

2023 E&R Engineering Corp. ESG Report



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Message from the Management

The Group adheres to the business philosophy of integrity, pragmatism, sustainable operation, continuous innovation, and profit-sharing, aiming to maximize value for shareholders and employees. We are actively expanding into emerging markets, proactively enhancing quality to achieve new breakthroughs and create value. Our quality policy focuses on improving quality and customer satisfaction, with the ultimate goal of becoming an outstanding enterprise.

The COVID-19 pandemic continued to impact the world in 2021. However, in Taiwan, where the pandemic was relatively mild and stable, the "carbon" issue became a focal point for the entire industry. The European Union announced the "Carbon Border Adjustment Mechanism" in July 2021, and the COP26 (26th United Nations Climate Change Conference) in November of the same year declared the end of the fossil fuel era. Taiwan's President also repeatedly emphasized the goal of achieving "net-zero emissions." Terms such as "carbon offset," "carbon credits," "carbon neutrality," and "carbon pricing" have become essential keywords for businesses. The transformation of business models in response to climate change will significantly impact the future sustainability and development of enterprises.

In a rapidly changing global environment, geopolitical instability and the impacts of extreme weather pose risks to human life and business operations. Changes in regulations, market shifts, and the demand for new technologies may also introduce uncertainties and challenges to future business operations. Maintaining resilience and momentum for growth is the biggest challenge faced by enterprises. Despite fluctuations in the demand for semiconductors, E&R management team and all employees are confronting these challenges head-on with a positive attitude and flexible responses to achieve outstanding results.

The Group continues to develop ESG (Environmental, Social, and Governance) for sustainable operations, and ESG is gradually becoming an integral part of E&R's culture. We plan to complete the verification of ISO 14064-1:2018 for greenhouse gas inventory by 2025. This is just the beginning, and we have already formulated preliminary carbon reduction plans, including energy-saving measures, replacing outdated equipment, installing energy-efficient devices, and improving product efficiency to significantly reduce electricity usage and greenhouse gas emissions. E&R will continue to optimize, manage risk issues, and review solutions to achieve systematic sustainable operations. We hope all E&R colleagues will fully

support these initiatives as we move toward the ESG concept, striving to protect the company, society, and the global environment, and becoming responsible global citizens.



E&R Engineering Corp.
Chairman of the Board Michel Wang

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About This Report

E&R Engineering Corp. is committed to pursuing sustainable corporate development and enhancing information transparency. In 2024, the Company published its first Sustainability Report, with plans to issue it regularly on an annual basis. This report is the first Sustainability Report issued by E&R Engineering Corp. (hereinafter referred to as "E&R," "the Company," or "we"). Through the publication of this report, we aim to present to all stakeholders the measures and implementations that the Company has undertaken in areas such as environmental protection, social responsibility, and corporate governance. By doing so, we fulfill our commitment to corporate responsibility and sustainable development. Furthermore, we hope that stakeholders will continue to pay attention to E&R and provide valuable feedback, enabling us to progress steadily on the path of sustainable development.

Scope of the Report

The scope of the information disclosed in this report primarily focuses on the operations of E&R Engineering Corp.'s headquarters in Taiwan. The reporting period covers the Company's sustainability performance from January 1, 2023, to December 31, 2023. The financial data presented in this report mainly originates from the publicly disclosed financial statements, which have been audited and certified by Crowe (TW) CPAs. The figures are calculated in New Taiwan Dollars (NTD). Some statistical data is derived from the Company's own internal surveys and investigations and is based on information published in the annual report and other publicly disclosed materials.

Since this is the first Sustainability Report issued by the Company, there is no reissue of previous information. However, the contents of this report have not yet undergone external assurance, though this is planned for future reports. To ensure the accuracy of all content and data, the Company has established an ESG promotion committee composed of senior management, including the Chairman, Directors, and President. This committee is responsible for formulating the Company's corporate social responsibility and sustainable development strategies and goals. Upon completion, the Sustainability Report is submitted to the Board of Directors for review, finalization, and publication.

Writing Guidelines

The structure of this report is based on the Sustainability Reporting Standards (GRI Standards) published by the Global Reporting Initiative (GRI) in 2021. In addition to adhering to the reporting principles outlined by the GRI Standards, this report also aligns with the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of

Sustainability Reports by TWSE Listed Companies" as announced by the Taiwan Stock Exchange, the Sustainability Accounting Standards Board (SASB) Standards issued by the SASB, and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations by the Financial Stability Board. A content index is provided in the appendix of this report.

Publication Timeline


This is the first Sustainability Report prepared by E&R Engineering Corp. The Company plans to issue future reports annually, which will be available on the Company's official website (<https://www.enr.com.tw/>).

- Current Publication Date: August 2024
- Next Publication Date: August 2025

Contact Information

If you have any questions or suggestions regarding the content of this report or related activities, please feel free to contact us.

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<p>E&R Engineering Corp. Corporate Sustainability Development Section</p>	
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Sustainability Performance

Environmental (E)

- Since 2012, E&R has replaced traditional fluorescent lamps with LED lamps, resulting in approximately 792 MW of electricity savings.
- In 2023, there were no incidents involving the emission of ozone-depleting substances or severe leaks.

Social (S)

- In 2023, the Company received the Health Workplace Certification from the Health Promotion Administration.
- In 2023, the Company was certified as a Sports Enterprise.
- In 2023, the Company received the AED Safe Place Certification from the Kaohsiung City Department of Health.
- In 2023, the Company became a pledged enterprise under Common Health Magazine's "CHR Health Enterprise Citizen" program.
- In 2023, the Company recorded zero work-related injuries.

Governance (G)

- In 2023, the Board of Directors convened eight times, with an average attendance rate of 95% among directors.
- In 2023, the Board of Directors received a total of 54 hours of educational training.
- In 2023, there were no incidents of anti-competitive behavior, antitrust violations, or monopolistic practices.
- In 2023, the Company achieved excellent results through internal performance evaluations.
- The total number of training hours for Board members in 2023 reached 54 hours.

Stakeholder Engagement

The potential stakeholders for the Company include shareholders and other investors, financial institutions, government agencies, employees and other workers, customers, consumers, business partners, suppliers, local communities, non-governmental organizations, social welfare organizations, trade associations, and others. To identify the most critical stakeholders for the Company's operations in 2023, the AA1000 Stakeholder Engagement Standards (AA1000 SES) were employed. This evaluation was based on five key dimensions: dependency, responsibility, influence, diverse perspectives, and tension of concern. To ensure the completeness of stakeholder identification, the Company also adhered to the spirit of the GRI Standards.

The identification of the Company's stakeholders was conducted by external experts in accordance with GRI requirements. This process assessed the Company's existing and potential negative impacts and positive contributions to these stakeholders, resulting in the identification of key groups such as "shareholders and other investors," "employees and other workers," "customers," "suppliers/contractors," "financial institutions," and "regulatory agencies/government departments."

Stakeholder Communication

E&R values the rights and communication with its stakeholders. Communication channels include the official website, email, phone calls, meetings, and surveys to understand the operational status and concerns of various departments. The table below summarizes the communication channels and effectiveness with different stakeholders:

Stakeholder Communication				
Stakeholder	Significance to the Company	Communication Channels	Frequency	Effectiveness
Shareholders and Other Investors	Shareholders/investors are holders of the Company's stock and are directly related to the Company's economic activities.	1. Shareholders' meeting 2. Investor conferences 3. Investor relations contact 4. Market Observation Post System 5. Spokesperson's email and hotline 6. Website ESG report	1. Annually 2. Twice a year 3. Real-time 4. Real-time 5. Real-time 6. Annually	1. Held investor conferences annually to inform investors about the Company's operations. 2. Published the shareholders' meeting handbook, annual report, and meeting

				minutes for investor reference.
Employees and Other Workers	Employees are the cornerstone of E&R's sustainable operations and the driving force behind our growth; they are also the Company's most important assets.	<ol style="list-style-type: none"> 1. Email 2. Announcements 3. Labor-management meetings 4. Complaint and whistleblower mailbox 	<ol style="list-style-type: none"> 1. Real-time 2. Real-time 3. Quarterly 4. Real-time 	<ol style="list-style-type: none"> 1. Provided necessary on-the-job training based on individual needs, performance evaluation results, and career development requirements. 2. Established anti-sexual harassment measures to create a gender-friendly work environment. 3. Held 4 labor-management communication meetings in 2023. 4. Implemented 6S management.
Customers	Customers' preference for our products and services is key to business development and the main source of revenue. E&R provides comprehensive services to promote mutual growth and achieve sustainable operations and shared success.	<ol style="list-style-type: none"> 1. Multiple communication channels, service hotlines, complaint hotlines, and customer service email 2. In-person visits to understand after-sales service and equipment status 3. Invite customers to visit the Company. 4. Participate in overseas/semiconductor or exhibitions to promote products 5. Customer satisfaction surveys 	<ol style="list-style-type: none"> 1. Real-time 2. Occasional 3. Occasional 4. Occasional 5. Annually 	<ol style="list-style-type: none"> 1. The Company has a dedicated department providing after-sales installation and warranty services. 2. In 2023, received 22 customer satisfaction surveys with an average score of 4.32 out of 5. 3. Conducted customer satisfaction surveys, proposed improvement plans, and suggestions for unmet standards. 4. Monitored after-sales service and provided immediate feedback.
Suppliers/Contractors	The Company's equipment and products rely on the	<ol style="list-style-type: none"> 1. Email 2. Hotline 3. Training sessions 	<ol style="list-style-type: none"> 1. Real-time 	<ol style="list-style-type: none"> 1. Complied with quality management and

	stable support of numerous suppliers, who are important partners in sustainable development. Various economic, social, and environmental cooperation projects are promoted to enhance the overall value of the supply chain.	4. Surveys 5. Supplier evaluations	2.Real-time 3.Occasional 4.Occasional 5.Occasional	environmental safety systems. 2. Utilized an electronic procurement system to reduce negative environmental impacts. 3. Held 5 training sessions in 2023. 4. Signed sustainability development agreements with suppliers, with 181 agreements returned.
Financial Institutions	Banks provide the Company with funding sources, showing trust and support for E&R. The Company continues to transparently disclose relevant financial information to demonstrate operational performance and increase investment value.	1. Disclose financial annual reports, quarterly reports, and monthly revenue summaries on the Market Observation Post System. 2. Respond to calls or visit arrangements from financial institutions in a timely manner.	1.Quarterly 2.Occasional	Maintained close communication with banks to ensure they fully understand the Company's operational status, and signed financing agreements to meet potential funding needs.
Regulatory Agencies/Government Departments	The Company complies with local government regulations at each operation site and proactively cooperates with policy implementation, maintaining good communication with the government.	1. Occasionally participate in courses and promotional meetings held by regulatory agencies. 2. Cooperate with regulatory supervision and inspections. 3. Establish contact windows to maintain good interactions with regulatory agencies.	1.Occasional 2.Real-time	1.Completed the announcements required by regulatory agencies within the stipulated deadlines. 2. Completed the required training hours and submitted reports to regulatory agencies.

Material Topics Identification

The Company's selection of material topics is based on the GRI Standards published by the Global Sustainability Reporting Initiative and the SASB Sustainability Accounting Standards. The evaluation of these topics is conducted through four main steps:

1. Understand Organizational Context
2. Identify Actual and Potential Impacts of Sustainability Issues
3. Assess Impact Significance
4. Report on Sustainability Issues

These steps determine the material sustainability topics for the company in 2023.

The evaluation process can be specifically divided into four stages:

STEP 1 Understand Organizational Context	E&R compiled 32 relevant sustainability topics, including references to GRI topic standards, SASB standards, and significant topics from industry peers.
STEP 2 Identify Actual and Potential Impacts of Sustainability Issues	External experts assessed the actual or potential negative and positive impacts of each sustainability topic on the economy, environment, and society (including human rights). Topics were ranked by summing the scores of actual and potential negative and positive impacts across these areas. Topics scoring over 30 points were identified as material, with SASB-listed topics given priority.
STEP 3 Assess Impact Significance	The scoring results were discussed in detail by external experts and company department heads. Based on past operational experience, the significance and likelihood of each topic's impact were analyzed, resulting in the identification of 9 material sustainability issues for E&R Technology.
STEP 4 Report on Sustainability Issues	The analysis of material sustainability issues was reviewed by external experts in conjunction with company departments. This comprehensive evaluation led to the consolidation of 9 material issues into 7 major management themes, which were then communicated and addressed with stakeholders through the sustainability report.

Material Topics Identification Results

The Company has identified the following material topics that are directly relevant to its operations, listed in order of priority:

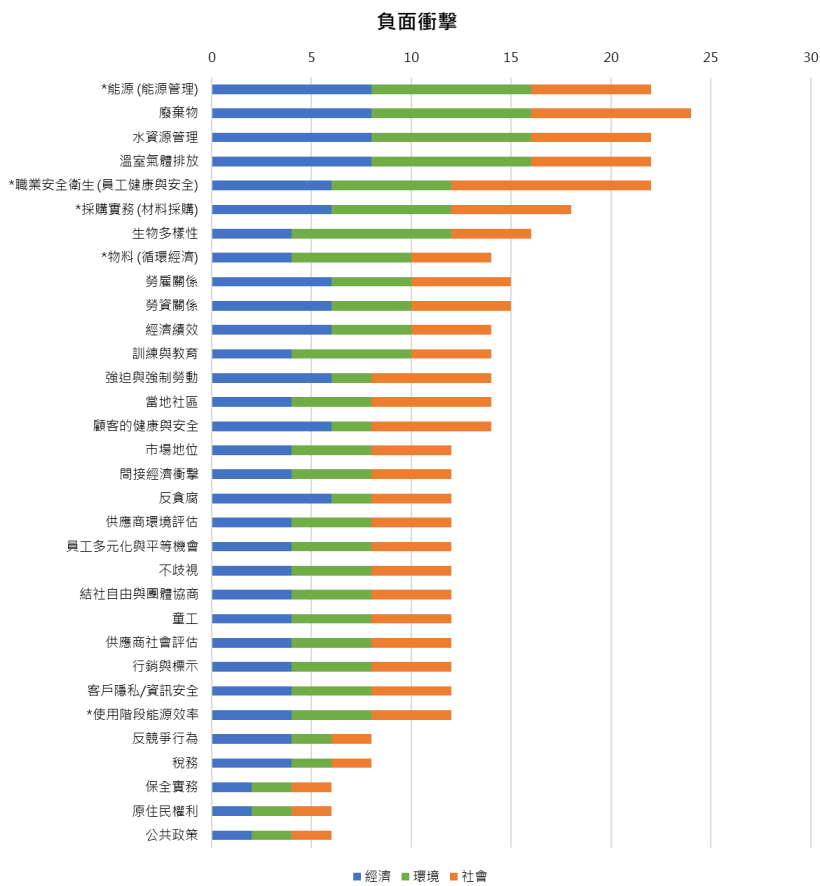
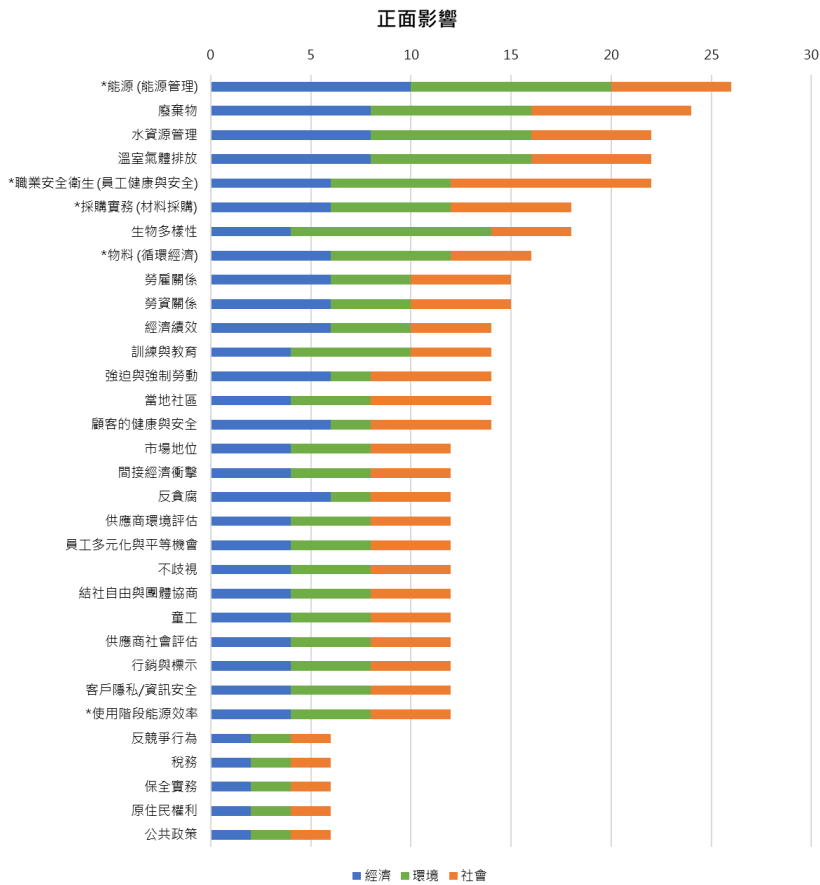
1. Energy Management
2. Occupational Health and Safety (Employee Health and Safety)
3. Greenhouse Gas Emissions
4. Procurement Practices
5. Labor Relations
6. Employment Relations

7. Economic Performance

8. Product Quality and Safety

Material Topics Identification Results					
Material Topics					
1. Energy Management	2. Occupational Health and Safety (Employee Health and Safety)	3. Greenhouse Gas Emissions	4. Procurement Practices	5. Labor Relations	6. Employment Relations
7. Economic Performance	8. Product Quality and Safety				
Other Topics					
9. Water resource management (Water and Wastewater)	10. Biodiversity	11. Materials (Circular Economy)	12. Training and Safety	13. Forced and Compulsory Labor	14. Local Communities
15. Market Position	16. Indirect Economic Impacts	17. Anti-Corruption	18. Supplier Environmental Assessment	19. Employee Diversity and Equal Opportunity	20. Non-Discrimination
21. Freedom of Association and Collective Bargaining	22. Child Labor	23. Supplier Social Assessment	24. Marketing and Labeling	25. Customer Privacy/Information Security	26. Energy Efficiency During Use Phase
27. Anti-Competitive Behavior	28. Tax Practices	29. Security Practices	30. Indigenous Rights	31. Public Policy	

Positive Impacts and Negative Impacts Chart



List of Material Topics

After focusing on key areas, the material topics related to social and environmental aspects have been narrowed down to seven key topics. The table below provides information on the related policies, impacts, and affected stakeholders for each material topic as they pertain to the company.

Material Topics Management			
List of Material Topics (GRI Indicator)	Describe the Organization's Policies or Commitments Related to Material Topics (explain their importance)	Impact Description (Economic, Environmental, Human, including Human Rights)	Main Affected Stakeholders (Groups Affected by the Organization's Operations)
Economic Performance GRI 201	The Company is a listed company and is responsible to the investing public for its operational performance and performance. Therefore, it complies with legal requirements and announces relevant financial information on a regular basis. It also publishes quarterly financial reports in both Chinese and English after being reviewed/reviewed by accountants. The investing public at home and abroad can clearly and immediately learn about the company's operating status.	<p>Economic Impact - Actual/Potential Positive: By developing sound financial strategies, the Company can improve its operational performance. Additionally, by recognizing relevant accounts according to tax regulations and submitting them on time, with audits and reviews by accountants, the Company can avoid the risk of penalties.</p> <p>Human/Human Rights - Potential Negative: Poor economic performance not only affects the development of upstream and downstream industries but also prevents employees from feeling secure in their work with the company.</p>	E&R Engineering Corp. (Causing), Government Organizations (Contributing), Financial Institutions (Contributing), Employees and Other Workers (Contributing), Customers (Contributing), Shareholders (Directly Related), Community Residents (Directly Related)

<p>Procurement Practices GRI 204</p>	<p>In the semiconductor industry, E&R occupies a crucial position in the latter stages of packaging equipment. The manufacturing processes in the middle and downstream segments are handled by professional, qualified, and long-term partners. E&R actively fosters partnerships based on specialized division of labor and mutual cooperation. In addition to focusing on quality, cost, and delivery timelines, the Company also collaborates closely with suppliers to implement corporate social responsibility, thereby becoming a collaborative partner in sustainable growth.</p>	<p>Environmental Impact- Actual/ Potential Positive : Achieving supply chain optimization.</p> <p>Economic Impact- Potential Negative : If suppliers fail to adhere to environmental protection, social responsibility, and human rights measures, it may exacerbate environmental risks and social impacts, damage the Company's reputation and operations, and even lead to legal issues and business disruptions</p> <p>Human/Human Right Impact : Fulfilling corporate social responsibility enhances the company' s sustainable development and competitive edge.</p>	<p>E&R Engineering Corp. (Causing), Suppliers/Contractors (Directly Related)</p>
<p>Energy Management & Greenhouse Gas Emissions (GRI 302 &GRI 305)</p>	<p>Monitoring global economic trends, climate change, and energy supply risks, we proactively develop company strategies and adjust operational models, actively implementing relevant responses.</p>	<p>Environmental Impact- Actual/ Potential Positive : Achieve energy-saving and carbon reduction goals, reducing the negative impact of energy emissions on the environment.</p> <p>Economic Aspect - Actual Positive Impact: To comply with the EU Carbon Border Adjustment Mechanism and Taiwan's 2050 net-zero emission targets, the Company will responsibly improve energy performance, thereby enhancing the sustainability</p>	<p>E&R Engineering Corp. (Causing), Employees (Directly Related), Shareholders/Investors (Contributing), Financial Institutions (Contributing) Suppliers/Contractors (Contributing), Government Regulatory Authorities (Contributing)</p>

		<p>competitiveness of our products in the market.</p> <p>Economic Aspect - Potential Negative Impact: If there is a power outage, it may cause assembly and testing issues, affecting machine delivery times and leading to a decline in customer capacity, thereby impacting customer orders.</p> <p>Human/Human Rights Aspect - Actual Positive Impact: The Company organizes and encourages all employees to participate in green and sustainable environmental actions, enhancing their sense of social responsibility and commitment to sustainability.</p>	
Labor Relations (GRI 401 & GRI 402)	<p>Labor relations are one of the key factors for the success of business operations. In recent years, due to the rapid evolution of the economy, every industry faces the challenge of structural transformation, highlighting the importance of labor relations in the recognition and significance of corporate entities.</p>	<p>Economic Aspect - Potential Negative Impact: If labor relations management is not implemented, the company may face operational risks in the future, and could be subject to penalties under relevant regulations, potentially leading to an increase in employee turnover.</p> <p>Human/Human Rights Aspect - Actual Positive Impact: The Company adheres to the principle of creating a fair workplace and provides</p>	<p>E&R Engineering Corp. (Causing), Employees and other workers (Directly Related)</p>

		comprehensive salary and benefits, which effectively retains talent.	
*Occupational Safety and Health (Employee Health and Safety) (GRI 403)	Employees are viewed as the Company's most important partners, treated with the care of family. Establishing workplace safety and employee physical and mental health is crucial. The Company continuously strengthens intrinsic safety design and implements safety and health control measures to prevent occupational accidents and achieve a zero-accident work environment.	<p>Economic - Actual Positive: Adhering to occupational safety and health regulations enhances the company's overall image.</p> <p>Economic - Potential Negative: Occupational safety accidents could lead to regulatory penalties or work stoppages.</p> <p>Human/Human Rights - Actual/Potential Positive: Providing a safe and healthy workplace promotes employee well-being and fosters a friendly work environment.</p> <p>Potential Negative: An unsafe workplace causes employee insecurity, leading to high turnover rates and difficulties in talent recruitment.</p>	E&R Engineering Corp. (Causing), Employees (Directly Related), Shareholders/Investors (Contributing), Financial Institutions (Contributing), Suppliers/Contractors (Contributing), Regulatory Authorities (Contributing)
Product Quality and Safety (GRI 416)	The Company is dedicated to the semiconductor industry, producing related automation equipment to provide customers with high-quality, high-tech capability, safety, and customized needs, maximizing product benefits for customers.	<p>Economic - Actual Positive: High-quality and safe products satisfy customers and positively contribute to the Company's growth.</p>	E&R Engineering Corp. (Causing), Customers (Directly Related)
<p>Here's the explanation of the primary impacted stakeholders:</p> <ol style="list-style-type: none"> 1. Causing: The organization directly leads to the impact due to its own activities. 2. Contributing: The organization's activities lead, encourage, or induce another entity to cause the impact. 			

