



2024 Hu Lane Group Sustainability Report

SUSTAINABILITY REPORT VOL.13

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In 2024, the Hu Lane Group found itself in an era full of constant change, challenges, and opportunities. We achieved the highest annual revenue in our 48-year history and will continue to expand our global footprint, pushing the boundaries of innovation. We have incorporated the impacts of global climate change, the volatility of the international situation, pandemic fluctuations, inflation, and various national protectionist policies, factors that have disrupted and reshaped supply chains, into our sustainability initiatives. By introducing the TCFD framework, we strengthened our capacity to identify opportunities and risks, set countermeasures, and establish goals and targets. With a proactive attitude and agile actions, we have maintained steady growth, continued investing in new energy product R&D, and built strong connections with our customers to achieve excellence. Based on sustainability and through joint efforts with stakeholders, we have not only pursued operational performance but also engaged external consultants to organize activities focused on employee physical and mental well-being and diversity and inclusion, fostering close interaction with our workforce. Following our management principles of integrity, unity, sustainability, agility, innovation, and excellence, we have integrated environmental protection (E), social responsibility (S), and corporate governance (G) into our operational indicators. We have set comprehensive action plans linked to senior executives' KPIs to ensure continuous, proactive implementation. Together with our suppliers, we have established a social responsibility procurement supply chain platform to jointly pursue energy-saving and carbon-reduction sustainability goals, while consistently promoting and practicing sustainable business operations to contribute positively to the environment, society, and the economy.

Steadily deploying and continuously investing in R&D

In terms of technology research and development direction, we continue to promote automotive regional system intelligent control products to expand Hu Lane's automotive market customer base, advancing products from connector components toward system control, pursuing a strategy of product diversification and multi-market development, and providing customized development based on customer needs to offer problem-solving solutions. In response to the Group's business development needs, we continue to invest in plant construction planning to prepare for the Group's mid- and long-term business expansion.

The Hu Lane Group continuously injects new growth momentum

In 2024, in line with market and customer demand, our core business continued to deploy new technologies, completed the construction of new capacity, finalized the Indonesia plant project, and introduced automated MES intelligent manufacturing management. We also established an information security system in compliance with ISO 27001 standards. All plants in the Group fully implemented solar energy storage systems and procured green electricity equivalent to 10% of total power consumption for production processes, continuously reducing product carbon footprints while driving industry upgrades and expanding into "energy creation and energy saving industries," thereby addressing carbon emission issues and injecting new growth momentum into the Group.

In addition to continuing its progress toward sustainability in economic and environmental aspects, the Hu Lane Group persistently promotes a virtuous cycle, starting with the Group itself. On the customer side, we will continue to calculate product carbon footprints and develop products with reduced carbon content. On the supplier side, we will work hand in hand with the supplier social responsibility supply chain team to promote carbon reduction activities. On the investor side, we will strengthen corporate governance and the TCRI indicators to provide accurate and timely information and ensure transparent disclosures for swift interaction with investors. On the community care side, we will promote various activities through Hu Lane community volunteers to interact and engage with the community. On the employee side, employees are the backbone of the Hu Lane Group, and through initiatives such as diversity and inclusion, health care, salary benchmarking, and mutual prosperity programs, we enable the Hu Lane team to grow in workplace competencies and enjoy their work, thereby driving the virtuous cycle. Upholding the spirit of love without borders, we seek to inspire others, serve our local communities, and extend our reach globally to build a society of mutual benefit. The Hu Lane Group is committed to corporate governance, environmental sustainability, and social welfare, and through the joint participation of the Group and its employees, we put into practice the philosophy of "doing good and striving for the best," taking concrete actions to build a society of mutual prosperity.



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To demonstrate its determination and commitment to ESG, the Hu Lane Group voluntarily published its 1st Sustainability Report in July 2013. The Company voluntarily publishes the Hu Lane Sustainability Report on an annual basis.

Regulations:

- ✓ Data collection and preparation are carried out in accordance with the requirements of the GRI Standards (2021). Relevant information is disclosed as per its regulations, which include the GRI Content Index (see Appendix I) and alignment with the United Nations Sustainable Development Goals (SDGs). Furthermore, we voluntarily comply with requirements for Table 1-12 Sustainability Disclosure Indicators – Electronic Parts and Components Industry (see Appendix II) and Table 2 Climate-Related Information of TPEX Listed Companies (see Appendix IV) in accordance with the “Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies.”
- ✓ Crowe Taiwan, an independent and credible CPA LLP, was engaged to perform limited assurance for this report, 2024 Sustainability Report prepared based on the GRI Standards, in accordance with the provisions of TWSAE 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.” Upon the completion of the assurance engagement, relevant results have been fully communicated to those charged with governance. For the scope and conclusion of the assurance, please refer to the Independent Assurance Report (see Appendix III) attached to this report.

Scope of Disclosure and Coverage of this Report:

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

Reporting Period:

- ✓ Reporting period: January 1 to December 31, 2024
- ✓ Publication date of the previous report: June 2024
- ✓ Publication date of this report: June 2025
- ✓ Preparation/review: Hu Lane Group’s Sustainability Committee

The management unit for this report:

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

Contact Information:

- ✓ If you have any suggestions regarding this report, please feel free to let us know.

Hu Lane Group’s Sustainability Committee

Contact person: Sustainable Development Division, Li Su-mei / Contact number: (02) 2694-0551 ext. 60005

Email: ESG@hulane.com.tw / Company Website: <https://www.hulane.com.tw>



03 Sustainable Development Achievements

3.1 Sustainable Management

3.1.1 Sustainability Committee

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



Sustainable Development
Best-Practice Principles
Sustainability Committee
Organizational Charter

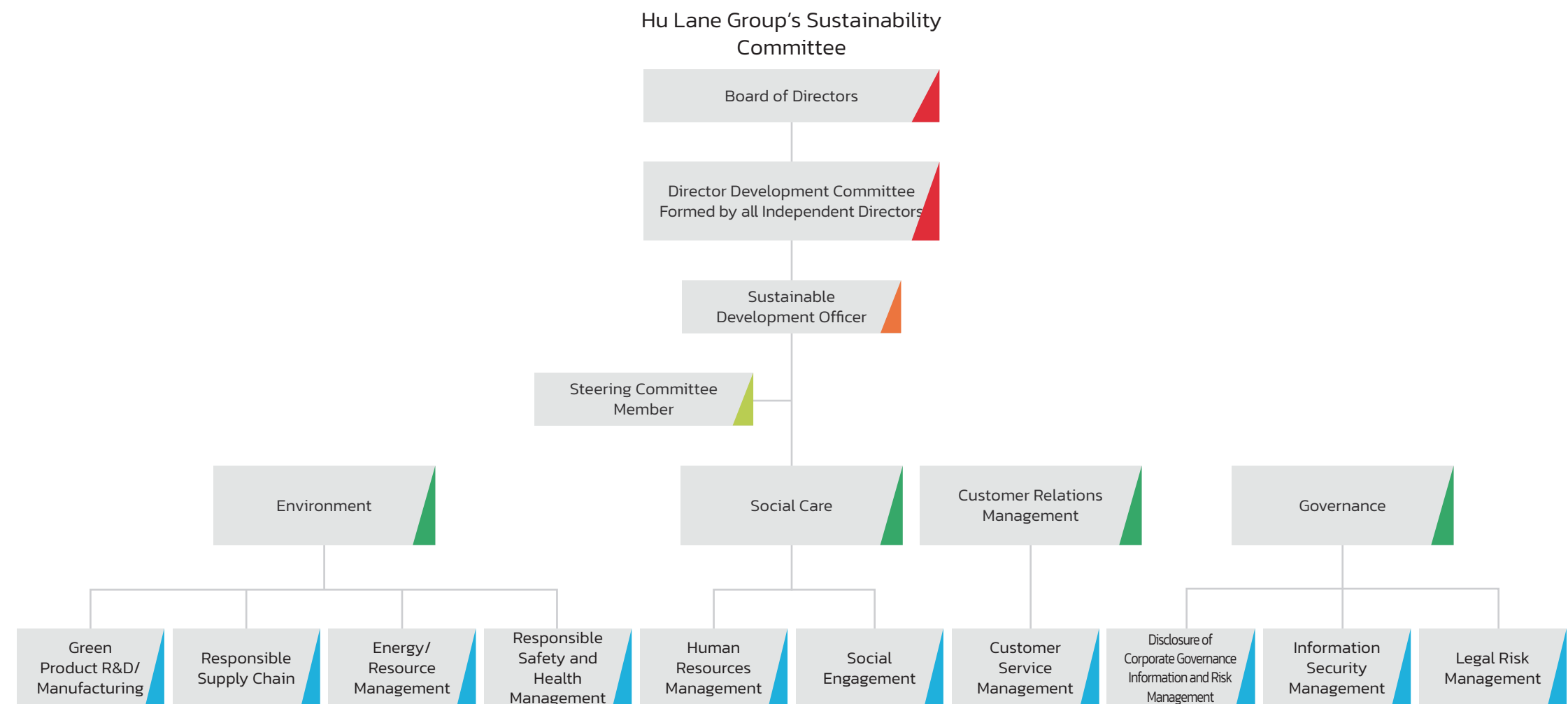


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3.1.2 Sustainability Strategy and Promotion

The Sustainability Committee formulates the short-, medium-, and long-term sustainable development strategies of Hu Lane Group and gradually integrates the sustainable management concept into the corporate culture of the Group.

In 2024, 4 meetings were held, with 100% attendance from all committee members. During the Board meeting, the Sustainable Development Officer reported the sustainability strategy and implementation results to the Board to enhance the Board's engagement in the Company's ESG implementation results.

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



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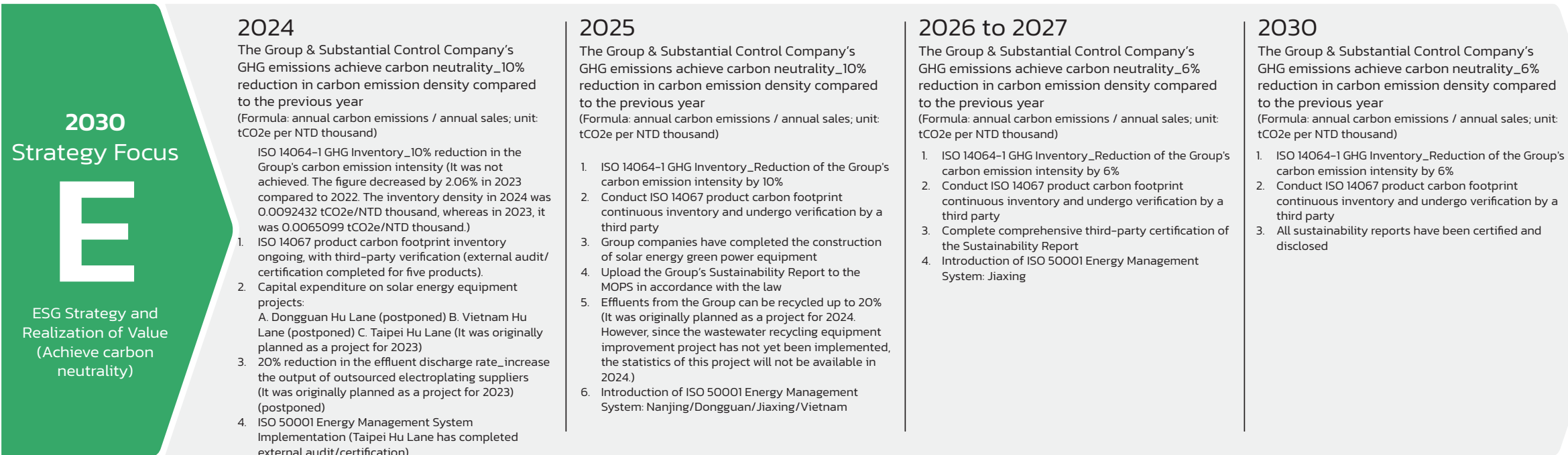
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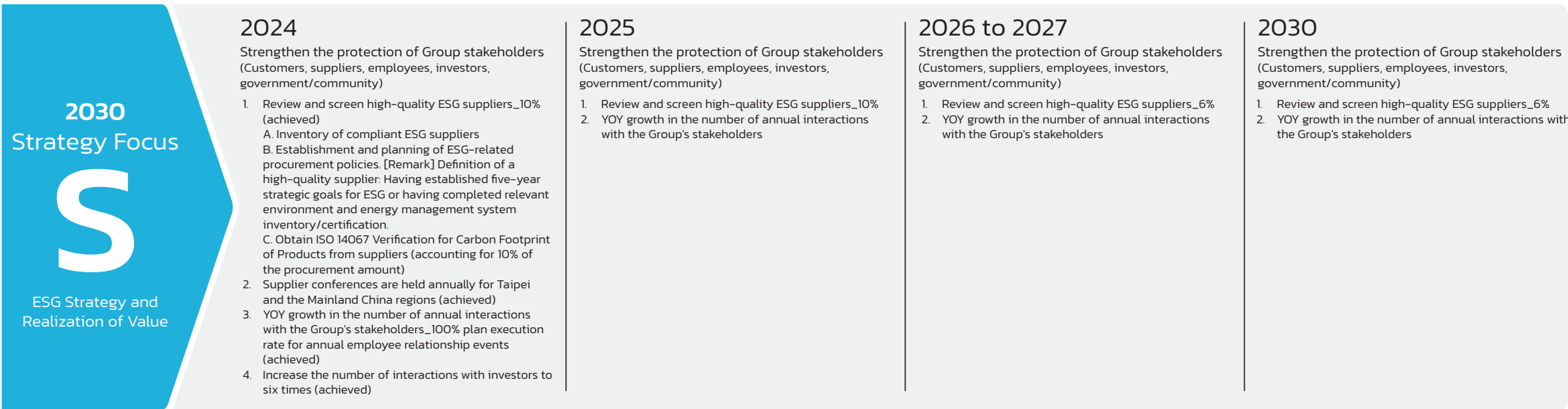
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Strategic Development Map of Hu Lane Group's Sustainability in the Short-, Mid-, and Long- Term_E Environmental Protection



Strategic Development Map of Hu Lane Group's Sustainability in the Short-, Mid-, and Long- Term_S People (including human rights)



Strategic Development Map of Hu Lane Group's Sustainability in the Short-, Mid-, and Long- Term_G Corporate Governance

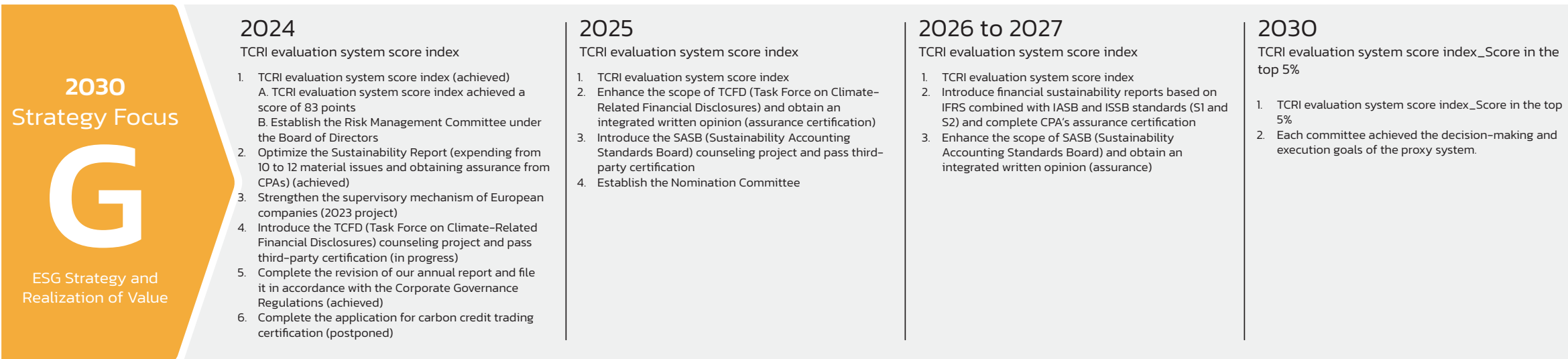


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3.1.3 United Nations Sustainable Development Goals (SDGs)

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

The United Nations' Sustainable Development Goals (SDGs)	Hu Lane Group's Practices	Chapters Disclosed
 1. No Poverty End poverty in all its forms everywhere. Promote social and economic development to achieve global prosperity.	1. Since 2008, Taipei Hu Lane has held seventeen "Caring for the Underprivileged and Spreading Love" charity events and has provided funding to the World Peace Association for disadvantaged families to rescue hungry children, enabling them to have enough to eat and attend school with peace of mind. 2024 result: Donation amount NTD 371,480. Beneficiary organizations – World Peace Association, Huashan Social Welfare Foundation, Eden Social Welfare Foundation; 81 volunteers; 3,405 beneficiaries. 2. Nanjing Hu Lane, in cooperation with Pengfu Community, launched the "Charity for Double Ninth Festival: Lighting Small Wishes" activity, engaging in conversations with the elderly, listening to their life stories and experiences, and fostering a sense of social responsibility and mission to respect and care for the elderly. 2024 result: Donation amount RMB 6,983; 40 donated items; 6 volunteers; 40 beneficiaries. Beneficiary organization: Pengfu Community.	7.8 Social Engagement
 2. Zero Hunger End hunger, achieve food security and improved nutrition, and promote sustainable agriculture to achieve global food safety.	Taipei Hu Lane supports local small farmers by taking concrete actions to back their processed agricultural products and, during the Labor Day holiday, expresses gratitude and appreciation to hardworking employees for their contributions. Purchased 631 units, total amount NTD 37,860.	7.3.7.2 Welfare Measures
 4. Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	1. The achievement rate for core values and core competencies education and training for new and current employees reached 100%. 2. The project cost for on-the-job competency enhancement education and training for colleagues in each department was NTD 5,271.80 thousand. 3. The project cost for enhancing leadership and management skills of high-performance supervisors was NTD 4,300 thousand, bringing the total to NTD 9,571.8 thousand.	7.4 Talent Training
 5. Gender Equality Achieve gender equality and empower all women and girls.	1. Hu Lane Group has established human rights policy to ensure a safe working environment, respect privacy rights, and eliminate any form of workplace violence, harassment, discrimination, infringement, corporal punishment, verbal abuse, and psychological coercion, as well as to establish grievance channels and handling mechanisms. 2. There was no occurrence of any human rights abuses in 2024.	7.1 Human Rights Protection
 6. Clean Water and Sanitation Ensure availability and sustainable management of water and sanitation for all.	1. Wastewater treatment: Domestic wastewater is handled in accordance with government regulations, with strict compliance to legal requirements for sewage testing to ensure it meets the discharge standards of the sewage treatment plant before final discharge into the Keelung River in Taipei. 2. The wastewater treatment unit is equipped with a comprehensive mixing tank, a fast mixing tank, a PH adjusting tank, a slow mixing tank, a precipitation tank, a gravity-type concentrating tank, a neutralization tank, and a sludge dewatering equipment. Additionally, regular inspections are performed to ensure compliance with discharge standards.	6.3.1 Water Resources Management
 7. Affordable and Clean Energy Ensure access to affordable, reliable, sustainable and modern energy for all.	Continue to replace old production equipment with new ones, resulting in a year-by-year decrease in energy consumption intensity. To reduce electricity consumption, new processes and equipment will be introduced from the design and development stage at each operating site, and solar energy storage systems will be actively installed. At present, Nanjing Hu Lane, Vietnam Hu Lane, and Jiaying Shangho have all installed solar green energy equipment. Taipei Hu Lane and Dongguan Hu Lane (Phase 1) will successively commence solar equipment projects starting in 2025.	6.2.2 Energy Management
 8. Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	1. The standard wage of entry-level staff is higher than the local minimum wage, regardless of gender. 2. Employee remuneration and benefits all exceed local legal requirements, including wages, working hours, insurance, pensions, and other statutory provisions. Diversity and inclusion, equal starting pay for men and women. In addition, to safeguard the rights and interests of entry-level personnel, measures are planned to be formulated in 2025 to ensure salary bonuses for entry-level employees.	7.3 Compensation and Benefits

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The United Nations' Sustainable Development Goals (SDGs)		Hu Lane Group's Practices		Chapters Disclosed
	9. Industry, Innovation and Infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	1. Obtain raw materials that comply with environmentally sustainable production, conserve energy, reduce carbon emissions, and collaborate with local suppliers to protect the earth's environment. 2. The local procurement amount reached 83.15%, with 91.11% of our suppliers being local. Together with these suppliers, we contribute to promoting local economic prosperity and environmental protection, thereby enabling people to live and work in happiness.		6.1 Material Topic: Raw Material Management (Including Procurement Practices) 6.1.1 Local Procurement Information 5.5.1 Material Topic: Sustainable Supply Chain
	10. Reduced Inequalities Reduce inequality within and among countries.	1. Formulate a human rights policy that strictly prohibits human rights violations, respects privacy rights, and eliminates all forms of violence, protecting against harassment and unlawful discrimination, including infringement, corporal punishment, verbal abuse, and psychological coercion, while providing effective and appropriate grievance channels and handling mechanisms. 2. There was no occurrence of any human rights abuses in 2024.		7.1 Human Rights Protection
	11. Sustainable Cities and Communities Make cities and human settlements inclusive, safe, resilient and sustainable.	In 2024, the Xizhi District Office renewed the "Memorandum of Understanding on Disaster Prevention Cooperation," joining the ranks of enterprises engaged in disaster prevention. During flood season, through the command and coordination of the Xizhi District Office, corporate resources for disaster prevention and material supply can be integrated, significantly enhancing disaster prevention and relief efficiency in the event of large-scale disasters.		6.4 Environmental Protection Management and Control
	12. Responsible Consumption and Production Ensure sustainable consumption and production patterns.	1. Improve efficiency from the process end to reduce raw material loss, and manage waste properly at the end stage through recycling or treatment to achieve waste resource utilization and maximize its use. 2. Manufacturing waste includes general commercial waste and hazardous commercial waste. 2.1 For general industrial waste management and domestic waste control measures, require strict implementation of resource segregation and thorough classification for recycling and reuse. 2.2 Hazardous commercial waste mainly includes copper-containing electroplating sludge, waste oil generated from manufacturing and maintenance, spent activated carbon, waste emulsion, obsolete containers, waste filter elements, waste mold cleaning fluid, and waste lamp tubes. 2.3 All wastes are classified, collected, and stored upon generation, and are disposed of by qualified suppliers certified with licenses.		6.3.2 Waste Management
	13. Climate Action Take urgent action to combat climate change and its impacts.	Continue to conduct GHG inventories in the plant to accurately monitor GHG emissions and further implement voluntary GHG reduction programs. GHG carbon emissions are also verified by an external verification body (BSI). In 2024, TCFD climate risk and opportunity assessment was initiated, and upon completion, countermeasure actions will be implemented to prevent and mitigate impacts.		6.2.3 Climate Change-related Financial Disclosures 6.2.4 Greenhouse Gas and Carbon Emissions
	16. Peace, Justice and Strong Institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	Hu Lane Group has established the reporting channels and acceptance procedures, and pledges to maintain the confidentiality of whistleblowers' personal data and the content of their reports. Whistleblowers will not face unfavorable treatment if the information is verified.		7.1 Human Rights Protection
	17. Partnerships for the Goals Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.	1. Improve the sustainable development of the supply chain, reduce the chain disruption risk, enhance the core competitiveness of the enterprise, and create long-term value. 2. By reinforcing the importance of customers, continuously strengthening mutual relationships, and building strong trust, Hu Lane Group will focus on improving its image and brand value, thereby achieving the goal to communicate as equals with the world's first-class car manufacturers. 3. Promote the six core values (integrity, unity, sustainability, agility, innovation, excellence) to build close connections with customers and suppliers and achieve excellence.		5.5 Value Chain Management

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3.1.4 Sustainable Development Achievements

Phase	2024 Sustainability Outcomes
Governance/Economy Aspect	√ In the 11th corporate governance evaluation, the Company ranked between 6% and 20% in the TPEx listed companies and was ranked 4 in the TCRI. √ Global Views Monthly 2024 “Global Views” ESG Top 36 Enterprises. √ Included in the TPEx Corporate Governance Index constituent stocks. √ Female directors account for 22.22% (two directors), while independent directors make up 33.33% (three directors), with more than half of the independent directors not serving for 3 consecutive terms. √ The average hours of professional ESG training of individual director reached 6 hours; corporate governance managers received 21 hours of continuing education. √ No reports of integrity violations were received, no records of violating corporate governance laws and regulations were found, and there were no material deficiencies in internal control operations. √ Total consolidated revenue was NTD 8,800,219 thousand, representing an increase of 20.04% from the previous year. √ The net profit attributable to the parent company was NTD 1,310,477 thousand, achieving the goal of earning a profit every year. √ Green new energy products accounted for 19.73% of the Group's sales revenue, representing an increase of 44.69% from the previous year. √ The customer satisfaction survey has been maintained at more than 80 points every year, with an average score of 81 points in 2024 √ Implemented ISO/IEC 27001: 2022, passed external third-party certification, and obtained the certificate. √ There were no material information security incidents causing disruption to the Company's business, nor were there any personal information security incidents in 2024.
Environmental Aspect	√ Awarded the Enterprise with Outstanding Performance in Disaster Prevention by New Taipei City. √ Awarded the “Sports Enterprise” certification by the Sports Administration, Ministry of Education. √ Received the CommonWealth Sustainability Forum certification for compliance with the temperature control targets of the “Paris Agreement”. √ ISO 14064-1: 2018 GHG inventory standard, passed external third-party verification for three consecutive years. And obtain a third-party verification statement each year. √ ISO 14067: 2018 Verification for Product Carbon Footprint (5 products) and pass external third-party verification in 2024. √ Passed external third-party verification for two consecutive years, totaling 9 products. √ GHG emission intensity: Scope 1 emissions were 0.1116 tCO2e/NTD million; Scope 2 emissions were 2.1141 tCO2e/NTD million. √ GHG emission intensity for Scope 1 and Scope 2 decreased 18.03% compared to the previous year. √ The total amount of hazardous commercial waste decreased by 0.63 metric tons, a 1.50% reduction compared to the previous year. √ Among them, the total amount of recyclable hazardous industrial waste increased by 5.17% compared with the previous year, and the total amount of recyclable general industrial waste increased by 25.76% compared with the previous year, thereby increasing the proportion of recyclables as much as possible to protect the environment. √ We comply with EU RoHS and REACH regulations regarding the management of hazardous substances, as well as customer requirements for hazardous substance management. Additionally, we require our suppliers to sign a letter of commitment to ensure ensuring the non-use of hazardous substances. √ No complaints were received regarding the management of hazardous substances, and no conflict minerals were purchased. √ We conducted the ESG-related assessments and audits on our key suppliers. A total of 139 suppliers completed ESG questionnaires (self-assessment), and 25 suppliers completed ESG on-site audits, with a pass rate of 100%. The number of on-site audits increased by 150% compared with the same period last year. √ No supply chain disruptions occurred due to suppliers' material violations of laws and regulations related to social responsibility, including those governing the environment, human rights, and occupational safety.
People (including human rights)	√ The proportion of female employees reached 42.70%, and the proportion of female supervisors reached 22.09%. √ The retention rate after employees’ reinstatement from their parental leave without pay was 100%. √ The number of occupational accidents during the year remained zero. There were no deaths due to work-related injuries, serious work-related injuries, or recordable work-related injuries among employees, nor were there any deaths due to occupational diseases or recordable occupational diseases. √ There were no labor-management disputes or human rights violations. √ NTD 402,616 was donated to disadvantaged groups, with 87 volunteers participating in charity activities. The number of beneficiaries reached 3,445 individuals.

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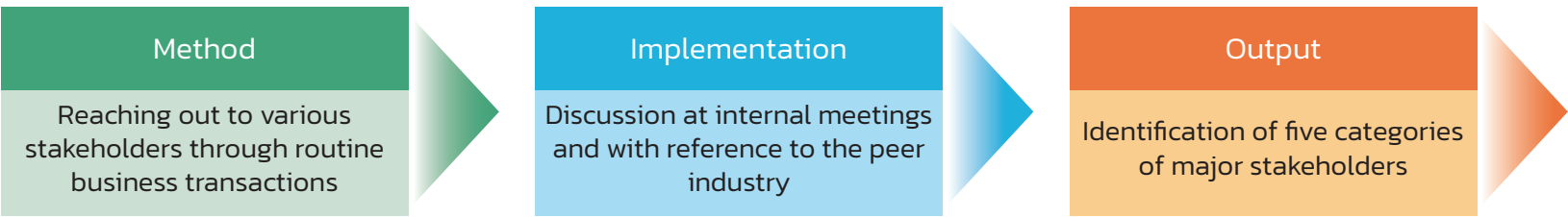
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3.2 Identification of Stakeholders and Material Topics

3.2.1 Stakeholder Identification



Note: Due to the stability of the electronic parts and components industry in which Hu Lane Group operates and the absence of drastic changes in recent years, the main stakeholder categories for 2024 remained the same after consultation between the Sustainable Development Officer, committee members, and each supervisor.

