

Hu Lane Group Sustainability Report

2023 SUSTAINABILITY REPORT VOL.12



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01 Message from the Chairman

Working Together Against the Wind

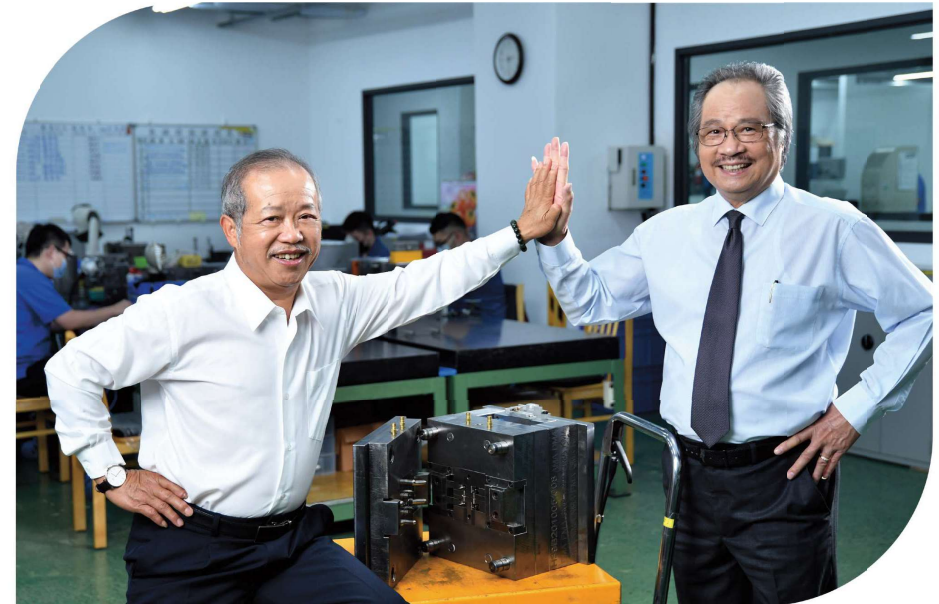
Hu Lane Group is about to enter its 48th year. We have always adhered to the concept of integrity as our business direction to coexist with our customers and suppliers. We are moving towards the strategic vision of communicating as equals with the world's first-class car manufacturers, participating in innovative connection system solutions, and pursuing innovation and changes to develop a more resilient operating structure to face new challenges in the future.

In 2023, Hu Lane Group achieved a new record in its overall business performance, reaching NT\$7.33 billion, reflecting a growth rate of 12.32%. With the continuous launch of green energy products including new energy connectors, we responded with rapid organizational changes to make breakthrough. Amid the economy of global turmoil, we strived to move towards sustainability and delivered a YOY growth of 17% in green new energy product.



Good to Have You and Share Happiness

Employees are important assets of the company. We are committed to creating a friendly work environment and listening to employees' voices through labor-management forums and walk-through management practices. Hu Lane Group provides salary increases for employees every year and puts efforts in recruitment and retention. We value the health of our employees, encourage their participation in club activities, and care for their families so that they can achieve a balance between work and family. Happy employees are more likely to deliver satisfactory products and services to our customers. Under the leadership of the management team, we are able to expand our business stably. We actively encourage colleagues to innovate, engage in challenging projects, and embrace a culture of continuous learning, creating a sense of belonging in teamwork. We believe that in the near future, we will move towards our goal of reaching NT\$10 billion by 2025. In addition to sharing the glory with our stakeholders, we will also become a happy enterprise full of vitality and innovation.



Wish for a Sustainable Future

We are committed to adhering to relevant indicators to achieve sustainable development to establish a good example in our industry and using innovative methods to harmoniously coexist with the environment, people, the community, and the earth we live in, aiming to become an influential enterprise. Our mission is to put the spirit of ESG into practice and pursue the beauty of the environment, social goodness, and truth of governance. We move forward together with the concept of truth, goodness, and beauty, along with partners who have the same ESG philosophy. With innovative thinking, we enable the enterprise to progress towards sustainable development with both the environment and the society, thereby realizing the blueprint for corporate sustainability built with the vision of "Innovation for Sustainability."

We look forward to a consensus on emphasizing sustainable development, the corresponding strategies and goals under the Hu Lane Group's six corporate values. The six major sustainable development strategies are: "Sustainable Responsible Procurement," "Green Product Innovation," "Recycling Economy," "Low-Carbon Manufacturing Transformation," "Achieving Employee Mission," and "Happy and Friendly Working Environment." We set clear short-, medium-, and long-term goals as our commitment to future sustainable development. We will initiate key actions for our commitment and continuously review and promote them with the Sustainable Development Committee.

In the face of the climate changes and sustainable coexistence, no business can hold itself afloat. Therefore, corporate sustainability includes strategies and practices aimed at meeting the needs of stakeholders in this generation, while creating economic, social, and environmental values and contributing to the well-being of present and future generations. In response to the global wave of net-zero emissions and the trend of carbon border adjustment mechanisms in Europe and the U.S., Hu Lane Group, with the support of the Board of Directors, has also established a dedicated account for the allocation of carbon credit vouchers to gradually assist the Group in its "low-carbon transformation." This initiative not only obtain support from practical actions to achieve net zero carbon emissions and the green transformation plan but also demonstrates the Group's determination for sustainability.

"Commit to Excellence and Sustainability"

02 About This Report

Regulations:

In order to demonstrate its determination and commitment to valuing ESG, Hu Lane Group voluntarily published its first sustainability report in July 2013 and has voluntarily continued to release the Hu Lane Group Sustainability Report on an annual basis since then.

✓ Data collection and preparation are carried out in accordance with the requirements of the GRI Standards (2021). Relevant information is disclosed as per its regulations, which include the GRI Content Index (see Appendix I) and alignment with the United Nations Sustainable Development Goals (SDGs). Furthermore, we voluntarily comply with requirements for Table 1-12 Sustainable Disclosure Indicators for the Electronic Components and Components Industry (see Appendix II) and Table 2 Climate-Related Information of TPEX Listed Companies (see Appendix IV) in accordance with the Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies.

✓ Crowe Taiwan, an independent and credible CPA LLP, was engaged to perform limited assurance for this report, 2023 Sustainability Report prepared based on the GRI Standards, in accordance with the provisions of TWSAE 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information." Upon the completion of the assurance engagement, relevant results have been fully communicated to those charged with governance. For the scope and conclusion of the assurance, please refer to the Independent Assurance Report (see Appendix III) attached to this report.

Scope of Disclosure and Coverage of this Report:

- ✓ This report covers the data of Hu Lane Group's operating sites.
- ✓ The financial data are consistent with the boundaries of its annual financial report and are expressed in NT\$ thousand.
- ✓ ESH and employee statistics are calculated based on internationally accepted indicators.

Reporting Period:

- ✓ Disclosure period: January 1, 2023 to December 31, 2023
- ✓ Publication date of the previous report: June 2023
- ✓ Publication date of the this report: June 2024
- ✓ Preparation/review: Hu Lane Group's Sustainability Committee

The management unit for this report:

- ✓ The Sustainability Committee is responsible for formulating the objectives and strategies of the Company's sustainability work, promoting and supervising the sustainability work, preparing and verifying the sustainability report, as well as other matters related to the Company's sustainable development.
- ✓ The report is submitted to the Sustainability Committee for review and subsequently uploaded to the official website and the Market Observation Post System.

Contact Information:

- ✓ If you have any suggestions regarding this report, please feel free to let us know.
- ✓ Hu Lane Group's Sustainability Committee
- ✓ Contact: Group Finance Division
- ✓ TEL: (02)2694-0551 #60005
- ✓ Email: ESG@hulane.com.tw
- ✓ Official website of the Company: <https://www.hulane.com.tw>



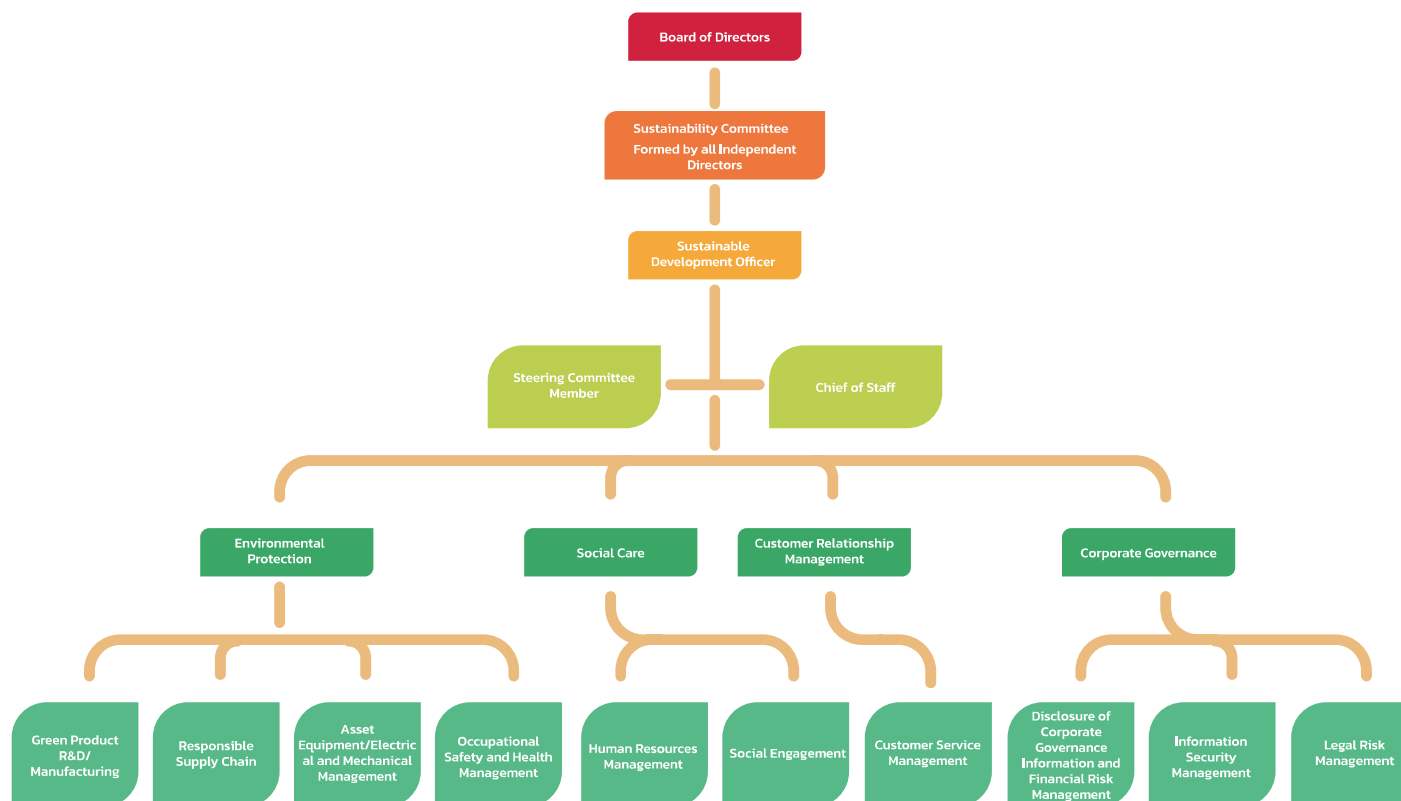
03 Sustainable Development Achievements

3.1 Sustainable Management

3.1.1 Sustainability Committee

Hu Lane Group complies with the policies of the competent authorities. The Board of Directors has passed the organizational chart of the Group's Sustainability Committee and the Sustainable Development Best-Practice Principles and appointed all independent directors as members. The Committee includes a Sustainable Development Officer who guides committee members and dedicated groups. The responsible departments collect stakeholders' concerns on issues such as environmental protection, occupational safety, supply chain management, labor rights, operational performance, and corporate governance. They promote and implement these issues within the company.

Hu Lane Group's Sustainability Committee



Sustainable Development Best-Practice Principles



3.1.2 Sustainability Strategy and Promotion

The Sustainability Committee formulates the short-, medium-, and long-term sustainable development strategies of Hu Lane Group and gradually integrates the sustainable management concept into the corporate culture of the Group. In 2023, two meetings were held, with 100% attendance from all committee members. During the Board meeting, the Sustainable Development Officer reported the sustainability strategy and implementation results to the Board to enhance the Board's engagement in the Company's ESG implementation results.

Strategic Development Map of Hu Lane Group's Sustainability in the Short, Medium, and Long Term










Hu Lane Group's short-, medium-, and long-term strategic development goals_ESG (E environmental protection / S people (including human rights) / G corporate governance)

<div>2030 Strategy Focus</div> <div>E</div> <div>ESG Strategy and Realization of Value</div>	2023 ESG Inventory Starting Year <ul style="list-style-type: none"> ✓ Complete the ISO 14064-1 greenhouse gas inventory and third-party verification of all Group companies (Both the external verification and the certification have been completed) ✓ ISO 14064-1 Greenhouse Gas Inventory_30% reduction in Hu Lane Taipei's carbon emission intensity (It was not achieved. The figure increased by 244% in 2023 compared to 2022. The inventory density in 2023 was 0.0065999 tCO2e/NT\$ thousand, whereas in 2022, it was 0.0018937 tCO2e/NT\$ thousand.) ✓ Complete the ISO 14067 product carbon footprint of raw materials for 3 types of products and have them undergo third-party verification (External verification for 4 products have been completed and certified) ✓ Capital expenditure_Vietnam Hu Lane Construction of solar energy equipment (The construction has been completed, and electricity generation statistics started on November 17) ✓ Complete the sustainability report counseling project, obtain third-party certification, and make the announcement (We have obtained the independent assurance opinion statement for the certification) 	2024 The Group & Substantial Control Company's greenhouse gas emissions achieve carbon neutrality_30% reduction in carbon emission density compared to the previous year (formula: annual carbon emissions/annual sales) Unit: tCO2e/NT\$ thousand <ul style="list-style-type: none"> ✓ ISO 14064-1 Greenhouse Gas Inventory_Reduction of the Group's carbon emission intensity by 10% ✓ Conduct ISO 14067 product carbon footprint continuous inventory and undergo verification by a third party (Five products have been determined to undergo greenhouse gas inventory in 2024) ✓ Capital expenditure on solar energy equipment projects: A, Dongguan Hu Lane B, Vietnam Hu Lane C, Taipei Hu Lane (It was originally planned as a project for 2023) ✓ 20% reduction in the effluent discharge rate, increase the output of outsourced electroplating suppliers (It was originally planned as a project for 2023) ✓ Introduction of ISO 50001 Energy Management System: Nanjing/Vietnam 	2025 The Group & Substantial Control Company's greenhouse gas emissions achieve carbon neutrality_10% reduction in carbon emission density compared to the previous year (formula: annual carbon emissions/annual sales) Unit: tCO2e/NT\$ thousand <ul style="list-style-type: none"> ✓ ISO 14064-1 Greenhouse Gas Inventory_Reduction of the Group's carbon emission intensity by 10% ✓ Conduct ISO 14067 product carbon footprint continuous inventory and undergo verification by a third party ✓ Group companies have completed the construction of solar energy green power equipment ✓ Upload the Group's sustainability report to the Market Observation Post System (MOPS) in accordance with the law ✓ 20% reduction in the effluent discharge rate, increase the output of outsourced electroplating suppliers (It was originally planned as a project for 2024. However, since the wastewater recycling equipment improvement project has not yet been implemented, the statistics of this project will not be available in 2024) Introduction of ISO 50001 Energy Management System: Dongguan/Indonesia 	2026 - 2027 The Group & Substantial Control Company's greenhouse gas emissions achieve carbon neutrality_6% reduction in carbon emission density compared to the previous year (formula: annual carbon emissions/annual sales) Unit: tCO2e/NT\$ thousand <ul style="list-style-type: none"> ✓ ISO 14064-1 Greenhouse Gas Inventory_Reduction of the Group's carbon emission intensity by 6% ✓ Conduct ISO 14067 product carbon footprint continuous inventory and undergo verification by a third party ✓ Complete comprehensive third-party certification of the sustainability report ✓ Introduction of ISO 50001 Energy Management System: Jiaxing 	2030 The Group & Substantial Control Company's greenhouse gas emissions achieve carbon neutrality_6% reduction in carbon emission density compared to the previous year (formula: annual carbon emissions/annual sales) Unit: tCO2e/NT\$ thousand <ul style="list-style-type: none"> ✓ ISO 14064-1 Greenhouse Gas Inventory_Reduction of the Group's carbon emission intensity by 6% ✓ Conduct ISO 14067 product carbon footprint continuous inventory and undergo verification by a third party ✓ All sustainability reports have been certified and disclosed
	2023 ESG Inventory Starting Year <ul style="list-style-type: none"> ✓ Align our salary level with P50 of the market (achieved) Initiate various stakeholder-related activities <ul style="list-style-type: none"> A. Employee satisfaction survey (in progress) B. Each factory organizes community/government charitable activities every year (achieved) C. Supplier conferences are held annually for Taipei and the Mainland China regions (achieved) D. Group companies participate in customer activities (achieved) 	2024 Strengthen the protection of Group stakeholders (Customers, suppliers, employees, investors, government/community) <ul style="list-style-type: none"> ✓ Review and screen high-quality ESG suppliers_10% <ul style="list-style-type: none"> A. Inventory of compliant ESG suppliers B. Formulation and planning of ESG-related procurement policies, [Remark] Definition of a high-quality supplier: Having established five-year strategic goals for ESG or having completed relevant environment and energy management system inventory/certification. C. Obtain ISO 14067 Verification for Carbon Footprint of Products from suppliers (accounting for 10% of the procurement amount) ✓ Supplier conferences are held annually for Taipei and the Mainland China regions ✓ YOY growth in the number of annual interactions with the Group's stakeholders_100% plan execution rate for annual employee relationship events ✓ Increase the number of interactions with investors to six times 	2025 Strengthen the protection of Group stakeholders (Customers, suppliers, employees, investors, government/community) <ul style="list-style-type: none"> ✓ Review and screen high-quality ESG suppliers_10% ✓ YOY growth in the number of annual interactions with the Group's stakeholders 	2026 - 2027 Strengthen the protection of Group stakeholders (Customers, suppliers, employees, investors, government/community) <ul style="list-style-type: none"> ✓ Review and screen high-quality ESG suppliers_6% ✓ YOY growth in the number of annual interactions with the Group's stakeholders 	2030 Strengthen the protection of Group stakeholders (Customers, suppliers, employees, investors, government/community) <ul style="list-style-type: none"> ✓ Review and screen high-quality ESG suppliers_6% ✓ YOY growth in the number of annual interactions with the Group's stakeholders
	2023 ESG Inventory Starting Year <ul style="list-style-type: none"> ✓ Increase Corporate Governance 3.0 indicators met by 5% (achieved with an 1153% increase in 2023 compared to 2022, resulting in 58 indicators met in 2023, up from 52 in 2022) ✓ Professional institution's evaluation report on the Group's risk management (not achieved) Implementation of GRI 200 (achieved) ✓ Self-completion of the Company's audit (financial report) (in progress, the self-completed financial report will be finalized in March 2024) 	2024 TCFR evaluation system score Index <ul style="list-style-type: none"> ✓ TCFR evaluation system score index <ul style="list-style-type: none"> A. TCFR evaluation system score index achieved a score of 83 points B. Establish the Risk Management Committee under the Board of Directors ✓ Optimize the Sustainability Report (expanding from 10 to 12 material issues and obtaining assurance from CPAs) ✓ Strengthen the supervisory mechanism of European companies (2023 project) ✓ Introduce the TCFD (Task Force on Climate-Related Financial Disclosures) counseling project and pass third-party certification ✓ Complete the revision of our annual report and file it in accordance with the Corporate Governance Regulations. ✓ Complete the application for carbon credit trading certification 	2025 TCFR evaluation system score Index <ul style="list-style-type: none"> ✓ TCFR evaluation system score index ✓ Enhance the scope of TCFD (Task Force on Climate-Related Financial Disclosures) and obtain an integrated written opinion (assurance certification) ✓ Introduce the SASB (Sustainability Accounting Standards Board) counseling project and pass third-party certification ✓ Establish the Nomination Committee 	2026 - 2027 TCFR evaluation system score Index <ul style="list-style-type: none"> ✓ TCFR evaluation system score index ✓ Introduce financial sustainability reports based on IFRS combined with IASB and ISSB standards (S1 and S2) and complete CPA's assurance certification ✓ Enhance the scope of SASB (Sustainability Accounting Standards Board) and obtain an integrated written opinion (assurance) 	2030 TCFR evaluation system score Index_Score in the top 5% <ul style="list-style-type: none"> ✓ TCFR evaluation system score index_Score in the top 5% ✓ Corporate governance of each committee achieves the decision-making execution goals of the agent system.
	2023 ESG Inventory Starting Year <ul style="list-style-type: none"> ✓ Increase Corporate Governance 3.0 indicators met by 5% (achieved with an 1153% increase in 2023 compared to 2022, resulting in 58 indicators met in 2023, up from 52 in 2022) ✓ Professional institution's evaluation report on the Group's risk management (not achieved) Implementation of GRI 200 (achieved) ✓ Self-completion of the Company's audit (financial report) (in progress, the self-completed financial report will be finalized in March 2024) 	2024 TCFR evaluation system score Index <ul style="list-style-type: none"> ✓ TCFR evaluation system score index <ul style="list-style-type: none"> A. TCFR evaluation system score index achieved a score of 83 points B. Establish the Risk Management Committee under the Board of Directors ✓ Optimize the Sustainability Report (expanding from 10 to 12 material issues and obtaining assurance from CPAs) ✓ Strengthen the supervisory mechanism of European companies (2023 project) ✓ Introduce the TCFD (Task Force on Climate-Related Financial Disclosures) counseling project and pass third-party certification ✓ Complete the revision of our annual report and file it in accordance with the Corporate Governance Regulations. ✓ Complete the application for carbon credit trading certification 	2025 TCFR evaluation system score Index <ul style="list-style-type: none"> ✓ TCFR evaluation system score index ✓ Enhance the scope of TCFD (Task Force on Climate-Related Financial Disclosures) and obtain an integrated written opinion (assurance certification) ✓ Introduce the SASB (Sustainability Accounting Standards Board) counseling project and pass third-party certification ✓ Establish the Nomination Committee 	2026 - 2027 TCFR evaluation system score Index <ul style="list-style-type: none"> ✓ TCFR evaluation system score index ✓ Introduce financial sustainability reports based on IFRS combined with IASB and ISSB standards (S1 and S2) and complete CPA's assurance certification ✓ Enhance the scope of SASB (Sustainability Accounting Standards Board) and obtain an integrated written opinion (assurance) 	2030 TCFR evaluation system score Index_Score in the top 5% <ul style="list-style-type: none"> ✓ TCFR evaluation system score index_Score in the top 5% ✓ Corporate governance of each committee achieves the decision-making execution goals of the agent system.
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3.1.3 United Nations Sustainable Development Goals (SDGs)

In 2015, the United Nations passed the Sustainable Development Goals (SDGs) and established 17 issues and goals for global sustainable development. Based on its core professions, Hu Lane Group aligns with the United Nations SDGs and promotes key practices.

The United Nations' Sustainable Development Goals (SDGs)	Hu Lane Group's Practices	Chapters Disclosed
 <p>1. No Poverty</p> <p>End poverty in all its forms everywhere. Promote social and economic development to achieve global prosperity.</p>	<p>1. From 2008 to 2023, Taipei Hu Lane has organized 16 "Caring for the Disadvantaged, Sharing Love" charity events. The proceeds from the employee charitable sales and the Company's donations are all used to fund the "Vulnerable Families: Saving Children From Starvation Program" of the World Peace Society, with which we have a long-term partnership. This support helps ensure that children have enough to eat and can attend school with peace of mind. Achievements: 210 items were raised; donations totaled NT\$404,525; beneficiary organizations: World Peace Society and Huashan Social Welfare Foundation; 615 beneficiaries.</p> <p>2. In 2023, Vietnam Hu Lane carried out the "Hu Lane Sending Warmth and Contributing Love to Society" charity event. We helped [remote kindergarten] with material donations and environment cleaning, as well as visited [orphanage] with donated materials. Achievements: 83 items were raised; 2 volunteers; 300 beneficiaries; beneficiary organizations: the Na Khuong commune in Quang Binh District, Ha Giang Province and the Humanitarian Center of the Hai Duong Red Cross Society.</p>	7.8 Social Engagement
 <p>2. Zero Hunger</p> <p>End hunger, achieve food security and improved nutrition, and promote sustainable agriculture to achieve global food safety.</p>	To support local small-scale farmers with practical actions, Taipei Hu Lane purchased their organic agricultural products as the Labor Day gifts for our employees, thanking and rewarding them for their contributions. 1,200 kg of organic rice was purchased.	7.8 Social Engagement
 <p>4. Quality Education</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p>	<p>1. 100% completion rate of education and training for new employees and in-service employees.</p> <p>2. The achievement rate of education training on Hu Lane's core values and core competencies reached 100%, with NT\$3,300,000 invested in the project.</p>	7.4 Talent Training
 <p>5. Gender Equality</p> <p>Achieve gender equality and empower all women and girls.</p>	<p>1. Hu Lane Group has established human rights policy and is committed to creating a respectful and safe working environment. We respect personal privacy and eliminate any form of violence, harassment or unlawful discrimination at the workplace, including but not limited to corporal punishment, verbal abuse, and mental oppression. We also provide effective and appropriate complaint channels and handling mechanisms.</p> <p>2. There was no occurrence of any human rights abuses in 2023.</p>	7.1 Human Rights Protection
 <p>6. Clean Water and Sanitation</p> <p>Ensure availability and sustainable management of water and sanitation for all.</p>	<p>1. With respect to wastewater treatment, all domestic wastewater undergoes treatment at the factory. It is then discharged to the sewage treatment plan for treatment through a dedicated pipe and finally released into the water body. In compliance with government regulations and laws, the domestic wastewater undergoes annual testing to ensure that it meets the acceptance standard of the sewage treatment plan.</p> <p>2. Taipei Hu Lane's wastewater is finally released to the Keelung River. The wastewater treatment unit is equipped with a comprehensive mixing tank, a fast mixing tank, a PH adjusting tank, a slow mixing tank, a precipitation tank, a gravity-type concentrating tank, a neutralization tank, and a sludge dewatering equipment. Additionally, regular inspections are performed to ensure compliance with discharge standards.</p>	6.3.1 Water Resources Management
 <p>7. Affordable and Clean Energy</p> <p>Ensure access to affordable, reliable, sustainable and modern energy for all.</p>	Hu Lane Group continues to replace old production equipment with new ones, resulting in a year-by-year decrease in energy consumption intensity. To reduce electricity consumption, we will start with design and development, continue to introduce new processes and equipment at each operating location, and actively build solar energy storage equipment. Currently, solar energy and green power facilities have been installed in Nanjing Hu Lane, Vietnam Hu Lane, and Jiaxing Shanghai.	6.2.2 Energy Management
 <p>8. Decent Work and Economic Growth</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>	<p>1. The standard wage of entry-level staff is higher than the local minimum wage, regardless of gender.</p> <p>2. Employee compensation and benefits comply with applicable laws and regulations, including minimum wage, working hours (including overtime), insurance, pension systems and other statutory benefits. There is no difference in payment based on gender or ethnicity. Both men and women receive the same starting salary and equal pay for equal work. In order to protect the rights and interests of entry-level employees, we regularly review the remuneration level every year to ensure that it is in compliance with or better than the local laws and regulations.</p>	7.3 Compensation and Benefits

The United Nations' Sustainable Development Goals (SDGs)

Hu Lane Group's Practices

Chapters Disclosed

**9. Industry, Innovation and Infrastructure**

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

1. Obtain raw materials that comply with environmentally sustainable production, conserve energy, reduce carbon emissions, and collaborate with local suppliers to protect the earth's environment.
2. The local procurement amount reached 84.82%, with 89.41% of our suppliers being local. Together with these suppliers, we contribute to promoting local economic prosperity and environmental protection, thereby enabling people to live and work in happiness.

6.1 Material Topic: Raw Material Management
6.1.1 Local Procurement Information
5.5.1 Material Topic: Sustainable Supply Chain

**10. Reduced Inequalities**

Reduce inequality within and among countries.

1. Hu Lane Group has established human rights policy and strictly prohibits human rights abuses in the workplace. These initiatives include, but are not limited to, respecting personal privacy and eliminating any form of violence, harassment or unlawful discrimination at the workplace, such as corporal punishment, verbal abuse, and mental oppression. We also provide effective and appropriate complaint channels and handling mechanisms.
2. There was no occurrence of any human rights abuses in 2023.

7.1 Human Rights Protection

**11. Sustainable Cities and Communities**

Make cities and human settlements inclusive, safe, resilient and sustainable.

In 2023, Taipei Hu Lane renewed the "Memorandum of Understanding on Disaster Prevention Cooperation" with the Xizhi District Office to join the enterprise disaster prevention team in the Xizhi District, hoping that we can integrate disaster prevention and material supply through the instructions of the Xizhi District Office during the flood prevention period. Through these efforts, we can greatly enhance the efficiency of disaster prevention and rescue in the event of large-scale disasters.

6.4 Environmental Protection Management and Control

**12. Responsible Consumption and Production**

Ensure sustainable consumption and production patterns.

1. Adhering to the principle of improvement at the source, we start by enhancing efficiency in the production process, then reduce the consumption of raw materials, and control waste at the end of the process. The waste is recycled or disposed of by suppliers certified by qualified licenses, aiming to achieve the effect of waste resource recovery and utility maximization.
2. Manufacturing waste includes general commercial waste and hazardous commercial waste.
2.1 General commercial waste mainly includes waste plastics, copper scrap, silicone waste, stainless steel scrap, and waste pallets generated from manufacturing.
2.2 Hazardous commercial waste mainly includes copper-containing electroplating sludge, waste oil generated from manufacturing and maintenance, spent activated carbon, waste emulsion, obsolete containers, waste filter elements, waste mold cleaning fluid, and waste lamp tubes.
2.3 Domestic waste and kitchen waste are generated from employee offices, dormitories, and canteens.
2.4 All wastes are classified, collected, and stored upon generation, and are disposed of by qualified suppliers certified with licenses.

6.3.2 Waste Management

**13. Climate Action**

Take urgent action to combat climate change and its impacts.

In order to fulfill its corporate responsibility, Hu Lane Group has proactively committed itself to the baseline greenhouse gas emissions inventory at its factories since 2021. These efforts enable us to capture the status of greenhouse gas emissions and to further implement voluntary greenhouse gas reduction-related plans. Our greenhouse gas carbon emissions have also undergone verification conducted by BSI, an external verification institution, with 2022 set as the baseline year for greenhouse gas inventory.

6.2.3 Greenhouse Gas and Carbon Emissions

**16. Peace, Justice and Strong Institutions**

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Hu Lane Group has established the reporting channels and acceptance procedures, and pledges to maintain the confidentiality of whistleblowers' personal data and the content of their reports. Whistleblowers will not face unfavorable treatment if the information is verified.

7.1 Human Rights Protection

**17. Partnerships for the Goals**

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

1. Improve the sustainable development of the supply chain, reduce the chain disruption risk, enhance the core competitiveness of the enterprise, and create long-term value.
2. By reinforcing the importance of customers, continuously strengthening mutual relationships, and building strong trust, Hu Lane Group will focus on improving its image and brand value, thereby achieving the goal to communicate as equals with the world's first-class car manufacturers.
As for the product quality management, we regard product quality, safety, and after-sales service as our highest commitments to our customers. Maintaining high customer satisfaction and good quality services will help us continue winning customers' recognition.

5.5 Value Chain Management



- Awarded the Enterprise with Outstanding Performance in Disaster Prevention by New Taipei City.
- Taipei Hu Lane passed the ISO 50001: 2018 Energy Management Systems and obtained the certificate.
- Introduce the ISO 14064-1: 2018 Greenhouse Gas Inventory Standards and pass external third-party verification.
- Introduce the ISO 14067: 2018 Verification for Product Carbon Footprint (4 products) and pass external third-party verification.
- Greenhouse gas emission intensity: Scope 1 emissions were 0.1114 tCO₂e/NT\$ million; Scope 2 emissions were 2.6039 tCO₂e/NT\$ million.
- Greenhouse gas emission intensity for Scope 1 and Scope 2 decreased by 22.10% and 5.61% compared to the previous year, respectively.
- The total amount of hazardous commercial waste decreased by 1.42 tonnes compared to the previous year.
- We comply with EU RoHS and REACH regulations regarding the management of hazardous substances, as well as customer requirements for hazardous substance management. Additionally, we require our suppliers to sign a letter of commitment to ensure ensuring the non-use of hazardous substances.
- No complaints were received regarding the management of hazardous substances, and no conflict minerals were purchased.
- We conducted the ESG-related assessments and audits on our key suppliers. A total of 112 suppliers completed ESG questionnaires (self-assessment), and 10 suppliers completed ESG on-site audits, with a pass rate of 100%.
- No supply chain disruptions occurred due to suppliers' material violations of laws and regulations related to social responsibility, including those governing the environment, human rights, and occupational safety.



- The proportion of female employees reached 42.96%, and the proportion of female supervisors reached 28.79%.
- The retention rate after employees' reinstatement from their parental leave without pay was 100%.
- Taipei Hu Lane passed the ISO 45001: 2018 Occupational Health and Safety Management System and obtained the certificate.
- The number of occupational accidents during the year remained zero. There were no deaths due to work-related injuries, serious work-related injuries, or recordable work-related injuries among employees, nor were there any deaths due to occupational diseases or recordable occupational diseases.
- There were no labor-management disputes or human rights violations.
- NT\$404.53 thousand was donated to disadvantaged groups, with 86 volunteers participating in charity activities. The number of beneficiaries reached 1,320 individuals.



- In the 10th corporate governance evaluation, the Company ranked between 6% and 20% in the TPEX listed companies and was ranked 4 in the TCRI.
- Female directors account for 22.22% (two directors), while independent directors make up 33.33% (three directors), with more than half of the independent directors not serving for 3 consecutive terms.
- The average hours of professional ESG training of individual director reached 6 hours; corporate governance managers received 24 hours of continuing education.
- No reports of integrity violations were received, no records of violating corporate governance laws and regulations were found, and there were no material deficiencies in internal control operations.
- The Company's consolidated revenue was NT\$7,330,811 thousand, representing an increase of 12.32% from the previous year.
- The net profit attributable to the parent company was NT\$921,221 thousand, achieving the goal of earning a profit every year.
- Green new energy products accounted for 16.37% of the Group's sales revenue, representing an increase of 17.28% from the previous year.
- The customer satisfaction survey has been maintained at more than 4 points every year, with an average score of 4.19 points in 2023 (out of 5 points).
- There were no material information security incidents causing disruption to the Company's business, nor were there any personal information security incidents during the year.

3.2 Identification of Stakeholders and Material Topics

3.2.1 Stakeholder Identification

01 Method Reaching out to various stakeholders through routine business transactions

02 Implementation Discussion at internal meetings and with reference to the peer industry

03 Output Identification of five categories of major stakeholders

Note: Due to the stability of the electronic parts and components industry in which Hu Lane Group operates and the absence of drastic changes in recent years, the main stakeholder categories for 2023 remained the same after consultation between the Sustainable Development Officer, committee members, and each supervisor.

3.2.2 Stakeholder Communication



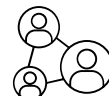
Government/Competent Authorities

IR Manager and the spokesperson
government@hulane.com.tw



Employees

Assistant Project Manager of Human Resources Division
employee@hulane.com.tw



Customers

Executive Vice President of Marketing Division
sales@hulane.com.tw



Investors

IR Manager and the spokesperson
investor@hulane.com.tw



Suppliers

Manager of Logistics Division
supplier@hulane.com.tw

Importance to Hu Lane Group

Government agency's supervision and audits
The Company's compliance practices

Employees are the cornerstone of operations. We pledge to providing employees with a healthy and diversified workplace so that colleagues can work without worries.

We regard product quality, safety, and after-sales service as our highest commitments to our customers. Maintaining high customer satisfaction will help us continue winning customers' recognition.