3. Directly Related: The organization does not cause or contribute to the negative impact, but its operations, products, or services are related to the negative impact through its business relationships.

1 、 About E&R

1.1 Company Overview

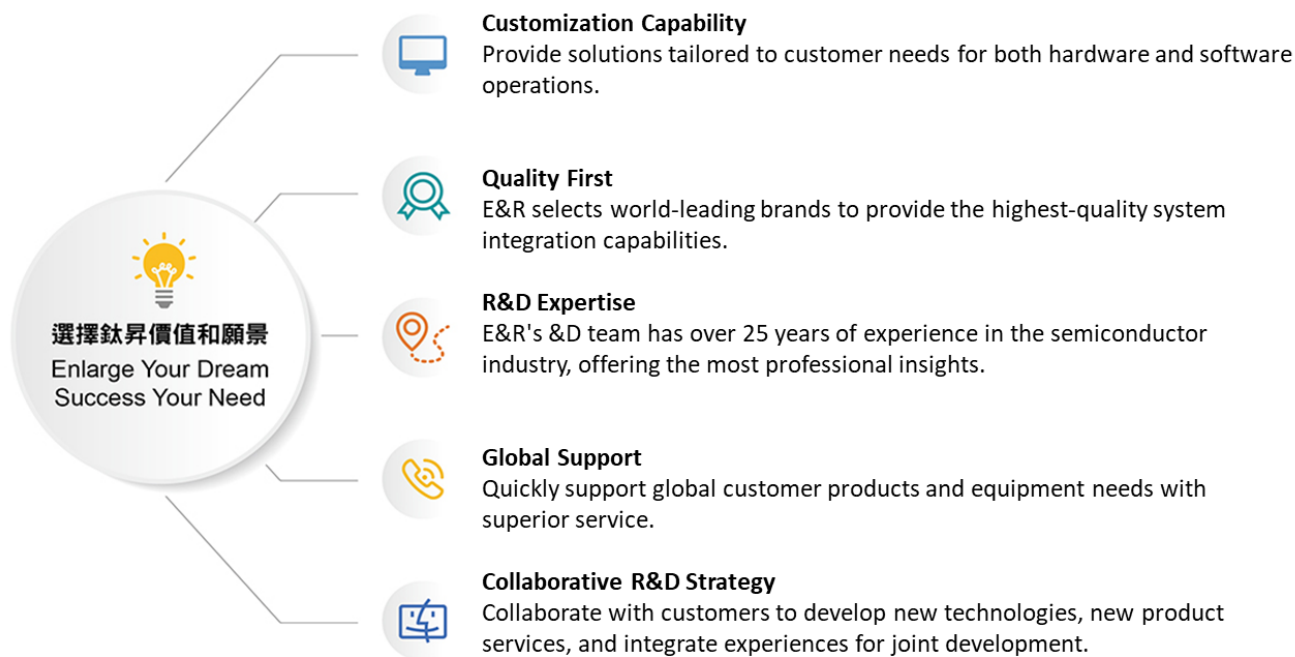
E&R Engineering Corp. was established in 1994, with its headquarters located in Yanchao District, Kaohsiung City. The Company has been focused on semiconductor equipment development for nearly thirty years. Through years of dedication and refinement, it has established its own brand, "E&R," and has now become a major supplier of semiconductor equipment across IC packaging and testing, wafer-level packaging, and system-level packaging, committed to delivering high-quality, high-tech automated manufacturing solutions.

The Company also provides leading global brand customers with superior laser processing, plasma cleaning, and FPC equipment solutions. Additionally, E&R assists customers in developing manufacturing processes and meeting their customized hardware and software operational needs, delivering high-quality research and development results and products to maximize customer benefits and establish strong partnerships. E&R has consistently adhered to the strictest standards and professional expertise to meet the ever-increasing precision demands of the high-tech industry. The Company's commitment, "We deliver the best!" promises to provide all customers with the highest quality products and services, promoting the excellence of Taiwan-made quality worldwide.

Company Information	
Company Name	E&R Engineering Corp.
Establishment Date	1994-10-28
Market	OTC (Over-the-Counter)
Stock Code:	8027
Industry	Electrical Machinery
Main Business	Design, R&D, manufacturing, installation, and sales of automated equipment and parts
Chairman	Michel Wang
President	Eric Chang
Number of Employees	314 (as of the end of December 2023)
Headquarters Address	No. 61, Hengshan Road, Yanchao District, Kaohsiung City
Paid-in Capital	NT\$ 985,953 thousand



❖ E&R Vision



❖ Shareholder Structure

The following table lists the top ten shareholders by shareholding percentage, including their names, number of shares held, and shareholding ratio:

Shareholder Structure			
Cut-off Date: April 22, 2024			
Shareholder Type	Number of Shareholders	Number of Shares Held	Shareholding Ratio
Financial Institutions	10	1,614,155	1.57%
Other Corporations	189	4,466,790	4.35%
Individuals	31,176	90,718,920	88.31%
Foreign Institutions and Foreigners	55	5,935,665	5.77%
Total	31,430	102,735,530	100.00%

❖ Participation in Industry Associations and Organizations

Driven by a commitment to contribute to the industry and foster mutual growth, E&R actively engages in public policy issues. By leveraging its practical experience in the vertical industry chain, E&R participates in various associations and governmental platforms to exchange ideas, share knowledge, and co-create an ecosystem. The following table lists the industry associations, other membership organizations, and national or international advocacy groups in which the Company is a member:

Industry Associations, Other Membership Associations, and National or International Advocacy Organizations	Membership Status (Position)
Taiwan Technology Industrial Park Electrical and Electronic Manufacturer' s Association	Member
SEMI Taiwan (Semiconductor Equipment and Materials International)	Member
Taipei Computer Association (TCA)	Member
The Allied Association for Science Park Industries (ASIP)	Member
Taiwan Semiconductor Industry Association	Member
Taiwan Electronic Equipment Industry Association (TEEIA)	Member
Taiwan Laser Technology Application Association	Member
Automated Optical Inspection Equipment Association	Member

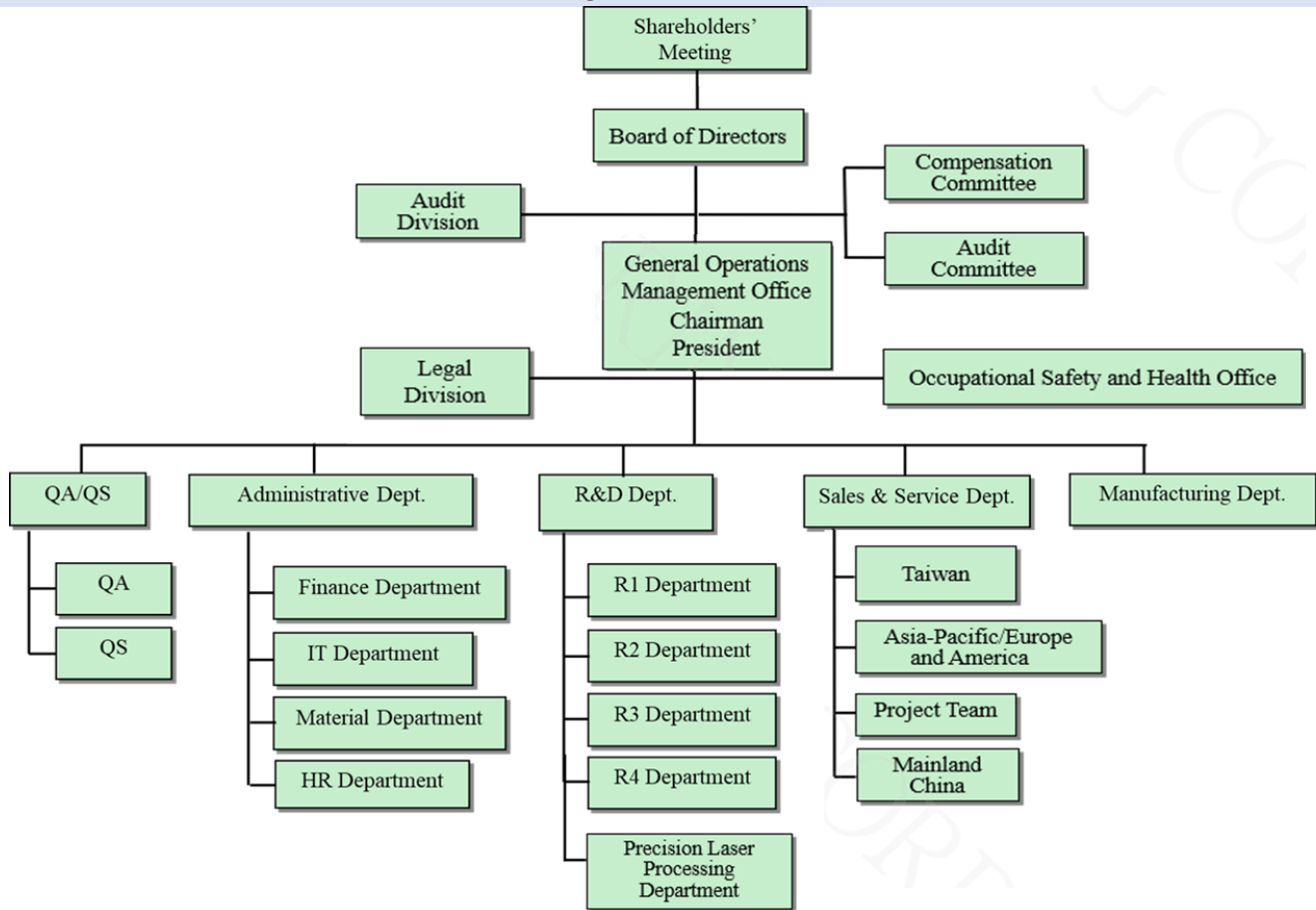
1.2 Board of Directors Operations

❖ Organizational Structure

E&R Engineering Corp. has its Board of Directors as the highest governing body, overseeing the Company's operations and development. To continuously enhance corporate governance, the Company has established a "Compensation Committee" and an "Audit Committee" under the Board of Directors to assist in supervising and improving corporate governance. By establishing a sound corporate governance system and management, the company aims to implement professional governance and achieve effective benefits.

The Board of Directors is the highest decision-making body for risk management. It is responsible for overseeing and approving risk management policies and important risk management systems, tracking the implementation of risk management, and evaluating the achievement of performance goals. The Board of Directors meets at least once every quarter. During these quarterly meetings, the progress of the current sustainable development path report, including greenhouse gas inventory updates, is presented, and all major ESG-related issues are discussed and decided upon. Regarding the compensation of directors and employees, after review and approval by the Compensation Committee, and with the recusal of any directors with conflicts of interest, the remaining directors unanimously pass the decisions without objections. Senior management also maintains close communication with the Board of Directors members from time to time, and the certified public accountant attends the Audit Committee meetings every six months to brief and discuss key significant matters and the latest legal developments with the independent directors.

E&R Organizational Structure



❖ Sustainable Development Strategy

The Company has not yet established a Sustainability Development Committee. However, to enhance corporate sustainability competitiveness and demonstrate its commitment to sustainable management, the Finance Department has been designated as a part-time unit responsible for promoting ESG (Environmental, Social, and Governance) sustainability-related matters. In collaboration with other relevant departments, it focuses on implementing initiatives related to "Environmental Protection," "Corporate Social Responsibility," and "Corporate Governance." The President, authorized by the Board of Directors, oversees and manages these efforts. Additionally, a Greenhouse Gas Inventory Group was established in February 2023.

The execution performance of ESG sustainability goals must be regularly reviewed and reported to the Board of Directors each quarter. Currently, the focus is on reporting the progress of the greenhouse gas inventory, as well as discussing and deciding on all major ESG-related issues. In the event of negative situations affecting stakeholders, the responsible unit reports the matter and its handling plan to the Board of Directors. Furthermore, an ESG Promotion Organization, composed of the Chairman, Directors, President, and other senior management, is responsible for formulating strategies and objectives related to corporate social responsibility and sustainable development for the entire company. This group regularly reports the sustainability promotion plans to the Board of Directors, which supervises the progress of various projects. At least one meeting is held every six months, with additional meetings convened as needed for major issues. The annual sustainability report must be approved by the Board of Directors or senior management before it can be published.

The table below outlines significant ESG-related events reported at the board meeting:

Category	Frequency of Major Event Communication	Summary of Communication Agenda
Environmental	4 reports on Sustainable Development Guidemap for TWSE and TPEX-Listed Companies	Reports on the planned and actual schedules for carbon inventory and verification.
Economic	1. Financial report: 4 times 2. Earnings distribution plan: 1 time 3. Business plan: 1 time 4. Stock repurchase plan: 2 times 5. Endorsement guarantees and lending of funds: 5 times 6. Investment and disposal of investment companies: 7 times	These proposals were unanimously approved by the Board of Directors, except for directors who were required to recuse themselves due to conflicts of interest.

Social	1.Employee compensation plan: 2 times 2. Director compensation plan: 2 times 3. Employee salary adjustment plan: 1 time 4. Employee performance bonus plan: 3 times 5. Employee year-end bonus plan: 1 time 6.Treasury stock transfer to employees: 1 time	These proposals were passed by the Compensation Committee and unanimously approved by the Board of Directors, except for directors who were required to recuse themselves due to conflicts of interest.
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❖ Board of Directors

The Board of Directors is the Company's highest decision-making body, responsible for leading the overall operations and overseeing the management team's policy execution. To establish a sound governance system for the Board of Directors, enhance its supervisory functions, and strengthen management capabilities, the Company has formulated the "Board of Directors Meeting Rules" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies."

The current board members were elected through a voting process on June 21, 2023, in accordance with legal requirements, with a three-year term. They were selected based on their professional capabilities, social experience, and ethical standards. The board is composed of nine members, all of whom possess professional backgrounds and technical experience. Among them are three independent directors, each with more than 15 years of relevant industry experience. The nomination and selection of board members follow the Company's Articles of Incorporation and adopt a candidate nomination system, where shareholders elect board members from a list of nominees through a cumulative voting process. The term of office is three years, and re-election is permitted.

In addition to evaluating candidates' education, experience, and qualifications, the Company adheres to the "Rules for Election of Directors" to ensure diversity and independence within the board, maintaining a well-structured board composition. The table below provides information on the members of the Company's Board of Directors:

Title	Name	Gender	Age	Election (inauguration) date	Principal Experience (Education)	Currently holding positions in other companies	Industry Experience				Professional Expertise		
							Banking/Finance	Business Management	Sales and Marketing	Research and Development (R&D)	Accounting and Financial Analysis	Information Technology	Risk Management
Chairman	Michel Wang	Male	Above 50 years old	2023.06.21	1. Department of Mechanical Engineering, CYCU. 2. Chairman of Yiwei Enterprise Company	1. Chairman and Chief Strategy Officer of the Company 2. Chairman of Donghua Investment Co., Ltd. 3. Director of E&R Semiconductor Materials Co., Ltd. 4. Director of TECH-WAVE Industrial Co., Ltd.		●	●				●
Vice Chairman	KS Chen	Male	Above 50 years old	2023.06.21	1. Department of Mechanical Engineering, FCU.	1. Vice Chairman and Chief Technology		●	●	●			●

					<p>2. President of the Company.</p> <p>3. Philips Electronic Building Elements Industries (Taiwan) Ltd.</p>	<p>Officer of the Company</p> <p>2. Supervisor of TECH-WAVE Industrial Co., Ltd.</p> <p>3. Director of E&R Semiconduct or Materials Co., Ltd.</p> <p>4. Legal representative of Wuxi E&R Semiconduct or Materials Technology Co., Ltd.</p> <p>5. Legal representative of E&R (Dongguan) Semiconduct or Materials Co., Ltd.</p> <p>6. Corporation</p>								
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						representative of Jiangsu E&R Technology Co., Ltd.							
Director	Eric Chang	Male	Above 50 years old	2023.06.21	1. Department of Industrial Engineering and Engineering Management, NTHU 2. Graduate Institute of Business Administration, NTU 3. Executive Vice President of the Company 4. Manager of Baisha Electric Motor Co., Ltd.	1. President of the Company 2. Chairman of Tech-Wave Industrial Co., Ltd. 3. President of E&R Semiconductor Materials Co., Ltd. 4. Director of E&R (Dongguan) Semiconductor Materials Co., 5. Director and President of Wuxi E&R Semiconductor Materials	●	●	●		●		●

						Technology Co., Ltd. 6. Director and President of Jiangsu E&R Technology Co., Ltd. 7. Independent Director of Zen Voce Co., Ltd. 8. The representative of the corporate director of Shyawei Optronics Corporation							
Representative of a Corporate Director	Ray Hou	Male	Above 50 years old	2023.06.21	1. Department of Accountancy and Graduate Institute of	1. Director of Hou Rongxian Accounting Firm 2. Person in charge of	●	●			●		

					Finance, NCKU. 2. Partner of Ernst & Young and Director of Kaohsiung Office 3. Director of Hou Rongxian Accounting Firm 4 Person in charge of Family Tree Co., Ltd	Family Tree Co., Ltd 3. Representative Corporation Representative Director of Jia Wei Lifestyle, Co.,Ltd 5. Independent Director of Jiyuan Packaging Holdings Co., Ltd. 8. Independent Director of Mospec Semiconductor Co., Ltd. 9. Independent Director of United Fiber								
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						Optic Communicati on Co., Ltd.							
Director	Harry Huan g	Male	Abo ve 50 years old	2023.06.2 1	1. Department of Economics, NTU 2. Business Associate of Fuhua Investment Trust 3. Vice President of Business of Clone International Biotech Co., Ltd.	1. Vice President of the General Operation Management Office of the Company 2. Director and CEO of Jiangsu E&R Technology Co., Ltd. 3. Director of King Tech Co., LTD. 4. Director of King Tech Vietnam Co., LTD.	●	●	●		●		
Director	Kuan g shu Hsue h	Male	Abo ve 50 years old	2023.06.2 1	1. Department of Electronics, KWIJC 2. Chairman	—		●	●				●

					of Chaoyue Chemical Co., Ltd.								
Independent Director	JF Lu	Male	Above 50 years old	2023.06.21	1. Director of Kaohsiung Plant, Philips Electronic Building Elements Industries (Taiwan) Ltd. 2. Chief Quality Officer of Yageo Co., Ltd. and Head of Nanzi Branch	-		●	●				●
Independent Director	Alex Kao	Male	Above 50 years old	2023.06.21	1. Graduate Institute of Business Administration, NTU 2. General Manager of Sweepot Inc. 3. Director Of	1. Chairman of Sweepot Inc. 2. Director of Armorx Global Technology Co., Ltd.	●	●	●		●		●

					<p>Excelliance Mos Co., Ltd.</p> <p>4. Director of Chesen Electronics Co., Ltd.</p> <p>5. Partner of Yuwei Asset Managemen t Co., Ltd.</p> <p>6. Chief Operating Officer of REC Technology Co., Ltd.</p> <p>7. Senior Associate of China Developmen t Financial Holding Co., Ltd.</p> <p>8. Rock Records Co., Ltd. Shanghai Office</p>										
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					Manager 9. Ford Lio Ho Motor Co., Ltd. Area Manager								
Independen t	Eddy Peng	Male	Abo v e 50 years old	2023.06.2 1	1. Ph.D. of Biological Science and Technology, NYCU 2. Graduate of EMBA , NYCU 3. Ph.D. candidate of Biological Science and Technology, NYCU Graduate of EMBA, NYCU Master of Biomedical Engineering, NCKU 4. Vice President of Hermes-	1. Vice President of Hermes- Epitek Corp. 2. President of Hermes- Epitek (Shanghai) Corp. 3. Chairman & President of Hermes Advanced Therapy Systems Corp. 4. Chairman of Synaspire Corp. 5. Chairman of Alliance Precision (Hefei) Inc.							

					<p>Epitek Corp.</p> <p>5. President of Hermes-Epitek (Shanghai) Corp.</p> <p>6. Chairman & President of Hermes Advanced Therapy Systems Corp.</p> <p>7. Chairman of Synaspire Corp.</p> <p>8. Chairman of Alliance Precision (Hefei) Inc.</p> <p>9. Chairman of Chemical Mechanical Planarization User Group Taiwan</p> <p>10. Director of CMP of</p>	<p>6. Chairman of Chemical Mechanical Planarization User Group Taiwan</p>								
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					Hermes- Epitek Corp.								
Note: The term of the current Board of Directors is from June 21, 2023, to June 20, 2026.													

■ Board Operations

In 2023, E%R's Board of Directors held a total of 8 meetings, with an average attendance rate of 95%.