3.2.2 Stakeholder Communication

Communication counterparts	Importance to Hu Lane Group	Concerned Issues	Communication Platform / Frequency	Interaction	Contact Method
Government/ Competent Authorities	Government agencies' supervision and audits on the Company's compliance practices.	Employee diversity and equal opportunity; Occupational health and safety; Compliance with laws and regulations; Fair competition; Operational performance.	1. Hu Lane's website (occasionally). 2. MOPS (occasionally). 3. Cooperate with the government and the competent authorities to promote various matters. Participate in the evaluation of the competent authorities (occasionally).	1. Regularly disclose financial statements and annual reports. 2. Participated in 7 domestic and overseas investor conferences.	Vice President, Sustainable Development Division ESG@hulane.com.tw
Employees	Employees are the cornerstone of operations. We pledge to providing employees with a healthy and diversified workplace so that colleagues can work without worries.	Operational performance; Occupational health and safety; Product and service labeling; Compliance with laws and regulations; Innovative R&D.	1. Labor-management meetings (quarterly). 2. Welfare Committee (occasionally). 3. Occupational Safety and Health Committee (quarterly). 4. Personnel Evaluation Committee (annually). 5. President's mailboxes/bulletin boards/online bulletin boards (occasionally). 6. Employee satisfaction survey or employee sustainability engagement survey (annually). 7. Regular/occasional employee communication meetings.	1. Labor-management meeting/once a quarter (parent company). 2. Welfare Committee (parent company)/anytime. 3. Occupational Safety and Health Committee/once a quarter. In 2024, 4 sessions were actually held, with 36 participants. 4. Personnel Evaluation Committee/once a year. 5. Internal employee communication/any time. 6. In 2024, the employee sustainability engagement survey had 2,304 participants, with an overall response rate of 96% and an employee sustainability engagement score of 88%, significantly exceeding the global high-tech norm. 7. Annual employee meeting held once a year/performance reviews conducted regularly and occasionally.	Vice President, Sustainable Development Division ESG@hulane.com.tw
Customers	We regard product quality, safety, and after-sales service as our highest commitments to our customers. Maintaining high customer satisfaction will help us continue winning customers' recognition.	Customer relations/Reporting mechanism; Employee diversity and equal opportunity; Occupational health and safety; Fair competition; Operational performance.	1. Customer complaint and feedback mechanism (occasionally). 2. Regular communication and discussion meetings (monthly). 3. On-site audit discussion (occasionally). 4. Customer Satisfaction Survey (annually).	1. 100% customer complaint completion rate. 2. The overall customer satisfaction survey scored 81 points. (Target: 80 out of 100 points)	Vice President, Sustainable Development Division ESG@hulane.com.tw
Investors	Protect the rights and interests of the shareholders, treat all shareholders fairly, and ensure that the shareholders have the right to fully know, participate in, and decide on the material matters of the Company.	Operational performance; Product and service labeling; Customer relations/Reporting mechanism; Innovative R&D; Supply Chain Management.	1. Shareholders' meeting (annually). 2. Domestic and overseas investor conference (quarterly). 3. Seminars for investors from domestic and overseas investment organizations (occasionally). 4. MOPS (occasionally).	1. Held the Annual General Meeting of Shareholders (May 30, 2024). 2. Participated in 7 domestic and overseas investor conferences. 3. Communicated with investors for a total of 56 hours.	Vice President, Sustainable Development Division ESG@hulane.com.tw
Suppliers	We maintain long-term positive interactions with supply partners to ensure a steady supply of raw materials and parts, and to jointly explore markets. In addition, we use our influence in the industry to work with our supply partners to prevent environmental pollution and violations of labor rights.	Customer relations/Reporting mechanism; Product and service labeling; Occupational health and safety; Compliance with laws and regulations; Supply Chain Management.	1. Regular review meetings (monthly). 2. Supplier knowledge and technology exchange/interview (from time to time) 3. Annual supplier evaluation (once a year) 4. Supplier conference (once a year)	1. Monthly quality meetings. 2. Suppliers' occasional visit/technical exchange. 3. Supplier scoring is performed on a monthly basis. Based on the results of risk assessment, suppliers and dates of on-site audits are scheduled for the annual evaluation. 4. In September 2024, Taipei Hu Lane and Hu Lane China branches held one supplier conference each.	Vice President, Sustainable Development Division ESG@hulane.com.tw

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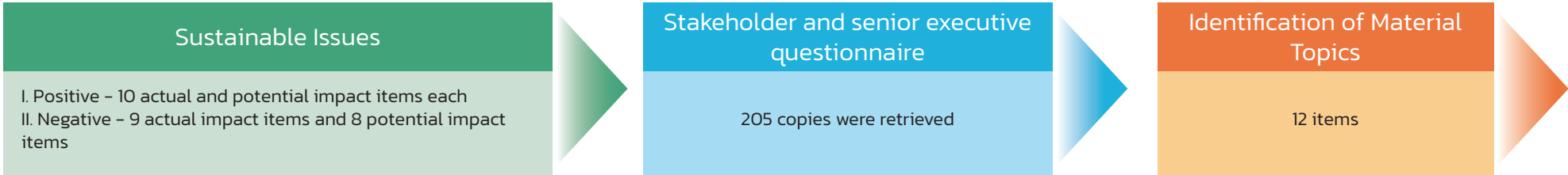
05 Ethical Governance

06 Environmental Friendliness

07 Employee Relationship and Social Care

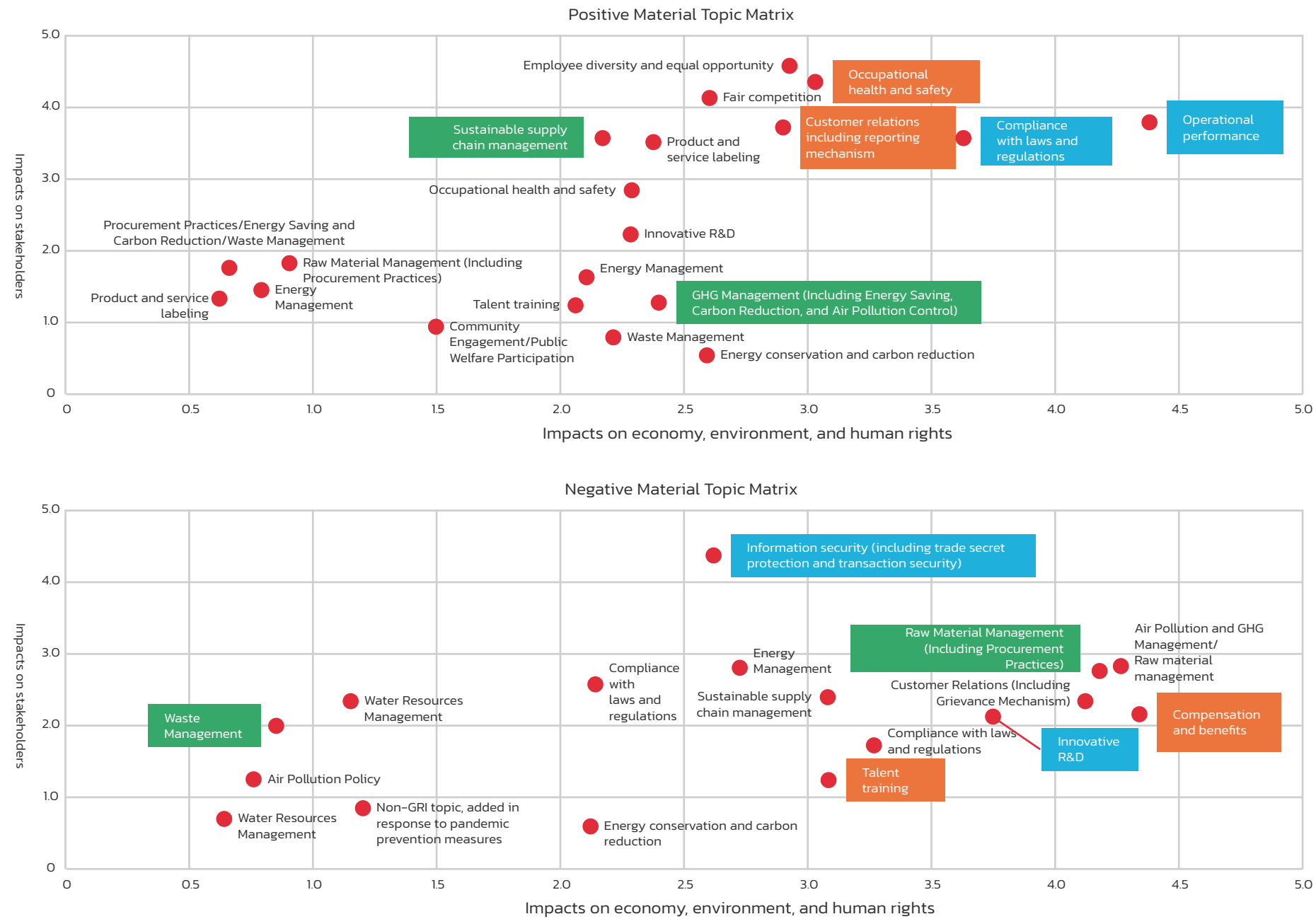
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3.2.3 Identification of Material Topics



Identification Process:

1. The Sustainability Committee prepared the 2024 Hu Lane Group Sustainability Impact Assessment Questionnaire and distributed it online.
2. Major stakeholders and senior executives were asked to complete the questionnaire assessing the extent of actual and potential positive/negative impacts of various issues on Hu Lane. A total of 205 valid questionnaires were collected, including 36 from investors, 77 from employees, 5 from customers, 70 from suppliers, 2 from government agencies, and 15 from senior executives.
3. Based on the compiled questionnaire results, a matrix of material topics was compiled. After discussion by the Sustainability Committee, the top four topics in each of the three aspects — environment, people (including human rights), and the economy — were selected. 12 material topics identified present both risks and opportunities to Hu Lane Group.
4. In this report, Hu Lane Group will explain the management approach of each material topic and the relevant disclosures in this report. At the same time, to keep the balance in the Sustainability Report, the results of Hu Lane Group’s commitment to public welfare are disclosed as supplementary information.



Economic Aspect

- ◆ Operational performance
- ◆ Compliance with laws and regulations
- ◆ Innovative R&D
- ◆ Information security (including trade secret protection and transaction security)

People (Including Human Rights)

- ◆ Occupational health and safety
- ◆ Customer Relations (Including Grievance Mechanism)
- ◆ Compensation and benefits
- ◆ Talent training

Environmental Aspect

- ◆ Sustainable supply chain management
- ◆ GHG Management (Including Energy Saving, Carbon Reduction, and Air Pollution Control)
- ◆ Raw material management
- ◆ Waste Management

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3.2.4 Management of Material Topics

Communication counterparts		Importance to the Company	Impact Aspect	Internal boundary	External Boundary			Corresponding GRI Standards 2021	Chapters disclosed in the report
				Company	Investor	Suppliers	Customers		
Economic Aspect	Operational performance	Profitability is the driving force behind the Company's sustainable development and is the common goal that all stakeholders pay attention to.	Positive Actual	●	○	○	○	201 Economic Performance: 2016 (201-1, 201-3 to 201-4)	5.3.1, 5.3.2, 5.3.3, 5.3.4
	Innovative R&D	Committed to product R&D and technological innovation, establishing collaborative development models with major international companies to expand product application areas and actively developing automotive domain control products, intelligent control products, and others.	Negative Potential	●	○		○	Self-defined Material Topic (Innovation-1)	5.4.1
	Compliance with laws and regulations	In accordance with amendments to laws and regulations, simultaneously improve or establish systems and regulations to ensure the Company's actions and operations remain within legal boundaries and in full compliance.	Positive Potential	●	○	○	○	2-27 Compliance with laws and regulations	5.1.5
	Information security (including trade secret protection and transaction security)	☆ Environment: 1. Energy and resource use efficiency: Protect data and server systems through information security measures to prevent ransomware and malicious attacks from causing system crashes or data leaks, thereby reducing additional resource consumption from system reconstruction. 2. Sustainable supply chain: Implement information security protection systems to prevent disruptions that could impact sustainability goals. ☆ Society: 1. Protect personal privacy: Enterprises must comply with privacy protection regulations such as GDPR and CCPA to ensure the security of customer and employee personal data. 2. Prevent cyberattacks: Effective information security mechanisms can prevent ransomware attacks, financial fraud, and other incidents, maintaining the stability of business operations. 3. Maintain trust: Information security incidents can seriously damage a company's reputation and erode the trust of customers and partners. ☆ Corporate Governance: 1. Risk management and compliance: Ensure enterprises meet international information security standards such as ISO 27001 to reduce the risk of regulatory violations. 2. Board and senior management involvement: Information security should be incorporated into the corporate governance framework, with the Board of Directors and senior management directly overseeing the implementation and effectiveness of information security policies. 3. Transparent reporting: Disclose information security risk management mechanisms and specific performance in ESG reports to enhance investor confidence.	Negative Potential	●	○		○	Self-defined Material Topic (Information Security-1)	5.6.1
People (Including Human Rights)	Compensation and benefits	1. Annual review system benchmarking salary levels against industry peers. 2. Formulate employee career plans and provide appropriate training. 3. Link employee bonuses to strategic action KPIs. 4. Engage in dedicated training for self-growth while simultaneously demonstrating outstanding performance, ensuring openness and transparency in one's career development at Hu Lane. 5. Take inventory of the key talent pool and plan remuneration packages as a critical talent retention measure, thereby effectively influencing the organization's operational performance.	Negative Actual	●	●			2-19 Remuneration policies 2-20 Process to determine remuneration 2-21 Annual total compensation ratio 405-2 Ratio of basic salary and remuneration of women to men	7.3.1, 7.3.2, 7.3.3, 7.3.4
	Customer Relations (Including Grievance Mechanism)	We regard product quality, safety, and after-sales service as our highest commitments to our customers. Maintaining high customer satisfaction and good quality services will help us continue winning customers' recognition.	Positive Actual	●			○	Self-defined Material Topic (Customer-1)	5.5.2
	Occupational health and safety	1. Create a safe workplace environment for employees. 2. Employee health, work performance, and reputation of the enterprise are closely related; employee health is an important intangible asset of the Company. 3. Protect employees from injury; when employees work in a safe environment, morale and work efficiency will also improve significantly, helping the Company enhance productivity. 4. Occupational safety is not only about protecting employees' fundamental rights but also a core factor in promoting the Company's sustainable development.	Actual Potential	●		○	○	403 Occupational Health and Safety: 2018 (403-1 to 403-10)	7.6, 7.7

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

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3.2.4 Management of Material Topics

Communication counterparts	Importance to the Company	Impact Aspect	Internal boundary	External Boundary			Corresponding GRI Standards 2021	Chapters disclosed in the report
			Company	Investor	Suppliers	Customers		
People (Including Human Rights)	Talent training	Employees are regarded as valuable assets. Through the Group's Strategy Map L2-1 Talent Development Strategy, the Company effectively enhances colleagues' work performance, drives internal growth, and strengthens the competitiveness of its high-performance organization to respond to market changes. Cultivate talent to enhance engagement and reduce turnover, motivating employees to foster a proactive learning culture and core values under stable development.	Negative Potential	●		○	404 Training and Education: 2016 (404-1 to 404-3)	7.4, 7.4.1, 7.4.2, 7.4.3
	GHG Management (Including Energy Saving, Carbon Reduction, and Air Pollution Control)	1. Conduct inventory in line with stakeholder expectations, identify carbon emission hotspots in the plant during the process, and subsequently implement carbon reduction measures to achieve the dual benefits of enhancing operational synergy and reducing GHG emissions. 2. Enhance efficiency and reduce energy consumption through the automation and intelligentization of equipment systems. 3. Develop and innovate raw materials for new processes to enhance raw material recycling rates and reduce waste rates.	Potential positive	●	○	○	302 Energy: 2016 (302-1 to 302-5) 305 Emissions: 2016 (305-1 to 305- 7)	5.4.2, 6.2.1, 6.2.2.1, 6.2.2.2, 6.2.2.3, 6.2.2.4, 6.2.3, 6.2.4, 6.2.5
	Raw material management	Obtain raw materials that comply with environmentally sustainable production, conserve energy, reduce carbon emissions, and collaborate with suppliers to protect the earth's environment.	Potential negative	●		○	204 Procurement Practices 2016 (204-1) Materials 2016 (301-1 ~ 301-3)	6.1, 6.1.1, 6.1.2
	Sustainable supply chain management	Establish long-term cooperation with suppliers and create a sustainable development procurement supply chain social responsibility platform. Through the ESG system management platform, form a team to jointly work toward reducing consumption and carbon emissions, thereby creating long-term market value.	Actual positive	●		○	308 Supplier Environmental Assessment: 2016 (308-1 to 308-2) 414 Supplier Social Assessment: 2016 (414-1 to 414-2)	5.5.1
Environmental Aspect	Waste Management	Adhering to the principle of improvement at the source, we start by enhancing efficiency in the production process, then reduce the consumption of raw materials, and control waste at the end of the process. The waste is recycled or disposed of by suppliers certified by qualified licenses, aiming to achieve the effect of waste resource recovery and utility maximization.	Actual positive	●		○	306 Waste 2020 (306-1 to 306-5)	6.3.2.1, 6.3.2.2, 6.3.2.3

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

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Description on changes in material topics over the past two years

2023 Material Topics		2024 Material Topics	Comparison
1	Employee diversity and equal opportunity	Compensation and benefits	New
2	Customer relations	GHG Management (Including Energy Saving, Carbon Reduction, and Air Pollution Control)	↑10
3	Operational performance	Raw Material Management (Including Procurement Practices)	↑4
4	Information security	Customer Relations (Including Grievance Mechanism)	↓2
5	Occupational health and safety	Operational performance	↓2
6	Innovative R&D	Innovative R&D	-
7	Raw material management	Compliance with laws and regulations	New
8	Sustainable supply chain	Occupational health and safety	↓3
9	Talent training	Talent training	-
10	Anti-corruption	Sustainable supply chain management	↓2
11	Waste Management	Information security (including trade secret protection and transaction security)	↓7
12	Energy Conservation and Greenhouse Gas Management	Waste Management	↓1

Note: 1. In 2024, following the 2023 model, the top four sustainability issues from each of the three aspects, economic, environmental, and people (including human rights), were selected, for a total of 12 issues, and included as the material topics of the year.

2. In 2024, two additional material issues were added, namely remuneration and benefits, and legal compliance.
The excluded items: Two material topics, namely employee diversity and equal opportunity, and anti-corruption.

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

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

04 About Hu Lane

4.1 Group Profile

Since 1977

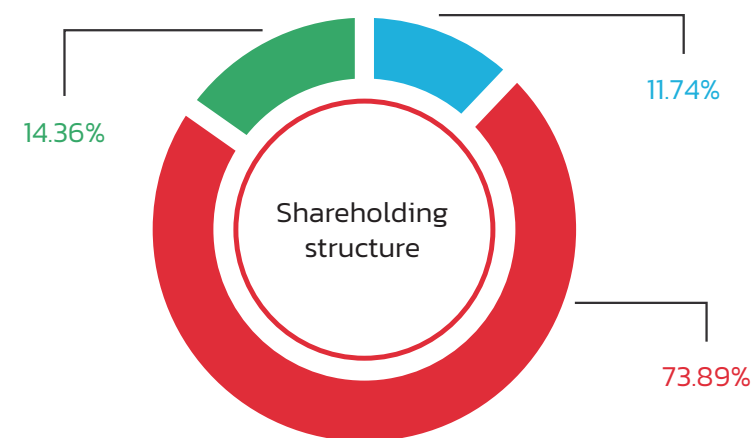
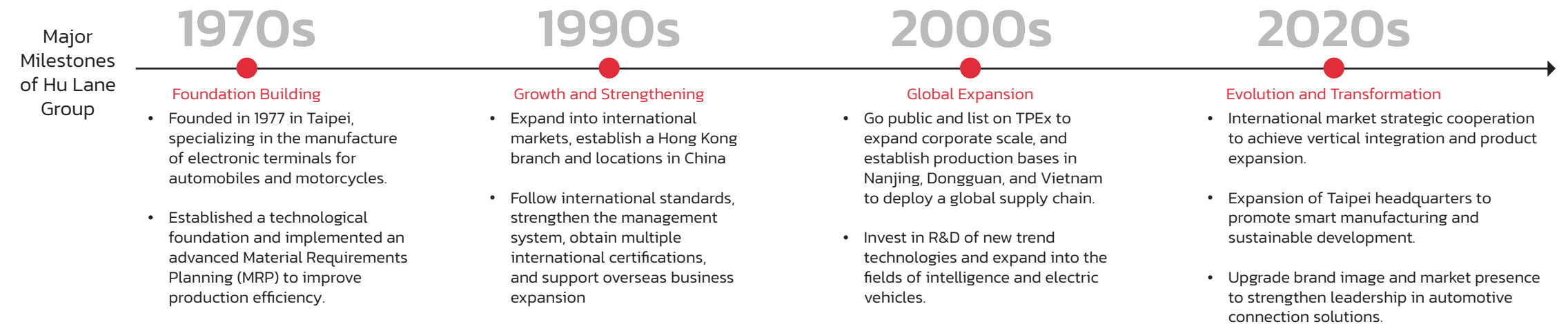
From its inception in 1977, Hu Lane has engaged in the manufacturing of various types of metal-stamped terminal products. Starting from terminals, we have been dedicated to the manufacturing of parts for automobiles and motorcycles. With the changes in the market and business expansion, we have fully realized that it is hard to meet customer needs by simply providing parts and components.

The Company is one of the world's top 100 connector manufacturers in the electronic parts and components industry. In addition to the low-voltage connectors developed and produced over the years, the Company has also developed high-frequency products such as FAKRA / HSD / Ethernet , new energy high-voltage connectors, and header boards connectors, fuse boxes, all of which are high value-added products. In the short term, we are actively developing the intelligent control (domain control) product series, and have further developed vertical integration capabilities in design and assembly. We have cultivated the markets in Taiwan, China, and Southeast Asia for many years, and has cooperated with automobile manufacturers and Tier 1 major manufacturers for many years. In particular, the Company's market share in Taiwan and Mainland China is increasing year by year.

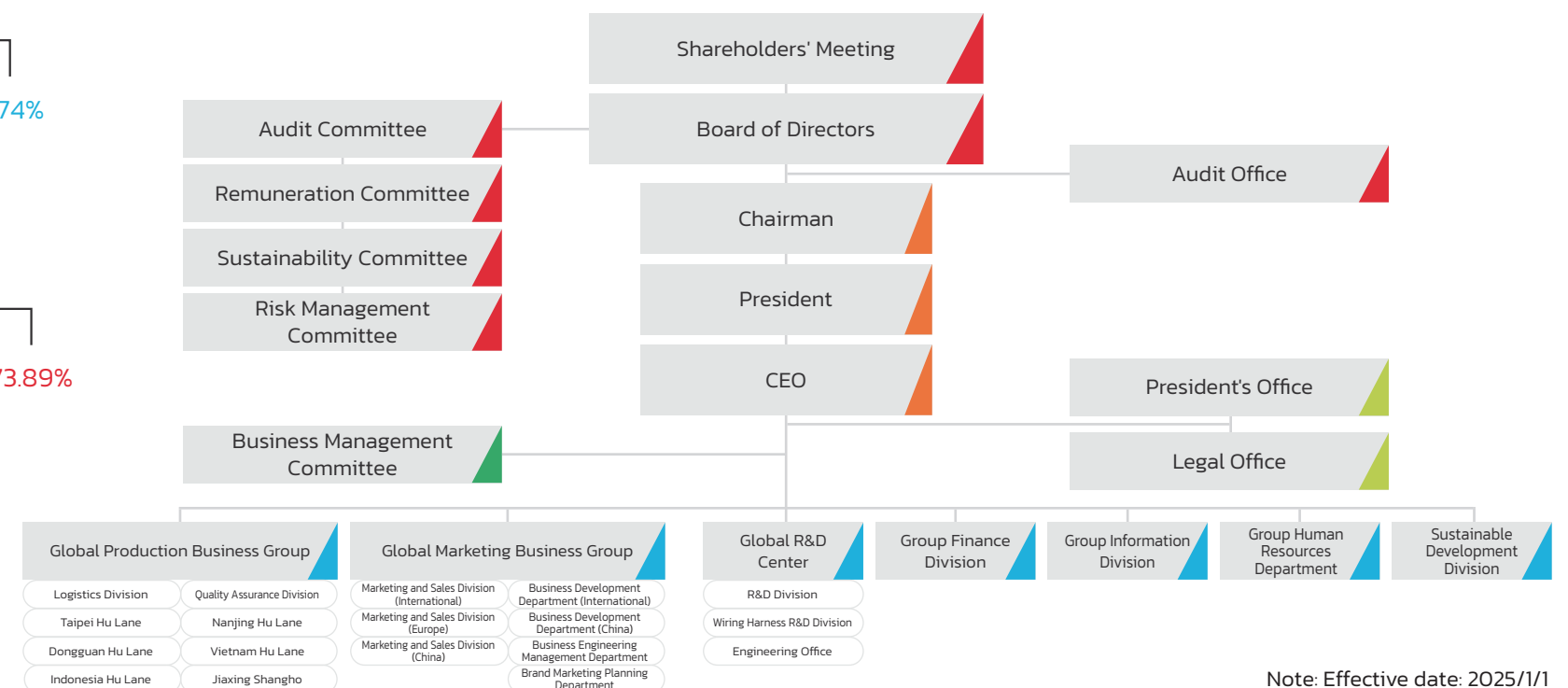
Due to the continuous development of energy conservation and carbon reduction policies, major countries around the world have promoted increasingly stringent carbon emissions standards. New energy vehicles will be the major trend in the future. The Hu Lane Group has maintained steady growth in profitability and will continue to expand into global markets to sustain growth momentum and broaden its sales worldwide.

4.1.1 Organization Chart of the Group

Company Name	Hu Lane Associate Inc. (Stock Code: 6279)
Headquarters Address	No. 1, Lane 342, Fude 1st Road, Xizhi District., New Taipei City
Capital	NTD 1,047,172 thousand
Global Sales	We have established our headquarters in Taipei and have operating locations in China, Hong Kong, Vietnam, Indonesia, and Europe.



- Domestic corporation
- Citizen
- Foreign institution and non-citizen



Note: Effective date: 2025/1/1

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Overview of Hu Lane

For nearly 50 years, Hu Lane has actively expanded its global presence by establishing sales, R&D, and production bases, serving markets and customer needs worldwide with a spirit of efficiency and excellence.

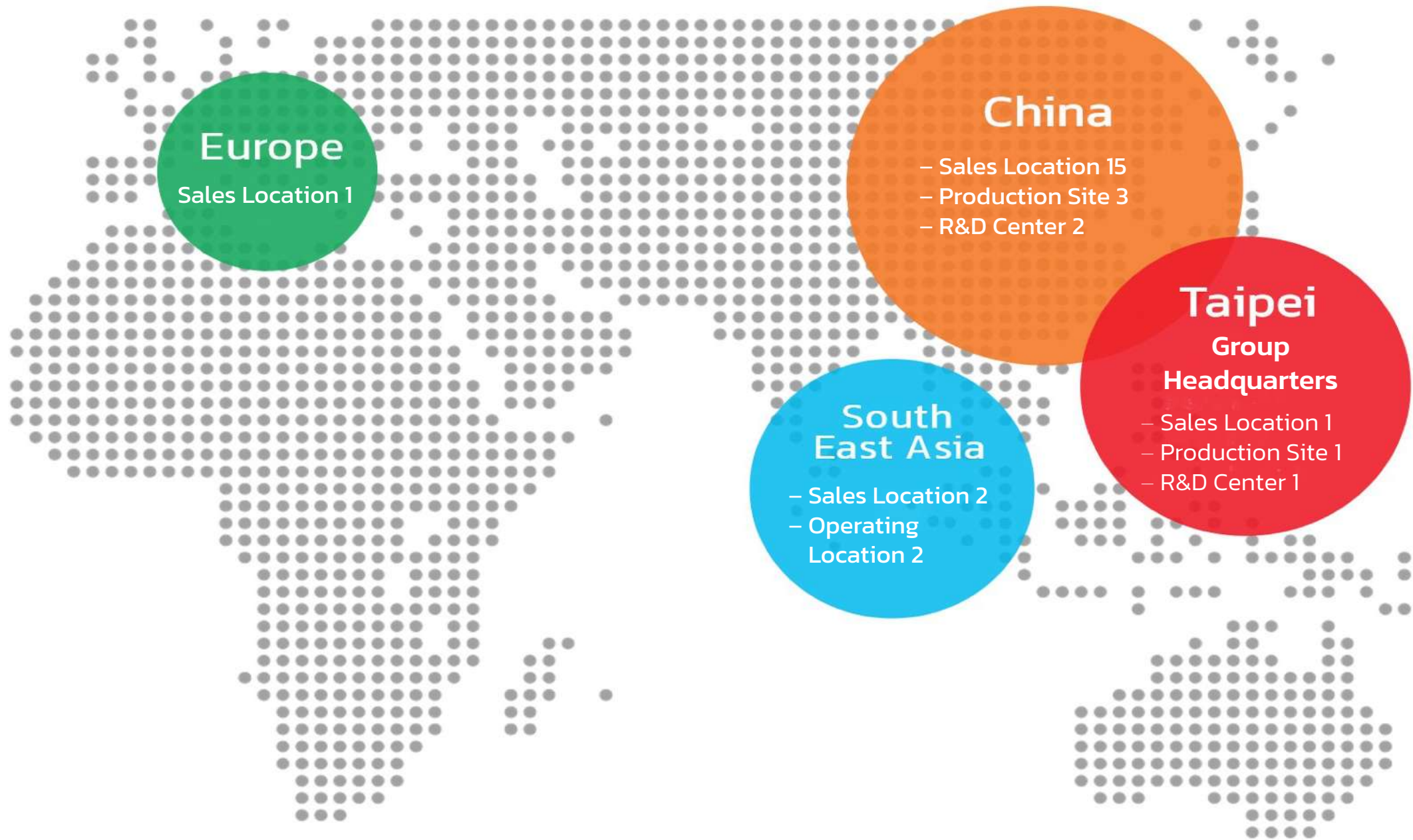


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Correlation among the up-stream, mid-stream, and down-stream of the industry

Hu Lane Group is a professional connector manufacturer in the mid-stream and down-stream of the industry chain. The main upstream raw materials are copper and plastics, and the industries covered include copper and plastic manufacturing. Terminal products are widely used in transportation, new energy vehicles, electronic communications, and consumer electronics industries. The linkage map of up-stream, mid-stream, and down-stream is as follows:



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“Bound for Excellence through Close Connections”

4.2 Business Philosophy

Hu Lane Group started as a supplier of parts and components in the past, gradually transformed into a leading provider of high-quality connector products and solutions. Our core purpose and value of existence are to continuously optimize the efficiency of human mobility in the future. This is our firm mission and the reason for our continuous efforts. With the spirit of “Bound for Excellence through Close Connections,” Hu Lane continues to move forward without forgetting its original aspiration. Our goal is to become equals with the world’s first-class car manufacturers and jointly participate in innovative connection system solutions. We hope to maintain direct communication with them to jointly promote the progress and development of the industry.