Protect the rights and interests of the shareholders, treat all shareholders fairly, and ensure that the shareholders have the right to fully know, participate in, and decide on the material matters of the Company.

We maintain long-term positive interactions with supply partners to ensure a steady supply of raw materials and parts, and to jointly explore markets. In addition, we use our influence in the industry to work with our supply partners to prevent environmental pollution and violations of labor rights.

Concerned Issues

Employee diversity and equal opportunity
Information security, sustainable supply chain, raw material management,
Energy Conservation and Greenhouse Gas Management

Compensation and benefits, occupational health and safety, operational performance, innovative R&D, talent training

Raw material management, employee diversity and equal opportunity
Sustainable supply chain, information security

Operational performance, customer relations, employee diversity and equal opportunity, innovative R&D, information security

Employee diversity and equal opportunity, customer relations, sustainable supply chain, product and service labeling, information security

Communication Platform / Frequency

1. Hu Lane's website (from time to time)
2. Market Observation Post System (from time to time)
3. Cooperate with the government and the competent authorities to promote various matters and participate in the evaluation of the competent authorities (from time to time)

1. Labor-management meetings (quarterly)
2. Welfare Committee (from time to time)
3. Occupational Safety and Health Committee (quarterly)
4. Personnel Evaluation Committee (annually)
5. President's mailboxes/bulletin boards/online bulletin boards (from time to time)
6. Employee Satisfaction Survey (annually)

1. Customer complaint and feedback mechanism (from time to time)
2. Regular communication and discussion meetings (monthly)
3. On-site audit discussion (from time to time)
4. Customer Satisfaction Survey (annually)

1. Shareholders' meeting (annually)
2. Domestic and overseas investor conference (quarterly)
3. Seminars for investors from domestic and overseas investment organizations (from time to time)
4. Market Observation Post System (from time to time)

1. Regular review meetings (once a month)
2. Supplier knowledge and technology exchange/interview (from time to time)
3. Annual supplier evaluation (once a year)
4. Supplier conference (once a year)

Interaction

1. Regularly disclose financial statements and annual reports.
2. Participated in 5 domestic and overseas investor conferences.

1. Labor-management meeting/once a quarter (parent company).
2. Welfare Committee (parent company)/anytime.
3. Occupational Safety and Health Committee/once a quarter. In 2023, 4 sessions were actually held, with 43 participants.
4. Personnel Evaluation Committee/once a year.
5. President's mailboxes in each operating site/anytime, 0 mails received in 2023.
6. The score of the Group's employee satisfaction survey range from 75 to 84.88 points (out of 100 points).

1. 100% customer complaint completion rate.
2. The overall customer satisfaction survey scored 4.19 points (out of 5 points).

1. Held the Annual General Meeting of Shareholders (June 19, 2023).
2. Participated in 5 domestic and overseas investor conferences.
3. Communicated with investors for a total of 68 hours.

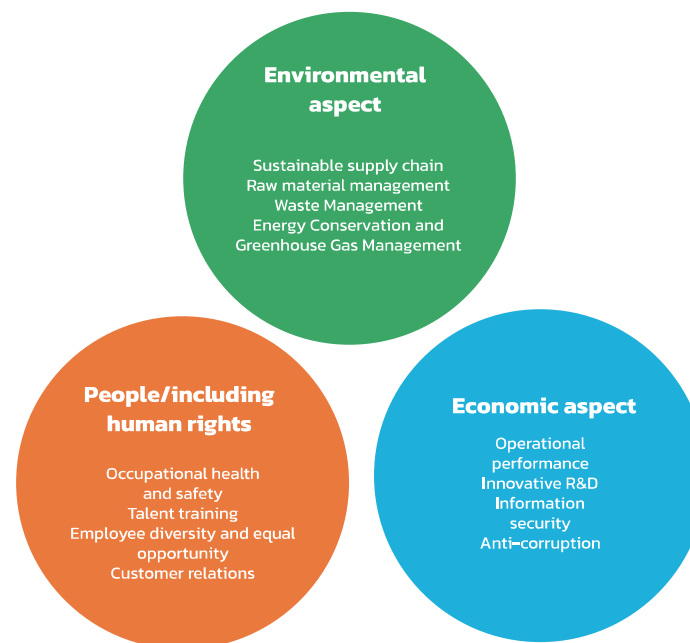
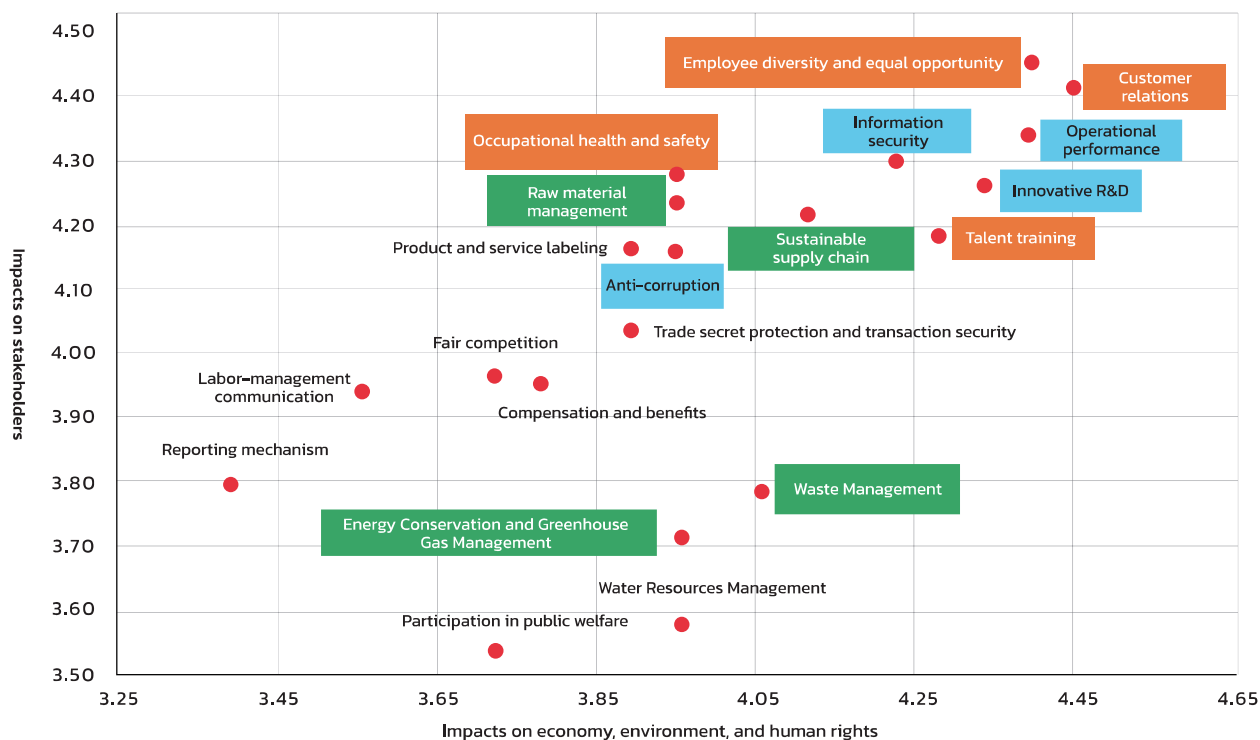
1. Monthly quality meetings
2. Suppliers' occasional visit/technical exchange.
3. Supplier scoring is performed on a monthly basis. Based on the results of risk assessment, suppliers and dates of on-site audits are scheduled for the annual evaluation.
4. In 2023, Taipei Hu Lane and Nanjing Hu Lane held one supplier conference each.

3.2.3 Identification of Material Topics



Identification Process:

1. The Sustainability Committee formulated 20 sustainable issues and distributed questionnaires online.
2. Major stakeholders were asked to fill in the questionnaires on the impact of the Company's issues. A total of 104 valid questionnaires were collected, including 22 from investors, 29 from employees, 9 from customers, 35 from suppliers, and 9 from government agencies.
3. 18 supervisors were asked to rate the extent of the impact each sustainability issue had on the Group, both internally and externally. A total of 18 responses were collected.
4. Based on the scores of both questionnaires, a matrix of material topics was compiled. After discussion by the Sustainability Committee, the top four topics in each of the three aspects — environment, people (including human rights), and the economy — were selected. 12 material topics identified present both risks and opportunities to Hu Lane Group.
5. In this report, Hu Lane Group will explain the management approach of each material topic and the relevant disclosures in this report. At the same time, to keep the balance in the Sustainability Report, the results of Hu Lane Group's commitment to public welfare are disclosed as supplementary information.



3.2.4 Management of Material Topics

Note: ● represents direct impact, ○ represents impact from the Company's business relationships, ★ represents impact facilitated by the Company.

	Material Topics	Importance to the Company	Impact Aspect	Internal boundary	External Boundary			Corresponding GRI Standards 2021
				Company	Investor	Suppliers	Customers	
Environmental aspect	Sustainable supply chain Chapters disclosed in the report 5.5.1	Improve the sustainable development of the supply chain, reduce the chain disruption risk, enhance the core competitiveness of the enterprise, and create long-term value.	Actual positive					308 Supplier Environmental Assessment: 2016 (308-1 ~ 308-2) 414 Supplier Social Assessment: 2016 (414-1 ~ 414-2)
	Raw material management Chapters disclosed in the report 6.1, 6.1.1, 6.1.2	Obtain raw materials that comply with environmentally sustainable production, conserve energy, reduce carbon emissions, and collaborate with local suppliers to protect the earth's environment.	Potential negative	●		○	○	204 Procurement Practices 2016 (204-1) Materials 2016 (301-1 ~ 301-3)
	Waste Management Chapters disclosed in the report 6.3.2.1, 6.3.2.2, 6.3.2.3	Adhering to the principle of improvement at the source, we start by enhancing efficiency in the production process, then reduce the consumption of raw materials, and control waste at the end of the process. The waste is recycled or disposed of by suppliers certified by qualified licenses, aiming to achieve the effect of waste resource recovery and utility maximization.	Actual positive	●			○	306 Waste 2020 (306-1 ~ 306-5)
	Energy Conservation and Greenhouse Gas Management Chapters disclosed in the report 5.4.2, 6.2.1, 6.2.2.1, 6.2.2.2, 6.2.2.3, 6.2.2.4, 6.2.3, 6.2.4	1. In addition to meeting the expectations of competent authorities and customers, it also enables us to identify carbon emission hotspots on the factory premises, thereby promoting energy-saving and carbon reduction measures to achieve the dual benefits of lowering operating costs and greenhouse gas emissions. 2. Enhance the corporate brand value, thereby improving the corporate market competitiveness. 3. Bring new business opportunities for enterprises, such as carbon credit trading and cooperation projects for energy conservation and carbon reduction.	Potential positive	●	○	○	○	302 Energy: 2016 (302-1 ~ 302-5) 305 Emissions: 2016 (305-1 ~ 305-7)
People (including human rights) aspect	Customer relations Chapters disclosed in the report 5.5.2	We regard product quality, safety, and after-sales service as our highest commitments to our customers. Maintaining high customer satisfaction and good quality services will help us continue winning customers' recognition.	Actual positive	●			○	Self-defined Material Topic (Customer-1)
	Employee diversity and equal opportunity Chapters disclosed in the report 5.1.2.2, 5.1.2.3, 5.1.2.4, 7.2.2.1, 7.2.2.2, 7.3.4	The organization proactively promotes employee diversity and equal opportunity, which may bring significant benefits to both the organization and workers.	Potential negative	●			○	405 Diversity and Equal Opportunity: 2016 (405-1 ~ 405-2)

3.2.4 Management of Material Topics

Note: ● represents direct impact, ○ represents impact from the Company's business relationships, ★ represents impact facilitated by the Company.

	Material Topics	Importance to the Company	Impact Aspect	Internal boundary	External Boundary			Corresponding GRI Standards 2021
				Company	Investor	Suppliers	Customers	
People (including human rights) aspect	Talent training Chapters disclosed in the report 7.4, 7.4.1, 7.4.2, 7.4.3	The sustainable operation and growth of the Company rely on all employees leveraging their management and professional capabilities to the fullest. Through training and development mechanisms at various organizational levels, we continuously enhance the competitiveness of supervisors and colleagues, enabling the Company to become the leading brand of vehicle connectors in the world.	Actual positive	●			○	404 Training and Education: 2016 (404-1 ~ 3)
	Occupational health and safety Chapters disclosed in the report 7.6, 7.6.1, 7.7	With employee safety and health as our important strategic direction, we implement and improve resources required for the occupational safety and health management system, and demonstrate our commitment to continuously improving the occupational safety and health performance.	Actual positive	●		○	○	403 Occupational Safety and Health: 2018 (403-1 ~ 10)
Economic aspect	Operational performance Chapters disclosed in the report 5.3.1, 5.3.2, 5.3.3, 5.3.4	Profitability is the driving force behind the Company's sustainable development and is the common goal that all stakeholders pay attention to.	Actual positive	●	○	○	○	201 Economic Performance: 2016 (201-1, 201-3 ~ 201-4)
	Innovative R&D Chapters disclosed in the report 5.4.1	We are committed to product R&D and technology innovation, and have established a collaborative development model with major international companies, adopting a diversified approach to core competencies to expand product applications, actively developing new products for automotive connectors.	Actual positive	●	○		○	Self-defined Material Topic (Innovation-1)
	Information security Chapters disclosed in the report 5.6.1	Improve corporate information security defense capabilities, enhance corporate reputation and competitiveness, effectively protect assets, and comply with laws and regulations.	Actual positive	●	○		○	Self-defined Material Topic (Information Security-1)
	Anti-corruption Chapters disclosed in the report 5.1.5	When pursuing maximum self-interest, stakeholders must also be considered. We are enhancing Wu Lien Group's understanding and implementation of social responsibility, as well as the effectiveness of anti-corruption, to achieve the transition from self-discipline to hetero-discipline and to realize our anti-corruption goals.	Actual positive	●	○		○	205 Anti-corruption: 2016 (205-2)

Description on changes in material topics over the past 2 years

	2022 Material Topics	2023 Material Topics	Comparison
1	Innovative R&D	Employee diversity and equal opportunity	New
2	Customer relations	Customer relations	-
3	Information security	Operational performance	↑1
4	Operational performance	Information security	↓1
5	Occupational health and safety	Occupational health and safety	-
6	Sustainable supply chain	Innovative R&D	↓5
7	Talent training	Raw material management	↑1
8	Raw material management	Sustainable supply chain	↓2
9	Trade secret protection and transaction security	Talent training	↓2
10	Energy conservation and carbon reduction	Anti-corruption	New
11	-	Waste Management	New
12	-	Energy Conservation and Greenhouse Gas Management	↓2

Note: After discussion by the Sustainability Committee in 2023, the top four sustainability issues (totaling 12 issues) were selected from the three aspects of economy, environment, and people (including human rights) as the material topics for the year. Three material topics were added in 2023 (one topic was removed in 2022)

3.2.5 Reporting Principles in the Report



Hu Lane Group prepared the Sustainability Report in accordance with the reporting principles of the GRI Standards.

1. Accuracy principle: The information in the report should be sufficiently accurate in details for stakeholders to assess the Company's ESG performance.
2. Balance principle: It shall fairly reflect both positive and negative performances, allowing stakeholders to make a reasonable assessment of Hu Lane Group's ESG performance.
3. Clarity principle: The manner in which information is presented makes it easy for stakeholders to understand and access.
4. Comparability principle: Disclose ESG information in accordance with internationally accepted standards, and present the information in a manner that enables stakeholders to analyze the Company's performance in the long run.
5. Completeness principle: Sufficiently reflect the scope of the Company's significant impact on the economy, the environment, and people (including human rights).
6. Context of Sustainability principle: Transparently disclose how the Company takes responsive measures to improve or mitigate negative impacts based on the actual economic, environmental, and people (human rights) conditions in the local and surrounding areas of its operating sites.
7. Timeliness principle: Issue sustainability reports on a regular basis and provide ESG information in a timely manner for stakeholders to make correct decisions.
8. Verifiability principle: Internal and external personnel review the report to ensure the accuracy of the information disclosed in the report.

4.1 Group Profile

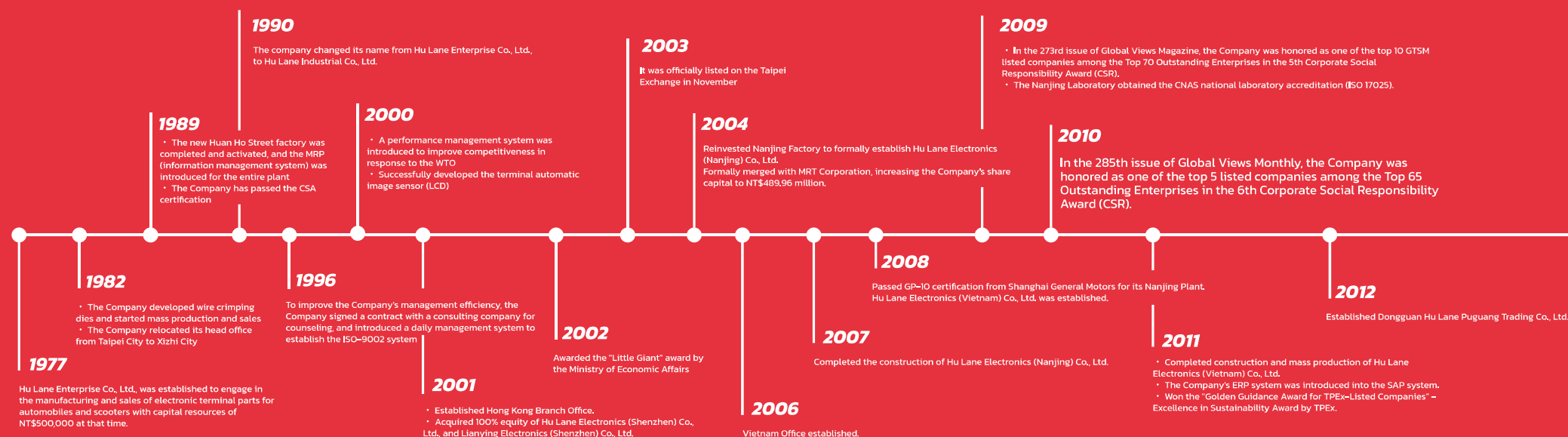
Since 1977

From its inception in 1977, Hu Lane has engaged in the manufacturing of various types of metal-stamped terminal products. Starting from terminals, we have been dedicated to the manufacturing of parts for automobiles and motorcycles. With the changes in the market and business expansion, we have fully realized that it is hard to meet customer needs by simply providing parts and components. We expanded to plastic connector products in 2004 and have become a professional connector manufacturer in the automobile and motorcycle industry. We have also diversified in the medical and solar energy areas. The trend of new energy vehicles has changed the connector market. In response to market changes and competition, rapid and improved R&D has become necessary, leading to demand for production technology and transnational talent. Hu Lane Group will undergo transformation and upgrading. In the future, we will continue expanding into the global market to maintain growth momentum and increase sales in the global market.

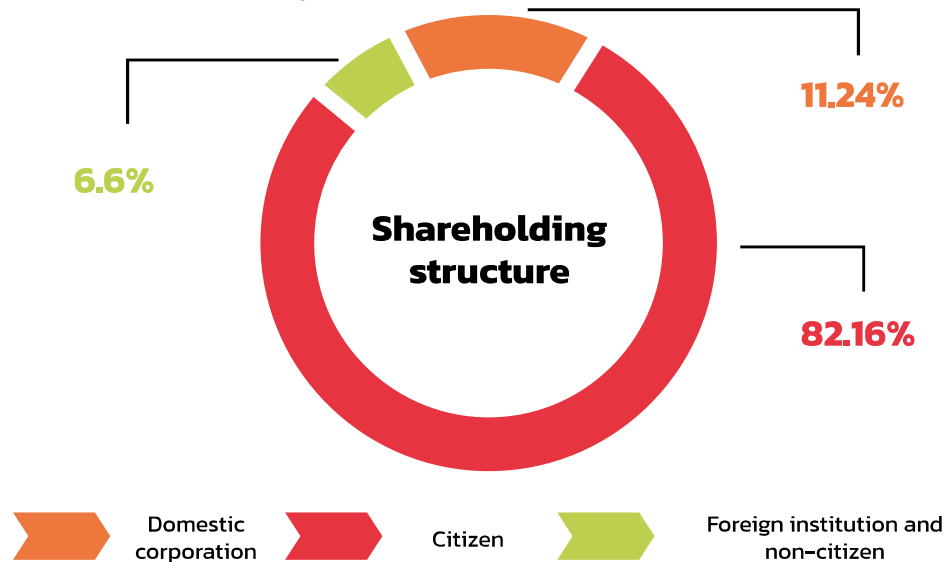
4.1.1 Organization Chart of the Group

Company Name	Hu Lane Associate Inc. (Stock Code: 6279)
Headquarters Address	No. 1, Lane 342, Fude 1st Road, Xizhi District, New Taipei City
Capital	NT\$996,554 thousand
Global Sales	We have established our headquarters in Taipei and have operating locations in China, Hong Kong, Vietnam, and Indonesia.

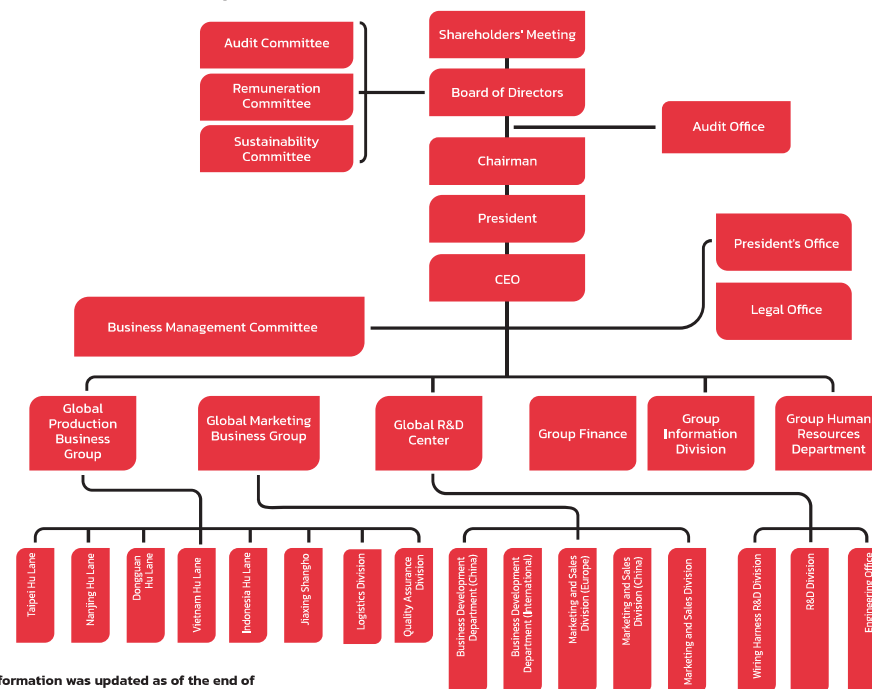
Since 1977



4.1.1 Organization Chart of the Group



4.1.1 Organization Chart of the Group



Note: Information was updated as of the end of January 2024.

2014

Won the 2nd Medium-sized Enterprise Award by the Ministry of Economic Affairs. Completed commissioning of the automated storage system of Hu Lane Electronics (Nanjing) Co., Ltd.

2015

The Dongguan factory of Dongguan Hu Lane Electronic Technology Co., Ltd. was officially completed and started mass production.

2017

For the promotion of quality control circle activities by Hu Lane Group, Dongguan Hu Lane Electronic Technology Co., Ltd. won the 'Ishikawa Award' and the 'Jianfeng Award' at the 51st Jianfeng National Quality Control Circle Conference. Established Indonesia PT. HULANE TECH MANUFACTURING

2016

Dongguan Hu Lane Puguang Trading Co., Ltd. was awarded the "Excellent Quality Supplier" by the 15th Business Unit of BYD Auto Industry Company Ltd.

2018

Hu Lane Electronics (Vietnam) Co., Ltd. passed the IATF-16949:2016 certification. Hu Lane Electronics (Vietnam) Co., Ltd. passed the ISO-14001:2015 certification. (November) Dongguan Hu Lane Electronic Technology Co., Ltd. passed the national high-tech enterprise certification. (December) Hu Lane Electronics (Nanjing) Co., Ltd. passed the national high-tech enterprise certification.

2020

Launched high-voltage and low-voltage charging seats for electric motorcycles. Launched automotive high-frequency RF connectors and automotive Ethernet connectors.

2021

The expansion of our new Taipei Factory was completed. Yangzhou Lear & Hu Lane Automotive Parts Trading Co., Ltd., was established as a joint venture with the US-based Lear Group. The Company was awarded the BYD Outstanding Supplier Award. Dongguan Hu Lane Electronic Technology Co., Ltd. obtained the certificate of accreditation for the Dongguan Laboratory from Geely Automobile.

**2022**

In 2022, Taipei Group Headquarters was completed and activated. In 2022, we were awarded the Outstanding Supplier by Continental Automotive Parts (Suzhou) Co., Ltd., and were granted the "Excellence in Delivery Award." In 2022, the Dongguan Factory was certified as an innovative small and medium-sized enterprise in Dongguan City and a new specialized small and medium-sized enterprise. Won 3 awards in the 2022 APEA Asia Pacific Enterprise Awards
 - MASTER ENTREPRENEUR-Chairman Chang Tzu-Hsiung's Individual Award
 - INSPIRATIONAL BRAND-Company Award
 - CORPORATE EXCELLENCE-Company Award
 Acquired 100% of the equity of Taipei Shanghai, (Jiaxing Shangho) to strengthen vertical integration and expand product lines in 2022. Launched the ESG sustainability project and completed ISO 14064-1 greenhouse gas inventory carbon emissions certification for the Taipei Factory in 2022.

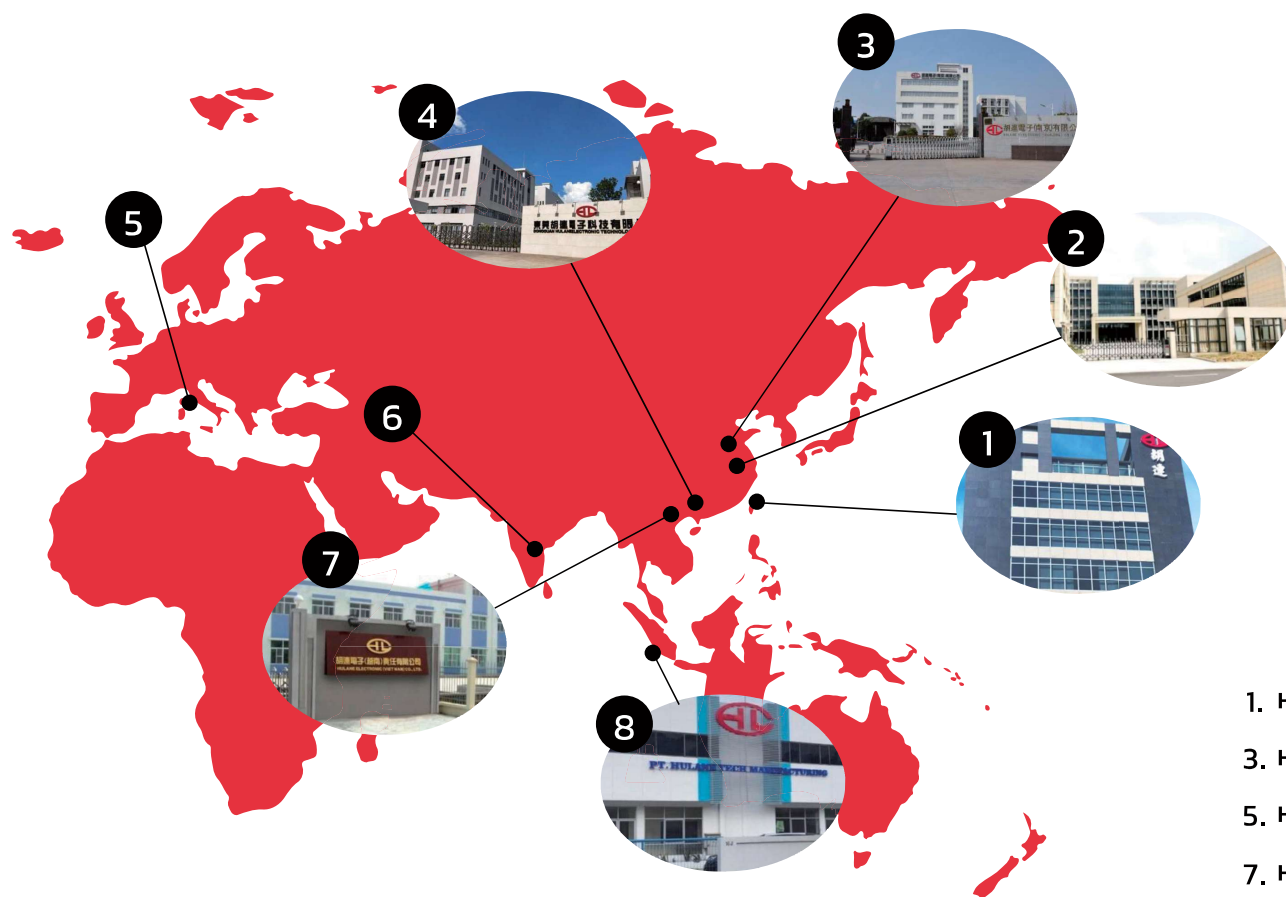
2013

* Dongguan Hu Lane Electronic Technology Co., Ltd. was officially put into production.
 * Hu Lane Electronics (Nanjing) Co., Ltd. was awarded the 1st Zero Defect Engineering Award by the Great Wall Motor Institute of Quality in December (being the only connector manufacturer that won the award).
 * Completed the second phase of plant expansion for Hu Lane Electronics (Nanjing) Co., Ltd.

4.1.2 Global Operations Map

15 representative offices in Mainland China

Chongqing, Liuzhou, Changsha, Taizhou, Fuzhou, Zhengzhou, Wuhan
Xi'an, Changchun, Wuhu, Baoding, Nanjing, Shanghai, Guangdong, Jiaxing



3
R&D Center



3
Laboratory



6
Production Site



19
Sales Representative Office



2500+
Employees



8000+
Product



2500+
Customers

1. Hu Lane (Taipei Headquarters)
3. Hu Lane Electronics (Nanjing)
5. Hu Lane (Europe)
7. Hu Lane Electronics (Vietnam)

2. Jiaxing Shangho
4. Dongguan Hu Lane / Dongguan Hu Lane Puguang
6. Indian Agents
8. HULANE TECH (Indonesia)



Deployment of Sales and Production Sites

Correlation among the up-stream, mid-stream, and down-stream of the industry:

Hu Lane is a professional connector manufacturer. The main upstream raw materials are copper and plastics, and the industries covered include copper and plastics. Terminal products are widely used in transportation, medical equipment, electronic communications, and consumer electronics industries. The linkage map of up-stream, mid-stream, and down-stream is presented above.

"Commit to Excellence"

4.2 Business Philosophy

Hu Lane started as a supplier of parts and components in the past, gradually transformed into a leading provider of high-quality connector products and solutions. Our core purpose and value of existence are to continuously optimize the efficiency of human mobility in the future. This is our firm mission and the reason for our continuous efforts.

With the spirit of "Commit to Excellence," Hu Lane never lost sight of its original intention and moved forward. Our goal is to become equals with the world's first-class car manufacturers and jointly participate in innovative connection system solutions. We hope to maintain direct communication with them to jointly promote the progress and development of the industry.

In the future, we will continuously provide better and more reliable products and services to meet customer needs and expectations. Our brand will evolve towards efficient service, technology orientation, sustainable performance, and close connection. This is not only our commitment but also our vision and mission.



4.2.1 Core Values

Guided by the brand vision and core purpose, we will strive to advocate and consolidate the Company's core values and corporate culture. Core values are the core of corporate culture, and functions are the key capabilities for an enterprise to realize its core values. We will continue to demonstrate Hu Lane members' values through various behaviors, both internally and externally.

Hu Lane Group Core Values



Adhere to a fair and pragmatic attitude towards both internal and external partners and uphold commitments to earn their trust and respect



Be people-oriented, maintain mutual trust and inclusiveness towards the diversity of others, and break down selfishness to achieve the overall goals of the company through cross-team cooperation



Emphasize ESG and international thinking and establish positive and mutually beneficial relationships with stakeholders (including the government/competent authorities, employees, customers, investors, suppliers, etc.) to ensure the sustainable management of Hu Lane



Perceive and grasp market changes and customer needs, and adopt a positive attitude to quickly adapt to them and make changes to maintain competitiveness and flexibility



Embrace changes, have the courage to try, and promote consistent progress of the team and business through continuous innovation of new technologies, products, and processes.