Board Member Attendance

Attendance Record of the Board Members					
Position	Name	Actual Attendance	Proxy Attendance	Attendance Rate	
Chairman	Michel Wang	7	1	88	
Vice Chairman	KS Chen	7	1	88	
Director	Harry Huang	8	-	100	
Director	Eric Chang	8	-	100	
Director	Kuang shu Hsueh	8	-	100	
Corporate Representative of Director	Ray Hou	8	-	100	
Independent Director	Carlos Huang	4	-	100	The attendance count was less than ten due to Huang stepping down on June 21, 2023.
Independent Director	Alex Kao	8	-	100	
Independent Director	JF Lu	8	-	100	
Independent Director	Eddy Peng	4	-	100	The attendance count was less than ten because Peng was newly appointed on June 21, 2023.

❖ Conflict of Interest for Directors

The Board of Directors has established the "Procedures for Ethical Management and Guidelines for Conduct " following the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" to regulate the conflict of interest principles for directors. Board members are required to fulfill their ethical obligations with a high degree of self-discipline and caution, faithfully performing their duties and exercising their powers. If a director or the legal entity they represent has a stake in any meeting agenda, the director must fully disclose the conflict of interest in that meeting. If there is a risk of harm to the Company's interests, the director must refrain from participating in discussions and voting and is also prohibited from proxy voting on behalf of other directors.

Below is the implementation of the Company's directors' recusal from conflict-of-interest agendas:

Meeting Date	Agenda Item	Director's Name	Reason for Recusal
2023/03/07	2022 Performance Bonus for Company Managers	Michel Wang KS Chen Eric Chang Harry Huang	As these directors hold senior managerial positions in the company, the agenda relates to their bonus compensation.
2023/05/03	1. 2022 Employee Compensation Distribution 2. 2023 Performance Bonus for Company Managers	KS Chen Eric Chang Harry Huang	These directors hold senior managerial positions in the company, and the agenda items are related to their bonus compensation.
2023/06/05	1. Appointment of Executive Vice Chairman for the Group. 2. Personnel Changes for the Company' s Invested Company, Jiangsu E&R Engineering Co., Ltd. 3. Appointment of General Manager for the Company' s carrier tape business unit.	KS Chen Harry Huang	The agenda items relate to these directors' roles in the company, and the recusal was conducted accordingly.
2023-6-21	1. Appointment of Executive Vice Chairman for the Group. 2. Appointment of the 5th "Remuneration Committee" Members 3. Appointment of the 2nd "Audit Committee" Members	KS Chen JF Lu Alex Kao Eddy Peng	The agenda items relate to these directors' roles in the company, and the recusal was conducted accordingly.
2023-8-10	Adjustment of Monthly Compensation for Independent Directors	JF Lu Alex Kao	The agenda item relates to these independent directors'

		Eddy Peng	compensation, and the recusal was conducted accordingly.
2023-11-1	1. 2023 Performance Bonus for Company Managers 2. Year-End Bonus for Senior Managers for 2023 3. Salary Adjustment for Senior Managers for 2024	Michel Wang KS Chen Eric Chang Harry Huang	As these directors hold senior managerial positions in the company, the agenda items relate to their bonus compensation.

❖ Board of Directors Training

To enhance their competencies and keep abreast of the latest governance information, the directors of the Company regularly participate in training sessions. The following table summarizes the training courses and hours attended by the board members in 2023:

Board of Directors training overview						
Title	Name	Training Date	Organizer	Course Title	Hours	Total Hours
Chairman	Michel Wang	2023/09/22	Taiwan Project Management Association (TPMA)	Board of Directors VS Management Team	3	6
		2023/10/24	Corporate Operating and Sustainable Development	Legal Regulations and Practical Case Analysis of Insider Trading	3	
Vice Chairman	KS Chen	2023/08/04	Taiwan Corporate Governance Association	The Role of Directors and Compliance Response to Operational Challenges under Corporate Governance 3.0	3	3
Director	Eric Chang	2023/09/14	Taiwan Investor Relations Institute	Mergers and Acquisitions Practices in Taiwan	3	3
Director	Harry Huang	2023/04/18	Securities & Futures Institute	Concepts, Practices, and Tools for Group Tax Governance	3	6
		2023/04/19	Securities & Futures Institute	Protection of Trade Secrets	3	
Corporate Representative of Director	Ray Hou	2023/03/16	Taiwan Corporate Governance Association	Net-Zero Trend and Practical Observations on ESG Decision-Making for Boards	3	9
		2023/08/07	Taiwan Corporate Governance Association	Better, Faster, More Valuable: Improving Corporate Processes and E-Maturity	3	

		2023/08/07	Taiwan Corporate Governance Association	Design, Setup, and Management of Compensation Committees	3	
Director	Kuang shu Hsueh	2023/10/24	Corporate Operating and Sustainable Development	Legal Regulations and Practical Case Analysis of Insider Trading	3	3
Independent Director	JF Lu	2023/10/31	Taiwan Project Management Association (TPMA)	Digital Transformation and Information Security	3	6
		2023/11/20	Taiwan Project Management Association (TPMA)	Risk Management Perspective on Digital Transformation and Information Security	3	
Independent Director	Alex Kao	2023/08/15	Taiwan Corporate Governance Association	How to Expand Influence, Support Sustainable SDGs, and Enhance Corporate Value	3	6
		2023/08/29	Taiwan Corporate Governance Association	Patent Layout and Litigation Practices	3	
Independent Director	Eddy Peng	2023/10/25	Securities & Futures Institute	Directors and Supervisors, and Corporate Governance Executives Workshop	6	12
		2023/10/25	Securities & Futures Institute	Directors and Supervisors, and Corporate Governance Executives Workshop	6	

❖ Board of Directors Performance Evaluation

To implement corporate governance and enhance the board's effectiveness, the Company has established performance targets to improve the board's operational efficiency. In accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the

Company has formulated a performance evaluation method for the board of directors. An internal performance evaluation of the board is conducted at least once per year, and an external performance evaluation is conducted by an independent professional institution or a team of external experts and scholars.

Evaluation Cycle	Evaluation Period	Evaluation Content	Evaluation Scope	Evaluation Item	Evaluation Results
Annually	2023/01/01 ~12/31	Board Performance Evaluation	Overall Board	1. Involvement in company operations. 2. Improvement in decision-making quality. 3. Board composition and structure. 4. Director selection and continuous training. 5. Internal controls.	Excellent to Outstanding. The board operates effectively, with a well-structured process, meeting corporate governance requirements.
		Director Performance Evaluation	Individual Board Members	1. Understanding of company goals and missions. 2. Awareness of directors' duties. 3. Involvement in company operations. 4. Internal relationships and communication. 5. Directors' expertise and continuous training. 6. Internal controls.	Excellent to Outstanding. Directors demonstrate professionalism, responsibility, good communication, and smooth meeting operations.
		Compensation Committee Performance Evaluation	Compensation Committee Members	1. Involvement in company operations. 2. Awareness of functional committee responsibilities. 3. Improvement in functional committee decision-making quality. 4. Functional committee composition and member selection. 5. Internal controls.	Outstanding. The Compensation Committee operates effectively, with independent and efficient functioning, in line with corporate

					governance requirements.
		Audit Committee Performance Evaluation	Audit Committee Members	1. Involvement in company operations. 2. Awareness of functional committee responsibilities. 3. Improvement in functional committee decision-making quality. 4. Functional committee composition and member selection. 5. Internal controls	Outstanding. The Audit Committee operates effectively, with independent and efficient functioning, in line with corporate governance requirements.

❖ Functional Committees

■ Audit Committee

The Audit Committee is composed entirely of independent directors, with at least three members. One member serves as the convener, and at least one member must have expertise in accounting or finance. The committee meets at least once every quarter and may convene additional meetings as necessary. Its primary role is to assist the board of directors in overseeing the integrity and quality of the Company's accounting, auditing, financial reporting processes, and financial controls.

The main supervisory objectives of the committee's operations are as follows:

1. Accurate representation of the Company's financial statements.
2. Appointment, dismissal, independence, and performance of the Company's external auditors.
3. Effective implementation of the Company's internal controls.
4. Compliance with relevant laws and regulations.
5. Risk management of existing or potential risks within the Company.

In 2023, the Audit Committee held a total of 6 meetings, with an attendance rate of 100%. The attendance record for the committee is as follows:

Audit Committee Attendance						
Title	Name	Scheduled Meetings	Actual Attendance	Proxy Attendance	Attendance Rate (%)	Remarks
Independent Director	Carlos Huang	3	3	0	100	Attendance did not reach five meetings due to Huang's resignation on June 21, 2023.
Independent Director	JF Lu	6	6	0	100	
Independent Director	Alex Kao	6	6	0	100	
Independent Director	Eddy Peng	3	3	0	100	Attendance did not reach five meetings due to Peng's appointment on June 21, 2023.

■ Remuneration Committee

The Remuneration Committee must include independent directors of the Company, and other members are appointed by the Board of Directors. The committee must have at least three members, with one independent director designated as the convener. The committee is required to meet at least twice annually and must conduct regular internal performance evaluations.

The committee is responsible for approving and overseeing the Company's compensation policies, which include monthly salaries, various bonus systems, retirement policies, and evaluation mechanisms. The remuneration of senior management is based on the company's operational performance, individual performance, and contributions, while also incorporating economic, environmental, and social indicators as part of sustainable development criteria. The Human Resources department drafts recommendations, which are reviewed by the committee before being presented to the Board of Directors for final approval.

Duties of the Remuneration Committee:

The Remuneration Committee shall fulfill its duties with due care, faithfully performing the following responsibilities and submitting its recommendations to the Board of Directors for discussion:

1. Regularly review and propose amendments to these regulations.
2. Establish and periodically review the company's performance evaluation standards for directors and managers, as well as annual and long-term performance goals, and the policies, systems, standards, and structure for remuneration.
3. Regularly assess the achievement of performance goals for directors and managers, and based on the assessment results, determine their individual compensation packages and amounts.

In 2023, the Remuneration Committee held a total of 3 meetings, with an attendance rate of 100%. The attendance record of the independent directors is as follows:

Remuneration Committee Attendance						
Title	Name	Scheduled Meetings	Actual Attendance	Proxy Attendance	Attendance Rate (%)	Remarks
Independent Director	Carlos Huang	2	2	0	100	Attended only two meetings as Huang stepped down on June 21, 2023.
Independent Director	JF Lu	3	3	0	100	

Independent Director	Alex Kao	3	3	0	100	
Independent Director	Eddy Peng	2	1	0	100	Attended only one meeting as Peng was newly appointed on June 21, 2023.

1.3 Economic Performance

Material Topics : Economic Performance	
Significance	The Company's operational performance and governance decisions must be accountable to investors. It is essential for both domestic and international investors, as well as regulatory bodies, to clearly and promptly understand the Company's operational status. This is the goal we strive to achieve.
Impact and Influence	<ul style="list-style-type: none"> Actual Positive Impact: Compliance with tax laws for proper accounting and timely filings to avoid penalties, with reviews conducted by accountants. Potential Positive Impact: Implementing sound financial strategies can lead to enhanced business operations.
Policies and Strategies	<ol style="list-style-type: none"> Marketing&RD: In addition to deepening existing marketing channels, the Company actively explores the European, American, and Northeast Asian markets. Regarding the "Taiwan Plus One" initiative, the Company will continue to remain agile in following customers' lead and expanding its client base, pushing current products through new channels into global companies. Emphasis is placed on next-generation processes and equipment, developing highly complementary products to complete our product line. Production: Focused on new product development, continuously advancing micro-laser processing and precision plasma surface treatment technologies. The Company is committed to maintaining a high-quality, customizable product image while diversifying operations, reducing unit costs, and enhancing competitiveness. Compliance and Governance: Adhere to relevant regulations and periodically publish governance evaluation data and related financial information, ensuring proper information disclosure and planning. Financial Transparency: The Company issues bilingual financial reports (Chinese and English) reviewed by accountants, increasing information transparency for foreign investors and regulatory bodies.
Objectives and Targets	<ol style="list-style-type: none"> Market Trends: Strengthen sales of existing products to expand market share and proactively promote new products to promising clients. Additionally, support customers in shortening their product development timelines while continuously improving and innovating in our product technologies. Sales Channels: Establish suitable international sales channels and a sales support system with distributors. Collaborate closely with trade partners to swiftly provide optimal solutions for customers, enhancing market share and scale. Talent Development: Expand recruitment through industry-academic collaborations, advanced talent training programs, and alternative military service applications. Strengthen professional training and actively engage with research and academic institutions. Cost Reduction and R&D: Continue to improve production techniques, lower costs, and develop diversified, high-margin products. Expand core

	<p>competencies to different industries, maintaining a leading competitive edge.</p> <p>5. Capital Utilization: To support the Group' s future growth, optimize capital market utilization, lower funding costs, and maximize capital efficiency.</p> <p>6. Capacity Expansion: Plan to construct new plants in overseas locations and at the Ciaotou Science Park to support long-term operational needs.</p>
Evaluation Mechanism Management	Disclose financial information and governance decisions promptly and regularly to avoid penalties due to incomplete information disclosures.
Performance and Adjustments	The Company conducts monthly reviews comparing budget forecasts to actual revenue and profitability, proposing improvements for unmet targets.
Preventive and Remedial Measures	Maintain close communication channels with the Taipei Exchange, stock agent institutions, auditors, and the Taiwan Securities and Futures Market Development Foundation. Monitor the Company' s financial disclosures and governance metrics to avoid discrepancies due to negligence. In case of any ambiguity, the Company consults relevant contact points to ensure timely corrections and achieve its established goals.

❖ Operating Performance

In 2023, E&R achieved an annual revenue of NT\$1,154,330 thousand, with an operating cost of NT\$568,874 thousand. Below is the operating performance table for 2023:

2023 Operating Performance Information	
Item/Year	2023
Operating Revenue (NT\$K)	1,154,330
Operating Costs (NT\$K)	568,874
Gross Profit (NT\$K)	585,456
Operating Profit (NT\$K)	93,260
Non-Operating Income and Expenses (NT\$K)	(41,584)
Pre-Tax Profit (NT\$K)	51,676
Net Profit After Tax (NT\$K)	30,911
Total Comprehensive Income for the Period (NT\$K)	34,683
Earnings Per Share (NT\$)	0.320
Employee Welfare Amount (NT\$K)	1,578
Dividends (NT\$K)	195,545
Employee Compensation (including welfare) (NT\$K)	218,259
Retained Economic Value (NT\$K)	152,308
Payments to Investors (NT\$K)	195,545
Payments to Government (NT\$K)	18,821
Community Investment (NT\$K)	523

Notes:

1. Payments to investors refer to dividends paid to all shareholders, including interest paid to lenders (in any form of debt and loan interest) and unpaid dividends to preferred shareholders.
 2. Payments to the government refer to all taxes (including business tax, income tax, property tax) and penalties.
 3. Employee compensation (including welfare) includes all employee benefits provided in monetary form, such as labor insurance, health insurance, and pension expenses (excluding education, protective equipment costs, or other directly work-related costs). The "Employee Welfare Amount" refers to funds allocated to the employee welfare committee, such as employee travel, health checkups, and holiday gift boxes, which are non-monetary benefits.
 4. Community investment refers to donations and contributions.
 5. The currency unit is New Taiwan Dollars (NT\$).
 6. Retained Economic Value = "Generated Direct Economic Value" - "Distributed Economic Value."
- ※Generated Direct Economic Value: Revenue.
- ※Distributed Economic Value: Operating costs, employee compensation and welfare, payments to lenders, payments to the government by country, and community investments.

❖ Government Subsidie

During the reporting period, E&R actively pursued various government subsidy programs related to its industry, aiming to enhance the knowledge, skills, and professional capabilities of its employees. Additionally, the Company actively promoted renewable energy and implemented environmental responsibilities by installing solar power generation facilities within its plants. These efforts align with Taiwan Power Company's green energy purchasing scheme, facilitating diversified energy usage. In 2023, E&R received a total government subsidy amounting to NT\$22,024 thousand.

Overview of Government Subsidies		
Project	Granting Agency	Subsidy Amount (NT\$K)
Laser and Plasma Processing Technology Development Project for Silicon Carbide Semiconductors	Taipei Computer Association	21,587
Renewable Energy Power Purchase Tariff	Taiwan Power Company, Kaohsiung District Office	355
Charging Takeoff Program	Workforce Development Agency Kaohsiung-Pingtung-Penghu-Taitung Regional Branch	82
Total		22,024

❖ Tax Policy

E&R maintains a proactive approach to tax governance, control, and risk management. The Company's Finance Department works closely with its auditing accounting firm to identify and plan for potential tax risks that may arise in the future. With an effective risk management mechanism in place, the frequency and amount of tax disputes are kept to a minimum. Confidence in tax matters is based on audited financial statements certified by the accounting firm, and all tax-related information is transparently disclosed through official channels such as the Company's website and annual shareholders' reports. The Company actively engages with stakeholders through various channels and participates in tax advocacy efforts to support the implementation of new tax policies, thereby contributing to the creation of a sound tax environment.

E&R's tax policy strictly adheres to current tax regulations, such as corporate income tax and business tax, as promulgated by the relevant authorities. The company's tax policy is established as follows:

E&R Tax Policy

Compliance Principle	Comply with tax regulations and legislative intent, accurately file and pay taxes, and maintain proper supporting documents.
Comprehensive Decision-Making Principle	Stay attentive to local and international tax law changes, comprehensively assess their impact, and formulate responsive strategies.
Transparency Principle	Regularly disclose tax information through public channels such as financial statements and annual reports to ensure transparency.
Active Communication Principle	Maintain open and honest communication with tax authorities to assist in improving the tax environment and system
Reasonable Tax Savings Principle	Utilize legitimate and transparent tax incentives without engaging in tax evasion or avoidance methods that contradict legal intent.
Rational Structure Principle	Ensure that corporate structures and transaction arrangements have real economic substance, avoiding special arrangements for tax evasion purposes.
Risk Control Principle	Evaluate related risks when formulating and implementing tax decisions and adopt appropriate strategies.
Commercial Substance Principle	Related party transactions should align with economic substance, where decision-makers assume risks and receive reasonable returns.
Standard Transaction Principle	The prices and conditions of related party transactions should align with those of similar transactions involving unrelated parties.
Tax Authorities	In cases of uncertainty regarding the application of laws, proactively consult and discuss with tax authorities. When receiving information requests from tax authorities, cooperate fully and submit relevant documents and explanations on time.
Independent Directors and Investors	Communicate tax matters through the board of directors and independent directors to ensure effective control of tax risks. Additionally, provide investors with explanations on the reasons for changes in the effective tax rate and tax governance results through the dedicated tax governance section on the Company's website.

E&R actively engages with stakeholders through various channels and participates in tax advocacy efforts to support the implementation of new tax policies, thereby contributing to the establishment of a sound tax environment. °

➤ Annual report : https://mops.twse.com.tw/mops/web/t57sb01_q1

1.4 Regulatory Compliance and Risk Management

❖ Regulatory Compliance

E&R strictly adheres to relevant laws and regulations regarding corporate governance, integrity management, health and safety, environmental protection, and labor rights as set forth by the competent authorities. The Company follows regional regulations at each of its

operational sites and stays attentive to domestic and international regulatory trends within its business scope, making timely adjustments when necessary.

In terms of taxation, E&R complies with all applicable tax laws. For environmental matters, the Company is committed to implementing environmental protection policies while ensuring workplace safety. In the social domain, we align with the government's social and economic policies and diligently fulfill our corporate social responsibilities.

In 2023, E&R had no violations related to environmental protection, labor regulations, or corporate governance, nor did it engage in any political contributions.

❖ Human Rights Compliance

E&R is dedicated to fostering a friendly workplace environment and safeguarding employee rights, health, and safety, with the goal of achieving sustainable corporate development. We have established internal policies such as "Work Regulations," "Sexual Harassment Prevention," and "Recruitment and Employment Management," which clearly protect employee rights concerning working hours, attendance, gender equality, and more. This ensures that employees receive appropriate care. °

To build a supply chain that prioritizes environmental protection, human rights, safety, health, and sustainability, E&R requires its suppliers to sign a "Sustainability Commitment." This commitment focuses on key areas such as prohibiting child labor, labor management, eliminating all forms of forced labor, safeguarding fundamental labor rights, respecting basic human rights, upholding ethical standards, and promoting integrity in business operations. This initiative aims to encourage joint efforts in fulfilling corporate social responsibility and establishing a stable, sustainable supply chain.

In 2023, there were no reported incidents of labor disputes at E&R involving violations of labor rights, discrimination, sexual harassment, restrictions on employee freedom of association or collective bargaining, or cases of forced labor.

Execution Items	Implementation Details
Prohibition of Child Labor	The Company explicitly prohibits the employment of workers under the age of 16 and forbids employing young workers in hazardous or high-risk positions.
Ban on Forced Labor / Anti-Discrimination	Forced labor or mandatory overtime is strictly forbidden, and illegal discrimination is actively prevented to ensure equal employment opportunities.
Freedom of Association	Employees' rights to freedom of assembly and association, as provided by law, are respected.
Gender Equality in the Workplace	1. To promote gender equality and a harassment-free environment for employees and clients, we have established the "Sexual Harassment Prevention, Complaints, and Disciplinary Measures" policy.

	<p>2. For pregnant employees, we provide regular check-ups, health consultations, designated parking, and other dedicated support.</p> <p>3. A nursing room is available for employees with breastfeeding needs.</p>
Labor-Management Communication	<p>1. We maintain open communication channels between labor and management, including labor-management meetings and annual employee interviews, with the aim of aligning resources and pursuing common goals.</p> <p>2. Labor-management meetings are held regularly, with four meetings conducted during the reporting period, attended by 54% labor and 46% management representatives, meeting regulatory requirements.</p>
Employee Health Promotion	<p>Various employee clubs—such as swimming, cycling, badminton, camping, walking, baseball, and bowling clubs—offer employees opportunities to relax, socialize, and build camaraderie.</p>
Occupational Safety and Health	<p>1. Committed to workplace safety, accident prevention, environmental improvement, and employee health protection.</p> <p>2. Environmental monitoring is conducted biannually in compliance with regulations, with corrective action taken if any environmental hazards are identified.</p> <p>3. Annual occupational safety and workplace safety training is held, along with at least two fire drills each year.</p> <p>4. We participate in the Industrial Safety and Health Association of Taiwan's No-Lost-Time-Incident program, as per "Guidelines for the Implementation of No-Lost-Time Incident Records in Business Units," and have received certification.</p>
Supplier / Contractor Management	<p>1. We monitor human rights risks within the supply chain through supplier risk assessment questionnaires, RBA audits of key contractors, and a grievance channel for supply chain workers within the supply chain management platform.</p> <p>2. Human rights due diligence procedures are used to gather and assess relevant human rights issues, applying preventive and mitigation measures, feedback, and continuous improvement processes to strengthen human rights management within the supply chain.</p>

❖ Integrity and Ethical Business Practices

The Company has established the "Ethical Business Practices and Conduct Guidelines," which were approved by the Board on November 29, 2013, and revised in the shareholders' meeting on June 25, 2015. This commitment to ethical business is reinforced by the Board and management team, who ensure its gradual implementation in line with the Company's situation and legal requirements. Both the "Work Regulations" and "Ethical Business Practices and Conduct Guidelines" clearly specify these standards.