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

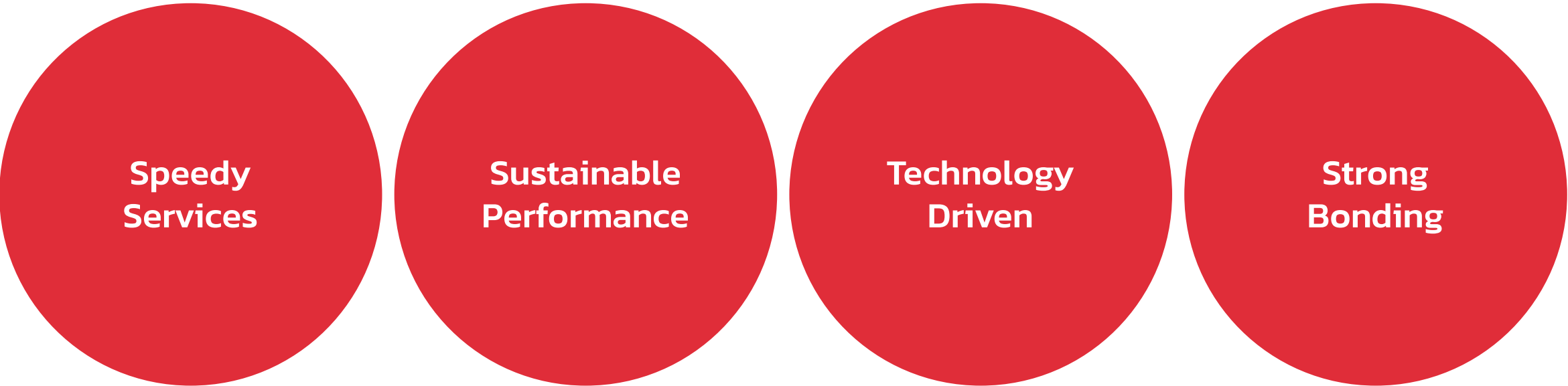


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4.2.1 Core Values

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

Hu Lane Group
Core Values



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Function Items	Definition of Function	Themes of Function
1. Innovative Application	Continuously enhance personal expertise, utilize digital technology applications to propose well-constructed ideas and implement effective work planning, and learn how to integrate new technologies and trends into future developments.	★ Propose ideas ★ Apply technology ★ Achieve innovation
2. Resilience and Agility	Clearly demonstrate professionalism and self-confidence and believe in our abilities to influence the future development of the team and the organization. Adopt a positive approach to work and accept changes to respond to market changes quickly and agilely.	★ Demonstrate self-confidence ★ Positive thinking ★ Support revolution
3. Inclusiveness and Sustainability	Adopt an international perspective, enhance the value of individual differences and cultural diversity, create an honest, respectful, and inclusive workplace in both local and global work environments, and support socially/environmentally beneficial behaviors with actions to achieve sustainable management.	★ Apply a global perspective ★ Diversity and inclusion ★ Social sustainability
4. Unity and Co-prosperity	Fulfill individual's commitments to the team and demonstrate integrity and pragmatism. Throughout this process, we will show empathy, listen to diverse opinions, set common goals, master the varying needs of members, and value each member's positive contribution and development to foster personal and organizational performance and growth.	★ Fulfill commitments ★ Unity and collaboration ★ Self and team development
5. Mutual Benefit with Partners	Master the knowledge and experience of the market, economy, and regulatory environment, learn and foresee the needs of both internal and external partners, take timely actions to provide high-quality products and services that exceed expectation, and take ESG into consideration, thereby fostering confidence and trust among partners to build sustainable relationships.	★ Focus on the needs of partners ★ Develop solutions ★ Establish sustainable relationships
6. Excellence and Accountability	Take proactive actions, seize opportunities, persevere in pursuing our goals and achieve outstanding results, demonstrate courage to explore beyond "known" territories, and successfully create unprecedented new opportunities.	★ Pursue opportunities ★ Challenge goals ★ Take proactive actions

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4.2.2 Product Development and Business Scope

Communicate as equals with the world's first-class car manufacturers, and participate in innovative connection system solutions.

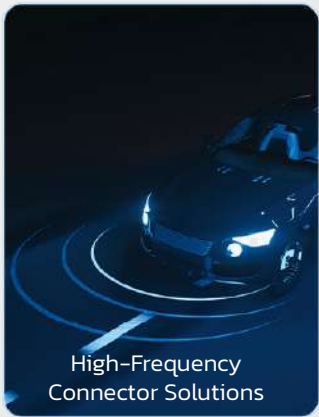
Automotive Solutions

We provide customized solutions and work together with customers and partners to drive the industry forward.



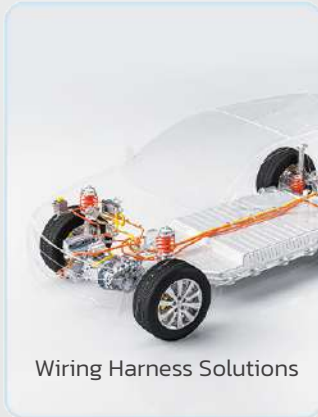
High-Voltage Connector Solutions

- New energy vehicles



High-Frequency Connector Solutions

- Advanced driver assistance systems
- Automotive entertainment systems



Wiring Harness Solutions

- Full vehicle wiring harness design and assembly
- Low-voltage, high-voltage, and high-frequency wiring harnesses



Customized Co-Development

- Automotive PCB connectors
- Miniaturized, hybrid connectors
- Intelligent electrical box

Product Range

We have developed tens of thousands of products, offering a wide and diverse range of options, and we innovate flexibly by gaining insights into industry trends and customer needs.



Low Voltage Connectors

- Wire-to-wire
- Wire-to-board
- Wire cross-section: 0.22–10 mm²



High Voltage Connectors

- Voltage: 600–1000 V DC
- Current: 32A–280A



High Frequency Connectors

- FAKRA
- Mini FAKRA
- HSD
- Ethernet



Pin Headers

- Wire-to-board
- Customization
- Miniaturization



Fuse Boxes

- Hardwired type
- Intelligent type
- PCB type

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4.2.2 Product Development and Business Scope

Product development and business scope cover new energy vehicle solutions, self-designed and developed automotive low-voltage connectors and low-voltage wiring harness products, as well as automotive high-voltage wiring harness products.

Comprehensive Automotive Connectivity Solutions

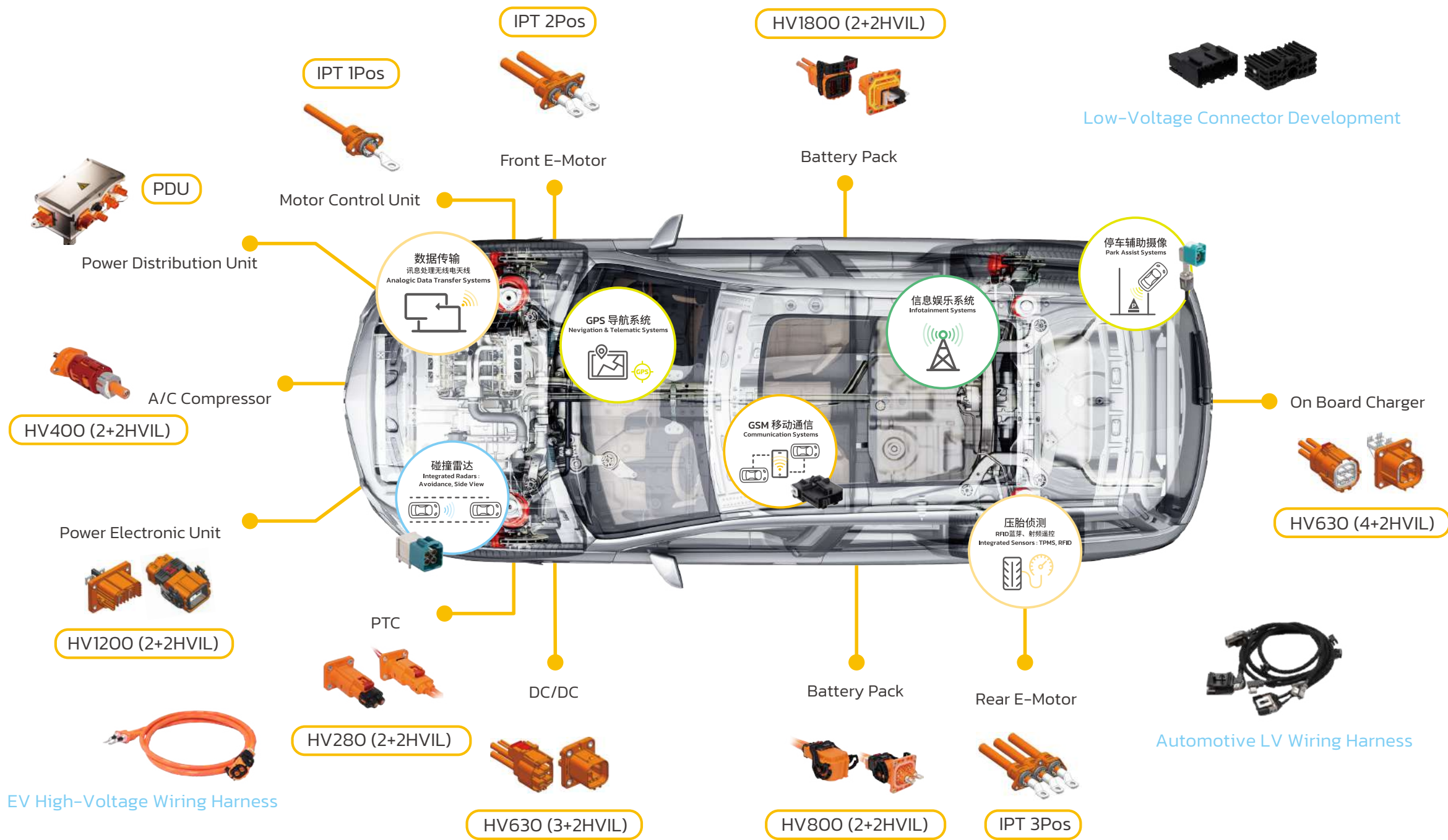


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4.3 Awards

Hu Lane Group

BSI Sustainability Practice Award
Note: The award was evaluated on a group basis



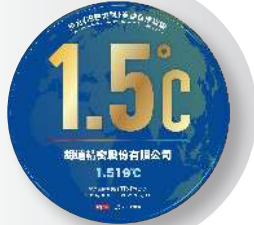
Dongguan Hu Lane

Awarded the Specialized and Sophisticated "Rising Star" Award by the Ministry of Industry and Information Technology, along with an incentive bonus of RMB 1.5 million.



Hu Lane Group

Certification by Commonwealth Sustainability Forum for compliance with the temperature control targets of the "Paris Agreement"



Indonesia Hu Lane

AHM Platinum Supplier 2024



Taipei Hu Lane

Awarded the "iSport" certification by the Sports Administration, Ministry of Education.



Indonesia Hu Lane

AHM Best Supplier Category Polymer Period July–September 2024



Taipei Hu Lane

CRIF Taiwan – 2024 TOP 5000 Outstanding Business Performance Enterprise



Indonesia Hu Lane

AHM IRMC (Industrial Relationship Management Control) in Compliance, Effective Communication & Labor Risk Management Category Green Level Supplier



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4.4 Management System

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

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

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4.5 Participation in Associations

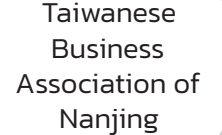
Taipei Hu Lane		Taiwan Electrical and Electronic Manufacturers' Association Participation Status Member	Taipei Hu Lane		Importers and Exporters Association of Taipei Participation Status Member	Nanjing Hu Lane		Jiangsu Automotive Trade Association Participation Status Member
		Taiwan Transportation Vehicle Manufacturers Association Participation Status Member			New Taipei City Industrial Association Participation Status Member			Taiwanese Business Association of Nanjing Participation Status Member
		Taiwan Mold & Die Industry Association Participation Status Member			National Association of Small and Medium Enterprises, R.O.C. Participation Status Member			Taiwanese Business Association of Haiphong, Vietnam Participation Status Member
		Taiwan Electronic Connector Association Participation Status Member			Dongguan Taiwanese Investment Enterprises Association Participation Status Member Vice President Lin Ming-Miao serves as the director			Jakarta Taiwan Entrepreneur Association Participation Status Member Taiwan Business Club, Indonesia
Dongguan Hu Lane			Indonesia Hu Lane					

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5.1 Corporate Governance Practices

Hu Lane Group upholds the business philosophy of "integrity and pragmatism" and breaks through various business challenges in pursuit of the Company's growth and social feedback. In the 11th corporate governance evaluation, the Company ranked between 6% and 20% in the TPEX listed companies and was ranked 4 in the TCRI.

5.1.1 Corporate Governance Structure

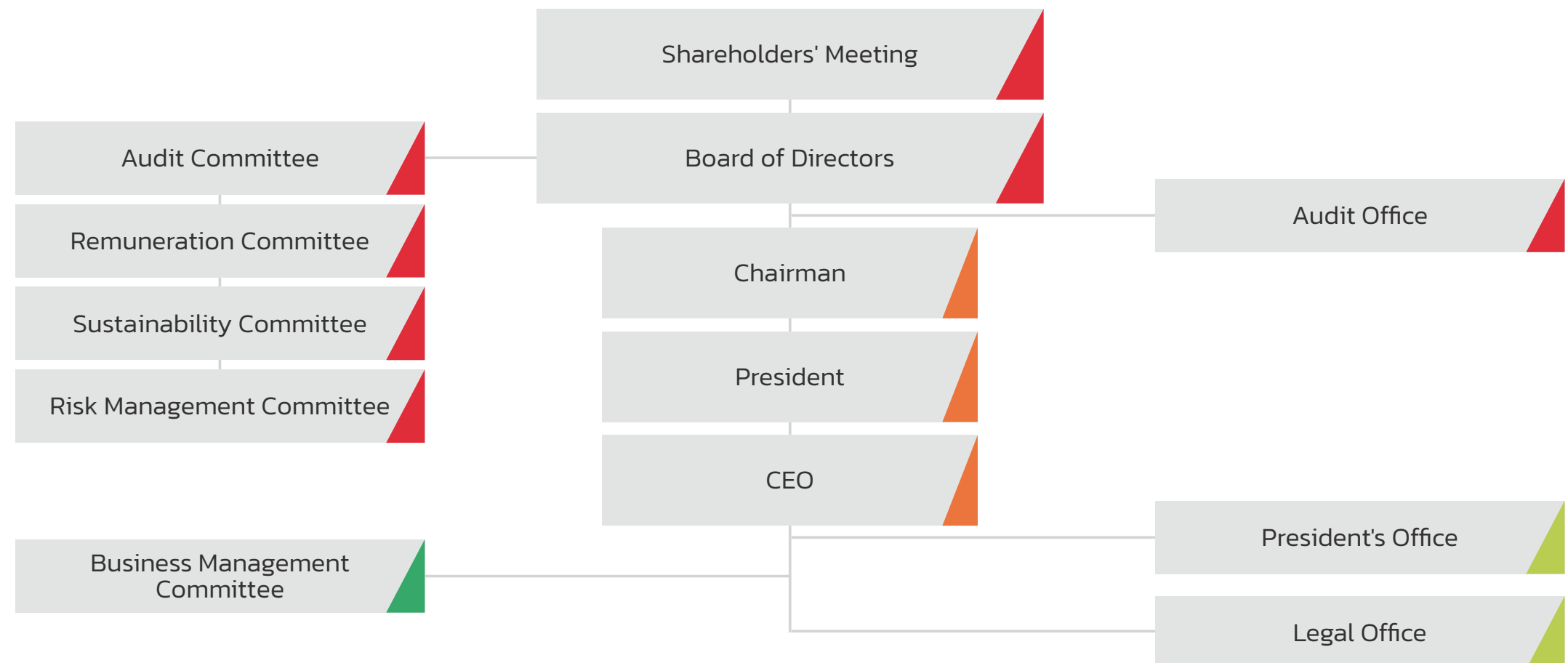


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5.1.2 Operation of the Board of Directors

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

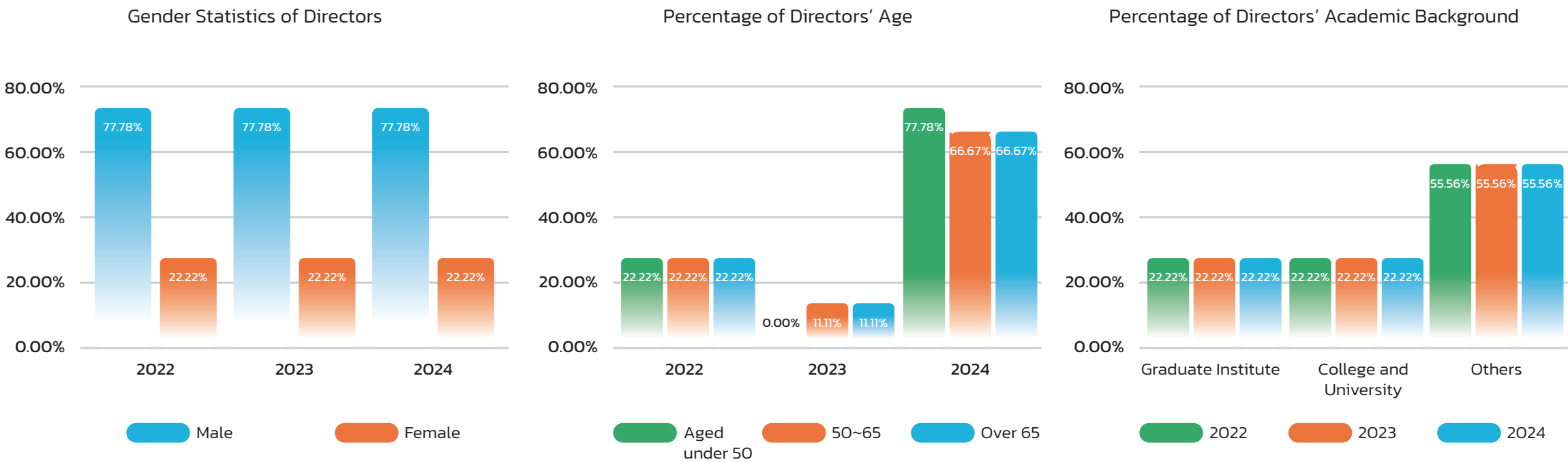
5.1.2.2 Implementation of the Diversity Policy of the Board of Directors

Hu Lane Group arranges relevant continuing education courses according to the needs of individual directors and actively arranges courses for all directors at a rate of 100%. Through the provision of relevant training courses, the Company enhances the professional knowledge of directors and implements corporate governance. In order to diversify the risk of directors' legal liabilities and enhance corporate governance capability, the Company has secured directors' liability insurance with a total coverage amount of USD 5 million.

Note:

1. Information on the diversity policy and independence of the Board of Directors: Please refer to Section I: Profile of the Director, President, Vice Presidents, Assistant Vice Presidents, and heads of various departments and branches in Chapter Two: Corporate Governance Report of Hu Lane's 2024 Annual Report.
2. Professional qualifications of directors: Please refer to Section I (I): Information of Directors, Disclosure of Professional Qualifications and Independence of Directors in Chapter Two: Corporate Governance Report of Hu Lane Group's 2024 Annual Report.
3. Implementation of the diversity policy of the Board of Directors: Please refer to Section I (I): Information of Directors, Disclosure of Implementation of the Diversity Policy of the Board of Directors in Chapter Two: Corporate Governance Report of Hu Lane Group's 2024 Annual Report.
4. Board members' attendance: Please refer to Subsection (I): Operation of the Board of Directors in Section III: Status of Corporate Governance within Chapter Two: Corporate Governance Report of Hu Lane Group's 2024 Annual Report.
5. Corporate governance operation: Please refer to Subsection (III): Status of Corporate Governance and Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies in Section III: Status of Corporate Governance within Chapter Two: Corporate Governance Report of Hu Lane Group's 2024 Annual Report.
6. None of the directors held any shareholdings in competitors, suppliers, or customers: None of the directors held any shareholdings in competitors, suppliers, or customers.

5.1.2.3 Board of Directors Diversity Statistics



Note:

Percentage of female directors = (number of female directors at the end of the year/number of directors at the end of the year)*100%.
Percentage of male directors = (number of male directors at the end of the year/number of directors at the end of the year)*100%.

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5.1.2.4 Succession Plan for the Members of the Board of Directors

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

Note: Succession plan for the members of the Board of Directors: Please refer to 7. Succession planning for board members and key management within Subsection (I): Operation of the Board of Directors in Section III: Status of Corporate Governance within Chapter Two: Corporate Governance Report of Hu Lane Group’s 2024 Annual Report.

5.1.2.5 Conflict of Interest and Recusal

1. In our governance structure, the Chairman is not a member of the senior management of the organization. Directors and their affiliates are prohibited from voting on the matters in which they have a self-interest that could be detrimental to the interests of the Company, and from exercising voting rights as a proxy for other directors.
2. We have established the “Employee Code of Ethical Conduct” and the “Procedures for Ethical Management and Guidelines for Conduct” and disclosed them on our official website, requiring directors and managers to comply with these regulations.
3. The Sustainability Committee leads the team in continuously implementing ESG strategies. Promote and strengthen the established employee complaint channels, President’s mailbox, and the stakeholder mailbox on the official website, with cases handled by different levels and departments to ensure alignment with stakeholders’ needs and expectations.
4. The identity of the whistleblower and the content of the report shall be kept confidential, and whistleblowing shall be handled prudently, focusing on gathering evidence. Whistleblowers shall receive comprehensive protection measures, and investigation results, along with proposed solutions and measures, shall be reported to senior supervisors. If an issue may pose a significant threat to the Company's operations, senior management will report it to the Board of Directors for discussion and decision at a Board of Directors’ meeting. Every year, the Company also discloses the number of cases accepted and the status of handling on its official website. As of the end of 2024, Hu Lane Group has not experienced any significant incidents affecting profits or incidents with negative impacts.

5.1.3 Operation of Functional Committees

5.1.3.1 Audit Committee

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

Note: Resolutions of the Audit Committee: Please refer to Subsection (II): Operation of the Audit Committee in Section III: Status of Corporate Governance within Chapter Two: Corporate Governance Report of Hu Lane Group’s 2024 Annual Report.

5.1.3.2 Remuneration Committee

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

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

Note: Resolutions of the Remuneration Committee: Please refer to Subsection (IV): 4. Operational Status of the Remuneration Committee in Section III: Status of Corporate Governance within Chapter Two: Corporate Governance Report of Hu Lane Group’s 2024 Annual Report.

5.1.3.3 Sustainability Committee

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

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

Note: Resolutions of the Sustainability Committee: Please refer to Subsection (IV): 5. Operational Status of the Sustainability Committee in Section III: Status of Corporate Governance within Chapter Two: Corporate Governance Report of Hu Lane Group’s 2024 Annual Report.

5.1.3.4 Risk Management Committee

To strengthen corporate governance, ensure sound operations and sustainable development, and serve as the basis for various risk management and implementation, with the goal of complying with laws and regulations, promoting and implementing overall operational risk management, clearly understanding the risks faced in sustainable operations, ensuring the effectiveness of risk management, and bearing ultimate responsibility for risk management, the Board of Directors approved the establishment of the Group Risk Management Committee and related organization and procedures on November 8, 2024.

Note: Resolutions of the Risk Management Committee: Please refer to Subsection (III): Attachment 4. Operational Status of the Risk Management Committee in Section III: Status of Corporate Governance within Chapter Two: Corporate Governance Report of Hu Lane Group’s 2024 Annual Report.

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5.1.4 Internal Control System

Establishment and purpose of the internal audit organization: Hu Lane Group's internal audit unit is subordinate to the Board of Directors. Appropriate dedicated internal audit personnel are appointed according to the company's scale, business status, management needs, and other relevant laws and regulations. The internal audit unit shall have a chief officer who is appointed or dismissed by resolution of the Board of Directors with the approval of the Audit Committee.



Audit Activities in 2024

Participation in Board meetings	• Audit supervisor attended 7 board meetings
Education Training	• 3 persons • 60 hours in total
Audit Contents	• The Group's auditing operations were carried out based on the annual audit plan. No significant abnormalities were found in the audit results.

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5.1.5 Business Integrity

5.1.5.1 Material Topic: Legal Compliance

In accordance with amendments to laws and regulations, simultaneously improve or establish systems and regulations to ensure the Company’s actions and operations remain within legal boundaries and in full compliance.

Policy / Commitment	Short-term goals	Medium- and long-term goals	Resources invested during the year	Concrete results	Responsible department/grievance mechanism	Evaluation mechanism
Make the Company’s rules and regulations more comprehensive and rigorous to comply with laws and regulations, resonate with people, and protect employees.	1. Assist in promoting the announcement and implementation of relevant codes and policies, and subsequently develop plans to strengthen compliance, evaluate and implement methods and schedules for executing related policies, and assess the feasibility of conducting educational training. 2. Ensure no violations resulting in administrative or judicial sanctions or fines.	1. Maintain no violations resulting in administrative or judicial sanctions or fines. 2. Establish mechanisms to strengthen the promotion and implementation supervision of legal compliance and ethical corporate management, and organize related training programs. 3. Work with upstream and downstream partners to jointly adhere to corporate social responsibility, in order to prevent illegal and corrupt practices.	Biannual regular training sessions and onboarding training for new employees.	In 2024, director training sessions were held on May 9 and August 8, and all employees, including new hires, received training upon onboarding or occasionally organized by the Human Resources Department.	Independent reporting channel established by the Legal Office/Audit Office.	Completion of project effectiveness reports

5.1.5.2 Legal Compliance Practices and Penalties for Violation of Laws:

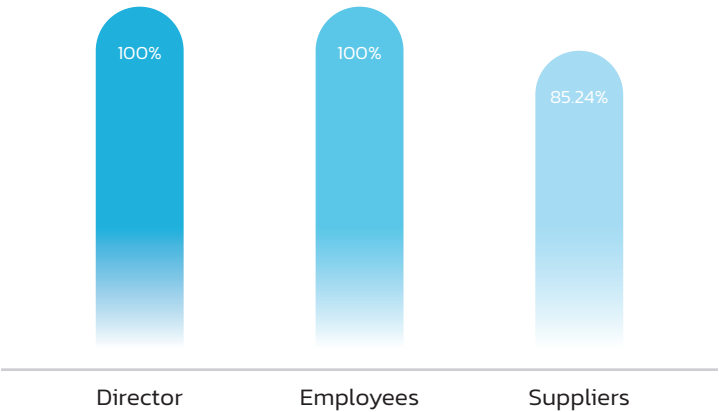
Legal Compliance Practices

The Hu Lane Group conducts business activities based on the principles of fairness, honesty, integrity, and transparency. To implement its ethical corporate management policy and actively prevent dishonest behavior, on December 27, 2017, the Board of Directors approved the Procedures for Ethical Management and Guidelines for Conduct as specific regulations for the Group, its directors, supervisors, managers, employees, appointees, persons with substantial control, and transaction counterparties, outlining matters to be observed in the course of business operations. Report to the Board of Directors on the operation and implementation status at least once a year, and disclose the information on the Company’s website for stakeholders’ reference.



Procedures for Ethical Management and Guidelines for Conduct

Percentage of individuals who have signed the integrity commitment



Note: Key suppliers are defined as those providing copper materials, plastic materials, rubber materials, and wires.

Integrity Course Topics	Number of participants	Total hours of integrity training	Average training hours per employee
HL-1037 Procedures for Ethical Management and Guidelines for Conduct	2,130	3,945.15 hours	1.85 hours

Legal actions for anti-competitive behavior, anti-trust, and monopoly practices:
Hu Lane Group did not experience any anti-competitive behavior, anti-trust, and monopolistic incidents over the past three years from 2022 to 2024.
Statistics on violations and fines: No violations resulting in fines occurred during the year.

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5.2 Risk Management

To strengthen corporate governance, ensure sound operations and sustainable development, and serve as the basis for various risk management and implementation, the Risk Management Policies and Procedures have been established to implement the risk management system and mechanism, thereby enhancing the effectiveness of the division of responsibilities in risk management.

5.2.1 Organizational Structure and Management of Risk Management



Organizational Structure	Job Description
Board of Directors	The highest guiding body of the Company's risk management. It aims to comply with laws and regulations, and to promote and implement the Company's overall operational risk management. It also has a clear understanding of the risks faced by sustainable development, ensures the effectiveness of risk management, and is ultimately responsible for risk management.
Audit Office	Formulate the annual audit plan based on the risk management policy and risk assessment results, execute audit operations in accordance with the plan, assist the Board of Directors in supervising and controlling potential risks in decision-making, ensure that all operational risks are effectively managed, and provide timely improvement recommendations.
Risk Management Committee	The Board of Directors is responsible, and the committee members, adhering to a prudent and rigorous attitude, review the various risks under their supervision and ensure the effective implementation of related risk management operations.

