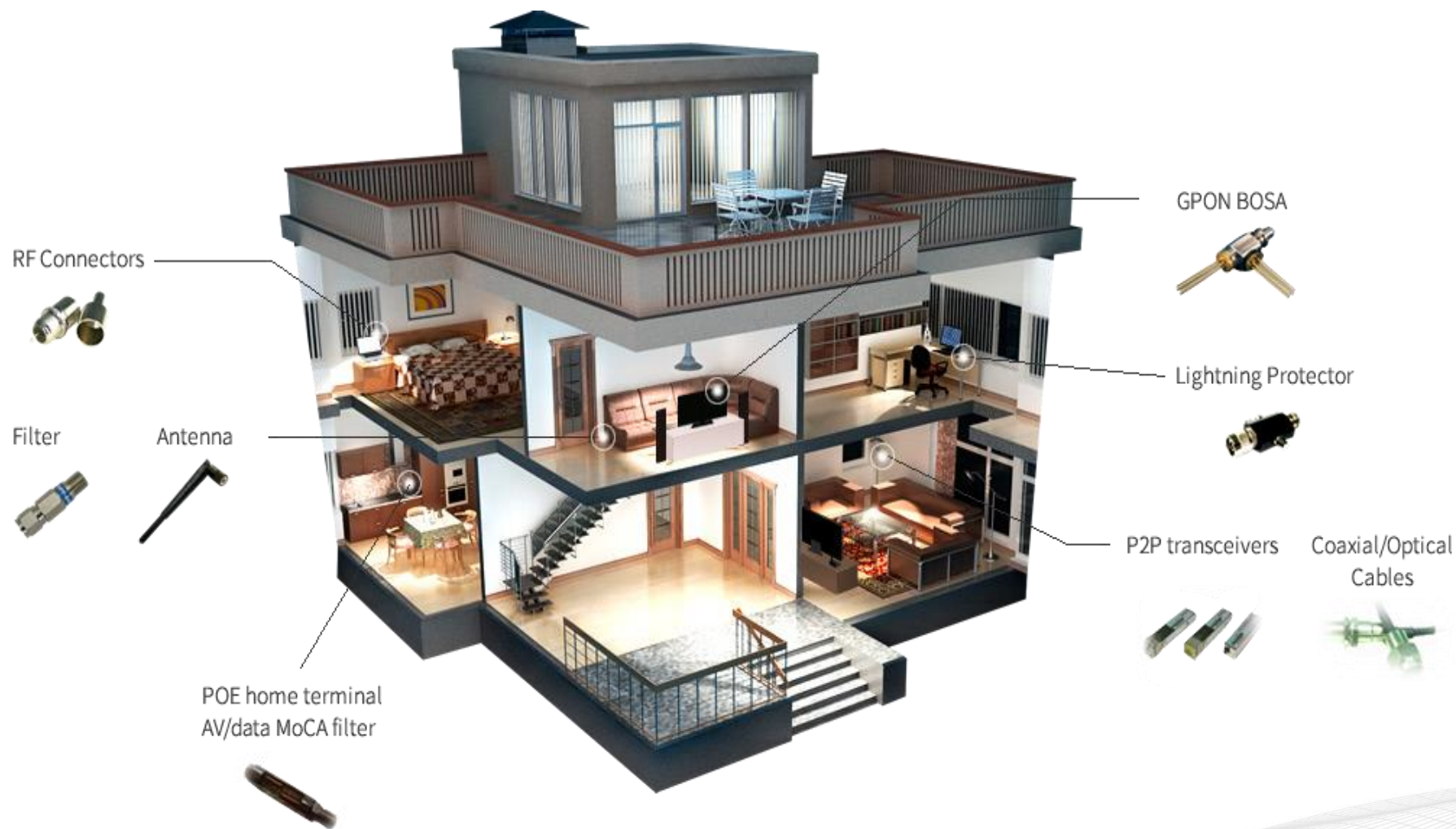
▲ Recognized by VIGORMAN Co., Ltd., ISO system consultant, and received the "30th Anniversary Commemorative Medal of Gratitude."



▲ 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.



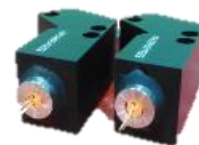


Optical Communication Product

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 imaginable. The process ability of EZconn allows it to drill an inner hole of $3\mu\text{m}$ 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 23 July and 14 December 2021, EZconn was invited to participate in the investor conferences held by EnTrust Securities and Reliance 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 | | 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 Information Department | |
| | | | Annual investor conference | Once a month | Participation of supervisors of responsible departments | |
| | Corporate investors | | Monthly income announcement | Once a month | Financial and Accounting Information Department | |
| | | | 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 |
| 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 Ethical management Internal control Anti-corruption Occupational safety Sustainable environment management Corporate carbon dioxide reduction management Sustainable environment communication | Official document/phone call, MOPS | From time to time | Financial and Accounting Information Department | |
| | National Taxation Bureau | | Official document/phone call, corporate taxation filing system | From time to time | Financial and Accounting Information Department | |
| | TWSE | | | | | |
| | Department of Labor | | Official document/phone call, MOPS | From time to time | Financial and Accounting Information Department | |
| | Environmental Protection Bureau | | 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 6th “2020 EZconn Corporate Social Responsibility 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.

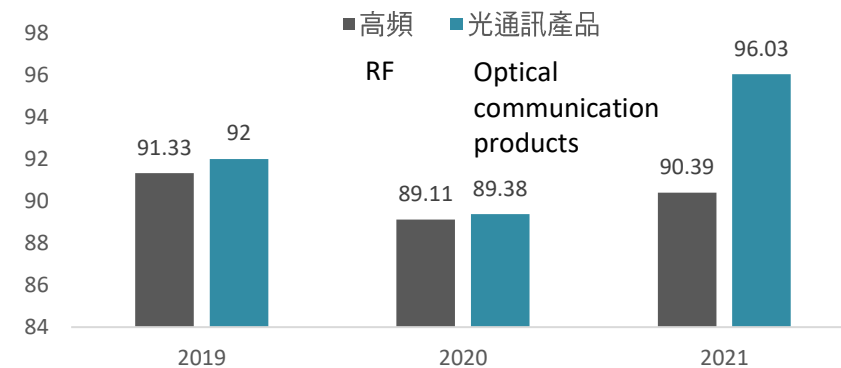
Customer Satisfaction Survey

EZconn deeply knows that customers’ trust for and procurement of our products are the keys to the stable growth of the Company’s revenue; therefore, we continue providing premium products to satisfy customers’ demand for specifications. Meanwhile, we regularly perform satisfaction survey on customers to understand our shortcomings and seek future advances and improvement, and in turn, establish long-term cooperation and mutual-trust relationship with customers.

Customer satisfaction is one of the indexes for our annual quality target. The target we set was to reach 90 and above; the grading method on the customer satisfaction survey is to grade us with a scale from 0 (most dissatisfied) to 10 (most satisfied) regarding each question, and the sales personnel will, after collecting the survey, fill the grades for all questions in the questionnaire in the customer satisfaction survey general table for calculation. Subsequently, when the customer satisfaction grading results calculated failed to reach the target of 90, the business unit will carry out project improvement operations, contact responsible units for joint improvement activities based on the content of various issues, and report at the “Quality and Environment Committee meeting” at last. During the year, EZconn received recognitions from customers at a grade higher than the 90, the target; however, EZconn will continue improving our product quality and services and become a technology and manufacturing service supplier trusted by our customers.



Customer Satisfaction for the Past Three Years



| Product Type | Annual | Product | Shipping | HSF | Delivery | Service | Complaint | Average |
|--------------------------------|--------|------------|-----------|------------|------------|------------|------------|---------|
| | | Quality | Arrangeme | Control | Term | Quality | Processing | |
| | | Satisfacti | nt | Satisfacti | Satisfacti | Satisfacti | Satisfacti | |
| | | on | on | on | on | on | on | |
| RF Connectors | 2019 | 9.13 | 9.12 | 9.12 | 8.7 | 9.38 | 9.15 | 91.33 |
| | 2020 | 9.03 | 9 | 9 | 8.45 | 9.19 | 8.83 | 89.11 |
| | 2021 | 9.05 | 9.09 | 9.12 | 8.64 | 9.1 | 8.92 | 90.39 |
| Optical Communication Products | 2019 | 9.06 | 9.13 | N/A | 8.6 | 9.5 | 9.1 | 92 |
| | 2020 | 9 | 8.81 | 9.06 | 7.69 | 9.25 | 8.8 | 89.38 |
| | 2021 | 9.52 | 9.67 | 9.62 | 9.14 | 9.86 | 9.6 | 96.03 |

Note: The grading method of the customer satisfaction survey: From 0 (most unsatisfied) to 10 (most satisfied) in 2021).



Significant Issue Analysis

Identification

Prioritization

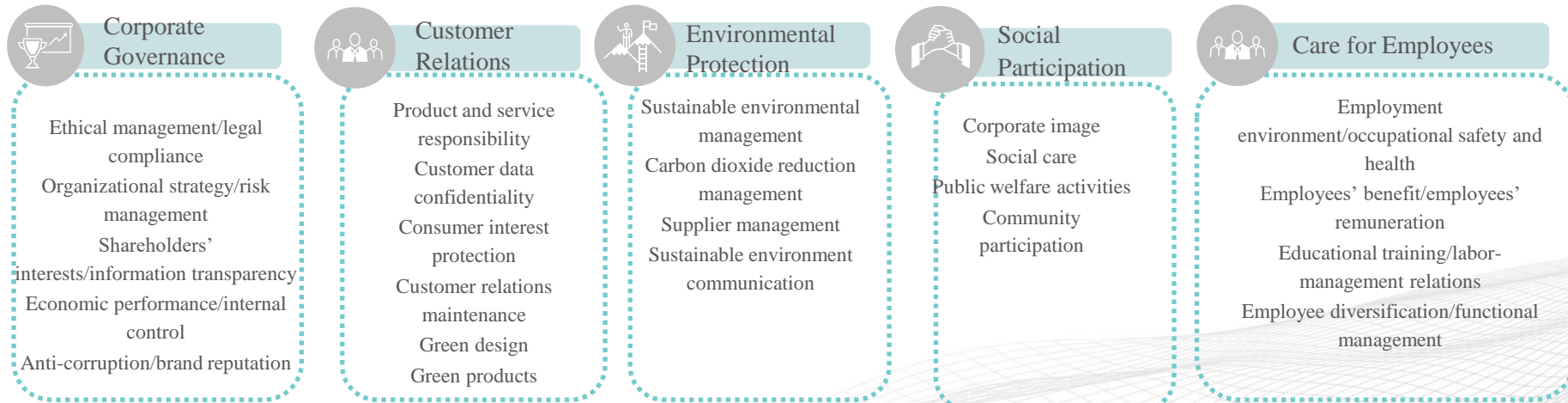
Validation

Review

First, in the identification process of step 1, the CSR 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 three 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.