In 2023, under the Board's supervision, there were no incidents of corruption nor any reported violations of ethical standards. All operational sites across the group have implemented anti-

corruption policies and procedures, and we continue to promote these standards to our partners through signed sustainability contracts with suppliers.

We have established an email channel for reporting any violations of ethical conduct. Upon receiving a report, we first verify whether the complainant has provided a detailed description of the incident along with substantial evidence. Depending on the severity, a senior executive will handle the matter, and if necessary, the General Manager will be informed to make an appropriate decision. Our primary reporting channels include the Operations Management Office, Human Resources, and the Internal Audit Office. We guarantee confidentiality for the whistleblower and retain all records and evidence. Any violation of ethical conduct will be dealt with in accordance with employee work regulations and relevant policies.

E&R' s Implementation of Integrity and Ethical Business Practices	
■	Core Values: Integrity and reliability are core to our corporate culture. We reinforce these values through orientation and ongoing training for all employees, complemented by a comprehensive disciplinary and grievance system to prevent unethical behavior.
■	Strict Guidelines: Our "Work Regulations" and "Ethical Business Practices and Conduct Guidelines" prohibit requesting, accepting, or offering any form of gifts, entertainment, or bribes that could compromise duty or professional judgment.
■	Rigorous Accounting and Audit Systems: We maintain a stringent accounting system overseen by a dedicated accounting unit, and all financial reports are audited by certified accountants to ensure fair representation. Internal auditors conduct regular checks per the audit plan to ensure the effectiveness of our internal control system.
■	Employee Agreement on Confidentiality and Ethics: All employees sign the "Business Confidentiality, Intellectual Property, and Ethics Code Agreement" upon joining, achieving a signing rate of over 99%. In 2023, 71 new employees signed this agreement, ensuring alignment with ethical guidelines.
■	Board Reporting: The Board of Directors receives a report on the company' s ethical business policy and its implementation at least once a year.

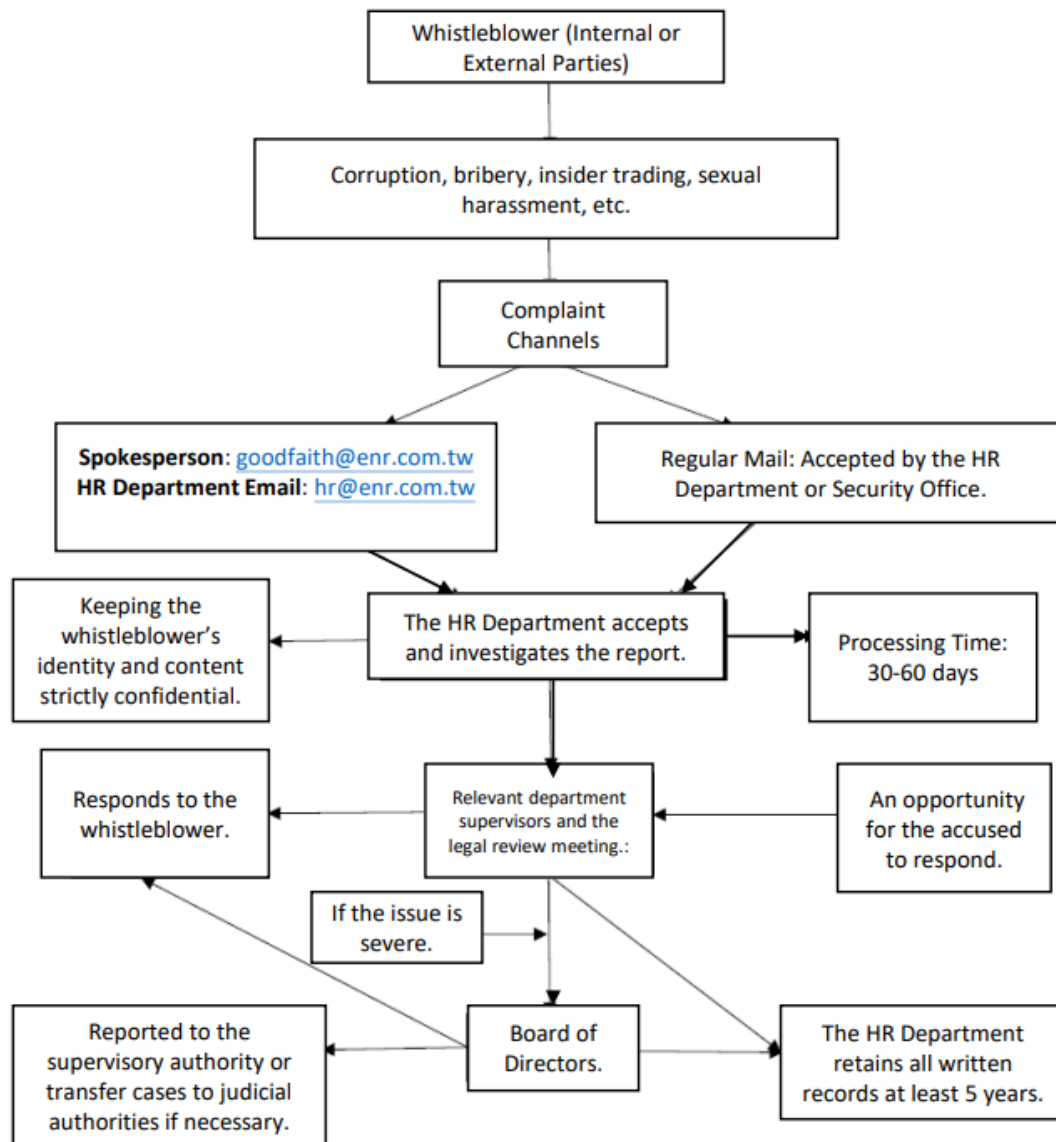
❖ Reporting Channels

If any violations of relevant regulations occur, employees and external parties may follow the complaint process to report these incidents. Once a report is received, each complaint channel will be executed according to the issue at hand, and if there are serious circumstances, the case will ultimately be presented to the Board of Directors for resolution. To protect the whistleblower, all identifying information will be kept strictly confidential.

Below are the reporting channels and complaint process for E&R:

Reporting Channels		
Responsible Departments	Human Resources Department	Sales Department
Mailing Address	No. 61, Hengshan Road, Yanchao District, Kaohsiung City	
Reporting Phone Number	07-6156600#3600/3601	07-615-6600
Email	goodfaith@enr.com.tw	8027@enr.com.tw

Complaint (Whistleblowing) Process Flowchart



2 、 Sustainable Products

2.1 Product and R&D

Material Topics : Product Quality and Safety	
Significance	Our goal is to provide high-quality, technically advanced, and safe products tailored to customer needs, enabling clients to maximize the benefits of their products.
Impact and Influence	Economic Impact: Supplying high-quality and safe products to clients fosters customer satisfaction, which positively impacts the Company' s future business development.
Policy/Strategy	To deliver equipment that is of high quality, advanced technical capability, and safe, supporting clients in maximizing product benefits.
Goals and Objectives	<ol style="list-style-type: none"> 1. Conduct outgoing inspections on equipment to ensure that product quality and safety align with customer requirements before shipment. 2. Perform safety certifications (e.g., UL/CE) before equipment shipment, as requested by clients. 3. Provide user manuals for easy and quick onboarding. 4. Achieve ISO 9001:2015 certification for quality assurance.
Management Evaluation Mechanism	Implement outgoing inspection procedures before equipment shipment.
Performance and Adjustments	Maintain an outgoing inspection pass rate of over 90% (current rate: 100%) to consistently meet customer quality requirements.
Preventive and Remedial Measures	<p>Preventive Measures: Regularly review the effectiveness of implementations.</p> <p>Remedial Measures:</p> <ol style="list-style-type: none"> 1. In response to customer feedback, convene internal teams to discuss and implement improvement measures to address client concerns. 2. Review any unshipped equipment for similar issues and address them if identified.

❖ Products and Services

The Company is dedicated to providing laser marking and processing equipment suitable for various materials.

1. Laser Marking Equipment

Application: Primarily used in the back-end semiconductor manufacturing process for product marking and traceability.

Features: Laser heads use various wavelengths to mark on the IC surface with diverse material coatings, ensuring high-speed and high-quality marking for clients.

2. Laser Machining

Application: Includes laser cutting, grooving, and drilling, enabling high-precision, fully automated production of small-scale products, mainly applied in semiconductor packaging.

3. Plasma Cleaning Equipment

Application: Designed for IC wafers, LED chips, and all stages of packaging, plasma cleaning removes surface particles, contaminants, performs surface modification, etching, atomization (roughening), metal oxidation-reduction, and organic residue removal.

Our client base spans the major semiconductor hubs worldwide, providing employees with the opportunity to join a globally oriented service team and collaborate on various projects with top international semiconductor professionals. At the 2023 Taiwan Semiconductor Exhibition, E&R focused on three core areas:

1. 2.5D/3D Advanced Packaging

We actively participate in advanced packaging processes with an accuracy of up to $\pm 3\mu\text{m}$. Through the integration of various optical modules and laser systems, we meet client demands for high-precision laser drilling.

2. Third-Generation Semiconductors

With the rise of materials such as SiC and GaN, E&R offers comprehensive laser and plasma solutions tailored to these new-generation semiconductors.

Panel-Level Packaging

3. For panel-level packaging processes, we provide laser cutting and plasma cleaning for products up to 700mm x 700mm, addressing diverse process requirements across applications.

2023 Sales Overview

Product/Service	Sales Region	Customer Type	Sales Volume	Unit
Laser Equipment	Taiwan/US-Europe/China	Semiconductor Industry	48	Units
Plasma Equipment	Taiwan/US-	Semiconductor	13	Units

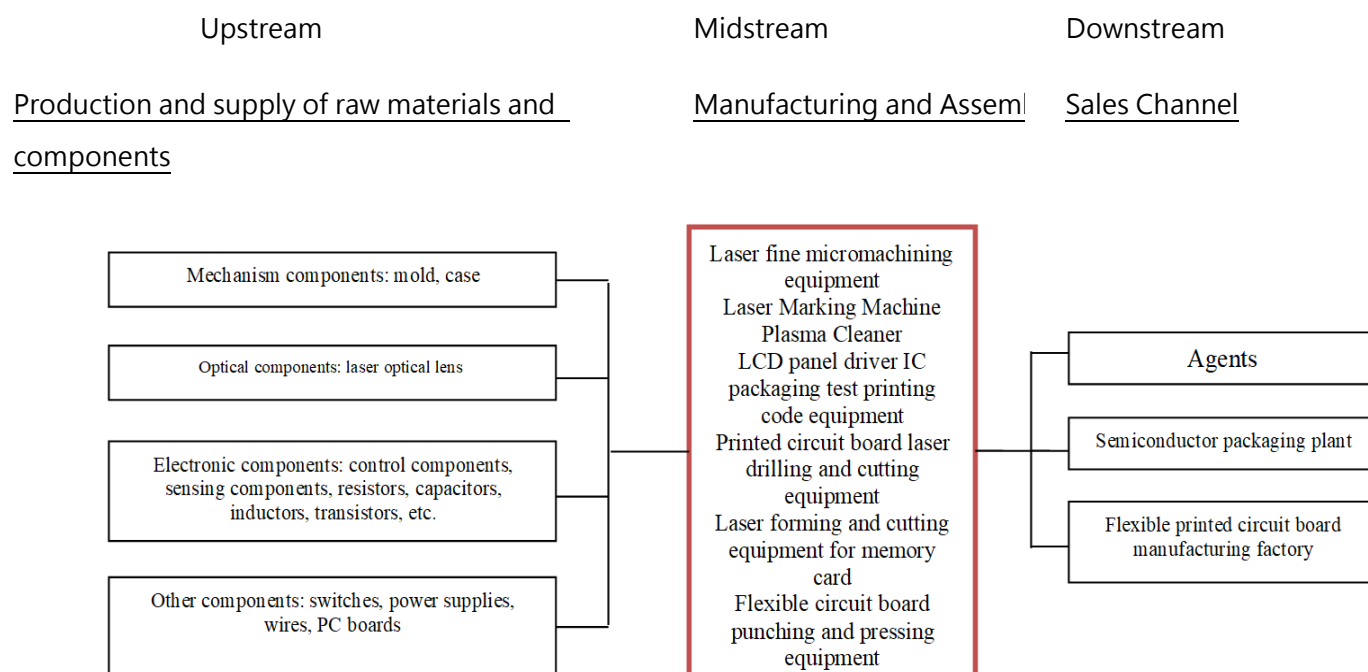
	Europe/China	Industry		
Electronic Parts	Taiwan/US- Europe/China	Semiconductor Industry	42,360	Varies by part

Relationship with Upstream, Midstream, and Downstream Supply Chain

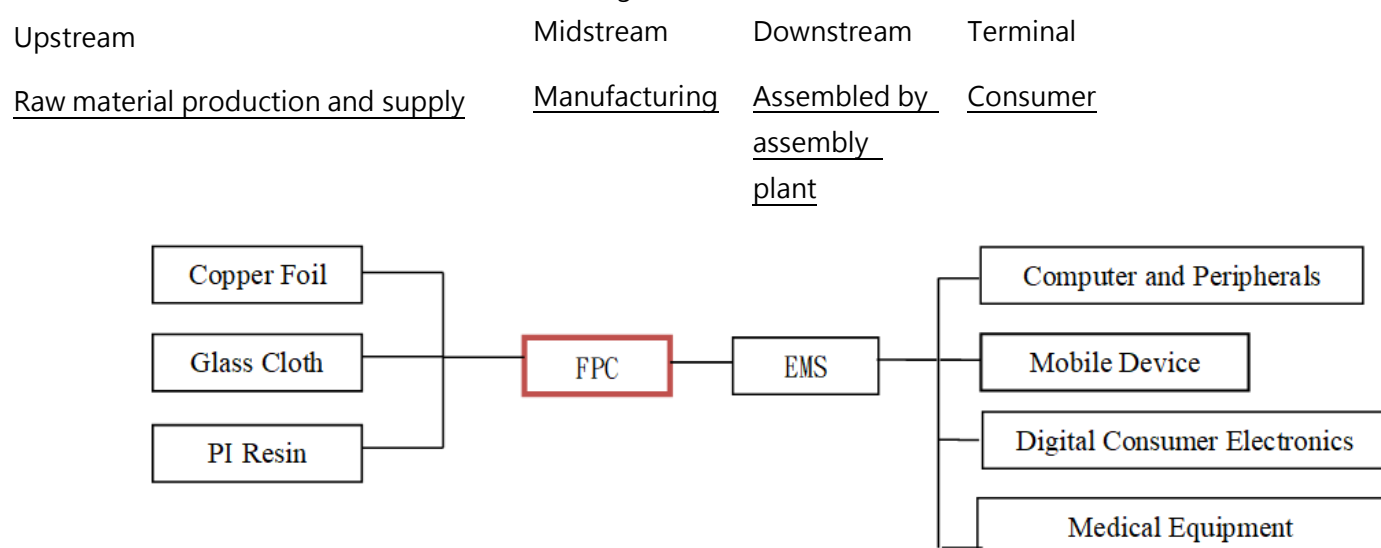
The relationship between the upstream, midstream and downstream industry

The upstream, midstream and downstream correlations of the Group's product industries are listed as follows:

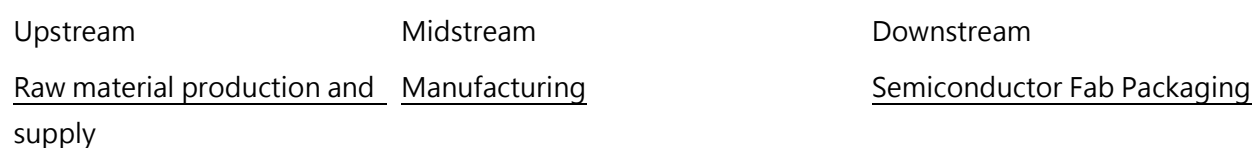
A. Electronic and semiconductor production equipment manufacturing

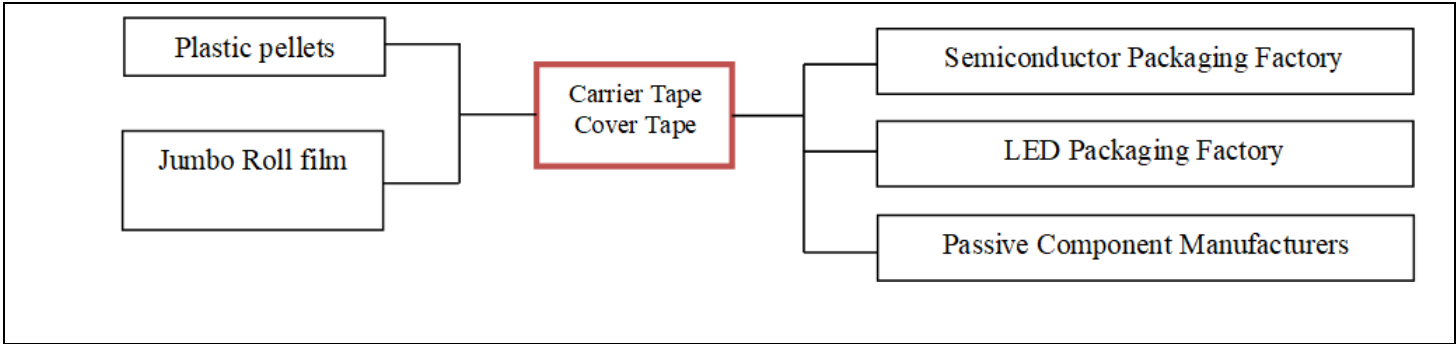


B. Flexible Printed Circuit board manufacturing



C. Semiconductor Manufacturing





❖ Technology Research and Development

Our group is committed to the development of semiconductor manufacturing equipment, with a strong focus on laser marking, laser micro-machining, and plasma micro-machining. Over the years, we have gained our customers' trust, leading to significant adoption of our technologies.

Key R&D Focus Areas:

- Advanced wafer-level laser cutting technology
 - Advanced wafer-level hybrid laser and plasma micro-machining
 - Advanced substrate-level packaging laser micro-machining technology
 - Wafer-level plasma micro-etching technology
 - Testing equipment technologies for semiconductors and Micro LEDs
 - ABF large-panel processing technology
 - Third-generation semiconductor application technologies
-

As a qualified supplier within the laser equipment supply chain, our technologies are utilized in 5G and high-speed computing chip production processes, which are expected to drive revenue growth. We continually address customer demand for ultra-precise micro-sized products by integrating laser, plasma, and optoelectronic testing technologies. Our diversification efforts aim to expand both horizontally and vertically, promoting industry and product diversification to support business expansion and gross profit growth.

The Group dedicates over 6% of net operating income annually to R&D, with plans to maintain or exceed this level in the future. Below is the R&D expenditure for the past three years:

R&D expenditure for the past three years			
Item	2021	2022	2023
R&D Expenses (NT\$ 000)	159,650	208,505	207,420
Net Operating Income (NT\$ 000)	2,544,782	3,222,998	1,549,374
R&D Ratio to Net Revenue	6.27%	6.47%	13.38%

❖ Quality Assurance

E&R has implemented a comprehensive quality management system across all product manufacturing stages to ensure compliance with both regulatory standards and our own quality policies and objectives. In 2023, we achieved ISO 9001 certification for our quality management system, establishing a standardized documentation structure to maintain consistent product and service quality that meets customer needs and enhances satisfaction. Notably, there have been no instances of penalties related to violations of health and safety regulations for our products or services. The following table summarizes the international certifications obtained for E&R's products and services:

Product or Service Category	International Certification System	Percentage of Certified Products or Services Provided
Equipment Assembly/Design/Manufacturing Management System	ISO 9001 Quality Management System Certification	100%

International Certification System Certificates

CERTIFICATE



特此授予:

鈦昇科技股份有限公司

824高雄市燕巢區橫山路61號、69號

管理體系符合
ISO 9001:2015

驗證範圍

半導體組裝、雷射打印、測試、電漿及製程設備的設計、製造及銷售

證書編號: ARES/TW/12403033Q

證書簽發日期: 2024-03-07

證書有效日期: 2027-03-06

每次監督審核時間與上次現場審核時間間隔不得超過12個月,且必須取得ARES簽發的監督審核通過證明以確保證書有效性。



ACCREDITED
Management Systems
Certification Body
ACC NO. MSCB - 171



批准:



ARES International Certification Co., Ltd.
No.12-2, Ln. 187, Wenping Rd., Anping Dist., Tainan City 708, Taiwan
TEL / 06-295 9696 (Rep. Line) FAX / 06-295 9667
www.ares-registration.com

2.2 Supply Chain Management

Material Topics : Procurement Practices	
Significance	The progress of raw material procurement directly impacts the on-time delivery rate of equipment.
Impacts and Influences	<p>1.Economic: A stable and timely supply of raw materials ensures smooth production processes.</p> <p>2.Environmental: Implementation of carbon reduction, energy conservation, and water resource recycling.</p> <p>3.Human Rights: Emphasis on corporate social responsibility to enhance human rights protections and reduce inequality/discrimination.</p>
Policies/Strategies	We have established a sustainable supplier management policy focusing on three main areas: quality management, environmental protection, and corporate social responsibility (CSR). We incorporate ESG (Environmental, Social, and Governance) criteria into our supplier evaluations and audits. Regular assessments of suppliers and meetings are conducted, with timely suggestions and support provided.
Goals and Targets:	<p>1.Short-Term: Achieve 100% completion rate for supplier signatures on the Supplier Sustainability Commitment.</p> <p>2.Mid-Term: Maintain a 100% policy on conflict-free minerals, aligning with international organization initiatives and fulfilling corporate social responsibility.</p> <p>3.Long-Term: Continue prioritizing local procurement to mitigate the environmental impact of carbon emissions during material transportation.</p>
Management Evaluation Mechanism	<p>1. Require new suppliers to sign the Supplier Sustainability Commitment.</p> <p>2. Conduct regular ESG assessments of suppliers, integrating sustainability performance into order allocation and long-term collaboration considerations.</p>
Performance and Adjustments	<p>1. The expected total number of suppliers to sign the Supplier Sustainability Commitment is 201, with 181 suppliers having signed in 2023, resulting in a 90% return rate. As 2023 has just begun, not all signatures have been collected yet.</p> <p>2. The proportion of local procurement reached 52%. °</p>
Preventive or Remedial Measures	To address potential issues with unqualified suppliers, we will maintain at least two alternative suppliers to ensure a steady supply.