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5.2.2 Business Risk Assessment, Management, and Response Measures

Scope of Risk	Source of Risks	Stakeholders	Internal/ External	Scope of Impact	Likelihood of Occurrence	Degree of Impact	Risk Value	Response Mechanism
Strategic and Operational Risks	International Trade Situation	Customers Government	External	1. Tax impact: Trade wars are often accompanied by tariff increases, which raise the cost of imported raw materials or exported products, directly squeezing the company's profit margins. The uncertainty of tax policies, such as the introduction of new trade barriers or tariff adjustments, may affect the Company's financial planning and pricing strategies, increasing the complexity of compliance management. 2. Impact on logistics costs: Political tensions may lead to disruptions in trade routes or increases in logistics costs, including maritime and land transportation. Trade restrictions, such as import and export bans, may force enterprises to seek alternative suppliers or markets, resulting in additional transportation and management costs. 3. Impact on capacity allocation: Tariff pressures arising from trade wars may drive enterprises to reallocate production bases, such as relocating to non-tariff areas, which requires significant capital investment and time to adjust capacity deployment. Geopolitical impacts may alter regional market demand, forcing enterprises to rapidly adjust capacity allocation to meet the needs of different markets.	3	3	9	1. International corporate development without focusing on a single regional market, with international market revenue accounting for 22% 2. Well-planned capacity allocation that aligns with localized production, reducing the logistics cost ratio to 2.38%
	Raw material and product price fluctuations	Suppliers Customers	External	Increased costs	4	4	16	1. Establish an integrated group procurement platform, setting 17 key centralized procurement items, with plastics accounting for approximately 57% of the total procurement amount, and 14 items subject to price negotiations for cost reduction, achieving an average cost reduction of approximately 3.6%. 2. Monitor the inventory ratio each quarter and the amount of each product with no movement for over 180 days.
	Information security	Government Investors Employees Suppliers Customers	Internal	External attacks and internal management failures	3	4	12	1. ISO 27001 information security management system certification obtained in Q4 2024 2. Internal information security re-education and establishment of management mechanisms
	Human resources and talent cultivation	Employees Government	Internal	An inadequate internal training system, unclear promotion mechanisms, ambiguous job grades and responsibilities, talent attrition, and gaps in workforce capacity and capabilities.	4	4	16	Group professional skill review and setting: Ensure smooth promotion channels for colleagues at all levels within the Group, with adherence to the application of core competencies, professional skills, and performance ratings, thereby achieving merit-based employment, stimulating colleagues' career development vitality, and promoting the sustainable growth and mutual success of both employees and the enterprise.
Environmental and Climate Change Risks	Carbon Tax/ Carbon Fee	Government	External	The EU carbon tariff began its trial operation in 2023 and will be officially implemented in 2026, while Taiwan plans to levy a carbon fee in 2025.	4	4	16	In 2024, completed ISO 14067 carbon footprint inventories and external verifications for six products to understand the product life cycle and identify optimization solutions. In 2024, allocated NTD 3,665,405 to a designated account for exclusive use, to be applied toward GHG reduction credit transactions.
	Unstable power supply	Government Employees Suppliers Customers	External	Power outage, blackout, suspension of production and operations	3	4	12	1. Installation of backup generators and uninterruptible power supply (UPS) systems 2. Energy consumption management across the entire plant (air conditioning temperature settings, personal computer usage time, lighting, and other power control measures)

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5.3 Operational Performance

5.3.1 Material Topic: Operational Performance

Profitability is the driving force behind Hu Lane's sustainable development and is the common goal that all stakeholders pay attention to.

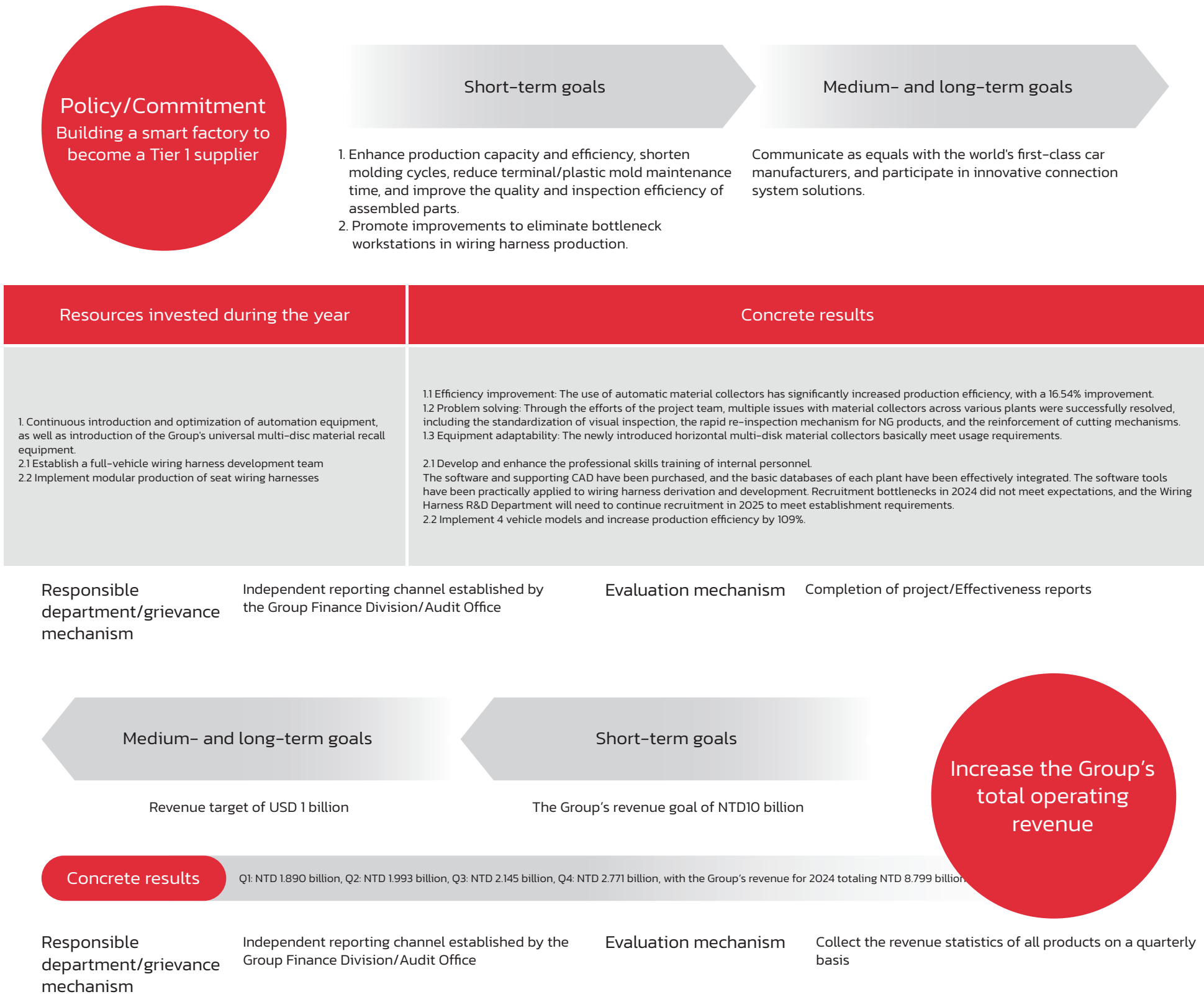


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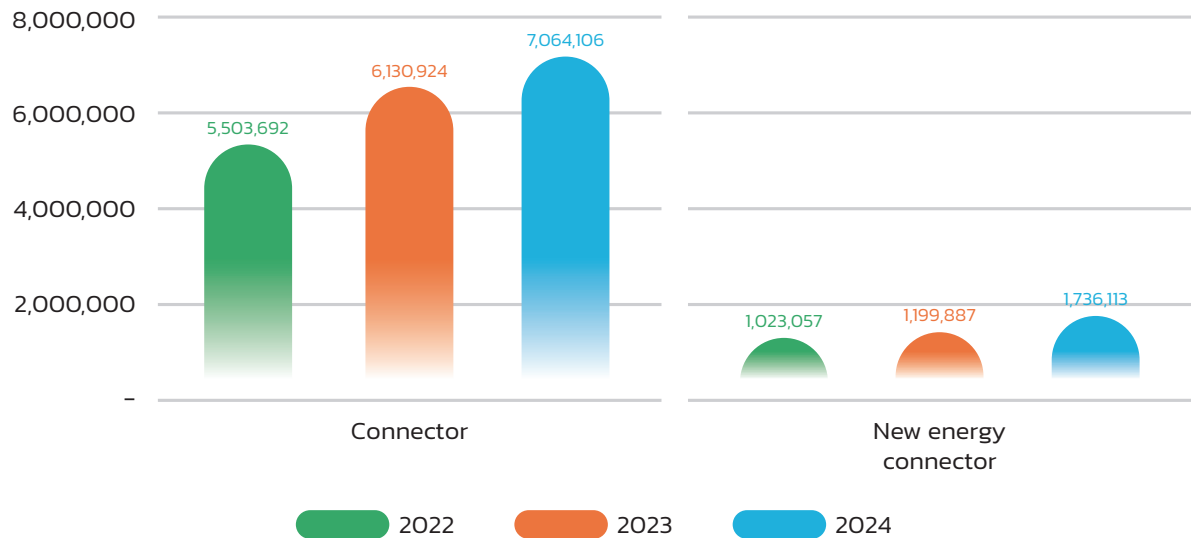
5.3.2 Operational Overview

Item	2022	2023	2024
Revenue	6,526,749	7,330,328	8,800,219
Operating costs	4,561,586	4,983,996	4,887,307
Employees' salaries and benefits	1,381,066	1,569,375	1,734,907
Payment to funders	537,025	619,238	566,824
Payment to the government	191,742	170,855	406,834
Community investment	603	1,655	2,031
Economic value retained	727,649	933,766	1,202,316

Unit: NTD thousand

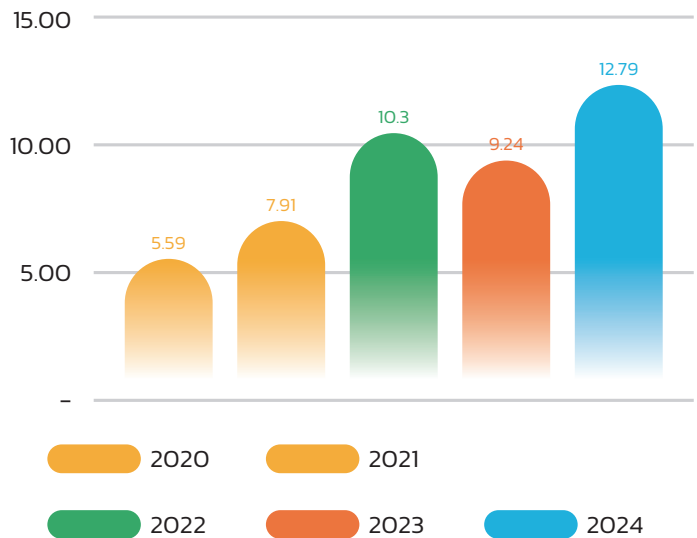
Revenue by product

Unit: NTD thousand



Earnings per share

Unit: NTD



Revenue by geographical area

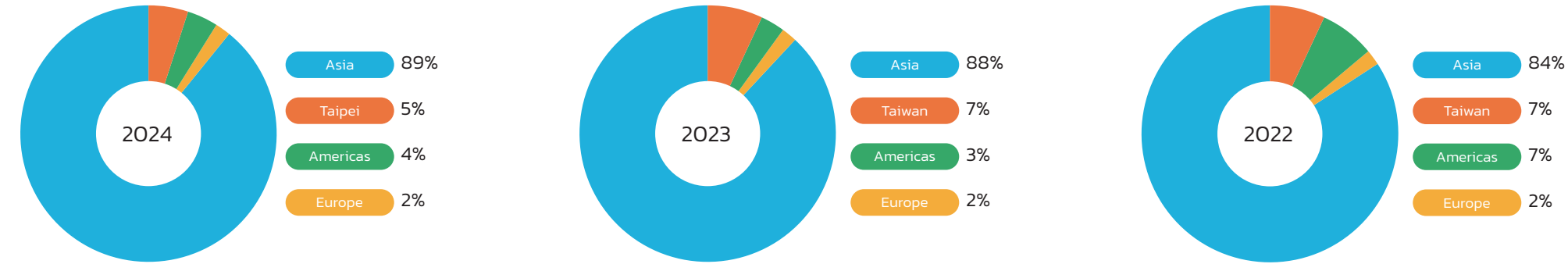


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5.3.3 Defined Benefit Plan Obligations and Other Retirement Plans

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

	Source of Law		Contribution Result	Contribution Result
Taipei region	Labor Standards Act	Defined benefit plan	The fair value of plan assets as of the end of 2024 was NTD 97,001 thousand. The amount of expense recognized in 2024 was NTD 913 thousand. The amount as of the end of 2024 was NTD 26,718 thousand.	1. Monthly contribution of 5% of the salary. 2. The funds are deposited in the Bank of Taiwan under the name of the Supervisory Committee of Labor Retirement Reserve.
	Labor Pension Act	Defined contribution plan	The expense recognized in 2024 was NTD 89,205 thousand.	1. Monthly contribution of 6% of the employee's salary. 2. Contribute to the individual pension account at the Bureau of Labor Insurance.
Overseas subsidiaries	Source of Law		Contribution Result	
	In accordance with local labor laws and regulations		We contribute pension contributions to relevant unit based on the total salary of local employees, as required by law. When an employee reaches the level of seniority in accordance with the local labor regulations and wishes to retire, the Company assists in applying for a pension as a retirement plan. If the employee wishes to continue working, a re-employment contract will be signed. If the employee is too old to take out social insurance, the Company will purchase commercial insurance for the employee. In addition, the Company pays severance payments to employees who have left the Company involuntarily and inquire whether they need employment services or vocational training in accordance with regulations.	

5.3.4 Financial Assistance Received From Government

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

Item	Subsidized Projects	2022	2023	2024
Taiwan	Tax deductions and credits	8,692	11,808	
Taiwan	Government subsidies	360	5,549	1,564
China	Tax deductions and credits	130,126	102,991	115,203
China	Government subsidies	9,874	16,415	34,331
Hong Kong	Government subsidies	91		
Total		149,143	136,763	151,098

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5.3.5 Tax Governance

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

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

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

5.3.5.1 Income Tax Rates by Region

The consolidated effective tax rate and cash tax rate for 2024 were 25.85% and 22.93%, respectively, both higher than the statutory tax rate of 20% in Taiwan, where the operating site is located. This was due to the distribution of earnings from overseas subsidiaries during the year, and the repatriation tax on the year's earnings significantly increased income tax expenses and payment amounts.

	2022	2023	2024
Net income before tax	1,257,796	1,204,528	1,774,493
Income tax expenses	255,521	277,707	458,659
Effective tax rate	20.31%	23.06%	25.85%
Income tax paid	191,742	170,855	406,834
Cash tax rate	15.24%	14.18%	22.93%

Unit: NTD thousand

Income Tax Expenses by Region

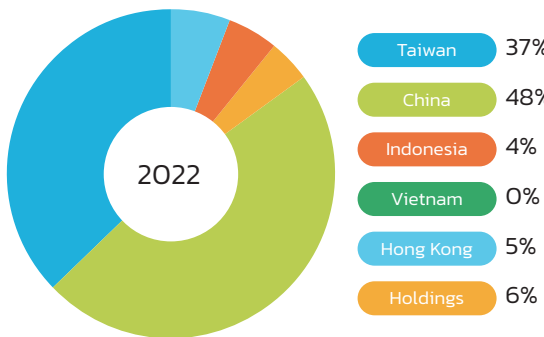
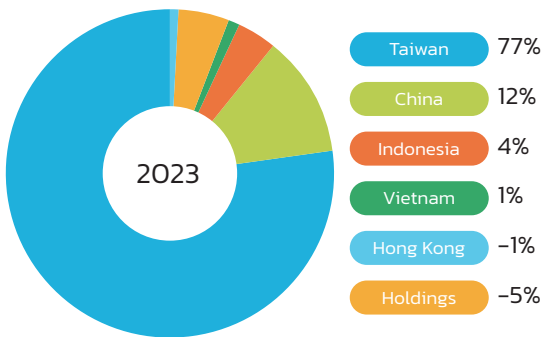
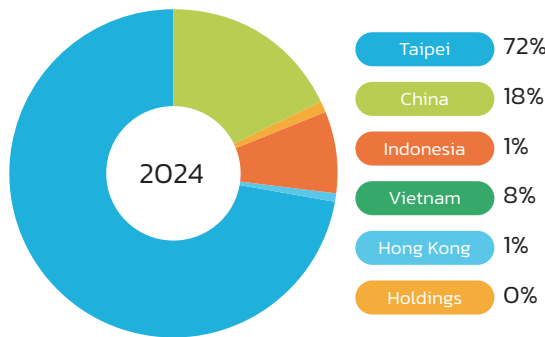


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5.4 Achievements in Product Innovation and Intellectual Property

5.4.1 Material Topic: Innovative R&D

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

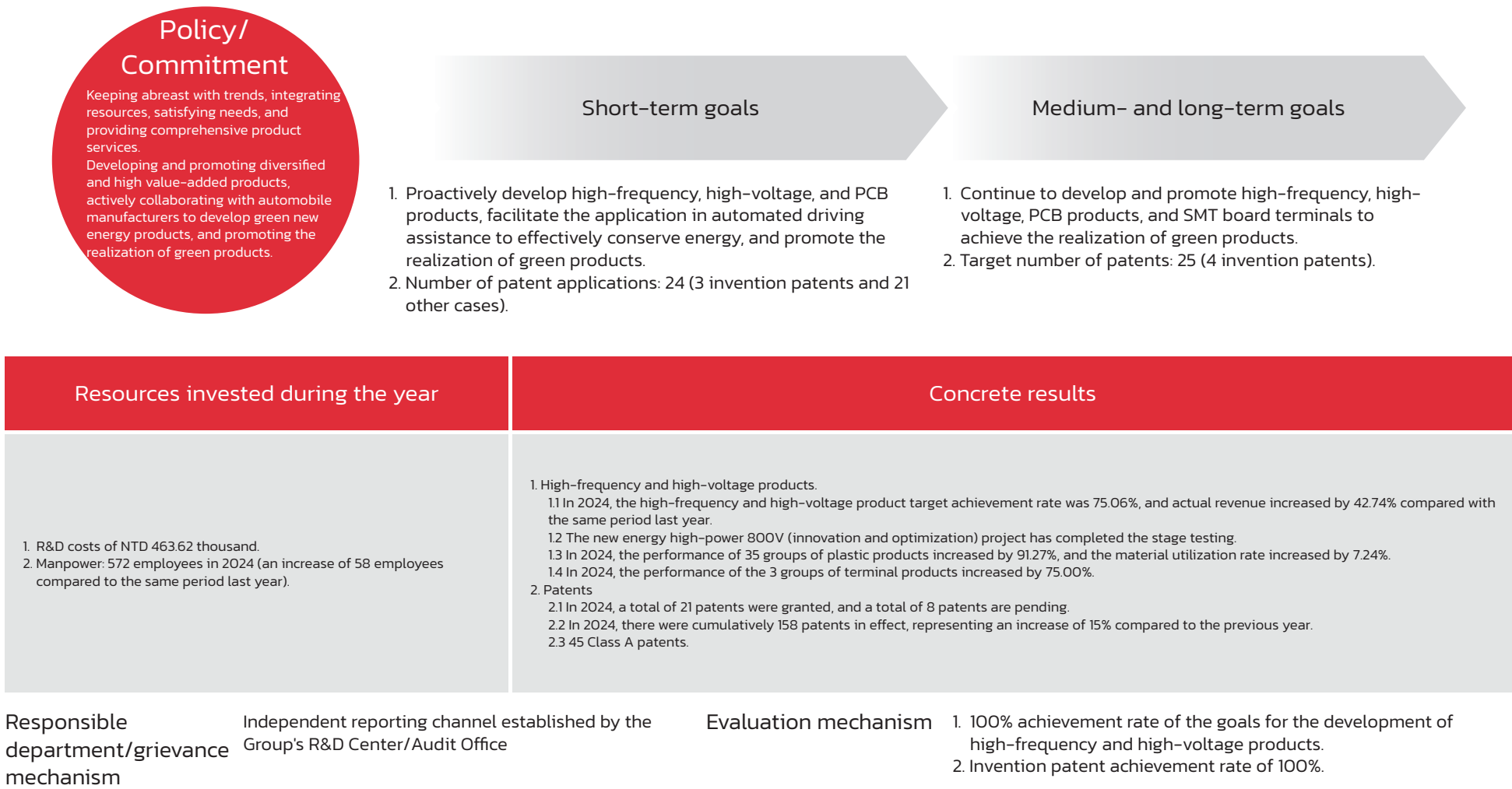


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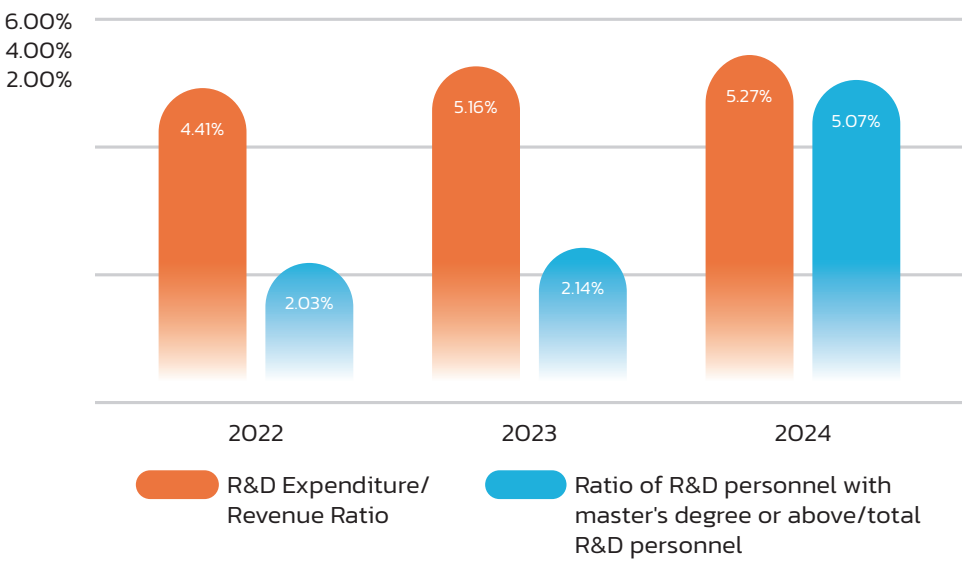
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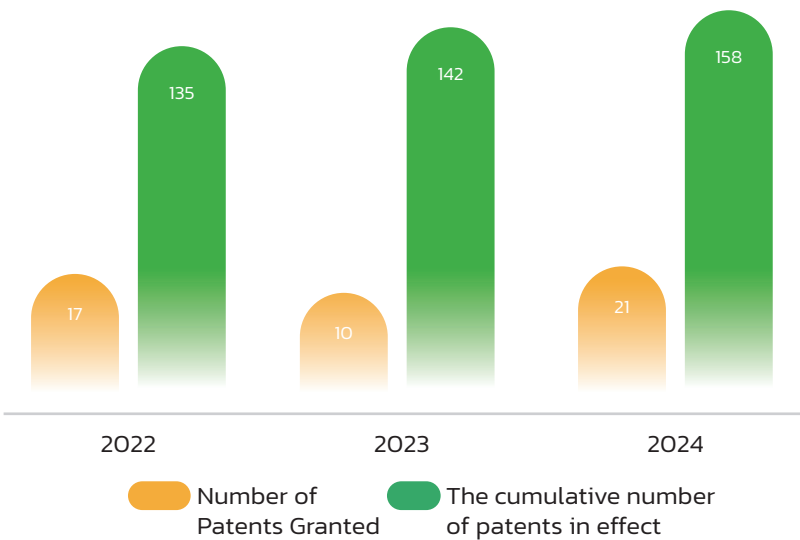
Technology Development Roadmap



Manpower and expenses invested in R&D



The Number of Valid Patents Obtained



Note: Since there were patents that expired during the year, the total number refers to the number of patents in effect. In 2024, a total of 21 patents were granted, and a total of 8 patents are pending.

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5.4.2 Green New Energy Products

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

High-frequency, high-speed connector solutions

Deepen High-Frequency and High-Voltage Development
Complete the development of MINIFAKRA waterproof products, including the 10G Ethernet waterproof version and the 90-degree version.



High-voltage, high-current product solutions

Connectors covering the entire vehicle 800V high-voltage platform system applications.



PCB control modules

New self-designed/ self-manufactured PCB fuse box.



Surface-mount PCB connector

050 type PCB terminal
Pin width of 0.5 mm, minimum center distance of 1.8 mm, with an added terminal fixing structure at the tail end; compared with the 0.64 interface, the 0.50 interface saves approximately 50% of space.



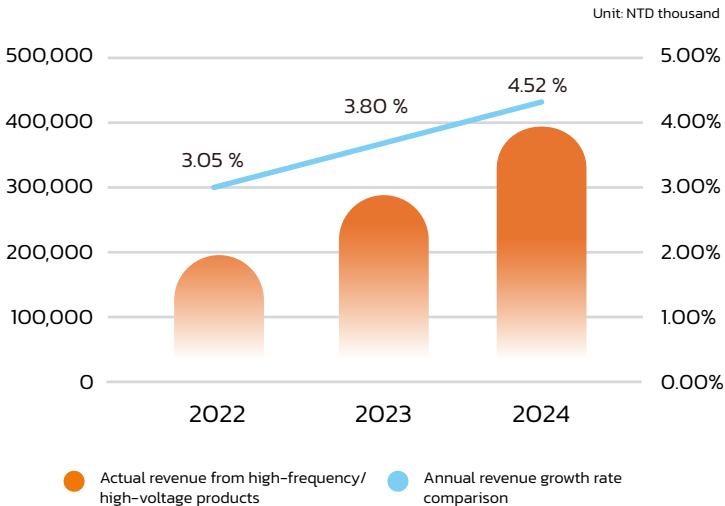
Air pressure sensor connector

Adopts secondary overmolding technology with embedded fisheye pins and a brand-new buckle unlocking method, featuring an innovative structure.



High-frequency and high-voltage product growth rate

High-frequency and high-voltage green energy products, steadily expanding



Increase in power

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



HV800 Technical Parameters

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

The platform voltage for new energy vehicles is mainly 600V
 $P(\text{power}) = I(\text{current}) * U(\text{voltage}) = 200 * 600 = 120KW$



HV1800 Technical Parameters

Current carrying capacity (85°C): 250A (50.00mm²)
Operating voltage: 1,000 V DC

The platform voltage for new energy vehicles mainly 600V
 $P(\text{power}) = I(\text{current}) * U(\text{voltage}) = 200 * 80 = 200KW$

67% increase in power

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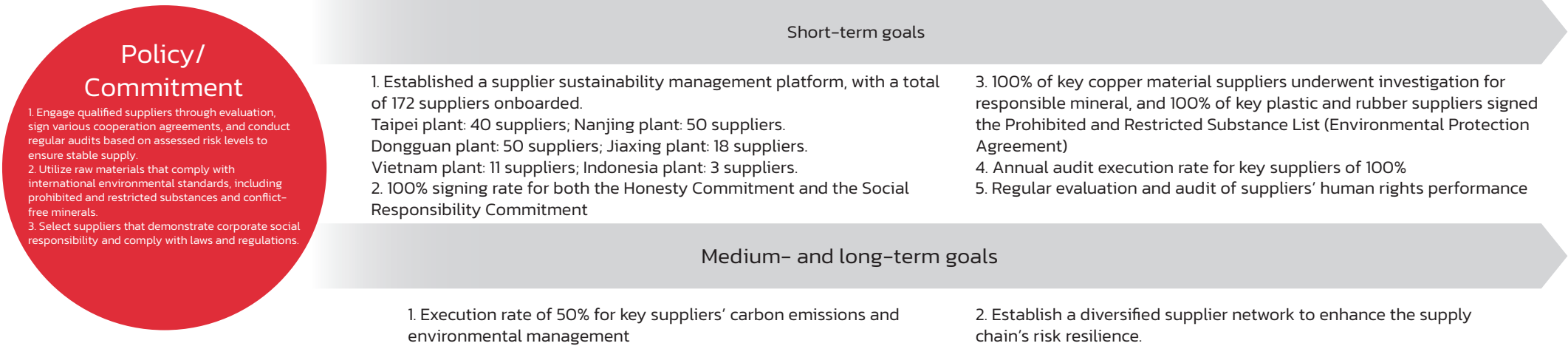
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5.5 Value Chain Management

5.5.1 Material Topic: Sustainable Supply Chain

Establish long-term cooperation and sustainable development, reduce supply risks, ensure a stable supply of raw materials, avoid the risk of negative impacts on operations, enhance core competitiveness, and create long-term value.