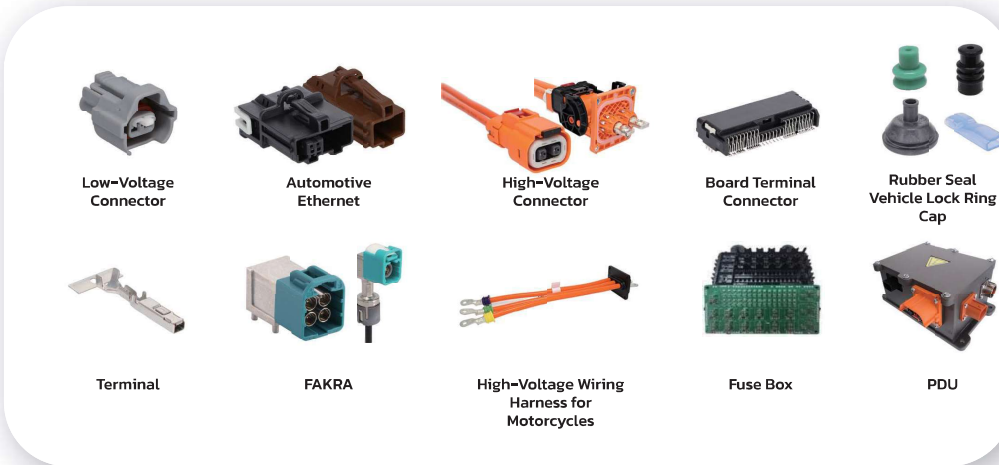


Be aware of the needs for your own development and that of others, take the initiative to learn and take on more challenging tasks, and strive for excellence to deliver better work results, products, and customer services

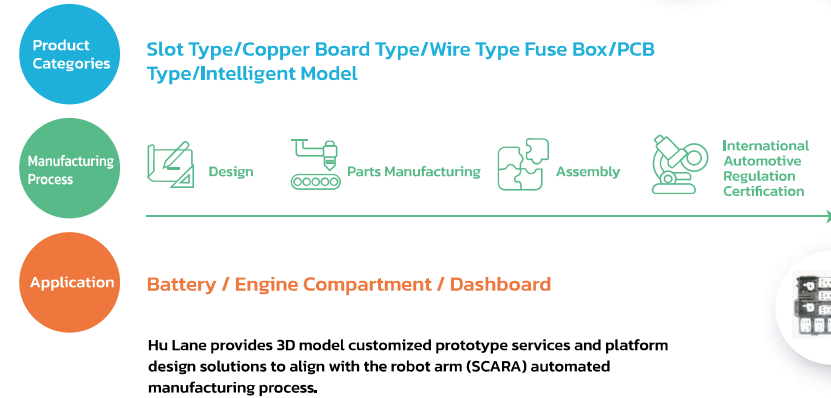
Structure of Core Functions

Function Items	Definition of Function	Themes of Function
1. Innovative Application	Continuously enhance personal expertise, utilize digital technology applications to propose well-constructed ideas and implement effective work planning, and learn how to integrate new technologies and trends into future developments.	<ul style="list-style-type: none"> ★ Propose ideas ★ Apply technology ★ Achieve innovation
2. Resilience and Agility	Clearly demonstrate professionalism and self-confidence and believe in our abilities to influence the future development of the team and the organization. Adopt a positive approach to work and accept changes to respond to market changes quickly and agilely.	<ul style="list-style-type: none"> ★ Demonstrate self-confidence ★ Positive thinking ★ Support revolution
3. Inclusiveness and Sustainability	Adopt an international perspective, enhance the value of individual differences and cultural diversity, create an honest, respectful, and inclusive workplace in both local and global work environments, and support socially/environmentally beneficial behaviors with actions to achieve sustainable management.	<ul style="list-style-type: none"> ★ Apply a global perspective ★ Diversity and inclusion ★ Social sustainability
4. Unity and Co-prosperity	Fulfill individual's commitments to the team and demonstrate integrity and pragmatism. Throughout this process, we will show empathy, listen to diverse opinions, set common goals, master the varying needs of members, and value each member's positive contribution and development to foster personal and organizational performance and growth.	<ul style="list-style-type: none"> ★ Fulfill commitments ★ Unity and collaboration ★ Self and team development
5. Mutual Benefit with Partners	Master the knowledge and experience of the market, economy, and regulatory environment, learn and foresee the needs of both internal and external partners, take timely actions to provide high-quality products and services that exceed expectation, and take ESG into consideration, thereby fostering confidence and trust among partners to build sustainable relationships.	<ul style="list-style-type: none"> ★ Focus on the needs of partners ★ Develop solutions ★ Establish sustainable relationships
6. Excellence and Accountability	Take proactive actions, seize opportunities, persevere in pursuing our goals and achieve outstanding results, demonstrate courage to explore beyond "known" territories, and successfully create unprecedented new opportunities.	<ul style="list-style-type: none"> ★ Pursue opportunities ★ Challenge goals ★ Take proactive actions

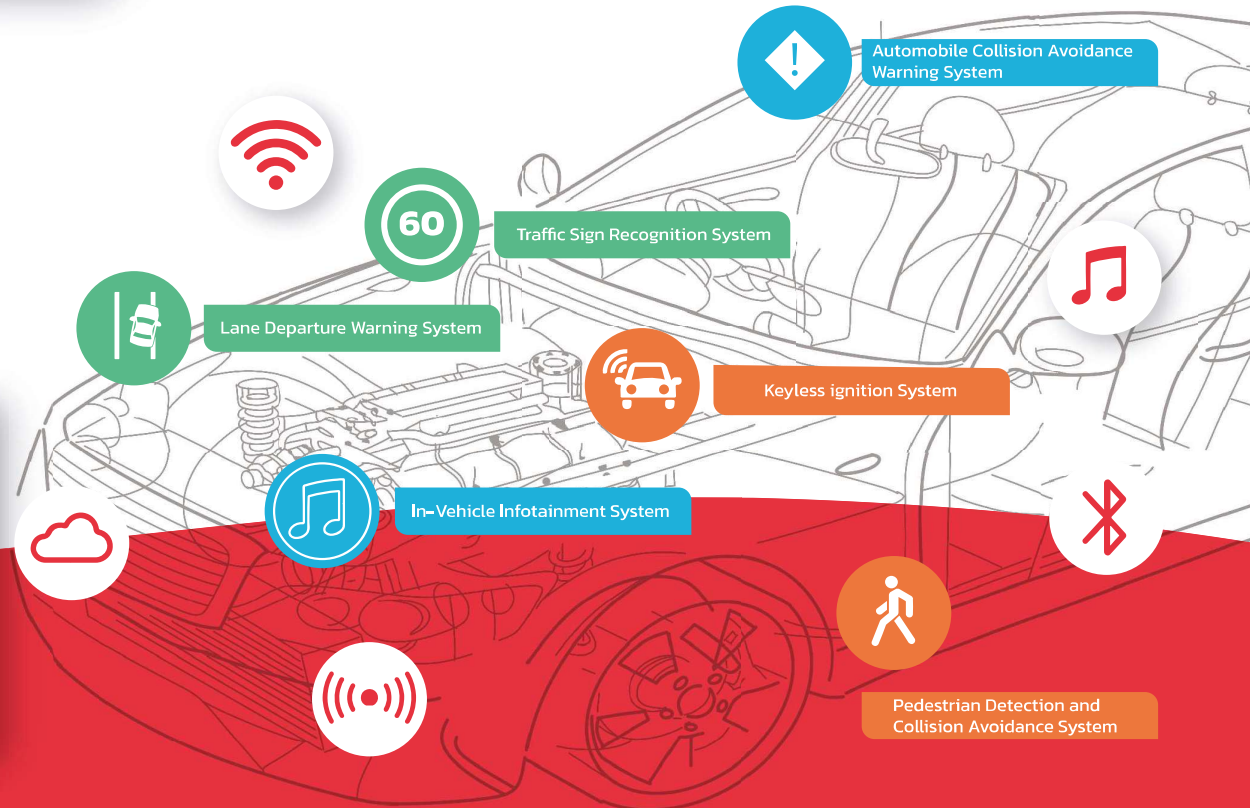
Representative products



Fuse box and relay box system



Advanced Driver Assistance System & In-Vehicle Infotainment System



4.3 Awards



Obtained the D&B ESG
Registered
Sustainability Label



2023年度工作先进单位

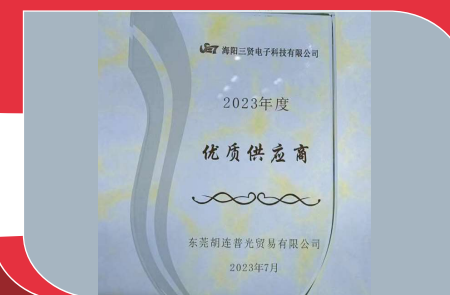
2023年度
效益贡献前10名工业企业

东莞胡连电子科技有限公司
东莞市丰熙食品有限公司

Dongguan Hu Lane was consecutively awarded the Advanced Unit of the Year by the Dalang Township Government, Guangdong Province, at the 2023 Work Summary Conference.



Hu Lane (Indonesia) was consecutively awarded as the Class A Supplier and the Platinum Supplier by PT. Astra Honda Motor (AHM).



Dongguan Puguang received a thank-you letter for the Annual Outstanding Quality and Professionalism from Guangzhou Xinli Automobile and won the Annual Quality Supplier

The International Management System for which Hu Lane Group obtained the certificate

Management System			Companies that have obtained certificates	Verification Institution	Remarks
Quality System	IATF 16949	Automotive Quality Management System	Comprehensive certification within the Group	TUV; NQA (Jiaxing Shangho)	
	VDA 6.1	Automotive Quality Management System (German)	Nanjing Hu Lane, Dongguan Hu Lane	TUV	VDA is a German requirement, and only companies designated by customers are required to obtain it.
Environmental Aspect System	ISO 14001: 2015	Environmental Management System	Comprehensive certification within the Group	TUV	Jiaxing Shangho was merged into the Group in 2023, and the certification is planned to be obtained in 2024.
	ISO 14064-1: 2018	Greenhouse Gas Inventory	Group certification	BSI	
	ISO 14067: 2018	Product Carbon Footprint Verification	Taipei Hu Lane, Nanjing Hu Lane	BSI	Obtain certification according to the manufacturing location of each product and arrange certification for related products of each series annually.
	ISO 50001: 2018	Energy Management System	Taipei Hu Lane	TUV	The parent company took the lead to introduce and undergo certification, and subsidiaries will schedule the introduction and certification in 2024.
	ISO 45001: 2018	Occupational Safety and Health Management Standards	Taipei Hu Lane	TUV	The parent company took the lead to introduce and undergo certification, and subsidiaries will schedule the introduction and certification in 2024.
Laboratory System	ISO / IEC 17025: 2017	Testing Laboratory	Comprehensive certification for laboratories within the Group	Taipei Hu Lane: TAF; Dongguan Hu Lane: CNAS; Nanjing Hu Lane: CNAS	
Information Security System	ISO 27001: 2022	Information Security Management System	ERP system operation and maintenance, server room management (main server room), and backup server room. (Defined in scope in accordance with ISO 27001)	Under Planning	Introduce and obtain certification in 2024.

Note: Europe Hu Lane was merged into the Group in June 2023; hence disclosure will begin in 2024.



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**Taiwanese
Business
Association
of Nanjing**



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(Vice President Lin
Ming-Miao_serves
as the director)



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12



1 Taiwan Electrical and Electronic
Manufacturers' Association

2 Taiwan Transportation Vehicle
Manufacturers Association

3 Taiwan Mold & Die Industry Association

4 Taiwan Electronic Connector Association

Participation Status | Member

Participation Status | Member

Participation Status | Member

Participation Status | Member

5 Importers and Exporters Association of
Taipei

6 New Taipei City Industrial Association

7 National Association of Small and
Medium Enterprises, R.O.C.

8 Jiangsu Automotive Trade Association

Participation Status | Member

Participation Status | Member

Participation Status | Member

Participation Status | Member

9 Taiwanese Business Association of
Nanjing

10 Dongguan Taiwanese Investment
Enterprises Association

11 Taiwanese Business Association of
Haiphong, Vietnam

12 Jakarta Taiwan Entrepreneur
Association

Participation Status | Member

Participation Status | Member

Participation Status | Member

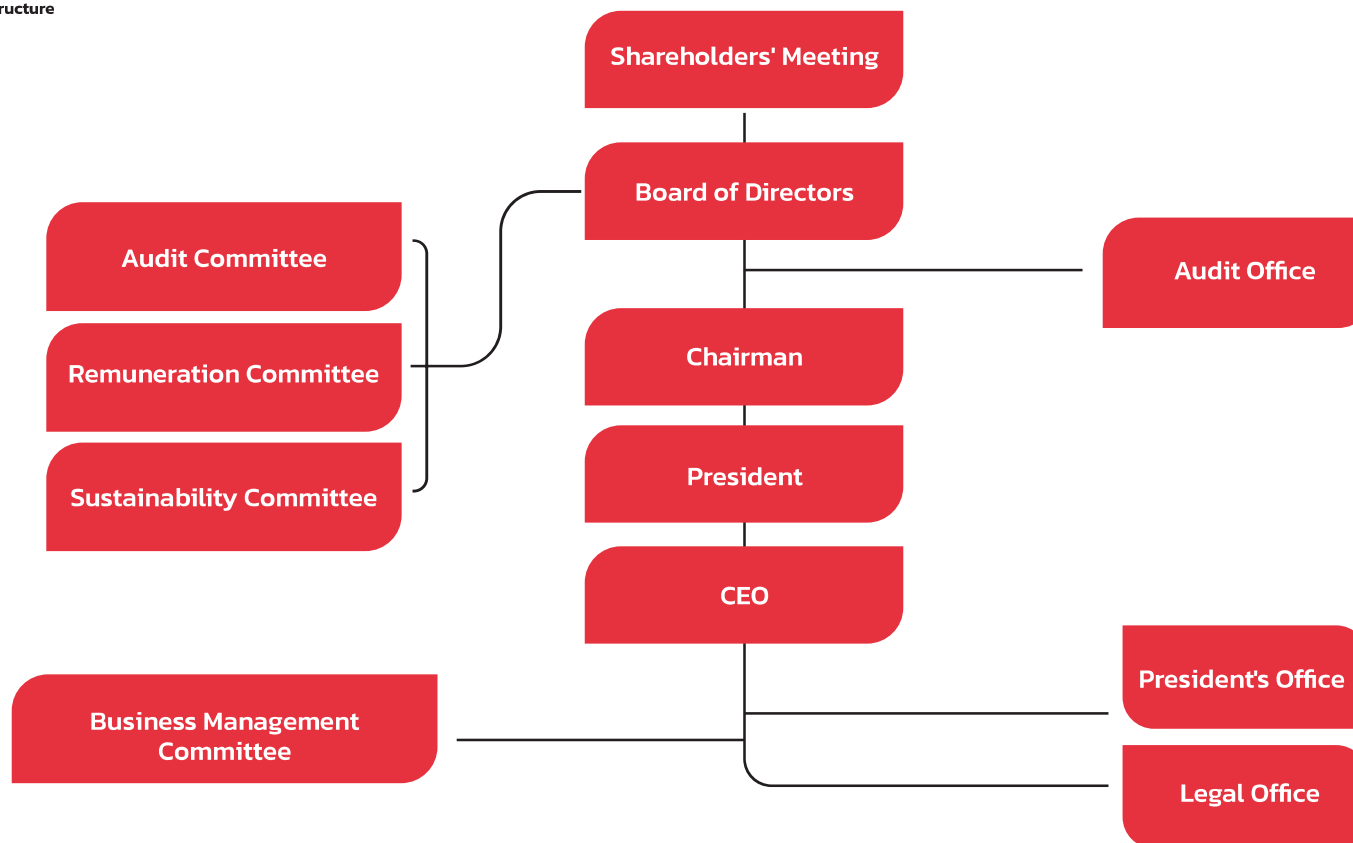
Participation Status | Member

05 Ethical Governance

5.1 Corporate Governance Practices

Hu Lane Group upholds the business philosophy of "integrity and pragmatism" and breaks through various business challenges in pursuit of the Company's growth and social feedback. In the 10th corporate governance evaluation, the Company ranked between 6% and 20% in the TPEx listed companies and was ranked 4 in the TCRI.

5.1.1 Corporate Governance Structure



5.1.2 Operation of the Board of Directors

The Board of Directors meets at least once a quarter to discuss important corporate strategies, such as risks from economic, environmental, people (including human rights) aspects, and to review the Company's operations and performance. Important resolutions of the Board of Directors are also published immediately on the MOPS and the Investor section on Hu Lane's website.

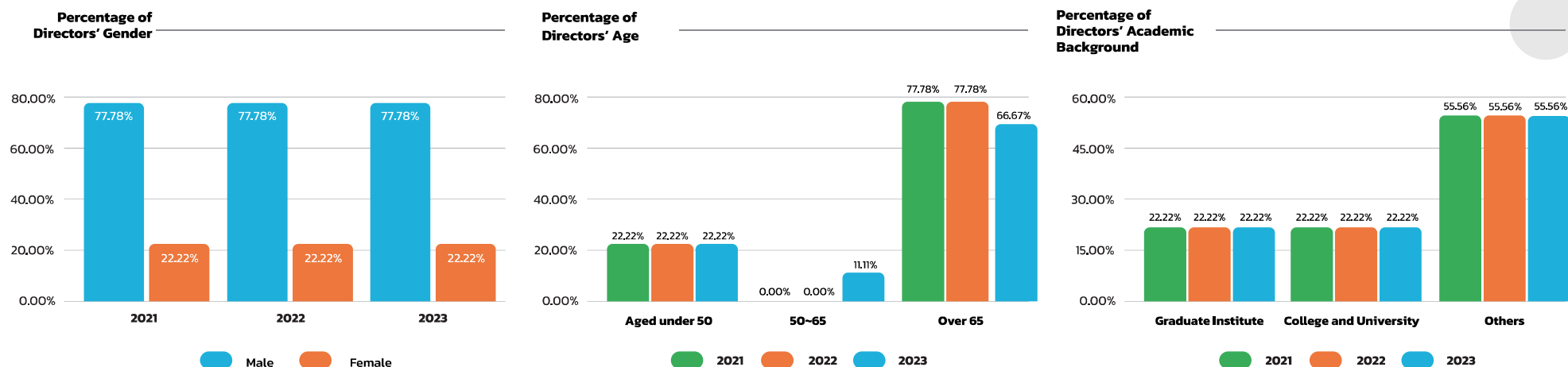
5.1.2.2 Implementation of the Diversity Policy of the Board of Directors

Hu Lane Group arranges relevant continuing education courses according to the needs of individual directors and actively arranges courses for all directors at a rate of 100%. Through the provision of relevant training courses, the Company enhances the professional knowledge of directors and implements corporate governance. In order to diversify the risk of directors' legal liabilities and enhance corporate governance capability, the Company has secured directors' liability insurance with a total coverage amount of US\$3 million.

Note:

1. Information on the diversity policy and independence of the Board of Directors: Please refer to Section II: Profile of the Director, President, Vice Presidents, Assistant Vice Presidents, and heads of various departments and branches in Chapter Three: Corporate Governance Report of Hu Lane's 2023 Annual Report.
2. Professional qualifications of directors: Please refer to Section II (I): Information of Directors, Disclosure of Professional Qualifications and Independence of Directors in Chapter Three: Corporate Governance Report of Hu Lane Group's 2023 Annual Report.
3. Implementation of the diversity policy of the Board of Directors: Please refer to Section II (I): Information of Directors, Disclosure of Implementation of the Diversity Policy of the Board of Directors in Chapter Three: Corporate Governance Report of Hu Lane Group's 2023 Annual Report.
4. Board members' attendance: Please refer to Subsection (I): Operation of the board of directors in Section IV: Status of Corporate Governance within Chapter Three: Corporate Governance Report of Hu Lane Group's 2023 Annual Report.
5. Corporate governance operation: Please refer to Subsection (III): Status of Corporate Governance and Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies in Section IV: Status of Corporate Governance within Chapter Three: Corporate Governance Report of Hu Lane Group's 2023 Annual Report.
6. None of the directors held any shareholdings in competitors, suppliers, or customers: None of the directors held any shareholdings in competitors, suppliers, or customers.

5.1.2.3 Board of Directors Diversity Statistics



Note:

- Percentage of female directors = (number of female directors at the end of the year/number of directors at the end of the year)*100%.
- Percentage of male directors = (number of male directors at the end of the year/number of directors at the end of the year)*100%.
- Percentage of female directors+percentage of male directors should be 100%.

5.1.2.4 Succession Plan for the Members of the Board of Directors

In the future, Hu Lane Group will enhance the composition of its Board of Directors and the background of its members by increasing the female members and strengthening their professional backgrounds. We will also actively promote younger candidates and professionalism of the members. Additionally, we have set up the Rules Governing the Election of Directors.

Note: Succession plan for the members of the Board of Directors: Please refer to Subsection (I): Operation of the board of directors in Section IV: Status of Corporate Governance within Chapter Three: Corporate Governance Report of Hu Lane Group's 2023 Annual Report.

5.1.2.5 Conflict of Interest and Recusal

1. In our governance structure, the Chairman is not a member of the senior management of the organization. Directors and their affiliates are prohibited from voting on the matters in which they have a self-interest that could be detrimental to the interests of the Company, and from exercising voting rights as a proxy for other directors.

2. We have established the "Ethical Corporate Management Procedure and Code of Conduct" and the "Ethical Code of Conduct for Employees" and disclosed them on our official website, requiring directors and managers to comply with these regulations

3. The Sustainability Committee leads our team in continuously implementing and enhancing our ESG strategy. We have set up an employee complaint mailbox, a President's mailbox, and a stakeholder mailbox on its official website, which are handled according to the level of the respective department to ensure that the needs and expectations of stakeholders are met.

4. The identity of the whistleblower and the content of the report shall be kept confidential, and whistleblowing shall be handled prudently, focusing on gathering evidence. Whistleblowers shall receive comprehensive protection measures, and investigation results, along with proposed solutions and measures, shall be reported to senior supervisors. If an issue may pose a significant threat to the Company's operations, senior management will report it to the Board of Directors for discussion and decision at a Board of Directors' meeting. Every year, the Company also discloses the number of cases accepted and the status of handling on its official website.

As of the end of 2023, Hu Lane Group has not experienced any significant incidents affecting profits or incidents with negative impacts.

5.1.3 Operation of Functional Committees

5.1.3.1 Audit Committee

In June 2020, Hu Lane Group established an Audit Committee composed of all independent directors. The committee shall consist of no fewer than three members, one of whom shall be the convener, at least one of whom shall be domiciled in the R.O.C, and at least one of whom shall have accounting or financial expertise. The Audit Committee meets on a quarterly basis and holds regular meetings to review the Company's internal control system, the execution of internal audits, and significant financial business practices, as well as communicate with the certified public accountants in order to ensure the supervision of the Company's operations and risk management.

Note: Resolutions of the Audit Committee: Please refer to Subsection (II): Operation of the Audit Committee in Section IV: Status of Corporate Governance within Chapter Three: Corporate Governance Report of Hu Lane Group's 2023 Annual Report.

5.1.3.3 Sustainability Committee

Hu Lane Group follows the policy set by the competent authorities. Independent directors should supervise and participate in the promotion and execution of the Company's sustainable development matters, while the Sustainable Development Officer coordinates the planning of the ESG strategy and supervises the strategy implementation of each department.

Nomination and selection procedure: The Sustainability Committee is composed of all independent directors, the Sustainable Development Officer, 2 Executive Vice Presidents, and 1 Assistant Vice President of Group Human Resources Department.

Note: Resolutions of the Sustainability Committee: Please refer to Subsection (IV): 5. Operational Status of the Sustainability Committee in Section IV: Status of Corporate Governance within Chapter Three: Corporate Governance Report of Hu Lane Group's 2023 Annual Report.

5.1.3.2 Remuneration Committee

The Remuneration Committee meets at least twice a year to regularly review Hu Lane Group's policies, systems, standards and structure for annual and long-term performance goals and remuneration for directors and managers, as well as determine the content and amount of their individual remuneration.

Nomination and selection procedure: According to the "Organizational Rules for the Remuneration Committee", the chairman of the Board of Directors submits it to the Board of Directors for a resolution to appoint three Remuneration Committee members, three of whom are independent directors. The term of office for the members of the committee is the same as that of the Board of Directors.

Note: Resolutions of the Remuneration Committee: Please refer to Subsection (IV): 4. Operational Status of the Remuneration Committee in Section IV: Status of Corporate Governance within Chapter Three: Corporate Governance Report of Hu Lane Group's 2023 Annual Report.

5.14 Internal Control System

Establishment and purpose of internal audit:

Hu Lane Group's internal audit unit is subordinate to the Board of Directors. Appropriate dedicated internal audit personnel are appointed according to the company's scale, business status, management needs, and other relevant laws and regulations.

The internal audit unit shall have a chief officer who is appointed or dismissed by resolution of the Board of Directors with the approval of the Audit Committee.



Audit Activities in 2023

Participation in Board meetings	• Audit supervisor attended meetings • 6 Board meetings
Education Training	• 3 persons • 54 hours in total
Audit Contents	• The Group's auditing operations were carried out based on the annual audit plan. No significant abnormalities were found in the audit results.

5.1.5 Business Integrity

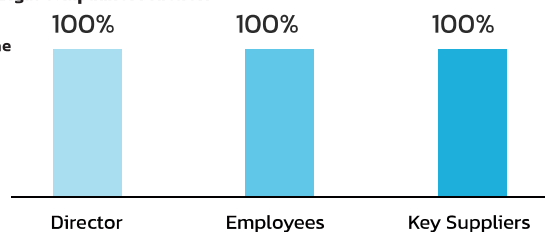
5.1.5.1 Material Topic: Anti-corruption

When pursuing maximum self-interest, stakeholders must also be considered. We are enhancing Wu Lien Group's understanding and implementation of social responsibility, as well as the effectiveness of anti-corruption, to achieve the transition from self-discipline to hetero-discipline and to realize our anti-corruption goals.

Policy / Commitment	Short-term goals	Medium- and long-term goals	Resources invested during the year	Concrete results	Responsible department/ grievance mechanism	Evaluation mechanism
With "integrity" as our principle, we prohibit bribery, acceptance of bribes, illegal political contributions, inappropriate charitable donations or sponsorships, unreasonable gifts, hospitality, or any other undue or improper advantages.	Regularly conduct employee education and training to ensure these concepts are firmly ingrained.	1. Committed to cultivating relationships with grassroots and neighboring communities and fostering social participation. 2. Continuously promote education and training on integrity and ethics. 3. Implement risk management and strengthen audit and internal control.	Organized courses on integrity_anti-corruption and insider trading, attended by 186 individuals. The courses were held over 2 sessions, totaling 6 hours.	1. The results of education, training and promotion related to legal compliance were reported to the Board of Directors on December 22, 2023. 2. In addition to establishing relevant regulations, we conduct education and training on anti-corruption, integrity, and integrity ethical regulations for newcomers upon onboarding to ensure these principles are firmly ingrained. 3. The supplier anti-corruption policy requires qualified suppliers to sign and return the commitment letter. This policy and educational training are promoted and communicated during the supplier conference. 4. After investigation, it was found that no reports of violations of integrity and ethics were received in 2023.	Independent reporting channel established by the Legal Office/Audit Office.	Effectiveness of integrity course training.

5.1.5.2 Legal Compliance Practices and Penalties for Violation of Laws: Legal Compliance Practices

Graph on the right: Percentage of individuals who have signed the integrity commitment



Legal Actions for Anti-Competitive Behavior, Anti-Trust, and Monopoly Practices

Hu Lane Group did not experience any anti-competitive behavior, anti-trust, and monopolistic incidents over the past three years from 2021 to 2023.

Statistics on Penalties for Violation of Laws

Unit : NT\$ (in thousands)

The Cause of the Violation (Briefly describe the person/event/time/place)	Provisions of Laws and Regulations Violated	Fines	Corrective Measures
Results of an audit conducted by the Labor Inspection Office, New Taipei City on February 24, 2023: Xin-Bei-Fu-Lao-Jian-Zi No. 1123656500 During operations in the grinding machine area on the 3rd floor of Building A at the factory premises, the grinding wheel was not covered by the guard, which did not meet the necessary safety and health equipment and measures mandated by laws.	Violation against Subparagraph 3, Paragraph 1, Article 97 of the Safety Standard of Machinery, Equipment and Tools. Violation against Paragraph 1, Article 6 of the Occupational Safety and Health Act.	30	Personnel were reinforced with education and training on operation standards.
Results of an audit conducted by the Department of Environmental Protection, New Taipei City on December 13, 2023: Xin-Bei-Huan-Ji-Zi No. 1130372500 The pH of the electroplating storage waste liquid is less than 2.0. However, the packaging materials lack classification, numbering, detailed labels, and markings to distinguish the characteristics of hazardous commercial waste.	Violation against Paragraph 1, Article 36 of the Waste Disposal Act and Subparagraph 2, Paragraph 1, Article 7 of the Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste.	60	On-site personnel are required to conduct daily inspections and maintain records.
December 14, 2023 Xin-Bei-Fu-Lao-Jian-Zi No. 1124689471 Working hours were prolonged beyond the legal limit.	Violation against Paragraph 2, Article 32 of the "Labor Standards Act."	50	The work shift was adjusted to three shifts to control employees' overtime within 46 hours.

5.2 Risk Management

To strengthen corporate governance, ensure stable operations and sustainable development, and serve as the basis for various risk management and implementation, these Regulations are established to implement a risk management system and mechanism, and to improve the efficiency of risk management division of labor.

The organizational structure and management of risk management

Organizational Structure	Job Description
Board of Directors	The highest guiding body of the Company's risk management. It aims to comply with laws and regulations, and to promote and implement the Company's overall operational risk management. It also has a clear understanding of the risks faced by sustainable development, ensures the effectiveness of risk management, and is ultimately responsible for risk management.
Operation and Management	An executive meeting or operations meeting chaired by the Chairman, President, CEO, or relevant operational supervisors. It is responsible for reviewing and controlling the risk assessment of various plans and projects initiated by each functional unit, and giving contingency instructions.
Audit Unit	Responsible for internal audit to assist the Board of Directors and managers in examining and reviewing the deficiencies of the internal control system, measuring the effect and efficiency of operations, and providing suggestions for improvement in a timely manner to ensure that the internal control system is functioning properly. Additionally, it effectively implements the internal control system on an ongoing basis.
Functional Unit	Responsible for the first-line risk management in their daily operations. They analyze, monitor, and prevent the related risks in their respective units, emphasize comprehensive risk control for all employees, and implement layers of prevention in a timely manner to ensure that risk control mechanisms and programs can be effectively implemented.

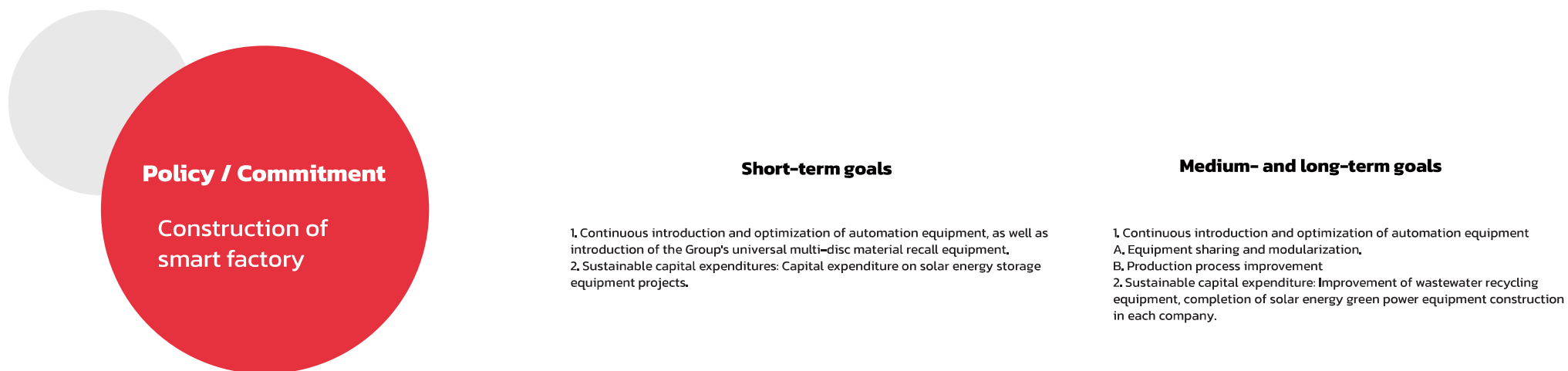
	Risk description	Risk management strategies
Sustainable environment	Excessively low proportion of recycled materials purchased	Step 1: Screen and identify renewable materials. Step 2: The procurement unit collects market information and submits it to the R&D unit. At the same time, suppliers are invited to the Company for communication and explanation on material performance, as well as material selection for new product development. Step 3: Go through the sample submission approval process in accordance with the Regulations for Sample Approval.
	Excessively low rate of suppliers implementing a Sustainable Environmental Management System	1. Conduct a survey on the implementation progress of major raw material suppliers. 2. Send letters to our main raw material suppliers requesting the introduction and submission of their completion plan. The procurement unit shall make regular follow-ups on the progress.
	Excessively low utilization rate of renewable energy	Purchase green electricity and install renewable energy equipment (such as solar energy equipment)
	Unable to reduce energy intensity	Prioritize equipment with energy-saving labels and certifications when introducing the ISO 50001 Energy Management System and replacing old equipment with newer models.
	Unable to reduce greenhouse gas emission intensity	Continuously implement energy-saving and carbon reduction measures, replace old equipment with more energy-efficient equipment, and increase the utilization rate of green electricity.
	Unable to reduce water intensity	Install water meters in each building of the Company to monitor water consumption and conduct water balance tests to confirm the rationality of water usage. Install water-saving faucets, post water-conservation signs, and recycle and reuse the production and cooling water.
	Unable to reduce waste intensity	Establish a target scrapping rate to reduce the generation of scrap and gradually promote paperless management to minimize paper usage.
	Water and electricity shortage	Install diesel generators for emergency use during power shortage, establish indicators to manage water and electricity consumption, and ensure proper control of water and electricity usage.
	Typhoons and floods	Monitor the weather information and activate the corresponding emergency management program upon receiving relevant disaster warnings to mitigate the impact of disasters on the Company.
	Violation of environmental laws and regulations	Update laws and regulations related to environmental protection on a quarterly basis and conduct compliance evaluations to ensure the Company's legal compliance.
People (including human rights)	Occupational accidents	The Company conducts risk source identification and implements risk source controls. It inventories operational hazard factor to prevent employee from injuries and formulates employee safety training plans to raise their safety awareness. Additionally, it conducts testing for all harmful factors in the workplace to ensure workplace safety and organizes physical examinations for employees to monitor their physical condition.
	Fire accidents	Conduct daily inspections and testing of fire-fighting facilities to ensure their effectiveness. Management and control are imposed on hot works, which can only commence after a work permit is issued. Smoking is prohibited throughout the factory premises, and separate smoking areas are established to prevent fire hazards caused by smoking.
	Human rights abuses	In compliance with Chapter 5, Human Rights Protection, of HL-1038 Sustainable Development Best Practice Principles, all employees of the Group receive regular training every year.
	Overwork	Employees must inform their supervisor in advance when working overtime. Daily overtime and hours worked should be submitted to the system for approval by the unit supervisor.
	Shortage of workers	1. Evaluate the optimal manpower allocation annually based on the organizational development and business plan, and systematically recruit diverse employees. 2. Systematically enhance and cultivate personnel capabilities annually based on the performance management and capability management plan (industry-academia collaboration, rotation automation, new technology, etc.) to facilitate excellent performance at both the team and individual levels.

Risk description		Risk management strategies
Corporate Governance	Foreign currency assets and liabilities exposed to the risk of foreign currency exchange rate fluctuations	<p>1. It monitors the percentage of monthly consolidated foreign exchange gains and losses to consolidated revenue, performs an inventory of the foreign currency assets and liabilities of each subsidiary, and performs necessary hedging through financial instruments through external collections and borrowings.</p> <p>2. Conduct appropriate derivatives operations based on the actual conditions of the Group's subsidiaries to achieve exchange rate hedging.</p> <p>3. In 2023, the Group prolonged the USD/TWD exchange operations for foreign currency exchange rate hedge totaling NT\$30,442 thousand, in order to stabilize the exchange rate to prevent significant fluctuations.</p>
	Risk of overdue accounts receivable	<p>1. Control over customers with receivable maturities exceeding 135 days for six consecutive months.</p> <p>2. The Bank continuously monitors credit exposure and the credit rating of its counterparties, distributes the total transaction amount to customers with qualified credit ratings, and controls credit exposure through the counterparty's credit limit reviewed and approved by the vice president of finance and the audit, accounting and other relevant units every year.</p>
	Insufficient supply chain resilience	<p>1. Short-term risk: Unstable delivery quality of suppliers. Countermeasure: Establish the "Procedures for Supplier Quality Anomaly," examine the anomaly analysis report, request the use of quality tools such as fishbone diagram and five-layer analysis, and provide on-site training and guidance from SQE and procurement unit to suppliers. Continuously track the quality improvement results for three batches upon completion of improvements.</p> <p>2. Medium-term risk: Suppliers fail to fulfill their contracts due to the sluggish economy following the pandemic. Countermeasure: Conduct a review of supplier development, a detailed review of supplier's basic information, financial condition, and production status, as well as on-site inspections. Perform annual risk identification and on-site inspections for major raw material suppliers with whom we cooperate.</p> <p>3. Long-term risk: Geopolitical instability and various trade policy uncertainties affecting the supply and price of raw materials. Countermeasure: Expand local procurement.</p> <p>4. Key raw material procurement</p> <p>* 4.1 Hu Lane Group does not purchase materials including, but are not limited to, antimony, cobalt, fluorspar, gallium, germanium, graphite, indium, magnesium, niobium, tantalum, tungsten, platinum group metals (platinum, palladium, iridium, rhodium, ruthenium, osmium), and rare earth elements, including yttrium, scandium, lanthanum, and the lanthanides (cerium, praseodymium, neodymium, thorium, samarium, europium, gadolinium, cerium, dysprosium, holmium, erbium, iridium, ytterbium, and lutetium).</p> <p>4.2 Hu Lane Group's key raw materials include high-volume or special raw materials. In the new product development stage, we plan to engage with two types of raw materials or two suppliers. Substitute materials will undergo verification for substitution according to the "2062 Supplier Sample Recognition Management Regulations" to mitigate supply risks and increase local procurement rate.</p>

Risk description		Risk management strategies
Corporate Governance	Product liability/safety	<ol style="list-style-type: none"> 1. Optimize the automated manufacturing process, enhance the utilization rate of production equipment, shorten the delivery period, and strengthen green energy equipment. 2. Improve product competitiveness as part of the Company's internal production plan adjustment. 3. The Company shall comply with and satisfy the customer's specific environmental technical standard requirements. 4. Take out a product liability insurance policy, with a total coverage of US\$218,740,000.
	Corruption risk	<ol style="list-style-type: none"> 1. Set up the President's hot line, as well as the audit mailbox and hot line, so that people can directly report any situation (including but not limited to corruption and human rights) and maintain the confidentiality of their identity. 2. Establish relevant regulations, such as "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct for Directors, Supervisors, and Managerial Officers," and "Code of Ethical Conduct for Employees." 3. New employees are required complete relevant anti-corruption courses upon onboarding.
	Insufficient transparency of information disclosure on the official website	<ol style="list-style-type: none"> 1. Strengthen information disclosure in accordance with relevant laws and regulations by the competent authorities. Announce and declare the annual financial reports, the first, second, and third quarter financial reports, and the monthly operation status earlier than the specified deadline. 2. Improve the accuracy and timeliness of material information disclosure, and increase the frequency of communication between the spokesperson and investors. 3. Appoint dedicated personnel to regularly maintain information related to the Company's finance, business, and corporate governance. Provide financial, corporate governance, and other relevant information in English for the reference of both domestic and foreign shareholders and stakeholders. 4. Participate in investor conferences, which are audio or video recorded. These recordings are made available on the Company's website and the Market Observation Post System (MOPS).
	Occurrence of information security incident	<ol style="list-style-type: none"> 1. Establish an emergency response plan: Formulate a clear emergency response plan, clearly designate the roles and responsibilities of team members, and establish the Information Security Management Committee. Make sure to regularly convene meetings to review the current status of the Company's information security protection and ensure the effective implementation of regular testing, communication, and drills for the emergency plan. 2. Legal compliance: Comply with relevant regulations and standards and establish a compliance inspection mechanism. Implement the ISO 27001 information security management system and obtain certification to ensure the organization meets legal requirements. 3. Implement security event monitoring: Establish a network security monitoring (NSM) and security information and event management system (SIEM) to monitor network and system activities in real time. Utilize the intrusion detection system and real-time attack intelligence for information security to detect abnormal behaviors and attacks. 4. Regularly back up important data and protect the backups against malware and other threats. 5. Vulnerability management and scanning: Regularly conduct vulnerability scanning and penetration testing to identify the security loopholes in systems and applications, and timely patch the discovered loopholes to reduce the attack surface. 6. Identity and access management: Implement strong authentication measures. For privileged accounts, deactivate their accounts upon resignation. Regularly review and update user rights to ensure access rights are granted only to those who need them. 7. Education and training: Provide information security training for employees to understand common threats and attack methods. Emphasize social engineering protection measures that prevent employees from being affected by phishing and malicious emails. 8. Continuous risk assessment: Regularly perform information security risk assessments to ensure that the risk management strategy continuously meets the organization's needs, adapts to emerging threats and technologies, and updates the risk management strategy accordingly.