During the reporting period, E&R primarily collaborated with domestic labor contractors and semiconductor component material suppliers. The table below details procurement with suppliers and contractors in 2023:

Procurement Statistics for the Past Three Years			
Contract Type	Procurement Region	2023	
		Number of Suppliers	Proportion of Total Procurement Amount
Labor (Contracting and Services)	Domestic (Taiwan)	90	3.09%
	International	6	0.21%
Goods (Raw Materials)	Domestic (Taiwan)	341	51.70%
	International	44	29.70%
Engineering (Construction and Equipment)	Domestic (Taiwan)	5	1.50%
	International	0	0.00%
General Procurement	Domestic (Taiwan)	182	10.35%
	International	14	3.44%
Total		682	100%
Note: Domestic refers to Taiwan, while International refers to regions outside Taiwan (e.g., the United States).			

❖ Supply Chain Selection

To meet evolving sustainability demands, E&R integrated the Supplier Code of Ethics and Environmental Commitment Agreement into the Supplier Sustainability Commitment in 2023. Currently, 90% of suppliers have signed this commitment, making it a prerequisite for future supplier selection, with a target sign-back rate above 70% (target: 201 suppliers; 2023 sign-backs: 181).

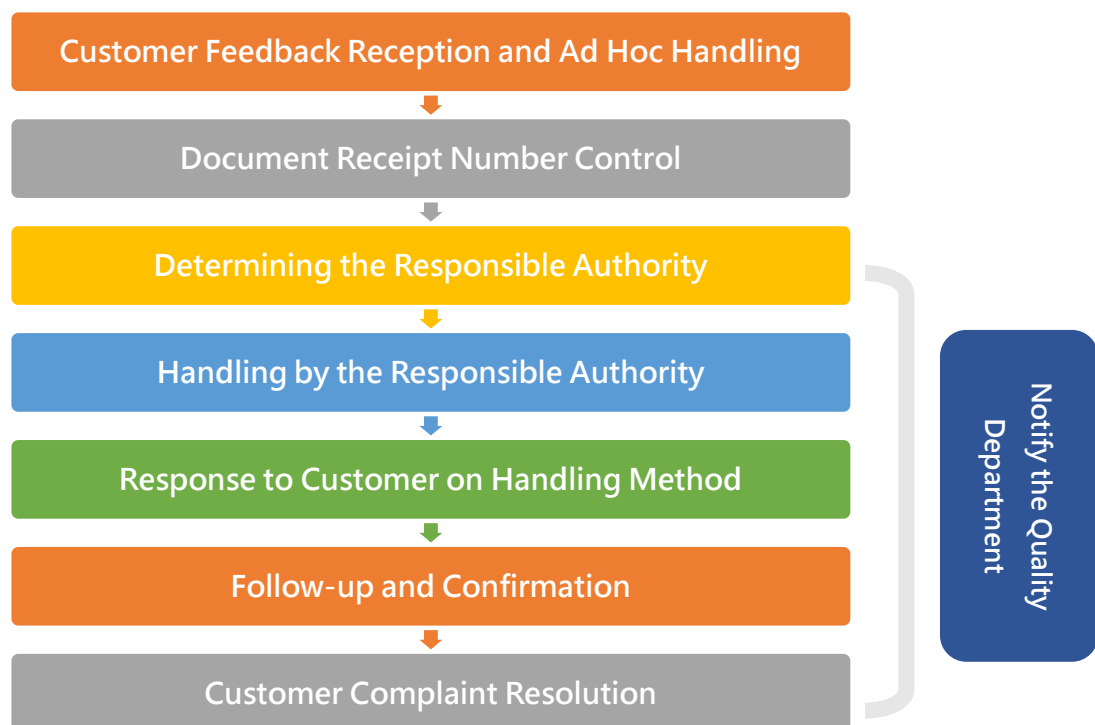
New Supplier Evaluation: New suppliers are evaluated on delivery timelines, cost efficiency, after-sales service, financial health, production capacity, and expansion plans. Suppliers scoring below 60 points are flagged for consideration, while those scoring above 70 are classified as qualified.

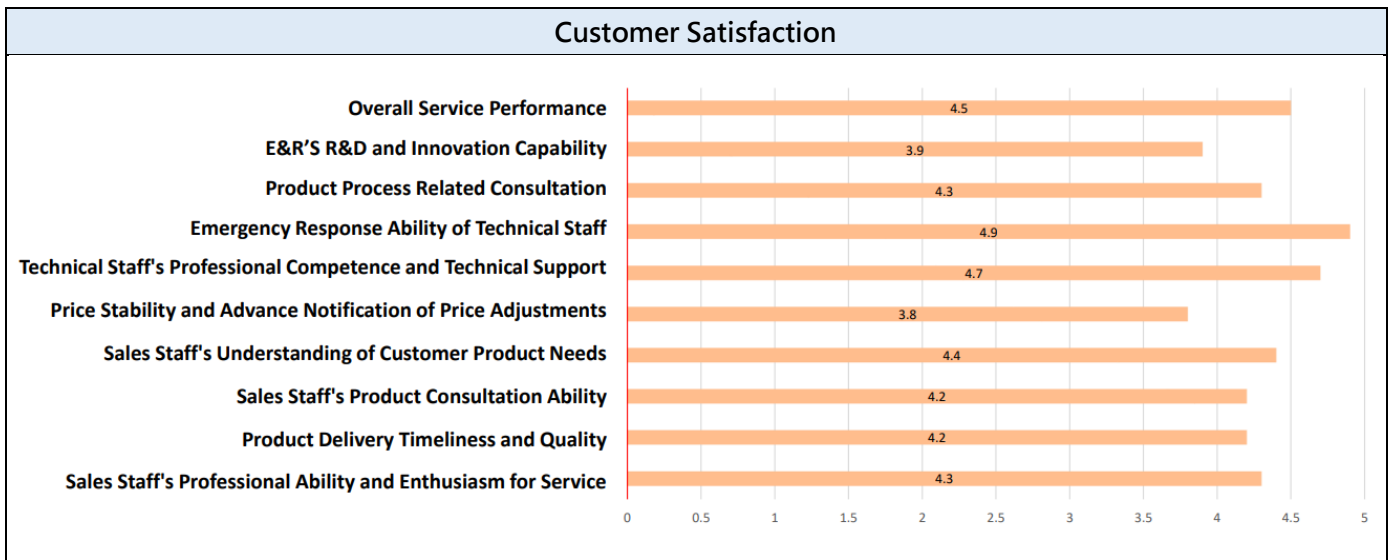
Ongoing Supplier Evaluation: Existing suppliers are regularly evaluated based on delivery performance, quality, and other criteria. Key raw material suppliers, top spend suppliers, and those with the highest delays or quality issues undergo annual re-evaluation. This assessment process informs E&R's graded management of suppliers at year-end, aiding procurement strategy and ensuring alignment with quality standards.

2.3 Customer Service and Information Security

❖ Customer Satisfaction Survey

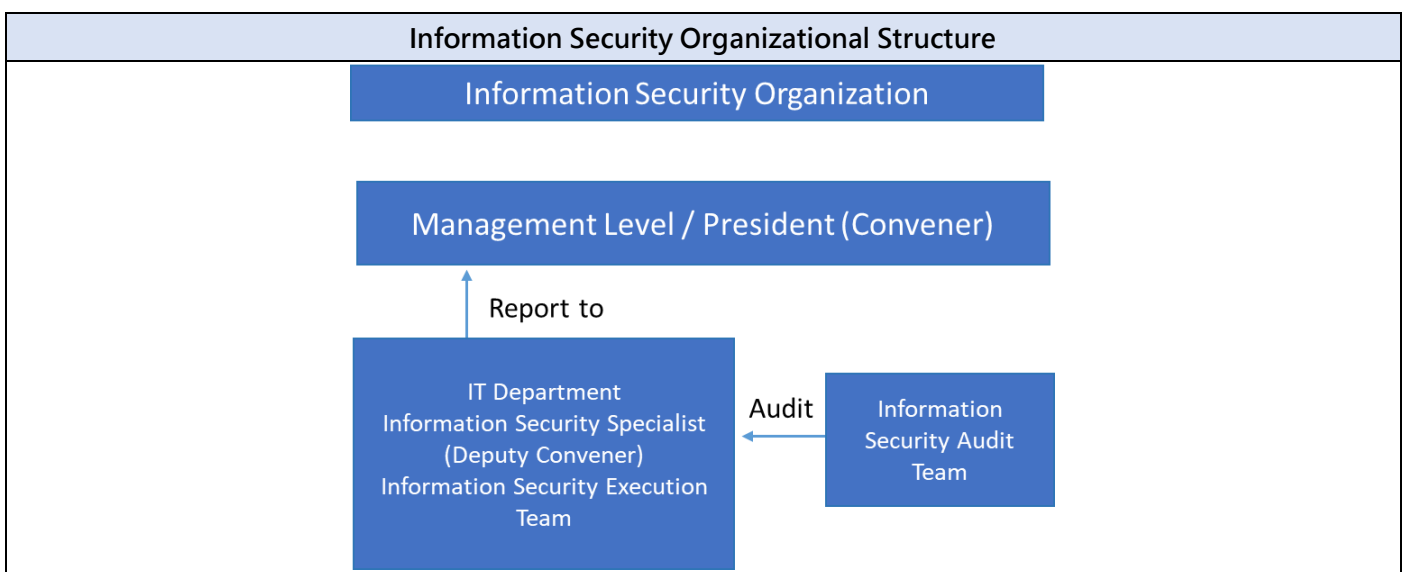
At the end of 2023, our company conducted a customer satisfaction survey to express our gratitude for the continued support and trust of our clients, aiming to enhance the quality of our products and services, meet customer expectations, and drive continuous improvement in the coming year. The survey results revealed high ratings for our technical staff's "adaptability" and "professionalism." We are committed to actively investing in employee training to cultivate industry experts within our team. However, scores for "product development and innovation" and "price stability with advance notice for adjustments" were comparatively lower. Our goal this year is to make breakthroughs in new product development, creating more advanced machinery and equipment. We also aim to stabilize and reduce costs to enhance the competitiveness of our products. Notably, there were no customer complaints recorded in 2023.





❖ Information Security Management

To safeguard customer privacy and ensure secure management of company information assets, we have established an information security team with defined roles and responsibilities to effectively drive our information security initiatives. The General Manager acts as the team leader, with a dedicated manager from the IT Department as deputy, overseeing the Information Security Task Force. This team follows the Information Security Management System (ISMS) framework to develop security policies that regulate the behavior of both internal and external personnel. Regular reviews ensure these policies remain aligned with operational changes, with adjustments made as needed. To boost information security awareness and responsiveness, we implement various initiatives, such as information security training emails and specialized staff training. We also conduct regular information security audits to enforce our policies and minimize security risks.



Information Security Management Policy
1. Ensure secure control over the Company' s information assets (including software systems, hardware equipment, network communication facilities, and databases) to maintain normal operation and prevent risks from human-induced cyber threats or natural disasters.
2. Continuously manage, supervise, and review operations to implement control systems and maintain information security policies. This ensures the effective operation of essential systems within the Company's governance structure and operations, providing more stable, secure, and high-quality information services.
3. Identify information assets within the scope of core business and core information security management systems and assess potential information security risks related to confidentiality, integrity, and availability by conducting risk assessments.
4. Establish relevant operational procedures for handling information systems to implement internal control systems and maintain information security policies.

Information Security Management Implementation
1. Joined the Taiwan Computer Emergency Response Team / Coordination Center and the SECPAAS Security Platform. As a Service to stay updated on cybersecurity incident notifications and promptly update the Company' s information security systems.
2. Annually allocate approximately NT\$1,000,000 for information security software and hardware.
3. All new employees sign the "Employee Information Security Code of Conduct" to ensure compliance with information security policies. As of November 2023, a total of 71 new hires have signed.
4. The Information Security Team periodically promotes information security policies and case studies to all group companies via email. In 2023, over 2,600 employees have been reached. The Information Security Team holds regular monthly meetings.
5. The Information Security Team conducts an annual self-assessment of information security.
6. The IT Department performs an annual information security audit, with start and close discussions held around the audit.
7. Internal audit personnel and IT Department staff jointly conduct at least one information security audit each year.
8. Adopts ISO 27001 as the framework for the Information Security Management System (ISMS). Annual third-party security verifications are conducted through on-site customer audits, questionnaires, or SecurityScorecard evaluations.

3 、 Green Environment

3.1 Climate Change and Energy Conservation & Carbon Reduction

Material Topics : Energy Management, Greenhouse Gas Emissions	
Significance	Effective energy management is essential for reducing energy consumption in product manufacturing and implementing carbon reduction measures. This approach is crucial for both company operations and environmental impact.
Impacts and Influences	<p>Actual Positive Impact: Reduced energy usage lowers operational costs and contributes to environmental protection. \</p> <p>Potential Positive Impact: Development of low-carbon products, reducing operational energy consumption and carbon emissions.</p> <p>Potential Negative Impact: Power outages could affect assembly, testing, and machine delivery schedules, leading to reduced customer productivity and potential order delays.</p>
Policies / Strategies	<ol style="list-style-type: none"> As a designer and assembler of semiconductor production equipment, our manufacturing process generates no exhaust or wastewater emissions. Our primary carbon emissions come from supplier production and after-sales service transportation. Supplier management is therefore a primary focus, with early communication to minimize production cost impacts from supplier changes. In 2023, we participated in ASE' s " Low Carbon Supply Alliance" project, collaborating with the supply chain on carbon management to collectively meet greenhouse gas reduction targets in response to climate change. Regular maintenance of air conditioning equipment.
Goals and Targets	<ul style="list-style-type: none"> Short-Term Goal: Replace low-efficiency equipment with energy-efficient alternatives, and promote energy-saving habits, such as turning off unused lights and water, to meet carbon reduction targets. Medium-Term Goal: Achieve an annual electricity savings rate of at least 1%. Long-Term Goal: Achieve an annual electricity savings rate of at least 3%.
Management and Evaluation Mechanism	Monitor operational environmental indicators, including carbon emissions, water consumption, and waste generation.
Performance and Adjustments	<ol style="list-style-type: none"> Replace low-efficiency equipment with energy-efficient alternatives, and widely promote energy-saving habits to achieve carbon reduction targets. Joined ASE' s " Low Carbon Supply Alliance " carbon management initiative in 2023.

Preventive and Remedical Measures	Monitor global industry trends and climate changes, adjust development goals and business strategies accordingly, and hold regular management meetings to review and realign strategies to mitigate potential risks.
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❖ Climate Change Risk Adaptation

With global warming intensifying climate change in recent years, along with heightened awareness around environmental sustainability, green economy, and energy conservation, companies worldwide are implementing response strategies. To address the impact of climate change, E&R has devised corresponding strategies for each risk, aiming to reduce energy consumption and carbon emissions and enhance carbon management performance, aligning with our goal of corporate sustainable development. The Company discloses potential future risks and response strategies based on the Task Force on Climate-related Financial Disclosures (TCFD) framework.

Governance Units	<ol style="list-style-type: none"> 1. In alignment with the Financial Supervisory Commission's Sustainable Development Roadmap, we report quarterly to the Board of Directors on the status of greenhouse gas inventory and results from climate change response plans for supervisory governance. 2. Currently, the President oversees climate change-related governance, covering areas like technology, materials, plant operations, energy use, and greenhouse gas inventory and reduction initiatives. Relevant departments execute each area of responsibility. 3. Targets are periodically reviewed in internal meetings, including progress on energy-saving initiatives and greenhouse gas emissions. 4. A dedicated unit is responsible for carbon inventory and energy-saving, collecting and evaluating climate-related information to develop climate adaptation plans and implementing energy conservation and emission reduction efforts, reviewed regularly.
Risk Categories	<ol style="list-style-type: none"> 1. Increased frequency of heavy rains and typhoons in Taiwan may damage facilities (e.g., exhaust towers, leaks), affecting operations. 2. Increased water shortages may destabilize water supply to some production lines. 3. Warming climate increases power usage, resulting in tighter power supplies. 4. Climate impacts on employee productivity and health (e.g., high temperatures raise safety risks, severe weather disrupts attendance and production).
Opportunity Categories	<ol style="list-style-type: none"> 1. Conduct market assessments on renewable energy and low-carbon fuels. 2. Plan contingency measures for water and power shortages. 3. Implement water-saving/electricity-saving and carbon reduction measures, advancing improvement projects through ISO systems. 4. Collaborate with clients in initiatives such as the Science Based Targets initiative (SBTi), setting reduction goals.
Strategies	<ol style="list-style-type: none"> 1. Conserve energy to lower utility costs. 2. Strengthen disaster resilience to mitigate operational disruptions. 3. Reduce electricity consumption to cut costs.
Risk Management	<ol style="list-style-type: none"> 1. To fulfill our social responsibility of environmental protection, we prohibit the use of regulated harmful substances in production equipment and communicate this across departments to ensure products meet customer requirements. 2. We continuously invest in R&D to optimize production processes, improve

	<p>equipment efficiency, and adjust internal procedures to reduce energy use during production and minimize resource waste due to internal miscommunication, thereby lowering potential environmental risks.</p> <p>3. We control greenhouse gas emissions from product design, supplier management, equipment assembly, to customer service stages.</p> <p>4. As an equipment design and assembly company, our greenhouse gas emissions mainly come from electricity. We maintain a low level of pollutants and extensively plant trees on-site to move towards carbon neutrality, aligning this philosophy with our machine development and assembly.</p>
Indicators and Targets	Following the Financial Supervisory Commission's "Sustainable Development Roadmap for Listed Companies" released in March 2022, we plan our greenhouse gas inventory and verification timeline, aiming for a 1% annual carbon reduction.
Financial Impacts	<p>1. Potential delays in assembly, increased operational costs.</p> <p>2. Operational impacts may lead to reduced revenue and profitability.</p> <p>3. Higher electricity consumption raises costs and carbon emissions.</p>
Carbon Pricing Basis	Currently, no carbon pricing has been set by the Company.
Greenhouse Gas Inventory Plan	Since 2021, we have conducted annual greenhouse gas inventories, holding regular meetings for the carbon inventory team to review emissions status. Inventory results are published on our website. Our company falls under Phase 3 of the greenhouse gas inventory and verification disclosure timeline, planning to complete inventory by 2026 and verification by 2028.
External Assurance	This is the Company's first report issuance, with no external assurance currently. We plan to seek external verification in 2028.

❖ Energy Usage

In pursuit of sustainable development and reduction of greenhouse gas emissions, E&R aligns with international environmental standards and collaborates with global corporations. Our primary energy consumption sources include purchased electricity, gasoline, and diesel. In 2023, the total energy consumption reached 5,820.42 GJ, with an energy intensity of 18.54. Energy conservation and carbon reduction have become core operational guidelines, with efforts to minimize energy usage, reduce CO₂ emissions, and improve energy efficiency. We encourage all departments to actively participate in environmental sustainability initiatives.

2023 Energy Consumption Summary Table		
Quantitative Indicator	Unit	2023
Electricity Usag	kWh/year	1,305,170
	GJ	4,698.61
Gasoline Usage	L / year	33,906.66
	GJ	1,107.29
Diesel Usage	L / yaer	412.800
	GJ	14.52
Total Energy Usage	GJ	5,820.42
Organizational Metric	Total Employees	314
Energy Intensity	GJ/employee	18.54
Notes:		
1.The electricity heat value conversion is calculated as 1 kWh = 0.0036 GJ.		
2.The conversion factors are based on the Environmental Protection Administration' s Greenhouse Gas Emission Coefficients Management Table version 6.0.4, using calorific values of 7,800 kcal/L for gasoline and 8,400 kcal/L for diesel, with 1 kcal = 4.184 KJ.註 :		

❖ Greenhouse Gas Emissions

E&R has been dedicated to reducing greenhouse gas emissions, aiming to achieve carbon neutrality as a primary goal. Following ASE' s footsteps, E&R has prioritized carbon neutrality and initiated an independent greenhouse gas inventory since 2021, in line with ISO 14064-1 and the "Greenhouse Gas Reduction and Management Act."(Current name: Climate Change Response Act). The focus is on Scope 1 and Scope 2 emissions, with a total emission volume of 784.178 metric tons CO₂e in 2023.

2023 Greenhouse Gas Emissions Summary Table		
Quantitative Indicator	Unit	2023
Scope 1: Direct Greenhouse Gas Emissions	Metric tons CO ₂ e	93.7432
Scope 2: Indirect Greenhouse Gas Emissions	Metric tons CO ₂ e	690.4349

Total Emissions (Scope 1 + Scope 2)	Metric tons CO ₂ e	784.178
Organizational Metric	Total Employees	314
Emissions Intensity	Metric tons CO ₂ e/employee	2.50

Notes:

- 1.Scope 1 includes direct emissions from sources owned or controlled by the company, covering stationary combustion sources, process emissions, mobile combustion from transportation, and fugitive emissions.
- 2.Scope 2 covers indirect emissions from purchased electricity.
- 3.Emission factors are based on the IPCC Fourth Assessment Report.
- 4.Types of greenhouse gases include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and hydrofluorocarbons (HFCs).

❖ Impact on the Ozone Layer

E&R uses a limited amount of R22 refrigerant, primarily in chillers and building air conditioning systems. In line with environmental protection efforts and to minimize harm to the ozone layer, we are actively reducing our R22 usage and exploring alternative substances to reduce ozone depletion.

2023 Ozone-Depleting Substance Summary Table	
Ozone-Depleting Substance	Emission Volume (tons)
R22	0.250




Note: Common ozone-depleting substances include chlorofluorocarbons (CFCs) such as R11 and R12, hydrochlorofluorocarbons (HCFCs) like R22, halons, carbon tetrachloride (CCl₄), 1,1,1-trichloroethane, hydrobromofluorocarbons (HBFCs), and methyl bromide.

❖ Energy Conservation and Carbon Reduction Strategy

E&R is committed to energy conservation and sustainable operations, with a longstanding focus on environmental issues. Since 2012, the Company has undertaken a large-scale replacement of traditional fluorescent tubes with LED lights. Based on an initial replacement of 2,000 fluorescent tubes, this upgrade reduces power consumption from 40,000W to 20,000W per hour, saving 20 kWh of electricity each hour. Annually, this translates to approximately 72,000 kWh in power savings and a cost reduction of around NT\$252,000.