Resources invested during the year	Concrete results
1. Conducted on-site audits of the ESG checklist implementation status for 15 major raw material suppliers. Supplier management complied with ESG management operation requirements. The execution cost was RMB 3,196.5 for Nanjing Hu Lane and Dongguan Hu Lane, and VND 8,528,788 for the Vietnam plant. 2. Taipei plant: Held the 3rd supplier conference to promote the five-year ESG strategy roadmap, with benchmark suppliers sharing their experiences. Dongguan plant: Held the 1st supplier conference to promote the five-year ESG strategy roadmap, presented the Outstanding Supplier Award, and communicated specific cooperation requirements to suppliers. Through cooperation, communication, and interaction, achieved the goal of win-win collaboration. The total investment cost was RMB 23,188.	1. In 2024, the annual ESG audit execution rate for key suppliers was 12.78%, an increase of 5.98% compared with the 2023 execution rate of 6.8%. 2. Achieved a 100% completion rate for key copper material mineral surveys, and a 100% signing rate for the restricted and prohibited substances (Environmental Protection Agreement) by key plastic and rubber material suppliers. 3. In 2024, the signing rates of the Integrity Commitment Letter and the Social Responsibility Commitment Letter with suppliers were 85.24% and 77.20%, respectively. The 2024 execution rate for signing the Integrity Commitment Letter increased by 2.14% compared with 2023. In 2024, the execution rate for signing the Social Responsibility Commitment Letter decreased by 7.3% compared with 2023. The reason for this decline was that the Taipei plant had 119 signatories, accounting for 38.89% of its total 306 suppliers. The number of signatories among wiring harness suppliers lowered the overall achievement rate. Improvement measures: the Taipei plant has communicated with suppliers and is addressing the issue. As of April 2025, an additional 24 suppliers have signed, and continuous improvement will be pursued.

Responsible department/ grievance mechanism	Independent reporting channel established by the Logistics Division/Audit Office	Evaluation mechanism	1. Annual plan/actual performance, cause analysis, and improvement measures. 2. Supplier evaluation results.
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Hu Lane Group Number of Suppliers								Unit: Number of Companies	
Category/year	Qualified suppliers (A)			Key raw material suppliers (B)				Key suppliers audited through quality system (C)	Key suppliers evaluated and audited based on ESG (D)
Year	Existing suppliers	New suppliers	Subtotal	Existing suppliers	New suppliers	Terminate cooperation	Subtotal		
2022	672	32	704	141	12	0	153	27	0
2023	704	33	737	153	8	0	161	34	10
2024	737	83	820	161	23	-4	180	40	23
2024 Annual growth rate			11.26%	2024 Annual growth rate				22.22%	12.78%

Description:

1. Qualified suppliers (A): Refer to suppliers within the annual list of qualified suppliers, excluding suppliers for general affairs, service, other categories, and individual outsourced processing suppliers.

2. Key raw material suppliers (B): Refer to suppliers of copper materials, plastics, rubber materials, and wires.

3. Key suppliers audited through quality system (C): Key suppliers from the preceding item (B) that underwent quality system audits during the year; the audit rate for 2024 was 22.22%.

4. Key suppliers evaluated/audited based on ESG (D): Key suppliers from the preceding item (B) audited based on ESG items or questionnaires; the audit rate for 2024 was 12.78%.

5. In 2024, suppliers of Europe Hu Lane were not included in the statistics, as most of their procurement was within the Group. Therefore, inclusion is planned to begin in 2025.

2024 Key Supplier Status Table											Unit: Number of Companies	
Location	Key Suppliers	Integrity Commitment Letter	Social Responsibility Commitment Letter	ESG questionnaire (self-assessment)	ESG on-site audit	Deficiency in the ESG audit (case)	Improvements (case)	Quality Audit	Deficiency in the quality audit (case)	Improvements (case)		
Taipei Hu Lane	41	33	31	31	4	0	0	5	5	5		
Nanjing Hu Lane	45	45	45	45	10	0	0	4	15	15		
Dongguan Hu Lane	56	56	56	56	8	0	0	29	71	71		
Vietnam Hu Lane	11	11	11	11	0	0	0	2	7	7		
Indonesia Hu Lane	9	9	9	9	0	0	0	0	0	0		
Jiaxing Shangho	18	18	18	18	1	0	0	0	0	0		
Total	180	172	170	170	23	0	0	40	98	98		
Percentage		95.56%	94.44%	94.44%	12.78%			22.22%				

Description:

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

2. Continue to promote the signing of the “Integrity Commitment Letter” and the “Social Responsibility Commitment Letter” among existing suppliers. In 2024, out of a total of 820 suppliers, 85.24% completed the signing of the “Integrity Commitment Letter” and 77.20% completed the signing of the “Social Responsibility Commitment Letter”; among the 180 key suppliers, 95.56% completed the signing of the Integrity Commitment Letter and 94.44% completed the signing of the Social Responsibility Commitment Letter. Completion is estimated to reach 100% in 2025.

3. Continuously encourage existing suppliers to conduct ESG self-assessment or implement on-site audits. In 2024, out of 180 key suppliers, 94.44% have completed self-assessments, and 23 suppliers have implemented on-site audits, with 0 deficiency found. We did not terminate contracts with any key suppliers.

4. Regularly conduct annual supplier quality audits. A total of 40 suppliers have been audited, with 98 deficiencies found, all of which were corrected by the end of 2024.

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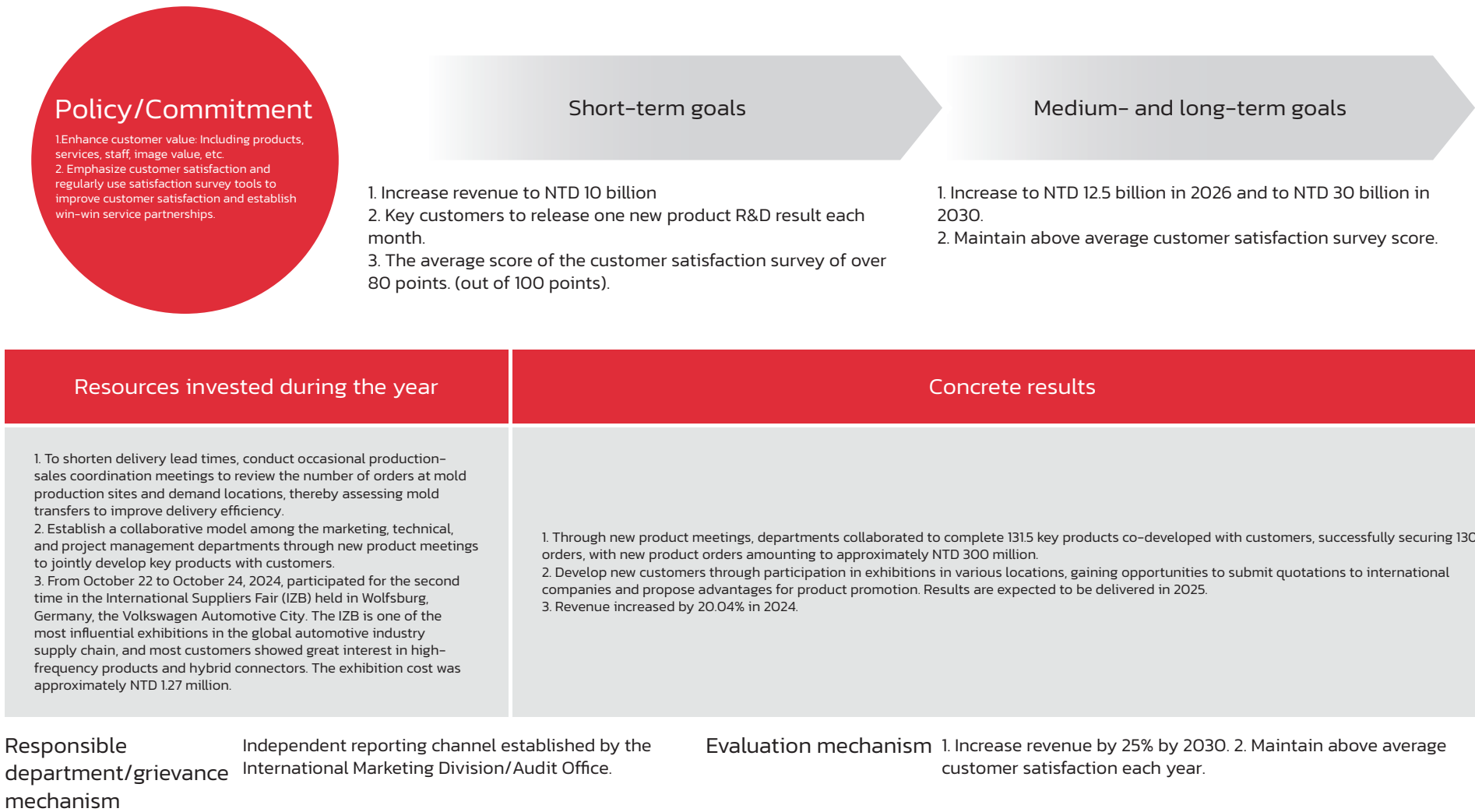
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5.5.2 Customer Relationship Improvement

5.5.2.1 Material Topic: Customer Relations

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



5.5.2.2 Process for Accepting Customer Complaints:

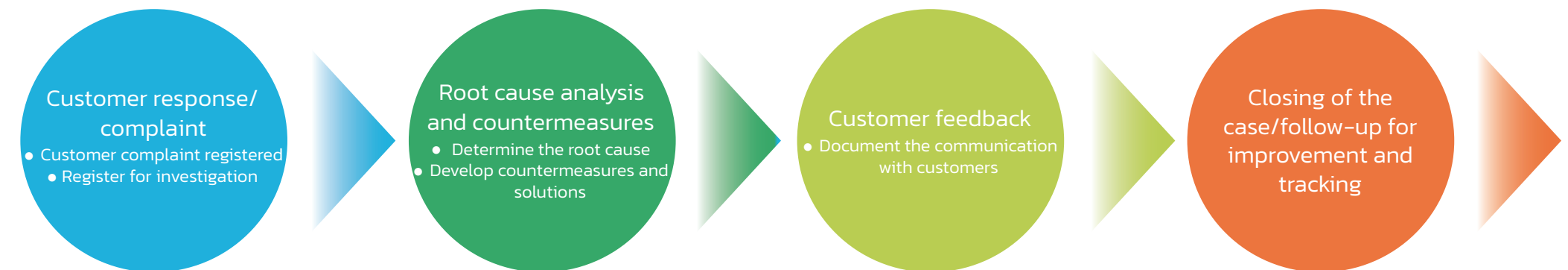


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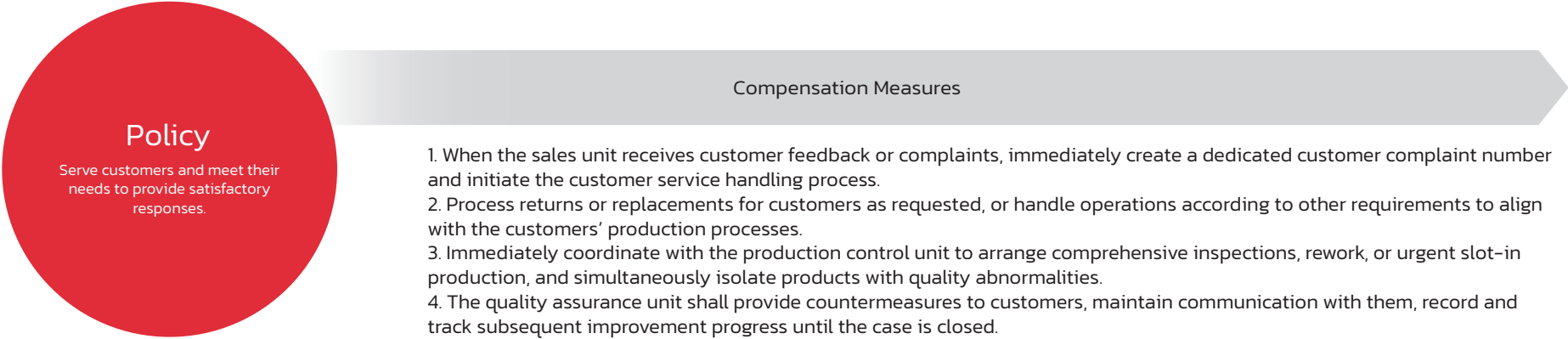
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5.5.2.3 Remedial Measures for Defective Products or Improper Services:



5.5.2.4 Results of Customer Satisfaction Survey



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

For operating sites with lower satisfaction levels in the 2024 customer satisfaction survey, the main reasons were supply chain and logistics issues, which led to delivery times not meeting customer expectations and consequently affected product delivery schedules.

Improvement measures:

1. To address supply chain and logistics instability, strengthen raw material and product inventory management, as well as stocking and transportation scheduling management, to shorten customer waiting times. Enhance communication capabilities with customers and establish a transparent order tracking mechanism to enable immediate monitoring of order delivery status.

2. Plan to focus on four themes: New product technology, new mold technology, new automation technology, and ESG, and communicate them to customers through the official website, social media platforms, and other channels, with the expectation of showcasing to the public a more professional side of Hu Lane. We look forward to bringing customers new experiences.

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5.5.3 Product Liability and Safety

5.5.3.1 Marketing and Labeling



Sources of Raw Materials



Hazardous Substance



Safety Precautions for Use



Recycling Notice

Product and Service Information and Labeling in 2022/2023/2024 100% labeled in accordance with regulations over the three years

Description on Implementation of Labeling

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

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

- Hu Lane Group has evaluated 100% labeling information of products in accordance with the laws and regulations. Additionally, we have also disclosed various product information (product origin, ingredients, safety instructions, product clearance, and environmental/social impacts) in accordance with the organizational requirements.
- There were no incidents of non-compliance with laws and regulations related to information and labeling of products and services in 2024.

Incidents of Non-compliance Concerning Marketing Communications

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

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5.5.3.2 Product Certification:

All three laboratories of the Group are national-level laboratories certified under ISO/IEC 17025. The Nanjing and Dongguan laboratories have been certified by automakers such as SAIC-GM and Geely, while the Nanjing laboratory has also been certified by automakers such as SAIC and Changan. The Dongguan laboratory has been certified by BYD. In 2024, a total of 1,748 product reliability verifications were completed, including 581 for new product development and 19 for customer service. Product liability insurance was purchased for the products, totaling USD 218,740 thousand.

Certificate of Accreditation for Experimental Verification

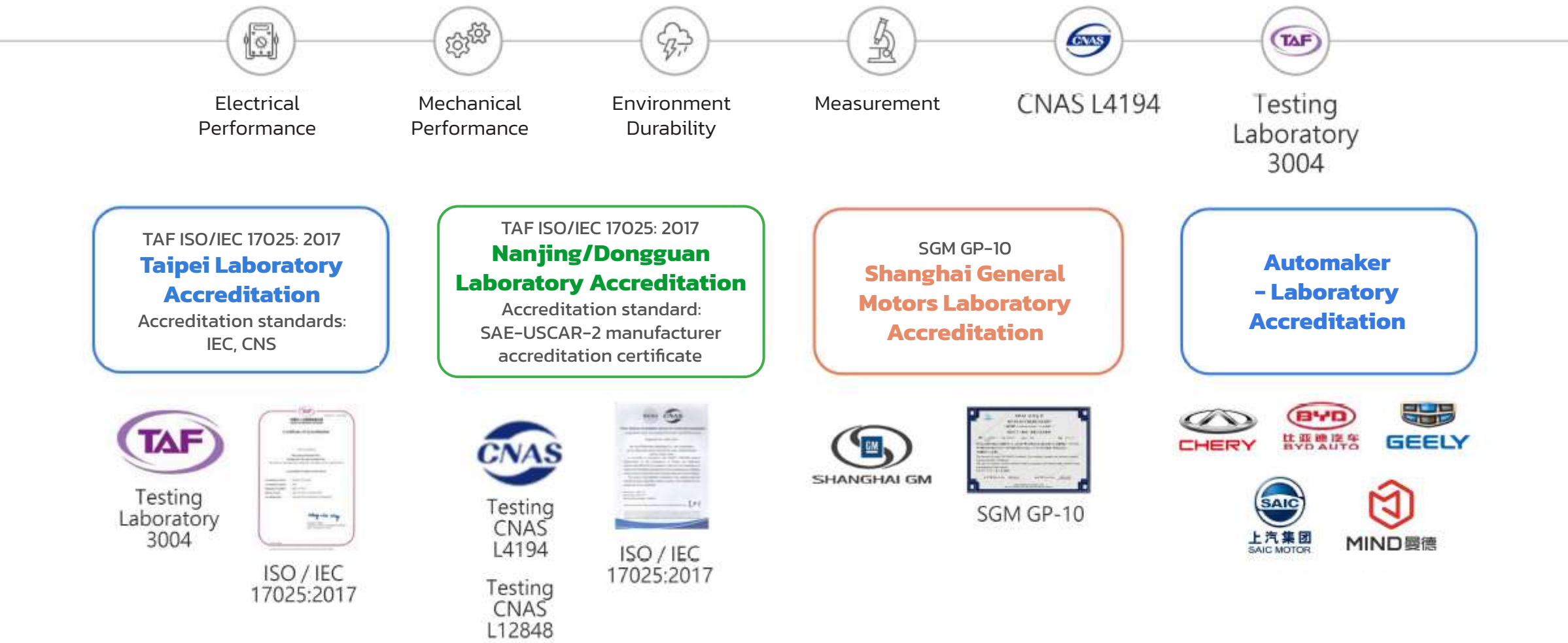


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5.5.3.3 Quality Professional Training

To enhance customer service and ensure product safety, provide internal personnel with training related to product quality to ensure stable and safe product supply to customers.

2024 Quality Professional Training_Education and Training Statistics Table

Item	Number of participants	Total training hours	Training expenses in NTD thousands	Description of training effectiveness
Quality System Provisions Training	800	2,481.25	217.00	Enhance understanding of the provisions, respond to second-party and third-party audits, and apply them to internal audits.
Application Training for the Five Core TS Tools	344	1,545.85	204.22	Expand knowledge, enhance the application capabilities of the five core TS tools, respond to second-party and third-party audits, and apply them to internal audits.
Quality Analysis Methods Training	92	120.45	17.84	Through employee training, apply quality analysis methods to thoroughly investigate individual phenomena and compile key problems and root causes.
TQC Professional Competence	4	1.53	0	Enhance employees' awareness of total quality to achieve company-wide quality assurance and strengthen corporate competitiveness.
Professional Competence	1,781	2,208.28	81.60	Enhance employees' work efficiency as well as their ability to analyze the causes of defects and determine quality.
Combined Total	3,021	6,357.36	520.66	

5.6 Information Security Protection

5.6.1 Material Topic: Information Security

Environment

1. Energy and resource use efficiency: Protect data and server systems through information security measures to prevent ransomware and malicious attacks from causing system crashes or data leaks, thereby reducing additional resource consumption from system reconstruction.

2. Sustainable supply chain: Implement information security protection systems to prevent disruptions that could impact sustainability goals.

Society

1. Protect personal privacy: Enterprises must comply with privacy protection regulations such as GDPR and CCPA to ensure the security of customer and employee personal data.

2. Prevent cyberattacks: Effective information security mechanisms can prevent ransomware attacks, financial fraud, and other incidents, maintaining the stability of business operations.

3. Maintain trust: Information security incidents can seriously damage a company's reputation and erode the trust of customers and partners.

Corporate Governance

1. Risk management and compliance: Ensure enterprises meet international information security standards such as ISO 27001 to reduce the risk of regulatory violations.

2. Board and senior management involvement: Information security should be incorporated into the corporate governance framework, with the Board of Directors and senior management directly overseeing the implementation and effectiveness of information security policies.

3. Transparent reporting: Disclose information security risk management mechanisms and specific performance in ESG reports to enhance investor confidence.

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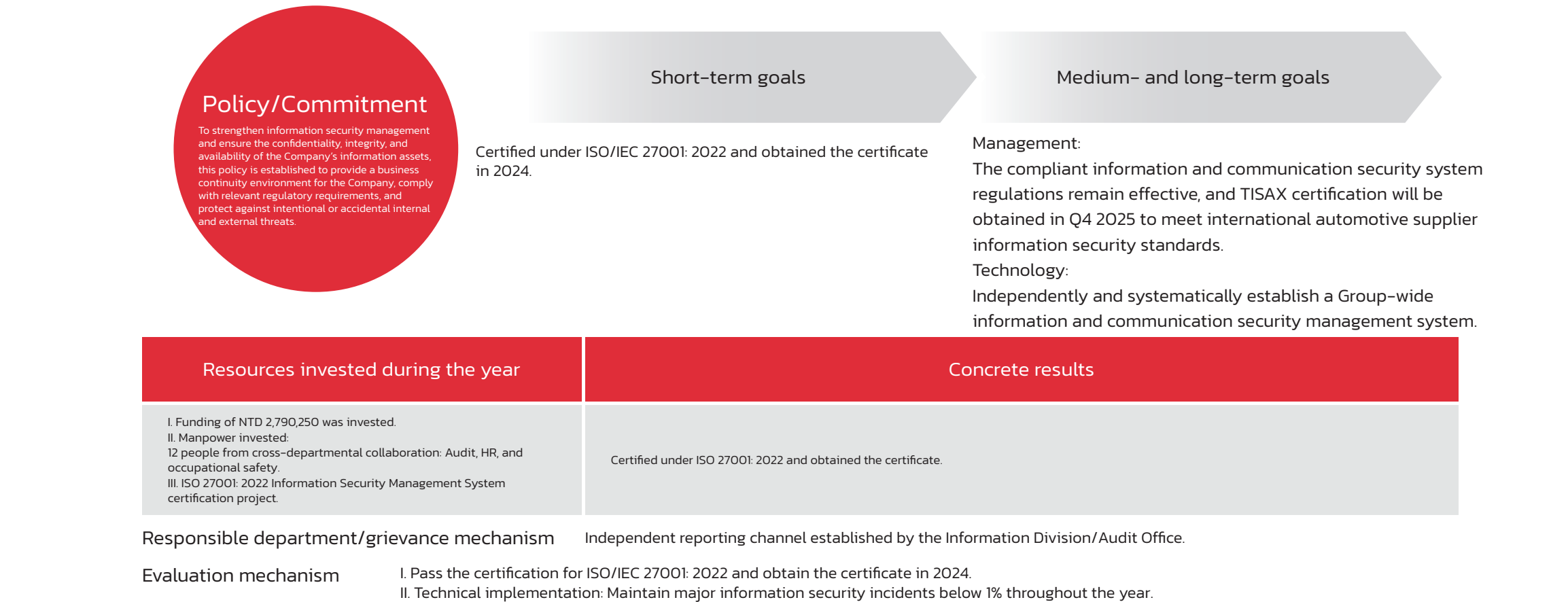


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5.6.3 Information Security Implementation Status

Group Information and Communication Security Plan

Name	Implementation Status
ISO 27001: 2022 certification – Information Security Management System (Taipei)	Certified

Name	Implementation Status
NSM Network Packet Security Management System	Online
SIEM Log Event Management System	Online
Cybersecurity HONEYPOT Intelligence System	Online
Annual vulnerability scanning system (system/source code)	Online
PVE: Private Virtual Environment system	Online
WAF	Online

- Risk intelligence map: Establish an intelligent risk management tool to enable rapid risk perception and response
- Sustainable development goal: Integrate information security into corporate social responsibility in alignment with the organization’s sustainable development objectives
- Agile security culture: Cultivate an agile and secure corporate culture, encouraging employees to actively participate in information security protection
- Innovative security education: Explore new approaches to information security training to make the learning process more engaging and increase participation
- Excellence in measurement and evaluation: Establish outstanding monitoring and evaluation mechanisms to regularly review and improve information security strategies



Schedule

ISO 27001: 2022 certification: Step-By-Step Schedule

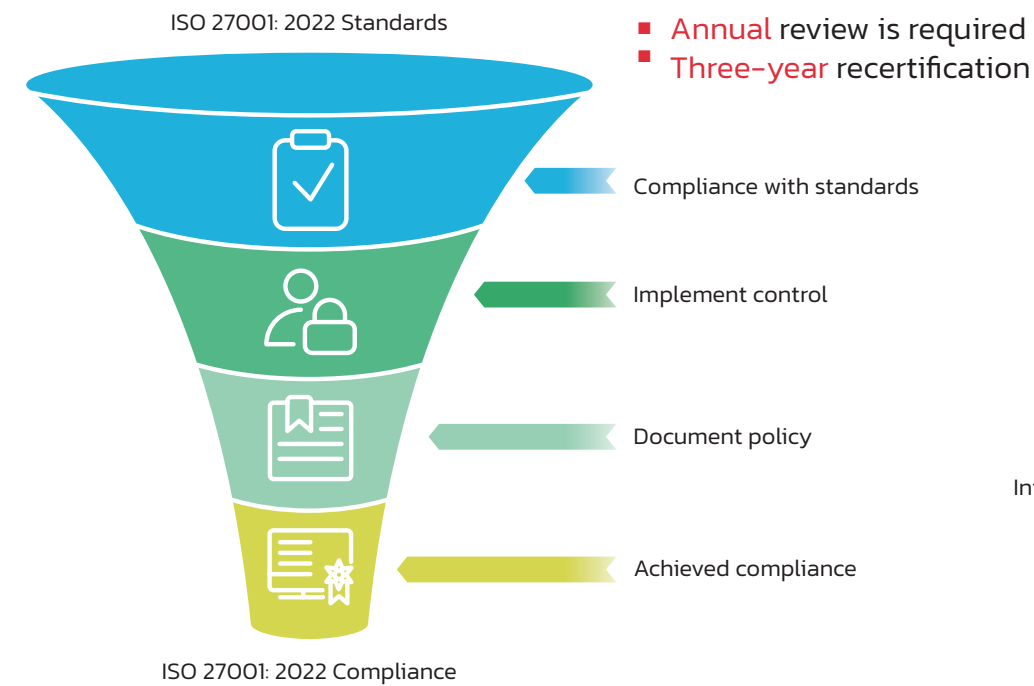


Cybersecurity: identity authentication, control what is happening, anticipate what is about to happen, detect anomalies, and enhance cybersecurity resilience

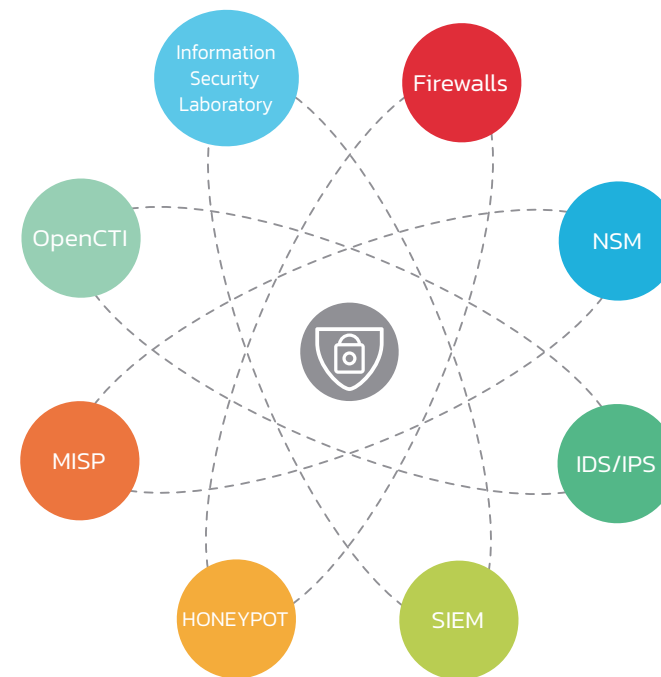
ISO 27001: 2022 Certificate



ISO 27001: 2022 Compliance Process



Hu Lane Information Security Agile Excellence Program



Cybersecurity Implementation Report – Technical Aspect

Integrated model of the human immune system

"An information security system is like the human immune system, with all parts working closely together to resist threats and ensure the system operates in a healthy and stable manner."

- Firewall blocking initial threats
- NSM monitoring data flow
- IDS/IPS rapidly removing anomalies
- SIEM analyzing and filtering key data
- HONEYPOT attracting and recording attacks
- Backup and disaster recovery system ensuring rapid restoration after damage (information security)
- MISP sharing threat intelligence
- OpenCTI integrating intelligence for decision-making
- Information security laboratory simulating real-world scenarios to enhance capabilities
- PVE system providing an isolated testing environment to avoid exposing risks to the actual environment

Cybersecurity: identity authentication, control what is happening, anticipate what is about to happen, detect anomalies, and enhance cybersecurity resilience

5.7 Trade Secret Protection and Transaction Security

Trade secrets have become a key technology indispensable to Hu Lane Group's sustainable operations and a competitive tool for our products and services, enabling the Group to become a leader in the blue ocean market and a winner in the red ocean market. However, its core value only lies in the "lead time". The competitive advantages exist until the existing or potential competitors develop new processes or technologies, the trade secrets are restored or improved by engineering, or the new or improved goods or services are introduced to the market. Therefore, keeping the trade secret is the priority to capture the market share.

There were no substantiated complaints of violation of customer privacy or loss of customer information in 2024.