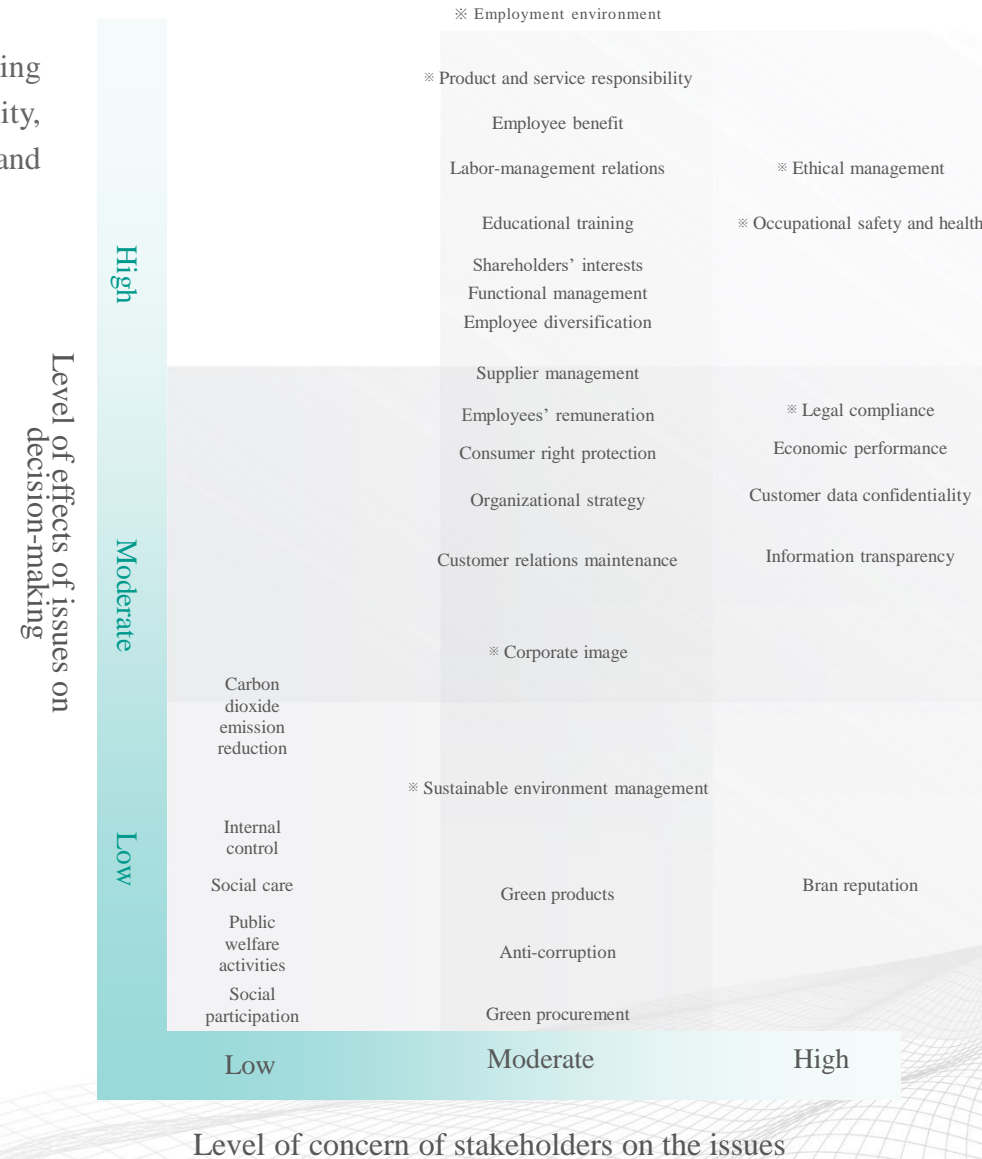
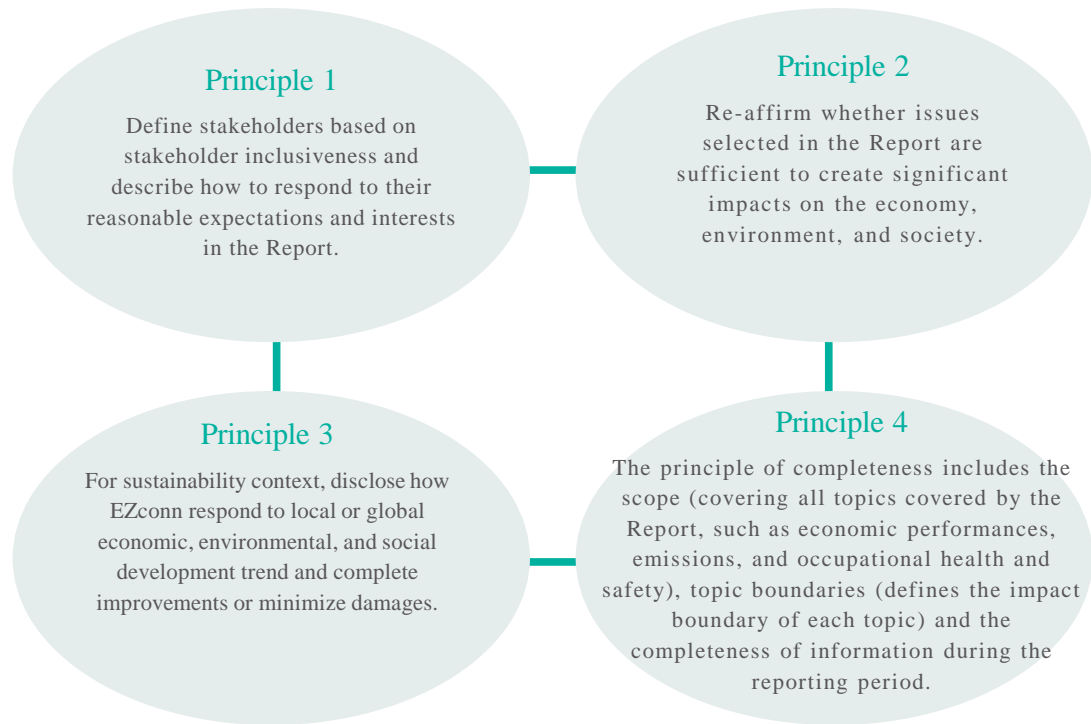
List of Relevant Issues





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.





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 Compliance with social and economic regulations | 307-1 | Violation of environmental laws and regulations | ● | ● | ● | ● | ● | ● |
| | 419 | | 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 | 102-2 102-44 416-1 | Activities, brands, products, and services 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 | 202-1 202-2 | Ratio of standard salaries of grassroot employees of different gender to the local minimum salaries at significant operating joints Ratio of employing local residents as the senior management salaries at significant operating joints | ● | ● | | | | ● |
| Employment Environment | 405 406 | Employee diversification and equal opportunities Non-discrimination | 405-1 406-1 | Members of the corporate governance organization and the composition of different types of employees by gender, age, minority ethnic groups, and other diverse indexes Discrimination and improvement actions adopted | ● | ● | ● | ● | | |

Chapter 1

Corporate Governance



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.

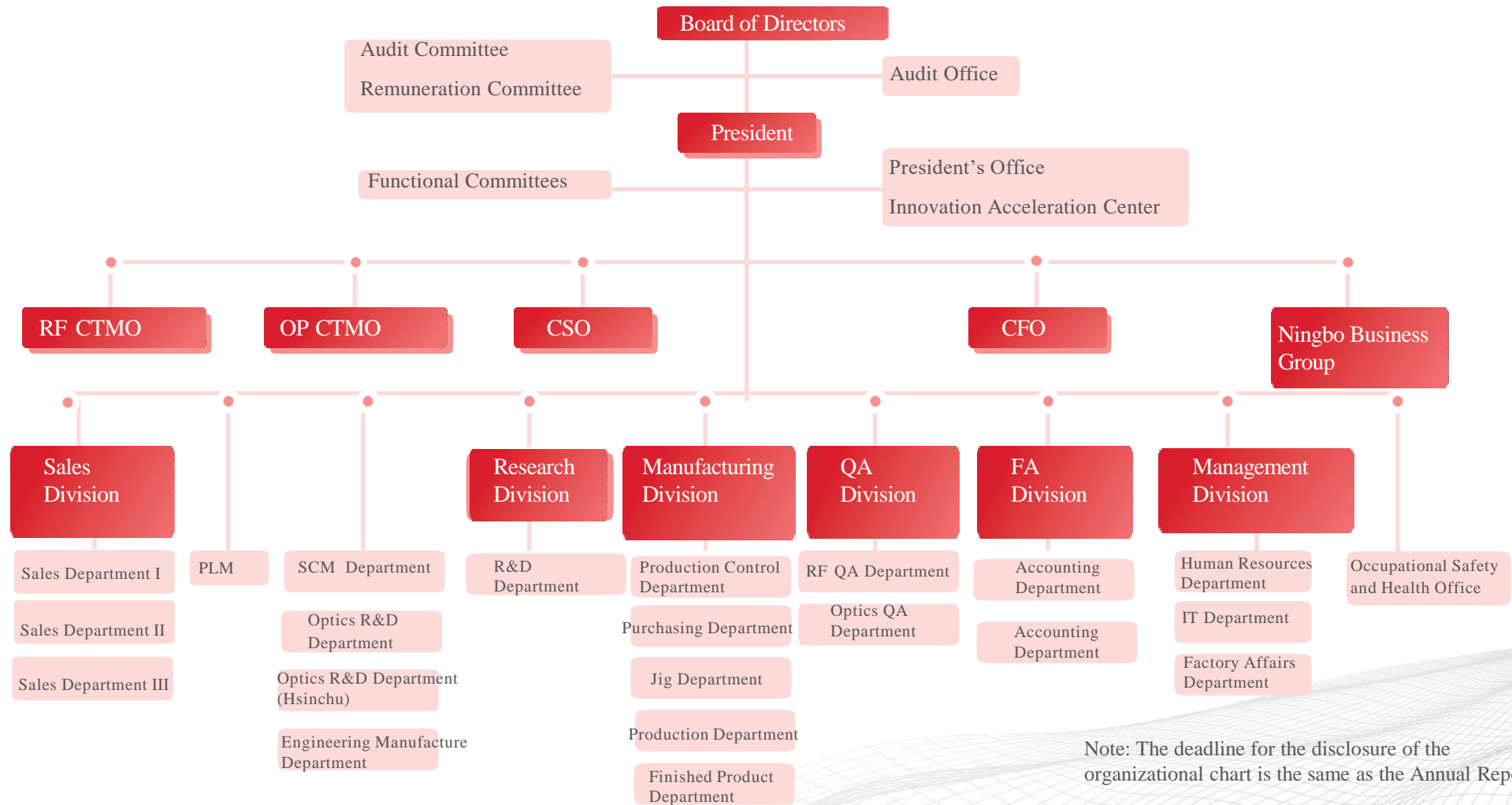
- Short-term target: Continue to focus on the development of innovative technologies and the improvement of product quality, spare no effort in satisfying customers' requirements, and provide comprehensive services; maintain stable growth in profitability and share operating achievements with shareholders, 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.

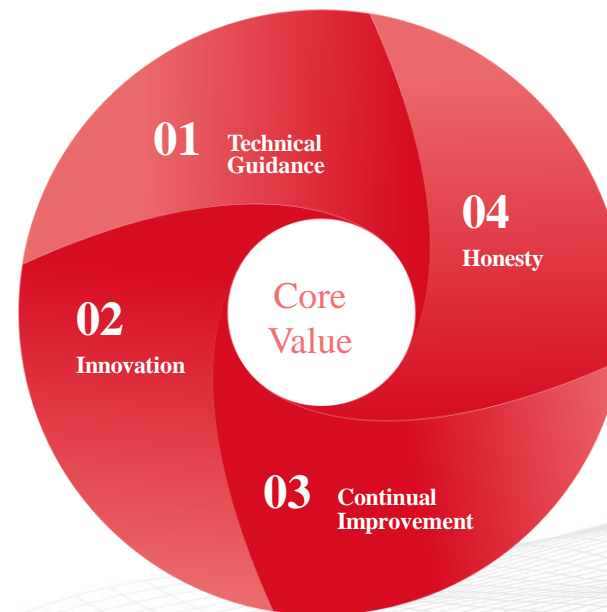


1.1 Senior Management

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, supervisors, and managers. In addition, supervisors 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.

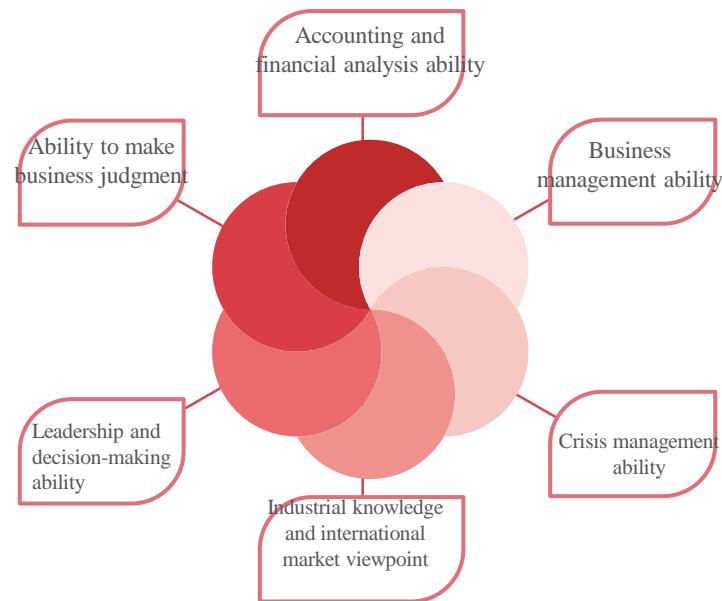




1.1.1 Operations of the Board of Directors

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 2022, the Board of Directors held a total of 5 meetings (A); the attendance (presence) rate of Directors and supervisors is as follows:

| Title | Name | Actual attendance (presence) (B) | Attendance by proxy | Actual attendance (presence) rate (%) [B/A] | Remark |
|----------------------|----------------------------------|----------------------------------|---------------------|---|--------|
| Chairman | eGtran Corporation | 5 | 0 | 100% | |
| | Representative: Chen, Steve | | | | |
| Director | SHC Consolidated Investors LLC | 5 | 0 | 100% | |
| | Representative: Ko, Yuan-Yu | | | | |
| Director | Jia Jiu Investment Co., Lt | 5 | 0 | 100% | |
| | Representative: Chang, Ying-Hua | | | | |
| Director | Transnational Investment Limited | 5 | 0 | 100% | |
| | Representative: Lan, Chin-Yin | | | | |
| Independent Director | Peng, Xie, Ru | 5 | 0 | 100% | |
| Independent Director | Ciou, Er-De | 5 | 0 | 100% | |
| Independent Director | Huang, Kui-Wen | 5 | 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. |



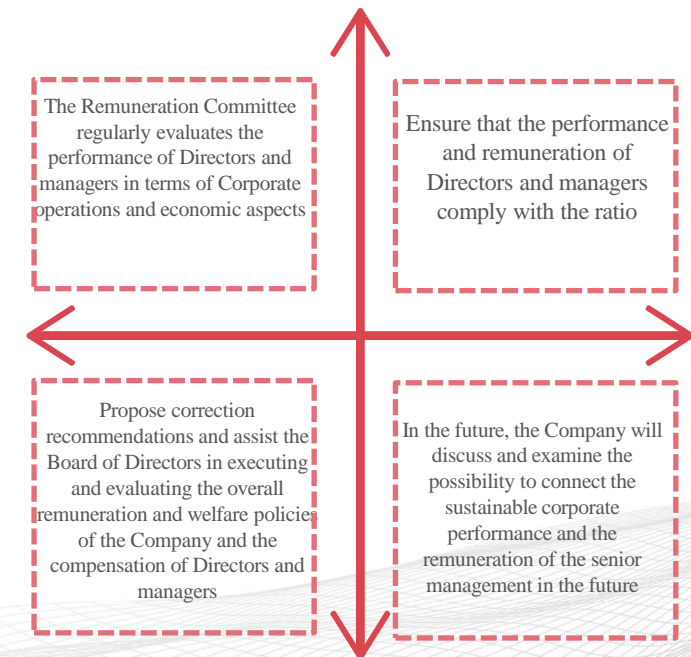
1.1.2 Operations of Remuneration Committee

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, supervisors, 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.