Starting in 2023, all new buildings feature LED lighting as the primary configuration. Using the conversion factor of 1 kWh = 0.554 kg CO₂e, the reduced consumption of 72,000 kWh results in an annual reduction of approximately 39.888 tons of CO₂ emissions.

Our carbon reduction policy is continually promoted to employees through announcements, emails, and posted bulletins.

		
<p>Timed Switches for Stairway Lighting</p>	<p>Motion-Activated Switches in Break Rooms</p>	<p>"Save Energy, Turn Off Lights" Reminder</p>

3.2 Water Resource Management

E&R operates in Yanchao District, Kaohsiung City, where water is sourced from the Agongdian Reservoir. According to the World Resources Institute's Water Risk Atlas, the area's water resource risk is classified as low to medium. The Company relies on municipal water mainly for general use and does not require water for its production processes, nor does it discharge wastewater, minimizing its environmental impact.

2023 Water Usage Statistics	
Year	2023
Water Withdrawal (million liters)	12,958
Water Discharge (million liters)	0
Water Consumption (million liters)	12,958
Specific Organizational Measure	Total Employee Count
Specific Organizational Value	314
Water Intensity (million liters/employee)	41.27
Notes:	
1. Water Consumption is calculated as Water Withdrawal - Water Discharge.	
2. Water Intensity is calculated as Water Withdrawal (million liters) / Total Employee Count.	



Energy Saving Label

3.3 Waste Management

As an automation manufacturing company focusing on R&D and equipment assembly, E&R produces no hazardous waste through its operational activities or manufacturing processes. The waste generated is primarily general household waste from employees. Upholding a commitment to shared environmental stewardship, the Company adheres to a waste management policy centered on reduction, recycling, and reuse. Regular monitoring of on-site waste production and assessment of disposal methods in the waste management market are in place. Additionally, compliance with the "Waste Disposal Act" is ensured, with resources being recycled and reused where feasible. The Company contracts Yun-hong Environmental Co., Ltd. for waste disposal services, utilizing GPS tracking to monitor waste treatment procedures. Notably, there were no incidents of significant waste leaks in 2023.

2023 Waste Statistics Table					
Waste Composition	Hazardous/Non-Hazardous	On-site		Off-site	
Item		Waste Generated (tons)	Treatment Method	Waste Generated (tons)	Treatment Method
General Waste	Non-Hazardous	-	-	1.0	Incineration (without energy recovery)
Notes: 1.Types of treatment methods include incineration (with energy recovery), incineration (without energy recovery), landfill, and other disposal operations. 2."On-site" refers to within the physical boundary or administrative control of the reporting organization; "Off-site" refers to outside the physical boundary or administrative control of the reporting organization.					

4 、 Friendly Workplace

4.1 Talent Recruitment

Material Topics : Labor Relations / Employee Relations	
Significance	Labor relations are crucial to a company' s success. In recent years, as the economy rapidly grows and evolves, industries face structural transformation challenges, emphasizing the importance of labor relations within corporate structures.
Impacts and Influence	<ol style="list-style-type: none"> 1. Economic: Failing to manage labor relations may pose operational risks in the future, potentially leading to regulatory fines and increasing employee turnover. 2. Human Rights: Our company is committed to creating a fair workplace and providing comprehensive compensation and benefits, effectively retaining talent.
Policies/Strategies	<ol style="list-style-type: none"> 1. Promote Health Awareness: Foster employee self-management of health, enhancing health awareness and team cohesion through personal health care consultations, communication channels, visual materials, and health seminars. 2. Open Communication for Support: Managers and colleagues show concern for the company's health initiatives in meetings and public settings, providing support to employees in need. This includes mental health support measures such as well-being activities for employees and their families. 3. Create a Comfortable Environment: Implement 5S in the office, encourage stair climbing, walking, and the formation of sports clubs to enhance interactions and bonding among colleagues. 4. Establish a Safe Maternity Environment: Ensure a supportive environment for female employees during pregnancy and postpartum, facilitating work-life balance, including the establishment of lactation rooms. 5. Promote Health Initiatives: Leverage resources to actively organize health promotion activities, such as creating a healthy workplace and hosting related events.
Goals and Objectives	<ul style="list-style-type: none"> ● Short-term Goal: Continue developing a complete labor environment, building a safe, reliable, and open workplace that fosters organizational unity. ● Long-term Goals: <ol style="list-style-type: none"> 1.Enhance employee satisfaction and retention rates, improve internal communication platforms, promptly address employee feedback, and continually improve organizational management. 2.Hold quarterly labor-management meetings and discussions, maintain open communication channels, and conduct employee interviews to understand and address concerns, creating a harmonious and friendly work environment.
Management and Evaluation Mechanism	<ol style="list-style-type: none"> 1. Conduct employee evaluations twice a year. 2. Hold regular labor-management meetings to hear employee feedback.

Performance and Adjustments	<ol style="list-style-type: none"> 1. Held four labor-management meetings in 2023. 2. Organized 14 health promotion events in 2023. 3. No labor disputes occurred in 2023. 4. No government penalties related to labor issues were issued.
Preventive and Remedial Measures	<ol style="list-style-type: none"> 1. Regularly review company salary levels to ensure competitiveness in the external job market. Provide immediate responses to employee feedback through various channels (email, phone, on-site); unresolved issues are recorded and transferred to the relevant department. 2. Handle employee complaints on a case-by-case basis 3. Organize relevant units and review. 4. Provide feedback to employees. 5. Archive case records. 6. Compile quarterly reports for labor-management meetings.

❖ Employee Profile

Employees are the Company' s most important partners, driving growth and progress. As of the end of 2023, the Company employs 314 individuals: 245 males and 69 females, all in full-time roles with no part-time or non-guaranteed-hour employees. Additionally, the Company has eight outsourced personnel, primarily cleaning (including gardening) and security staff.–

2023 Total Employee Count				
Region/Type		Female	Male	Total
Taiwan	Employees	69	245	314
	Full-time Employees	69	245	314
	Regular Employees	69	245	314

Notes:

1. No employees of other genders.
2. No employees who declined to disclose their gender.
3. "Employee" refers to individuals with an employment relationship with the organization under national law (in Taiwan, employees with labor insurance).
4. "Regular Employee" refers to individuals with an indefinite contract.
5. "Full-time Employee" refers to individuals working according to the standard hours defined by the Labor Standards Act in Taiwan (maximum 8 hours per day, 40 hours per week).註：

2023 Non-Employee Workforce Total		
Worker Type	Contract Relationship	Total Workers
Cleaning Staff (including gardening)	Contract	5
Security	Contract	3

All senior executives at the manager level and above are Taiwanese nationals, totaling 47 individuals, with 41 male and 6 female executives. Among non-managerial staff, there are 267 individuals, including 204 male and 63 female employees.

2023 Employee Composition			
Year			2023
Position/Gender		Age Range	Number
Senior Executives	Male	Under 30	0
		30-50	12
		51+	29
	Female	Under 30	0
		30-50	4
		51+	2
Total Senior Executives			47
Non-Managerial Staff	Male	Under 30	52
		30-50	133
		51+	19
	Female	Under 30	16
		30-50	43
		51+	4
Total Non-Managerial Staf			267
Total Regular Employees			314
Note: Manager level and above are considered senior executives (e.g., Manager, Director.....).			

❖ Employee Recruitment and Turnover Rate

Our company values equality in recruitment, following an open and fair selection process. Employees are the Company's most valuable assets, and retaining talent is our top priority. As of 2023, we hired 73 new employees, with males comprising 64% and females 36%, resulting in an overall hiring rate of 23.25%. The number of resignations was 58, with males at 81% and females at 19%, leading to a total turnover rate of 18.47%. There were no cases of involuntary resignations or layoffs without cause.

Three-Year New Hire Rate Statistics												
Year	2021				2022				2023			
Gender	Male		Female		Male		Female		Male		Female	
Age Group / Category	Count	Hiring Rate (%)	Count	Hiring Rate (%)	Count	Hiring Rate (%)	Count	Hiring Rate (%)	Count	Hiring Rate (%)	Count	Hiring Rate (%)
Under 30	27	9.93	8	2.94	37	12.37	11	3.68	18	5.73	9	2.87
30-50	33	12.13	5	1.84	31	10.37	4	1.34	24	7.64	8	2.55
51+	3	1.1	0	0	6	2.01	0	0	5	1.59	9	2.87

Total New Hires	76	89	73
Total Employees	272	299	314
Overall Hiring Rate (%)	27.94	28.34	23.25

Notes:

1. New hires include employees who resigned within the same year.
2. Hiring rate by age and gender = Number of new hires in that age/gender category / Total employees at year-end.
3. Overall hiring rate = Total new hires / Total employees at year-end.

Three-Year Turnover Rate Statistics												
Year	2021				2022				2023			
Gender	Male		Female		Male		Female		Male		Female	
Age Group / Category	Cou nt	Turno ver Rate (%)	Cou nt	Turno ver Rate (%)	Cou nt	Turno ver Rate (%)	Cou nt	Turno ver Rate (%)	Cou nt	Turno ver Rate (%)	Cou nt	Turno ver Rate (%)
Under 30	8	2.94	3	1.1	25	8.36	12	4.01	13	4.14	6	1.91
30-50	25	9.19	4	1.47	18	6.02	2	0.67	20	6.37	5	1.59
Over 51	6	2.21	1	0.37	5	1.67	0	0	14	4.46	0	0
Total Resignations	47				62				58			
Total Employees	272				299				314			
Overall Turnover Rate (%)	17.280				20.740				18.470			

Notes:

1. Employee turnover types include resignation, dismissal, retirement, etc.
2. Turnover rate by age and gender = Number of resignations in that age/gender category / Total employees at year-end.
3. Overall turnover rate = Total resignations / Total employees at year-end

❖ Diversity and Equality

E&R is committed to creating an inclusive work environment that emphasizes gender equality and diversity. The Company has established comprehensive management policies and procedures, strictly adhering to all labor regulations. Through internal guidelines such as the "Work Rules," "Sexual Harassment Prevention," and "Recruitment and Employment Management" policies, E&R clearly outlines protections for employees' rights regarding work hours, leave, and gender equality. This ensures employees receive proper care and prevents workplace misconduct. During the reporting period, the Company employed one individual from a minority or disadvantaged group, and no incidents of discrimination or unfair treatment were reported. Due to the quota difference for hiring these groups, an additional wage of NT\$26,400 was provided.

Employee Diversity Statistics for the Past Three Years					
Year		2021	2022	2023	
Category / Gender	Age Group	Count	Count	Count	
Minority or Disadvantaged Groups	Male	Under 30	0	0	0
		30-50	0	0	0
		51+	1	1	1
	Female	Under 30	0	0	0
		30-50	0	0	0
		51+	0	0	0

Note: Minority or disadvantaged groups include individuals with specific economic, physical, political, or social conditions that may result in more significant adverse impacts than the general population.

4.2 Employee Welfare and Protection

❖ Employee Compensation

The Company complies with the minimum wage requirements under the Labor Standards Act, while salary levels vary based on job role, years of experience, and job nature. Employees are encouraged to demonstrate exceptional performance, providing opportunities for promotion. The annual salary ratios for various job levels during the reporting period are as follows:

Employee Salary Statistics Table		
Job Level	Salary Ratio	
	Female	Male
Management	1	1.67
Non-management	1	1.17
Direct Personnel	1	1.59
Indirect Personnel	1	0.000

Note: The salary ratio (annual salary) for female to male employees is calculated as the average annual salary of males within each category divided by the average annual salary of females within the same category.

E&R offers equal opportunities in the workplace, and base salaries are unaffected by gender, race, religion, political stance, marital status, or union affiliation. Salary levels also consider years of experience and job performance. To maintain competitiveness, the Company conducts annual market salary surveys and adjusts salaries based on job roles and individual performance. For entry-level male employees, the base salary is 1.5 times the local minimum wage, while for female entry-level employees, it is 1.3 times the minimum wage.

Country/Region	Ratio of Male Entry-Level Salary to Local Minimum Wage	Ratio of Female Entry-Level Salary to Local Minimum Wage
Taiwan	1.5	1.3

Country/Region	Ratio of Highest Annual Compensation to Median Employee Annual Salary (Excluding Highest Paid Individual)	Ratio of Increase in Highest Annual Compensation to Increase in Median Employee Annual Salary
Taiwan	9.8	8.3

Note:

1. The Chairman is not considered the highest-paid individual unless also serving as the President/CEO.
2. Median salary ratio formula: Highest annual salary of the year / Median annual salary of the year.
3. Salary increase ratio formula: Percentage increase in the highest annual salary / Percentage increase in the median annual salary.

❖ Employee Welfare Measures

E&R emphasizes open, two-way communication between labor and management, focusing on comprehensive employee welfare policies. The Company has established guidelines for work rules, employee benefits, attendance, and performance bonuses to enhance job efficiency. The Employee Welfare Committee organizes company events and outings. Key welfare measures are as follows:

- A. Issuance of employee stock options and transfer of treasury shares on an ad-hoc basis.
- B. According to the Company' s articles, if there is a profit for the year, 5-10% is allocated as employee compensation, distributed as either stock or cash, as decided by the board of directors.
- C. The Company has a BU (Business Unit) performance bonus system, with quarterly performance bonuses distributed based on the Company' s profitability.
- D. Allowances for marriage, childbirth, bereavement, travel, and birthdays.
- E. In addition to mandatory labor and health insurance, the company provides group insurance and organizes regular employee health check-ups.
- F. Regular or ad-hoc employee training sessions are available, both internal and external, to enhance professional skills.
- G. Special leave entitlements are granted based on years of service.
- H. A "Employee Welfare Committee" is established to promote employee welfare, organize travel activities, support the formation of clubs, and provide funding assistance.

Christmas-themed Family Day event for employees and their families.





❖ Retirement Benefits

E&R values employees as its most treasured assets and is committed to supporting their retirement well-being. The Company manages retirement plans in strict accordance with government regulations, including the Corporate Staff Retirement Pension regulations, the Labor Standards Act, and the Labor Pension Act, detailed as follows:

- A. The Company has established an early retirement policy.
- B. Following the Labor Standards Act, E&R has formed a Supervisory Committee for the Labor Retirement Reserve Fund, setting up a retirement policy and regularly allocating funds into a designated account at the Bank of Taiwan. This committee manages and oversees the retirement fund's administration and usage.
- C. Since the Labor Pension Act came into effect on July 1, 2005, a defined contribution plan has been implemented. Employees may choose to follow either the pension provisions under the Labor Standards Act or the newer Labor Pension Act, while retaining service years accrued prior to the latter's implementation. For employees under the Labor Pension Act, E&R contributes no less than 6% of their monthly salary to their retirement fund.
- D. In accordance with Statement No. 18 of Taiwan's Generally Accepted Accounting Principles, the Company engages an actuary to assess the labor retirement reserve fund, providing a detailed actuarial report.

❖ Parental Leave

The Company adheres to the Regulations for Implementing Unpaid Parental Leave for Raising Children. Over the past three years, 100% of employees who took parental leave returned to work.

Three-Year Parental Leave Statistics									
Year	2021			2022			2023		
Gender/Count	Male	Female	Total	Male	Female	Total	Male	Female	Total
Eligible for Parental Leave (A)	0	2	2	1	3	4	1	2	3
Applied for Parental Leave (B)	0	2	2	1	3	4	1	2	3
Due to Return (C)	0	2	2	1	3	4	1	2	3
Actually Returned (D)	0	2	2	1	3	4	1	2	3
Returned from Prior Year (E)	0	0	0	0	2	2	1	3	4
Retained One Year after Return (F)	-	-	-	-	2	2	1	3	4
Return Rate (D/C)	-	100	100	100	100	100	100	100	100
Retention Rate (F/E)	-	-	-	-	100	100	100	100	100
Notes:									

1. Due to Return (C) is defined as the number of employees expected to return in a given year after taking parental leave.
2. For 2023, Retained One Year after Return (F) reflects employees who returned in 2022 and were still employed as of December 31, 2023.
3. $\text{Return Rate} = \text{Actually Returned (D)} / \text{Due to Return (C)}$.
4. $\text{Retention Rate} = \text{Retained One Year after Return (F)} / \text{Returned from Prior Year (E)}$.

❖ Minimum Notice Period for Operational Changes

To safeguard employee labor rights and promote harmonious labor relations, E&R adheres to Article 16 of the Labor Standards Act regarding the minimum notice period for significant operational changes or termination of employment relationships. Notice for terminating a labor contract is provided as follows:

1. For employees who have worked continuously for more than three months but less than one year, a minimum notice of ten days is required.
2. For employees with continuous service of one year or more but less than three years, a minimum notice of twenty days is required.
3. For employees with continuous service of three years or more, a minimum notice of thirty days is required.
4. Upon receiving notice, employees may take leave during work hours to search for other job opportunities. Leave time is limited to no more than two working days per week, with full wages paid during this period.
5. If the employer fails to provide notice as specified above, compensation equivalent to the notice period's wages will be paid to the employee.

4.3 Talent Development

❖ Competency Development Training

To fully develop employee competencies and enhance job performance, reduce environmental, health, and safety risks, E&R has established an annual training plan. This includes arranging various professional competency training courses categorized as new employee training, specialized skills training, and internal and external training. Employees are encouraged to continue their education, enrich their knowledge, and improve practical skills to boost efficiency. For new employees, an orientation is conducted on the first day to prevent workplace safety incidents, covering occupational safety concepts, work guidelines, emergency response procedures, fire safety, and first aid. Emphasizing disaster prevention, the Company conducts at least two fire drills annually, notifying the local fire department.

The Company offers courses relevant to employees' work and life, building a diverse learning resource platform for employees to select the content and learning methods that best meet their needs, aiming to improve job performance and self-worth. In 2023, a total of 165 employees participated in 36 training sessions, totaling 1,357 hours of training and 580,027 NT dollars in costs, with a training participation rate of 53%.

Employee Training Statistics									
Item/Category		Managerial Staff		Non-Managerial Staff		Direct Employees		Indirect Employees	
Unit/Gender		Male	Female	Male	Female	Male	Female	Male	Female
Total Number	People	31	8	85	41	2	1	114	48
Total Training Hours	(Hours)	340	170	442	405	24	6	758	569
Average Training Hours per Person	(Hours/Person)	10.97	21.25	5.2	9.88	12	6	7.44	11.85
Training Expenses (NTD)	(Hours)	181,832	90,916	160,351	146,928	6,473	0	335,710	237,844
Note: Employees attend training courses planned by the Company according to their needs; not all employees participate in every course. Government-provided free courses attended by employees are not included.									

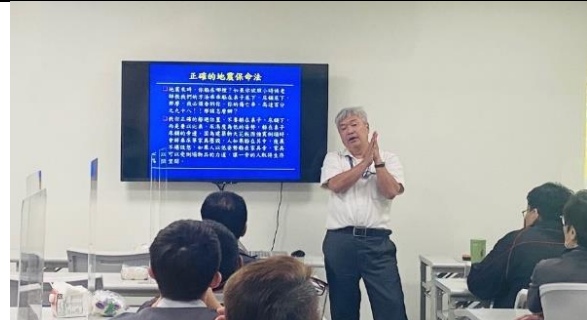
Training Courses	Course Hours	Number of Trainees
Introduction to E&R and TRIZ-Patents for Innovative Solutions	2H	22
AI Inspection Software	2H	3
Mitsubishi Electric SoftMotion+MR-J5 Servo Motor	1.5H	4
Microscope Autofocus System	1H	4
Fire Safety Manager Basic Training, Session 307	12H	1
OCR CCD Usage Training	2.5H	17
Data Analysis for Managers	3H	1
HIWIN Product Presentation	1.5H	5
2023 KPMG Leadership Academy Forum - Net Zero Opportunities	3H	1
Practical Course on Internal Control and Auditing	42H	1
Airtac Pneumatic Product Comparison and New Product Presentation	2H	6
Causal Conflict Analysis	2H	27
FESTO Network Valve Island Control Technology	2H	16
Negotiation and Communication Skills	7H	38
Adjusting Internal Controls for ESG Compliance	6H	1
SMC Technology Seminar	2H	9
ISO 14064-1:2018 GHG Internal Verification Training	14H	1
Continuing Education for Accounting Supervisors	12H	1
Service Etiquette and Communication	8H	21
COGNEX New Product Introduction	2.5H	17
Leadership Skills Training for Managers	6H	26
Course on B2000+CMBM Machine Layout	1.5H	37
PBA Product Presentation	1.5H	12
Cross-Departmental Communication Skills	6H	24
D04-Procurement Financial Analysis Course	6H	4
YASKAWA Product Presentation	2H	7
NIDEC Encoder Product Presentation	1.5H	4
Emotional Management Training	6H	21
Common Deficiencies in "Financial Report Review" and Practical Analysis of Important Internal Control Regulations	6H	1
Protecting Trade Secrets and Non-Compete Clauses	6H	1
ESG Initiatives and Education Training	5.5H	31
Big Data Analysis and Corporate Governance	3H	1
ACLS Advanced Cardiac Life Support	16H	1
Sustainable Development and Lean Production	3H	1
SDGs and ESG Management	3H	1
New Employee Orientation	2H	26

Company Training Activities

Fire Drill (First Half of 2023)



Fire Drill (Second Half of 2023)



❖ Performance Evaluation Management

To improve employee and departmental performance, the Company utilizes a performance evaluation system to review work effectiveness, providing feedback and evaluation to determine bonuses, salary adjustments, and promotions. In 2023, all employees received evaluations.

Evaluation Statistics

Item	Managerial Staff	Non-Managerial Staff	Direct Employees	Indirect Employees
Male Employee Evaluation Rate	100 %	100%	100%	100%
Female Employee Evaluation Rate	100%	100%	100%	100%

❖ Security Training

The Company's security personnel are employed through a contract with Chuan-Tian Security Co., Ltd., with responsibilities outlined in the security management policy. New security staff must undergo internal training covering security principles, occupational safety, work guidelines, crisis management, and fire safety. Regular professional training is scheduled to enhance on-duty capabilities.