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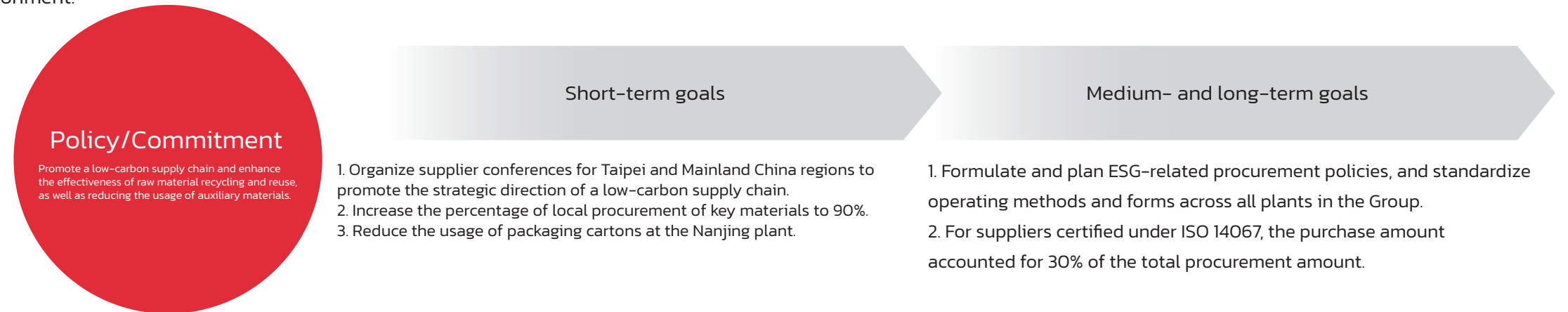
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06 Environmental Friendliness

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

6.1 Material Topic: Raw Material Management (Including Procurement Practices)

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



Resources invested during the year	Concrete results
1. Conduct progress surveys for major raw material suppliers and track their progress in obtaining ISO 14067 certification. 2. Increase the local procurement amount of key raw materials. The Nanjing plant successfully introduced a substitute material, reducing the delivery cycle from 6 months to 3 months, lowering costs and shortening the procurement cycle, and reducing inventory backlog.	1. ESG-related procurement policy formulation and planning documents: "Procedures for Supplier Selection and Management," and "Supplier Sustainability Audit Checklist", with the addition of new supplier development and management surveys and audits. 2. Local procurement of key materials accounted for 83.51% of the total procurement of key raw materials. A decrease of 1.31% compared with 2023, mainly due to a reduction in the local procurement amount in Indonesia and the loss of one local supplier. The proportion of local suppliers was 91.11%, an increase of 1.7% compared with 2023. 3. The proportion of procurement amount from suppliers with sustainability reports was 24.18% of the total procurement amount. 4. No complaints were received regarding the management of hazardous substances, and no conflict minerals were purchased.

Responsible department/
grievance mechanism

Independent reporting channel established by the
Logistics Division/Audit Office

Evaluation mechanism

1. Statistics on the number of major raw material suppliers implementing ISO 14067. 2. Localization procurement achievement rate

6.1.1 Local Procurement Information

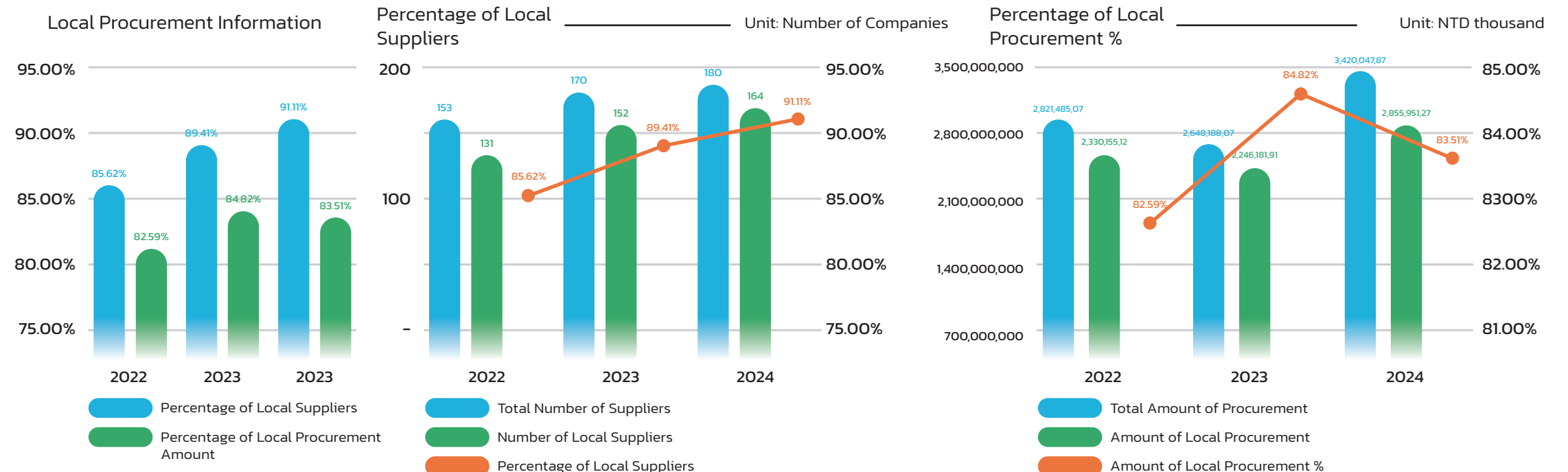


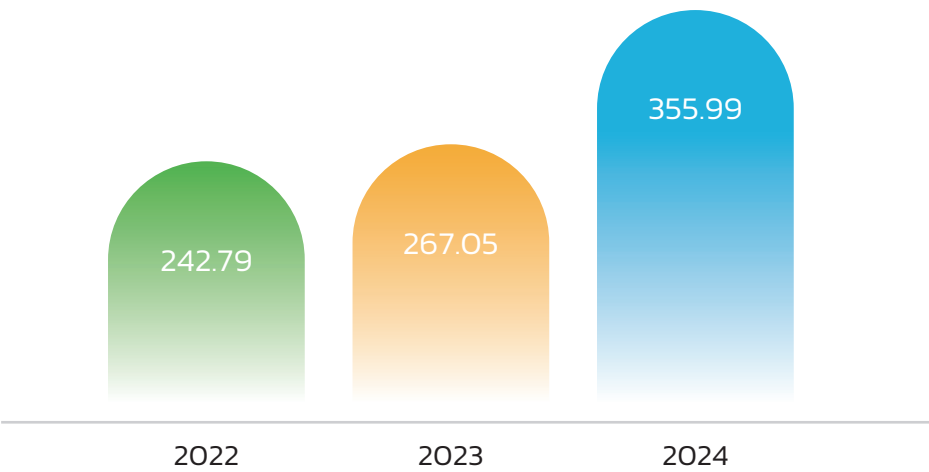
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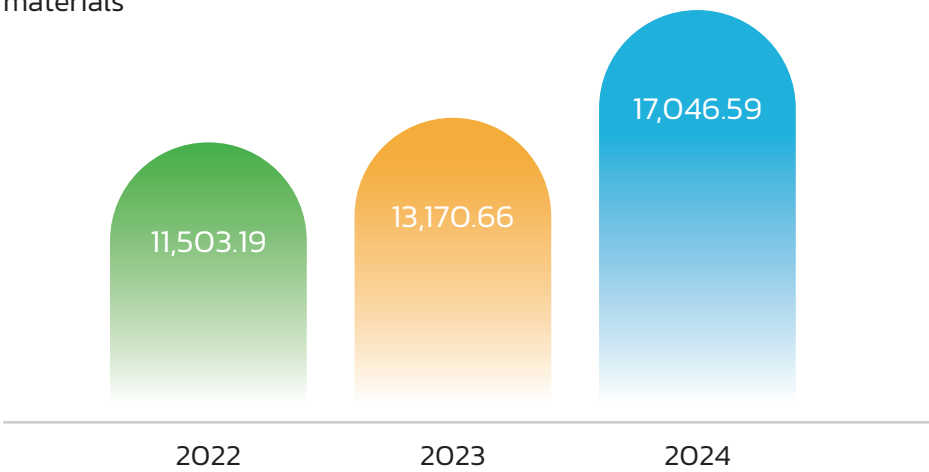
6.1.2 Recycling and Reuse of Raw Materials:

2024 Key Supplier Status Table											Unit: tonnes/%	
Category	Renewable materials		Non-renewable materials		Total materials recycled and reused		Total materials used	Total recycled packaging materials			Total weight of pallets and plastic baskets recycled	Total products sold
Year	Total amount	Percentage	Total amount	Percentage	Total amount	Percentage		Recycle items	Total amount	Percentage		
2022	242.79	2.07%	11,502.19	97.93%	1,064.07	9.06%	11,744.98	Plastic shaft Pallets No. 2 Box Plastic baskets	314.60	0.01%	274.38	2,418,145.30
2023	267.05	1.99%	13,170.66	98.01%	962.24	7.16%	13,437.72		576.27	0.02%	490.23	2,433,346.37
2024	355.99	2.05%	17,046.59	97.95%	586.99	3.37%	17,402.57		535.30	0.02%	296.58	2,761,520.26

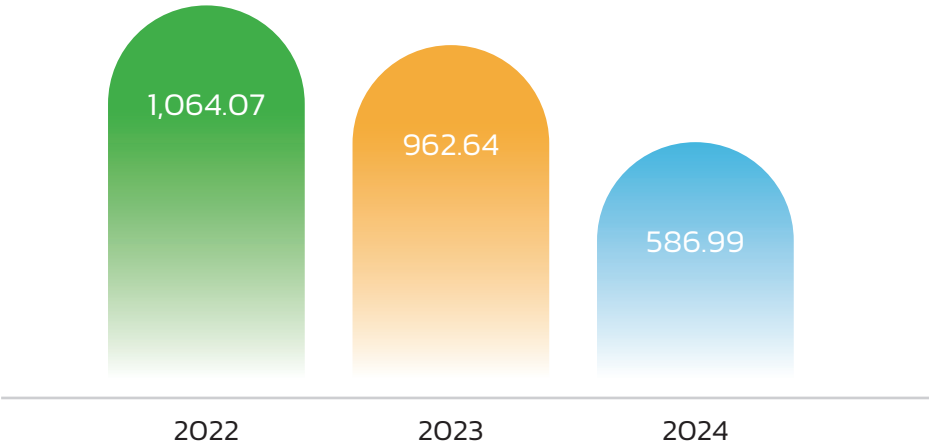
Total renewable materials (Metric tons)



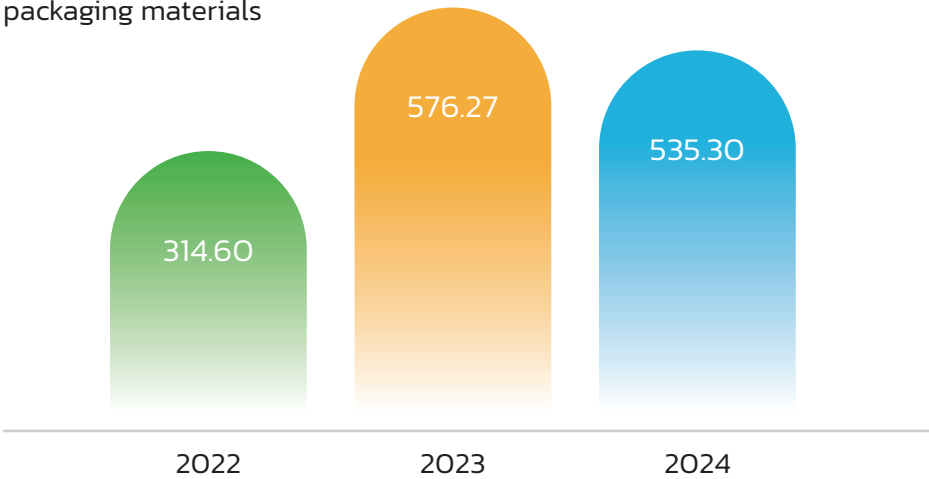
Total non-renewable materials (Metric tons)



Total materials recycled and reused (Metric tons)



Total recycled packaging materials (Metric tons)



Description: 1. The reason for the decrease in the use of recycled materials in 2024 was a decline in orders using copper materials.
2. The reason for the decrease in the total recycled weight of pallets and plastic baskets was that certain product numbers were no longer produced by Jiaxing Shanghe and Indonesia Hu Lane, resulting in the plastic baskets not being used and thus no recycled quantity being generated.
3. Renewable material: Rubber.
4. Recycled and reused materials used: Copper and plastic.

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6.2 Energy, Resources and Greenhouse Gas Management

6.2.1 Material Topic: Energy Conservation and Greenhouse Gas Management

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

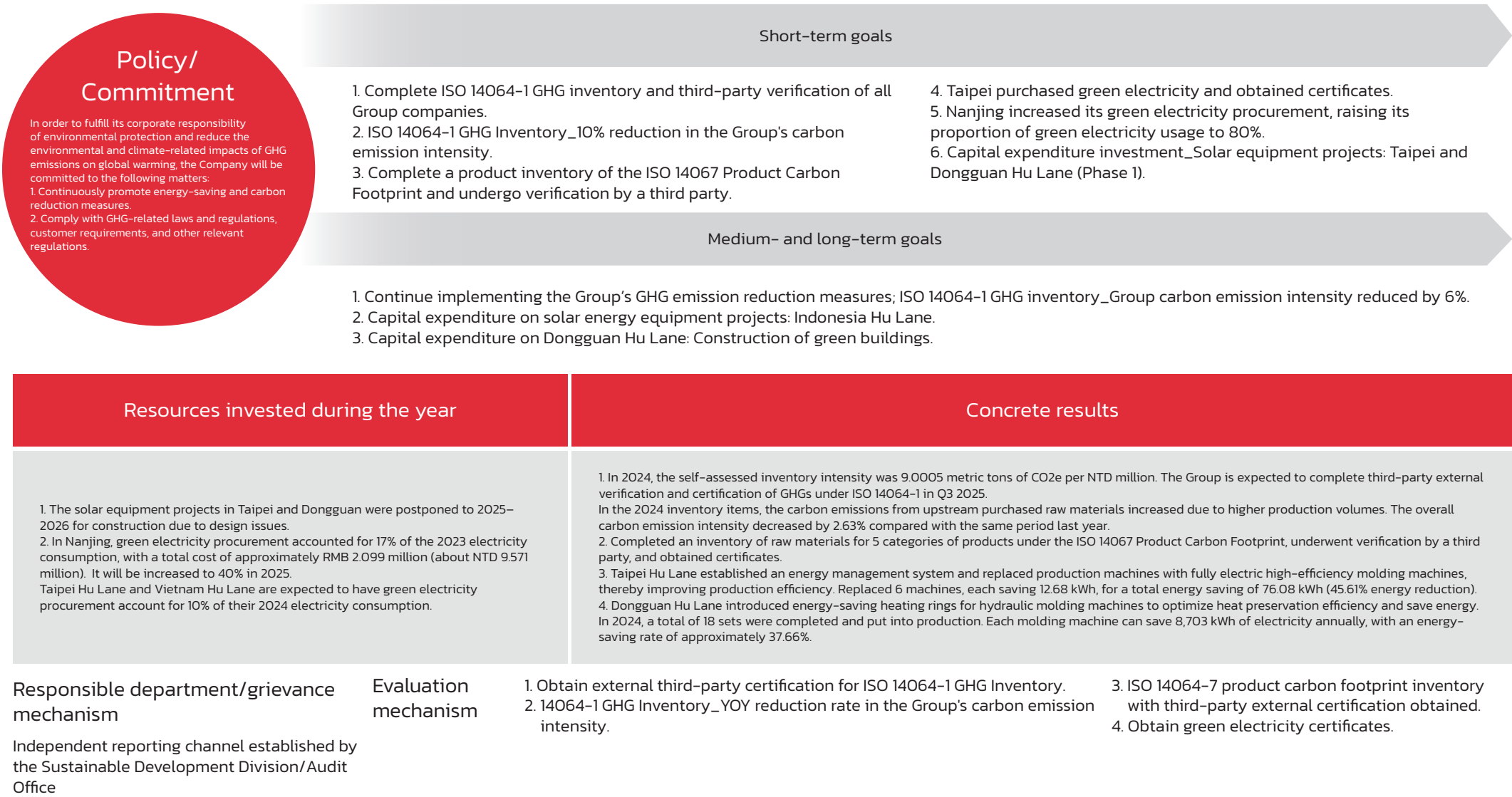


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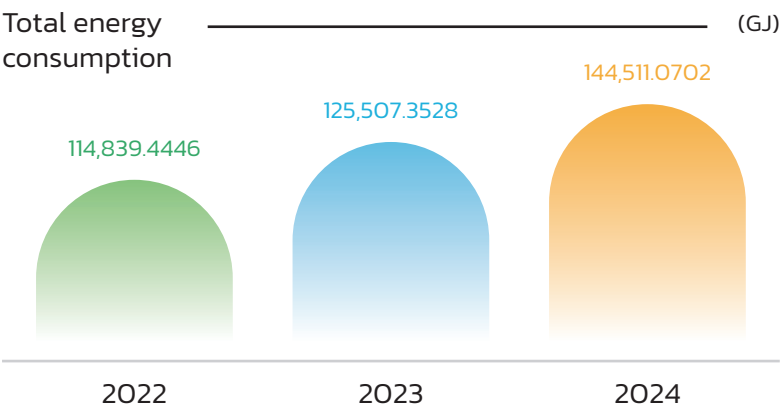
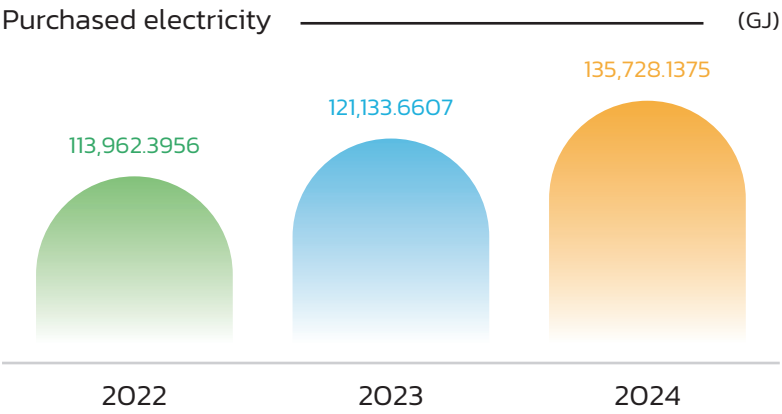
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6.2.2 Energy Management

6.2.2.1 Total Energy Consumption Within the Organization

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

Energy	2022		2023		2024	
Purchased electricity (including purchased green electricity)	kWh	GJ	kWh	GJ	kWh	GJ
	31,656,221.0010	113,962.3956	33,648,239.0818	121,133.6607	37,702,260.4198	135,728.1375
Solar power	kWh	GJ	kWh	GJ	kWh	GJ
	229,074.6057	824.6686	1,147,744.7938	4,131.8813	2,404,260.9483	8,655.3394
Liquefied petroleum gas	Liters	GJ	Liters	GJ	Liters	GJ
	101.8519	3.8379	327.7778	12.3511	159.1667	5.9976
Diesel	Liters	GJ	Liters	GJ	Liters	GJ
	1,380.2583	48.5425	6,524.4663	229.4597	3,457.4564	121.5957
Total Energy Consumption Within the Organization	GJ		GJ		GJ	
	114,839.4446		125,507.3528		144,511.0702	



6.2.2.2 Energy Consumption Outside the Organization

Energy	2022		2023		2024	
Automotive gasoline	Liters	GJ	Liters	GJ	Liters	GJ
	120,970.1462	3,950.5269	69,600.4302	2,272.9440	84,111.2367	2,746.8240
Automotive diesel	Liters	GJ	Liters	GJ	Liters	GJ
	14,032.9766	493.5274	15,979.3588	561.9800	16,273.6900	572.3314
Total energy consumption outside the organization	GJ		GJ		GJ	
	4,444.0543		2,834.9240		3,319.1554	

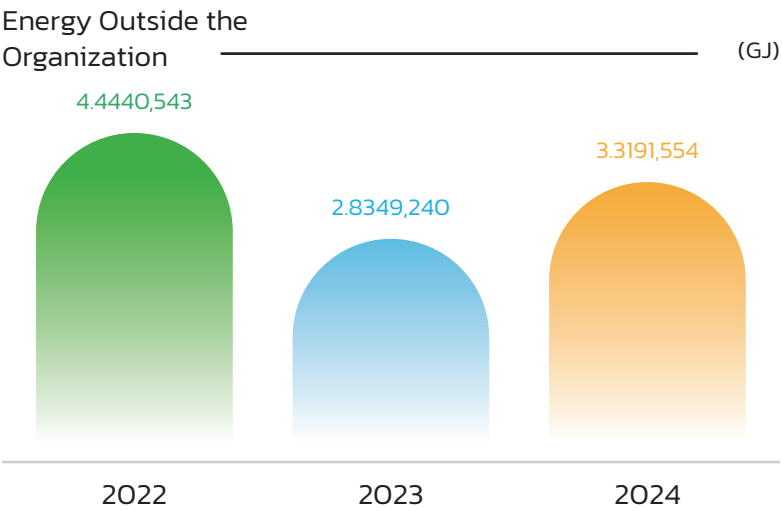
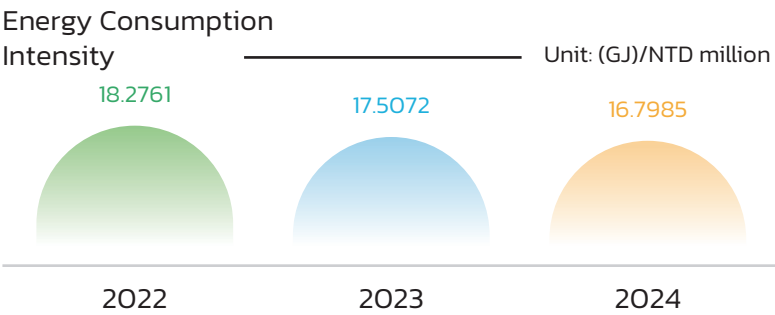


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6.2.2.3 Energy Consumption Intensity:

Total energy consumption		Energy Intensity	Unit: (GJ)/NTD million
2022	119,283.4989	18.2761	
2023	128,342.2768	17.5072	
2023	147,830.2256	16.7985	



Note: Hu Lane Group continues to replace old production equipment with high-efficiency energy-saving equipment, resulting in a year-by-year decrease in energy consumption intensity.

6.2.2.4 Energy Conservation:

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

Three-year energy-saving achievements:

Item	2022	2023	2024	Changes in the last two years	
Process improvement	475.9566	2,788.9992	4,747.6872	1,958.6881	70.23%
General Office Equipment	Not calculated	Not calculated	47.1312	47.1312	100%
Purchase green electricity	Not purchased	Not purchased	10,774.80	10,774.80	100%
Install solar power generation	429.1524	4,131.8813	8,655.3394	4,523.4582	109.48%

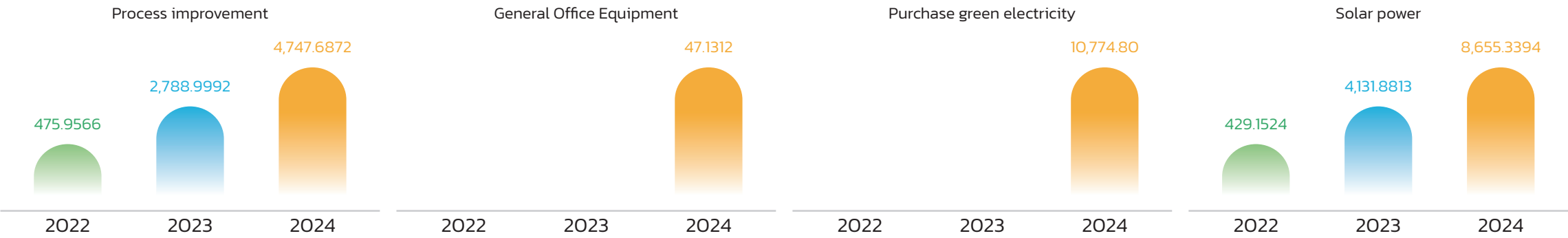


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Energy-saving heating rings for hydraulic molding machines



	Standard heating rings	Energy-saving heating rings
1	Temperature control accuracy is insufficient	Temperature control accuracy is higher with an isolation cover
2	High energy consumption	More energy-efficient
3	Short lifespan	Long lifespan
4	Long disassembly and assembly time	Shorter disassembly and assembly time

6.2.3 Climate Change-related Financial Disclosures

Hu Lane promotes climate change management and disclosure based on the four core elements of the Task Force on Climate-related Financial Disclosures (TCFD), climate governance, strategy, risk management, and metrics and targets, to ensure the ability to promptly identify, assess, and respond to extreme climate conditions in the future.

6.2.3.1 Governance

To address potential risks arising from future climate change, Hu Lane has established an Environmental and Climate Change Risk Task Force under the risk management organization to strengthen risk management and the division of responsibilities. For the structure and duties of each functional risk management organization, please refer to Section 5.2.1 of the Sustainability Report. The Chief Sustainability Officer reports quarterly to Hu Lane’s Board of Directors on climate change related information and development trends, as well as Hu Lane’s progress in climate related management.

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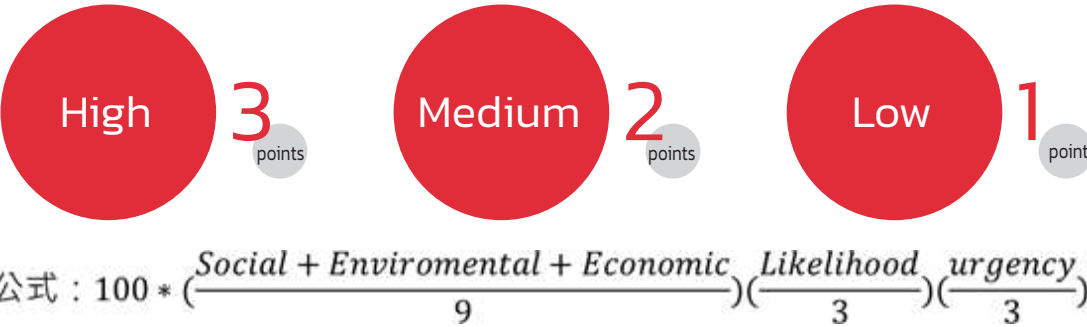
6.2.3.2 Strategy

The climate risk assessment method adopted is the Climate Change Risk Assessment Methodology (CCRAM).

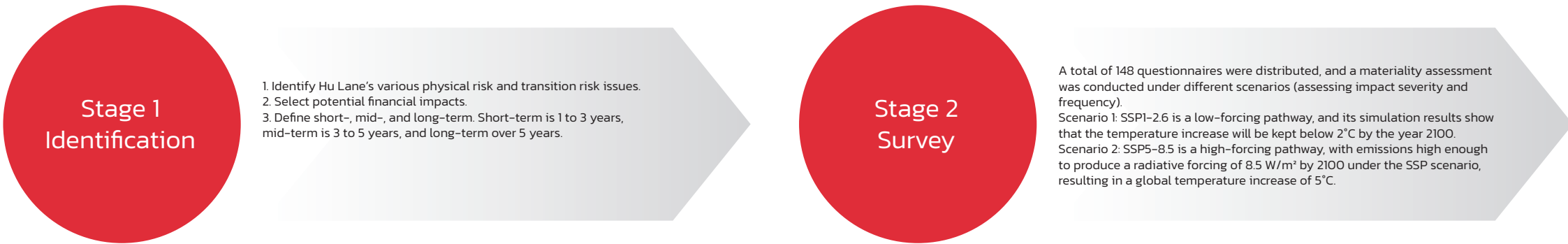
Issuing organization: British Government (2012, 2017, 2022 editions).

Criteria	Essence
Magnitude	The degree of impact of extreme climate on the economy, society, and environment
Likelihood of Occurrence	Likelihood of occurrence of the impact
Urgency	Priority order for implementing relevant policies

Define each criterion into three levels



Identification process



6.2.3.3 Risk Management

Based on the first-stage identification and the second-stage assessment under different scenarios (RCP2.6 and RCP8.5), the impact severity and frequency for Hu Lane were screened, and the final survey results are as follows:

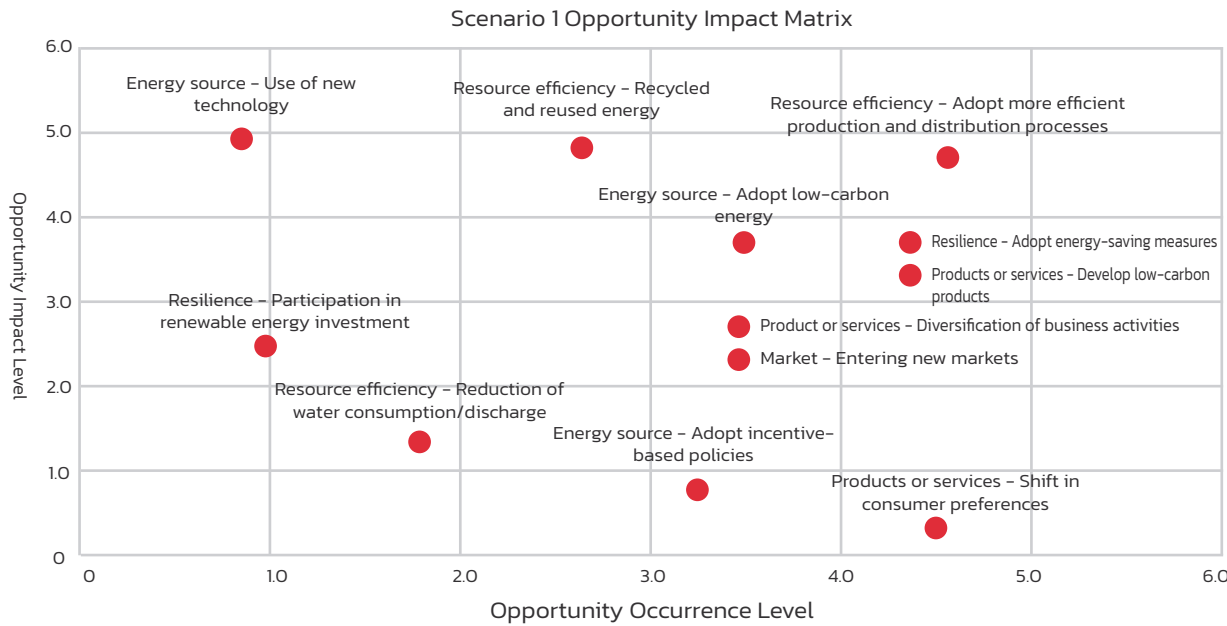


Figure 1: Scenario 1 (SSP 2.6) risk matrix (SSP1-2.6 is a low-forcing pathway, and its simulation results show that the temperature increase will be kept below 2°C by the year 2100).