5.3 Operational Performance

5.3.1 Material Topic: Operational Performance Profitability is the driving force behind Hu Lane's sustainable development and is the common goal that all stakeholders pay attention to.



Resources invested during the year

I. Optimization and extension of MES systems

1. Paper form digitalization (Taipei Hu Lane):
 1.1 Temporary retention of paper forms: 141 forms, of which 51 forms were confirmed to be retained. Paper reduction rate: 64%
 1.2 Soft copy conversion: All 68 forms were converted to soft copies, Completion rate: 100%
 1.3 Conversion to the MES system: Currently, the conversions for 3 forms have been completed, Completion rate: 19%
 1.4 Conversion to the BPM for interfacing: All 11 forms were transitioned online, Completion rate: 100%
 1.5 Application for void: Application for voiding 74 forms were all completed, Completion rate: 100%
 Paper usage reduction:
 Decreased by 25.0% compared to the same period from January to December 2023, equivalent to 18,800 copies.
 2. Nanjing Hu Lane: The visualized real-time manufacturing information dashboard focuses on the control items defined by production data and checks the data comparison of all products. The accuracy rate is between 95% and 105%.
 3. Nanjing Hu Lane: The completion rate of traceability through production raw material system barcode exceeds 80%.
 4. Vietnam Hu Lane: MES system was introduced.
 All terminal programs were installed and were in operation. The operand management and terminal basic function operation trainings were launched.

II. Effectiveness of automation equipment

1. Gradual introduction of automatic test equipment (Dongguan Hu Lane): Both testing efficiency and defective interception ability were at 100%, with 0 defective product delivered.
 2. Introduction of generalized servo bending jig (Dongguan Hu Lane): Ensure the bending quality, reduce the jig development time and cost, and improve the development cycle by 43%.
 3. Introduction of automation equipment (Vietnam Hu Lane): Introduce automation assembly machines and dual-carrier terminal automated material recall equipment, combined with CCD inspection machines, to improve production efficiency.
 4. Optimization of storage space of automated warehouse (Taipei Hu Lane).
 4.1 Increase the number of storage cells by 11% and reduce the number of containers to fewer than 10.
 4.2 The number of fractional products in automatic warehouses increased by 26%, while those in traditional warehouses reduced by 94%.
 5. Introduction and optimization of automation equipment (Nanjing Hu Lane).
 5.1 Improve the efficiency of a material recall and inverted packaging machine to 115%, resulting in a reduction of 1 packaging personnel.
 5.2 The optimization of man-machine collaboration was introduced to improve the production process. Two sets of six materials were respectively introduced, resulting in an efficiency increase of 5% to 9.76%.

III. Sustainable capital expenditures

1. The optimization of the electroplating process to reduce water consumption was suspended in 2023, so there is no information available regarding its completion and effectiveness.
 2. Taipei Hu Lane has already obtained one quotation and is now seeking an alternative solution from another vendor. This is because solar power generation must interface with the energy management software system currently under construction, and this issue is being confirmed concurrently.
 3. Vietnam Hu Lane has invested NT\$12,429 thousand in the construction of solar energy equipment.

Responsible department/grievance mechanism

Independent reporting channel established by the Group Operation Center/Audit Office.

Evaluation Mechanisms/Outcomes

Completion of projects/effectiveness reports

5.3.1 Material Topic: Operational Performance

Policy / Commitment

Development and promotion of high value-added products

Short-term goals

The Group's revenue goal of NT\$8.8 billion

Medium- and long-term goals

The Group's revenue goal of NT\$10 billion

Evaluation Mechanisms/Outcomes

Collect the revenue statistics of all products on a quarterly basis.

Resources invested during the year

Q1: 1.61 billion
Q2: 1.578 billion
Q3: 1.885 billion
Q4: 2.257 billion

The Group's revenue in 2023 was NT\$7.33 billion. The Group continues its commitment to developing green new energy products and expanding its business, with revenue from green new energy connectors increasing by 17.28% compared to 2022.

Medium- and long-term goals

The Group is equipped with complete wiring harness design and development capabilities (integration of wiring harnesses and components).

Short-term goals

1. Build up the production capacity of vehicle wiring harness (large circuit harness).
2. Modular production for seat wiring harness.

Resources invested during the year

1. The Group established the Wiring Harness R&D Division.
2. Establish a project for the production capacity of vehicle wiring harness (large circuit harness) and plan to continue the project in 2024.
3. Optimize the manufacturing process for high-frequency wiring harness products. However, the project was cancelled following an evaluation of estimated expenses and consideration of customer needs.
4. Taipei Hu Lane merged with Taipei Shangho, its subsidiary, to improve its capacities in the wiring harness manufacturing process.

Evaluation Mechanisms/Outcomes

1. Complete the personnel recruitment and training (wiring harness development course).
2. Submit an annual performance report.

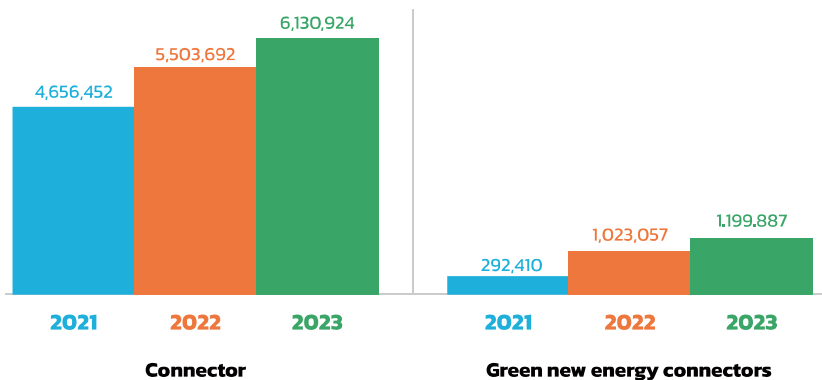
Policy / Commitment

Become a Tier 1 supplier

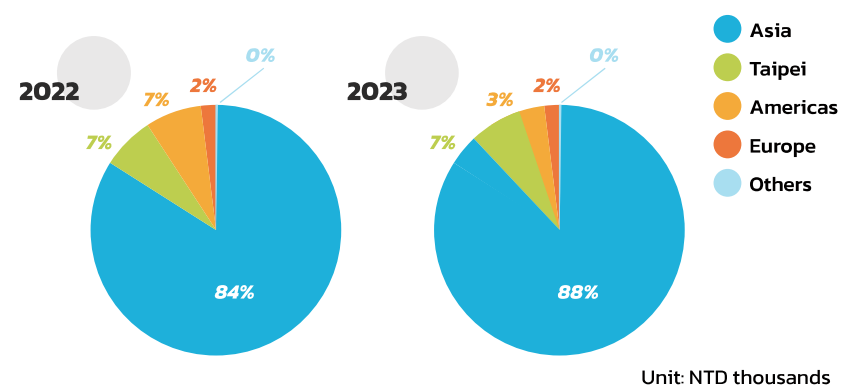
5.3.2 Operational Overview

Item	2021	2022	2023
Revenue	4,948,862	6,526,749	7,330,811
Operating costs	2,558,885	3,688,664	4,036,577
Employees' salaries and benefits	1,031,646	1,381,066	1,569,239
Payment to funders	411,711	537,025	618,719
Payment to the government	126,867	191,742	170,855
Community investment	875	603	1,655
Economic value retained	818,878	727,649	933,766

Revenue by product

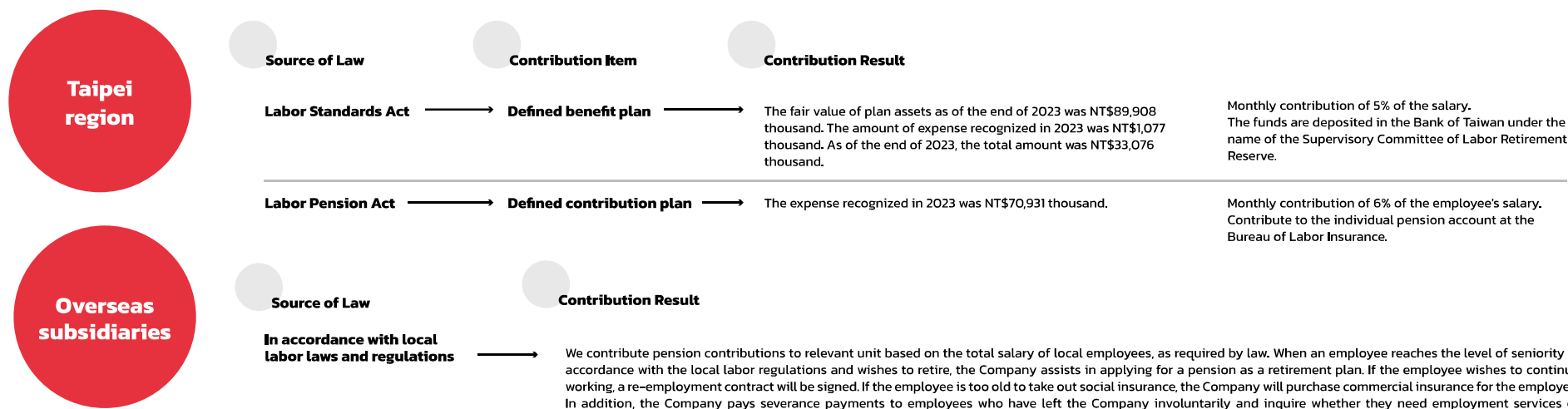


Revenue by geographical area



5.3.3 Defined Benefit Plan Obligations and Other Retirement Plans

Hu Lane Group complies with local retirement regulations and systems. All regular employees participate in the retirement plan at a rate of 100%.



5.3.4 Financial Assistance Received From Government

Tax deductions and credits were mainly due to the applicable Industrial Innovation Ordinance in Taipei, and the high-tech enterprise technology incentives applicable to Nanjing Hu Lane and Dongguan Hu Lane in China. These companies were entitled to an additional deduction for R&D expenses in the current year. Governmental subsidies include incentives, pandemic relief and employment-related subsidies provided by local governments.

Region	Subsidized Projects	Unit: NTD thousands		
		2021	2022	2023
Taipei region	Tax deductions and credits	9,608	8,692	11,808
Taipei region	Government subsidies	170	360	5,549
Mainland China region	Tax deductions and credits	125,638	130,126	102,991
Mainland China region	Government subsidies	670	9,874	16,415
Hong Kong region	Government subsidies	-	91	-
Total		136,086	149,143	136,763

5.3.5 Tax Governance

In response to the international trend of tax governance, Hu Lane Group complies with the tax laws and regulations on tax governance of the competent authorities in each location where the Company operates. Hu Lane fulfills its social responsibility as a taxpayer, and realizes the spirit of ethical corporate management.

The Group Finance Division is the entity responsible for Hu Lane Group's tax governance. The Vice President of the Finance Division is ultimately responsible for tax management and is assisted by accounting staff from each subsidiary in fulfilling the Group's tax obligations.

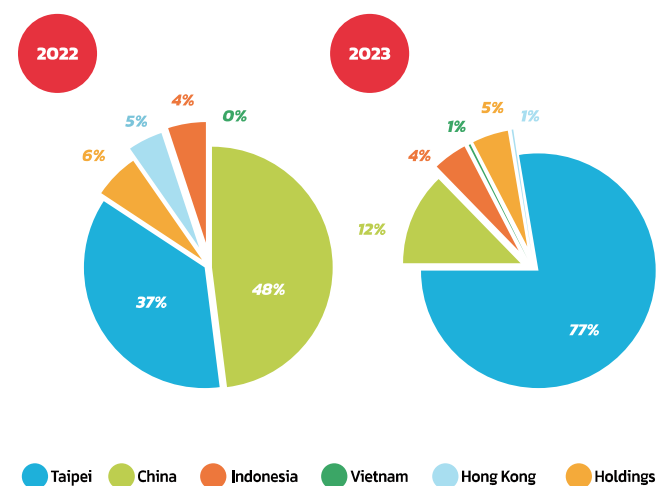
Hu Lane Group invests in a number of countries. As a result, the Company actively monitors changes in tax policies, complies with laws and regulations, and evaluates the tax risks that may arise from business development in these countries.

5.3.5.1 Income Tax Rates by Region

Year	2022	2023
Net income before tax	1,257,796	1,204,528
Income tax expenses	255,521	277,707
Effective tax rate	20%	23%
Income tax paid	191,742	170,855
Cash tax rate	15%	14%

Unit: NTD thousands

Income Tax Expenses by Region



5.4 Achievements in Product Innovation and Intellectual Property

5.4.1 Material Topic: Innovative R&D

Hu Lane Group is committed to product R&D and technology innovation, and has established a collaborative development model with major international companies, adopting a diversified approach to core competencies to expand product applications, actively developing new products for automotive connectors.

Policy / Commitment

Keeping abreast with trends, integrating resources, satisfying needs, and providing comprehensive product services. Developing and promoting diversified and high value-added products, actively collaborating with automobile manufacturers to develop green new energy products, and promoting the realization of green products.

Short-term goals

1. Proactively develop high-frequency, high-voltage, and PCB products, facilitate the application in automated driving assistance to effectively conserve energy, and promote the realization of green products.
2. The number of patent applications: 22 (4 for invention patents, 12 for high-frequency high-voltage fuse boxes, and 6 for low-voltage ones).

Medium- and long-term goals

1. Continue to develop and promote high-frequency, high-voltage, PCB products, and SMT board terminals to achieve the realization of green products.
2. The number of patent applications: 22 (6 for invention patents, 14 for high-frequency high-voltage fuse boxes, and 2 for low-voltage ones).

Resources invested during the year

1. In 2023, the total R&D cost invested was NT\$378,441 thousand.

1.1 The patent expense invested by each site were as follows:

Nanjing Hu Lane: RMB 95,765.10;

Dongguan Hu lane: NT\$ 283,778;

Taipei Hu Lane: NT\$1,119,794.

1.2 A total of 18 employees and NT\$10,015 thousand were invested in the new energy high-power 800V (innovation and optimization) project.

2. Manpower: 514 employees in 2023 (an increase of 119 employees compared to the same period last year).

Concrete results

1. Green New Energy Products.

1.1 Revenue from green new energy connectors increased by 17.28% compared to 2022.

1.2 The verification for the prototype of the new energy high-power 800V (innovation and optimization) project is under planning.

1.3 In 2023, the performance of 35 groups of plastic products increased by 100.99%, and the material utilization rate increased by 12.47%.

1.4 In 2023, the performance of the 3 groups of terminal products increased by 75.00%.

2. Patents

2.1 In 2023, a total of 23 patents are pending, and a total of 10 patents were granted.

2.2 In 2023, there were cumulatively 142 patents in effect, representing an increase of 7.4% compared to the previous year.

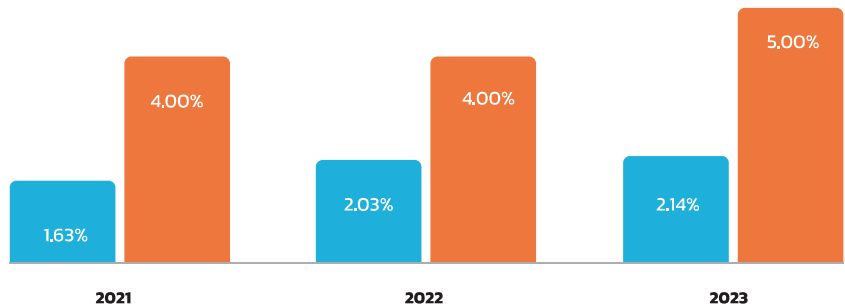
Responsible department/ grievance mechanism

Independent reporting channel established by the Group's R&D Center/Audit Office.

Evaluation Mechanisms/Outcomes

1. 100% achievement rate of the goals for the development of high-frequency and high-voltage products.
2. 100% achievement rate of patent application filing.

Manpower and expenses invested in R&D

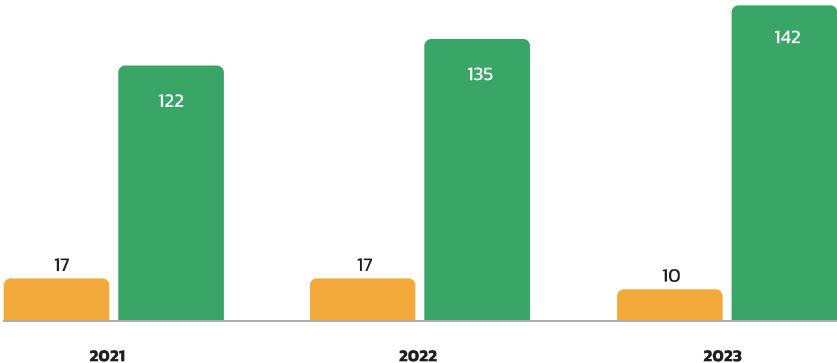


Ratio of R&D personnel with master's degree or above/total R&D personnel



R&D/Revenue Ratio

The Number of Patents Obtained



The number of patents granted



The cumulative number of patents in effect

Note: Since there were patents that expired during the year, the total number refers to the number of patents in effect. In 2023, a total of 10 patents were granted, and a total of 23 patents are pending.

5.4.2 Green New Energy Products

From its inception in 1977, Hu Lane Group has engaged in manufacturing of various types of metal stamped terminals products. We expanded to plastic connector products in 2004, developing high-quality automotive connectors and customer-specific solutions. We collaborate with automobile manufacturers to design and develop green new energy products, thereby fulfilling the high requirements in the industry. Today, we have become a professional connector manufacturer in the automobile and motorcycle industry. Currently, as many as 894 green energy products have been applied in new energy vehicles. Looking ahead to future development in new energy vehicles, we will continue to promote the development and realization of green products, adhering to the spirit of continuous pursuit of excellence.

Successfully Developed Products/Technology



Increase in power

Scope of application: DC fast charging, motors, electronic controls, and electric-vehicle battery packs



HV800 Technical Parameters

- Current carrying capacity (85°C): 200A (50.00mm²)
- Operating voltage: 850 V DC

The platform voltage for new energy vehicles is mainly 600V.

$$P(\text{power}) = I(\text{current}) * U(\text{voltage}) = 200 * 600 = 120KW$$

67% increase in power



HV1800 Technical Parameters

- Current carrying capacity (85°C): 250A (50mm²)
- Operating voltage: 1,000 V DC

The platform voltage for new energy vehicles is mainly 800V.

$$P(\text{power}) = I(\text{current}) * U(\text{voltage}) = 250 * 800 = 200KW$$

5.5 Value Chain Management

5.5.1 Material Topic: Sustainable Supply Chain

Improve the sustainable development of the supply chain, reduce the chain disruption risk, enhance the core competitiveness of the enterprise, and create long-term value.

Policy / Commitment

1. Select screened suppliers and conduct regular audits based on the risk level to ensure that there is no supply risk.
2. Utilize raw materials that comply with international environmental standards, including prohibited and restricted substances and responsible minerals.
3. Select suppliers that demonstrate corporate social responsibility and comply with laws and regulations.

Short-term goals

1. Evaluate based on information, such as the average score of the monthly evaluation as stipulated in the Supplier Selection and Management Procedures, the quality status, the system certification, annual transaction volume, and performance indicators. Formulate a plan for carbon emissions and environmental on-site audits for the next year, covering 10% of all key suppliers.
2. 100% execution rate of screening and evaluation of new key suppliers.

Medium- and long-term goals

1. 100% audit execution rate of key suppliers based on the annual plan.
2. 100% of key copper material suppliers underwent investigation for responsible mineral, and 100% of key plastic and rubber suppliers signed the Prohibited and Restricted Substance List (Environmental Protection Agreement).
3. 100% signing rate for both the Honesty Commitment and the Social Responsibility Commitment.

Resources invested during the year and the concrete results

1. Visited 10 major raw material suppliers and conducted on-site audits on their implementation of the ESG checklist. The suppliers' management met both the ESG management requirements and the short-term goals for 2022.

2. Taipei region: The 2nd supplier conference was held to promote our five-year ESG strategy map, and benchmark suppliers shared their experiences.
Mainland China region: The 1st supplier conference was held to promote our five-year ESG strategy map. This initiative conveyed our specific requirements for cooperation with suppliers and increased mutual cooperation, communication, and interaction, thereby achieving the goal of win-win cooperation.

Responsible department/grievance mechanism

Independent reporting channel established by the Logistics Division/Audit Office.

Evaluation Mechanisms/Outcomes

1. Annual audit execution rate of key suppliers.
2. 100% achievement rate of key suppliers that have signed the Prohibited and Restricted Substance List (Environmental Protection Agreement)
3. Achievement rate of signing the Honesty Commitment and the Social Responsibility Commitment.

Hu Lane Group Number of Suppliers										Unit: Number of Companies		
Category	Qualified suppliers (A)			Major raw material suppliers (B)			Suppliers audited/assessed through quality system (C)			Suppliers evaluated/audited based on ESG (D)		
Year	Existing suppliers	New suppliers	Subtotal	Existing suppliers	New suppliers	Subtotal	Existing suppliers	New suppliers	Subtotal	Existing suppliers	New suppliers	Subtotal
2021	636	32	668	128	8	136	28	1	29	0	0	0
2022	672	32	704	141	12	153	26	1	27	0	0	0
2023	699	33	732	146	8	154	26	8	34	10	0	10
2023 Annual growth rate	4.02%	3.13%	3.98%	3.55%	-33.33%	0.65%	0%	700.00%	25.93%	100%	100%	100%

Description:

1. Qualified suppliers (A): Refer to suppliers within the annual list of qualified suppliers, excluding suppliers for general affairs, service, other categories, and individual outsourced processing suppliers.
2. Major raw material suppliers (B): Refer to suppliers of copper materials, plastics, rubber materials, and wires.
3. Suppliers evaluated/audited through quality system (C): Refer to suppliers that underwent an evaluation/audit for the aforementioned (B) through quality system during the year.

4. Suppliers evaluated/audited based on ESG (D): Refer to suppliers that underwent an evaluation/audit for the aforementioned (B) based on ESG criteria or through questionnaires.
5. In 2023, 100% of new major raw material suppliers underwent quality system evaluation/audit.

Key Suppliers										Unit: Number of Companies
Location	Key	Honesty	Social responsibility	ESG questionnaire (Self-assessment)	ESG on-site audit	Deficiency in the ESG audit (cases)	Improvements (cases)	Quality Audit	Deficiency in the quality audit (cases)	Improvements (cases)
Taipei Hu Lane	39	27	25	25	0	0	0	3	8	8
Nanjing Hu Lane	39	39	39	39	10	0	0	7	4	4
Dongguan Hu Lane	43	41	41	41	0	0	0	10	22	22
Jiaxing Shangho	13	9	9	0	0	0	0	0	0	0
Vietnam Hu Lane	5	5	5	5	0	0	0	4	0	0
Indonesia Hu Lane	7	0	4	2	0	0	0	2	0	0
Total	146	121	123	112	10	0	0	26	34	34
Percentage		82.88%	84.25%	76.71%	6.85%			17.81%		

Description:

1. Key suppliers: Refer to suppliers of copper materials, plastics, rubber materials, and wires.

2. Continuously encourage existing suppliers to sign of the Honesty Commitment and Social Responsibility Commitment. In 2023, there were a total of 146 key suppliers, of which 82.88% have signed of the Honesty Commitment, and 84.25% have signed the Social Responsibility Commitment. We expect to achieve 100% completion by 2024.

3. Continuously encourage existing suppliers to conduct ESG self-assessment or implement on-site audits. In 2023, out of 146 key suppliers, 76.71% have completed self-assessments, and 10 suppliers (6.85%) have implemented on-site audits, with 0 deficiency found. We did not terminate contracts with any suppliers.

4. Regularly conduct annual supplier quality audits. A total of 26 suppliers have been audited, with 34 deficiencies found, all of which were corrected by the end of 2023.

5.5.2 Customer Relationship Improvement

5.5.2.1 Material Topic: Customer Relations

By reinforcing the importance of customers, strengthening mutual relationships, and building strong trust, Hu Lane Group will focus on improving its image and brand value, thereby achieving the goal to communicate as equals with the world's first-class car manufacturers. As for the product quality management, we regard product quality, safety, and after-sales service as our highest commitments to our customers. Maintaining high customer satisfaction and good quality services will help us continue winning customers' recognition.

Policy / Commitment

1. Enhance customer value: including products, services, staff, image value, etc.
2. Emphasize customer satisfaction and regularly use satisfaction survey tools to improve customer satisfaction and establish win-win service partnerships.

Short-term goals

1. 100% achievement rate of targeted revenue.
 2. The average score of the customer satisfaction survey reached 4 points.
- Note: The full score for customer satisfaction is 5 points.

Medium- and long-term goals

1. Increase revenue to NT\$10 billion by 2025; NT\$30 billion by 2030.
2. Maintain above average customer satisfaction survey score.

Responsible department/ grievance mechanism

Marketing business, marketing planning/
Independent reporting channel established
by the Audit Office.

Evaluation Mechanisms/Outcomes

1. Revenue increases by 25% in 2030.
2. Maintain above average customer satisfaction each year.

Resources invested during the year

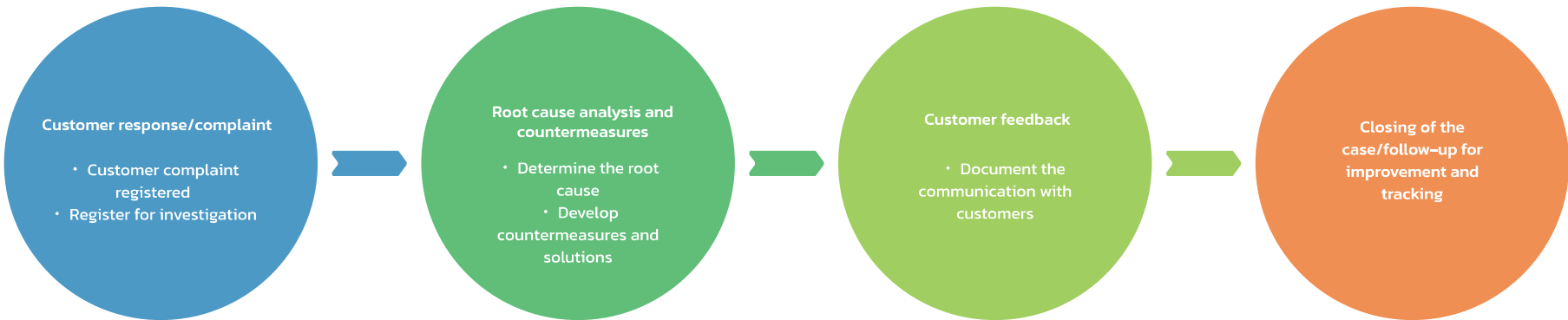
1. Quickly review the order quantities in both the production and demand areas through the production and sales coordination meeting to reduce the waiting time for goods and improve the delivery efficiency.
2. Establish a collaboration model across marketing/technical/project management departments through new product meetings to complete the collaborative development projects with customers.

3. In 2023, Hu Lane participated in the AAPEX auto parts exhibition in the United States and reinforced visits to existing customers, expecting customer and performance growth in 2024. A total of NT\$750,000 was spent on this project.
4. In 2023, we participated in the Electronica China Exhibition in Shanghai and continued to provide various services to customers. A total of NT\$134 million was spent on this project.
5. Formulate the process for accepting customer complaints. (Refer to the customer complaint process below)

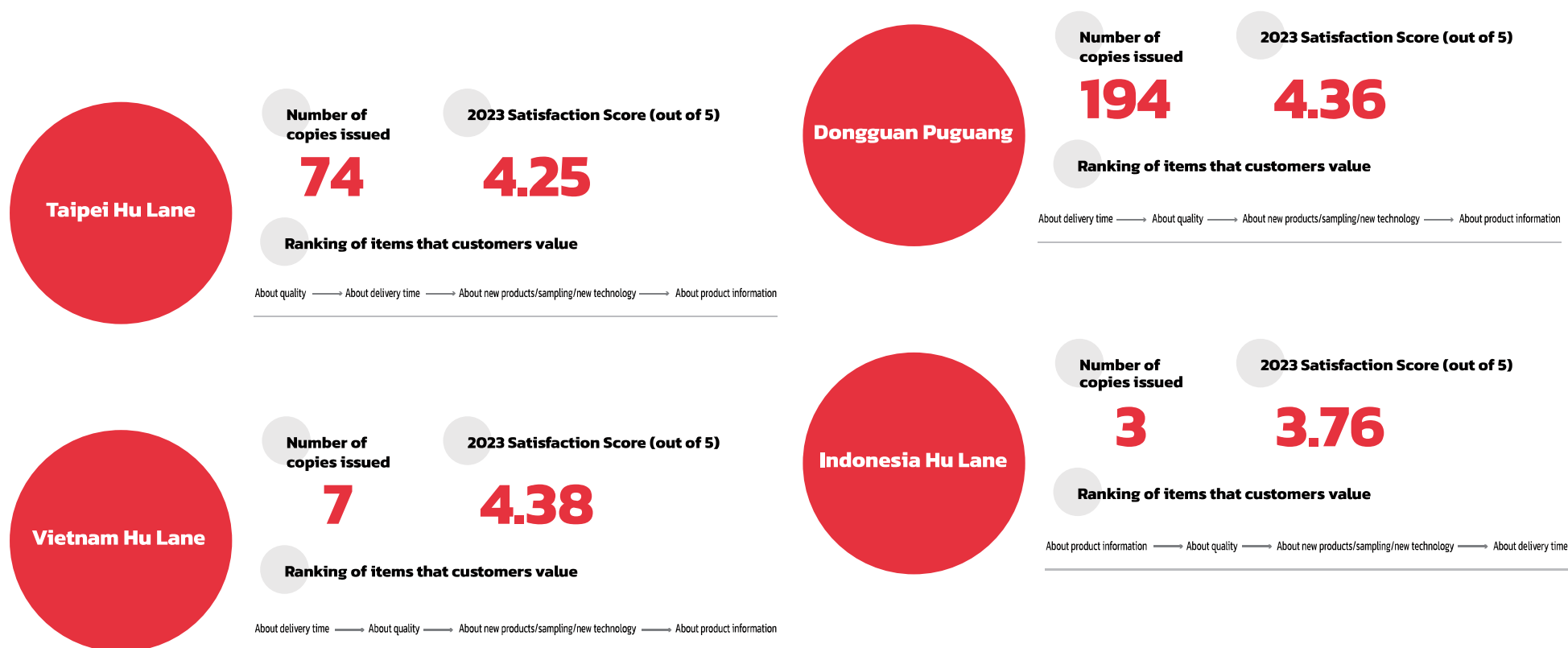
Concrete results

1. The weighted average scores of customer satisfaction survey were 4.33 points over the past three years.
2. In 2021, due to COVID-19, there was a shortage of raw materials and a decrease in orders. In 2022, the market gradually recovered, and customer satisfaction was greatly improved due to sufficient stock availability. In 2023, excessively rapid growth in orders resulted in longer customer wait times for deliveries, leading to a decrease in customer satisfaction.
3. Revenue increased by 12.32% in 2023.

Process for accepting customer complaints:



Results of Customer Satisfaction Survey in 2023



In order to understand the needs and problems of customers in-depth, and seek improvement opportunities and solutions, Hu Lane Group collects customers' opinions through online questionnaires. We have established platforms for customer feedback and complaint responses, along with related mechanisms, to promptly address customers' needs.

Regarding the product information/quality service, which showed low customer satisfaction in the 2023 customer satisfaction survey, relevant units plan to refurbish our electronic/paper catalogs. They also intend to begin communicating four themes—"new products and technology/new mold technology/new automation technology/ESG"—to customers through the official website and social media platforms, hoping to convey more of Hu Lane's professional aspects to the outside world. We look forward to bringing customers new experiences.

5.5.3 Product Liability

5.5.3.1 Marketing and Labeling



Sources of Raw Materials



Hazardous Substance



Safety Precautions for Use



Recycling Notice

Product and Service Information and Labeling in 2021/2022/2023 100% labeled in accordance with regulations over the three years

Description on Implementation of Labeling

All products are labeled with the codes of materials.
Plastic products, where there are spaces, are labeled with materials.
All samples sent to customers are attached with reports and certificates.
Product illustration and the packaging of terminal products are labeled with RoHS markings.
The products that are not used by end-users are not recycled by Hu Lane Group. Users can recycle the products according to the materials.

Description on Incidents of Non-compliance Concerning Product and Service Information and Labeling

Hu Lane Group has evaluated 100% labeling information of products in accordance with the laws and regulations. Additionally, we have also disclosed various product information (product origin, ingredients, safety instructions, product clearance, and environmental/social impacts) in accordance with the organizational requirements.
There were no incidents of non-compliance with laws and regulations related to information and labeling of products and services in 2023.

Incidents of Non-compliance Concerning Marketing Communications

Hu Lane Group's business model is B2B, and there are no violations against marketing or communication regulations.

5.5.3.2 Product Certification:

All three laboratories of Hu Lane Group are national-level laboratories and have achieved ISO/IEC 17025. Our Nanjing laboratory has passed certification from car manufacturers, such as GP-10 from SAIC General Motors, SAIC Motor, Changan, and Geely. Our Dongguan laboratory has passed certification from car manufacturers, including Geely and BYD. In 2023, our three laboratories completed a total of 2,170 product reliability verifications, including 716 for new product development. These trials encompassed product assembly and disassembly, electrical connection, and durability testing in various environments. They aimed to verify the compliance of product performance across different aspects such as materials, structures, and processes, achieving product reliability rate of over 90%. We have taken out a product liability insurance policy totaling US\$218.74 million.
In addition, we offered 5 customer services to assist system manufacturers and OEMs in performing failure replication and analysis for problems they encounter in the product application process.

5.6 Information Security Protection

5.6.1 Material Topic: Information Security

Improve corporate information security defense capabilities, enhance corporate reputation and competitiveness, effectively protect assets, and comply with laws and regulations.