4.4 Health and Safety

Material Topics : Occupational Safety and Health (Employee Health and Safety)	
Significance	E&R views its employees as essential partners, placing utmost importance on workplace safety and the mental and physical well-being of its team. By continuously enhancing inherent safety designs and implementing strict safety and health control measures, the Company aims to prevent occupational hazards and establish a zero-incident work environment.
Impact and Influence	<p>In alignment with the occupational safety and health management philosophy, E&R has established an Occupational Safety and Health Policy:</p> <ol style="list-style-type: none"> 1. Legal Compliance: Adhere strictly to occupational safety and health regulations to reinforce the company's overall image. 2. Full Participation: Foster effective communication and cooperation to enhance safety awareness among all employees. 3. Workplace Safety: Create a healthy and secure workplace to support employees' mental and physical health. 4. Risk Control: Identify occupational hazards and construct a safe and healthy work environment. 5. Continuous Improvement: Boost safety management performance to achieve sustainable operations.
Policies/Strategies:	E&R is committed to continually improving the work environment and instilling a safety-first mindset to minimize occupational safety and health risks. Through a robust health management plan, the Company is dedicated to fostering a safety culture and achieving the goal of "zero incidents."
Goals and Targets	<p>Short-term Goals:</p> <ol style="list-style-type: none"> 1. Enhance health promotion services for employees and their families. 2. Achieve zero incidents resulting in disabling injuries by 2024. <p>Mid-term Goals:</p> <ol style="list-style-type: none"> 1. Pursue initiatives related to workplace health certification awards. 2. Achieve zero disabling injuries by 2025. <p>Long-term Goals:</p> <ol style="list-style-type: none"> 1. Establish a balanced workplace environment that supports employees' work-life balance and overall well-being. 2. Maintain zero disabling injuries by 2026.
Management Evaluation Mechanism	Each program's effectiveness will be evaluated through recorded metrics, with accident-free work hours serving as a primary assessment measure.
Performance and Adjustments	<ul style="list-style-type: none"> • Awarded the Health Workplace Certification from the Health Promotion Administration in 2023. • Received the Corporate Sports Certification in 2023. • Recognized as an AED-safe location by the Kaohsiung City Department of Health in 2023. • Designated as a "CHR Health Corporate Citizen" commitment company by Health magazine in 2023.

	<ul style="list-style-type: none"> • Maintained a record of accident-free work hours in 2023.
Preventive and Remedial Measures	A quarterly Labor and Occupational Safety Committee meeting is held to discuss safety measures.

❖ Occupational Safety and Health Management

E&R is committed to viewing its employees as members of the family, adhering to the principle of “making E&R a home.” The Company prioritizes the health, safety, and comfort of its employees by fostering a safe and hygienic work environment. Although ISO 45001 has not been implemented, E&R dedicates its efforts to prevent occupational hazards, ensure the health and safety of all employees, and implement proactive and effective preventive measures. This commitment includes a requirement for employees to participate in safety and health activities, helping build a secure working environment. Compliance with safety regulations and active involvement in safety measures are responsibilities that all employees are encouraged to embrace.

Each year, the Company develops an Occupational Safety and Health Management Plan to guide its safety efforts across all sites, including factories and testing facilities, with the overarching goal of achieving zero major occupational accidents.

Safety and Health Policy and Objectives	
Safety and Health Policy	E&R regards occupational safety and health management as integral to sustainable business operations. The Company is committed to legal compliance, broad safety awareness, workplace risk reduction, injury prevention, and continuous improvement of safety performance.
Plan Objectives	To prevent occupational hazards and safeguard the safety and health of all employees, E&R has developed a labor safety management plan. This plan ensures the safe operation of all company facilities, aiming for a goal of zero major occupational accidents.
Performance Evaluation	The ultimate objective of this plan is to provide a safe workplace for all employees. Key requirements within the plan are incorporated into the annual performance assessment criteria.

The scope of the Occupational Safety and Health Management Plan covers both production and non-production areas, all activities at the facility, and routine and non-routine operations. It also applies to external personnel operating within company premises, including contractors, catering, security, and maintenance service providers. The Company comprises a total of 314 employees (100% employee representation) and includes 7 external personnel (100% representation for non-employees).

❖ Occupational Safety Management Organization

To strengthen occupational safety and health management, E&R established the Occupational Safety and Health Committee in 2004. The committee meets quarterly with a total of 14 members, including employer representatives (senior management), occupational health and safety personnel, department managers, facility technicians, medical staff, and labor representatives, with an equal 50% representation from labor and management. These meetings provide a platform to discuss, review, coordinate, and recommend measures for occupational safety and health. Information on safety initiatives is communicated to employees through bulletin boards, the MIS system, and email.

❖ Occupational Safety Assessment Process

To effectively fulfill occupational safety and health management requirements, E&R conducts a comprehensive hazard identification process before implementing safety measures. Past and current safety performance are reviewed and assessed to set appropriate safety policies and objectives, enhancing management efficiency with the ultimate goal of “zero incidents, zero accidents.”

In compliance with occupational safety regulations, E&R conducts biannual workplace environment monitoring, covering both chemical and physical factors. The results of the 2023 assessments met all legal standards. Additionally, regular maintenance and inspection of dust collection and ventilation equipment are conducted to ensure optimal operation and ventilation. The Company will continue to monitor workplace conditions to prevent environmental hazards, making improvements based on recommendations from monitoring consultants.

Process for Hazard Identification, Risk Assessment, and Control :

Process Overview	Remarks
<pre> graph TD A[Operational Identification] --> B[Hazard Identification] B --> C[Incident Evaluation] B --> D[Assess Personnel Exposure] B --> E[Severity Assessment] C --> F[Determine Risk Severity] D --> F E --> F F --> G{Risk Acceptability} G -- Yes --> H[Establish Risk Control Measures] G -- No --> I[Regulatory Inspection Results] I --> H H --> J[Implementation and Tracking] J --> K[Closure and Archiving] </pre>	<p>Involved Departments:</p> <ol style="list-style-type: none"> 1. Occupational Safety Center 2. Facility Supervisors 3. Unit Supervisors 4. Safety and Health Committee <p>Risk Control Measures:</p> <ol style="list-style-type: none"> 1. Improvement Plans: <ol style="list-style-type: none"> (1.) Hardware Improvements (2.) Software Improvements 2. Operational Control Implementation: <ol style="list-style-type: none"> (1.) Emergency Preparedness and Training (2.) Educational Training Planning and Execution (3.) Monitoring and Measuring Safety and Health Performance <p>Risk Level Determination and Actions:</p> <ol style="list-style-type: none"> 1. Major Risk: <ul style="list-style-type: none"> • Immediately review the completeness of current protective measures. • Implement risk-reduction measures right away; operations should not proceed until risks are minimized. 2. High Risk: <ul style="list-style-type: none"> • Immediately review the completeness of current protective measures. • Implement risk-reduction measures within a reasonable timeframe, requiring potentially significant resources; operations should not proceed until risks are minimized. 3. Moderate Risk: <ul style="list-style-type: none"> • Gradually implement risk-reduction measures based on cost and financial considerations to reduce the proportion of moderate risks. • For moderate risks with high or very high severity, further assess the likelihood of occurrence to inform additional control measures. 4. Low Risk:

	<ul style="list-style-type: none"> No immediate risk-reduction measures are required, but the effectiveness of existing protective measures should be ensured. <p>5. Minimal Risk:</p> <ul style="list-style-type: none"> No risk-reduction measures are necessary, but the effectiveness of current protective measures should still be ensured.
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Response to Immediate Hazards:

Employees may stop work or leave their position if encountering an immediate hazard. They can report any concerns about workplace safety and health. The responsible unit supervisor will review the completeness of hazard identification, consistency, and rationality of risk assessment, then submit the findings to the Occupational Safety Center. The Safety and Health Committee will review the assessment, and after approval from the President, implementation will proceed.

According to Article 74 of the Labor Standards Act and Article 39 of the Occupational Safety and Health Act, employees reporting safety and health concerns are protected from disciplinary actions by the company.

Our company regards contractors as essential partners. To ensure that contractors working on-site do not introduce occupational health and safety hazards, we have established the "E&R Safety and Health Management Regulations for Contracted Engineering and Operations" and the "E&R Contractor Safety and Health Management Guidelines." These guidelines clarify the environmental health and safety rights and responsibilities of contractors, serving as the foundation for managing contractor activities on company premises.

Occupational Safety Training

To prevent accidents caused by human error, our company emphasizes training employees to work without mistakes as the core of occupational safety and health education. Each year, we assign management-level personnel to participate in occupational safety courses.

Occupational Safety and Health Training Statistics

Date	Training Program	Trainees Count	Training Cost (TWD)
2023/12/08	Gender Equality in Employment Act / Sexual Harassment Prevention Act	1	0
2023/11/25 2023/11/26	ACLS Advanced Cardiac Life Support	1	3,600
2023/09/06	Professional Knowledge and Practical Experience Sharing on Worker Health Services	1	0
2023/08/23	Occupational Health and Safety Training for Health Service Nurses and Related Personnel	1	600
2023/03/09	2023 Occupational Injury Prevention Seminar	1	0

❖ Occupational Safety and Incident Prevention

To eliminate occupational injuries and diseases, we rigorously prioritize workplace safety, conducting annual hazard assessments and implementing risk reduction strategies. As a result, our company has received the "No Accident Hours Certification" from the Industrial Safety and Health Association of the R.O.C annually since 2015, recognizing our commitment to maintaining a safe work environment.

2023 Occupational Injury Statistics for Employees/Non-Employees			
Category	Item	Employees	Non-Employees
Total Working Hours	Female	108,919	6,972
	Male	399,609	10,752
	Total	508,528	17,724
Fatalities Due to Occupational Injury	Female	0	0
	Male	0	0
	Total	0	0
Severe Occupational Injuries (Excluding Fatalities)	Female	0	0
	Male	0	0
	Total	0	0
Recordable Occupational Injuries (Including Fatalities and Severe Injuries)	Female	0	0
	Male	0	0
	Total	0	0
Death Rate (%)		0	0
Severe Injury Rate (%)		0	0
Recordable Injury Rate (%)		0	0

Note:

1. Death Rate = (Occupational Injury Fatalities / Total Working Hours) * 1,000,000.

2. Severe Injury Rate = (Severe Injuries / Total Working Hours) * 1,000,000.
3. Recordable Injury Rate = (Recordable Injuries / Total Working Hours) * 1,000,000.
4. Severe injuries are defined as those that prevent the individual from returning to health within six months.
5. Commuting injuries are excluded from recordable occupational injuries 註：

2023 Occupational Disease Statistics for Employees/Non-Employees			
Category	Item	Employees	Non-Employees
Occupational Disease Fatalities	Female	0	0
	Male	0	0
	Total	0	0
Recordable Occupational Diseases	Female	0	0
	Male	0	0
	Total	0	0
Occupational Disease Death Rate (%)		-	-
Recordable Occupational Disease Rate (%)		-	-

Note:

1. Occupational Disease Rate = (Total Occupational Diseases / Total Working Hours) * 1,000,000.
2. Occupational Disease Death Rate = (Occupational Disease Fatalities / Total Working Hours) * 1,000,000.
3. Recordable Occupational Disease Rate = (Recordable Occupational Diseases / Working Hours) * 1,000,000.

Record of Zero Accident Hours from 2015 to 2023	
 <p>中華民國 112 年 8 月 10 日 安同技無災害證書第 112089 號</p> <p>鈺昇科技股份有限公司 參加本會推行之無災害工時紀錄活動 紀錄如下： 活動期間：自 104 年 8 月 1 日 至 112 年 6 月 30 日 累計無災害工時：3,733,336 小時 參與勞工人數：249 人 特此證明，以資鼓勵</p> <p>社團法人中華民國工業安全衛生協會</p> <p>本紀錄係依據「事業單位無災害工時紀錄活動實施要點」第九點規定辦理</p>	

❖ Employee Health and Safety

To ensure the health and safety of employees, E&R conducts annual workplace assessments through occupational safety officers, occupational physicians, and health staff. These assessments identify potential hazards in the workplace, which are then addressed with risk reduction measures. Key areas evaluated include walkway lighting, environmental noise, air quality, and drinking water sanitation.

For emergency readiness, E&R has installed two Automated External Defibrillators (AEDs), one at the headquarters and another at the second plant. In June 2023, the headquarters received the "Safe Place Certification" from the Kaohsiung Department of Health, with 70% of employees trained in CPR and AED use, further underscoring our commitment to employee health and safety.

In accordance with the Ministry of Labor's Labor Health Protection regulations, we implement comprehensive health management practices, arranging regular health check-ups for senior managers and all on-duty employees. Our general health check-ups exceed legal requirements, and additional subsidies are provided based on age and years of service.

Summary Table of Employee Health Checkup Count and Expenses	
General Health Checkup	
Health Check Type	Senior (director level or above) Management Health Check
Number of Employees	18
Cost (TWD 1,000)	180
Health Check Type	General Employee Health Check
Number of Employees	25
Cost (TWD 1,000)	25
Note: 1. Senior management (director level or above) receive an annual health check-up with a set cost of TWD 10,000 per person. 2. General employee health check-ups follow the Labor Health Protection Regulations, with a base cost of TWD 1,000 per person. Additional subsidies are provided for employees aged 40 and over with more than five years of service, covering enhanced examination costs.	

Certified AED Safe Place by the Kaohsiung Department of Health



❖ Employee Health Promotion

To enhance employees' health awareness, E&R fosters a culture of physical activity, encouraging employees to participate in sports clubs and events for the goal of promoting overall physical and mental well-being. Starting in 2016, the Employee Welfare Committee introduced a subsidy program to support employee-initiated clubs, resulting in the formation of diverse groups like swimming, cycling, badminton, camping, fitness, baseball and softball, walking, and bowling.

Additionally, E&R collaborates with Shu-Te University to offer fitness guidance courses, providing employees with a supportive exercise environment and well-maintained fitness facilities. This partnership has received positive feedback from employees who appreciate the expertise of the instructors and the comprehensive fitness options available, reflecting the Company's commitment to employees' health and fitness.

Since 2021, E&R has participated in charity runs, inviting employees and their families to join. This event encourages bonding among colleagues and their families, contributing to a healthy lifestyle and a supportive community. These activities also foster interaction among managers, colleagues, and teams, creating an enjoyable workplace environment that encourages stress relief and well-being. In recognition of these efforts, E&R received the "2023 Sports Enterprise Certification" and was named a "2023 CHR Healthy Corporate Citizen" by Common Health magazine.

Health Promotion Services and Initiatives	
Mental and Physical Health Counseling	<ol style="list-style-type: none"> 1. Established "Labor Health Service Plan," "Occupational Health Nurse Annual Plan," and "Occupational Physician Key Work Items." 2. Occupational nurses use the Ministry of Labor's wecare system to analyze and assess employee health records, providing proactive support based on risk and offering on-site consultations as needed. 3. On-site physician services are provided every two months for three hours per session. 4. Organizes health seminars in collaboration with external experts.
Health Promotion Activities	<ol style="list-style-type: none"> 1. Partnership with Shu-Te University for fitness center access and equipment use. 2. Regular seminars and health education sessions on mental and physical wellness. 3. Diverse employee clubs, such as swimming, cycling, badminton, and more. 4. Annual charity run participation, inviting employees and their families
Enhanced Health Screening Beyond Regulatory Requirements	<ol style="list-style-type: none"> 1. Annual health checks for senior management. 2. Additional health check subsidies for general employees based on age and years of service. 3. Health check options available for employees' family members.

Protection for Maternity Workers	1. Implemented a "Maternity Health Protection Plan," which includes a "Maternity Health Risk Assessment and Job Suitability Form." This form is reviewed by occupational health staff to provide tailored job recommendations.
Abnormal Workload, Ergonomic, and Workplace Violence Prevention	1. Established "Disease Prevention from Abnormal Workload Plan" and "Ergonomic Hazard Prevention Plan," with risk assessments and needs surveys to support at-risk employees. 2. A "Workplace Violence Prevention Plan" is in place, with management issuing formal statements against workplace violence and periodic health education to maintain a safe workplace.

Health Promotion Services and Initiatives Photos

Recognition as a "2023 CHR Healthy Corporate Citizen" by Common Health Magazine



Sports Enterprise Certification



Physical and Mental Health Seminars and Health Education



4.5 Social Engagement

Starting in 2021, our company has actively participated in charity runs, encouraging employees and their families to join these events. Additionally, we hosted charity concerts in 2022 and 2023 to fulfill our corporate social responsibility, supporting underprivileged communities through donations to charitable foundations to help disadvantaged children.

Due to the increasing demand for semiconductor equipment, we have evaluated our current and future orders and concluded that our existing facilities will soon be insufficient. Therefore, we plan to invest in the Qiaotou Science Park, securing 1.8 hectares for a new operational headquarters and R&D center. The initial investment for construction is estimated at NTD 550 million, with land lease commencing in January 2023 and construction beginning in March 2023. Qiaotou Science Park provides geographic, talent, and capacity expansion advantages, including efficient single-window administrative management. This move will enhance our responsiveness to semiconductor clients, create local employment, stimulate economic activity in the area, and support government goals in industry development.

As a locally-rooted company, we actively engage with nearby schools, offering facility use, employee training, and industry-academia cooperation. We also provide internship opportunities for employees' children and university students during summer, exemplifying our commitment to giving back to the community.

Summary of Our Social Responsibility and Donations		
Charity Activity	Amount (NTD)	Description
RUN FOR FUTURE 3 - Charity Run by SunFar & Kaohsiung	0	Harnessed the power of charity running to encourage resource sharing, reduce inequality, and improve society. All event proceeds were donated to rural schools in Kaohsiung to support student living and learning resources.
2023 "With Love, No Barriers" Charity Concert	50,000	Participated in Eden Social Welfare Foundation's charity concert, caring for the underprivileged.
Economics, Trade and Cultural Association	60,000	Donation to support disadvantaged children.
Taishin Charity Foundation	50,000	Donation to Taishin Charity Foundation.
Huahai Charity Competition (South-Link Medical Foundation)	50,000	Donation to Huahai Charity Competition (South-Link Medical Foundation).
Kaohsiung Police Friends Association	19,000	Donation to support the Kaohsiung Police Friends Association.

Photos From Charitable Activities

為響應企業社會責任，促進鄰里關係，公司贊助大社區嘉誠國小及台南玉山國小於2022/12/24聯合音樂會演出，另外同日公司舉辦之家庭日亦設為二手市集進行義賣，義賣所得皆歸助家扶基金會，用實際行動關懷社會弱勢。



Appendix

Appendix 1: GRI Sustainability Reporting Standards (GRI Standards) Index Table

Declaration of Use	E&R Engineering Corp. has prepared this report with reference to the GRI Standards, covering the period from January 1, 2023, to December 31, 2023, as indicated in the GRI Content Index.
Use of GRI 1	GRI 1 : Foundation 2021
Applicable GRI Sector Standards	N/A

GRI Standards Category/Topic	Number	GRI Disclosure Content	Corresponding Section	Page	Omissions/Remarks
1. Organization and Reporting Practices					
GRI 2 General Disclosures 2021	2-1	Organizational Details	1.1 Company Overview	20	
	2-2	Entities Included in Sustainability Reporting	About This Report	5	
	2-3	Reporting Period, Frequency, and Contact Information	About This Report	5	
	2-4	Restatements of Information	About This Report	5	
	2-5	External Assurance	About This Report	5	
2. Activities and Workers					
GRI 2 General Disclosures 2021	2-6	Activities, Value Chain, and Other Business Relationships	1.1 Company Overview	20	
			2.1 Products and R&D	59	
	2-7	Employees	4.1 Talent Recruitment	80	
	2-8	Workers Who Are Not Employees	4.1 Talent Recruitment	80	
3. Governance					
GRI 2 General Disclosures 2021	2-9	Governance Structure and Composition	1.2 Board of Directors Operations	24	
	2-10	Nomination and Selection of the Highest Governance Body:	1.2 Board of Directors Operations	24	
	2-11	Chair of the Highest Governance Body	1.2 Board of Directors Operations	24	
	2-12	Role of the Highest Governance Body in Overseeing Impact Management	1.2 Board of Directors Operations	24	
	2-13	Delegation of Responsibility for Impact Management:	1.2 Board of Directors Operations	24	
	2-14	ole of the Highest Governance Body in Sustainability Reporting	1.2 Board of Directors Operations	24	
	2-15	Conflicts of Interest	1.2 Board of Directors Operations	24	
	2-16	Communication of Critical Concerns	1.2 Board of Directors Operations	24	
	2-17	Collective Knowledge of the Highest Governance Body	1.2 Board of Directors Operations	24	
	2-18	Evaluation of the Performance of the Highest Governance Body:	1.2 Board of Directors Operations	24	

GRI Standards Category/Topic	Number	GRI Disclosure Content	Corresponding Section	Page	Omissions/Remarks
	2-19	Remuneration Policies	1.2 Board of Directors Operations	24	
	2-20	Process for Determining Remuneratio	1.2 Board of Directors Operations	24	
	2-21	Annual Total Compensation Ratio	4.2 Employee Welfare and Protection	84	
4. Strategy, Policies, and Practices					
GRI 2 General Disclosures 2021	2-22	Statement on Sustainable Development Strategy	Message from the Management	3	
	2-23	Policy Commitments	1.4 Regulatory Compliance and Risk Management	53	
	2-24	Embedding Policy Commitments	1.4 Regulatory Compliance and Risk Management	53	
	2-25	Processes to Remediate Negative Impacts	1.4 Regulatory Compliance and Risk Management	53	
	2-26	Mechanisms for Seeking Advice and Raising Concerns	1.4 Regulatory Compliance and Risk Management	53	
	2-27	Compliance with Laws and Regulations	1.4 Regulatory Compliance and Risk Management	53	
	2-28	Membership of Associations	1.1 Company Overview	20	
5. Engagement with Stakeholders					
GRI 2 General Disclosures 2021	2-29	Approach to Stakeholder Engagement	Stakeholder Engagement	9	
	2-30	Collective Bargaining Agreements	-	-	The company does not have a labor union and has not signed any collective agreements.
Specific Standards: 200 Series (Economic Topics)					
Market Presence					
GRI 202 Market Presence Disclosures 2016	202-1	Ratio of standard entry-level wage by gender compared to local minimum wage	4.2 Employee Welfare and Protection	84	
	202-2	Proportion of senior management hired from the local community	4.1 Talent Recruitment	80	
Indirect Economic Impacts					
GRI 203 Indirect Economic Impacts Disclosures 2016	203-1	Infrastructure investments and services supported	4.5 Social Engagement	73	
	203-2	Significant indirect economic impacts	4.5 Social Engagement	73	
Anti-Corruption					