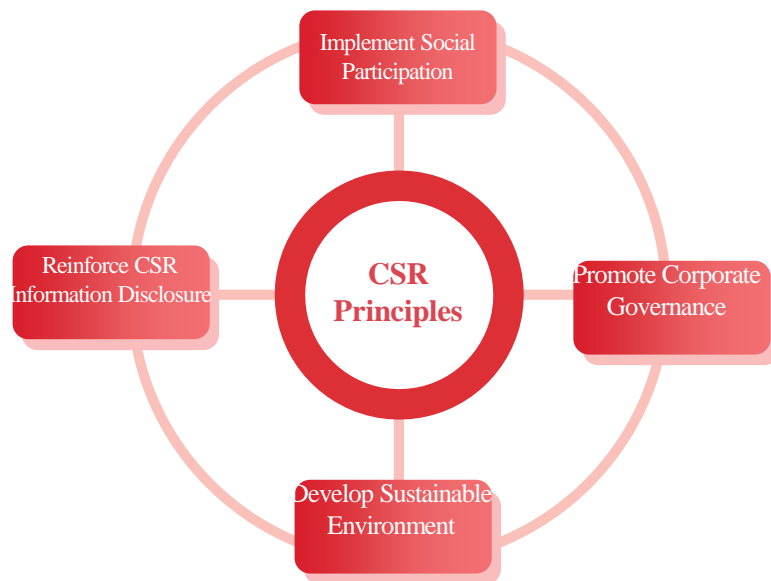
| Title | Name | Actual attendance (B) | Attendance by proxy | Actual attendance rate (%) | Remark |
|----------|-----------------|-----------------------|---------------------|----------------------------|--------|
| | | | | (B/A) | |
| Convener | Peng, Xie-Ru | 2 | 0 | 100% | |
| Member | Ciou, Er-De | 2 | 0 | 100% | |
| Member | Huang, Hui-Wen | 2 | 0 | 100% | |
| Member | Tsai, Xing-Juan | 2 | 0 | 100% | |





1.1.3 Operations of CSR

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.



CSR Target

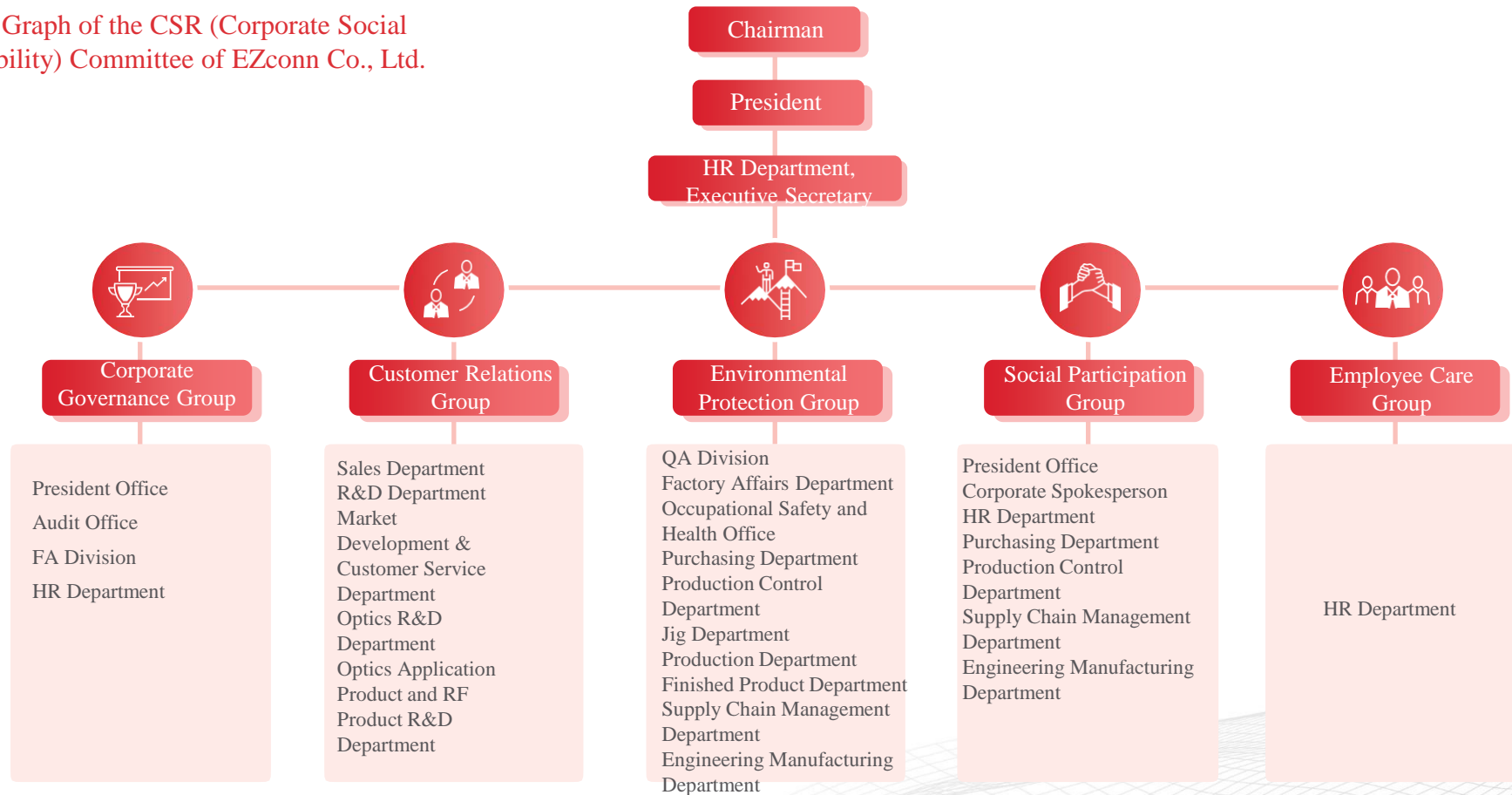
- ◆The Board of Directors shall duly perform the obligation of care of a good administrator to supervise the Company in implementing social responsibility and examine its implementation effects and continue to improve to ensure the implementation of CSR policies.
- ◆The Board of Directors shall perform its CSR in the following aspects:
 - (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.
- ◆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.
- ◆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 Social Responsibility Committee (the “CSR Committee”), EZconn’s Board of Directors authorized the CSR 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 CSR (Corporate Social Responsibility) Committee of EZconn Co., Ltd.

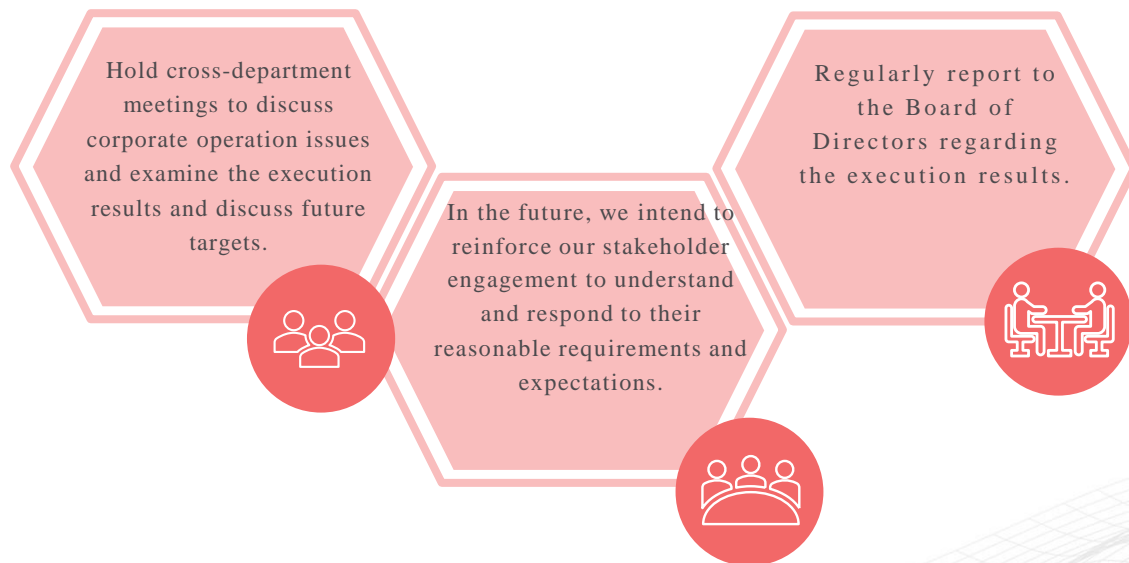




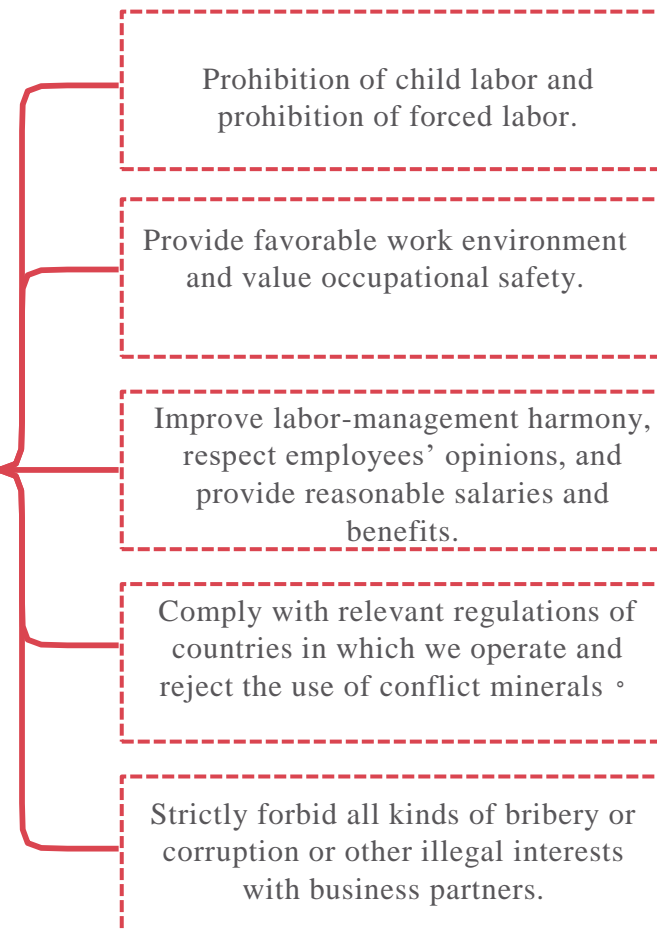
In addition, we further published our “Corporate Social Responsibility Policy Statements and Commitment” to declare our commitments to implementing CSR.

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.



Summary of CSR Statements and Commitment





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.

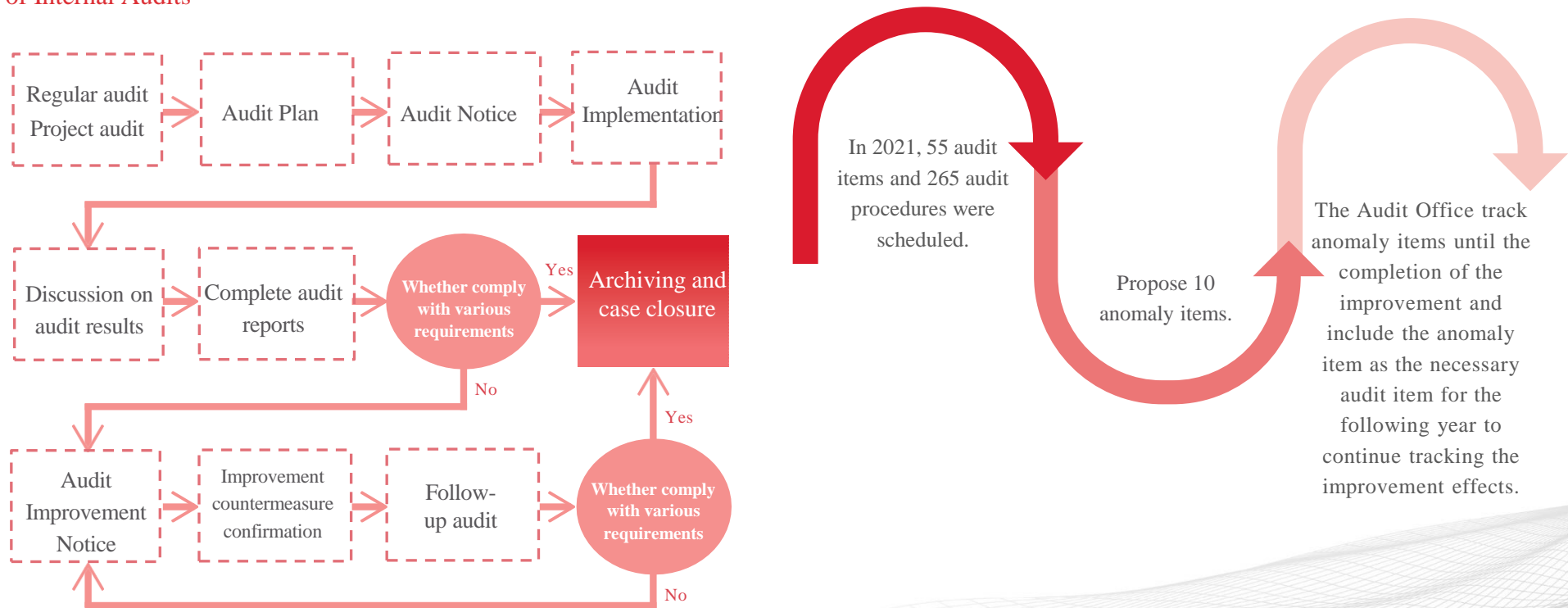
As partial social regulations affect employees' interests, dedicated units are responsible for maintenance and update; the Occupational Safety and Health Office is responsible for examining whether there is any amendment to regulation related to occupational safety and health; the HR Department is responsible 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



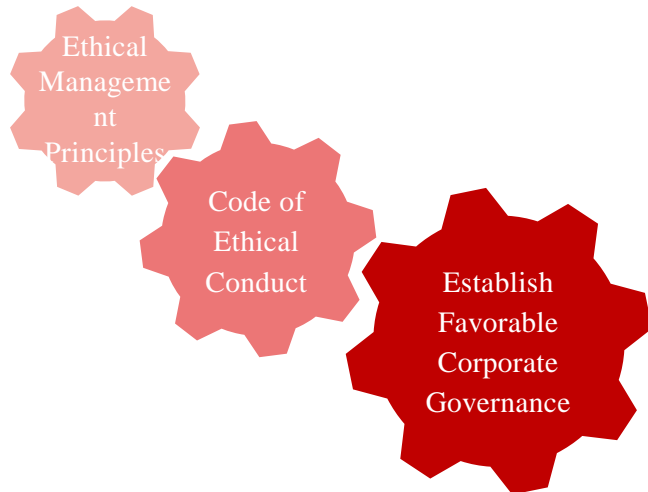


| Risk Aspects | | Countermeasures |
|---|--------------------------|--|
| Finance | Changes in interest rate | Primarily interest expenses arising from loans from financial institutions. As the expenses accounted for minor part of our revenue, changes in interest rate has insignificant effect on EZconn 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.