Policy / Commitment

Information and communication security policy, commitment to legal and regulatory compliance, education and training, risk management commitment, technical security measures, third-party risk management, transparency reporting, and continuous improvement/0 material information security incidents per year.

Short-term goals

The budget for ISO/IEC 27001:2022 in 2024 was NT\$1 million.

Medium- and long-term goals

Continuous effectiveness of the regulations for compliance and cyber security system, as well as the group-wide information and communication security management system.

Responsible department/ grievance mechanism

Independent reporting channel established by the Information Division/Audit Office.

Evaluation Mechanisms/Outcomes

Pass the certification for ISO/IEC 27001:2022 and obtain the certificate in 2024.

1. Resources invested during the year 2. Concrete results

1. In December 2023, the Inventory of Information Security Projects was completed. (11 projects in total: risk assessment and management, information and communication security policies and programs, asset management, access control, network security, application security, data protection and encryption, employee training and awareness, continuous monitoring and response, compliance and regulatory compliance, and supply chain security).

2. On December 22, 2023, the Board of Directors approved the appointment of the Chief Information Security Officer.

3. In September 2023, the first draft of the asset register was completed. (The gap analysis based on the asset register will be completed in the first quarter of 2024, and the ISO 27001 risk assessment and risk improvement plan will be completed in the second quarter of 2024).

4. In December 2023, an internal improvement plan for high-risk information security issues was carried out (with WAF application firewalls scheduled to be introduced in 2024). The internal process for review and approval was completed.

5. Implemented drills for data backup and restoration.

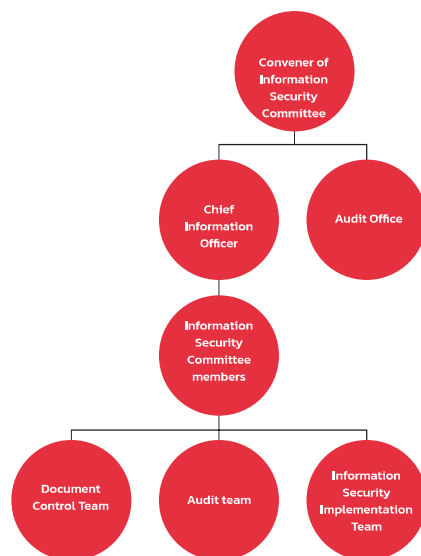
6. Organized information security education and training for 26 new employees. Conducted internal information security education and training on the intranet, including 15 lectures with 1,855 accesses in total. Held social engineering drills for 150 employees.

7. Information Security Committee: Hold meetings quarterly or as needed in the event of material information security incidents. Information Security Implementation Team: Hold meetings monthly. Information Security Committee members: Hold meetings from time to time in case of material information security incidents. Audit Team: Hold meetings monthly. We plan to add 2 designated information security personnel in 2024.

8. There were no material information security incidents during the year.

5.6.2 Information Security Committee

Committee Structure



Description on functions

1. Convener:
 - (1) Responsible for the formulating and improving the organization's overall security policy.
 - (2) Oversee and review the implementation of the cyber security plan.
 - (3) Regularly assess the information security risk status of the organization.
 - (4) Make recommendations on cyber security principles.
2. Chief Information Security Officer:

Responsible for coordinating the promotion of information security efforts.
3. Audit Office:

Regularly conduct information security audits.
4. Information Security Committee members: The heads or main responsible persons of relevant departments who participate in its operations.
 - (1) Review the objectives and implementation scope of the cyber security management system.
 - (2) Review the implementation status of cyber security management operations and the effectiveness of improvements.
 - (3) Review policies and regulations related to cyber security, and coordinate the allocation and utilization of resources.
 - (4) Supervise the implementation of business continuity drills.
 - (5) Review the resources required for implementing corrective measures, including manpower, time, and funds.
 - (6) Review the effectiveness of corrective measures.
 - (7) At least one management review meeting shall be convened every year, and extraordinary meetings may be convened if necessary.

5. Information Security Implementation Team:
 - (1) Maintain and manage IT infrastructure of cyber security.
 - (2) Responsible for implementing and maintaining security defense mechanisms.
 - (3) Handle daily security incidents and threats.
6. Audit team:
 - (1) Regularly conduct information security inspection.
 - (2) Review the compliance of information systems and processes.
 - (3) Provide recommendations for improving security controls.
7. Document Control Team:

The announcement, update, issuance, recycling, custody, borrowing, and destruction of cyber security management system documents (including electronic documents), as well as version management and physical record recycling, storage, and management.

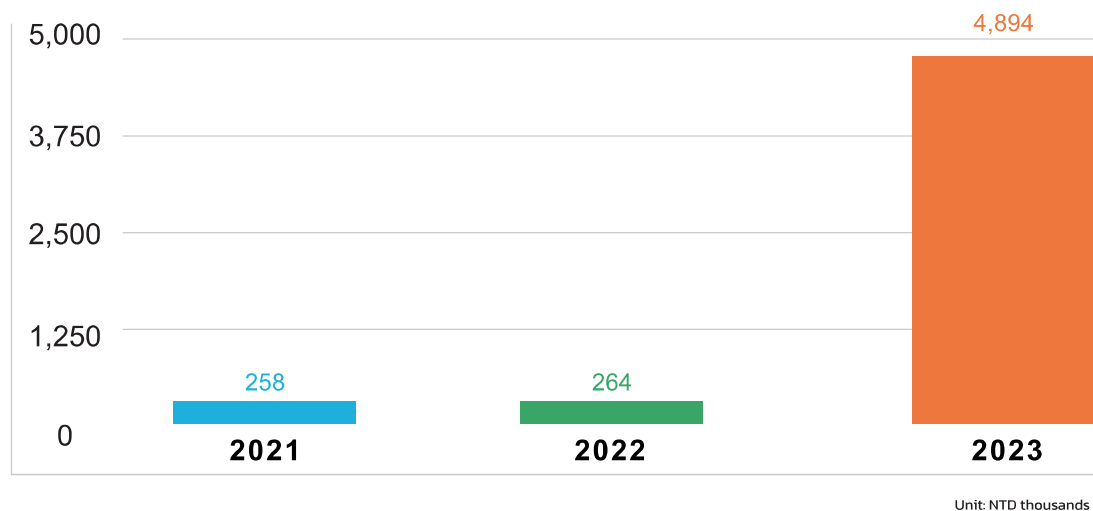
Operating Practices (Description on members' roles and frequency of meetings)

1. Information Security Committee: Meetings are convened quarterly or upon the occurrence of material information security incidents.
2. Information Security Implementation Team: Meetings are convened on a monthly basis.
3. Emergency Response Team: Irregular meetings are convened in case of material information security incidents.
4. Audit team: Meetings are convened on a monthly basis.

5.6.3 Information Security Implementation Status

Project Contents	Indicators	Implementation Outcomes	2023 September	2023 October	2023 November	2023 December	2024 January	2024 February	2024 March	2024 April	2024 May	2024 June	2024 July	2024 August	2024 September	2024 October	2024 November	2024 December	Total Expenses
Cyber Threat Intelligence System (Taipei)	Detection performance and cost-effectiveness (actual threat)	Threat detection, attack analysis, and reduction of actual threats																	(1) Investment in machinery equipment: NT\$2,690,000 (2) Information security consulting fee: NT\$2,016,000 (3) Antivirus software: NT\$278,250 (1) Education and training: NT\$18,900
Network Packet Security Management System (Taipei)	Detection performance, timeliness, and scalability	Real-time threat processing, event tracking, and improvements in network security																	
Vulnerability Scanning System (Taipei)	Accuracy and degree of automation	Vulnerability identification and patch, risk assessment, and compliance check																	
SIEM System (Taipei)	Event detection and monitoring capabilities, alarm performance, integration, and scalability	Event integration, real-time monitoring and alarming, and security information analysis																	Totaling NT\$5,003,150
ISO 27001 (Taipei)	Compliance level, effectiveness of risk management, information asset protection, legal and regulatory compliance, and personnel training and awareness	Establishment of information security culture, optimization of risk management, continuous improvement, legal compliance, and incident response capability																	Budgeted expenses: NT\$1,000,000

Funds invested in information security for three years



5.7 Trade Secret Protection and Transaction Security

Trade secrets have become a key technology indispensable to Hu Lane Group's sustainable operations and a competitive tool for our products and services, enabling the Group to become a leader in the blue ocean market and a winner in the red ocean market. However, its core value only lies in the "lead time". The competitive advantages exist until the existing or potential competitors develop new processes or technologies, the trade secrets are restored or improved by engineering, or the new or improved goods or services are introduced to the market. Therefore, keeping the trade secret is the priority to capture the market share. There were no substantiated complaints of violation of customer privacy or loss of customer information during the current year.

06 Environmental Friendliness

Policy / Commitment

Promote a low-carbon supply chain and enhance the effectiveness of raw material recycling and reuse.

Hu Lane Group has always operated in an environmentally friendly and sustainable manner. We have established corresponding measures to control energy, water management, greenhouse gas emissions, and waste discharge to minimize the negative impact on the environment.

6.1 Material Topic: Raw Material Management

Obtain raw materials that comply with environmentally sustainable production, conserve energy, reduce carbon emissions, and collaborate with local suppliers to protect the earth's environment.

Short-term goals

1. Organize supplier conferences for Taipei and Mainland China regions to promote the strategic direction of a low-carbon supply chain.
2. Increase the percentage of local procurement of key materials to 85%.

Medium- and long-term goals

1. Establishment and planning of ESG-related procurement policies.
2. Achieve 10% of key raw material suppliers obtaining ISO 14067 certification.

Responsible department/ grievance mechanism

Independent reporting channel established by the Logistics Division/Audit Office

1. Resources invested during the year 2. Concrete results

1. Require suppliers to replace the interlayer packaging paper coated with non-recyclable materials for copper tape with recyclable ones without increasing the cost, in order to meet environmental protection requirements.
2. Replace 80% of the plastic terminal packing blocks used as adhesive in Nanjing Factory from poly to clips, in order to meet environmental protection requirements.
3. Halogen-free materials are used as plastic raw materials for new product development. For the existing halogen-based products, conduct an inspection to determine whether their fire-resistance ratings are V-0. For those not rated as V-0, seek alternative materials and label their material number as not qualified for the development of new products in the system.

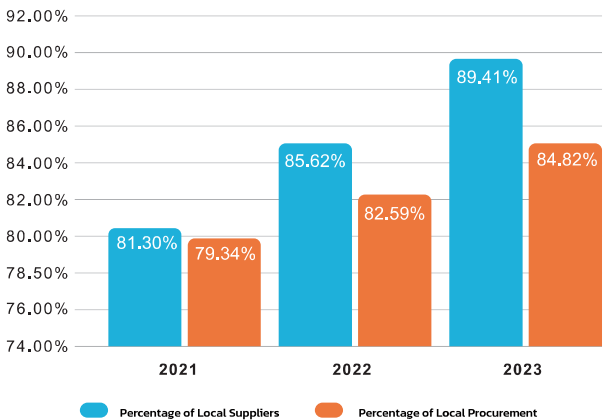
Evaluation Mechanisms/Outcomes

Evaluation mechanism:
 1. ESG-related procurement policies and plans: "Procedures for Supplier Selection and Management," "Supplier Sustainability Audit Checklist," and the investigation and review of supplier development and management.
 2. The percentage of suppliers who have obtained ISO 14067 certification to total key raw material suppliers.
 3. We comply with EU RoHS and REACH regulations regarding the management of hazardous substances. Additionally, we require our suppliers to sign a letter of commitment to ensure ensuring the non-use of hazardous substances.

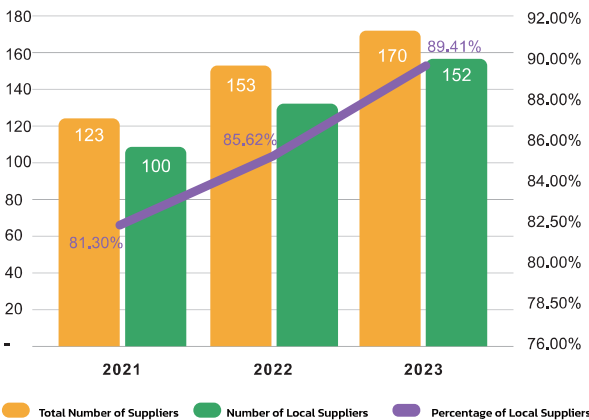
Outcomes:
 1. Local procurement of key materials accounted for 84.82% of the total procurement of key raw materials.
 2. No complaints were received regarding the management of hazardous substances, and no conflict minerals were purchased.

6.1 Local Procurement Information

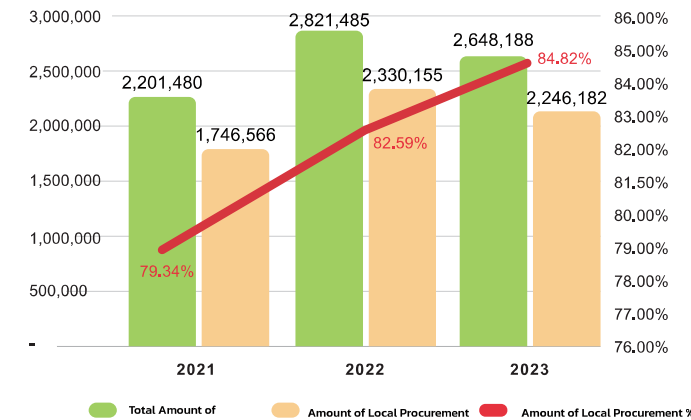
Local Procurement Information



Percentage of Local Suppliers



Percentage of Local Procurement %

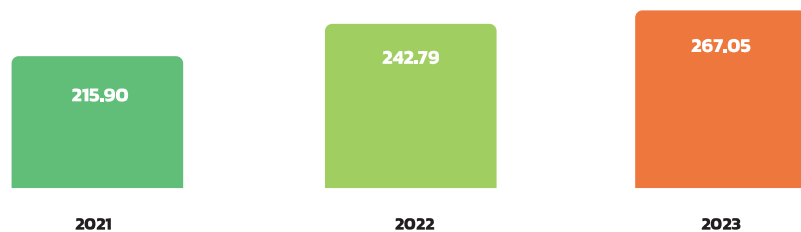


Unit: NT\$ thousand

6.1.2 Recycling and Reuse of Raw Materials

Recycling and Reuse of Raw Materials												Unit: tonnes/%
Category	Renewable materials		Non-renewable materials		Total materials recycled and reused		Total materials used	Total recycled packaging materials			Total weight of pallets and plastic baskets recycled	Total products sold
Year	Total amount	Percentage	Total amount	Percentage	Total amount	Percentage		Recycle items	Total amount	Percentage		
2021	215.90	1.92%	11,003.90	98.08%	997.54	8.89%	11,219.80	Plastic spools, pallets, boxes No.2, plastic baskets, etc.	269.50	0.01%	246.23	2,513,955.40
2022	242.79	2.07%	11,502.19	97.93%	1,064.07	9.06%	11,744.98		314.60	0.01%	274.38	2,418,145.30
2023	267.05	1.99%	13,170.66	98.01%	962.24	7.16%	13,437.72		576.27	0.02%	490.23	2,433,346.37

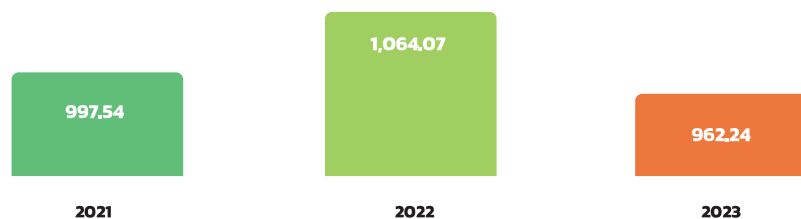
Total renewable materials (tonnes)



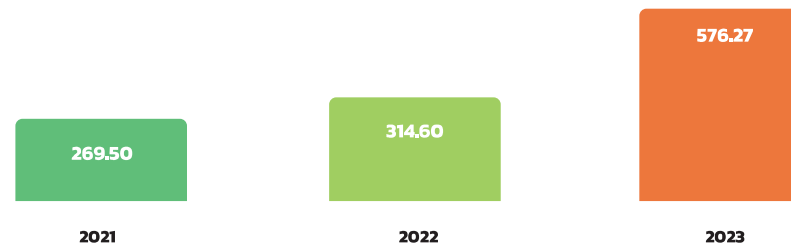
Total non-renewable materials (tonnes)



Total materials recycled and reused (tonnes)



Total recycled packaging materials (tonnes)



Note: The reason for the decrease in the recycling and reuse in 2023 compared to 2022: A decrease in the orders using copper materials.

Renewable material: Rubber

Recycled and reused materials used: Copper and plastic

6.2 Energy Conservation and Greenhouse Gas Management

6.2.1 Material Topic: Energy Conservation and Greenhouse Gas Management

- In addition to meeting the expectations of competent authorities and customers, it also enables us to identify carbon emission hotspots on the factory premises, thereby promoting energy-saving and carbon reduction measures to achieve the dual benefits of lowering operating costs and greenhouse gas emissions.
- Enhance the corporate brand value, thereby improving the corporate market competitiveness.
- Bring new business opportunities for enterprises, such as carbon credit trading and cooperation projects for energy conservation and carbon reduction.

Policy / Commitment

In order to fulfill its corporate responsibility of environmental protection and reduce the environmental and climate-related impacts of greenhouse gas emissions on global warming, Hu Lane Group will be committed to the following matters:

1. Continuously promote energy-saving and carbon reduction measures.
2. Comply with GHG-related laws and regulations, customer requirements, and other relevant regulations.

Short-term goals

1. ISO 14064-1 Greenhouse Gas Inventory_10% reduction in the Group's carbon emission intensity.
2. Complete a product inventory of the ISO 14067 Product Carbon Footprint and undergo verification by an external third party.
3. Capital expenditure: Construction of solar energy equipment at Taipei Hu Lane and Vietnam Hu Lane.
4. Establish a dedicated account for carbon credit fund.

Medium- and long-term goals

1. ISO 14064-1 Greenhouse Gas Inventory for 2030_6% reduction in the Group's carbon emission intensity compared to the previous year
2. Capital expenditure on solar energy equipment projects: Dongguan Hu Lane and Indonesia Hu Lane.
3. Upload the Group's sustainability report to the Market Observation Post System (MOPS) in accordance with the law.

1. Resources invested during the year 2. Concrete results

1. Resources invested during the year
 - 1.1 NT\$2,906,630 for system establishment (environmental protection aspect); NT\$12,429,280 for equipment investment; NT\$202,411 for environmental protection.
2. Concrete results:
 - 2.1 Completion of the Group's ISO 14064-1 Greenhouse Gas Inventory. Comparison of carbon emission intensity after the inventory between 2023 and 2022: Scope 1: decreased by 22.10%; Scope 2: decreased by 5.61%; Scope 3: decreased by 0.32%. The Group's overall carbon emission intensity: In 2023, it decreased by 2.19% compared to 2022.

- 2.2 Completed an inventory of raw materials for 4 categories of products under the ISO 14067 Product Carbon Footprint, underwent verification by an external third party, and obtained certificates.
- 2.3 Vietnam Hu Lane: The construction of solar energy equipment has been completed, and electricity generation statistics started on November 17, 2023. As of the end of 2023, a total of 75.571 MWh was generated.
- 2.4 Completed the sustainability report counseling project, obtained certification from an external third party, and made an external announcement.
- 2.5 Taipei Hu Lane completed the energy management_smart meter installment.

Evaluation Mechanisms/Outcomes

Evaluation mechanisms:
Obtain external third-party certification for ISO 14064-1 Greenhouse Gas Inventory.

Outcomes:

1. In 2023, the greenhouse gas emission intensity of Taipei Hu Lane decreased by 5.07%.
2. The construction of solar energy equipment at Taipei Hu Lane has not been completed, because it is still under evaluation.

Responsible department/ grievance mechanism

Independent reporting channel established by the Group
Finance Division/Audit Office

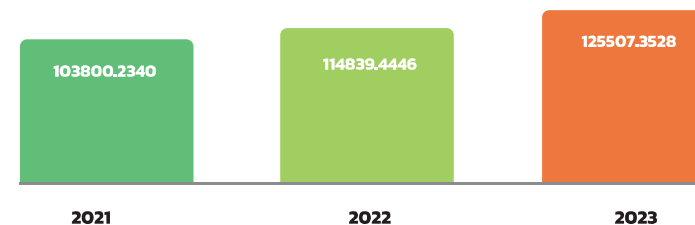
6.2.2 Energy Management

6.2.2.1 Total Energy Consumption Within the Organization

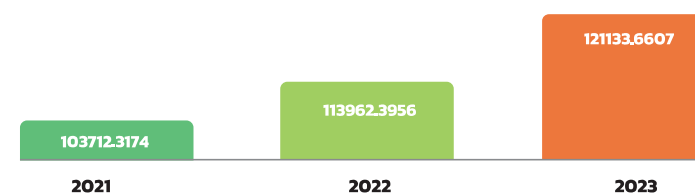
Hu Lane Group's main products are metal stamped terminals products and plastic connectors. The energy used in the manufacturing process is mainly electricity. Therefore, the management of electricity utilization is the key focus of our energy management.

	2021		2022		2023	
	kWh	GJ	kWh	GJ	kWh	GJ
Purchased electricity	28,808,977.0576	103,712.3174	31,656,221.0010	113,962.3956	33,648,239.0818	121,133.6607
Solar power	kWh	GJ	kWh	GJ	kWh	GJ
	0.0000	0.0000	229,074.6057	824.6686	1,147,744.7938	4,131.8813
Liquefied petroleum gas	Liters	GJ	Liters	GJ	Liters	GJ
	141.2037	5.3207	101.8519	3.8379	327.7778	12.3511
Diesel	Liters	GJ	Liters	GJ	Liters	GJ
	2,348.5325	82.5958	1,380.2583	48.5425	6,524.4663	229.4597
Total Energy Consumption Within the Organization	GJ		GJ		GJ	
	103,800,2340		114,839,4446		125,507,3528	

Total energy consumption (GJ)



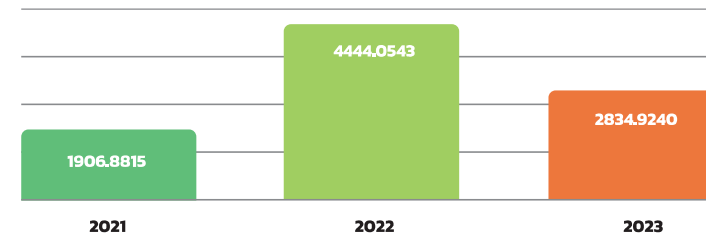
Purchased electricity (GJ)



6.2.2.2 Energy Consumption Outside the Organization

Energy	2021		2022		2023	
Automotive gasoline	Liters	GJ	Liters	GJ	Liters	GJ
	56,056.9443	1,830.6539	120,970.1462	3,950.5269	69,600.4302	2,272.9440
Automotive diesel	Liters	GJ	Liters	GJ	Liters	GJ
	2,167.9163	76.2437	14,032.9766	493.5274	15,979.3588	561.9800
Total energy consumption outside the organization	GJ		GJ		GJ	
	1,906.8815		4,444.0543		2,834.9240	

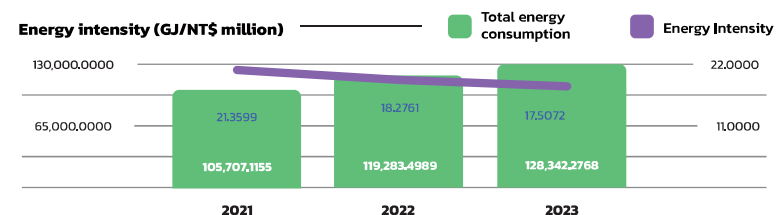
Energy Outside the Organization (GJ)



6.2.2.3 Energy Consumption Intensity

	Total energy consumption	Total revenue	Energy intensity (GJ/NT\$ million)
2021	105,707.1155	4,948.8620	21.3599
2022	119,283.4989	6,526.7490	18.2761
2023	128,342.2768	7,330.8110	17.5072

Energy intensity (GJ/NT\$ million)



Note: Hu Lane Group continues to replace old production equipment with new ones, resulting in a year-by-year decrease in energy consumption intensity

6.2.2.4 Energy Conservation

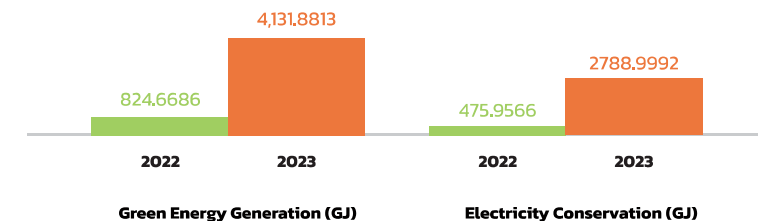
In order to reduce electricity consumption, Hu Lane will continue to introduce new processes and equipment at each of its operating site, and design and develop them with the principle of reduction at source. In addition to continuous energy conservation, Hu Lane will continue to actively build solar power generation equipment.

	Green Energy Generation (GJ)	Electricity Conservation (GJ)	Total Conservation (GJ)
2022	824.6686	475.9566	1,300.6252
2023	4,131.8813	2,788.9992	6,920.8804

Note:

Solar power equipment has been installed at Nanjing Hu Lane, Vietnam Hu Lane, and Jiaxing Shangho. The construction of 450KW (Taipei Hu Lane) and 449.3KW (Dongguan Hu Lane) solar power projects is scheduled for 2024 and 2025. Additionally, Nanjing Hu Lane will increase its green energy purchase by 20% in 2024.

Energy Conservation (GJ)



For the purposes of paying attention to energy management issues and responding to serious challenges of future energy management, the Company takes initiatives to improve the energy management system and the intelligent monitoring and control from energy management to energy creation in order to achieve the optimal efficiency of power utilization and continue to carry out the "replacement plan", aiming to gradually replace the old and high energy-consuming equipment year by year with intelligent inverter motors in an attempt to effectively and directly reduce the energy consumption of the Company.



Install energy-saving heating coils on the injection molding machine to conserve electricity.



Replace electric water heaters in dormitories with solar-powered and electric-powered units.



Intelligent monitoring of energy management systems

6.2.3 Greenhouse Gas and Carbon Emissions

In order to fulfill its corporate responsibility, Hu Lane Group has proactively committed itself to the baseline greenhouse gas emissions inventory at its factories since 2021. These efforts enable us to capture the status of greenhouse gas emissions and to further implement voluntary greenhouse gas reduction-related plans. Our greenhouse gas carbon emissions have also undergone verification conducted by BSI, an external verification institution, with 2022 set as the baseline year for greenhouse gas inventory.

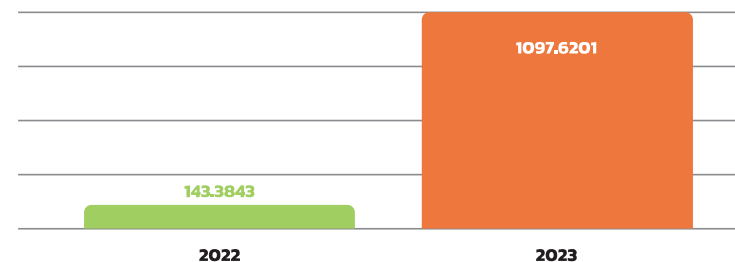
Quantitative method: The calculation of greenhouse gas emissions is mainly based on the emission factor approach. The calculation is as follows:

Activity data × emission factor × global warming potential (GWP) = CO₂ equivalent. Alternatively, the mass balance approach, which refers to the calculation of greenhouse gas emissions based on the mass balance of input, output, and consumption of direct filling materials, may be used.

After selecting emission factors according to "EPA Greenhouse Gas Emission Factor Management Table 6.0.4" or "China Products Carbon Footprint Factors Database (2022)," the calculated figure shall be converted into CO₂e (carbon dioxide equivalent), using tonnes per year as the unit, based on the Global Warming Potential (GWP) of each greenhouse gas as announced by the IPCC. We adopt the latest version of the GWP value from the IPCC Sixth Assessment Report (2021) as announced in the Guidelines for Greenhouse Gas Emissions Inventory (May 2022). In 2023, the Hu Lane Group implemented a total of 3 programs. We replaced 25 old injection molding machines at Taipei Hu Lane and Nanjing Hu Lane, as well as 1 air compressor and 1 water heater at Nanjing Hu Lane. These initiatives collectively saved a total of 774,721.9868 kWh of electricity.

	Factory premises	Green Energy Generation/kWh	Electricity Conservation/kWh	Electricity Carbon Emission Factor	Carbon emission reduction in tCO ₂ e
2022	Nanjing Hu Lane	119,209.0000	132,210.1599	0.5703	143.3843
2023	Nanjing Hu Lane	604,892.5128	638,807.3868	0.5703	709.2821
	Jiaxing Shangho	467,281.4810	0	0.5703	266.4906
	Vietnam Hu Lane	75,570.8000	0	0.7221	54.5697
	Taipei Hu Lane	0	135,914.6000	0.4950	67.2777

Carbon emission reduction in tCO₂e



	2021		2022		2023	
	Total emissions in tCO2e/year	Intensity in tCO2e/NT\$ million	Total emissions in tCO2e/year	Intensity in tCO2e/NT\$ million	Total emissions in tCO2e/year	Intensity in tCO2e/NT\$ million
Scope 1						
Parent company	159,5860	0.0323	188,8766	0.0289	132,8242	0.0181
Nanjing Hu Lane	-	-	231,0339	0.0354	253,8919	0.0346
Dongguan Hu Lane	-	-	139,8849	0.0214	133,1837	0.0182
Dongguan Puguang	-	-	170,5370	0.0261	44,1759	0.0060
Jiaxing Shangho	-	-	67,8145	0.0104	89,2759	0.0122
Vietnam Hu Lane	-	-	68,1430	0.0104	90,0406	0.0123
Indonesia Hu Lane	-	-	67,0700	0.0103	73,2997	0.0100
Total	159,5860	0.0323	933,3599	0.1430	816,6919	0.1114

	2021		2022		2023	
	Total emissions in tCO2e/year	Intensity in tCO2e/NT\$ million	Total emissions in tCO2e/year	Intensity in tCO2e/NT\$ million	Total emissions in tCO2e/year	Intensity in tCO2e/NT\$ million
Scope 2						
Parent company	3,447.0280	0.6965	3,475.4839	0.5325	3,760.3374	0.5129
Nanjing Hu Lane	-	-	8,736,5255	1.3386	8,297,1135	1.1318
Dongguan Hu Lane	-	-	3,495,3231	0.5355	3,643,2971	0.4970
Dongguan Puguang	-	-	20,1456	0.0031	34,7870	0.0047
Jiaxing Shangho	-	-	220,5065	0.0338	924,8990	0.1262
Vietnam Hu Lane	-	-	1,837,2769	0.2815	2,119,6480	0.2891
Indonesia Hu Lane	-	-	219,2029	0.0336	308,8824	0.0421
Total	3,447.0280	0.6965	18,004.4644	2.7586	19,088.9644	2.6039

Description on Assurance:
Among the total greenhouse gas emissions disclosed by Hu Lane Group in 2022, the Scope 1 emissions amounted to 933.3599 tonnes of CO₂e (152% of the total emissions); Scope 2 emissions amounted to 18,004.4644 tonnes of CO₂e (29.23% of the total emissions), and Scope 3 emissions amounted to 42,656.3278 tonnes of CO₂e (69.25% of the total emissions). These emissions have been assured by British Standards Institution Group Singapore Pte. Ltd. Taiwan Branch, an assurance institution, according to ISO 14064-3. Assurance opinion: Scope 1 and Scope 2 received reasonable assurance, and Scope 3 received limited assurance. The 2023 greenhouse gas inventory data will be verified by an external third-party verification agency in the third quarter of 2024.

Note: 1. The greenhouse gas emission intensity is calculated as total emissions in tonnes of CO2e/consolidated revenue (unit: NT\$ million). 2. Inventory was only held at Taipei Hu Lane in 2021. The 2023 inventory data will be verified by an external third-party verification agency in the third quarter of 2024.

During the plastic injection process of Nanjing Hu Lane, Non-Methane Hydrocarbons (NMHC), which are organic waste gases, are generated. UV+ activated carbon waste gas treatment equipment is installed to treat the waste gas according to environmental protection requirements. In 2023, online monitoring equipment was installed for continuous concentration monitoring. Substances that may damage the ozone layer are not used during our manufacturing processes.



Annual Emissions of Volatile Organic Compounds Unit: tonnes



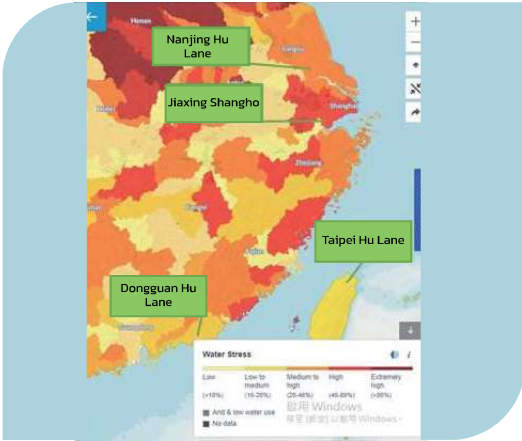
Online monitoring equipment

Organic waste gas treatment equipment:
UV+ activated carbon equipment

6.3 Water Resources and Waste Management

6.3.1 Water Resources Management

According to the scenario simulation analysis results using the Aqueeduct tools of the World Water Resources Institute (WRI), in 2030, Taipei Hu Lane faces a water shortage risk ranging from 10% to 20%; Nanjing Hu Lane Village faces a water shortage risk ranging from 20% to 40%; Dongguan Hu Lane and Dongguan Puguang face a water shortage risk ranging from 10% to 20%; Jiaxing Shangho faces a high water shortage risk ranging from 40% to 80%; Indonesia Hu Lane faces a high water shortage risk ranging from 40% to 80%; Hu Lane Vietnam faces a water shortage risk of less than 10%. Due to the high water shortage risk in area where Jiaxing Shangho is located, a 28m' water tower has been set up on the factory premises to store water for emergency use. Due to the high water shortage risk in area where Indonesia Hu Lane is located, water towers have been set up at the waterworks in the industrial zone where the factory is located to reserve water for emergency use.

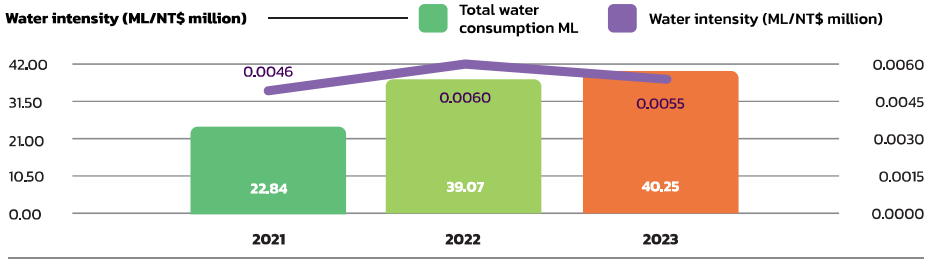


Risk of Water Shortage		Risk Mitigation Measures
Taipei Hu Lane	10%~20%	1. Jiaxing Shangho and Indonesia are at the highest risk of water shortage; therefore, water storage towers have been constructed. 2. The risk of water shortage is relatively high at Nanjing Hu Lane. In 2024, a water meter will be installed to monitor water consumption, and water balance tests will be conducted to avoid wasting water.
Nanjing Hu Lane	20%~40%	
Dongguan Hu Lane	10%~20%	
Jiaxing Shangho	40%~80%	
Indonesia Hu Lane	40%~80%	
Vietnam Hu Lane	<10%	

The source of water for Hu Lane Group is the tap water supplied by the Water Corporation. This water is mainly used for general domestic purposes and production, including electroplating process, product cleaning, air-conditioning cooling system, equipment cooling, and wastewater treatment, etc.

