



Ennoconn Corporation
2024 Human Rights Risk Identification
and Due Diligence report

July 16th, 2024

AGENDA

1. Human Rights Identification and Commitment.
2. Risk Identification Process and Subjects Assessed.
3. Ranking of human rights issues and management measures

Human Rights Identification and Commitment

- 1. Background:** Since 2024, Ennoconn has initiated a human rights due diligence process as one of the key methods of promoting sustainable management, which will be carried out every three years, with the next survey scheduled for 2027.
- 2. Survey period:** One full year forward from the date of questionnaire released in that year. (Current year: 2023/7/11~2024/7/11).
- 3. Scope of the survey:** The survey process includes the operations of Ennoconn.
- 4. Survey Frequency:** Following international human rights conventions, including the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, to eliminate any infringement and violation of human rights, and to regularly review the human rights management status in accordance with the guidelines of the abovementioned laws and regulations. Ennoconn conducts due diligence at least once every three years to identify significant human rights issues, review the performance of human rights management, formulate improvement plans, and publicly disclose the due diligence report.
- 5. Survey Target:** One-level supervisors and supervisors at the associate level or above in each functional area.

Ennoconn conducts human rights due diligence in accordance with the United Nations Guiding Principles on Human Rights by establishing a list of potential human rights issues and further supplementing it with human rights issues of concern to the relevant authorities.

| The 10 important human rights issues for Ennoconn | |
|---|---|
| Discrimination | Forced Labor |
| Overtime Work | Harassment |
| Employment Child Labor | Labor and Employee Communication Channels |
| Privacy and Personal Protection | Occupational Health and Safety |
| Human Trafficking | Right to work Protection |

List of Risk Identification for Human Rights Issues (1/2)

| Human Rights Issues | Description | Probability | | | | | Impact | | | | | | |
|--------------------------|--|-------------|---------|---------|---------|-----------|----------|---------|---------|---------|-----------|--|--|
| | | Very low | Low | Medium | High | Very High | Very low | Low | Medium | High | Very High | | |
| | | 1 point | 2 point | 3 point | 4 point | 5 point | 1 point | 2 point | 3 point | 4 point | 5 point | | |
| Discrimination | Unequal treatment of job applicants or employees on the basis of race, language, ideology, religion, party affiliation, nationality, sex, sexual orientation, age, marriage, etc. | | | | | | | | | | | | |
| Overtime Work | Labor violation of normal working hours: According to the Labor Standards Law, the daily working hours shall not exceed 8 hours and the weekly working hours shall not exceed 40 hours. In addition, employers may extend working hours with the consent of workers, which together with the normal working hours shall not exceed 12 hours per day, and the total number of extended working hours per month shall not exceed 46 hours. | | | | | | | | | | | | |
| Forced Labor | Employment of any of the following types of labor: forced, involuntary or exploitative imprisonment, labor under contract or bondage (including debt bondage), abducted or enslaved labor. | | | | | | | | | | | | |
| Harassment | The workplace environment permits any form of threat, intimidation, violence, verbal abuse, physical assault, and harassment (e.g., sexual harassment) in order to maintain the sexual dignity of workers. | | | | | | | | | | | | |
| Human Trafficking | The act of organizing, recruiting, transporting, transferring, hiding, harboring, mediating, sheltering or concealing persons, whether domestic or foreign, by means of rape, coercion, intimidation, surveillance, drugs, hypnosis, fraud, improper debt bondage or other coercive methods, for the purpose of buying, selling, or pledging a person for trafficking in human beings, sexual exploitation, labor exploitation, or organ harvesting, among others. | | | | | | | | | | | | |

List of Risk Identification for Human Rights Issues (2/2)