1.2 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.

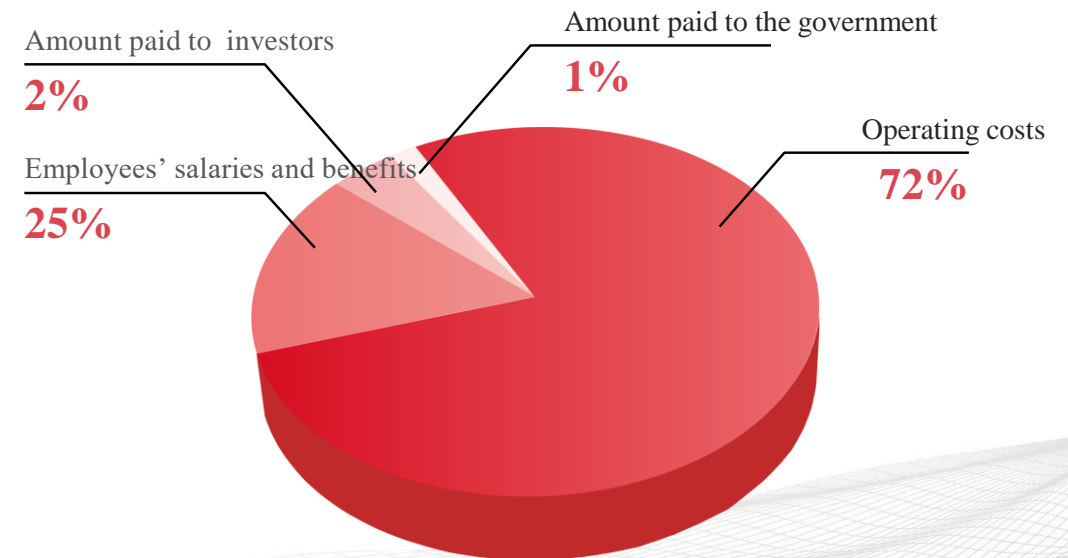
Meanwhile, under the trend of sustainable development, apart from the positive economic impact results arising from the flows of capital between stakeholders, indirect economic impacts also occurred. In another word, the results of the impacts arising from the operating activities of Ezconn on local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

Economic Performance in 2021

| | | |
|-----------------------------------|--|------------------------|
| Director economic value generated | Reporting year - income | NT\$2,813,016 thousand |
| Economic value allocated | Operating costs | NT\$1,956,841 thousand |
| | Employees' salaries and benefits | NT\$675,337 thousand |
| | Amount paid to investors (bank loans, shareholders' dividends) | NT\$66,300 thousand |
| | Amount paid to the government (taxation, fines) | NT\$31,667 thousand |



Economic Value Allocated

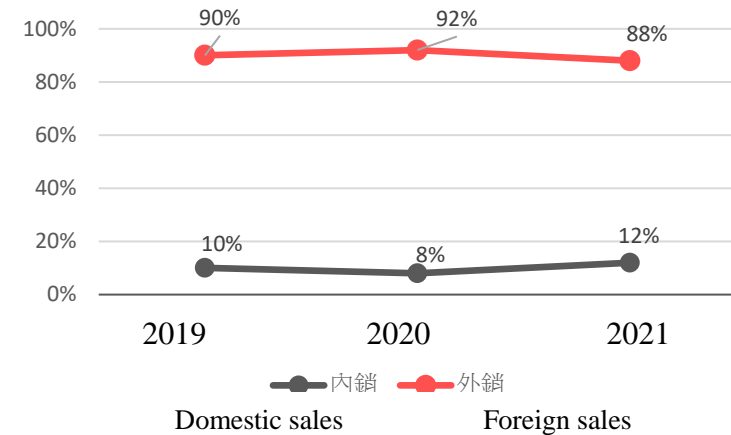




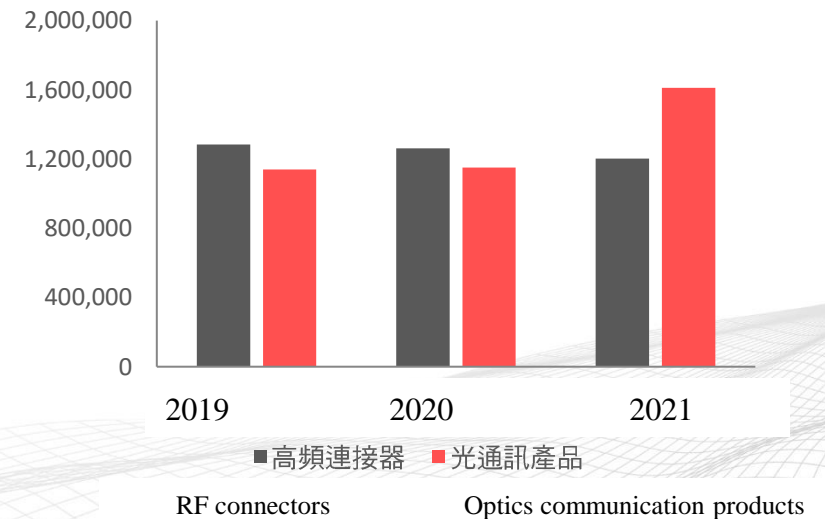
| Business Proportion for the Past Three Years | Unit: NT\$000' | | | | | |
|--|----------------|---------------------|-----------|---------------------|-----------|---------------------|
| | 2019 | | 2020 | | 2021 | |
| | Revenue | Business Proportion | Revenue | Business Proportion | Revenue | Business Proportion |
| RF connectors | 1,284,339 | 53% | 1,261,794 | 52% | 1,202,225 | 43% |
| Optics communication products | 1,139,819 | 47% | 1,151,754 | 48% | 1,610,791 | 57% |
| Total | 2,424,158 | 100% | 2,413,548 | 100% | 2,813,016 | 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' | | | | | |
|--|-----------------|------------------|-----------------|------------------|-----------------|------------------|
| | 2019 | | 2020 | | 2021 | |
| | Amount of Sales | Sales Proportion | Amount of Sales | Sales Proportion | Amount of Sales | Sales Proportion |
| Domestic sales | 242,384 | 10% | 196,058 | 8% | 336,260 | 12% |
| Foreign sales | 2,181,774 | 90% | 2,217,490 | 92% | 2,476,756 | 88% |
| Total | 2,424,158 | 100% | 2,413,548 | 100% | 2,813,016 | 100% |



1.3 Suppliers

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

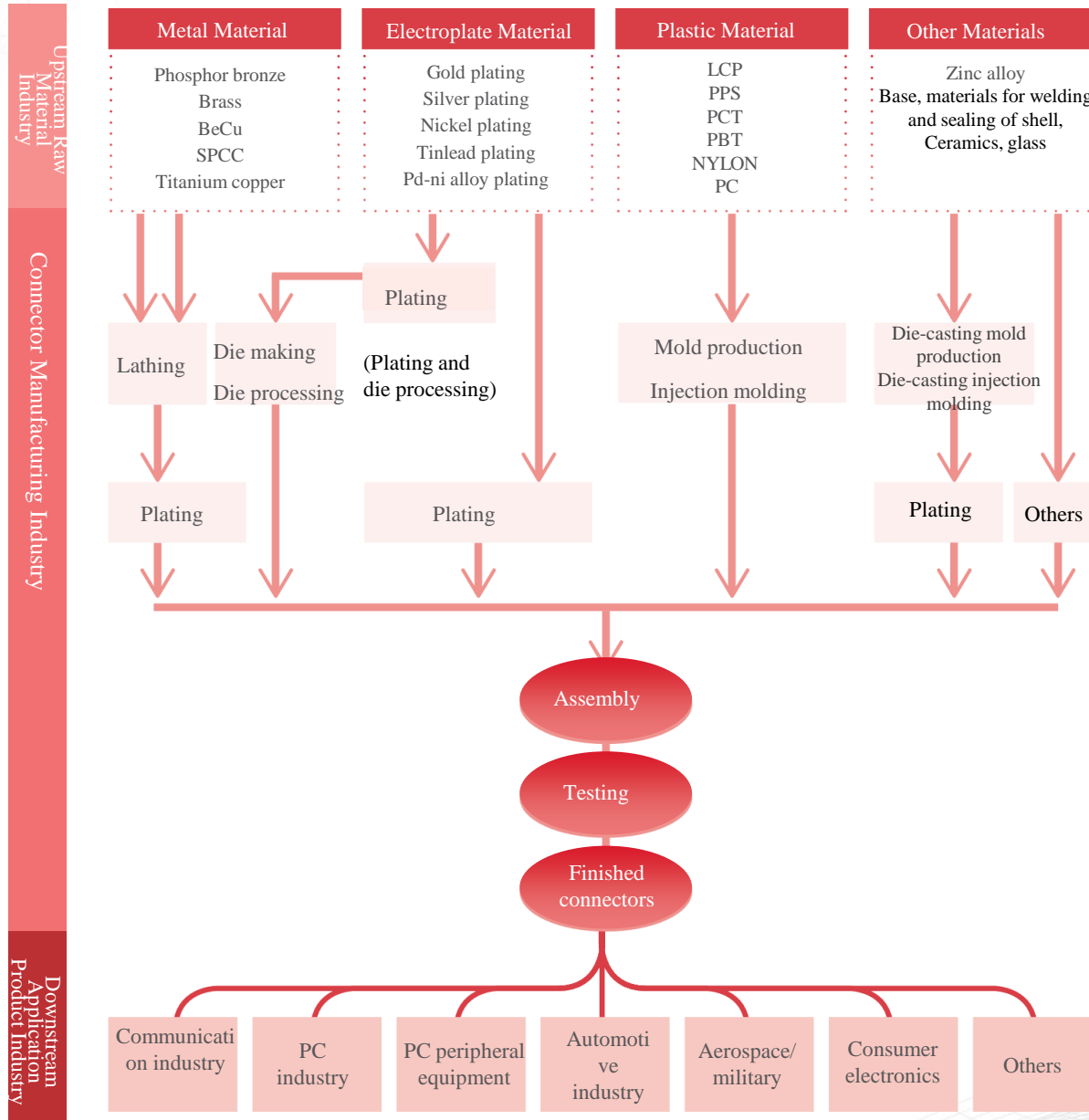
Facing customers' high-standard procurement threshold in terms of product quality and green manufacturing procedures, Ezconn imposes the request related to the compliance with global environmental protection specifications on its local suppliers. Therefore, for local suppliers, they also constantly enhance 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 electronics, to transportation industries. The relationship diagram between the upstream, midstream, and downstream is set out in the following page:

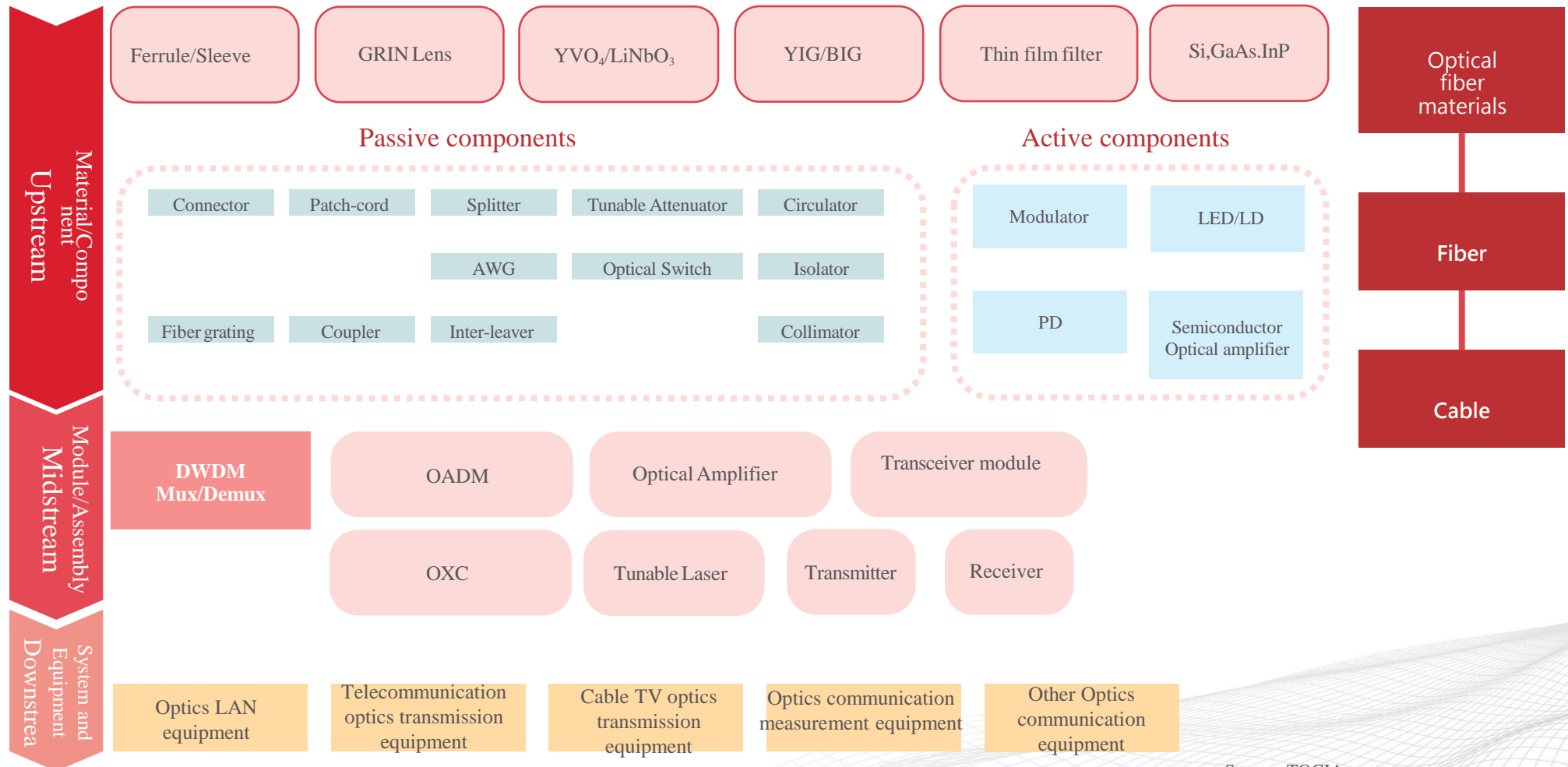


For the connector industry, the upstream is suppliers of raw materials, including metal, plating, plastics, and other materials, the midstream is suppliers of connector design, assembly, and manufacturing, and the downstream is suppliers of electronic products. Upstream raw materials are majorly metal 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