In order to conserve water resources, Taipei Hu Lane installed water-saving toilets in restrooms. The replacement of related water equipment is a priority of the water conservation strategy. The Company continuously evaluates water conservation measures, such as recycling of effluent into the manufacturing process for reuse, recycling of purified wastewater into cooling towers for reuse, recycling of process wastewater, and the R&D of low-water consumption production technologies.

Unit: ML	Total Water Intake	Total Water Discharge	Total Water Consumption	Total revenue in NT\$ million	Water intensity in ML/NT\$ million
2021	120.43	97.60	22.84	4,948.86	0.0046
2022	130.87	91.80	39.07	6,526.75	0.0060
2023	140.67	100.42	40.25	7,330.81	0.0055



With respect to wastewater treatment, all domestic wastewater undergoes pretreatment at the factory. It is then discharged to the sewage treatment plan for treatment through a dedicated pipe and finally released into the water body. In compliance with government regulations and laws, the domestic wastewater undergoes annual testing to ensure that it meets the acceptance standard of the sewage treatment plan.

Nanjing Hu Lane: mg/L	Total Suspended Solids	Emission standards	Ammonia nitrogen	Emission standards	Chemical oxygen demand	Emission standards	Total phosphorus	Emission standards	PH	Emission standards
2021	73.00	200.00	14.60	35.00	68.00	350.00	3.98	4.00	7.0	6~9
2022	58.00	200.00	26.90	35.00	217.00	350.00	2.67	4.00	7.3	6~9
2023	11.00	200.00	32.70	35.00	194.00	350.00	3.11	4.00	7.0	6~9

Vietnam Hu Lane: mg/L	PH	Emission standards	Total Suspended Solids (TSS)	Emission standards	Biochemical oxygen demand	Emission standards	BOD5	Emission standards	Nitrogen	Emission standards	Phosphate	Emission standards	Ammonia nitrogen NH4+/- N	Emission standards	FE	Emission standards	MN	Emission standards	Coliform	Emission standards
2021	7.48	5.5~9	5	100	3	150	1	50	5.60	40.00	0.15	6.00	1.20	10.00	0.22	5.00	<0.09	1.00	9.00	5000.00
2022	7.5	5.5~9	18	100	99	150	30	50	77.00	40.00	5.95	6.00	66.40	10.00	<0.10	5.00	0.03	1.00	46x10 ⁵	5000.00
2023	7.12	5.5~9	30	100	67	150	24	50	46.20	40.00	3.00	6.00	35.50	10.00	0.18	5.00	0.03	1.00	24x10 ⁵	5000.00

Note: Reason for exceeding the standard in the test report: Since the end of 2021, food delivery suppliers have required that tableware and tools be washed during the food delivery process. In addition, the number of people increased by 21% in 2022 compared to 2021 and by 45% in 2023 compared to 2021. Moreover, the septic tank is not regularly cleaned. The industrial zone where Vietnam Hu Lane Factory is located imposes additional fees for wastewater treatment due to excessive pollution.

Corrective measure: Clean the septic tank once a year.

Dongguan Hu Lane: mg/L	Total Suspended Solids	Emission standards	Ammonia nitrogen	Emission standards	Chemical oxygen demand	Emission standards	5-day biochemical oxygen demand	Emission standards	Phosphate	Emission standards	Animal and vegetable oils	Emission standards	Chroma	Emission standards	PH	Emission standards
2021	60.00	400.00	18.40	/	452.00	500.00	146.00	300.00	5	/	1.74	100	16	/	7.05	6~9
2022	64.00	400.00	16.50	/	387.00	500.00	130.00	300.00	0.52	/	2.97	100	2	/	7.8	6~9
2023	37.00	400.00	81.70	/	320.00	500.00	96.00	300.00	7.19	/	1.14	100	3	/	7.2	6~9

Indonesia Hu Lane: mg/L	PH	Emission standards	TSS Total Suspended Solids	Emission standards	Biochemical oxygen demand	Emission standards	BOD5	Emission standards	Nitrogen NO3	Emission standards	NO2	Emission standards	Ammonia nitrogen NH3+/- N	Emission standards	FE	Emission standards	MN	Emission standards	Coliform	Emission standards
2023	7.20	6~9	3.0	400	6.1	800	2	500	0.90	30.00	<0.008	2.00	<0.082	10.00	0.10	5.00	0.14	2.00	0	0.00v

Taipei Hu Lane: mg/L	Total Suspended Solids	Emission standards	Copper	Emission standards	Chemical oxygen demand	Emission standards	PH	Emission standards	Cyanide	Emission standards	Oil & Fat	Emission standards
2021	4.90	30.00	0.34	1.50	20	100.00	7.80	6~9	ND	1.00	1.20	10.00
2022	17.80	30.00	0.39	1.50	40	100.00	7.00	6~9	0.0040	1.00	1.10	10.00
2023	2.50	30.00	0.69	1.50	56	100.00	8.80	6~9	0.0020	1.00	4.10	10.00

Taipei Hu Lane's wastewater is finally released to the Keelung River. The wastewater treatment unit is equipped with a comprehensive mixing tank, a fast mixing tank, a PH adjusting tank, a slow mixing tank, a precipitation tank, a gravity-type concentrating tank, a neutralization tank, and a sludge dewatering equipment. Additionally, regular inspections are performed to ensure compliance with discharge standards.

Regarding the future development of electroplating, Taipei Hu Lane has decided to introduce a new cooperation model with outsourced electroplating companies in 2023. Therefore, the former electroplating project planned for 2022 was postponed, and the outsourced electroplating cooperation model was implemented first. Since the wastewater recycling system, which was included in the 2022 electroplating project, was not implemented, the target of reducing wastewater by 20% could not be achieved.

6.3.2 Waste Management

6.3.2.1 Material Topic: Waste Management

Adhering to the principle of improvement at the source, we start by enhancing efficiency in the production process, then reduce the consumption of raw materials, and control waste at the end of the process. The waste is recycled or disposed of by suppliers certified by qualified licenses, aiming to achieve the effect of waste resource recovery and utility maximization.

Policy / Commitment

Reduce raw material consumption in the manufacturing process, minimize waste generation at the end, and lessen the environmental impact of waste.

Short-term goals

1. Reduce the process scrap rate by 20%.
2. 5% reduction in hazardous waste at Taipei Hu Lane.
3. Reduction in general commercial waste at Taipei Hu Lane (40% reduction in paper used).

Medium- and long-term goals

1. Continue to reduce the process scrap rate by 20% (by 2025).
2. Continue to reduce the generation of hazardous commercial wastes and improve the manufacturing process to achieve a 5% reduction in overall waste (by 2025).
3. Continue to improve the reduction of general commercial waste and reduce paper consumption by 95% (by 2025).

1. Resources invested during the year 2. Concrete results

1. At the early stage of mold development, Hu Lane Group designed mold openings in a way that reduces material consumption and minimizes waste generation. In the first half of 2023, we achieved a 6% reduction in material consumption in the mold refurbishment project.
2. Furthermore, we pledge to continuously utilize recycled materials in the future development of new products to increase their reuse rate.
3. In 2023, Taipei Hu Lane was the first to introduce the paperless project, the BPM e-approval system, and to implement the online

approval for account payable vouchers. (This initiative, which was exclusive to Taipei Hu Lane this year, reduced paper consumption by 18,800 sheets) The project decreased paper usage by 25% annually and minimized the time spent searching for historical information.

Responsible department/ grievance mechanism

Independent reporting channel established by the Environmental Safety Unit of each operating site/Audit Office.

Evaluation Mechanisms/Outcomes

1. The actual EIP inspection scrap rate.
2. ISO 14001 external certification and regular verification.
3. Data on waste derived from the triplicate form used for commercial waste disposal.

6.3.2.2 Waste Generation and Management

Manufacturing waste includes: general commercial waste and hazardous commercial waste.

General commercial waste mainly includes waste plastics, copper scrap, silicone waste, stainless steel scrap, and waste pallets generated from manufacturing.

Hazardous commercial waste mainly includes copper-containing electroplating sludge, waste oil generated from manufacturing and maintenance, spent activated carbon, waste emulsion, obsolete containers, waste filter elements, waste mold cleaning fluid, and waste lamp tubes.

Domestic waste and kitchen waste are generated from employee offices, dormitories, and canteens. All wastes are classified, collected, and stored upon generation, and are disposed of by qualified suppliers certified with licenses.

Details of the qualified certificate for waste disposal obtained by suppliers



Hazardous commercial waste Unit: tonnes

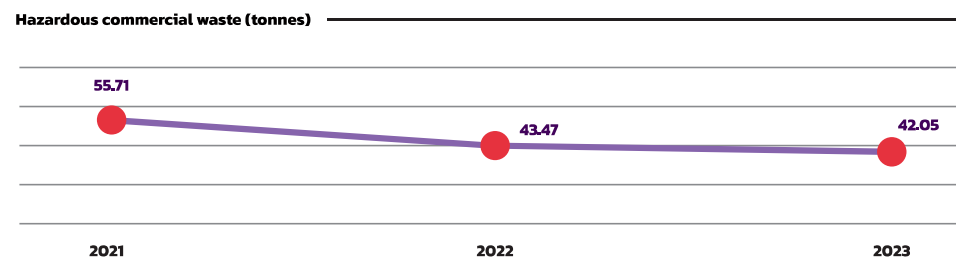
	2021	2022	2023	Disposal method	Off-site/on-site disposal
Electroplating sludge	47.58	32.70	29.60	Thermal treatment	Off-site
Waste chemical containers	0.57	0.27	0.33	Recycling	Off-site
Waste chemical containers	0.37	0.52	0.97	Incineration	Off-site
Spent activated carbon	4.10	4.22	5.20	Recycling	Off-site
Spent activated carbon	0.05	0.05	0.05	Incineration	Off-site
Waste oil	1.37	3.81	2.41	Recycling	Off-site
Waste oil	0.66	0.69	0.54	Incineration	Off-site
Waste cleaning solution	0.09	0.17	0.42	Materialization	Off-site
Waste cleaning solution	0.10	0.08	0.13	Effluent treatment system	Off-site
Waste emulsion	0.00	0.04	0.05	Incineration	Off-site
Waste containing oil	0.14	0.20	0.20	Incineration	Off-site
Waste containing oil	0.00	0.00	1.25	Effluent treatment system	Off-site
Waste lamps	0.05	0.05	0.10	Physical treatment	Off-site
Chemical-contaminated wipes	0.63	0.63	0.69	Incineration	Off-site
Waste batteries	0.00	0.00	0.08	Battery damage system	Off-site
Hazardous waste from printing machines	0.02	0.02	0.01	Incineration & Solidification	Off-site
Toxic Waste	0.00	0.01	0.02	Incineration & Solidification	Off-site
Subtotal	55.74	43.47	42.05		

General commercial waste Unit: tonnes

	2021	2022	2023	Disposal method	Off-site/on-site disposal
Domestic waste	298.54	352.63	358.73	Incineration & Landfill	Off-site
Waste wood	38.46	42.05	20.98	Recycling	Off-site
Waste paper	32.58	47.21	29.51	Recycling	Off-site
Stainless steel scrap	32.51	40.81	44.32	Recycling	Off-site
Waste plastics	838.27	1,202.07	1,107.98	Recycling	Off-site
Copper scrap	998.15	942.07	1,071.04	Recycling	Off-site
Silicone waste	23.62	45.46	50.09	Recycling	Off-site
PE film	3.84	3.96	0.24	Recycling	Off-site
Waste wires	0.00	0.75	1.45	Recycling	Off-site
Packaging materials	0.00	0.00	0.70	Recycling	Off-site
Subtotal	2,265.97	2,677.01	2,685.04		

6.3.2.3 Recycling and Reuse of Wastes

Waste treatment is based on resource recycling and reuse, supplemented by final disposal. In terms of control measures, the Company requires garbage classification as much as possible to avoid arbitrary disposal of waste, which may cause pollution issues. In addition, the Company also controls the waste at source. In addition to the implementation of garbage classification, we also advocate the reduction of paper waste by double printing general documents, using the blank side of scrapped documents as much as possible, and transferring files that can be saved without paper to electronic storage. Currently, Hu Lane Group's commissioned waste treatment methods include incineration and recycling. All of the waste treatment companies we work with are legal institutions.



6.4 Environmental Protection Management and Control

In order to prevent and mitigate the environmental impacts caused by business operations, Hu Lane Group has purchased safety-compliant equipment and installed pollution prevention facilities in accordance with law, recruited dedicated personnel, set up a dedicated unit, and introduced the ISO 14001:2015 environmental management system to continuously improve the environment based on the operational principle of the PDCA. For deficiencies identified by the competent authorities, the Company has endeavored to improve the situation in order to comply with the relevant laws and regulations, set targets for improvement, and reviewed the effectiveness of the improvement measures on a regular basis. No significant actual or potential negative impacts of our operating activities on local communities have been identified.

We formulate an environmental emergency response plan and allocate emergency materials. In the event of an environmental emergency or an accident that is likely to impose impacts on the environment, the environmental emergency response plan will be activated immediately to avoid or reduce environmental pollution.

In 2023, Taipei Hu Lane renewed the "Memorandum of Understanding on Disaster Prevention Cooperation" with the Xizhi District Office to join the enterprise disaster prevention team in the Xizhi District, hoping that we can integrate disaster prevention and material supply through the instructions of the Xizhi District Office during the flood prevention period. Through these efforts, we can greatly enhance the efficiency of disaster prevention and rescue in the event of large-scale disasters.



2023 chemical disaster drill



2023 chemical disaster drill (handling spilled substances)



2023 chemical disaster drill (protective equipment and material support)



Certificate of appreciation for "Enterprise Disaster Prevention Cooperation" issued by the New Taipei City Government



Group photo of the award presentation

07 Employee Relationship and Social Care

7.1 Human Rights Protection

In accordance with principles demonstrated by the International Bill of Human Rights, the International Labor Organization's Declaration of Fundamental Principles and Rights at Work, and other international human rights conventions, the Company's human rights policy is published after the approval of the Board of Directors.



7.2 Employee Overview

7.2.1 Employee Statistics

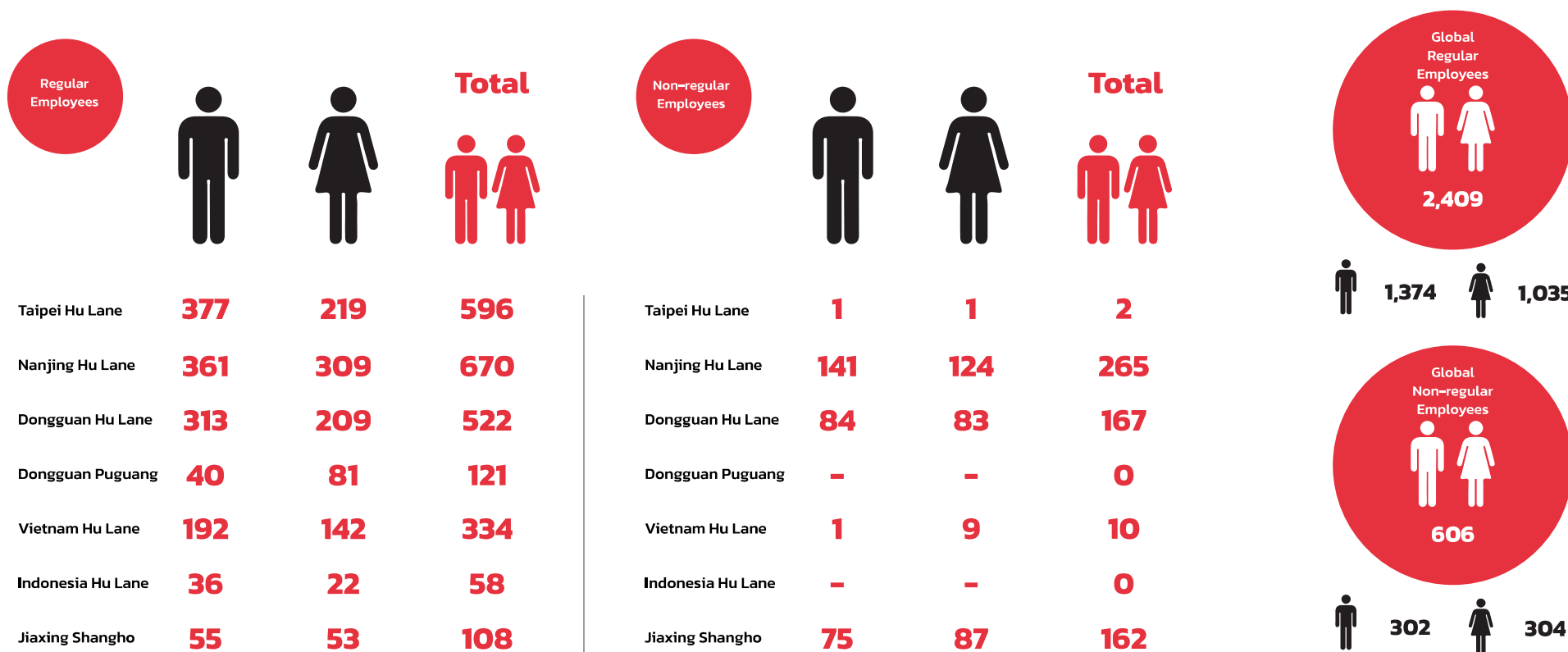
Hu Lane Group adheres to the people-oriented management principle and focuses on employee care and social responsibility, while complying with the Labor Standards Act of each region to provide employees with due respect and freedom to enable them to work under a reasonable and humane management and system.

Hu Lane Group is fair, just, open and objective in the talent recruitment process in terms of recruitment activities and interviews. Hu Lane Group does not discriminate against race, class, nationality, language, ideology, religion, party affiliation, origin, place of birth, gender, sexual orientation, age, marriage, appearance, facial features, physical and mental disabilities, astrological sign, blood type, labor representative, or past union membership in our job interviews, employment, training, salary, promotion, termination or retirement. We uphold the concepts of "the right person for the right job" and "making the best use of talent" to support and follow the international human rights concepts of meritocracy in selecting the best candidates for employment.

As of the end of 2023, the total number of employees at each operating location of Hu Lane Group was 3,015, including 2,409 full-time employees (79.90%) and 606 non-regular employees (20.10%).

Non-regular employees are mainly service workers hired by external dispatch companies and assigned to provide services at each operating location. There are a total of 605 service workers and temporary workers, as well as 1 professional contract consultant who is hired by Taipei Hu Lane.

There are 66 supervisors at middle-level or above, with female supervisors accounting for approximately 28.79%.



Hu Lane Group adopts a people-oriented approach that emphasizes employee benefits. In addition to 100% compliance with local laws and regulations, Hu Lane provides various Company benefits and retirement contributions, as well as group insurance (medical, disability) to protect the work and safety of employees. At the same time, the Company complies with the labor and human rights laws and regulations of each country, and promotes the important messages of human rights and labor rights protection and interests to new recruits and current employees.

New Employee Hires and Employee Turnover

New employees							Percentage					
Structure	Male	Female	Aged under 30	Aged 31-50	Aged over 50	Total	Male	Female	Aged under 30	Aged 31-50	Aged over 50	Total
Taipei Hu Lane	69	86	66	79	10	155	44.52%	55.48%	42.58%	50.97%	6.45%	100%
Nanjing Hu Lane	63	40	55	47	1	103	61.17%	38.83%	53.40%	45.63%	0.97%	100%
Dongguan Hu Lane	140	115	122	132	1	255	54.90%	45.10%	47.84%	51.76%	0.39%	100%
Dongguan Puguang	9	16	10	15	0	25	36.00%	64.00%	40.00%	60.00%	0.00%	100%
Vietnam Hu Lane	94	35	65	64	0	129	72.87%	27.13%	50.39%	49.61%	0.00%	100%
Indonesia Hu Lane	6	6	8	3	1	12	50.00%	50.00%	66.67%	25.00%	8.33%	100%
Jiaxing Shangho	38	27	33	30	2	65	58.46%	41.54%	50.77%	46.15%	3.08%	100%
Global	419	325	359	370	15	744	56.32%	43.68%	48.25%	49.73%	2.02%	100%

Resigned employees							Percentage					
Structure	Male	Female	Aged under 30	Aged 31-50	Aged over 50	Total	Male	Female	Aged under 30	Aged 31-50	Aged over 50	Total
Taipei Hu Lane	53	37	38	48	4	90	58.89%	41.11%	42.22%	53.33%	4.44%	100%
Nanjing Hu Lane	94	50	63	79	2	144	65.28%	34.72%	43.75%	54.86%	1.39%	100%
Dongguan Hu Lane	124	95	114	105	0	219	56.62%	43.38%	52.05%	47.95%	0.00%	100%
Dongguan Puguang	5	8	4	9	0	13	38.46%	61.54%	30.77%	69.23%	0.00%	100%
Vietnam Hu Lane	90	60	73	77	0	150	60.00%	40.00%	48.67%	51.33%	0.00%	100%
Indonesia Hu Lane	8	3	7	3	1	11	72.73%	27.27%	63.64%	27.27%	9.09%	100%
Jiaxing Shangho	14	4	9	9	0	18	77.78%	22.22%	50.00%	50.00%	0.00%	100%
Global	388	257	308	330	7	645	60.16%	39.84%	47.75%	51.16%	1.09%	100%

Note:

Total number of employees of the year: The total number of employees at the end of current year (December 31) shall prevail.

New recruitment rate = (total number of new employees in the specific category of the year/total number of employees of the year)*100%.

For example, new recruitment rate of female employees = (total number of new female employees of the year/total number of employees of the year)*100%.

Employee turnover = (total number of resigned employees in the specific category of the year/total number of employees of the year)*100%.
For example, employee turnover of those under the age of 30 = (total number of resigned employees under the age of 30 of the year/total number of employees of the year)*100%.

7.2.2 Diversity and Equal Opportunity

7.2.2.1 Material Topic: Employee Diversity and Equal Opportunity

The organization proactively promotes employee diversity and equal opportunity, which may bring significant benefits to both the organization and workers.

Policy / Commitment

Adopt an international perspective, enhance the value of individual differences and cultural diversity, create an honest, respectful, and inclusive workplace in both local and global work environments, and support socially/environmentally beneficial behaviors with actions to achieve sustainable management.

Short-term goals

1. Recruit, select, and appoint personnel through fair and open channels. Select talents according to the duties of each role, ensuring that the right person is in the right position.
2. The compensation management system refers to the concept of overall compensation, which can better reflect responsibilities and market conditions, encourage capacity improvements, and recognize performance contribution. It facilitates the realization of both medium and long-term organizational development strategies, annual work goals, and achieves talent incentives, attraction, and retention.

Medium- and long-term goals

1. Establish diverse recruitment channels based on organizational development, strategic workforce planning, and job responsibilities; embrace diverse employee compositions with an open mind; and provide reasonable compensation.
2. The Group's compensation strategy (with fixed compensation aimed at achieving market salary competitiveness of P50_80%).
 - 2.1 The overall compensation reflects job responsibilities, performance and capabilities, and is linked to external compensation benchmark markets.
 - 2.2 Supervisors should implement compensation communication to assist employees in understanding the correlation between compensation and responsibility and performance in order to encourage greater responsibility and continuous growth.
 - 2.3 Expand the differentiation of compensation and development between outstanding and general employees to motivate and retain excellent talent.
 - 2.4 Considering the operation, talent asset strategy, and talent competition, we use the leading companies in similar industries in different regions as the target of overall compensation benchmarking.
 - 2.5 To strengthen corporate governance and promote sustainable development, the remuneration of senior management is tied to ESG-related performance appraisals.

Resources invested during the year

Please refer to 7.2.2.2.

Concrete results

The Group's fixed compensation for 2023 is competitive with market salaries, P50_80%, salary reviews are conducted annually based on individual performance appraisal and salary competitiveness to ensure that employee compensation remains at a reasonable level.

Responsible department/ grievance mechanism

Independent reporting channel established by the Group Human Resources Division/Audit Office

Evaluation Mechanisms/Outcomes

1. Diversity statistics.
2. Annual review on salary.

7.2.2.2 Employee Diversity

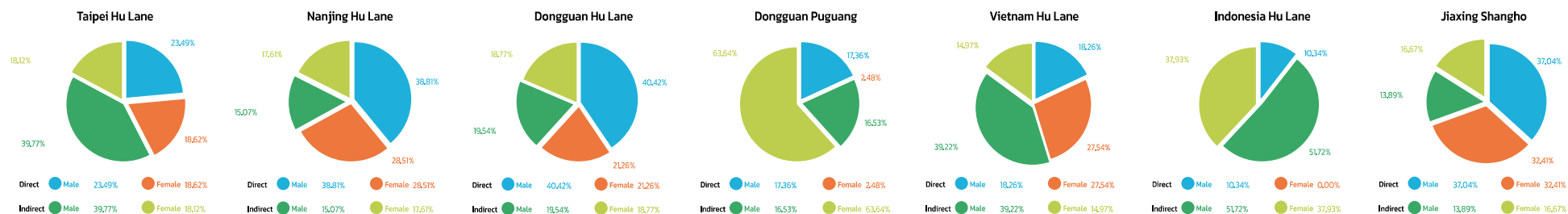
Direct															
		Taipei Hu Lane		Nanjing Hu Lane		Dongguan Hu Lane		Dongguan Puguang		Vietnam Hu Lane		Indonesia Hu Lane		Jiaxing Shangho	
		Number of people	Percentage	Number of people	Percentage	Number of people	Percentage	Number of people	Percentage	Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Gender	Male	140	23.49%	260	38.81%	211	40.42%	21	17.36%	61	18.26%	6	10.34%	40	37.04%
	Female	111	18.62%	191	28.51%	111	21.26%	3	2.48%	92	27.54%	0	0.00%	35	32.41%
Age	Aged under 30	97	16.28%	67	10.00%	65	12.45%	10	8.26%	64	19.16%	2	3.45%	28	25.93%
	Aged over 30 and under 50	138	23.15%	359	53.58%	244	46.74%	12	9.92%	87	26.05%	4	6.90%	46	42.59%
	Over 50	16	2.68%	25	3.73%	13	2.49%	2	1.65%	2	0.60%	0	0.00%	1	0.93%
Academic background	Graduate Institute	1	0.17%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
	College and University	70	11.74%	86	12.84%	16	3.07%	0	0.00%	10	2.99%	0	0.00%	11	10.19%
	Others	180	30.20%	365	54.48%	306	58.62%	24	19.83%	143	42.81%	6	10.34%	64	59.26%

Note: Percentage of direct employees under the age of 30 = (total number of direct employees under the age of 30 in the year/total number of employees of the year) * 100%.

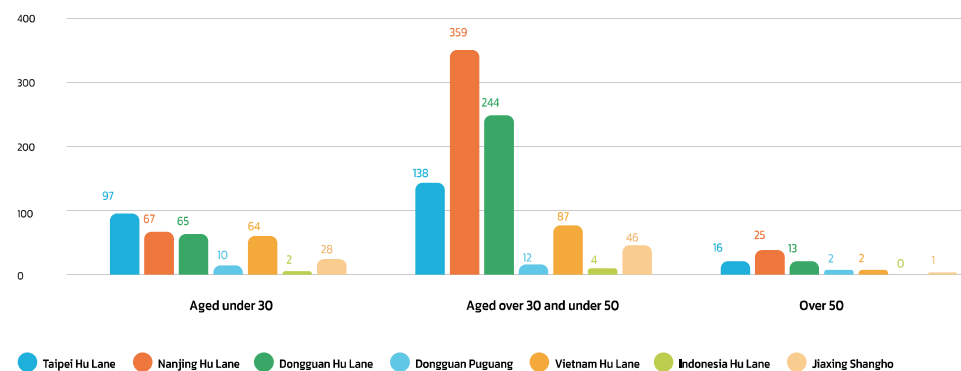
Note: Percentage of indirect employees with graduate institute education level = (total number of indirect employees with graduate institute education level/total number of employees of the year)*100%.

Indire															
		Taipei Hu Lane		Nanjing Hu Lane		Dongguan Hu Lane		Dongguan Puguang		Vietnam Hu Lane		Indonesia Hu Lane		Jiaxing Shangho	
		Number of people	Percentage	Number of people	Percentage	Number of people	Percentage	Number of people	Percentage	Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Gender	Male	237	39.77%	101	15.07%	102	19.54%	20	16.53%	131	39.22%	30	51.72%	15	13.89%
	Female	108	18.12%	118	17.61%	98	18.77%	77	63.64%	50	14.97%	22	37.93%	18	16.67%
Age	Aged under 30	45	7.55%	77	11.49%	80	15.33%	15	12.40%	77	23.05%	20	34.48%	9	8.33%
	Aged over 30 and under 50	238	39.93%	139	20.75%	108	20.69%	80	66.12%	102	30.54%	27	46.55%	22	20.37%
	Over 50	62	10.40%	3	0.45%	12	2.30%	2	1.65%	2	0.60%	5	8.62%	2	1.85%
Academic background	Graduate Institute	44	7.38%	4	0.60%	0	0.00%	0	0.00%	3	0.90%	4	6.90%	0	0.00%
	College and University	235	39.43%	174	25.97%	130	24.90%	59	48.76%	114	34.13%	22	37.93%	17	15.74%
	Others	66	11.07%	41	6.12%	70	13.41%	38	31.40%	64	19.16%	26	44.83%	16	14.81%

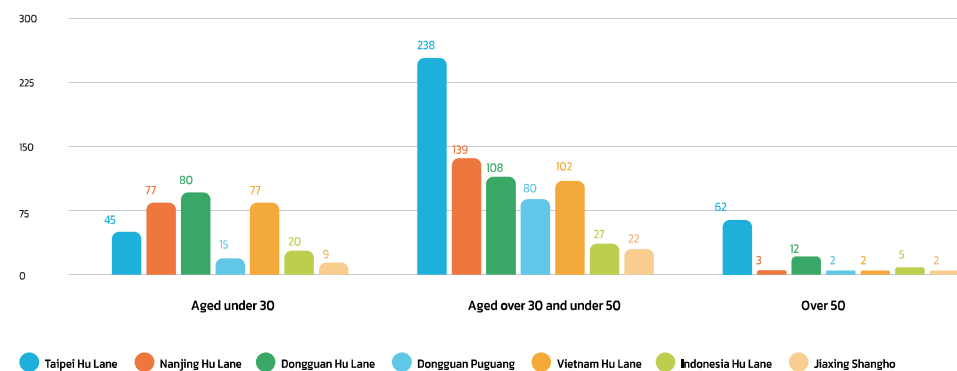
Gender distribution among employees



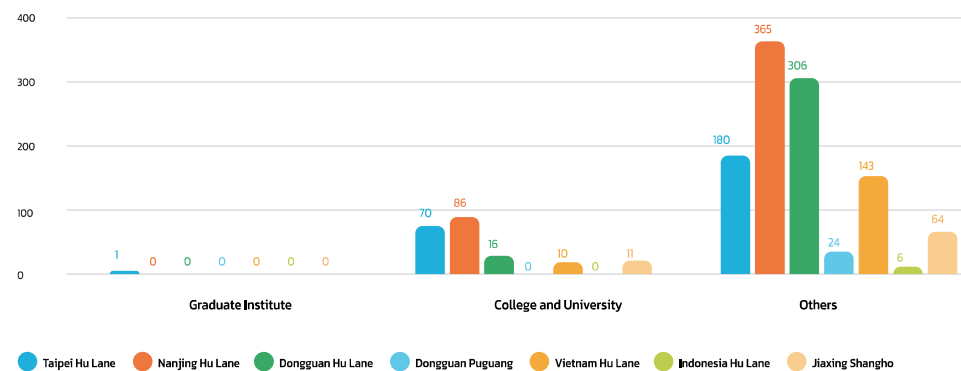
Age Distribution of Direct Employees



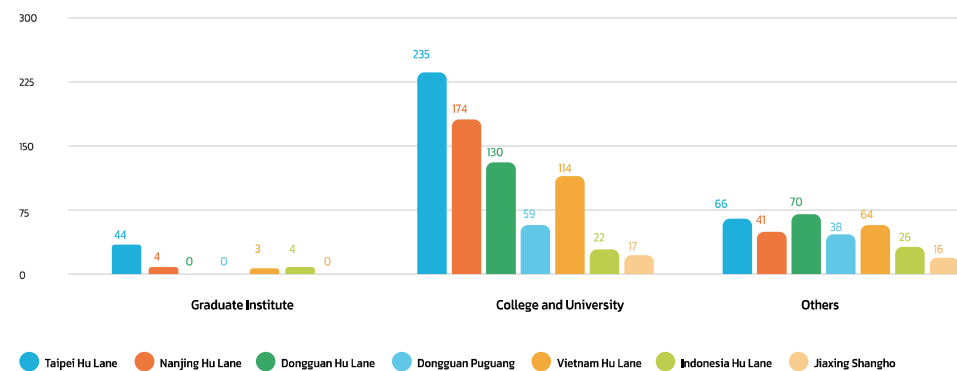
Age Distribution of Indirect Employees



Academic Background Distribution of Direct Employees



Academic Background Distribution of Indirect Employees



7.3 Compensation and Benefits

7.3.1 Remuneration Policies

- ✓ The Company's remuneration policies also ensure that there is no difference in the salary of employees based on their gender, age, race, religion, or political bias.
- ✓ Job responsibilities: The overall compensation reflects job responsibilities, performance and capabilities, and is linked to external compensation benchmark markets.
- ✓ Employee communication: Supervisors should implement compensation communication to assist employees in understanding the correlation between compensation and responsibility and performance in order to encourage greater responsibility and continuous growth.
- ✓ Talent motivation: Expand the differentiation of compensation and development between outstanding and general employees to motivate and retain excellent talent.
- ✓ Benchmark market: Considering the operation, talent asset strategy, and talent competition, we use the leading companies in similar industries in different regions as the target of overall compensation benchmarking.
- ✓ If there is a profit for the year, 1% to 10% thereof shall be allocated as employee remuneration, and no more than 1% thereof shall be allocated as remuneration to directors. However, when the Company still has accumulated deficits, the Company shall reserve the amount to compensate in advance, and then appropriate the aforementioned proportion as remuneration to employees and remuneration to directors.

7.3.2 Process to Determine Remuneration

The Remuneration Committee meets regularly at least twice a year to professionally and objectively review the annual and long-term performance goals, remuneration policies and system structure of directors and managers, make recommendations to the Board of Directors, and determine the content and amount of their individual remuneration as a reference for decision-making. Decisions on remuneration for each region of Hu Lane Group are made on the basis of the remuneration levels offered in the external market. Internal remuneration scales are adjusted regularly on an annual basis to ensure that remuneration is in line with the market. The Company has also implemented an overall remuneration package that reflects the responsibilities, performance and capabilities of the positions in accordance with the remuneration policy in order to attract, motivate and retain outstanding talent.

7.3.3 Annual Total Compensation Ratio

Highest Individual Total Compensation in the Company (A) (Note 1) **5,749,507**

Countries Where Major Operating Sites Are Located	Taipei Hu Lane	Nanjing Hu Lane	Dongguan Hu Lane	Dongguan Puguang	Vietnam Hu Lane	Indonesia Hu Lane	Jiaxing Shangho
Median of Total Compensation for Other Employees at Each Major Site (B) (Note 2)	608,603	437,261	392,748	348,545	95,405	194,360	322,725
Ratio (A/B)	9.45	13.15	14.64	16.50	60.26	29.58	17.82
Percentage of Increase in Total Compensation of the Highest Paid Individual over the Total Compensation of the Previous Year (C)				-3.16%			
Median of Percentage Increase in Total Compensation of Other Employees at Each Major Site (D)	3.91%	1.78%	-0.38%	0.46%	10.49%	8.96%	46.94%
Ratio (C/D)	-0.81	-1.78	8.25	-6.95	-0.30	-0.35	-0.07

Note:

1. Annual total compensation is defined as all compensation paid by the Company to an employee during a full year, including salaries, bonuses, stock awards, option awards, non-equity incentive plan compensation, changes in pension amounts and unvested deferred compensation gains, and all other compensation.

2. Other employees include senior management, but do not include the highest paid individual. Item B should be the median of the annual total compensation of all employees (excluding the highest paid individual) in different companies, such as the median of individual employee salaries within each company.