GRI Standards Category/Topic	Number	GRI Disclosure Content	Corresponding Section	Page	Omissions/Remarks
GRI 205 Anti-Corruption Disclosures 2016	205-1	Operations assessed for risks related to corruption	1.4 Regulatory Compliance and Risk Management	53	
	205-2	Communication and training on anti-corruption policies and procedures	1.4 Regulatory Compliance and Risk Management	53	
	205-3	Confirmed incidents of corruption and actions taken	1.4 Regulatory Compliance and Risk Management	53	
Anti-Competitive Behavior					
GRI 206 Anti-Competitive Behavior Disclosures 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	-	No such incidents have occurred.
Tax					
GRI 207 Tax Management Disclosures 2019	207-1	Tax approach	1.3 Economic Performance	29	
	207-2	Tax governance, control, and risk management	1.3 Economic Performance	29	
	207-3	Stakeholder engagement and management of tax-related concerns	1.3 Economic Performance	29	
GRI 207 Tax Disclosures 2019	207-4	Country-by-country reporting	-	-	The company does not have a country-by-country report.
Specific Standards: 300 Series (Environmental Topics)					
Materials					
GRI 301 Materials Disclosures 2016	301-1	Materials used by weight or volume	-	-	
	301-2	Recycled input materials used	-	-	
	301-3	Reclaimed products and their packaging materials	-	-	
Biodiversity					
GRI 304 Biodiversity Disclosures 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value	-	-	
	304-2	Significant impacts of activities, products, and services on biodiversity	-	-	
	304-3	Habitats protected or restored	-	-	
	304-4	IUCN Red List species and national conservation list species affected by operations	-	-	
Waste					
GRI 306 Waste Management Disclosures 2020	306-1	Waste generation and significant waste-related impacts	3.3 Waste Management	79	
	306-2	Management of significant waste-related impacts	3.3 Waste Management	79	
GRI 306 Waste Disclosures 2020	306-3	Waste generated	3.3 Waste Management	79	
	306-4	Waste diverted from disposal	3.3 Waste Management	79	
	306-5	Waste directed to disposal	3.3 Waste Management	79	

GRI Standards Category/Topic	Number	GRI Disclosure Content	Corresponding Section	Page	Omissions/Remarks
GRI 306 Effluents and Waste Disclosures 2016	306-3	Significant spills	3.3 Waste Management	79	
Supplier Environmental Assessment					
GRI 308 Supplier Environmental Assessment Disclosures 2016	308-1	New suppliers that were screened using environmental criteria	2.2 Supply Chain Management	66	
	308-2	Negative environmental impacts in the supply chain and actions taken	2.2 Supply Chain Management	66	
Specific Standards: 400 Series (Social Topics)					
Training and Education					
GRI 404 Training and Education Disclosures 2016	404-1	Average hours of training per year per employee	4.3 Talent Development	91	
	404-2	Programs for upgrading employee skills and transition assistance programs	4.3 Talent Development	91	
	404-3	Percentage of employees receiving regular performance and career development reviews	4.3 Talent Development	91	
Diversity and Equal Opportunity					
GRI 405 Diversity and Equal Opportunity Disclosures 2016	405-1	Diversity of governance bodies and employees	4.1 Talent Recruitment	80	
	405-2	Ratio of basic salary and remuneration of women to men	4.2 Employee Welfare and Protection	84	
Non-Discrimination					
GRI 406 Non-Discrimination Disclosures 2016	406-1	Incidents of discrimination and corrective actions taken	1.4 Regulatory Compliance and Risk Management	53	
Freedom of Association and Collective Bargaining					
GRI 407 Freedom of Association and Collective Bargaining Disclosures 2016	407-1	Operations and suppliers identified as having significant risk for incidents of violating freedom of association and collective bargaining	1.4 Regulatory Compliance and Risk Management	53	
Child Labor					
GRI 408 Child Labor Disclosures 2016	408-1	Operations and suppliers identified as having significant risk for incidents of child labor	1.4 Regulatory Compliance and Risk Management	53	
Forced or Compulsory Labor					
GRI 409 Forced or Compulsory Labor Disclosures 2016	409-1	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor	1.4 Regulatory Compliance and Risk Management	53	
Security Practices					
GRI 410	410-1	Security personnel trained in human rights policies or procedures	4.3 Talent Development	91	

GRI Standards Category/Topic	Number	GRI Disclosure Content	Corresponding Section	Page	Omissions/Remarks
Security Practices Disclosures 1.2 2016					
Indigenous Rights					
GRI 411 Indigenous Rights Disclosures 2016	411-1	Incidents of violations involving rights of Indigenous peoples	-	-	No involvement.
Local Communities					
GRI 413 Local Communities Disclosures 2016	413-1	Operations with local community engagement, impact assessments, and development programs	4.5 Social Engagement	73	
	413-2	Operations with significant actual and potential negative impacts on local communities	4.5 Social Engagement	73	
Supplier Social Assessment					
GRI 414 Supplier Social Assessment Disclosures 2016	414-1	New suppliers that were screened using social criteria	2.2 Supply Chain Management	66	
	414-2	Negative social impacts in the supply chain and actions taken	2.2 Supply Chain Management	66	
Public Policy					
GRI 415 Public Policy Disclosures 2016	415-1	Political contributions	-	-	
Customer Health and Safety					
GRI 416 Customer Health and Safety Disclosures 2016	416-1	Assessment of the health and safety impacts of product and service categories	2.1 Product and R&D	59	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.1 Product and R&D	59	
Marketing and Labeling					
GRI 417 Marketing and Labeling Disclosures 2016	417-1	Requirements for product and service information and labeling	-	-	
	417-2	Incidents of non-compliance concerning product and service information and labeling	-	-	
	417-3	Incidents of non-compliance concerning marketing communications	-	-	
Customer Privacy					
GRI 418 Customer Privacy Disclosures 2016	418-1	Complaints regarding substantiated breaches of customer privacy or loss of customer data	2.3 Customer Service and Information Security	68	

GRI Material Topics

GRI Number	Topic	Sector Standards Number	Code	GRI Disclosure Content	Corresponding Section	Page	Omissions/Remarks
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GRI 3: Material Topics 2021	Management Approach	-	3-1	Process of Determining Material Topics	Material Topics Identification	12	
GRI 3 : Material Topics 2021	Management Approach	-	3-2	List of Material Topics	Material Topics Identification	12	
Material Topic: Economic Performance							
GRI 3: Material Topics 2021	Management Approach	-	3-3	Material Topic Management: Economic Performance	1.3 Economic Performance	29	
GRI 201	Economic Performance Disclosures 2016	-	201-1	Direct Economic Value Generated and Distributed	1.3 Economic Performance	29	
		-	201-2	Financial Impacts and Other Risks/Opportunities due to Climate Change	3.1 Climate Change and Energy Conservation & Carbon Reduction	71	
		-	201-3	Defined Benefit Obligations and Other Retirement Plans	4.2 Employee Welfare and Protection	84	
		-	201-4	Financial Assistance Received from Government	1.3 Economic Performance	29	
Material Topic: Procurement Practices							
GRI 3: Material Topics 2021	Management Approach	-	3-3	Material Topic Management: Procurement Practices	2.2 Supply Chain Management	66	
GRI 204	Procurement Practices Disclosures 2016	-	204-1	Proportion of Spending on Local Suppliers	2.2 Supply Chain Management	66	
Material Topic: Greenhouse Gas Emissions, Energy Management							
GRI 3 : Material Topics 2021	Management Approach	-	3-3	Material Topic Management: GHG Emissions and Energy Management	3.1 Climate Change and Energy Conservation & Carbon Reduction	71	
GRI 302	Energy Disclosures 2016	-	302-1	Energy Consumption within the Organization	3.1 Climate Change and Energy Conservation & Carbon Reduction	71	
		-	302-2	Energy Consumption Outside of the Organization	-	-	
		-	302-3	Energy Intensity	3.1 Climate Change and Energy	71	

					Conservation & Carbon Reduction		
		-	302-4	Reduction of Energy Consumption	3.1 Climate Change and Energy Conservation & Carbon Reduction	71	
		-	302-5	Reductions in Energy Requirements of Products/Services	-	-	
GRI 305	Emissions Disclosures 2016	-	305-1	Direct (Scope 1) GHG Emissions	3.1 Climate Change and Energy Conservation & Carbon Reduction	71	
		-	305-2	Energy Indirect (Scope 2) GHG Emissions	3.1 Climate Change and Energy Conservation & Carbon Reduction	71	
		-	305-3	Other Indirect (Scope 3) GHG Emissions	-	-	
		-	305-4	GHG Emissions Intensity	3.1 Climate Change and Energy Conservation & Carbon Reduction	71	
		-	305-5	Reduction of GHG Emissions	3.1 Climate Change and Energy Conservation & Carbon Reduction	71	
		-	305-6	Emissions of Ozone-Depleting Substances (ODS)	3.1 Climate Change and Energy Conservation & Carbon Reduction	71	
		-	305-7	Significant Air Emissions (NOx, SOx, etc.)	-	-	
Material Topic: Waste							
GRI 3 : Material Topic 2021	Management Approach	-	3-3	Material Topic Management: Waste	3.3 Waste Management	79	
GRI 306	Waste Disclosures 2020	-	306-1	Waste Generation and Related Significant Impacts	3.3 Waste Management	79	

		-	306-2	Management of Significant Impacts Related to Waste	3.3 Waste Management	79	
GRI 306	Waste Disclosures 2020	-	306-3	Waste Generated	3.3 Waste Management	79	
		-	306-4	Waste Disposal Transfer	3.3 Waste Management	79	
		-	306-5	Waste Disposal Directly	3.3 Waste Management	79	
GRI 306	Effluents and Waste 2016	-	306-3	Significant Spills	3.3 Waste Management	79	
Material Topic: Labor-Management/Employee Relations							
GRI 3 : Material Topic 2021	Management Approach	-	3-3	Material Topic Management: Labor-Management/Employee Relations	4.1 Talent Recruitment	80	
GRI 401	Labor/Management Relations Disclosures 2016	-	401-1	New Employee Hires and Turnover	4.1 Talent Recruitment	80	
		-	401-2	Benefits Provided to Full-Time Employees (Excluding Temp/Part-Time)	4.2 Employee Welfare and Protection	84	
		-	401-3	Parental Leave	4.2 Employee Welfare and Protection	84	
GRI 402	Labor/Management Relations Disclosures 2016	-	402-1	Minimum Notice Periods for Operational Changes	4.2 Employee Welfare and Protection	84	
Material Topic: Occupational Health and Safety (Employee Health & Safety)							
GRI 3 : Material Topic 2021	Management Approach	-	3-3	Material Topic Management: Occupational Health and Safety	4.4 Health and Safety	95	
GRI 403	Occupational Health and Safety Disclosures 2018	-	403-1	Occupational Health and Safety Management System	4.4 Health and Safety	95	
		-	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	4.4 Health and Safety	95	
		-	403-3	Occupational Health Services	4.4 Health and Safety	95	
		-	403-4	Worker Participation, Consultation, and Communication on OHS	4.4 Health and Safety	95	
		-	403-5	Worker Training on OHS	4.4 Health and Safety	95	
		-	403-6	Promotion of Worker Health	4.4 Health and Safety	95	
		-	403-7	Prevention and Mitigation of OHS Impacts Directly Linked to Business Relationships	4.4 Health and Safety	95	
GRI 403	Occupational Health and Safety Disclosures 2018	-	403-8	Workers Covered by an Occupational Health and Safety Management System	4.4 Health and Safety	95	
		-	403-9	Work-Related Injuries	4.4 Health and Safety	95	
		-	403-10	Work-Related Ill Health	4.4 Health and Safety	95	

*Custom Topic	Code	GRI Standard Disclosure Content	Corresponding Section	Page	Omissions/Remarks
* Innovation, R&D, and Patents					
GRI 3 Innovation, R&D, and Patents Management Approach	3-3	Material Topic Management	2.1 Product and R&D	59	
* Product Quality and Safety					
GRI 3 Product Quality and Safety Management Approach	3-3	Material Topic Management	2.1 Product and R&D	59	

Appendix 2: SASB Standards Index

Industry: Resource Transformation - Industrial Machinery & Goods					
Disclosure Topic	Indicator Code	Disclosure Indicator	Type	Corresponding Report Section	Page
Energy Management	RT-IG-130a.1	(1.) Total energy consumed (2.) Percentage grid electricity (3.) Percentage of renewable energy in total energy consumption	Quantitative	(1) Total energy consumption (electricity): 5820.42 GJ (2) Grid electricity: 80.73% (3) Renewable energy: 0%	71
Employee Health and Safety	RT-IG-320a.1	(1) Total Recordable Injury Rate (TRIR) (2) Fatality Rate (3) Near Miss Frequency Rate (NMFR)	Quantitative	In 2023, the Company reported no occupational injuries, fatalities, or safety-related near-miss incidents.	95
Employee Management	RT-IG-000.B	Total number of employees	Quantitative	Total employees: 314	14
Fuel Efficiency and Emissions	RT-IG-410a.1	Sales-weighted fuel efficiency for medium- and heavy-duty vehicles	Quantitative	Not applicable	-
	RT-IG-410a.2	Sales-weighted fuel efficiency for off-road equipment	Quantitative	Not applicable	-
	RT-IG-410a.3	Sales-weighted average fuel efficiency for stationary generators	Quantitative	Emergency generators fuel usage: HQ: 19 liters, Plant 2: 30 liters, Plant 3: 24 liters	-

	RT-IG-410a.4	<p>Sales-weighted calculation by the following product types:</p> <p>(1) Nitrogen oxides (NOx) emissions</p> <p>(2) Particulate matter (PM) emissions:</p> <p>(a) Marine diesel engines</p> <p>(b) Rail locomotive diesel engines</p> <p>(c) Medium/heavy-duty on-road engines</p> <p>(d) Other off-road diesel engines</p>	Quantitative	Not applicable	-
Materials Procurement	RT-IG-440a.1	Description of risk management for critical raw materials	Qualitative	<p>The key components of laser cutting/marking equipment possess customizable characteristics, making supply chain management and material source assurance a major competitive advantage for our company.</p> <p>As one of the industry's leaders, we leverage our procurement scale and diverse customer base as competitive strengths,</p>	-

			<p>fostering long-term strategic alliances with key raw material suppliers. This ensures a strong advantage in securing critical raw materials.</p> <p>To mitigate supply chain risks and manage costs effectively, we actively develop new suppliers while encouraging existing suppliers to diversify their production facilities. We also advocate for relocating production sites from high-cost regions to Taiwan to enhance cost competitiveness, creating a win-win scenario for both suppliers and the Company.</p> <p>In response to the rapidly fluctuating capacity demands of next-generation products, E&R continues to improve its inventory monitoring system and enhance the accuracy of demand forecasting to maintain adequate inventory levels within the supply chain. E&R 's expectations for key suppliers in areas such as regulatory compliance, social and environmental impact, and corporate social responsibility are reflected in annual performance evaluations.</p>	
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				Suppliers failing to meet the Company' s standards after corrective measures may face penalties, including reduced business opportunities or termination of partnerships, depending on the severity of the issue.	
Product Manufacturing	RT-IG-000.A	Production volume by product category	Quantitative	Laser equipment: 48 units; Plasma equipment: 13 units	62
Remanufacturing Design and Services	RT-IG-440b.1	Revenue from remanufactured products and services	Quantitative	Not applicable	-

Appendix 3: Sustainability Disclosure Indicators – Electronics Components Industry

No	Indicator	Type	2023 Disclosure	Unit
1	Total energy consumption, percentage of electricity from the grid, and renewable energy usage	Quantitative	(1) (1) Energy consumption: 5,820.42 GJ (2) Electricity from grid: 80.73% (3) Renewable energy usage: 0%	Gigajoules (GJ) Percentage (%)
2	Total water withdrawal and consumption	Quantitative	(1) Total withdrawal: 12.958 million liters (2) Total consumption: 0	Cubic meters (m ³)
3	Hazardous waste weight and recycling percentage	Quantitative	No hazardous waste generated during operations.	Metric tons (t), %
4	Occupational injury types, numbers, and rates	Quantitative	No occupational injuries in 2023.	Rates (%), Quantity
5	Disclosure on product lifecycle management: weight of discarded products and e-waste, and recycling percentage (Note 1)	Quantitative	No hazardous waste generated during operations.	Metric tons (t), %
6	Description of risk management for critical materials	Qualitative	<p>The key components of laser cutting/marking equipment possess customizable characteristics, making supply chain management and material source assurance a major competitive advantage for our company.</p> <p>As one of the industry's leaders, we leverage our procurement scale and diverse customer base as competitive strengths, fostering long-term strategic alliances with key raw material suppliers. This ensures a strong advantage in securing critical raw materials.</p> <p>To mitigate supply chain risks and manage costs effectively, we actively develop new suppliers while encouraging existing suppliers to diversify their production facilities. We also advocate for relocating</p>	Not applicable

			<p>production sites from high-cost regions to Taiwan to enhance cost competitiveness, creating a win-win scenario for both suppliers and the Company.</p> <p>In response to the rapidly fluctuating capacity demands of next-generation products, E&R continues to improve its inventory monitoring system and enhance the accuracy of demand forecasting to maintain adequate inventory levels within the supply chain. E&R 's expectations for key suppliers in areas such as regulatory compliance, social and environmental impact, and corporate social responsibility are reflected in annual performance evaluations. Suppliers failing to meet the Company' s standards after corrective measures may face penalties, including reduced business opportunities or termination of partnerships, depending on the severity of the issue.</p>	
7	Total monetary losses due to legal proceedings related to antitrust laws	Quantitative	No such incidents occurred.	Reporting currency
8	Key product output by category	Quantitative	2023 production: 1. Laser equipment: 48 units, 2. Plasma equipment: 13 units	Varies by category
Note 1: This includes the sale of scrap materials or other recycling processes, for which relevant explanations should be provided.				

Appendix 4: Climate-Related Information for Listed Companies

Item	Corresponding Section	Page
1. Statement of the board of directors and management's oversight and governance of climate-related risks and opportunities.	3.1 Climate Change and Energy Conservation	71
2. Explanation of how identified climate risks and opportunities affect the Company's business, strategy, and financials (short-term, medium-term, and long-term).	3.1 Climate Change and Energy Conservation	71
3. Explanation of the financial impact of extreme weather events and transition actions.	3.1 Climate Change and Energy Conservation	71
4. Explanation of how the identification, evaluation, and management of climate risks are integrated into the overall risk management framework.	3.1 Climate Change and Energy Conservation	71
5. If scenario analysis is used to assess resilience to climate change risks, describe the scenarios, parameters, assumptions, analytical factors, and primary financial impacts.	-	-
6. If there is a transition plan to manage climate-related risks, provide details on the plan and the metrics and targets used to identify and manage physical and transition risks.	-	-
7. If internal carbon pricing is used as a planning tool, explain the basis for the pricing.	-	-
8. If climate-related targets are set, disclose the activities covered, the scope of greenhouse gas emissions, the planning timeframe, annual progress, and the use of carbon offsets or renewable energy certificates (RECs), including their sources and quantities.	-	-
9. Information on greenhouse gas inventory, assurance, reduction targets, strategies, and concrete action plans (see sections 1-1 and 1-2 for details).	3.1 Climate Change and Energy Conservation	71

1-1 Greenhouse Gas Inventory and Assurance for the Past Two Years

1-1-1 Greenhouse Gas Inventory Information

Details of greenhouse gas emissions (in metric tons of CO₂e), intensity (metric tons of CO₂e/total employee count), and the data coverage scope for the past two years.

		2022		2023		
		Emissions (metric tons CO2e)	Intensity (metric tons CO2e/employee count)	Emissions (metric tons CO2e)	Intensity (metric tons CO2e/employee count)	
Headquarter	Taiwan	Scope 1: Direct Emissions	53.8288	299	93.7432	314

	Scope 2: Indirect Emissions	654.1484		644.7540	
	Total	707.9772	2.37	738.4972	2.35

Note:

1. : Direct emissions (Scope 1) refer to emissions directly from sources owned or controlled by the company. Indirect emissions from energy use (Scope 2) refer to greenhouse gas emissions resulting from imported electricity, heat, or steam. Other indirect emissions (Scope 3) include emissions generated by company activities but not owned or controlled by the company.
2. : The scope of direct and indirect emissions from energy use should comply with the timelines specified in Article 4-1, Paragraph 2 of the " Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies " Disclosure of other indirect emissions is voluntary.
3. : Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 published by the International Organization for Standardization (ISO).
4. : Emission intensity can be calculated per unit of product/service or revenue. At a minimum, data calculated based on revenue (NT\$ million) should be disclosed.

1-1-2 Greenhouse Gas Assurance Information

Description of assurance status for the past two years, including scope, assurance body, standards, and opinions.

To date, the Company's greenhouse gas inventory reports have been internally verified without external assurance. External verification is planned to commence in 2024.

Notes:

1. Compliance with timelines specified in Article 4-1, Paragraph 3 of the " Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies " is required.
2. Assurance bodies must meet the relevant regulations set by the Taiwan Stock Exchange and OTC Sustainability Reporting Center.
3. For disclosure examples, refer to the best practice reference cases on the Taiwan Stock Exchange Corporate Governance Center website.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Action Plans

Describe the baseline year and data for greenhouse gas reduction, reduction targets, strategies, and specific action plans, as well as the achievement of reduction targets.

◆Greenhouse Gas Reduction Baseline Year and Reduction Targets

The Company began conducting greenhouse gas (GHG) inventories as early as 2015. However, it was not until 2023 that we formally established a dedicated GHG Inventory Team. We plan to designate 2023 as our baseline year for carbon reduction, aiming for an annual 1% reduction in accordance with the " Sustainable Development Guidemap for TWSE- and TPEX-Listed Companies " issued by the Financial Supervisory Commission (FSC).

◆GHG Emission Reduction Strategies and Specific Action Plans

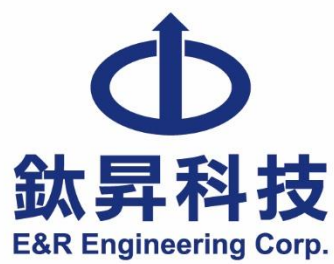
1. In 2023, we participated in ASE Group's "Low Carbon Supply Alliance", collaborating on supply chain carbon management to collectively meet GHG emission reduction targets and address climate change challenges.
2. We are replacing older, energy-intensive equipment with energy-efficient models.
3. We are installing motion sensors for lighting in stairwells and pantry areas to achieve energy con

◆◆Progress Toward Reduction Targets

Since the inventory and verification processes are not yet complete, we will disclose the results based on our reduction strategies once these processes are finalized.

Notes:

1. Compliance with timelines specified Article 4-1, Paragraph 4 of the " Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies " (Hereinafter referred to as "the Rules") is required.
2. The base year should be the year in which the inventory was completed based on the consolidated financial reporting boundary. For example, according to Paragraph 2, Article 10 of the rule, companies with a capital amount exceeding 10 billion NTD should complete the inventory of the consolidated financial report for the year 113 by the year 114. Therefore, the base year is 113. If the company has completed the inventory of the consolidated financial report earlier, the earlier year may be used as the base year. Additionally, the data for the base year can be calculated using either a single year or an average of multiple years.
3. 3. For disclosure examples, refer to the best practice reference cases on the Taiwan Stock Exchange Corporate Governance Center website.



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