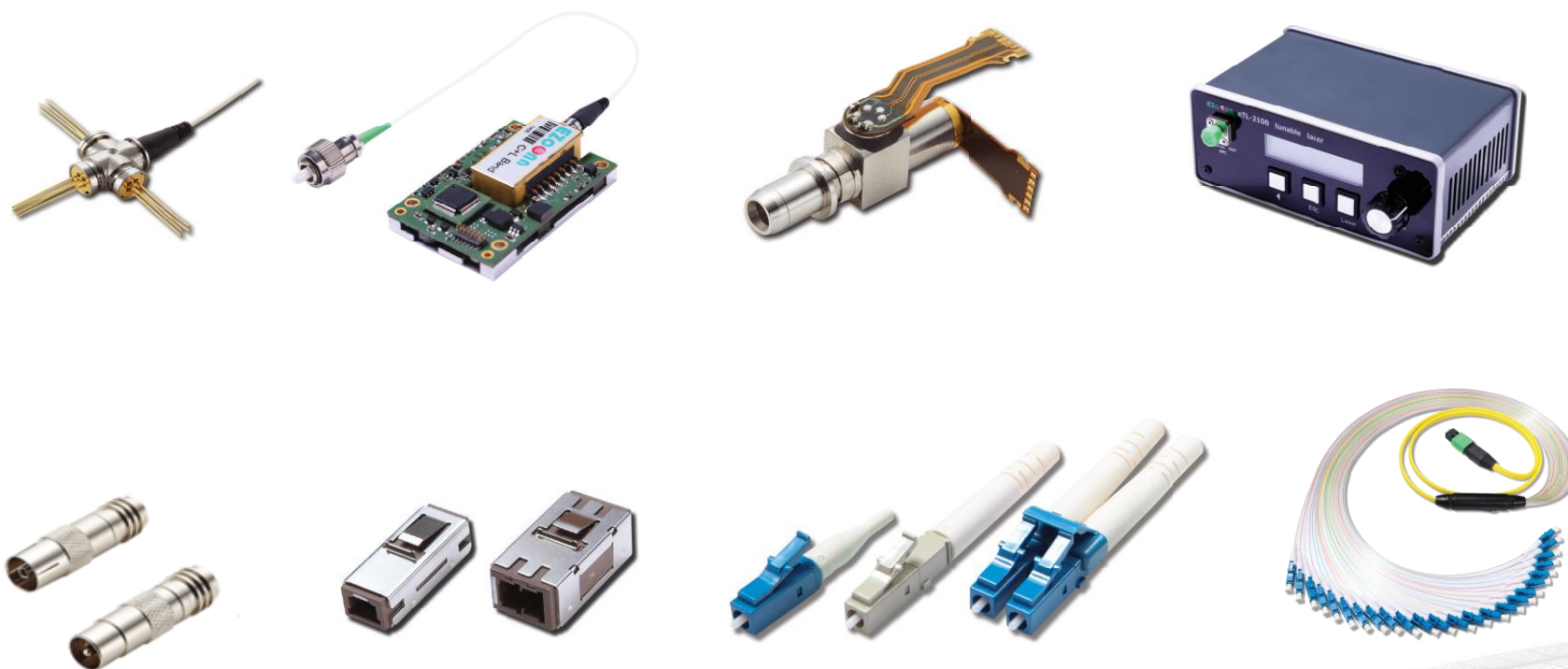


Chapter 2

Sustainable Environmental Management



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 (397,899kg).

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 79% of the total consumption (1,843kg), and non-renewable raw material (rubber) accounted for 21% of the total consumption 479.30kg. The sharp decrease in the raw material consumption is primarily due to the increase of the production output for our orders as compared with that of 2019.

RF Connector Raw Material Consumption Statistical Chart

| Raw Material | | Whether contain hazardous substance | 2019 | | 2020 | | 2021 | |
|--------------|--------------------|-------------------------------------|------------------|--------|------------------|--------|------------------|--------|
| | | | Consumption (kg) | Ratio | Consumption (kg) | Ratio | Consumption (kg) | Ratio |
| Renewable | Plastic | No | 9,810 | 10.39% | 9,260 | 10.39% | 14,150 | 20.27% |
| | Copper | No | 81,125 | 88.70% | 76,576 | 88.70% | 117,015 | 88.70% |
| | Electronic kelling | No | 210 | 0.23% | 198 | 0.23% | 303 | 0.23% |
| | Electroplating | No | 319 | 0.35% | 302 | 0.35% | 461 | 0.35% |

Optical Transceiver Raw Material Consumption Statistical Chart

| Raw Material | | Whether contain hazardous substance | 2019 | | 2020 | | 2021 | |
|---------------|-------------------------|-------------------------------------|------------------|-------|------------------|-------|------------------|-------|
| | | | Consumption (kg) | Ratio | Consumption (kg) | Ratio | Consumption (kg) | Ratio |
| Renewable | Zinc alloy | No | 401.91 | 65% | 390.05 | 17% | 4247.488 | 42% |
| | SUS stainless steel | No | 103.25 | 17% | 682.68 | 29% | 2299.181 | 23% |
| | Plastic | No | 39.51 | 6% | 426.63 | 18% | 1182.538 | 12% |
| | Compounded raw material | No | 27.34 | 4% | 44.89 | 2% | 338.788 | 3% |
| | Nickel brass | No | 34.21 | 6% | 298.36 | 13% | 992.597 | 10% |
| Non-renewable | Rubber | No | 12.09 | 2% | 479.33 | 21% | 953.508 | 10% |



2.2 Reduce Energy Consumption

2.2.1 Reduce the Consumption of Electricity and Energy

For Ezconn, electricity is the only significant energy consumption category. Regarding the internal energy consumption, we disclose electricity consumed through purchases during the reporting period and adopts Kwh as the unit. During the reporting period, the statistical boundary was New Taipei City Headquarters, Tamsui Honshulin Plant, and Tamsui Shangda Plant, excluding the subsidiary Ningbo Plant in the Mainland and the grandson company in Czech. In the future, during different reporting periods, we will continue to expand the statistical boundary for the energy consumption and maintain the consistent calculation method. Ezconn continues to adopt various energy-saving measures for the use of electricity. During the reporting period, we replaced old lightings with 393 LED lightings of 7~40W; it is estimated to save electricity of 21,528Kwh; we also replaced air conditioners with old models and installed 11 conversion air conditioners with grade 1 energy efficiency; it is estimated to save electricity of 9,574Kwh. In 2022, we expect to invest in the energy-saving improvement of our air pressure system, and we will continue be committed to the other software and hardware measures and equipment improvement.

2.2.2 GHG Reduction and Average Carbon Dioxide Emission Reduction

In accordance with the electricity emission coefficient review results for 2021 announced by the Energy Bureau, MOEA, the CO₂ emission for the generation of 1Kwh of electricity was 0.502kg CO₂e. According to the statistical results, approximately 2,108 tons of CO₂ under scope2 of the indirect energy emission was consumed. Furthermore, the average carbon dioxide emission per working hour was 2.0 kg-CO₂-e/working hour and 2.7kg-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 | 2019 | 2020 | 2021 |
|-------------------------------------|------------|------------|------------|
| Electricity consumption (unit: Kwh) | 4,429,065 | 4,586,623 | 4,200,400 |
| Energy consumption (unit: MJ) | 15,944,634 | 16,511,843 | 15,121,440 |
| Carbon dioxide emissions (kg) | 2,418,269 | 2,334,591 | 2,108,601 |

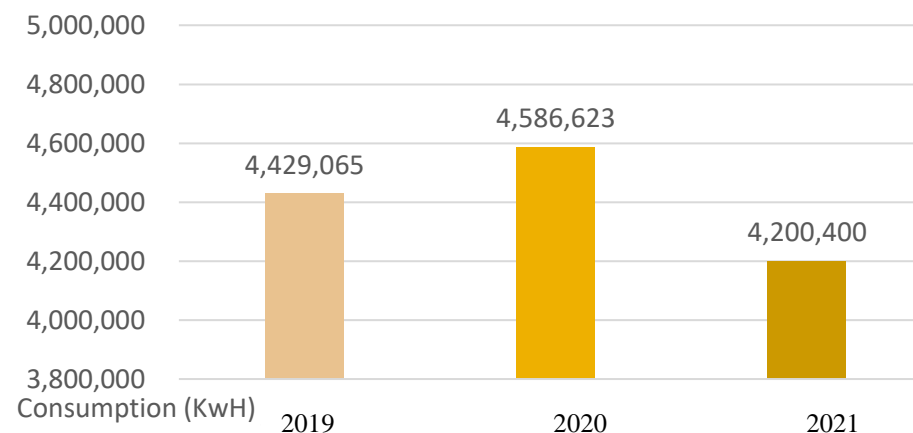
Announced by the Energy Bureau, MOEA:

Translation formula: 1Kwh of electricity equals to 3.6MJ

Electricity-carbon dioxide discharge coefficient: 2019: 0.546kg CO₂-e/Kwh; 2020:0.509kg CO₂-e/kWh; 2021:0.502kg CO₂-e/Kwh



Consumption (Kwh)



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

| Plant | 2021 Target (kg-CO ₂ -e/working hour) | 2021 Performance (kg-CO ₂ -e/working hour) | Target Achieving Status |
|------------------|--|---|-------------------------|
| Hongshulin Plant | <2.7 | 2 | Achieved |
| Shangda Plant | <3.1 | 2.5 | Achieved |

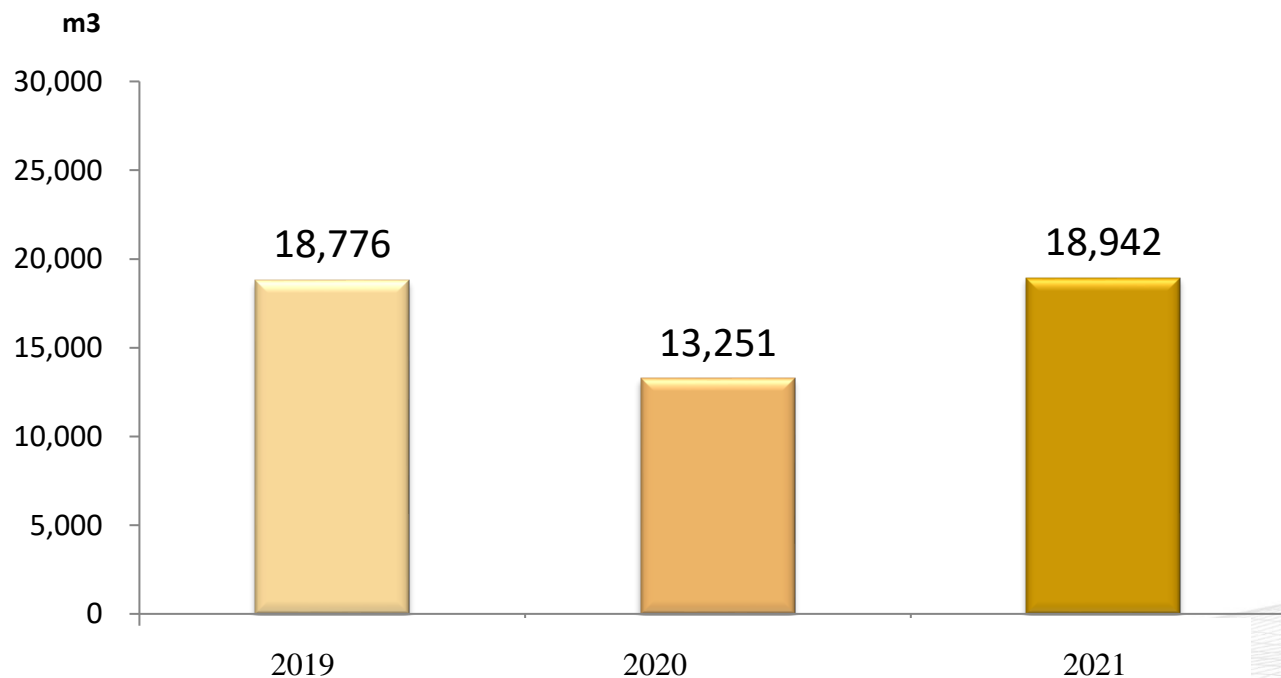


2.3 Statistics of Water Resource Consumption]

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 2021, we consumed a total of 18,942 m³ of water, representing a year-on-year increase of 38.42%. 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)