| Human Rights Issues | Description | Probability | | | | | Impact | | | | | | |
|--|--|-------------|---------|---------|---------|-----------|----------|---------|---------|---------|-----------|--|--|
| | | Very low | Low | Medium | High | Very High | Very low | Low | Medium | High | Very High | | |
| | | 1 point | 2 point | 3 point | 4 point | 5 point | 1 point | 2 point | 3 point | 4 point | 5 point | | |
| Employment Child Labor | Unlawful employment of underage laborers or requiring underage workers to participate in dangerous/hazardous activities. | | | | | | | | | | | | |
| Labor and Employee Communication Channels | The company fails to provide effective labor-management communication channels for workers to express their opinions, and shall not use oppressive means to suppress the expression of the parties' opinions or retaliate against workers for expressing their opinions through normal channels. | | | | | | | | | | | | |
| Privacy and Personal Protection | Personal information such as name, date of birth, national ID number, passport number, characteristics, fingerprints, marriage, family, education, occupation, medical history, medical treatment, genetics, sex life, health examination, criminal history, contact information, financial situation, social activities and other information that does not directly or indirectly identify the individual is not well preserved, resulting in the leakage of the information or access to it by a third party. | | | | | | | | | | | | |
| Right to work Protection | Unlawfully dismissing or demobilizing employees, or arbitrarily changing the content of their duties, forcing or threatening employees to leave their jobs voluntarily. | | | | | | | | | | | | |
| Occupational Health and Safety | The company does not provide physiological leave. For female employees who are pregnant, breastfeeding, or giving birth, the company provides hazard assessment and control, doctor's interviews and guidance, risk classification and management, work appropriateness arrangements, related software and hardware equipment, and other related measures for infant retention and family care. | | | | | | | | | | | | |

Risk Identification Process and Subjects Assessed

Human Rights Due Diligence Process

● **Guideline**



● **Process**

| | | | | | |
|---|--|---|---|---|---|
| <p>“Ennoconn Human Rights” Policy has been developed with reference to the following: “The Universal Declaration of Human Rights”. “United Nations Global Compact”. “Declaration on Fundamental Principles and Rights at Work”. “Code of Conduct for Responsible Business Associations”. “United Nations Guiding Principles on Business and Human Rights”.</p> | <p>One-level supervisors and supervisors at the associate level or above in each functional area</p> | <ol style="list-style-type: none"> 1. Discrimination 2. Forced Labor 3. Overtime Work 4. Harassment 5. Employment Child Labor 6. Labor and Employee Communication Channels 7. Privacy and Personal Protection 8. Occupational Health and Safety 9. Human Trafficking 10. Right to Work Protection | <p>Evaluating risk issues and accounting for risk factors based on survey respondents</p> | <p>Results of mitigation and remediation measures</p> | <p>Setting up time for regular surveys according to target groups</p> |
|---|--|---|---|---|---|

| Scope Target | Stakeholders | Unit | Questionnaire Distribution / Interview |
|-----------------|---|-----------|---|
| Ennoconn | Supervisors at the associate level or above in each functional area | HR | <p>It is suggested that the number of questionnaires to be collected should be calculated with the target of 100% coverage, so that it can be evaluated:</p> <ol style="list-style-type: none"> 1. Fill in the questionnaire on behalf of one level of supervisors and supervisors of associate level or above in each functional area, and think about the possible impacts of human rights risks on Ennoconn's own operation. 2. A questionnaire survey was conducted on behalf of the parent body of each functional level manager and assistant manager or above. |

■ Method

1. First of all, based on the United Nations and international human rights issues, Ennoconn has identified a list of human rights risks related to stakeholders. The 10 risks are as follows: 1. Discrimination, 2. Forced labor, 3. Overtime work, 4. Harassment, 5. Employment Child labor, 6. Labor and Employee Communication Channels 7. Privacy and Personal Protection, 8 . Occupational Health and Safety, 9 . Human Trafficking, 10. Right to work protection.
2. Probability (Please refer to the table below) : Quality / Quantity, Score 1-5.

| Probability | | | | |
|-------------|-----------|--------------------------|---------|---------------------------------|
| Score | Grade | Description | Quality | Quantity |
| 1 | Very low | Not usually | <10% | Less than once per year |
| 2 | Low | Rarely | 10%~30% | More than 1 time every 6 months |
| 3 | Medium | In certain circumstances | 30%~70% | More than once per season |
| 4 | High | In most circumstances | 70%~90% | More than once per month |
| 5 | Very High | Usually | >90% | More than once per week |

| Impact | | | | |
|--------|-----------|--|--|---|
| Score | Grade | Impact | Scope | Remediability |
| 1 | Very low | Little impact on physical and mental health and safety | No negative impact on interested parties | Can be restored or neutralized within 1 year. |
| 2 | Low | Minor effects on physical and mental health and safety: Minor effects or illness (no hours lost) | Impacts on a certain group of stakeholders within a particular stakeholder community | It takes 1~3 years to restore the original condition or eliminate its influence. |
| 3 | Medium | Moderate impact on physical and mental health and safety: Minor impact or illness (with time loss) | Impact on the majority of stakeholders in a particular stakeholder group | It takes 3~5 years to restore the original condition or eliminate its influence. |
| 4 | High | Serious impact on physical and mental health and safety: causing physical and mental impairment | Impact on the majority of stakeholders | It takes 5~10 years to restore the original condition or eliminate its influence. |
| 5 | Very High | Serious impact on physical and mental health and safety: causing deaths | Impact on all stakeholder groups (community, employees, suppliers...) | Unlikely to restore the status quo ante or eliminate its effects |