3. When calculating the median of annual total compensation for employees in the past two years within each company separately, the medians do not necessarily represent that of the same employees.

7.3.4 Compensation Ratio for Employees of Different Genders

Hu Lane Group's employee compensation and benefits comply with applicable laws and regulations, including minimum wage, working hours (including overtime), insurance, pension systems and other statutory benefits. There is no difference in payment based on gender or ethnicity. Both men and women receive the same starting salary and equal pay for equal work. In order to protect the rights and interests of entry-level employees, we regularly review the remuneration level every year to ensure that it is in compliance with or better than the local laws and regulations.

Ratio of standard wages to local basic wages



Note 1: For the definition of the entry-level employees, please refer to the definition of the Company's internal labor system. For example, direct employees refer to those at job ranks O63 to O65 and P51 to P53 within Hu Lane Group; entry-level employees specifically denote full-time employees only, excluding interns or dispatched personnel.

Note 2: The standard wages refer to the monthly wages offered to entry-level employees (the definition is the same as the regular earnings stipulated by the Labor Standards Act).

Ratio of Basic Salary and Remuneration of Women to Men

Major Operating Sites	Employee Categories	Item	Male	Female
Taipei Hu Lane	Direct (Note 3)	Basic Wage	1.60	1
		Compensation	1.74	1
	Indirect (Note 3)	Basic Wage	0.98	1
		Compensation	0.93	1
Nanjing Hu Lane	Direct	Basic Wage	1.06	1
		Compensation	1.08	1
	Indirect	Basic Wage	1.17	1
		Compensation	1.16	1
Dongguan Hu Lane	Direct	Basic Wage	1.26	1
		Compensation	1.31	1
	Indirect	Basic Wage	1.17	1
		Compensation	1.00	1
Dongguan Puguang	Direct	Basic Wage	1.11	1
		Compensation	1.08	1
	Indirect	Basic Wage	1.24	1
		Compensation	1.39	1
Vietnam Hu Lane	Direct	Basic Wage	1.19	1
		Compensation	1.32	1
	Indirect	Basic Wage	0.90	1
		Compensation	0.98	1
Indonesia Hu Lane	Direct	Basic Wage	-	- Note 2
		Compensation	-	-
	Indirect	Basic Wage	1.14	1
		Compensation	1.13	1
Jiaxing Shangho	Direct	Basic Wage	1.57	1
		Compensation	1.58	1
	Indirect	Basic Wage	1.18	1
		Compensation	1.19	1

Note 1: Basic wage refers to the minimum fixed amount paid for employees' performance of their duties, excluding any additional compensation such as overtime pay, bonuses, or various allowances. Compensation refers to the basic wage plus additional amounts paid to workers. "Additional amounts paid to workers" include allowances for seniority of service, bonuses (including cash and stock options), benefits, overtime pay, compensatory leave, and any other allowances (e.g., allowances for transportation, living, and childcare).

Note 2: There are no female direct employees in our Indonesia Plant.

Note 3: Direct employees refer to those at job ranks O63 to O65 and P51 to P53 within Hu Lane Group, while indirect employees refer to those at job ranks P51-P53 within the Group.

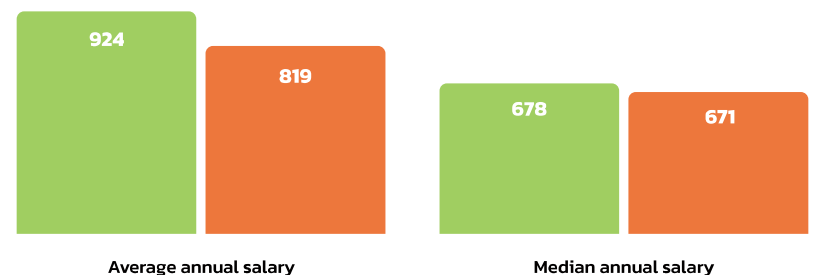
7.3.5 Mean and Median Salary of Full-Time Employees who are not in a Managerial Position

Mean and Median Salary of Full-Time Employees who are not in a Managerial Position				Unit: Persons/NT\$ thousand
Full-time employees who are not in a managerial position	Number of employees	Average annual salary	Median annual salary	
2022	399	924	678	
2023	509	819	671	
Difference	+110	-105	-7	

Number of full-time employees who are not in a managerial position



Salary of full-time employees who are not in a managerial position (Unit: NT\$ thousand)



7.3.6 Proportion of Senior Management Hired From the Local Community

Major Operating Sites	Total number of senior executives	Number of Local Residents Employed as Senior Management	Percentage
Taipei Hu Lane	38	38	100.00%
Nanjing Hu Lane	13	10	76.92%
Dongguan Hu Lane	12	10	83.33%
Dongguan Puguang	5	4	80.00%
Vietnam Hu Lane	6	2	33.33%
Indonesia Hu Lane	4	1	25.00%
Jiaxing Shangho	4	3	75.00%

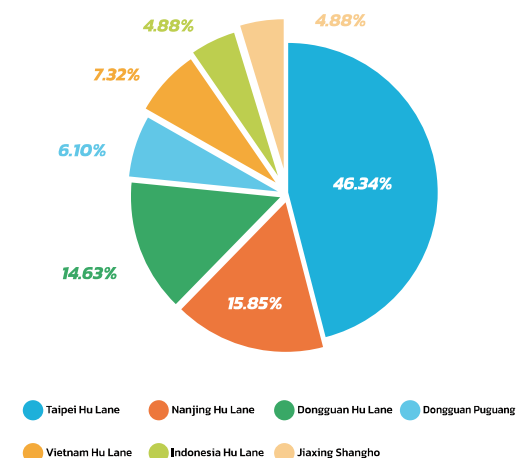
Note 1: Local residents: Based on the employees with local status.

Note 2: Definition of senior executives: Senior executives are the department heads with local status.

7.3.6 Percentage of Senior Management at Each Operating Site

Major Operating Sites	Number of people	Percentage
Taipei Hu Lane	38	46.34%
Nanjing Hu Lane	13	15.85%
Dongguan Hu Lane	12	14.63%
Dongguan Puguang	5	6.10%
Vietnam Hu Lane	6	7.32%
Indonesia Hu Lane	4	4.88%
Jiaxing Shangho	4	4.88%
Total	82	100.00%

7.3.6 Percentage of Senior Management at Each Operating Site



7.3.7 Benefits Provided to Full-time Employees that Are Not Provided to Temporary or Part-time Employees

7.3.7.1 Employee Rights and Interests

In order to boost the domestic employment market, we have invested a large amount of resources in recruiting talent in accordance with the Company's employment plan. Even during financial tsunami and economic downturn, we hope to protect the rights and interests of employees and fulfill corporate social responsibility. With respect to the work-related injuries of employees, the Company also grants leave for work-related injuries in accordance with relevant regulations and actual circumstances, and assists employees in applying for insurance subsidies.

7.3.7.2 Welfare Measures

Employees of all operating locations are entitled to a variety of benefits, including regular annual health checkups, year-end dinner parties and drawings, holiday bonuses (Labor Day, Dragon Boat Festival, and Mid-Autumn Festival), employee training programs, family days and other diversified activities. We have established an employee cafeteria and a dedicated nursing room for pregnant women. We have also established the "Employee Welfare Committee" in accordance with the Employees' Welfare Funds Act, which is responsible for handling employee benefit-related matters, setting up education scholarships (for employees' on-the-job training and children's education), providing regulations and applications for subsidies related to weddings, funerals and celebrations, offering birthday gifts for employees of the month, and arranging employee travel to promote exchanges.

Employee Benefit Items	Taipei Hu Lane	Nanjing Hu Lane	Dongguan Hu Lane	Dongguan Puguang	Vietnam Hu Lane	Indonesia Hu Lane	Jiaxing Shangho
Wedding/Funeral Subsidies	✓	✓	✓	✓			✓
Holiday Bonus	✓	✓	✓	✓	✓	✓	✓
Performance Bonus	✓	✓	✓	✓	✓	✓	✓
Annual Health Checkup	✓	✓	✓	✓	✓	✓	✓
Employee Cafeteria	✓	✓	✓	✓	✓	✓	✓
Aerobics Class	✓						
Employee Dormitory	✓	✓	✓	✓			✓
Parental Leave	✓	✓	✓	✓			✓
Retirement System	✓	✓	✓	✓			✓
Mid-Autumn Festival Gift		✓			✓		✓
Year-end Party	✓	✓	✓	✓	✓	✓	✓
Employee Family Day	✓				✓		
Employee Travel	✓	✓	✓	✓	✓	✓	✓
Employee Uniform	✓	✓	✓	✓	✓	✓	✓
Foreign Language Education Training	✓	✓	✓	✓	✓	✓	✓

Taipei Hu Lane
Year-end parties;
Family Day events



Nanjing Hu Lane
Year-end parties;
employee travel



Dongguan Hu Lane
Employee travel;
holiday activities



Jiaxing Shangho
Employee travel;
festival activities



Vietnam Hu Lane
Year-end parties;
employee travel



Indonesia Hu Lane
Dinner Parties for
Holiday of Breaking the
Fast



7.3.7.3 Parental Leave

Hu Lane Group complies with local labor laws and regulations and implements the parental leave without pay. After the period of parental leave without pay has expired, we will assist employees in arranging reinstatement to their former unit and position or provide counseling.

Note 1: The number of employees eligible for parental leave without pay refers to the number of both male and female employees who applied for maternity leave and paternity leave without pay in the most recent 3 years.

Note 2: Reinstatement rate = (total number of employees reinstated in the year/total number of employees eligible for reinstatement in the year)*100%.

Note 3: Retention rate = (total number of employees remained in service for 12 months after reinstatement in the previous year/the number of employees reinstated in the previous year)*100%.

2023

Parental Leave Without Pay/Year	Male	Female
Number of employees eligible for parental leave without pay <Eligible in 2023>	7	3
Number of employees applying for parental leave without pay	1	2
Number of employees who should be reinstated upon expiry of the parental leave without pay (A)	0	1
Number of employees actually reinstated upon expiry of the parental leave without pay (B) (including early reinstatement)	0	1
Reinstatement rate (B/A)	100%	100%
Number of employees who remained in service 12 months after reinstatement upon expiry of the parental leave without pay in the preceding year (C)	1	1
Retention rate (C/previous year B)	100%	100%

7.4 Talent Training

7.4.1 Material Topic: Talent Training

The sustainable operation and growth of the Company rely on all employees leveraging their management and professional capabilities to the fullest. Through training and development mechanisms at various organizational levels, we continuously enhance the competitiveness of supervisors and colleagues, enabling the Company to become the leading brand of vehicle connectors in the world.

Policy / Commitment

The Company has established dedicated organizations and units to provide corresponding training and learning resources to supervisors and colleagues at various organizational levels and positions, assisting with their job functions and career development.

Short-term goals

1. 100% completion rate of education and training for new employees and in-service employees.
2. Enhance employees' cohesion and recognition of the Company, and achieve a 100% completion rate for education and training on core values and core competencies.
3. 100% completion rate for the strategic human resources planning project. The project will transition from a simple estimation of annual manpower to a human resources plan that links medium and long-term operational strategies. This approach will ensure the enterprise achieves its strategic goals with both high quality and adequate human resources.
4. 100% implementation rate of annual development of high-potential talents.
5. 100% implementation rate of performance management and development (PMD), focusing on improving the work performance and abilities of supervisors and colleagues.
6. Stay current and re-evaluate the blueprint for career development and the table for professional skills to assist employees in their career development.

Medium- and long-term goals

1. 100% completion rate of education and training for new employees and in-service employees.
2. 100% implementation rate of annual development of high-potential talents.
3. 100% implementation rate of performance management and development (PMD), focusing on improving the work performance and abilities of supervisors and colleagues.
4. 100% completion rate for the annual management and professional skills inventory, focusing on the continuous growth of colleagues' abilities and their career development.
5. Improve the leadership of supervisors through leadership training courses for high-performance supervisors and build a senior management talent pool. The mid-term goal for 2027 is to have 50 individuals in this talent pool.
6. Continuously introduce management and professional courses to enhance employees' innovative application and competitiveness.

Resources invested during the year / Concrete results

1. 100% completion rate of education and training for new employees and in-service employees.
2. The achievement rate of education training on Hu Lane Group's core values and core competencies reached 100%, with NT\$3,300,000 invested in the project.
3. Completed the analysis and recommendations for the workforce structure of units managed by first-level supervisors at Group Headquarters and Taipei Hu Lane. Based on the labor market data, the workforce structure prediction, which is oriented toward data analysis and logic, improved the overall employment efficiency. An investment of NT\$3,300,000 was made in this project during the year.
4. Identified 21 high-potential individuals through the annual inventory for high-potential talent development.
5. The implementation rate of performance management and development (PMD) reached 100%.
6. Clarified the career development channels for each position through the blueprint for career development and table for professional skills project, and standardized professional skill requirements for promotion at each level. An inventory of employees' professional skills is scheduled for 2024, and weaknesses identified in the inventory will be included in the annual education program to enhance employees' professional capabilities.

Responsible department/grievance mechanism

Independent reporting channel established by the Group Human Resources Division/Audit Office

Evaluation Mechanisms/Outcomes

1. Achieve annual education and training targets.
2. Post-training satisfaction surveys.
3. Annual development of high-potential talents.
4. Performance management and development (PMD) plan.
5. Blueprint for career development and table for professional skills.

Talent training and education training: Talent is an important asset of the Group and an important foundation for the Group's operations.

To cultivate the talent needed for the operation and development, the Company has established the [Group Education and Training Program] to regulate the education training system and training guidelines, and review the annual training plan for the needs of the Company and employees from time to time. Training is conducted accordingly to enhance knowledge and skills. Through the talent training system, the Company strengthens management ability development and business knowledge, reserves management and professional talents at all levels, and encourages employees to self-study at the same time. Hu Lane Group's training system is divided into orientation training for new recruits and training for in-service employees. On-the-job training can be divided into professional (technical) training, management training, development training, project training, and self-enlightenment according to the nature of training.



Average Hours of Training per Year per Employee

Average hours of training for employees		Taipei Hu Lane	Nanjing Hu Lane	Dongguan Hu Lane	Dongguan Puguang	Vietnam Hu Lane	Indonesia Hu Lane	Jiaxing Shangho
Average hours of training per employee		16.30	6.14	42.58	31.24	44.02	10.69	1.21
Average training hours by employee gender	Female	14.20	5.86	46.41	31.73	40.70	9.08	2.39
	Male	17.52	6.38	40.02	30.26	46.63	11.68	2.48
Average training hours by employee category	Direct	11.97	3.84	37.14	34.92	21.96	16.00	1.75
	Indirect	21.33	10.87	51.34	30.33	63.44	10.08	3.98

Note 1: Average training hours per employee = total training hours for the year/total number of employees at the end of the year.

Note 2: Average training hours per female employee = total training hours of female employees for the year/total number of female employees at the end of the year.

Note 3: Average training hours per employee in each category = total training hours of employees in the category for the year/total number of employees in the category at the end of the year.

Explanation for the difference in training hours:

The operating locations, including Dongguan Hu Lane, Dongguan Puguang, Vietnam Hu Lane, and Indonesia Hu Lane, offered training in language, quality system, and VDA in 2023, and thus their average training hours were higher than those of other operating locations.

7.4.2 Programs for Upgrading Employee Skills and Transition Assistance Programs

We have established the career development blueprint for each position, continuously strengthened the professional skills training for existing employees, and provided education and training resources in an attempt to achieve continuous improvement within the organization, constantly strengthen the quality of positions, motivate employees to learn, and enhance the professional capability and skills of employees, thereby strengthening the competitive advantage of the organization in the market.

Hu Lane Group's professional skills system clearly plans the career development blueprint and professional skills for each position, hoping that employees are equipped with the capabilities needed by the organization. By doing so, employees can take initiatives to grow and learn, as well as keep abreast of the Company's organizational development in the future to achieve meritocracy, thus stimulating employees in active pursuit of career development and promoting the sustainable growth of both employees and the enterprise to create a win-win situation.

Employees are provided with annual training in management or professional capability for the career planning of retired employees. If employees intend to continue to work, the Company assists in contacting employment counseling institutions or provides information on vocational training and skill classes offered by the government agencies to facilitate a smoother transition to their retirement careers.

In addition, the Company pays severance payments to employees who have left the Company involuntarily in accordance with laws and regulations and inquire whether they need employment services or vocational training in accordance with regulations.

7.4.3 Percentage of Employees Receiving Regular Performance and Career Development Reviews

The concept of Hu Lane Group's overall compensation system is to recognize each employee's responsibilities, capability development and performance, and encourage all employees to be more proactive, challenge the current status and take responsibility, in order to continue to grow and demonstrate excellent performance, thereby creating a brighter future for their career development in the Hu Lane Group. Performance Management & Development (PMD) system is to assist the Company or unit performance growth curve to continue to move forward, while assisting the capability development of each employee, in a hope to enable the Hu Lane Group to stand out in the global competitive market. In this regard, the Company conducts performance appraisals for employees who have taken positions for at least three months.

Number of Employees Appraised/Number of Employees

Number of Employees Who Have												
By Region	Number of Male Employees Appraised	Number of Male Employees	Percentage %	Number of Female Employees Appraised	Number of Female Employees	Percentage %	Direct Appraisal	Number of Direct Employees	Percentage %	Indirect Appraisal	Number of Indirect Employees	Percentage %
Taipei Hu Lane	357	377	94,69%	191	219	87,21%	215	251	85,66%	333	345	96,52%
Nanjing Hu Lane	357	361	98,89%	294	309	95,15%	433	451	96,00%	218	219	99,54%
Dongguan Hu Lane	295	313	94,25%	194	209	92,82%	297	322	92,24%	192	200	96,00%
Dongguan Puguang	40	40	100,00%	79	81	97,53%	24	24	100,00%	95	97	97,94%
Vietnam Hu Lane	178	192	92,70%	135	142	95,07%	150	153	98,04%	163	181	90,06%
Indonesia Hu Lane	35	36	97,22%	20	22	90,90%	6	6	100,00%	49	52	94,23%
Jiaxing Shangho	45	55	81,82%	48	53	90,57%	62	75	82,67%	31	33	93,94%
Total	1,307	1,374	95,12%	961	1,035	92,85%	1,187	1,282	92,59%	1,081	1,127	95,92%

7.5 Labor-Management Communication

Smooth communication between employers and employees facilitates labor-management cooperation, enables employees to understand the Company's production plans, business overview and market conditions, while allowing the Company's management to keep abreast of the labor conditions of its employees so as to build a friendly workplace based on the needs of its employees.

Hu Lane Group abides by laws and regulations. Its internal personnel administration and management complies with the local labor laws and regulations of each of its operating sites. In accordance with the law, a labor-management meeting is held at least once every three months at the operating site in Taipei, with representatives of the employer attending at the level of the President, the CEO, the head of corporate governance, and the head of the factory, to coordinate labor-management relations, and promote labor-management cooperation through regular communications between the parties. By doing so, employees are able to express their opinions and request better labor conditions, effectively enhancing the status of workers.

In addition to regular labor meetings, Hu Lane Group has also implemented the Group's employee satisfaction survey. Through employee satisfaction feedback, employees can fully express their opinions through diversified communication channels. The Company can also respond in a timely manner and turn their suggestions into policies for implementation. It has resulted in harmonious labor-management relations without any labor disputes at Hu Lane Group in recent years.

Minimum Notice Periods Regarding Operational Changes

Taipei Hu Lane	Dongguan Hu Lane (including Puguang and Hong Kong)	Nanjing Hu Lane	Vietnam Hu Lane	Indonesia Hu Lane	Jiaxing Shangho
The minimum notice period is in accordance with the Labor Standards Act and other related laws and regulations.	30 working days in advance	30 working days in advance	30 working days in advance	10 days in advance as required by laws	30 working days in advance

7.6 Occupational Safety and Health

7.6.1 Material Topic: Occupational Health and Safety

With employee safety and health as our important strategic direction, we implement and improve resources required for the occupational health and safety management system, and demonstrate our commitment to continuously improving the occupational health and safety performance.

Policy / Commitment

Hu Lane Group, together with labor representatives, formulated the occupational safety and health policy, which was approved by the Chairman. This policy aims to protect the safety and health of all employees and vendors and to prevent occupational hazards. With the goal of achieving net zero material occupational hazard incidents, we pledge to establish and prioritize action plans based on Hu Lane Group's occupational safety and health strategy. We will also continuously review and improve the management system to enhance occupational safety and health performance.

Short-term goals

1. Provide contractor safety management and hazard notification education and training to 100% of contractors.
2. Implement the toxic-free environment plan (Taipei Hu Lane).

Medium- and long-term goals

1. Implementation of employee care system: Employee health checkup is implemented every year to care for employees' health and provide a friendly workplace.
2. Obtain the AED safe workplace certification.

1. Resources invested during the year

1. Identify the applicability of laws and regulations and conduct compliance audit.
2. Optimize ramp safety in the parking lot.
3. Improve the hot and humid environment at the operating premises.
4. Provide education and training for professionals.

2. Concrete results

5. Invested NT\$226,692 in the AED safe workplace certification, with a completion rate of 50%. The certification is expected to be obtained in 2024.
6. Certified with the Workplace Health Activation Mark.
7. Passed the external certification of ISO 45001 – achieved the goal for 2023.

Responsible department/ grievance mechanism

Independent reporting channel established by the Occupational Safety Unit of each operating site/Audit Office.

Evaluation Mechanisms/Outcomes

1. Percentage of contractors who have completed education and training.
2. Project report.

7.6.2 Hu Lane Group's Occupational Safety and Health Vision and Development Strategy

- ✓ Corporate occupational safety and health vision: Build a workplace environment where people can "live and work in happiness."
- ✓ Corporate occupational safety and health mission: "Zero hazards and zero accidents"
- ✓ Corporate occupational safety and health goal: "Zero occupational disasters"
- ✓ Strategic directions to achieve the goal of zero occupational hazards: A. Compliance with regulatory requirements B. Continuous environmental improvement C. Implementation of education training D. Promotion of health and safety.

7.6.3 Occupational Health and Safety Management System

To align with occupational safety regulations, the employer shall hold the ultimate responsibility for protecting the safety and health of employees. The management shall provide the resources required for establishing, implementing, and improving an occupational health and safety management system, and demonstrate their commitment to the continuously improving occupational health and safety performance. In accordance with the "Environment, Occupational Safety and Health Management Handbook" and "Workplace Health and Safety Rules" of the Hu Lane Group (Taipei Hu Lane), we implement management according to hierarchical responsibilities. As supplements, we utilize the self-developed response platform for health management, occupational safety inspection, and emergent material incident, the occupational disaster statistics, and a digital information management system for data analysis, contractor, and access control to supervise the health and safety management effectiveness of all workers in each business unit. Hu Lane Group has also incorporated requirements related to occupational safety and health into the procurement process, and the safety standards of suppliers are consistent with ours.

Hu Lane Group (Taipei Hu Lane) began to implement the ISO 45001:2018 Occupational Health and Safety Management System in 2022. In April 2023, it passed external third-party verification to implement the ISO 45001:2018 Occupational Health and Safety Management System. We will use the consistent standard to manage our employees, contractors, security guards, logistics, group meal providers, cleaning staff, and other workers within our factory premises. The internal audit coverage rate of the occupational safety and health management system was 100%, covering more than 615 workers. The coverage rate of external third-party verification was 86%, covering more than 529 workers. Other factory premises adopt relevant management programs and execution records, including internal audit, to develop occupational safety and health management in accordance with the laws and regulations of their respective countries.

ISO 45001:2018 Certificate



7.6.4 Occupational Safety and Health Education Training

The occupational safety and health education training at Hu Lane Group includes training, promotion, on-the-job training, and announcements. Employees receive at least three hours of safety and health education training every three years, and training effectiveness or satisfaction surveys are conducted to enhance employees' knowledge of health and safety. We also plan occupational safety and health related training based on the local laws and regulations of each country and develop occupational safety and health training programs tailored to local conditions.

2023 Education and Training Statistics			
Category	Number of sessions	Number of participants	Total hours
License – As required by the laws and regulations of the competent authorities (external training)	12	27	231
Non-license – General safety and health education and training (internal training)	54	3,939	12,909
Contractor hazard notification	62	175	175
Total	128	4,141	13,315

* Scope of data: Hu Lane Group.

* License: Obtained as required by the laws and regulations of the competent authority, such as for supervisors in charge of harmful operations, first aid personnel, etc.,

* Non-license: Tailored to individual needs of each factory premises, such as general safety and health, emergency response, etc.



2023.10.17 – General Occupational Safety and Health Education and Training for New Employees (Taiwanese)



2023.10.19 – General Occupational Safety and Health Education and Training for New Employees (Vietnamese) in the afternoon



2023.11.07 – New Employees (Filipino)



2023 Fire Drill (Instruction)



2023 Fire Drill (Hands-on)



2023 Fire Drill (Evacuation)



2023 Fire Drill – First Aid (AED)



2023 Internal Auditor Education and Training



2023 Hazard Identification Education and Training



2023 SOP for Grinder Operations



2023 Internal Orientation Training on Sustainability and Human Rights Policy Department

2023 Contractor Hazard Notification (IKEA)



2023 Contractor Hazard Notification (Tai De)



2023 Contractor Hazard Notification (Tai De)



2023 Contractor Hazard Notification (SHANG WEN)

7.6.5 Occupational Health and Safety Committee Composed of Labor and Management

To facilitate good communication regarding occupational safety and health, we encourage all workers to provide suggestions on the occupational safety and health policies formulated by the employer. Labor representatives, elected by employees through voting, along with occupational safety and health personnel and factory supervisors, form the Occupational Safety and Health Committee. Labor representatives for the Taipei Region constitute more than one-third of the total committee members. Each region or location holds at least one meeting every three months. The Committee is authorized to jointly review, evaluate, coordinate, and recommend safety and health-related matters and make decisions.



2023 Occupational Health and Safety Committee meetings

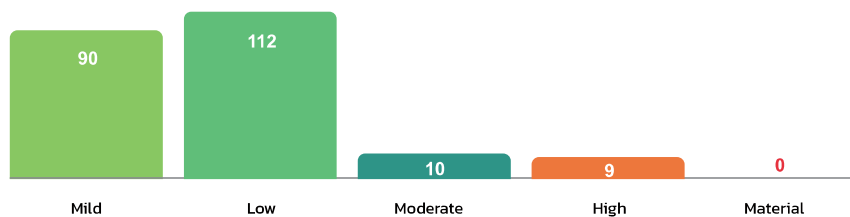
7.6.6 Hazard Identification

Hu Lane Group (Taipei Hu Lane) conducts comprehensive hazard identification on a yearly basis. Through operation procedure review, on-site observation, operation inspection, document audit, and other methods, operational safety and health supervisors, trained in occupational safety and health, hazard identification, and assessment, or dedicated personnel from each unit perform hazard identification of risk associated with physical, chemical, biological, and ergonomic factors for all operations of all business units.

7.6.7 Risk Classification and Control

The identified hazards are quantified based on frequency, severity, and the number of individuals affected, to calculate the risk coefficient. If the risk assessment results indicate material risks and high risks, they should be included in the material risk control list for control; medium risks, depending on the situation and feasibility, can also be included in the control list after discussion at the Occupational Safety and Health Committee/management review meeting. The items on the control list are prioritized for audit. Auditors from each business unit, who have received professional education training on hazard identification and risk assessment, along with occupational safety and health personnel from the premises and their respective work teams, conduct management audits at the premises.

Graphical Chart of the Quantity of Risk at Each Level



Overview Table of Hazard Identification and Risk Level

	Mild	Low	Moderate	High	Material	Total
Automated Warehouse Area	14	14	2	2	0	32
Molding Team	5	10	1	3	0	19
Automation Design Team	8	5	1	0	0	14
Stamping Team	2	8	0	1	0	11
Stamping Equipment Maintenance Team	6	10	1	0	0	17
Legal Office	0	5	0	0	0	5
Quality Control Section	3	0	0	0	0	3
Procurement Section	0	10	1	0	0	11
Product Department	1	2	0	0	0	3
Assembly Section	2	8	0	1	0	11
Equipment Maintenance Team	10	7	0	0	0	17
Technology Development Department	23	5	0	1	0	29
Plastic Maintenance Department	8	8	1	0	0	17
Information Department	0	5	0	0	0	5
Electroplating Department	4	6	3	1	0	14
Audit Office	4	2	0	0	0	6
Sales Division	0	7	0	0	0	7
Total	90	112	10	9	0	221

7.6.8 Audit and Correction

Hu Lane Group (Taipei Hu Lane) conducts internal and external audits and inspections annually as per the management plan. These are supplemented by unscheduled surprise inspections and biannual operating environment monitoring to continuously monitor and track the effectiveness of occupational safety and health management. If non-compliance is found in premises and facilities, auditors may, according to the actual condition, notify the violator of violations against laws or regulations, requiring them to make improvements within a limited time period and conduct regular follow-up and re-inspections. The inspected premises shall assign personnel to record any non-conformities and submit them to the Occupational Safety and Health Office for assistance and review of improvement progress. If it is found that there is a possibility of immediate harm, the person in charge of the premises shall immediately stop the operation and take appropriate measures to protect the safety of personnel.

7.6.10 Incident Response and Management

In the event of an occupational accident at the workplace, the Company's occupational safety and health personnel and the person in charge of the workplace, together with the worker's representative, will classify the occupational accident as either a material accident, an ordinary accident, or a false alarm based on internal definitions. They will then report the incident accordingly, investigate its cause, conduct analysis, and maintain records. Additionally, they will formulate appropriate countermeasures to improve work methods. These measures will be reported at each level according to administrative procedures and implemented after approval by the supervisor.

7.6.9 Worker Hazard Reporting Process

If the findings indicate immediate hazards to workers and no preventive measures are taken, or operations are not suspended, the person in charge of the unit may be informed to halt operations on-site until the improvements are completed and notify its subordinate business units. If improvements are not made within the deadlines, the incident may be reported to the management for discussion on handling matters such as upgrading the risk management level and preventive measures, with results reported to the subordinate business units.

The "Workplace Health and Safety Rules" clearly stipulates that if there is a potential safety hazard in the workplace, a worker may voluntarily halt work or evacuate to a safe place, provided it does not endanger other workers. They must then immediately report the hazard to the person in charge of the workplace. The Company will protect the privacy and rights of workers, who refuse or withdraw from work in hazardous or dangerous situations, to prevent unfair retaliation and treatment.

In the case of an incident classified as material incident, the factory's emergency response team will assemble a task force based on their mission to undertake relevant responsive actions. The Labor Inspection Agency of the region where the factory is located shall be informed within 8 hours of awareness. Additionally, they will initiate a root cause investigation, utilize hazard identification to conduct analysis, categorize the type of hazard, verify the operating environment condition and existing protective measures, and assess the risk level accordingly to determine control measures. Within one week, an improvement plan shall be proposed and the incident shall be announced to prevent the reoccurrence of similar incidents.

7.6.11 Statistics on Work-related Injuries of Employees	2021	2022	2023
Number of work-related fatalities	0	0	0
Work-related fatalities rate (Note 1)	0.00	0.00	0.00
Number of serious work-related injuries	0	0	0
Serious work-related injury rate (Note 2)	0	0	0
Number of recordable injuries/number of work-related injuries	3	1	7
Total recordable injury frequency rate/work-related injury rate (TRIFR/IR) (Note 3)	0.51	0.14	0.89
Number of lost-time injuries/number of disabling injuries	3	1	7
Lost-time injury frequency rate/disabling injury frequency rate (LTIFR/FR) (Note 4)	0.51	0.14	0.89
Main types of work-related injuries	Cutting injuries, abrasions, crush injuries, bruises	Pinch injury	Cutting injuries, abrasions, bruises, mechanical injuries, falling injuries, injuries caused by falling from heights
Total hours worked	5,895,982	7,312,553	7,875,414

Note 1. Work-related fatalities rate = (the number of work-related fatalities ÷ total hours worked) × 1,000,000.

Note 2. Serious work-related injury rate = (the number of employees with serious work-related injuries excluding fatal accidents and total lost days greater than 180 days ÷ total hours worked) × 1,000,000.

Note 3. Total Recordable Injury Frequency Rate/Work-related Injury Rate (TRIFR/IR) = (the number of recordable work-related injuries ÷ total hours worked) × 1,000,000.

Note 4. Lost-Time Injury Frequency Rate/Disabling Injury Frequency Rate (LTIFR/FR) = (the number of employees with work-related injuries resulting in lost days ÷ total hours worked) × 1,000,000.

7.7 Occupational Health Services and Health Promotion

7.7.1 Adequate Medical Staff Arrangement

The labor health service team of Hu Lane Group (Taipei Hu Lane) includes contracted occupational medicine physicians and dedicated occupational health nurses to jointly protect the health of our employees. In response to the pandemic, an online reporting system has been set up for employees to report their illness status in real-time. We have created a pandemic prevention section on our official Line account to provide employees with real-time pandemic prevention information. Similar mechanisms exist in our overseas locations. Employees can receive appropriate guidance and care in the workplace through on-site, referral, and first aid services provided by contracted occupational medicine physicians and dedicated occupational health nurses.

7.7.2 Employee Health Checkups

Every year, we organize employee health checkups, as well as regular health checkups for special operation, covering all employees. We also provide health checkup contents that exceed regulatory requirements; for example, adding items such as ultrasound, electrocardiogram, cancer screening, etc. We incorporate the four-cancer screening into our health checkups and include occupational health protection assessments for middle-aged and elderly employees in response to the revision of the Labor Standards Act.

7.7.3 Employee Physical and Mental Health Consultation and Assistance

Hu Lane Group deploys labor health service medical professionals to jointly promote occupational safety and health. They regularly assist the Company in the implementation of health management matters, engage in preventive measures for psychological or musculoskeletal diseases, provide health consultation and services, and strengthen the assessment and management of workers with high occupational health risks. Based on the hazard factors affecting the physical and mental health of employees within the organization, improvement measures are proposed to protect the physical and mental health of employees and prevent occupational diseases.

7.7.4 Diversified Health Promotion Activities

Hu Lane Group regards employees as the Company's most important asset. Therefore, we always voluntarily invest a lot of resources in the physical and mental health of relevant employees and care about matters related to the promotion of workplace health. In addition to the matters stipulated by law, we are always willing to give more consideration, such as Hu Lane sports day, health lectures, fat burning competitions, online sports competitions, club activities, etc. By doing so, we hope to create a safe and comfortable work environment for employees, so that employees can devote themselves to their work while considering their physical and mental health as part of their annual goals to invest in sustainably, ultimately achieving physical and mental balance.

2023 Health Checkup Statistics

Note: Employees with occupational contraindications have been transferred to positions of non-special operations.

Category	Number of Eligible Attendants	Number of Actual Attendants	Attendance Rate	Level 1 and Level 2 Management (Non-Occupational Contraindication)	Level 3 and Level 4 Management (Occupational Contraindication)
General health checkups	1,712	1,712	100%	-	-
Health examination for special operations involving noise	270	270	100%	269	1
Health examination for special operations involving n-Hexane	7	7	100%	7	0
Health examination for special operations involving dust	134	134	100%	134	0
Special health examination for noisy and dusty work	52	52	100%	52	0
Special health examination for noisy and high-temperature work	24	24	100%	23	1
Special health examination for glacial acetic acid-related and high-temperature work	2	2	100%	2	0
Special health examination for dusty and high-temperature work	1	1	100%	1	0
Special health examination for high-temperature work	1	1	100%	1	0
Total	2,203	2,203	100%	489	2

Note: Employees with occupational contraindications have been transferred to positions of non-special operations.