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 (9,853kg 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 44,661kg 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, 0.08kg/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 | 2021 Target (kg-CO ₂ -e/working hour) | 2021 Performance (kg-CO ₂ -e/working hour) | Target Achieving Status |
|---------------|---|---|-------------------------|
| Shangda Plant | <0.1 | 0.08 | Achieved |

General Wastes Management Statistic Chart

| Year | 2019 | 2020 | 2021 | 2022 Target |
|---------------|--------|--------|--------|-------------|
| Shangda Plant | 39,665 | 46,450 | 44,661 | 44,000 |

| 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 | Set up recycling bins | Recycled by Tzu-Chi regularly |
| | | | |
| | | | |
| General Business Wastes | 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 |
| | 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 |

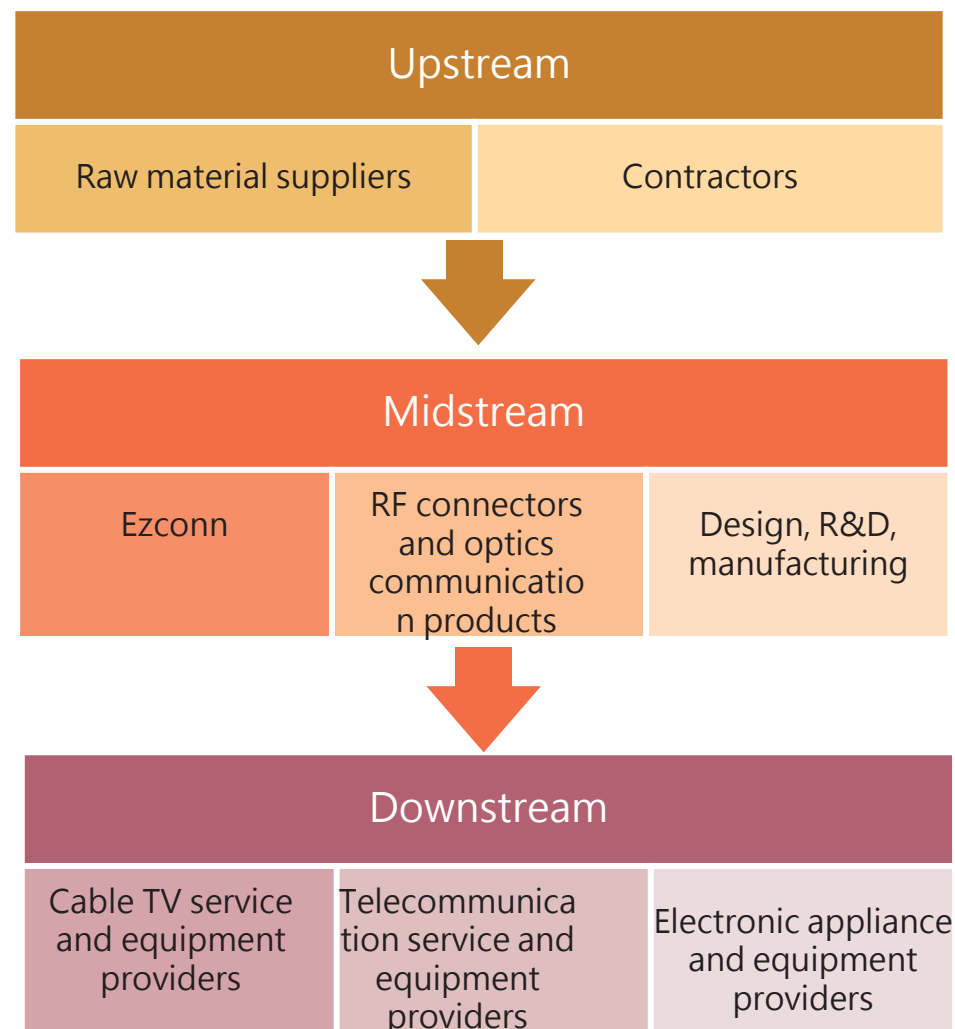


2.5 Supplier Evaluation and Audit

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 two new suppliers passing the written, HSF, and field evaluations, and were included in the “List of Qualified Suppliers” for management. In 2021, the Procurement Department also performed an annual audit on suppliers who we transacted with or whose transaction volume reached the top 90% of the year.

Upstream, Midstream and Downstream Supply Chain Flowchart of Ezconn





Sustainable Environmental Management

In 2021, 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 | 2021/01 | 2021/02 | 2021/03 | 2021/04 | 2021/05 | 2021/06 | 2021/07 | 2021/08 | 2021/09 | 2021/10 | 2021/11 | 2021/12 |
| 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 | 2021/01 | 2021/02 | 2021/03 | 2021/04 | 2021/05 | 2021/06 | 2021/07 | 2021/08 | 2021/09 | 2021/10 | 2021/11 | 2021/12 |
| 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

Taking RF CSR Sample, the major product for RF connector with higher share of revenue, the R&D and shipping venue are at Tamsui Shangda Plant. The ratio of local suppliers for the 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 include 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.

Newly executed relevant environmental protection specifications in 20201 and the evaluation items for suppliers concurrently updated: SVHC 2021A x 150.

SVHC 2021B x 126.



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.

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 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

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 2021, the total number of employees in the Taiwan region is 423, 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 190 male employees and 233 female employees, accounting for 45% and 55%, respectively; the ratio between male and female employees is balanced.

In 2021, the separation rate was 18% (including four 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 | 190 | Female – Number of People | 233 | Total | 423 |
|---------------------|--------------------|-------------------------|-------|---------------------------|-------|------------------|-------|
| | | Number of People | Ratio | Number of People | Ratio | Number of People | Ratio |
| New Employees | Below 30 | 22 | 12% | 36 | 15% | 58 | 14% |
| | 31-50 | 12 | 6% | 26 | 11% | 38 | 9% |
| | Over 51 | 0 | 0% | 1 | 0% | 1 | 0% |
| | Subtotal | 34 | 18% | 63 | 27% | 97 | 23% |
| Separated Employees | Below 30 | 11 | 6% | 19 | 8% | 30 | 7% |
| | 31-50 | 18 | 9% | 22 | 9% | 40 | 9% |
| | Over 51 | 2 | 1% | 4 | 2% | 6 | 1% |
| | Subtotal | 31 | 16% | 45 | 19% | 76 | 18% |

76 Separated employees, including four 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 | 190 | Female | 233 | Subtotal | 423 |
|---|------------------------------------|--------|-------|--------|-------|----------|-------------------|
| Calculated by the share of the total number of people | | Volume | Ratio | Volume | Ratio | Volume | Ration-Additional |
| By duty | Supervisor | 39 | 21% | 22 | 9% | 61 | 14% |
| | Technician | 113 | 59% | 154 | 66% | 267 | 63% |
| | Administrator | 38 | 20% | 57 | 24% | 95 | 22% |
| Subtotal | | 190 | 100% | 233 | 100% | 423 | 100% |
| By age | Below 30 | 46 | 24% | 88 | 38% | 134 | 32% |
| | 31-50 | 106 | 56% | 112 | 48% | 218 | 52% |
| | Over 51 | 38 | 20% | 33 | 14% | 71 | 17% |
| Subtotal | | 190 | 100% | 233 | 100% | 423 | 100% |
| By educational background | Master, doctor | 18 | 9% | 8 | 3% | 26 | 6% |
| | University (college) | 103 | 54% | 91 | 39% | 194 | 46% |
| | (Vocational) high school and below | 69 | 36% | 134 | 58% | 203 | 48% |
| Subtotal | | 190 | 100% | 233 | 100% | 423 | 100% |
| By the identity as minority | Indigenous people/ | 0 | 0% | 2 | 1% | 2 | 0% |
| | Non-indigenous people | 190 | 100% | 231 | 99% | 421 | 100% |
| Subtotal | | 190 | 100% | 233 | 100% | 423 | 100% |
| By physical/mental impairment | Physical/mental impairment | 2 | 1% | 1 | 0% | 3 | 1% |
| | Non-physical/mental impairment | 188 | 99% | 232 | 100% | 420 | 99% |
| Subtotal | | 190 | 100% | 233 | 100% | 423 | 100% |
| By nationality | Taiwanese | 166 | 87% | 169 | 73% | 335 | 79% |
| | Vietnamese | 19 | 10% | 64 | 27% | 83 | 20% |
| | Thai | 5 | 3% | 0 | 0% | 5 | 1% |
| Subtotal | | 190 | 100% | 233 | 100% | 423 | 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, with an average seniority of 10.6 years, 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 2021, the basic wages was stated as NT\$24,000 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 | 161 | 100 | 62% | Employees with household registration in Taipei City: Beitou District New Taipei City: Tamsui, Bali |
| Shangda Plant | No. 380, Sec. 3, Tamjin Rd., Tamsui Sec. New Taipei City | 262 | 219 | 84% | Employees with household registration in Taipei City: Beitou New Taipei City: Tamsui, Bali, Sanzhi |
| Total | | 423 | 319 | 75% | |
| <p>Note 1: Excluding the number of foreign employees who live outside of Taiwan in 2021 and only calculate the number of employees who have household registration at the location of the plants.</p> <p>Note 2: The geographical definition of "local" means the Taiwan region.</p> <p>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.</p> | | | | | |



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.

3.2.2 Subsidies for On-the-job Continuing Education

To cultivate outstanding talents, improve the learning capacity for duties, and combine with the career development, the Company encourage employees to carry out on-the-job continuing education to systematically learn the professional knowledge and skills. Ezconn has established its "Regulations for On-the-job Continual Education" to provide 70% of tuition subsidies and a paid official leave one day a week to support employees' on-the-job continuing education with substantial acts.

To continue improving the human resource quality, enrich employees' professional knowledge and skill, improve work quality and work efficiency, and cultivate the emergency response abilities when facing different situations, the training organizing unit has organized various training programs to actively perform on-the-job education for employees and implement multi-functional learning concepts to provide employees with opportunities to have on-the-job education.

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 automobiles, 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.



3.2.3 Employee Gathering and Year-end Banquet

To appreciate the efforts made by our employees each year, Ezconn appoints professional external PR companies each year to organize the year-end party at the end of the year and carefully arranges various brilliant performances, feast, awards, and interactive games; by doing so, we can improve the relationships between employees and their cohesion, and have further connections with suppliers and customers in the hope of having favorable cooperation in the following year and jointly create outstanding performances.



“Employees” are the most significant assets of Ezconn. With employees who are mentally and physically health and able to give equal considerations to work and life, we can achieve work performances of high efficiency and high quality. Therefore, we encourage employees to actively participate in outdoor activities. In 2021, under the effects of COVID-19, we decided to not organize a company trip. Instead, we encouraged department gatherings.





3.2.4 Retirement Plan

We offer an accurate retirement plan to employees that is beneficial for attracting talents and maintaining the steadiness of employees and teams, exerting positive supports for the long-term operation and strategy planning of the Company. Ezconn has been in business for multiple years since its establishment in 1971, and some employees have fulfilled the retirement conditions. To manage matters related to employees' retirement, Ezconn has established its "Regulations for Retirement Management" and stated the retirement condition. Furthermore, in light with employees' self-career plan, physical conditions, and family considerations, we added the Preferential Retirement Regulations more favorable than the Labor Standard Act in 2016; employees with work seniority plus age reaching 60 and above may apply for retirement in advance.

In 2021, there were a total of four employees who reached the age and applied for retirement. The retirement benefits provided by Ezconn include retirement pension, post-retirement benefit expenses, insurance premium, and other benefit expenses. The retirement pension of employees are subject to requirements under the "Labor Standard Act" and "Labor Pension Act." The Company periodically appropriates and deposits retirement pension allowances to the exclusive labor pension account with the Bank of Taiwan and annually examines whether the amount in the exclusive account is sufficient. At the end of 2021, the exclusive account has NT\$58,036,693, which is sufficient to pay the expenses for employees who expected to retire in the following year.

Preferential Retirement Regulations :



Work Seniority + Age \geq 60



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:

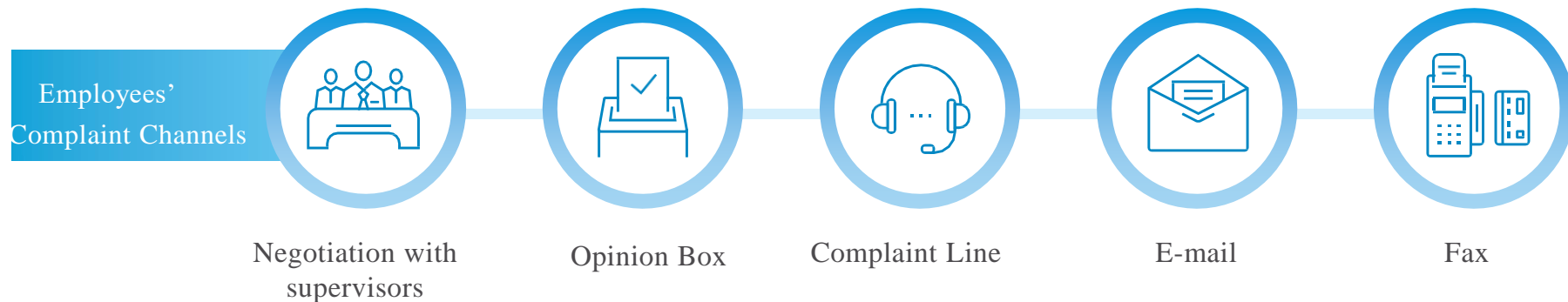
| Nursery leave without pay | Gender | Total/Ratio | | | |
|---|--------|-------------|------|------------|------------|
| | | 2018 | 2019 | 2020 | 2021 |
| Total number of employees who are entitled to nursery leave without pay – Employees who applied for nursery leave without pay (within three years) | Male | 18 | 16 | 10 | 10 |
| | Female | 14 | 14 | 32 | 31 |
| Total employees who used nursery leave without pay – Number of persons applied in 2020 | Male | 0 | 0 | 2 | 2 |
| | Female | 2 | 5 | 8 | 12 |
| Total number of employees who shall be reinstated upon the end of the period for nursery leave without pay | Male | 0 | 0 | 2 | 0 |
| | Female | 2 | 5 | 3 | 3 |
| Total number of employees who reinstated upon the end of the period for nursery leave without pay | Male | 0 | 0 | 1 | 0 |
| | Female | 2 | 3 | 1 | 2 |
| 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 | 0.5 | 0 |
| | Female | 1 | 1 | 0.33 | 1 |
| Total number of employees who are still on the job after 12 months from the reinstatement upon the end of the period for nursery leave without pay | Male | 0% | 0 | 0 (Note 1) | 0 (Note 1) |
| | Female | 1 | 0 | 0 (Note 1) | 0 (Note 1) |
| Ratio of employees who are still on the job after 12 months from the reinstatement upon the end of the period for nursery leave without pay (retention rate) | Male | 0 | 0 | 0 | 0 |
| | Female | 1 | 0 | 0 | 0 |

Note 1: Two employees who were reinstated in 2021 were still on the job upon the preparation of the report; however, the period after reinstatement has not reached 12 months.