■ Respondents/Coverage

- The questionnaire survey was conducted on behalf of all employees, including one-level supervisors and supervisors of associate level and above in each functional area of Ennoconn. 15 supervisors were selected according to this definition, and 15 questionnaires were collected, with a recovery rate of 100%.
- 100% coverage of the questionnaire (190 employees represented by 15 Functional one-level Supervisors and Supervisors at Associate level and above)

- Use google form system questionnaire function for one-time questionnaire distribution and filling.
- The target respondents were one-level supervisors and supervisors above the assistant level of each functional area, totaling 15 respondents, with 15 valid responses and a response rate of 100%.
- The number of employees in the company is 190 (as of 2024.07.16), and the total number of respondents is 15.
 - The number of respondents is 15, and the number of departmental representatives is 15.
 - The number of respondents who have not yet replied is: 0, and the number of departmental representatives is: 0.
 - Therefore, the proportion of respondents is: $15/15*100%=100\%$.

■ Proportion of questionnaire responses by function

| Function | Reply | Replied | Coverage |
|--------------------|-------|---------|----------|
| Chairman office's | 3 | 3 | 100% |
| President Office's | 1 | 1 | 100% |
| Information | 1 | 1 | 100% |
| Logistics | 3 | 3 | 100% |
| Marketing | 1 | 1 | 100% |
| RD | 2 | 2 | 100% |
| Sales | 1 | 1 | 100% |
| Finance | 1 | 1 | 100% |
| Management | 1 | 1 | 100% |
| Administration | 1 | 1 | 100% |
| 合計 | 15 | 15 | 100% |

- Since the answer choices are category variables, this analysis will analyze the probability of occurrence (i.e., with choices of 2 or more), the severity of occurrence is serious and very serious (i.e., with choices of 3 or more), and the risk situation at the intersection of the two conditions is defined as a high-risk situation, then the proportions of knowledge are ranked as follows.

| Issues | Discrimination | Overtime Work | Forced Labor | Harassment | Trafficking | Child Labor | Communication | Privacy | Rights to work | OHS |
|---|----------------|---------------|--------------|------------|-------------|-------------|---------------|---------|----------------|-------|
| Questionnaires | Q1 | Q2 | Q3 | Q4 | Q5 | Q6 | Q7 | Q8 | Q9 | Q10 |
| Probability (proportion to more than 2 times) | 12.5%^ | 31.3% | 0.0% | 25.1% | 0.0% | 0.0% | 18.8% | 6.3% | 12.6% | 12.5% |
| Impact (Proportion to more than 3 times) | 12.6% | 31.4% | 12.6% | 31.3% | 6.3% | 0.0% | 12.6% | 12.6% | 18.8% | 18.8% |
| High Risk | 1.58% | 9.83% | 0.00% | 7.86% | 0.00% | 0.00% | 0.02% | 0.79% | 0.02% | 2.35% |

- Definitions: Below 2% is low risk; above 2% is medium risk; above 9% is high risk.

■ Results

- The top three high-risk human rights issues were: 1. Overtime work, 2. Harassment, and 3. Occupational health and safety.
- For the purpose of mitigating human rights risks, Ennoconn has established a comprehensive policy and process for handling human rights incidents, which covers the entire value chain of Ennoconn and all of its operating locations. 2024 no relevant human rights disputes or violations of relevant laws and regulations, and therefore, no remedial actions have been taken.