Scenario 1 (SSP1-2.6)			
Risks	Rank	Opportunity	Rank
Policies and regulations - Strengthen emissions reporting obligations	1	Resource efficiency - Adopt more efficient production and distribution processes	1
Policies and regulations - Increase GHG emissions obligations (carbon fees/taxes)	2	Energy source - Use of new technology	2
Technology - Cost of low-carbon transition	3	Resource efficiency - Recycled and reused energy	3
Market - Increase in raw material costs	4	Energy source - Adopt low-carbon energy	4
Market - Changes in customer behavior	5	Resilience - Adopt energy-saving measures	5
Policies and regulations - Requirements and supervision for existing products and services	6	Products or services - Develop low-carbon products	6
Technology - Low-carbon product substitution	7	Product or services - Diversification of business activities	7
Long term - Change in average temperature	8	Resilience - Participation in renewable energy investment	8
Reputation - Change in consumer preferences	9	Market - Entering new markets	9
Immediate - Water shortage or scarcity	10	Resource efficiency - Reduction of water consumption/discharge	10
Immediate - Typhoon-induced flooding	11	Energy source - Adopt incentive-based policies	11
Technology - Failure of new investments	12	Products or services - Shift in consumer preferences	12
Reputation - Industry stigmatization	13		
Policies and regulations - Facing litigation risks	14		

Table 1: Ranking of risks and opportunities under the SSP 1-2.6 scenario

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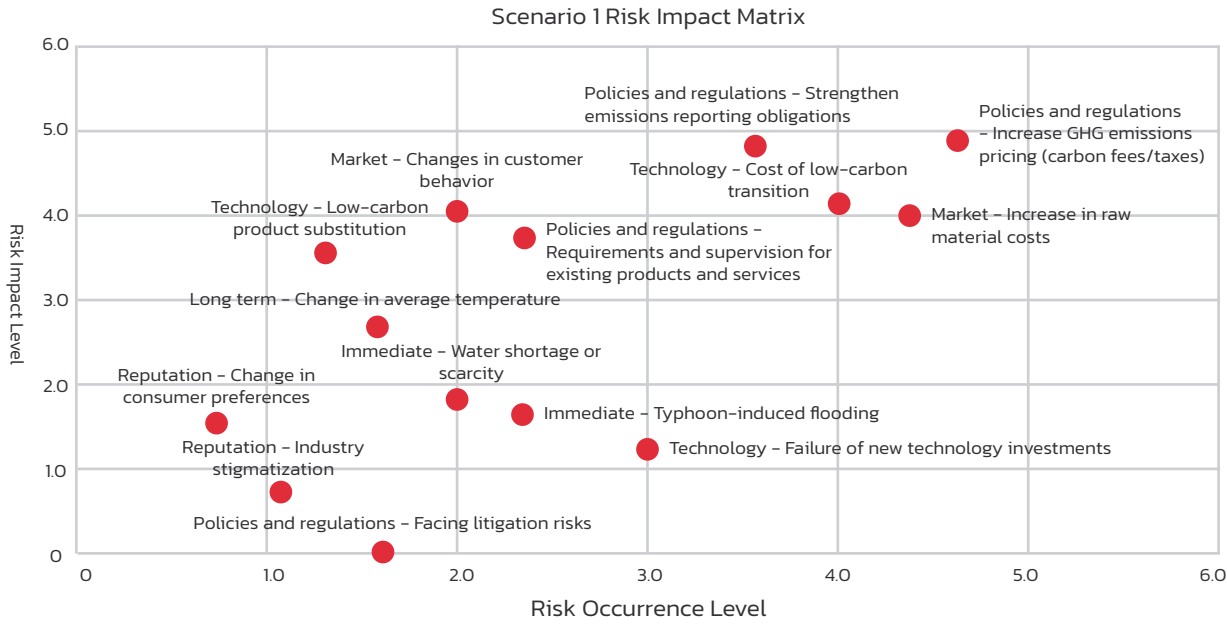


Figure 2: Scenario 1 (SSP 2.6) opportunity matrix (SSP1-2.6 is a low-forcing pathway, and its simulation results show that the temperature increase will be kept below 2°C by the year 2100).

Scenario 2 (SSP5-8.5)			
Risks	Rank	Opportunity	Rank
Market - Increase in raw material costs	1	Resource efficiency - Adopt more efficient production and distribution processes	1
Policies and regulations - Increase GHG emissions obligations (carbon fees/taxes)	2	Energy source - Adopt low-carbon energy	2
Policies and regulations - Requirements and supervision for existing products and services	3	Energy source - Use of new technology	3
Technology - Cost of low-carbon transition	4	Products or services - Develop low-carbon products	4
Policies and regulations - Strengthen emissions reporting obligations	5	Resilience - Adopt energy-saving measures	5
Technology - Low-carbon product substitution	6	Market - Entering new markets	6
Long term - Change in average temperature	7	Resource efficiency - Recycled and reused energy	7
Market - Changes in customer behavior	8	Product or services - Diversification of business activities	8
Immediate - Water shortage or scarcity	9	Resilience - Participation in renewable energy investment	9
Immediate - Typhoon-induced flooding	10	Products or services - Shift in consumer preferences	10
Technology - Failure of new investments	11	Resource efficiency - Reduction of water consumption/ discharge	11
Reputation - Change in consumer preferences	12	Energy source - Adopt incentive-based policies	12
Policies and regulations - Facing litigation risks	13		
Reputation - Industry stigmatization	14		

Table 2: Ranking of risks and opportunities under the SSP 5-8.5 scenario

Based on the survey results, an analysis was conducted for the top five ranked risks and opportunities:

Risk Rank	Climate Change Risk Issues	Risk Level	Time Scope	Impact and Response Mechanism
R1	Policies and regulations - Strengthen emissions reporting obligations	High	Short	Government authorities require the disclosure of GHG emissions in public information such as annual reports and sustainability reports. The Company completed the disclosure and external certification of the 2023 Sustainability Report in 2024. From May 14, 2025 to June 17, 2025, the external audit and verification for 2024 will be conducted. On August 1, 2025, the ISO 14064-1 GHG emissions certificate will be obtained, and the GHG emissions will be disclosed in public information such as the annual report and the Sustainability Report in June 2025.
R2	Policies and regulations - Increase GHG emissions obligations (carbon fees/taxes)	High	Short	The EU carbon tariff entered its trial operation in 2023 and will officially take effect in 2026. Taiwan plans to impose carbon fees in 2025. In response to this policy, the Company completed ISO 14067 product carbon footprint inventories and external certification for nine products during 2023 to 2024, to understand the product life cycle and identify solutions for product optimization. Response mechanism for 2025: 1. Reduce the raw material consumption ratio. 2. Reduce waste gas emissions. 3. Increase the proportion of recyclable materials by 10%.
R3	Technology - Cost of low-carbon transition	High	Medium	With energy shortages becoming more severe and costs rising year by year, the Company's operating costs are consequently affected. The Company continues to increase the use of renewable energy at each operating site, such as by purchasing green electricity and installing solar panels for self-sufficiency, as well as replacing outdated equipment. In 2024, green electricity procurement at Nanjing Hu Lane accounted for 17% of its 2023 electricity consumption, and this will be increased to 40% in 2025. The green electricity procurement of Taipei Hu Lane and Vietnam Hu Lane is expected to account for 10% of their 2024 electricity consumption.

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Risk Rank	Climate Change Risk Issues	Risk Level	Time Scope	Impact and Response Mechanism
R4	Market – Increase in raw material costs	High	Medium	Due to climate change, the EU began trial implementation of a carbon tax in 2023, which has increased the production and transportation costs of bulk commodity raw materials, thereby affecting operations. In response, the Company will: 1. Increase the proportion of local procurement in the supply chain to reduce logistics costs. 2. Establish a integrated group procurement platform, reducing the cost of key raw materials by an average of approximately 3.4%. 3. Introduce pelletizing equipment, with the PA66 recycling rate reaching 88% in 2023 and the PBT recycling rate expected to reach 90% in 2024.
R5	Market – Changes in customer behavior	High	Short	Consumers, in line with environmental protection policies, prefer to purchase new energy environmentally friendly vehicles, leading customers to increase the production of new energy vehicles. In addition to its existing low-voltage products, the Company has also developed common components for both new energy electric vehicles and fuel vehicles, such as high-frequency products, high-voltage products, fuse boxes, and domain controllers, to respond to changes in customer behavior.

Opportunity Rank	Climate Change Opportunity Issues	Risk Level	Time Scope	Impact and Response Mechanism
01	Resource efficiency – Adopt more efficient production and distribution processes	High	Medium	By improving efficiency to reduce operating costs, increasing production capacity to boost revenue, and implementing automation management and planning to lower personnel costs, the response mechanisms are as follows: 1. Increase the application of CCD inspection equipment to determine product quality, which can effectively reduce manpower requirements and maintenance, thereby reducing material usage and employee contact. 2. Each plant introduced the MES system, enabling factory personnel to monitor production status in real time. In the event of an emergency, relevant information can also be obtained through the MES system for immediate handling. 3. Increase the proportion of local procurement in the supply chain to reduce logistics costs.
02	Energy source – Use of new technology	High	Medium	With the rapid development of renewable energy, energy storage technology, and smart energy systems, patents play an important role in driving technological progress, protecting intellectual property rights, and promoting the commercialization of technology. In 2023, the Company held 24 patents. In 2024, the Company enhanced patent value and implemented a classification system, holding 9 Class B patents. The 2025 target is 30 patents, including 3 Class A patents.
03	Resource efficiency – Recycled and reused energy	High	Short	Due to climate change, the EU began trial implementation of a carbon tax in 2023, which has increased the production and transportation costs of bulk commodity raw materials, thereby affecting operations. The Company's response plan: 1. Introduce pelletizing equipment, with the PA66 recycling rate reaching 88% in 2023 and the PBT recycling rate expected to reach 90% in 2024. 2. Increase the proportion of recyclable packaging materials by 10%.
04	Energy source – Adopt low-carbon energy	High	Short	By switching from coal-fired power to low-carbon energy sources and reducing energy consumption during production and transportation, carbon emissions can be lowered, thereby strengthening resilience to climate change and related regulations. The Company's response method: 1. Increase the proportion of local procurement in the supply chain to reduce logistics costs. 2. Increase the use of renewable energy at each operating site. Regarding green electricity procurement, in 2024, Nanjing Hu Lane's green electricity procurement accounted for 17% of its 2023 electricity consumption, and this will be increased to 40% in 2025. Taipei and Vietnam Hu Lane are expected to have green electricity procurement account for 10% of their 2024 electricity consumption.
05	Resilience – Adopt energy-saving measures	High	Short	With energy shortages becoming increasingly severe and energy costs rising year by year, the Company's operating costs have increased. Therefore, the Company will continue to increase the use of renewable energy at each operating site, install solar panels for self-sufficiency, and replace outdated equipment to reduce energy consumption.

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6.2.3.4 Indicators and Goals

Hu Lane continues to promote climate change goals and reduce GHG emission intensity. The target for 2024 to 2025 is to reduce carbon emission intensity by 10% annually, and for 2026 to 2027, to reduce carbon emission intensity by 6% annually. However, due to the limited time invested in the initial stage, it is relatively difficult to demonstrate results immediately. Efforts will continue subsequently to achieve the set targets.

Item	2024		2023		Comparison of the two years	
	Total emissions	Emission Intensity	Total emissions	Emission Intensity	Total emissions YoY	Emission intensity YoY
Scope 1	981.6851	0.1116	823.4638	0.1123	+19.21%	-0.69%
Scope 2	18,604.7945	2.1141	19,081.4533	2.6029	-2.50%	-18.78%
Scope 3	59,619.9300	6.7748	47,855.211	6.5280	+24.58%	+3.78%
Total emissions	79,206.4096	9.0005	67,760.1276	9.2432	+16.89%	-2.63%

Unit: Metric tons of CO2e/year

6.2.4 Greenhouse Gas and Carbon Emissions

In order to fulfill its corporate responsibility, Hu Lane Group has proactively committed itself to the baseline GHG emissions inventory at its factories since 2021. These efforts enable us to capture the status of GHG emissions and to further implement voluntary GHG reduction-related plans. Our GHG carbon emissions have also undergone verification conducted by BSI, an external verification institution, with 2023 set as the baseline year for GHG inventory.

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

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

After selecting emission factors according to "Ministry of Environment's GHG Emission Factor Management Table 6.0.4" or "China Products Carbon Footprint Factors Database (2022)," the calculated figure shall be converted into CO2e (carbon dioxide equivalent), using metric tons per year as the unit, based on the Global Warming Potential (GWP) of each GHG as announced by the IPCC.

We adopt the latest version of the GWP value from the IPCC Sixth Assessment Report (2021) as announced in the Guidelines for GHG Emissions Inventory (May 2024).

Changes in GHG emission intensity in the two years

Item	2022	2023 (base year)	2024	Changes in 2024 compared to 2023	
Scope 1	0.1430	0.1123	0.1116	-0.0007	-0.62%
Scope 2	2.7586	2.6029	2.1141	-0.4888	-18.78%
Scope 3	6.5356	6.5280	6.7748	0.2468	+3.78%
Combined Total	9.4372	9.2432	9.0005	-0.2427	-2.63%

Description of reasons

In the 2024 inventory items, the carbon emissions from upstream purchased raw materials increased due to higher production volumes. The overall carbon emission intensity decreased by 2.63% compared with the same period last year

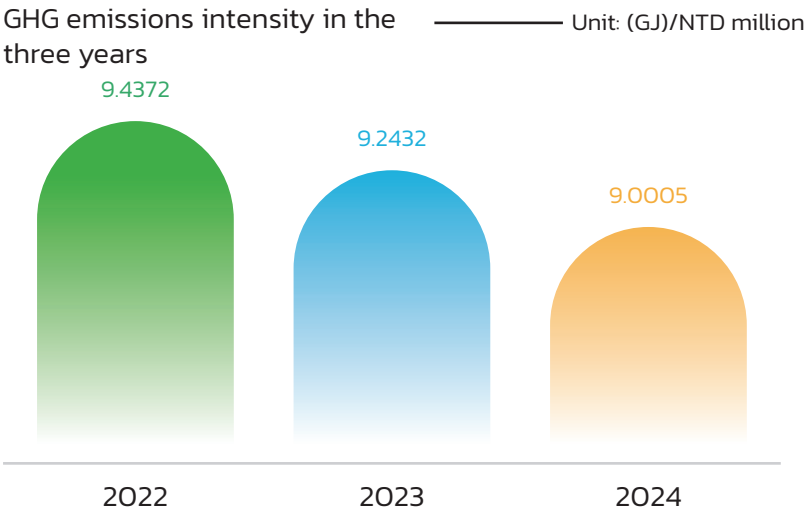


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Item / Year	2022		2023		2024	
	Total emissions (metric tons of CO2e/year)	Intensity (metric tons of CO2e/NTD million)	Total emissions (metric tons of CO2e/year)	Intensity (metric tons of CO2e/NTD million)	Total emissions (metric tons of CO2e/year)	Intensity (metric tons of CO2e/NTD million)
Scope 1						
Parent company	188.8766	0.0289	133.5995	0.0182	179.3792	0.0204
Nanjing Hu Lane	231.0339	0.0354	253.8919	0.0346	278.7591	0.0317
Dongguan Hu Lane	139.8849	0.0214	132.9578	0.0181	147.3961	0.0168
Dongguan Puguang	170.5370	0.0261	42.7727	0.0058	51.6002	0.0059
Jiaxing Shangho	67.8145	0.0104	96.8984	0.0132	132.2077	0.0150
Vietnam Hu Lane	68.1430	0.0104	90.0436	0.0123	89.6806	0.0102
Indonesia Hu Lane	67.0700	0.0103	73.2999	0.0100	79.6320	0.0090
Europe Hu Lane					23.0302	0.0026
Total	933.3599	0.1430	823.4638	0.1123	981.6851	0.1116
Scope 2						
Parent company	3,475.4839	0.5325	3,752.8263	0.5119	4,105.7804	0.4666
Nanjing Hu Lane	8,736.5255	1.3386	8,297.1135	1.1318	7,082.4789	0.8048
Dongguan Hu Lane	3,495.3231	0.5355	3,643.2971	0.4970	3,234.2237	0.3675
Dongguan Puguang	20.1456	0.0031	34.7870	0.0047	30.2222	0.0034
Jiaxing Shangho	220.5065	0.0338	924.8990	0.1262	1,187.3574	0.1349
Vietnam Hu Lane	1,837.2769	0.2815	2,119.6480	0.2891	2,488.1115	0.2827
Indonesia Hu Lane	219.2029	0.0336	308.8824	0.0421	476.2820	0.0541
Europe Hu Lane					0.3384	0.0000
Total	18,004.4644	2.7586	19,081.4533	2.6029	18,604.7945	2.1141

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Item / Year	2022		2023		2024	
	Total emissions (metric tons of CO2e/year)	Intensity (metric tons of CO2e/NTD million)	Total emissions (metric tons of CO2e/year)	Intensity (metric tons of CO2e/NTD million)	Total emissions (metric tons of CO2e/year)	Intensity (metric tons of CO2e/NTD million)
Scope 3						
Parent company	13,926.6898	2.1338	14,815.4096	2.0210	17,000.6447	1.9318
Nanjing Hu Lane	12,259.2683	1.8783	10,758.2150	1.4675	13,301.2240	1.5114
Dongguan Hu Lane	10,661.0328	1.6334	9,823.8948	1.3401	11,096.6407	1.2610
Dongguan Puguang	133.7720	0.0205	404.8420	0.0552	310.7644	0.0353
Jiaxing Shangho	916.7504	0.1405	4,459.8468	0.6084	8,731.4388	0.9922
Vietnam Hu Lane	4,112.1793	0.6301	5,312.0559	0.7246	7,869.6597	0.8943
Indonesia Hu Lane	646.6352	0.0991	2,280.9464	0.3111	1,304.0167	0.1482
Europe Hu Lane					5.5410	0.0006
Total	42,656.3278	6.5356	47,855.2105	6.5280	59,619.9300	6.7748
Combined Total	61,594.1521	9.4372	67,760.1276	9.2432	79,206.4096	9.0005

Description on Assurance:

Among the total GHG emissions disclosed by Hu Lane Group in 2023, the Scope 1 emissions amounted to 823.4638 metric tons of CO2e (1.22% of the total emissions); Scope 2 emissions amounted to 19,081.4533 metric tons of CO2e (28.16% of the total emissions), and Scope 3 emissions amounted to 47,855.2105 metric tons of CO2e (70.62% of the total emissions).

Assurance was conducted by BSI Group (Singapore) Pte. Ltd. Taiwan Branch in accordance with ISO 14064-3 standards.

Assurance opinion: Scope 1 and Scope 2 received reasonable assurance, and Scope 3 received limited assurance.

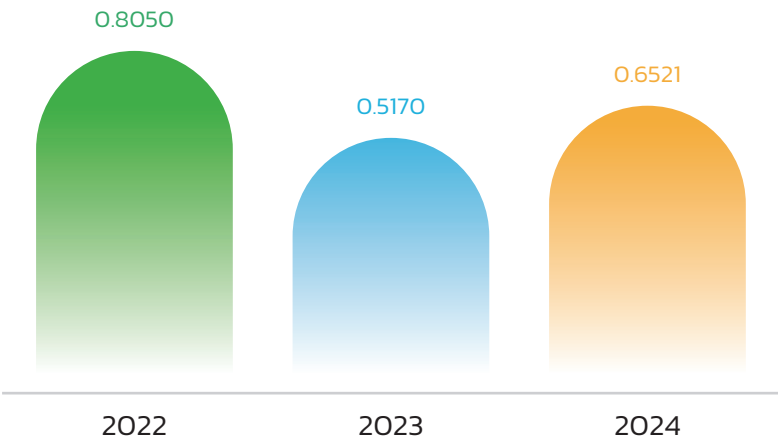
The 2024 GHG inventory data will be verified by an external third-party verification agency in Q2 2025.

Note: The GHG emission intensity is calculated as total emissions in metric tons of CO2e/consolidated revenue (unit: NTD million).

6.2.5 Volatile Organic Compounds Control

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

Annual Emissions of Volatile Organic Compounds



Organic waste gas treatment equipment: UV+ activated carbon equipment



Online monitoring equipment



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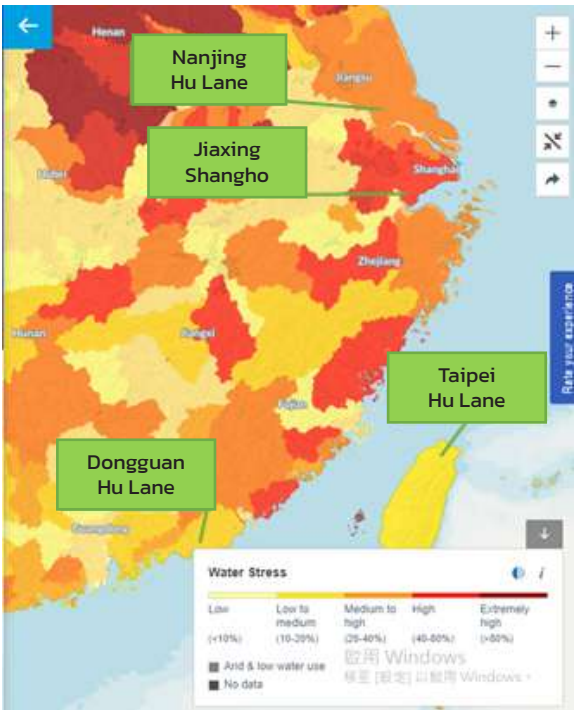
6.3 Water Resources and Waste Management

6.3.1 Water Resources Management

The scenario simulation analysis results using the Aqueduct tool of the World Resources Institute (WRI) indicated that in 2030, the water stress risk for Taipei Hu Lane will be 10% to 20%, Nanjing Hu Lane will be 20% to 40%, Dongguan Hu Lane and Dongguan Puguang will be 10% to 20%, Jiaxing Shangho will be 40% to 80% (high water stress risk area), Indonesia Hu Lane will be 40% to 80% (high water stress risk area), and Vietnam Hu Lane will be below 10%.

The area where Jiaxing Shangho is located has a high water stress risk. The plant has constructed a 28 m³ water tank to store water for emergency use and plans to assess the feasibility of rainwater harvesting in 2025.

The area where Indonesia Hu Lane is located has a high water stress risk. The water plant in the industrial park where the factory is located has installed a water tank for emergency use.



Risk of Water Shortage		Risk Mitigation Measures
Taipei Hu Lane	10%~20%	1. Jiaxing Shangho and Indonesia are at the highest risk of water shortage; therefore, water storage towers have been constructed. 2. Jiaxing Shangho plans to assess the feasibility of rainwater harvesting in 2025. 3. The risk of water shortage is relatively high at Nanjing Hu Lane. In 2024, a water meter will be installed to monitor water consumption, and water balance tests will be conducted to avoid wasting water.
Nanjing Hu Lane	20%~40%	
Dongguan Hu Lane	10%~20%	
Jiaxing Shangho	40%~80%	
Indonesia Hu Lane	40%~80%	
Vietnam Hu Lane	<10%	

The water sources of Hu Lane Group are all tap water supplied by water companies, mainly for general domestic use and production use. Water for production includes water used for electroplating processes, product cleaning, air conditioning cooling systems, equipment cooling, and wastewater treatment.

To conserve water resources, Taipei Hu Lane has installed water-saving toilets in all restrooms, and the replacement of relevant water-use equipment is prioritized based on water-saving design. Continuous evaluations are conducted for water conservation measures such as recycling discharged water for process reuse, recycling pure water wastewater for use in cooling towers, recycling process wastewater, and developing low-water-consumption production technologies. Through the efforts of each operating site, it is expected that water consumption intensity will decrease year by year. In 2024, water consumption intensity decreased by 0.0014 ML per NTD million (–25.45%) compared with the same period last year.

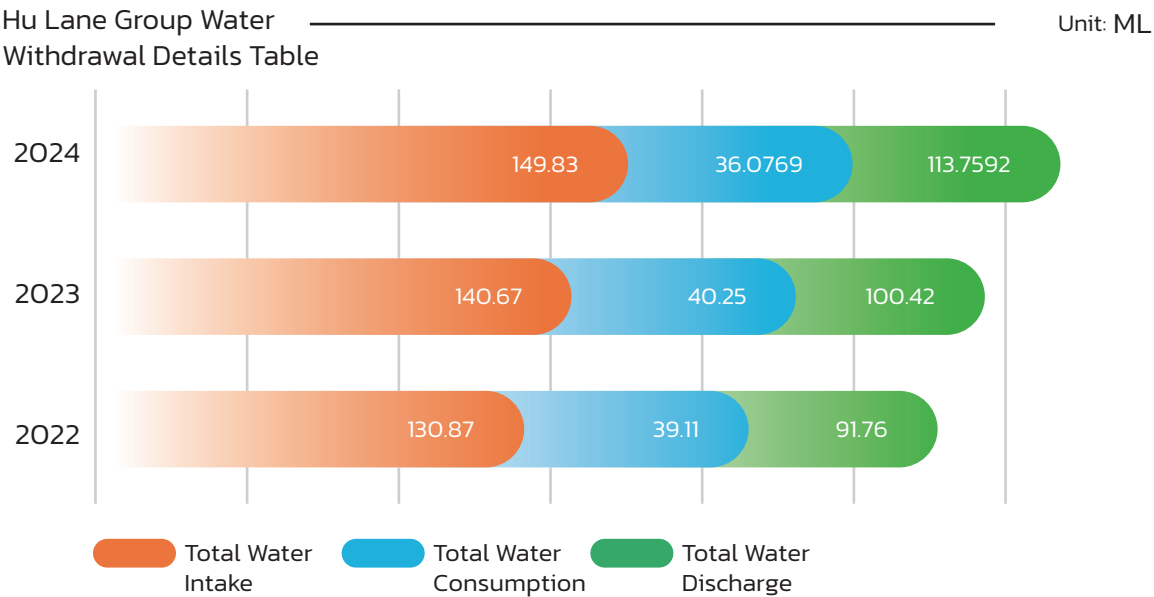
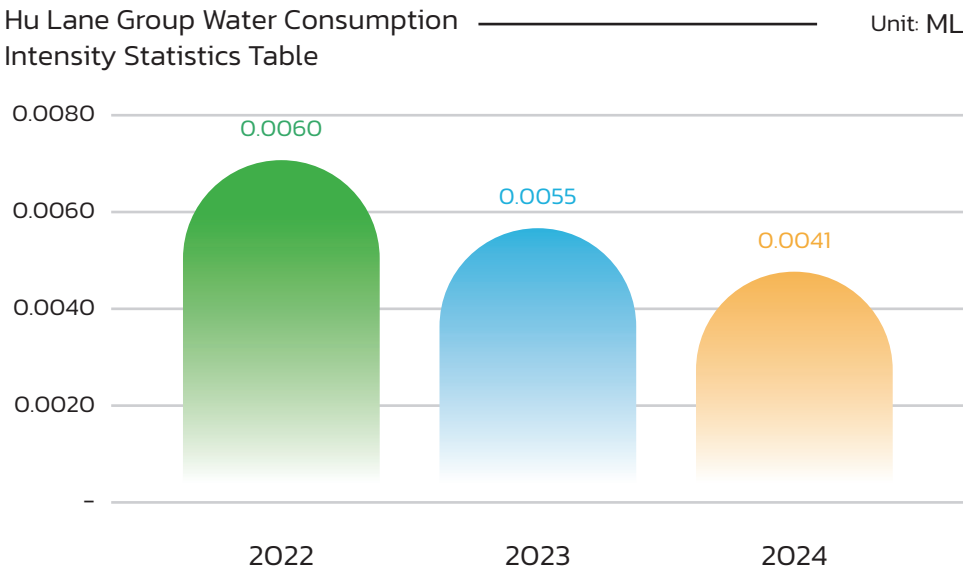


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With respect to wastewater treatment, all domestic wastewater undergoes pretreatment at the factory. It is then discharged to the sewage treatment plan for treatment through a dedicated pipe and finally released into the water body. In compliance with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

Nanjing Hu Lane: mg/L	Total Suspended Solids	Emission standards	Ammonia nitrogen	Emission standards	Chemical oxygen demand	Emission standards	Total phosphorus	Emission standards	PH	Emission standards
2022	58.00	200.00	26.90	35.00	217.00	350.00	2.67	4.00	7.3	6~9
2023	11.00	200.00	32.70	35.00	194.00	350.00	3.11	4.00	7.0	6~9
2024	88.00	200.00	32.20	35.00	337.00	350	3.51	4.0	7.0	6~9

Dongguan Hu Lane: mg/L	Total Suspended Solids	Emission standards	Ammonia nitrogen	Emission standards	Chemical oxygen demand	Emission standards	5-day biochemical oxygen demand	Emission standards	Phosphate	Emission standards	Animal and vegetable oils	Emission standards	Chroma	Emission standards	PH	Emission standards
2022	64.00	400.00	16.50	/	387.00	500.00	130.00	300.00	0.52	/	2.97	100	2	/	7.8	6~9
2023	37.00	400.00	81.70	/	320.00	500.00	96.00	300.00	7.19	/	1.14	100	2	/	7.2	6~9
2024	36.00	400.00	80.10	/	318.00	500.00	92.40	300.00	7.05	/	1.30	100	2	/	7.1	6~9

Vietnam Hu Lane: mg/L	PH	Emission standards	Total Suspended Solids (TSS)	Emission standards	Biochemical oxygen demand	Emission standards	BOD5	Emission standards	Nitrogen	Emission standards	Ptổng	Emission standards	Ammonia nitrogen NH4+- N	Emission standards	FE	Emission standards	MN	Emission standards	Coliform	Emission standards
2022	7.50	5.5~9	18	100	99	150	30	50	77.00	40.00	5.95	6.00	66.40	10.00	<0.10	5.00	0.03	1.00	46x10 ⁵	5000
2023	7.12	5.5~9	30	100	67	150	24	50	46.20	40.00	3.00	6.00	35.50	10.00	0.18	5.00	0.03	1.00	24x10 ⁵	5000
2024	7.50	5.5~9	20	100	77	150	25	50	44.00	40.00	2.72	6.00	41.03	10.00	<0.10	5.00	0.02	1.00	16x10 ⁴	5000

Note: Reason for exceeding the standard: Mainly due to employee water use. In recent years, the number of workers has continued to increase, while the number of restrooms and septic tanks remains limited. / Improvement measures: Septic tank renovation plan, increased efforts in sewage pipe dredging and septic tank pumping.