3.3 Employees' Interests and Communication

Ezconn values labor human rights; regardless of Taiwanese or foreigners, male or female, and different positions, we treat employees with equality and respects to ensure that the working conditions and packages comply with legal spirits and requirements related to labor. To duly comply with basic human rights, our labor rules a regulations comply with the principle of human rights and justice. During the reporting, there was no material human rights invasion occurred at our operating joints, including discrimination, violation of or material threats to the freedom of association and group negotiation, use of child labor, or sexual harassment, and there was no material forced labor risks.



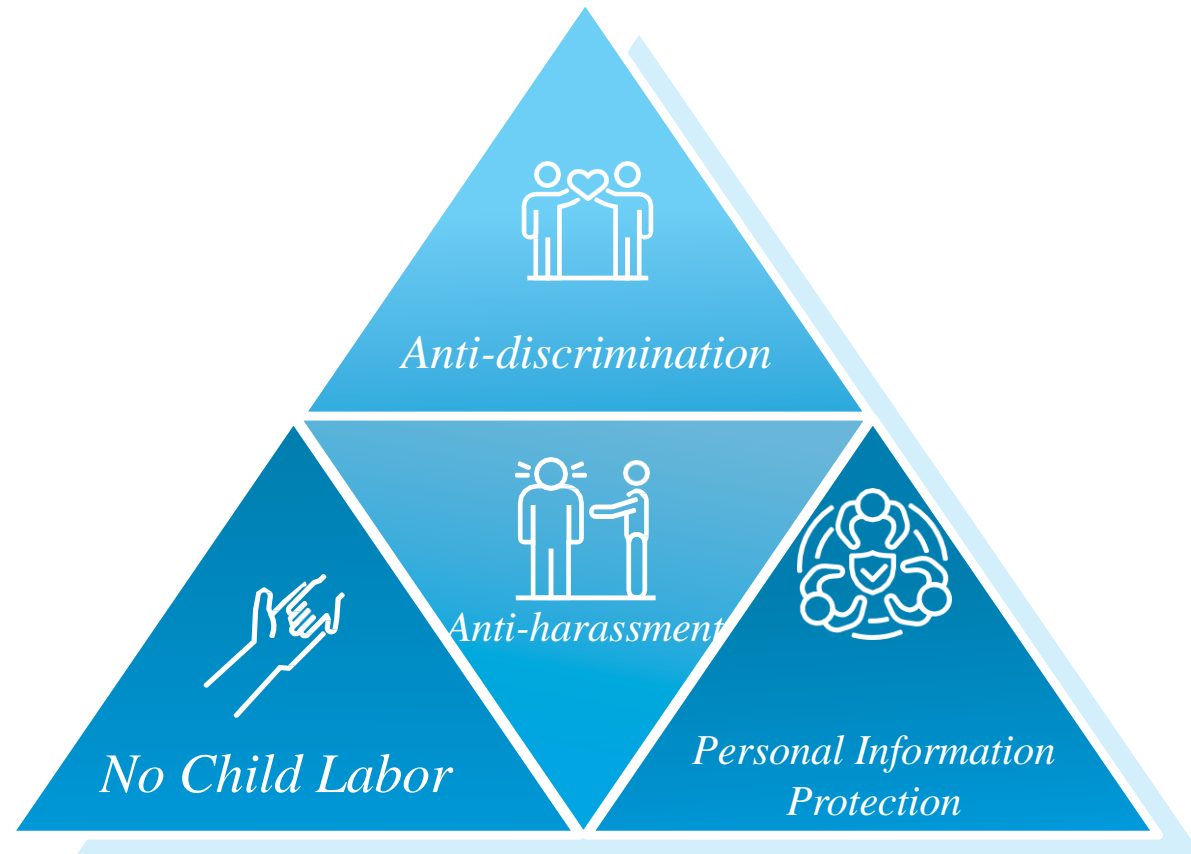
In addition, we have established the Employee Benefit Committee and employees' complaint channels according to the requirements, and our labor-management conference, Labor Pension Supervisory Committee, and Occupational Safety and Health Committee are in operation according to the law. Employees may speak out and make complaints for their interests through the abovementioned channels to receive equal and just processing. Unblocked and diverse complaint channels are beneficial for employees to maintain their interest. Providing an equal and worry-free environment has always been the goal that we strive for; Ezconn set zero labor-management dispute as its target; during the reporting period, there was no complaint.



Labor-Management Conference

To promote employees' businesses and reinforce the favorable between the Company and employees, Ezconn has established its labor-management conference. The labor representatives are elected by employees quarterly through open and just methods. Labor and management representatives regularly have meetings for discussions each quarter, primarily focusing on collecting problems, formulating solutions, reflecting issued concerned by employees, coordinating labor-management relations, as well as communicating and explaining the Company's significant policies; by adopting the labor-management negotiation method, we enhance and facilitate cooperation and reinforce communications. For resolutions made at the labor-management conference, Ezconn comply with the resolutions for execution; the Human Resource Department of Ezconn is responsible for duly preserve relevant meeting minutes.

In 2018, regarding items with material effects on the labor conditions and interests of laborers negotiated at the labor-management conference, we have amended our working rules and reported them to the Labor Bureau, which were archived and passed by the Labor Bureau of Taipei City on 25 May 2018.

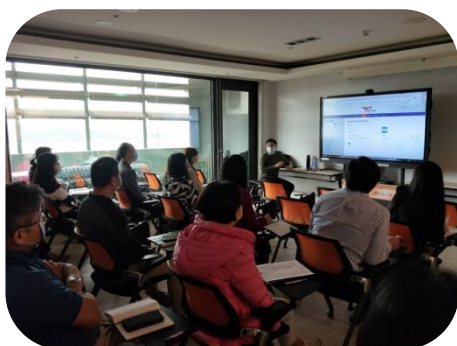


3.4 Employee Training

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 2021, the average training hours per male employee for the year was 15 hours and the average training hours per female employee for the year was 14 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 | 2,795 | 190 | 15 |
| | Female | 3,241 | 233 | 14 |
| | Sub-total | 6,035 | 423 | 29 |
| By Duties | Supervisor | 942.5 | 61 | 15 |
| | Technician | 3,857.00 | 267 | 14 |
| | Administrator | 1235.5 | 95 | 13 |
| Sub-total | | 6,035 | 423 | 43 |

Function Management

In recent years, the domestic investment environment changed; the difficult operating environment brought significant impacts on enterprises, and finding talents have become a challenge for enterprises, posing crisis for all industries, which is even a bigger problem for traditional industries that depend on human technologies. Since our establishment, it has been over four decades; the Company has entered the growing and transformation period; together with the everchanging environment, how to precisely introduce operating strategies and facilitate the achievement of our business targets have become the match point for enterprises. To achieve the sustainable operation and deeply root our human resource capital, we have been committed to the functional establishment project In recent years. To allow the function model established to have credibility and effectiveness, the HR unit and relevant supervisors jointly verify and modify the title/work description to lay a solid foundation for the Company's talent cultivation plan.

Performance Evaluation

To evaluate employees' work performance and establish their career planning, the Company has established its Regulations for Performance Evaluation; supervisors of departments shall jointly discuss and set individual KPIs with their subordinated employees based on the annual targets of the Company and the departments and propose feedback and improvement solutions based on the target achievement status each quarter. Supervisors shall evaluate the target achievement status, work compacity, and particular performances of their subordinated employees and jointly discuss and carry out the performance interview with parties involved to provide recommendations, expectations, and improvement suggestions. According to the results of the performance interview, supervisors and subordinated employees shall jointly formulate the substantial improvement action plan, including the improvement of employees that supervisors expect and assistance from supervisors that the subordinates expect, establish the action plans, and convert such plans into the directions for the training programs; during the reporting period, During the reporting period, the ratio of employees who received formal performance evaluation and occupational development evaluation was 100%.



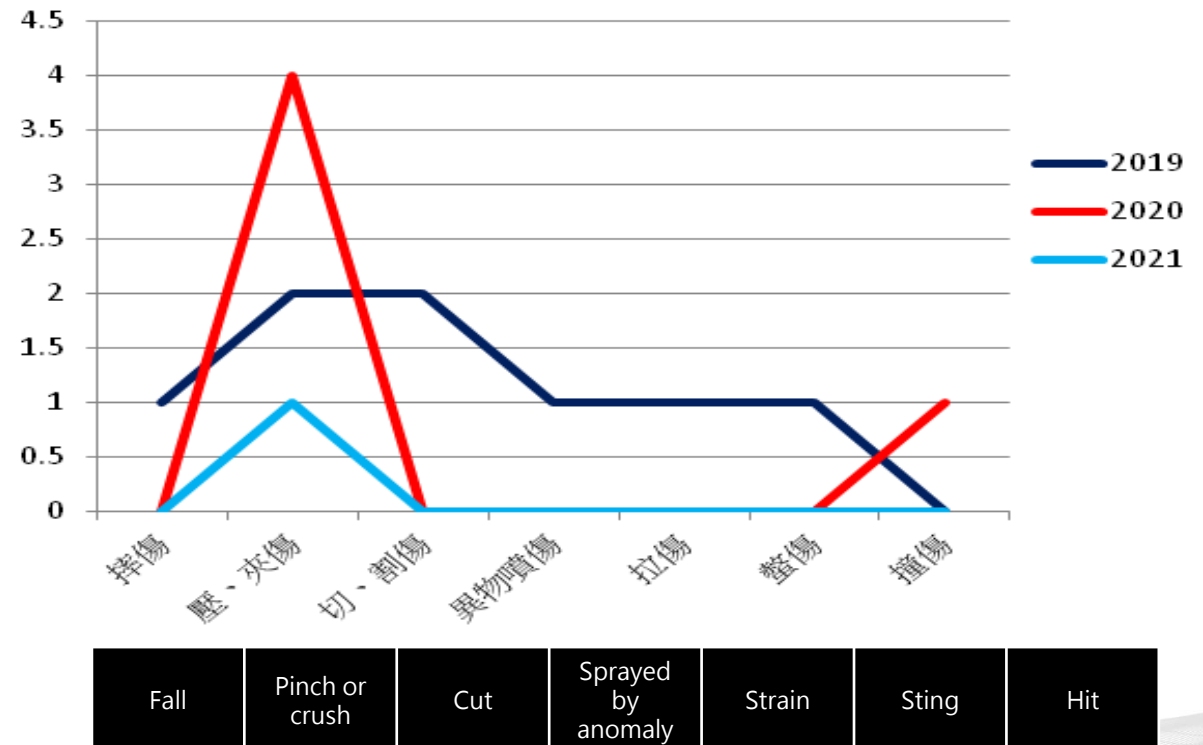
3.5 Occupational Safety and Health

In recent years, there have been frequent occurrences of occupational disaster events, and relevant domestic regulations have become more comprehensive; therefore, has established its Environmental and Occupational Safety and Health Committee; 30% of the members are labor representatives elected and promoted by the plants (15 members and 5 labor representatives); the Committee is exclusively responsible for establishing the annual occupational safety targets, formulating solutions, and monitoring the execution; relevant matters are handed over to professional staff of the Occupational Safety and Health Office for operational safety improvement promotion and regular audits to ensure the physical and life safety protection of employees, setting safety-first as the core target of our work culture.

Through continual improvement and supervision of the Environmental and Occupational Safety and Health Committee, work accidents reduced by 3 cases in 2020 from 2019 and reduced by 4 cases in 2021 from 2019.

Environmental Safety Policy:

- I. Observe and comply with environmental safety and health regulation requirements.
- II. Implement the operations of the environmental safety and health management system.
- III. Fully participate in seeking the low-pollution environment.
- IV. Promote environmental safety and health management cycle and continual improvement.
- V. Prevent accident, disease, and injury and improve health.