Ranking of human rights issues and management measures

Ranking of human rights issues and management measures

| Target | Human Issues | Description of Ennoconn | Current Actions and Policies | Case Study | Mitigation/Remediation measures | Level | Improvements | | |
|----------|---------------|--|--|--|--|-------|--------------|------------|------------------|
| | | | | | | | Coverage (%) | Scores (%) | Improvements (%) |
| Employee | Overtime Work | Difficulty for employees to achieve work-life balance in the workplace environment, opportunities to take care of home or family members | <ul style="list-style-type: none"> We comply with labor laws and regulations regarding working hours, and our company rules and regulations are regularly reviewed for compliance and enforced. Employees' attendance time is accurately recorded through the attendance system. Regular workload surveys. Setting and adjusting work objectives every year. Provide overtime compensation. | <ul style="list-style-type: none"> To carry out projects and follow up shipments, resulting in more than 8 hours of work in a day, subject to a control of 46 hours of overtime work per month. | <ul style="list-style-type: none"> Provide compensatory time off and overtime pay and timely rest in accordance with the law. Evaluate and provide counseling on abnormal workloads, assign tasks in a reasonable and fair manner, and increase sufficient manpower according to the needs of the organization. Unit supervisors are requested to understand the reasons for employees' excessive workload and working hours, and to actively improve and optimize processes to help enhance work efficiency. | High | 100% | 9.83% | 100% |

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| Target | Human Issues | Description of Ennoconn | Current Actions and Policies | Case Study | Mitigation/Remediation measures | Level | Improvements | | |
|----------|--------------|---|---|---|---|--------|--------------|------------|-----------------|
| | | | | | | | Coverage (%) | Scores (%) | Improvements(%) |
| Employee | Harassment | Employees are subjected to discrimination, threats, physical assault and harassment, such as sexual harassment, which adversely affects them physically and mentally. | <ul style="list-style-type: none"> In compliance with gender equality laws and regulations, in addition to work rules and regulations, we have developed a standard "Sexual Harassment Prevention and Control Measures, Complaints, and Punishment Practices" to provide employees, dispatched laborers, and job seekers with a work and service environment that is free from sexual harassment, and to take appropriate preventive, corrective, punitive, and treatment measures in order to safeguard the rights and privacy of the parties involved. We continue to conduct online courses on sexual harassment prevention and treatment, as well as physical courses from time to time, in order to enhance the concept of gender equality among supervisors and employees, and to publicize the company's determination to maintain a healthy and harassment-free workplace. Provide channels for complaints to be lodged either verbally or in writing (e.g., employee complaint form, sexual harassment complaint hotline and dedicated mailbox) so that employees can express their opinions immediately. | <ul style="list-style-type: none"> Supervisors may have a harsher tone and attitude towards work requirements. There may be inadvertent differences in communication based on gender. | <ul style="list-style-type: none"> The Company provides channels, such as dedicated telephone lines, email inboxes, or related employee complaint channels, for immediate and effective corrective and remedial measures, arranges for counseling, refers to professional counseling or medical institutions, and takes appropriate corrective, disciplinary, and treatment measures. We will handle complaints of sexual harassment in a confidential and non-public manner, reasonably ensure the privacy of both parties involved, and may form a complaint handling committee to handle the complaints. | Medium | 100% | 7.86% | 100% |

Ranking of human rights issues and management measures

| Target | Human Issues | Description of Ennoconn | Current Actions and Policies | Case Study | Mitigation/Remediation measures | Level | Improvements | | |
|----------|--------------------------------|--|---|---|--|--------|--------------|------------|-----------------|
| | | | | | | | Coverage (%) | Scores (%) | Improvements(%) |
| Employee | Occupational Health and Safety | Hazards and risks encountered by employees in the work environment can result in workplace injuries and affect physical and mental health. | <ul style="list-style-type: none"> In order to protect the health and safety of employees and prevent the occurrence of occupational accidents, we regularly monitor the workplace environment (e.g., conducting workplace environmental monitoring and inspection) to ensure workplace safety. Implementing full-time occupational safety and health temporary guards. Organize occupational safety courses and fire/disaster drills. | <ul style="list-style-type: none"> Employee traffic accidents while commuting to and from work. Injuries to new engineering staff caused by the operation of machinery. | <ul style="list-style-type: none"> Request improvement reports and training from the unit. Proactively provide care and insurance information to help employees understand how to apply for compensation. Depending on the physical and mental recovery of employees, we will make timely adjustments to work arrangements. Provide emergency medical treatment and first aid, and provide complete medical assistance and leave for work-related injuries in accordance with the law. Arrange interviews with nurse practitioners and health guidance. | Medium | 100% | 2.35% | 100% |