2023 Health Management and Care Statistics

Number of participants

Health management and care offered by contracted occupational medicine physicians	68
Health management and care offered by dedicated nurses	119
Maternity protection and care	3
Overload protection and care	5
Ergonomic hazard protection and care	11
Total	206

2023 Health Promotion Activities Statistics

Number of sessions

Number of participants

Total hours

Sports Day	12	755	755
Health Lectures	4	102	145
Fat Loss Competition	1	100	-
Online Sports Competition	1	132	-
Badminton Club Activities	70	560	1,120
Total	88	889	1,372

7.7.5 Occupational Disease Prevention

We regularly assess workers' health, in collaboration with contracted occupational medicine specialists and environmental monitoring data, to prevent occupational diseases. The medical staff engaged in labor health services conducts individual and workload-induced illness risk factor assessments for employees working in shifts, at night, for long hours, and with other abnormal workloads. These initiatives enable them to identify individuals at high risk of occupational diseases such as irregular lifestyle, frequent travel, abnormal temperatures, noise, jet lag, and mental stress. Based on the annual health checkup results and calculation table of "Framingham Risk Score," they are able to estimate the risk level of cardiovascular diseases within 10 years and implement hierarchical management measures for preventing occupational diseases. In 2023, the number of deaths due to occupational diseases and incidents attributed to occupational diseases are both 0.

7.7.6 Occupational Disease Risk Classification and Management Measures

Risk Level Triggering Illness	Graded Management	Contents of Management Measures
Class A, Class B	Self-health management	1. Working hour management, 2. Regular health checkups and management.
Class C	Care interview	If the workload needs to be adjusted, the case will be referred to the physician engaged in labor health services for evaluation and advice.
Class D	Consultation offered by physicians engaged in labor health services	Conduct various health assessments and provide instructions according to the "Mental and Physical Care and Consultation Form."



2023 Health Checkup



2023 Health Checkup



Health management and care offered by a contracted occupational medicine physician in 2023



Health management and care offered by a contracted occupational medicine physician in 2023



2023 Health Promotion Event – Health Lectures



2023 Health Promotion Event – Health Lectures



2023 Online Sports Competition



Badge of Accredited Healthy Workplace

2023



In 2023, Taipei Hu Lane sponsored the Fountain of Wisdom Theater's charity performance and participated in volunteer services. We invited children from eight elementary schools in rural areas (a total of 405 children) to enjoy the performance. The performances simulated how to cope with and protect ourselves during disasters, and conveyed confidence and hope to minimize children's fear and the impact of disasters.

✓ 8 volunteers
Children at eight elementary schools in rural areas
(A total of 405 schoolchildren benefited)



In response to the care of the environment as a sustainable corporate responsibility, Taipei Hu Lane held two sessions of "New Taipei Shihmen | Beihai Ecological Park & One-Day Ecological Butlers" in 2023. We enlisted 76 employees as one-day ecological wetlands volunteers to help clean up the salvinia molesta, an introduced plant species in ecological wetlands, as well as weeds and sludge in the wetlands. This effort aimed to reduce the damage caused by invasive species to native wildlife and plants in aquatic ecosystem. Over the two sessions, a total of 2,424 kg of salvinia molesta, weeds, and sludge were removed.

✓ 76 volunteers, cleaning up 2,424 kg of salvinia molesta, weeds, and sludge.



From 2008 to 2023, Taipei Hu Lane has organized 16 "Caring for the Disadvantaged, Sharing Love" charity events. The proceeds from the employee charitable sales and the Company's donations are all used to fund the "Vulnerable Families: Saving Children From Starvation Program" of the World Peace Society, with which we have a long-term partnership. This support helps ensure that children have enough to eat and can attend school with peace of mind.

✓ 210 items were raised for donation
Donations amounted to NT\$404,525

✓ Beneficiary organizations – World Peace Society and Huashan Social Welfare Foundation 615 beneficiaries



In 2023, Vietnam Hu Lane carried out the "Hu Lane Sending Warmth and Contributing Love to Society" charity event. We helped [remote kindergarten] with material donations and environment cleaning, as well as visited [orphanage] with donated materials.

✓ 83 items were raised; 2 volunteers; beneficiary organizations: the Najang Community in Quang Binh, Ha Giang Province and the Humanitarian Center of the Hai Duong Red Cross Society; 300 beneficiaries



To support local small-scale farmers with practical actions, Taipei Hu Lane purchased their organic agricultural products as the Labor Day gifts for our employees, thanking and rewarding them for their contributions.

✓ 1,200kg of organic rice



In 2023, each operating site of Hu Lane Group organized a public welfare blood drive titled "Blood Donation to Spread Love, Accompanied by Hu Lane," calling on employees at all operating sites to roll up their sleeves and contribute to society. ✓ A total of 151 employees donated 49,100 ml of blood in total.

✓ A total of 151 employees participated in the blood donation drive, contributing 49,100 ml of blood.

Statement of Use | Hu Lane Associate Inc. has prepared the report in accordance with the GRI Standards.
Reporting Period: January 1, 2023 ~ December 31, 2023.

GRI 1 used | GRI 1: Foundation 2021
Applicable GRI industry standards | Not applicable

GRI 2: General Disclosures 2021

Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
The Organization and Its Reporting Practices	2-1	Organizational Details	02 About This Report	3	
	2-2	Entities Included in the Organization's Sustainability Reporting			
	2-3	Reporting Period, Frequency and Contact Point			
	2-4	Restatements of Information	6.2.3 Greenhouse Gas and Carbon Emissions	54	The 2022 greenhouse gas inventory data was updated and disclosed based on the information audited by an external third party.
	2-5	External Assurance	02 About This Report	3	
Activities and Workers	2-6	Activities, Value Chain and Other Business Relationships	4.1 Group Profile ~ 4.2 Business Philosophy 5.5 Value Chain Management	16~23 43	
	2-7	Employees	7.2 Employee Overview	64	
	2-8	Workers Who Are Not Employees			
Governance	2-9	Governance Structure and Composition	5.1 Corporate Governance Practices	27	
	2-10	Nomination and Selection of the Highest Governance Body		27~29	
	2-11	Chair of the Highest Governance Body			
	2-12	Role of the Highest Governance Body in Overseeing the Management of Impacts			
	2-13	Delegation of Responsibility for Managing Impacts			
	2-14	Role of the Highest Governance Body in Sustainability Reporting			
	2-15	Conflicts of Interest			
	2-16	Communication of Critical Concerns			
	2-17	Collective Knowledge of the Highest Governance Body			
	2-18	Evaluation of the Performance of the Highest Governance Body			
	2-19	Remuneration Policies	7.3.1 Remuneration Policies 7.3.2 Process to Determine Remuneration 7.3.3 Annual Total Compensation Ratio	68	
	2-20	Process to Determine Remuneration			
	2-21	Annual Total Compensation Ratio			

GRI 2: General Disclosures 2021

Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
Strategy, Policies and Practices	2-22	Statement on Sustainable Development Strategy	3.1.2 Sustainability Strategy and Promotion 5.1.5 Business Integrity 5.2 Risk Management 7.1 Human Rights Protection	5 31 32 63	
	2-23	Policy Commitments			
	2-24	Embedding Policy Commitments			
	2-25	Processes to Remediate Negative Impacts			
	2-26	Mechanisms for Seeking Advice and Raising Concerns			
	2-27	Compliance with Laws and Regulations	5.1.5 Business Integrity	31	
Stakeholder Engagement	2-28	Membership Associations	4.5 Participation in Associations	26	
	2-29	Approach to Stakeholder Engagement	3.2.2 Stakeholder Communication	10	
	2-30	Collective Bargaining Agreements	-	-	Not applicable/none of the operating sites have signed it

GRI 3: Material Topics 2021

Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
Material Topics	3-1	Process to Determine Material Topics	3.2.3 Identification of Material Topics 3.2.4 Management of Material Topics	11-14	
	3-2	List of Material Topics			

Economic aspect

★ Economic Performance

GRI 3: Material Topics 2021	3-3	Management of Material Topics	5.3.1 Material Topic: Operational Performance	36	
GRI 201: Economic Performance 2016	201-1	Direct Economic Value Generated and Distributed	5.3.2 Operational Overview	38	
	201-2	Financial Implications and Other Risks and Opportunities Due to Climate Change	-	-	Information unavailable/incomplete Hu Lane Group has not yet identified climate-related risks and opportunities, and has no information on strategies and risk management mechanisms to disclose. It is expected to be implemented in 2024.
	201-3	Defined Benefit Plan Obligations and Other Retirement Plans	5.3.3 Defined Benefit Plan Obligations and Other Retirement Plans	39	
	201-4	Financial Assistance Received From Government	5.3.4 Financial Assistance Received From Government	39	

Market Presence					
Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
GRI 202: Market Presence 2016	201-1	Ratios of Standard Entry Level Wage by Gender Compared to Local Minimum Wage	7.3.4 Compensation Ratio for Employees of Different Genders 7.3.6 Proportion of Senior Management Hired From the Local Community	69~70	
	202-2	Proportion of Senior Management Hired From the Local Community		71	
Indirect Economic Impacts					
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure Investments and Services Supported	7.8 Social Engagement	84~85	
	203-2	Significant Indirect Economic Impacts			
Procurement Practices					
GRI 204: Procurement Practices 2016	204-1	Proportion of Spending on Local Suppliers	6.1.1 Local Procurement Information	50	
★ Anti-corruption					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	5.1.5 Business Integrity	31	
GRI 205: Anti-corruption 2016	205-1	Operations Assessed for Risks Related to Corruption	-	-	Incomplete information disclosure/assessment is expected to be completed before the end of 2025
	205-2	Communication and Training About Anti-corruption Policies and Procedures	05 Ethical Governance 5.1.5 Business Integrity	31	
	205-3	Confirmed Incidents of Corruption and Actions Taken	-	-	Incomplete information disclosure/assessment is expected to be completed before the end of 2025
Anti-competitive Behavior					
GRI 206: Anti-competitive Behavior 2016	206-1	Legal Actions for Anti-Competitive Behavior, Anti-Trust, and Monopoly Practices	5.1.5 Business Integrity	31	
Tax					
GRI 207: Tax 2019 Management Approach	207-1	Approach to Tax	5.3.5 Tax Governance	40	
	207-2	Tax Governance, Control, and Risk Management			
	207-3	Stakeholder Engagement and Management of Concerns Related to Tax			
★ Innovative R&D					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	5.4.1 Material Topic: Innovative R&D	41	
Self-defined Material Topics	Innovation-1	Resources Invested in R&D During the Year	5.4.1 Material Topic: Innovative R&D	41	

★ Customer Relations

Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
GRI 3: Material Topics 2021	3-3	Management of Material Topics	5.5.2 Customer Relationship Improvement	45	
Self-defined Material Topics	Customers-1	Customer Satisfaction Survey of the Year	5.5.2 Customer Relationship Improvement	45	

★ Information Security

GRI 3: Material Topics 2021	3-3	Management of Material Topics	5.6.1 Material Topic: Information Security	48	
Self-defined Material Topics	Information Security-1	Occurrence of Information Security Incident During the Year	5.6.1 Material Topic: Information Security	48	

Environmental aspect

★ Materials

GRI 3: Material Topics 2021	3-3	Management of Material Topics	6.1 Material Topic: Raw Material Management	50	
GRI 301: Materials 2016	301-1	Materials Used by Weight or Volume	6.1.2 Recycling and Reuse of Raw Materials	51	
	301-2	Recycled Input Materials Used	6.1.2 Recycling and Reuse of Raw Materials	51	
	301-3	Reclaimed Products and Their Packaging Materials	6.1.2 Recycling and Reuse of Raw Materials	51	

★ Energy

GRI 3: Material Topics 2021	3-3	Management of Material Topics	6.2.1 Material Topic: Energy Conservation and Greenhouse Gas Management	52	
GRI 302: Energy 2016	302-1	Energy Consumption Within the Organization	6.2.2.1 Total Energy Consumption Within the Organization	52	
	302-2	Energy Consumption Outside of the Organization	6.2.2.2 Energy Consumption Outside the Organization	53	
	302-3	Energy Intensity	6.2.2.3 Energy Consumption Intensity	53	
	302-4	Reduction of Energy Consumption	6.2.2.4 Energy Conservation	53-54	
	302-5	Reductions in Energy Requirements of Products and Services	5.4.2 Green New Energy Products	42	

Water and Effluents

GRI 303: Water and Effluents 2018 Management Approach	303-1	Interactions with Water as a Shared Resource	6.3.1 Water Resources Management	57	
GRI 303: Water and Effluents 2018	303-2	Management of Water Discharge-related Impacts			
	303-3	Water Withdrawal			
	303-4	Water Discharge			
	303-5	Water Consumption			

★ Emissions

Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
GRI 3: Material Topics 2021	3-3	Management of Material Topics	6.2.1 Material Topic: Energy Conservation and Greenhouse Gas Management	52	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG Emissions	6.2.3 Greenhouse Gas and Carbon Emissions	54~56	
	305-2	Energy Indirect (Scope 2) GHG Emissions			
	305-3	Other Indirect (Scope 3) GHG Emissions			
	305-4	GHG Emissions Intensity			
	305-5	Reduction of GHG Emissions	6.2.3 Greenhouse Gas and Carbon Emissions	54~56	
	305-6	Emissions of Ozone-depleting Substances (ODS)	No ozone-depleting substances are generated from the raw materials used in the Company's manufacturing process.	-	
	305-7	Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Air Emissions	6.2.4 Volatile Organic Compounds Control	56	

★ Waste

GRI 3: Material Topics 2021	3-3	Management of Material Topics	6.3.2.1 Material Topic: Waste Management	59	
GRI 306: Waste 2020 Management Approach	306-1	Waste Generation and Significant Waste-related Impacts	6.3.2.2 Waste Generation and Management 6.3.2.3 Recycling and Reuse of Wastes	59~61	
	306-2	Management of Significant Waste-related Impacts			
GRI 306: Waste 2020	306-3	Waste Generated			
	306-4	Waste Diverted From Disposal			
	306-5	Waste Directed to Disposal			

★ Supplier Environmental Assessment

GRI 3: Material Topics 2021	3-3	Management of Material Topics	5.5.1 Material Topic: Sustainable Supply Chain	43	
GRI 308: Supplier Environmental Assessment 2016	308-1	New Suppliers that Were Screened Using Environmental Criteria			
	308-2	Negative Environmental Impacts in the Supply Chain and Actions Taken			

Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
Employment					
GRI 401: Employment 2016	401-1	New Employee Hires and Employee Turnover	7.2.1 Employee Statistics	64	
	401-2	Benefits Provided to Full-time Employees that Are Not Provided to Temporary or Part-time Employees	7.3.7.2 Welfare Measures 7.3.7.3 Parental Leave	72~73	
	401-3	Parental Leave			
	Salary	The number of full-time employees who are not in a management position, mean and median salary of full-time employees who are not in a management position, and the difference in these figures between the current year and the previous year should be disclosed.	7.3.5 Mean and Median Salary of Full-Time Employees who are not in a Managerial Position	71	
Labor/Management Relations					
GRI 402: Labor/Management Relations 2016	402-1	Minimum Notice Periods Regarding Operational Changes	7.5 Labor-management communication	77	
★ Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	7.6.1 Material Topic: Occupational Health and Safety	78	
★ Occupational Health and Safety					
GRI 403: Occupational Health and Safety 2018 Management Approach	403-1	Occupational Health and Safety Management System	7.6.3 Occupational Health and Safety Management System	78	
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	7.6.6 Hazard Identification 7.6.7 Risk Classification and Control 7.6.8 Audit and Correction 7.6.9 Worker Hazard Reporting Process 7.6.10 Incident Response and Management 7.6.11 Statistics on Work-related Injuries	80~81	
	403-3	Occupational Health Services	7.7 Occupational Health Services and Health Promotion	82	
	403-4	Worker Participation, Consultation, and Communication on Occupational Health and Safety	7.6.5 Occupational Health and Safety Committee Composed of Labor and Management	80	
	403-5	Worker Training on Occupational Health and Safety	7.6.4 Occupational Safety and Health Education Training	79	
	403-6	Promotion of Worker Health	7.7 Occupational Health Services and Health Promotion	82	
	403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	7.6.4 Occupational Safety and Health Education Training 7.6.3 Occupational Health and Safety Management System	78~79	
GRI 403: Occupational Health and Safety 2018	403-8	Workers Covered by an Occupational Health and Safety Management System	7.6.3 Occupational Health and Safety Management System	78	
	403-9	Work-related Injuries	7.6.11 Statistics on Work-related Injuries	81	
	403-10	Work-related Ill Health	7.7.5 Occupational Disease Prevention	83	

★ Training and Education

Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
GRI 3: Material Topics 2021	3-3	Management of Material Topics	7.4.1 Material Topic: Talent Training	74	
GRI 404: Training and Education 2016	404-1	Average Hours of Training per Year per Employee	7.4.1 Material Topic: Talent Training	74~75	
	404-2	Programs for Upgrading Employee Skills and Transition Assistance Programs	7.4.2 Programs for Upgrading Employee Skills and Transition Assistance Programs	76	
	404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	7.4.3 Percentage of Employees Receiving Regular Performance and Career Development Reviews	76	

★ Diversity and Equal Opportunity

GRI 3: Material Topics 2021	3-3	Management of Material Topics	7.2.2.1 Material Topic: Diversity and Equal Opportunity	66	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of Governance Bodies and Employees	5.1.2.2 Implementation of the Diversity Policy of the Board of Directors 5.1.2.3 Board of Directors Diversity Statistics 7.2.2.2 Employee Diversity	28 66~67	
	405-2	Ratio of Basic Salary and Remuneration of Women to Men	7.3.4 Compensation Ratio for Employees of Different Genders	69~70	

Non-discrimination

GRI 406: Non-discrimination 2016	406-1	Incidents of Discrimination and Corrective Actions Taken	7.1 Human Rights Protection	63	
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Child Labor

GRI 408: Child Labor 2016	408-1	Operations and Suppliers at Significant Risk for Incidents of Child Labor	7.1 Human Rights Protection	63	
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Forced or Compulsory Labor

GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labor	7.1 Human Rights Protection	63	
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Security Practices

GRI 410: Security Practices 2016	410-1	Security Personnel Trained in Human Rights Policies or Procedures	7.1 Human Rights Protection	63	
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Rights of Indigenous Peoples

GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of Violations Involving Rights of Indigenous Peoples	7.1 Human Rights Protection	63	
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Local Communities

Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
GRI 413: Local Communities 2016	413-1	Operations with Local Community Engagement, Impact Assessments, and Development Programs	6.4 Environmental Protection Management and Control	62	
	413-2	Operations with Significant Actual and Potential Negative Impacts on Local Communities			

★ Supplier Social Assessment

GRI 3: Material Topics 2021	3-3	Management of Material Topics	5.5.1 Material Topic: Sustainable Supply Chain	43	
GRI 414: Supplier Social Assessment 2016	414-1	New Suppliers that Were Screened Using Social Criteria			
	414-2	Negative Social Impacts in the Supply Chain and Actions Taken			

Customer Health and Safety

GRI 416: Customer Health and Safety 2016	416-1	Assessment of the Health and Safety Impacts of Product and Service Categories	5.5.3.2 Product Certification	47	
	416-2	Incidents of Non-compliance Concerning the Health and Safety Impacts of Products and Services	5.5.3.2 Product Certification		

Marketing and Labeling

GRI 417: Marketing and Labeling 2016	417-1	Requirements for Product and Service Information and Labeling	5.5.3.1 Marketing and Labeling	47	
	417-2	Incidents of Non-compliance Concerning Product and Service Information and Labeling			
	417-3	Incidents of Non-compliance Concerning Marketing Communications			

Customer Privacy

Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
GRI 418: Customer Privacy 2016	418-1	Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	5.7 Trade Secret Protection and Transaction Security	49	

Appendix II: Sustainability Disclosure Indicators – Electronic Parts and Components Industry

(Disclosed in accordance with Table I-12 of the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE/TPEX Listed Companies)

No.	Indicators	Type of Indicators	Annual Disclosure		Unit	Remarks
I	Total energy consumption, percentage of purchased electricity, and utilization rate of renewable energy	Quantitative	Total energy consumption	125507,3528	Gigajoules (GJ)	
			Percentage of purchased electricity	96.70%		121,133.6607/(121,133.6607+4,131.8813)*100%
			Utilization rate of renewable energy	3.30%	Percentage (%)	4,131.8813/(121,133.6607+4,131.8813)*100%
II	Total water intake and consumption	Quantitative	Total Water Intake	140.6653	Thousand cubic meters (m³)	
			Total Water Consumption	40.2485	Thousand cubic meters (m³)	
III	Weight of hazardous waste generated and recycling percentage	Quantitative	Weight of hazardous waste generated	42,0469	Tonnes (t)	
			Recycling percentage	18.87%	Percentage (%)	(0.3295+5.2+2.405)/42.0469*100%
IV	Description of the type, number and rate of occupational hazards	Quantitative	Number of occupational disasters in 2023	7 people	Quantity	
			Number of occupational disasters/total employees	0.23%	Percentage (%)	7/(2409+606)*100%
			Type of disaster	Cutting injuries, abrasions, bruises, mechanical injuries, falling injuries, injuries caused by falling from heights		
V	Product lifecycle management disclosure: Including the weight of waste products and electronic waste and recycling percentage (Note 1)	Quantitative	The Company operates in a B2B business model. We do not engage in recycling operations for products, raw materials, or the portion of their parts and components of our end customers at the end of their lifecycle.		Not applicable	
VI	Description of risk management related to the use of key materials	Qualitative description	1. The Company does not purchase materials including, but are not limited to, antimony, cobalt, fluorspar, gallium, germanium, graphite, indium, magnesium, niobium, tantalum, tungsten, platinum group metals (platinum, palladium, iridium, rhodium, ruthenium, osmium), and rare earth elements, including yttrium, scandium, lanthanum, and the lanthanides (cerium, praseodymium, neodymium, thorium, samarium, europium, gadolinium, cerium, dysprosium, holmium, erbium, iridium, yttrium, and lutetium). 2. The Company's key raw materials include high-volume or special raw materials. In the new product development stage, we plan to engage with two types of raw materials or two suppliers. Substitute materials will undergo verification for substitution according to the "2062 Supplier Sample Recognition Management Regulations" to mitigate supply risks and increase local procurement rate.			
VII	Total money losses arising from legal proceedings relating to the Anti-competitive Behavior Ordinance	Quantitative	There were no such matters in the current year		Reporting currency	
VIII	Production volume of major products by product category	Quantitative	Connector	6321139	KPCS	
			New energy connector	874704	KPCS	

Note 1: This includes the sale of scraps or other recycling, for which a relevant description shall be provided. This item shall calculate the weight of the products, raw materials, or the portion of their parts and components that are not discarded but subject to recovery or recycling at the end of their lifecycles. The scope may include reused, recycled, or refurbished items owned by the organization or collected from third parties. Note 2: Calculation of occupational accident rate: The percentage (%) is calculated by dividing the number of employees suffered from occupational accidents during the year (numerator) by the total number of employees at the end of the year (denominator). The definition of occupational accident is based on Article 2 of the Occupational Safety and Health Act of the Ministry of Labor. The term "occupational accident" refers to any diseases, injuries, disabilities, or deaths of workers caused by buildings, machinery, equipment, raw materials, materials, chemicals, gases, vapors, dusts, etc., at the place of duty, or as a result of work activities, or due to other occupational causes. Therefore, traffic accidents involving employees while commuting to and from work are excluded from the place where laborers carry out work services. Companies shall disclose the number of employees with illnesses, injuries, disabilities, or deaths, as well as the respective ratios. Note 3: Key materials are those essential in the manufacturing process of the Company's products and subject to supply risks. This definition is derived from the National Research Council of the National Academy of Sciences. Key materials include but are not limited to antimony, cobalt, fluorspar, gallium, germanium, graphite, indium, magnesium, niobium, tantalum, tungsten, platinum group metals (platinum, palladium, iridium, rhodium, ruthenium, osmium), and rare earth elements, including yttrium, scandium, lanthanum, and the lanthanides (cerium, praseodymium, neodymium, thorium, samarium, europium, gadolinium, cerium, dysprosium, holmium, erbium, iridium, yttrium, and lutetium).



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會計師有限確信報告

胡達精密股份有限公司 公鑒：

本會計師受胡達精密股份有限公司(以下簡稱「胡達公司」)之委任，對胡達公司 2023 年度永續報告書所選定之特定永續指標資訊執行確信程序，並出具有限確信報告。

確信標的資訊與適用基準

有關胡達公司所選定 2023 年度永續報告書之永續指標資訊(以下簡稱「確信標的資訊」)及其適用基準，詳附件一「確信項目彙總表」。

上開適用基準係財團法人中華民國證券櫃檯買賣中心「上櫃公司編製與申報永續報告書作業辦法」(以下簡稱「作業辦法」)及有關法令之規定，以及胡達公司依行業特性與其報導之永續指標參採之其他適用基準。

管理階層之責任

胡達公司管理階層之責任係依據作業辦法、全球永續性報告協會(Global Reporting Initiatives)發布之 GRI 準則(GRI Standards)及依行業特性參採其他適用之準則，以編製永續報告書所報導之永續指標，且負責建立及維持與報告書編製有關之必要內部控制，包括辨識利害關係人及重大性議題，以確保報告書所報導之特定永續指標未存有導因於舞弊或錯誤之重大不實表達。

會計師之責任

本會計師係依據財團法人會計研究發展基金會所發布之確信準則 3000 號



「非屬歷史性財務資訊查核或核閱之確信案件」規劃並執行工作，以對第二段所述之確信標的資訊在所有重大方面是否存有未依適用基準編製而須作修正之情事，並出具有限確信報告。

本會計師執行有限確信時，對與確信標的攸關之內部控制取得必要之瞭解，以設計當時情況下適當之有限確信程序，惟其目的並非對胡達公司 2023 年度永續報告書之相關內部控制設計或執行之有效性提供任何確信。

獨立性及品質管理規範

本會計師及所隸屬會計師事務所已遵循會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及專業上應有之注意、保密及專業行為。此外，本會計師所隸屬會計師事務所遵循品質管制準則 1 號「會計師事務所之品質管制」，以維持完備之品質管制制度，包含與遵循職業道德規範、專業準則及所適用法令相關之書面政策及程序。

所執行工作程序之彙總說明

本會計師係針對第二段所述之確信標的資訊執行有限確信工作，主要執行之確信程序包括：

- (一) 取得胡達公司 2023 年度永續報告書，並閱讀其內容；
- (二) 訪談胡達公司管理階層及攸關員工，以瞭解用以蒐集及產出確信標的資訊之相關作業流程及程序；
- (三) 基於上述事項所取得之瞭解，就永續報告書揭露之確信標的資訊執行分析性程序，或於必要時抽選樣本檢視核對相關文件，以獲取足夠及適切之有限確信證據。

上述確信程序係基於本會計師之專業判斷，包括辨識確信標的資訊可能存有重大錯誤或不實表達之範圍並評估其潛在風險，設計足夠且適切之確信程序暨評估確信標的資訊之表達。本會計師相信此項確信工作可對本確信報告之結論提供合理之依據。有限確信所執行程序之性質及時間與適用於合理確信者不同，其範圍相對較小，因此有限確信案件中取得之確信程度明顯低於合理確信案件中取得者。



先天限制

胡連公司 2023 年度永續報告書內容涵蓋非財務資訊，相較於財務資訊之確信存在更多先天性之限制，故該等資訊之揭露內容可能涉及胡連公司管理階層之重大判斷、假設與解釋，不同利害關係人對於該等資訊亦可能有不同之解讀。

有限確信結論

依據所執行之程序及所獲取之證據，本會計師並未發現第二段所述胡連公司 2023 年度永續報告書中所選定之確信標的資訊在所有重大方面有未依適用基準編製而須作修正之情事。

其他事項

胡連公司網站之維護係管理階層之責任，對於本確信報告於胡連公司網站公告後任何確信標的資訊或適用基準之變更，本會計師不負就該等資訊重新執行確信工作之責任。

國富浩華聯合會計師事務所

會計師：吳孟達 會計師

吳孟達



西元 2024 年 06 月 17 日

附件一

確信項目彙總表

編號	確信項目	指標描述	對應章節	衡量基準
一	財團法人中華民國證券櫃檯買賣中心「上櫃公司編製與申報永續報告書作業辦法」第四條附表一之十二編號一	消耗能源總量、外購電力百分比及再生能源使用率	6.2 節能與溫室氣體管理	2023 年消耗能源總量、外購電力百分比及再生能源使用率
二	財團法人中華民國證券櫃檯買賣中心「上櫃公司編製與申報永續報告書作業辦法」第四條附表一之十二編號二	總取水量及總耗水量	6.3 水資源與廢棄物管理	2023 年總取水量及總耗水量
三	財團法人中華民國證券櫃檯買賣中心「上櫃公司編製與申報永續報告書作業辦法」第四條附表一之十二編號三	所產生有害廢棄物之重量及回收百分比	6.3 水資源與廢棄物管理	2023 年所產生有害廢棄物之重量及回收百分比
四	財團法人中華民國證券櫃檯買賣中心「上櫃公司編製與申報永續報告書作業辦法」第四條附表一之十二編號四	職業災害類別、人數及比率	7.6 職業安全與衛生	2023 年職業災害類別、人數及比率
六	財團法人中華民國證券櫃檯買賣中心「上櫃公司編製與申報永續報告書作業辦法」第四條附表一之十二編號六	使用關鍵材料相關的風險管理之描述	5.5 價值鏈管理	胡連集團針對關鍵材料供應商之定義
七	財團法人中華民國證券櫃檯買賣中心「上櫃公司編製與申報永續報告書作業辦法」第四條附表一之十二編號七	反競爭行為條例相關的法律訴訟而造成的金錢損失總額	5.1.5 誠信經營	2023 年反競爭行為條例相關的法律訴訟而造成的金錢損失總額
八	財團法人中華民國證券櫃檯買賣中心「上櫃公司編製與申報永續報告書作業辦法」第四條附表一之十二編號八	依產品類別之主要產品產量	5.3.2 營運概況	2023 年依產品類別之主要產品產量
九	其他確信項目	客戶滿意度	5.5.2 增進客戶關係	2023 年銷售據點之客戶滿意度

Appendix IV. Climate-Related Information of TPEX Listed Companies

(Disclosed in accordance with Table 2 of the Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies)

1. Implementation of climate-related information	
Item	Chapters disclosed in the report
1. Describe the monitoring and governance of climate-related risks and opportunities by the board of directors and the management.	TCFD is expected to be introduced in 2024
2. Describe how the identified climate risks and opportunities affect the Company's business operations, strategies, and finance (for short-term, medium-term, and long-term).	TCFD is expected to be introduced in 2024
3. Describe the financial impacts of extreme climate events and transformational actions.	TCFD is expected to be introduced in 2024
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	TCFD is expected to be introduced in 2024
5. If scenario analysis is used to assess the resilience to climate change risks, the used scenarios, parameters, assumptions, analysis factors, and main financial impacts shall be described.	TCFD is expected to be introduced in 2024
6. If there is a transformation plan in place to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transformational risks.	TCFD is expected to be introduced in 2024
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	Internal carbon pricing has not yet been implemented
8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the relevant target, the source and quantity of carbon reduction credits to be offset or the quantity of renewable energy certificates (RECs) to be used should be specified.	TCFD is expected to be introduced in 2024
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	6.2.3 Greenhouse Gas and Carbon Emissions

Basic information of the Company	According to the Sustainable Development Roadmap for TWES/TPEX Listed Companies, the Company is required to disclose at least
<input type="checkbox"/> A company with a capital of more than NT\$10 billion and operating in the iron and steel industry or the cement industry	<input type="checkbox"/> Inventory of the parent company <input type="checkbox"/> Inventory of the subsidiaries included in the consolidated financial statements
<input type="checkbox"/> A company with a capital of more than NT\$5 billion but less than NT\$10 billion	<input type="checkbox"/> Assurance of the parent company <input type="checkbox"/> Assurance of the subsidiaries included in the consolidated financial statements
<input checked="" type="checkbox"/> A company with capital of less than NT\$5 billion	

Appendix IV. Climate-Related Information of TPEX Listed Companies

(Disclosed in accordance with Table 2 of the Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies)

1-1 Greenhouse gas inventory and assurance for the most recent two fiscal years						
Hu Lane Group						
Item / Year	2021		2022		2023	
	Total emissions (tCO2e/year)	Intensity (tCO2e/NT\$ million)	Total emissions (tCO2e/year)	Intensity (tCO2e/NT\$ million)	Total emissions (tCO2e/year)	Intensity (tCO2e/NT\$ million)
Scope 1						
Parent company	159,5860	0.0323	188,8766	0.0289	132,8242	0.0181
Nanjing Hu Lane	-	-	231,0339	0.0354	253,8919	0.0346
Dongguan Hu Lane	-	-	139,8849	0.0214	133,1837	0.0182
Dongguan Puguang	-	-	170,5370	0.0261	44,1759	0.0060
Jiaxing Shangho	-	-	67,8145	0.0104	89,2759	0.0122
Vietnam Hu Lane	-	-	68,1430	0.0104	90,0406	0.0123
Indonesia Hu Lane	-	-	67,0700	0.0103	73,2997	0.0100
Total	159,5860	0.0323	933,3599	0.1430	816,6919	0.1114
Scope 2						
Parent company	3,447,0280	0.6965	3,475,4839	0.5325	3,760,3374	0.5129
Nanjing Hu Lane	-	-	8,736,5255	1.3386	8,297,1135	1.1318
Dongguan Hu Lane	-	-	3,495,3231	0.5355	3,643,2971	0.4970
Dongguan Puguang	-	-	20,1456	0.0031	34,7870	0.0047
Jiaxing Shangho	-	-	220,5065	0.0338	924,8990	0.1262
Vietnam Hu Lane	-	-	1,837,2769	0.2815	2,119,6480	0.2891
Indonesia Hu Lane	-	-	219,2029	0.0336	308,8824	0.0421
Total	3,447,0280	0.6965	18,004,4644	2.7586	19,088,9644	2.6039
Scope 3						
Parent company	1,067,5702	0.2157	13,926,6898	2.1338	14,865,5928	2.0278
Nanjing Hu Lane	-	-	12,259,2683	1.8783	10,759,709	1.4677
Dongguan Hu Lane	-	-	10,661,0328	1.6334	9,845,4085	1.3430
Dongguan Puguang	-	-	133,772	0.0205	235,1996	0.0321
Jiaxing Shangho	-	-	916,7504	0.1405	4,459,5462	0.6083
Vietnam Hu Lane	-	-	4,112,1793	0.6301	5,312,0559	0.7246
Indonesia Hu Lane	-	-	646,6352	0.0991	2,280,9464	0.3111
Total	1,067,5702	0.2157	42,656,3278	6.5356	47,758,4584	6.5148
Combined Total	4,674,1842	0.9445	61,594,1521	9.4372	67,664,1147	9.2301

Description on Assurance:

Among the total greenhouse gas emissions disclosed by Hu Lane Group in 2022, the Scope 1 emissions amounted to 933,359 tonnes of CO₂e (1.52% of the total emissions); Scope 2 emissions amounted to 18,004,464 tonnes of CO₂e (29.23% of the total emissions), and Scope 3 emissions amounted to 42,656,327 tonnes of CO₂e (69.25% of the total emissions). These emissions have been assured by British Standards Institution Group Singapore Pte. Ltd. Taiwan Branch, an assurance institution, according to ISAE3410/ISO 14064-3. Assurance opinion: Scope 1 and Scope 2 received reasonable assurance, and Scope 3 received limited assurance. The 2023 greenhouse gas inventory data will be verified by an external third-party verification agency in the third quarter of 2024.

Note:

1. The greenhouse gas emission intensity is calculated as total emissions in tonnes of CO₂e/consolidated revenue (unit: NT\$ million).

2. Inventory was only held at Taipei Hu Lane in 2021. The 2023 inventory data will be verified by an external third-party verification agency in the third quarter of 2024.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

- 1. Base year for greenhouse gas reduction: 2022.
- 2. Base year data: Please refer to the total emissions data for 2022, expressed in tCO₂e/year, in the table above.
- 3. Reduction targets: Hu Lane Group's short-term GHG target is to reduce the Group's GHG intensity by 10%.
- 4. Strategy and concrete action plans: Please refer to "6.2.1 Material Topic: Energy Conservation and Greenhouse Gas Management" and "6.2.3 Greenhouse Gas Carbon Emissions" in this report for details.
- 5. Achievements of the reduction targets: Please refer to "6.2.1 Material Topic: Energy Conservation and Greenhouse Gas Management" and "6.2.3 Greenhouse Gas and Carbon Emissions" in this report for details.