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 2021, the number of work accidents for male and female was 0 and 1, respectively. 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 2021 (FSI)

| Category/Plant | Entire Plant |
|--|--------------|
| Total FSI value | 0.792 |
| Cumulative FSI index for the average standard within the industry from 2019 to 2021 | 0.96 |
| Industry regarding the FSI index for the average standard within the industry from 2019 to 2021: Shangda Plant: Metal processing industry. Hongshulin Plant: Photoelectric material and element manufacturing industry. | |

■ Performance Indicators for the Occupational Safety and Health Office in 2021

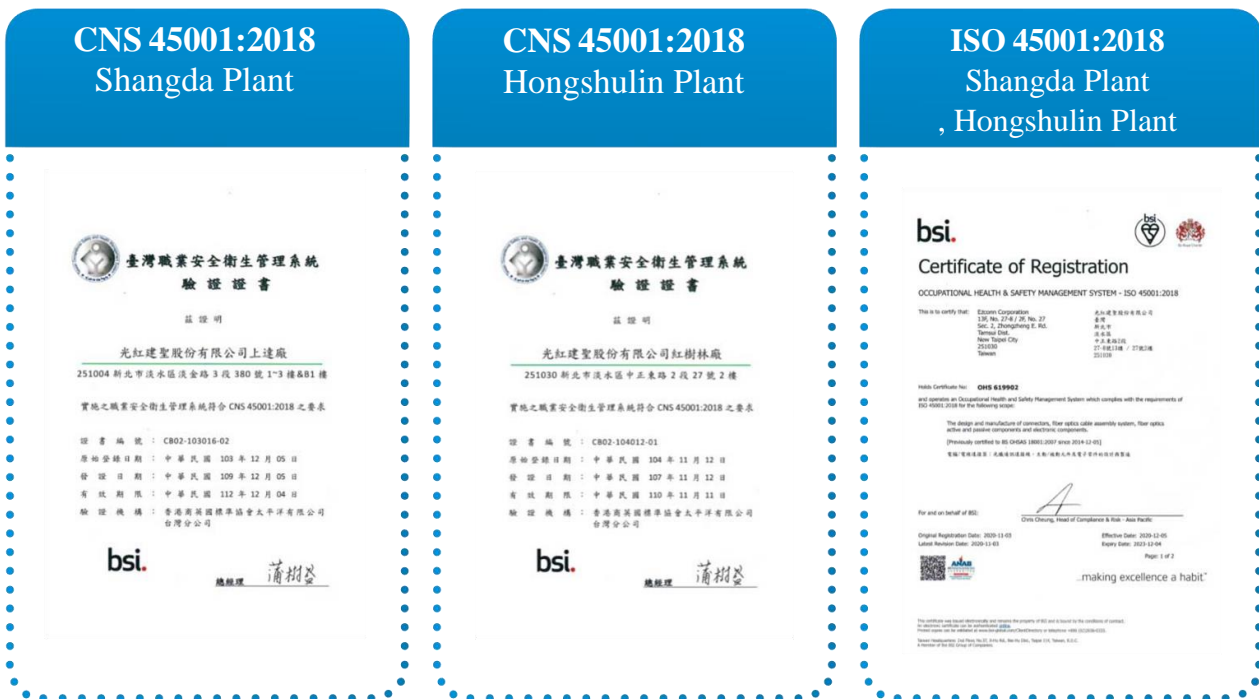
| Current operating indicator and management indicator | Target | Accumulated during the year |
|--|----------|-----------------------------|
| Number of occupational safety cases (false alarm) | ≥ 3 | 3 |
| Number of occupational safety cases (no doctor) | ≤ 0 | 0 |
| Number of occupational safety cases (doctor required) | ≤ 0 | 1 |
| Number of lost working hours/days due to occupational safety | ≤ 0 | 0 |
| Disabling injury frequency rate | ≤ 0 | 0 |
| Disabling injury severity rate | ≤ 0 | 0 |
| Frequency-severity indicator | ≤ 0 | 0 |

■ Data Related to Ezconn's Occupational Safety and Health in the Taiwan Region from 2019 to 2021

| Occupational safety item | 2019 | 2020 | 2021 |
|--|--------|-------|------|
| Number of persons involved in occupational safety accidents for the year | 8 | 5 | 1 |
| Disabling injury frequency rate (FR) | 10.250 | 5.115 | 0 |
| Disabling injury severity rate (SR) (excluding traffic accidents when commuting) | 61.244 | 3.325 | 0 |
| Note 1: Excluding false alarm cases. Note 2: Calculations standards: FR = Number of persons with disabling injuries $\times 10^6$ / total working hours SR = Total number of lost days due to disabling injuries $\times 10^6$ / total working hours Occupational disease rate (ODR) = Number of persons with occupational diseases for the year / total working hours of employees for the year $\times 10^6$ | | | |



3.5.2 Occupational Safety Management System Certification



Occupational Safety and Health Improvement Plan in 2021

| | |
|------------------|---|
| Shangda Plant | <ul style="list-style-type: none"> Occupational safety improvement project for manual processing equipment protection. Anti-slip stairs improvement project for 1F to 2F stairs on the right-side rear. 2F oil tank water discharge improvement. |
| Hongshulin Plant | <ul style="list-style-type: none"> Static protection improvement. |



3.5.3 Health Inspection

To protect employees' health, the Company provides the “general labor health inspection” for employees above 40 but less than 65 and employees above 65 once every three years and once a year, respectively. The inspection content includes physical checks, blood checks, X-ray, hearing check, and other items. Meanwhile, we engage operating environment testing institutions recognized by the Council of Labor Affairs to carry out chemical and noise operating environment tests twice a year to evaluate the actual exposure of laborers in the operating environment and carry out environmental improvement based on the results of the test. We provide sufficient and effective protective supplies and perform “special operation health inspection” for operators who have particular health hazards and follow-up on employees' health conditions.

In 2021, according to the results of the health inspection for special operating hazards, there were 23 employees with hearing of level 2 management (abnormal as determined by the doctor but not related to work). The Occupational Safety and Health Office reported such matters at the Occupational Safety and Health Committee meeting for discussion and adopted protective measures of hearing protection educational training and arranging physicians to provide health instructions; we also improved the noise protection for machines and tools, tracked the effects for wearing earmuffs and other protective clothing, and organized three hours of general knowledge training for hazards each year for our employees to protect their health.



Hearing Protection
Plan Checklist

Engineering Improvement Noise
Measures Evaluation Report

Hearing Protection
Plan

Special Health Inspection
Follow-up List

Environmental Safety and Health
Anomaly and Non-compliance
Handling Sheet





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.

Number of Participants for Emergency Management Exercise in 2021

Hongshulin Plant

First half of the year: (Not organized due to the outbreak)
Second half of the year: 161

Shangda Plant

First half of the year: 30 (affected by the outbreak)
Second half of the year: 262





Chapter 4

Social Participation



Many A Little Makes A Mickle

Ezconn believes that a good enterprise shall be determined on the favorable operating performances and the recognition of the enterprise received from society. Ezconn was established in Taiwan in 1971; given the supports from society in Taiwan over the years, we are determined to assume more social responsibilities. Each year, Ezconn continues investing resources to contribute to the local communities; we care for the safety of the neighborhood, make donations to the disadvantaged, as well as work with neighboring schools for cooperative education and provide employment opportunities to improve our image of corporate social responsibility in the hope of making the society in Taiwan better.

Participation in Public Welfare Activities

Ezconn provides public welfare leaves of two days each year to all employees and encourage employees to actively participate in social welfare activities based on the spirit to serve. During the reporting period, our employees took 32 hours of public welfare leaves in aggregate to participate in activities organized by associations and governmental agencies, making contributions to society through actual actions.



Respond to the Vegetarian Diet

Global warming results in the intensified climate change and occurrence of natural disaster. To avoid the increase in temperature and reduce carbon dioxide emissions, everyone can start from changing their diet, and vegetarian diet is the most direct and effective method for improving climate changes. The Company responds to the promotion of vegetarian diet and provides vegetarian meals in staff canteen; employees can opt for vegetarian food instead of meat to realize energy-saving and carbon dioxide reduction through the most direct method.

Technical Instruction

To support the “Project for Applying Functional Standards by Promoting the Industrial Training and Strategical Alliances in the Private Sector,” the Company accepted the appointment by the Workforce Development Agency, MOL, for the senior professional manager of the Company to assume 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 in the hope of narrowing the gaps between education, training, and application through calibrating the industrial demand between schools, training institutions, and enterprises of the application end by adopting the same standards, so as to achieve the target of learning, training, and applying at once.



Recycle

The Company has long been promoting the electronic operations and has adopted resource categorization for recycling to prevent wasting resources with potential value of use and donate such resources to Tzu-Zhi or other charitable units to achieve garbage reduction and recycling, realizing the prospect of “low-carbon, ecological, and sustainable Earth.”



Industrial Academic Cooperation

In 2021, we continued providing workplace experience opportunities for students and cooperated with the Taipei City University of Science and Technology. We have dedicated personnel in place to guide students' learning and offer students who jointly participate in the internship the practical techniques of all works in the department and other activities (i.e., gathering) to effectively improve their clerical skills and reinforce their workplace ethics and corresponding skills. All students considered gaining abundant results from the internship and discovered fields of personal interests, greatly benefiting their employment in the future. At the same time, by doing so, we bring fresh breath, new excitements, and substantial output to the Company to achieve the common prosperity of industry and academic sectors, making contributions to the cultivation of professional elites in Taiwan in the future.



Appendix



■ 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 3 |
| 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 | | 40 |
| | 102-7 | Scale of Organization | About us | | 9 |
| | 102-8 | Information of Employees and Other Workers | 3.1 Employee Structure | | 58 |
| | 102-9 | Supply Chain | 1.3 Suppliers | | 42 |
| | 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 | | 39 |
| | 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 | | 5 |
| 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 | | 29 |
| | 102-19 | Authorization | 1.1.3 Operations of CSR | | 33 |
| | 102-20 | Responsibility of the Operating Management for Economic, Environmental, and Social Subjects | 1.1.3 Operations of CSR | | 33 |
| | 102-21 | Consultation with Stakeholders for Economic, Environmental, and Social Subjects | 1.1.3 Operations of CSR | | 33 |
| | 102-36 | Remuneration Determination Procedures | 1.1.2 Operations of Remuneration Committee | | 32 |
| 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 | | 17 |
| | 102-47 | List All Material Issues Identified in the Course of Defining the Reporting Content | Stakeholder Management | | 23 |
| | 102-48 | Effects of Restatement for Any Information in the Previous Report and Reasons Thereof | Stakeholder Management | | 17 |
| | 102-49 | Significant Changes in the List of Significant Subjects and Subject Boundaries as Compared with the Preceding Reporting Period | Stakeholder Management | | 17 |
| | 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 | | 3 |
| | 102-53 | Contact Who Can Answer Questions Related to the Report | Preparation Policy | | 3 |
| | 102-54 | Declaration for the Compliance of the Report with GRI Standards | Preparation Policy | | 3 |
| | 102-55 | GRI Content Index | Preparation Policy | | 3 |
| | 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 | | 40 |
| ※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 | | 60 |
| | 202-2 | Ratio of Employing Local Residents as the Senior Management at Significant Operating Joint | 3.1 Employee Structure | | 58 |
| 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 CSR Chapter 4 Social Participation | | 32 74 |
| | 103-3 | Management Policy Evaluation | 1.1.3 Operations of CSR | | 32 |
| GRI 203: Indirect Economic Effects 2016 | 203-1 | Infrastructure Investment and Supportive Services | Chapter 4. Social Participation | | 74 |



| 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 | | 49 |
| | 301-2 | Ratio of Renewable Raw Material Used | 2.1 Volume and Weight of Raw Materials | | 49 |
| GRI 103: Management Policy 2016 | 103-1 | Explanation of Significant Subjects and Their Boundaries | Significant Issue Analysis Chapter 2. Sustainable Environmental Management | | 22 45 |
| | 103-2 | Management Policies and Their Elements | Chapter 2. Sustainable Environmental Management | | 45 |
| | 103-3 | Management Policy Evaluation | Chapter 2. Sustainable Environmental Management | | 45 |
| ※GRI 306: Sewage and Waste 2016 | 306-2 | Total Weight of Wastes by Category and Disposing Method | 2.4 Waste Management | | 52 |
| 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 52 |
| | 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 | | 52 |



| 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 | | 58 |
| | 401-2 | Benefits Exclusively for Full-time Employees by Significant Operating Joint | 3.2.1 Employee Benefits | | 61 |
| | 401-3 | Ratio of Reinstatement After Nursery Leave and Retention by Gender | 3.2.5 Nursery Leave Without Pay | | 64 |
| GRI 103: Management Policies 2016 | 103-1 | Explanation of Significant Subjects and Their Boundaries | Significant Issue Analysis 3.5 Occupational Health and Safety | | 22 69 |
| | 103-2 | Management Policies and Their Elements | 3.5.1 Occupational Safety and Health Management System | | 70 |
| | 103-3 | Management Policy Evaluation | 3.5.1 Occupational Safety and Health Management System | | 70 |
| ※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 | | 70 |
| | 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 | | 70 |
| GRI 103: Management Policies 2016 | 103-1 | Explanation of Significant Subjects and Their Boundaries | Significant Issue Analysis 3.4 Employee Training | | 22 67 |
| | 103-2 | Management Policies and Their Elements | 3.4 Employee Training | | 67 |
| | 103-3 | Management Policy Evaluation | 3.4 Employee Training | | 67 |
| 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 | | 67 |
| | 404-2 | Improvement in Employees' Skills and Transfer to Assistance Plan | 3.4 Employee Training | | 67 |
| | 404-3 | Ratio of Employees Who Receive Regular Performance and Career Development Examination by Gender and Employee Category | 3.4 Employee Training | | 67 |



| 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 | | 58 |
| ※GRI 406: Non-discrimination 2016 | 406-1 | Cases of Discrimination and Improvement Actions Adopted by the Organization | 3.3 Employees' Interests and Communication | | 65 |
| GRI 103: Management Policies 2016 | 103-1 | Explanation of Significant Subjects and Their Boundaries | Significant Issue Analysis Chapter 2. Sustainable Environmental Management | | 22 45 |
| | 103-2 | Management Policies and Their Elements | 2.1 Volume and Weight of Raw Materials | | 49 |
| | 103-3 | Management Policy Evaluation | 2.1 Volume and Weight of Raw Materials | | 49 |
| ※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 | | 49 |
| | | | 2.5 Supplier Evaluation and Audit | | 53 |
| 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 | | 26 35 |
| | 103-3 | Management Policy Evaluation | 1.1.4 Legal Compliance 3.5.1 Occupational Safety and Health Management System | | 35 70 |
| ※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.