Indonesia Hu Lane: mg/L	PH	Emission standards	Total Suspended Solids (TSS)	Emission standards	Biochemical oxygen demand	Emission standards	BOD5	Emission standards	Nitrogen NO3	Emission standards	NO2	Emission standards	Ammonia nitrogen NH3+- N	Emission standards	FE	Emission standards	MN	Emission standards	Coliform	Emission standards
2023	7.20	6 - 9	3.0	400	6.1	800	2	500	0.90	30.00	<0.008	2.00	<0.082	10.00	0.10	5.00	0.14	2.00	0	0.00
2024	7.32	6 - 9	10.00	400	31.7	800	8.20	500	3.10	30.00	0.48	2.00	7.60	10.00	0.10	5.00	<0.031	2.00	0	0.00

Taipei Hu Lane: mg/L	Total Suspended Solids	Emission standards	Copper	Emission standards	Chemical oxygen demand	Emission standards	PH	Emission standards	Cyanide	Emission standards	Oil & Fat	Emission standards
2022	17.80	30.00	0.39	1.50	40	100.00	7.00	6~9	0.0040	1.00	1.10	10.00
2023	2.50	30.00	0.69	1.50	56	100.00	8.80	6~9	0.0020	1.00	4.10	10.00
2024	2.50	30.00	0.08	1.50	37	100.00	7.3	6~9	ND	1.00	3.90	10.00

Description:
Taipei Hu Lane's wastewater is finally released to the Keelung River. The wastewater treatment unit is equipped with a comprehensive mixing tank, a fast mixing tank, a PH adjusting tank, a slow mixing tank, a precipitation tank, a gravity-type concentrating tank, a neutralization tank, and a sludge dewatering equipment. Additionally, regular inspections are performed to ensure compliance with discharge standards. For the future development of electroplating, an outsourced cooperation model is implemented. About 50% of the processes were outsourced this year; therefore, the wastewater recycling system in the original electroplating project plan was not implemented, resulting in the failure to achieve the target of a 20% reduction in wastewater. In the future, efforts will be directed toward cooperation and mergers with other electroplating plants to reduce the environmental impact of electroplating waste.

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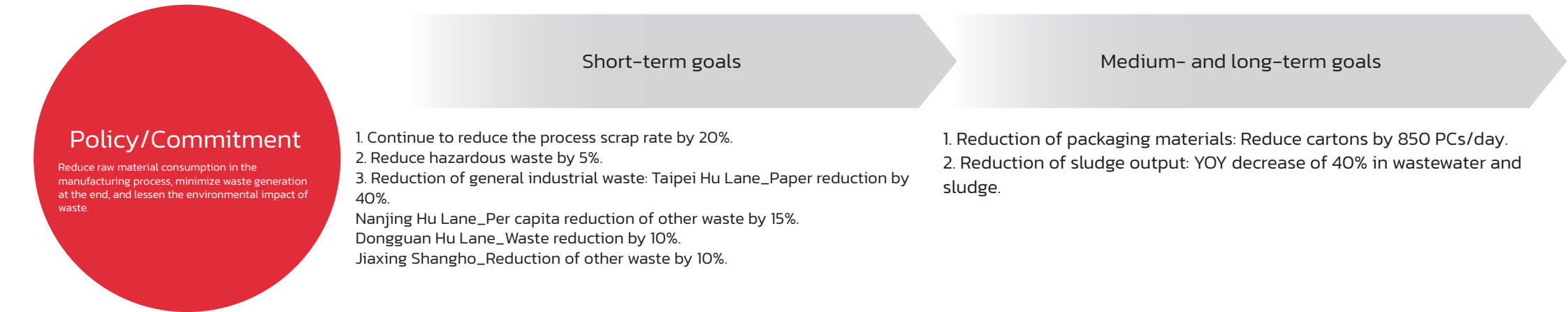
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6.3.2 Waste Management

6.3.2.1 Material Topic: Waste Management

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



Resources invested during the year	Concrete results
2024 Waste Reduction Plan 1. In 2024, continue to promote the paperless BPM electronic signature system, replacing paper forms with electronic signatures to reduce paper usage. 2. The electroplating plant plans to undergo renovation, and during the renovation period, electroplating production will be outsourced to reduce sludge output. 3. In response to the green circular concept, Hu Lane Group adopts a mold-opening approach that reduces material consumption during the initial mold design stage. In new product design and development, as well as in material selection, recycled materials are used to reduce material waste generation.	1. In 2024, the Group reduced hazardous waste by a total of 0.64 metric tons, a reduction of 1.52%, of which 8.39 metric tons were recyclable hazardous waste, accounting for 20.26% of the total hazardous waste. 2. In 2024, the Group increased the amount of recyclable general waste by 599.34 metric tons (25.76%) compared with the same period in 2023.

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

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

6.3.2.2 Waste Generation and Management

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

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

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

All wastes are classified, collected, and stored upon generation, and are disposed of by qualified suppliers certified with licenses.

Details of the qualified certificate for waste disposal obtained by suppliers				
Types of Waste	Number of Suppliers	Business Registration Certificates	Obtained Valid Permit	Obtained International Environmental Certification System
General commercial waste	29	29	/	/
Hazardous commercial waste	9	9	10	6

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Hazardous industrial waste Unit: metric tons

Waste items	2022	2023	2024	Disposal method	Off-site/on-site disposal
Electroplating sludge	32.70	29.60	28.36	Heat treatment	Off-site
Waste chemical containers	0.27	0.33	0.25	Recycling	Off-site
Waste chemical containers	0.52	0.97	0.93	Incineration	Off-site
Spent activated carbon	4.22	5.20	6.10	Recycling	Off-site
Spent activated carbon	0.05	0.05	0	Incineration	Off-site
Waste oil	3.81	2.41	2.04	Recycling	Off-site
Waste oil	0.69	0.54	0.49	Incineration	Off-site
Waste cleaning solution	0.17	0.42	0.74	Materialization	Off-site
Waste cleaning solution	0.08	0.13	0.11	Effluent treatment system	Off-site
Waste emulsion	0.04	0.05	0.12	Incineration	Off-site
Waste containing oil	0.20	0.20	0	Incineration	Off-site
Waste containing oil	0.00	1.25	1.14	Effluent treatment system	Off-site
Waste lamps	0.05	0.10	0.06	Physical treatment	Off-site
Chemical-contaminated wipes	0.63	0.69	0.60	Incineration	Off-site
Waste batteries	0.00	0.08	0.36	Battery damage system	Off-site
Hazardous waste from printing machines	0.02	0.01	0.02	Incineration & Solidification	Off-site
Toxic Waste	0.01	0.02	0.07	Incineration & Solidification	Off-site
Waste PCB board			0.02	Incineration	Off-site
Subtotal	43.47	42.05	41.40		

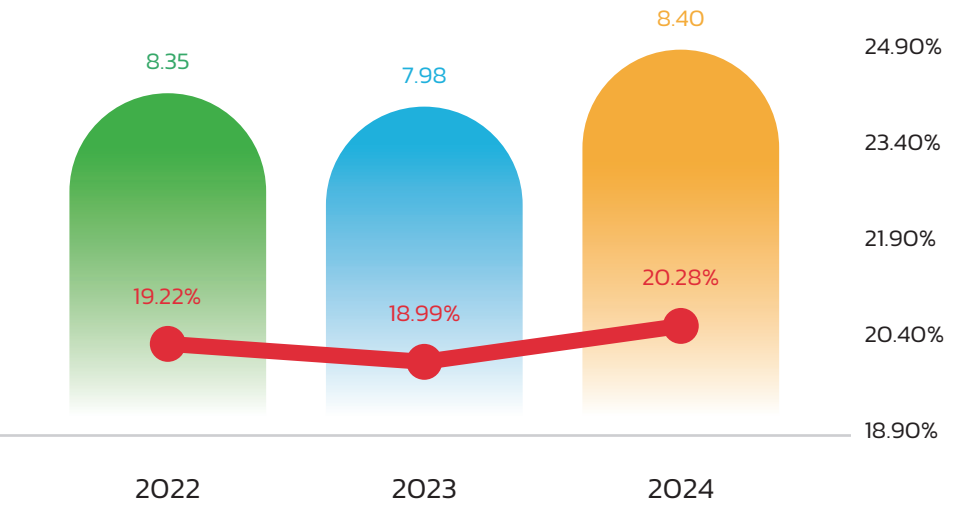
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General industrial waste Unit: metric tons

Waste items	2022	2023	2024	Disposal method	Off-site/on-site disposal
Domestic waste	352.63	358.73	398.99	Incineration & Landfill	Off-site
Waste wood	42.05	20.98	21.32	Recycling	Off-site
Waste paper	47.21	29.51	33.30	Recycling	Off-site
Stainless steel scrap	40.81	44.32	91.87	Recycling	Off-site
Waste plastics	1,202.07	1,107.98	1,507.86	Recycling	Off-site
Copper scrap	942.07	1,071.04	1,216.83	Recycling	Off-site
Silicone waste	45.46	50.09	52.53	Recycling	Off-site
PE film	3.96	0.24	0.24	Recycling	Off-site
Waste wires	0.75	1.45	1.65	Recycling	Off-site
Packaging materials	0.00	0.70	0.02	Recycling	Off-site
Subtotal	2,677.01	2,685.04	3,324.61		

Hazardous waste recycling Unit: metric tons



General waste recycling Unit: metric tons

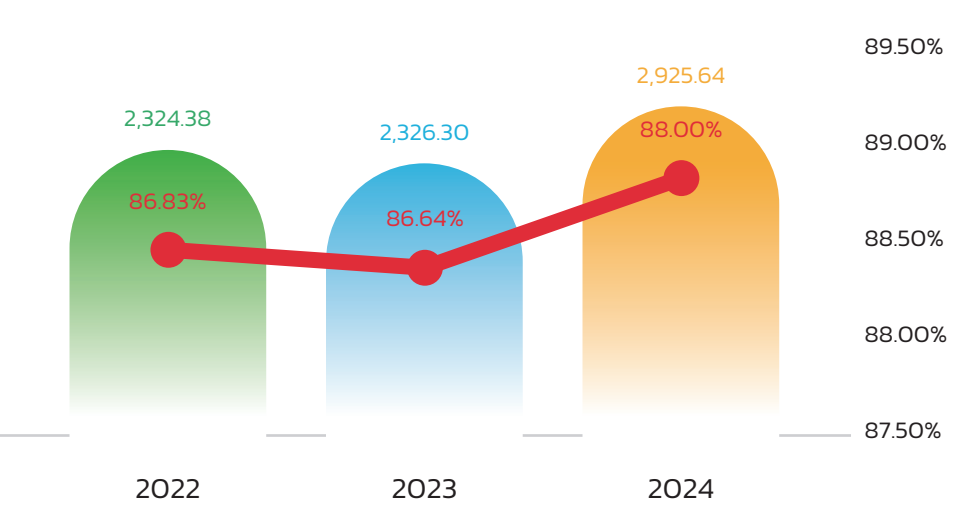


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6.3.2.3 Recycling and Reuse of Wastes

Process waste management focuses on source control, with resource recycling and reuse as the primary approach and final disposal as a supplementary measure. Control measures require strict implementation of resource classification to prevent arbitrary disposal of waste that may cause pollution and to ensure proper sorting and recycling. In addition, reducing paper waste from documentation is promoted, with general documents printed double-sided whenever possible or using the blank side of discarded documents, and file storage primarily conducted electronically. Daily general waste is subject to strict sorting and recycling practices. The waste disposal methods at each operating site include incineration and recycling, and all waste removal contractors engaged are licensed disposal agencies. Future plan: In 2025, Dongguan Hu Lane will implement a project to achieve effective resource recycling and utilization, assessing and facilitating a material exchange program with suppliers for alloy copper electroplating scrap to be traded for new materials. It will also introduce an intelligent waste management solution and promote the transition to using reusable transport containers, with the goal of increasing the proportion of effective resource recycling by more than 10%.

Added value: Contributing to ESG carbon reduction

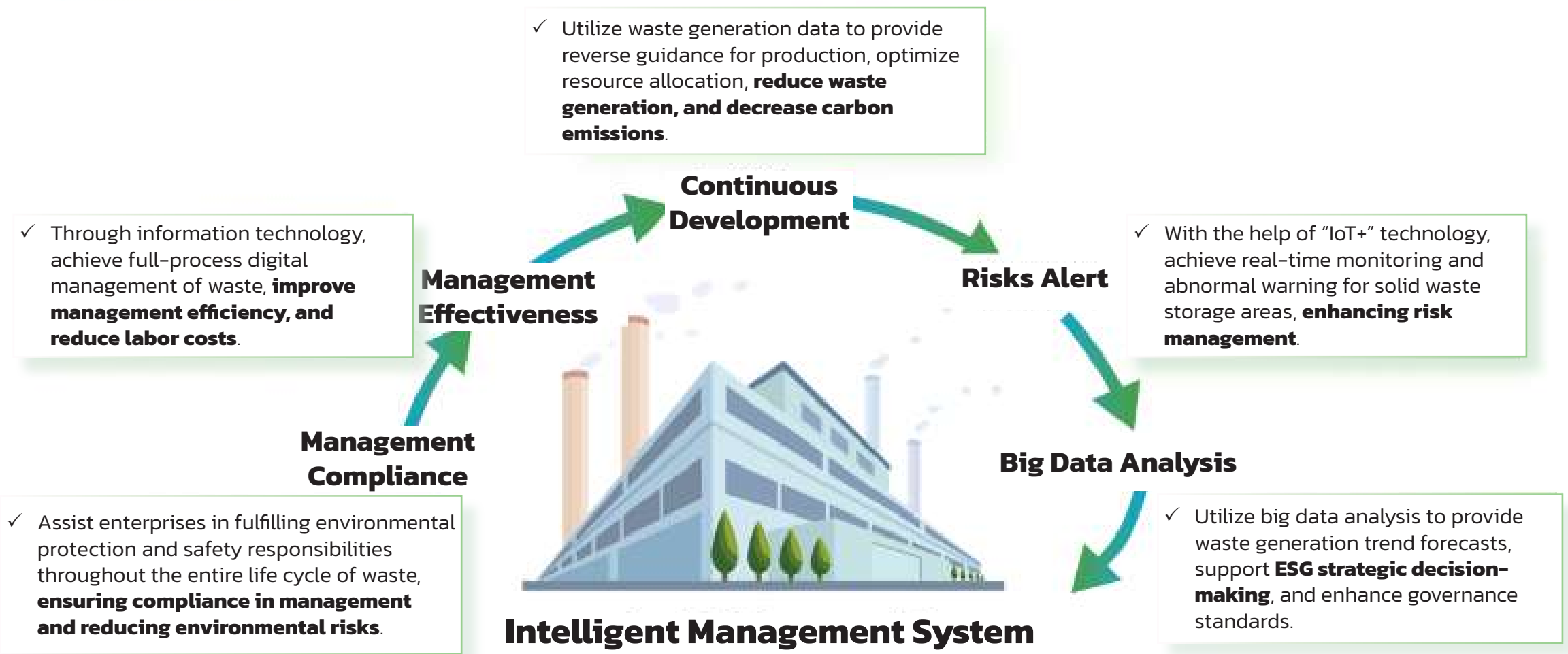


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6.4 Environmental Protection Management and Control

In order to prevent and mitigate the environmental impacts caused by business operations, Hu Lane Group has purchased safety-compliant equipment and installed pollution prevention facilities in accordance with law, recruited dedicated personnel, set up a dedicated unit, and introduced the ISO 14001:2015 environmental management system to continuously improve the environment based on the operational principle of the PDCA. For deficiencies identified by the competent authorities, the Company has endeavored to improve the situation in order to comply with the relevant laws and regulations, set targets for improvement, and reviewed the effectiveness of the improvement measures on a regular basis. No significant actual or potential negative impacts of our operating activities on local communities have been identified. We formulate an environmental emergency response plan and allocate emergency materials. In the event of an environmental emergency or an accident that is likely to impose impacts on the environment, the environmental emergency response plan will be activated immediately to avoid or reduce environmental pollution. Taipei Hu Lane renewed the "Memorandum of Understanding on Disaster Prevention Cooperation" with the Xizhi District Office to actively join the enterprise disaster prevention team in the Xizhi District, hoping that we can integrate disaster prevention and material supply through the instructions of the Xizhi District Office during the flood prevention period. Through these efforts, we can greatly enhance the efficiency of disaster prevention and rescue in the event of large-scale disasters.



2024 chemical disaster drill (with protective equipment)



2024 chemical disaster drill (lockdown area)



2024 chemical disaster drill (installation of spill containment strips)



2024 chemical disaster drill (disaster rescue)



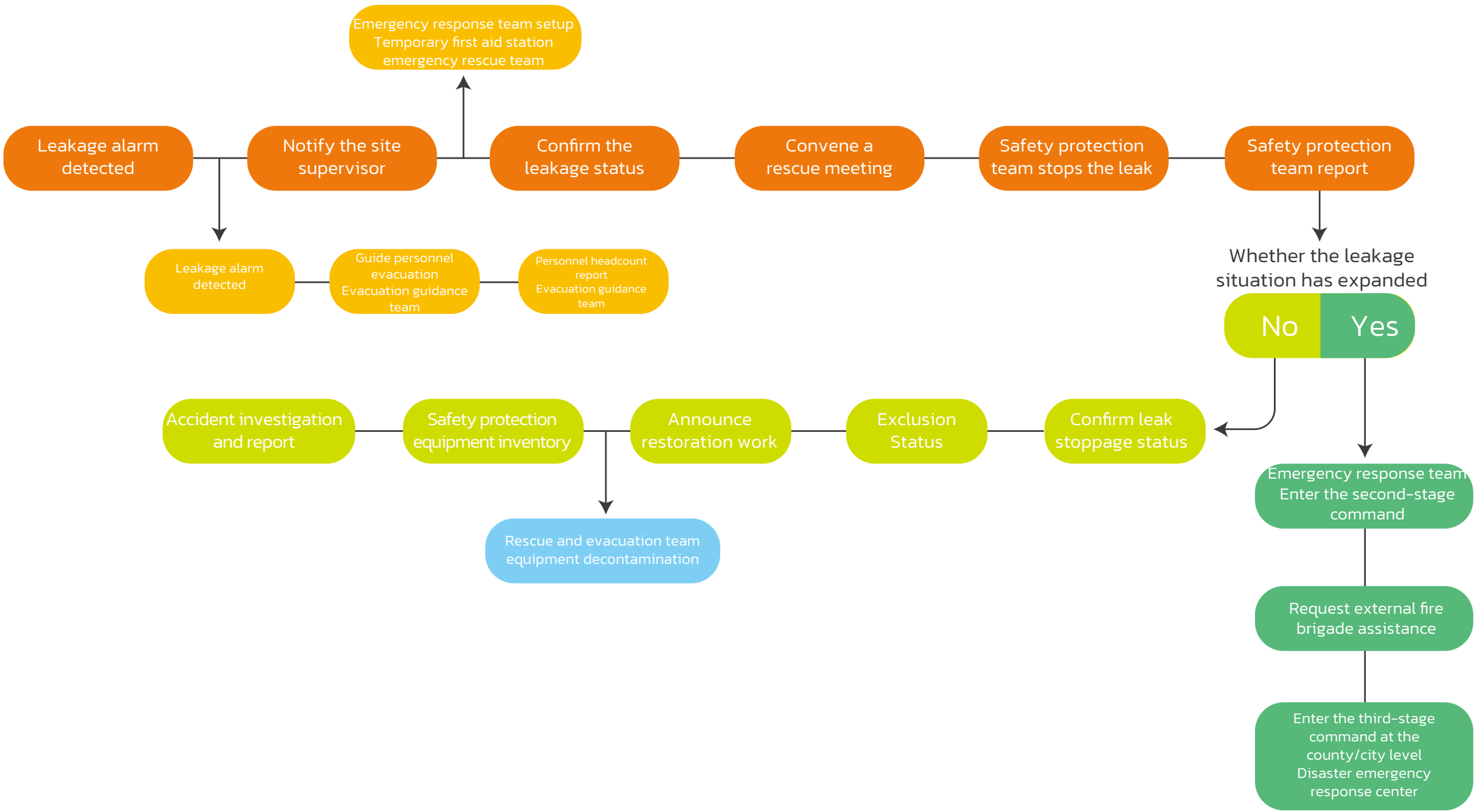
Certificate of appreciation for "Enterprise Disaster Prevention Cooperation" issued by the New Taipei City Government



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Chemical spill emergency response procedure



7.1 Human Rights Protection

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



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7.2 Employee Overview

7.2.1 Employee Statistics

Hu Lane Group adheres to the people-oriented management principle and focuses on employee care and social responsibility, while complying with the Labor Standards Act of each region to provide employees with due respect and freedom to enable them to work under a reasonable and humane management and system. In recruitment activities and interviews, Hu Lane Group conducts the talent acquisition process with a fair, impartial, open, and objective attitude. Job applicants or employed staff are not subject to any discrimination in hiring, training, remuneration, promotion, dismissal, or retirement matters on the basis of race, class, nationality, language, ideology, religion, political affiliation, ancestral origin, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, physical or mental disability, zodiac sign, blood type, status as a labor representative, or former membership in a labor union. We uphold the concepts of "the right person for the right job" and "making the best use of talent" to support and follow the international human rights concepts of meritocracy in selecting the best candidates for employment.

As of the end of 2024, Hu Lane Group had a total of 3,501 employees across its operating sites, including 2,643 regular employees (approximately 75.49%) and 858 non-regular employees (approximately 24.51%). Among non-employees, there were 827 labor workers (approximately 96.39%) assigned by external dispatch companies from outside China to provide services to the Company, while Taipei Hu Lane additionally employed 1 professional contract consultant and 9 temporary workers (approximately 1.17%). There are 86 supervisors at middle-level or above, with female supervisors accounting for approximately 22.09%.

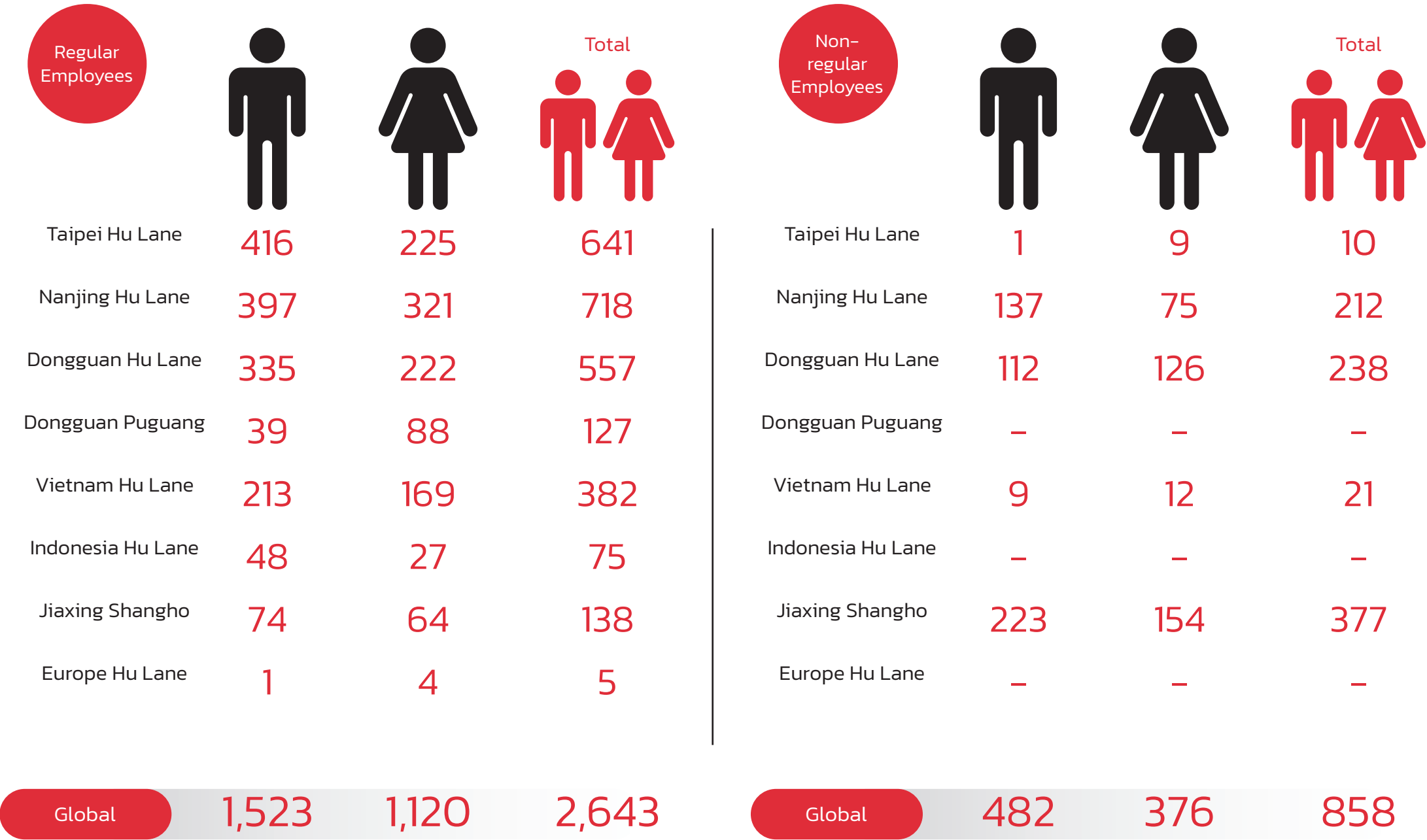


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In addition to 100% compliance with local laws and regulations, Hu Lane provides various Company benefits and retirement contributions, as well as group insurance (medical, disability) to protect the work and safety of employees. At the same time,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

New Employee Hires and Employee Turnover

Number of new employees							Number of resigned employees					
Structure	Male	Female	Aged under 30	Aged 31–50	Aged over 50	Total	Male	Female	Aged under 30	Aged 31–50	Aged over 50	Total
Taipei Hu Lane	100	41	74	56	11	141	63	32	45	41	9	95
Nanjing Hu Lane	92	52	80	64	0	144	57	40	40	55	2	97
Dongguan Hu Lane	169	128	161	135	1	297	150	112	144	117	1	262
Dongguan Puguang	2	14	6	10		16	1	8	4	5		9
Vietnam Hu Lane	135	100	147	88	0	235	113	83	111	84	1	196
Indonesia Hu Lane	14	8	16	6		22	1	3		4		4
Jiaxing Shangho	17	14	19	11	1	31	10	6	8	7	1	16
Europe Hu Lane												
Global	529	357	503	370	13	886	395	284	352	313	14	679

Percentage of new employees							Percentage of resigned employees					
Structure	Male	Female	Aged under 30	Aged 31–50	Aged over 50	Total	Male	Female	Aged under 30	Aged 31–50	Aged over 50	Total
Taipei Hu Lane	70.92%	29.08%	52.48%	39.72%	7.80%	100%	66.32%	33.68%	47.37%	43.16%	9.47%	100%
Nanjing Hu Lane	63.89%	36.11%	55.56%	44.44%	0.00%	100%	58.76%	41.24%	41.24%	56.70%	2.06%	100%
Dongguan Hu Lane	56.90%	43.10%	54.21%	45.45%	0.34%	100%	57.25%	42.75%	54.96%	44.66%	0.38%	100%
Dongguan Puguang	12.50%	87.50%	37.50%	62.50%	0.00%	100%	11.11%	88.89%	44.44%	55.56%	0.00%	100%
Vietnam Hu Lane	57.45%	42.55%	62.55%	37.54%	0.00%	100%	57.65%	42.35%	56.63%	42.86%	0.51%	100%
Indonesia Hu Lane	63.64%	36.36%	72.73%	27.27%	0.00%	100%	25.00%	75.00%	0.00%	100.00%	0.00%	100%
Jiaxing Shangho	54.84%	45.16%	61.29%	35.48%	3.23%	100%	62.50%	37.50%	50.00%	43.75%	6.25%	100%
Europe Hu Lane												
Global	59.71%	40.29%	56.77%	41.76%	1.47%	100%	58.17%	41.83%	51.84%	46.10%	2.06%	100%

Note:
Total number of employees of the year: The total number of employees at the end of current year (December 31) shall prevail.
New recruitment rate = (total number of new employees in the specific category of the year/ total number of employees of the year)*100%.
For example, new recruitment rate of female employees = (total number of new female employees of the year/total number of employees of the year)*100%.

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

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7.2.2 Diversity and Equal Opportunity

7.2.2.1 Employee Diversity and Equal Opportunity Policy:

The organization proactively promotes employee diversity and equal opportunity, which may bring significant benefits to both the organization and workers. Adopt an international perspective, enhance the value of individual differences and cultural diversity, create an honest, respectful, and inclusive workplace in both local and global work environments, and support socially/environmentally beneficial behaviors with actions to achieve sustainable management.

7.2.2.2 Employee Diversity

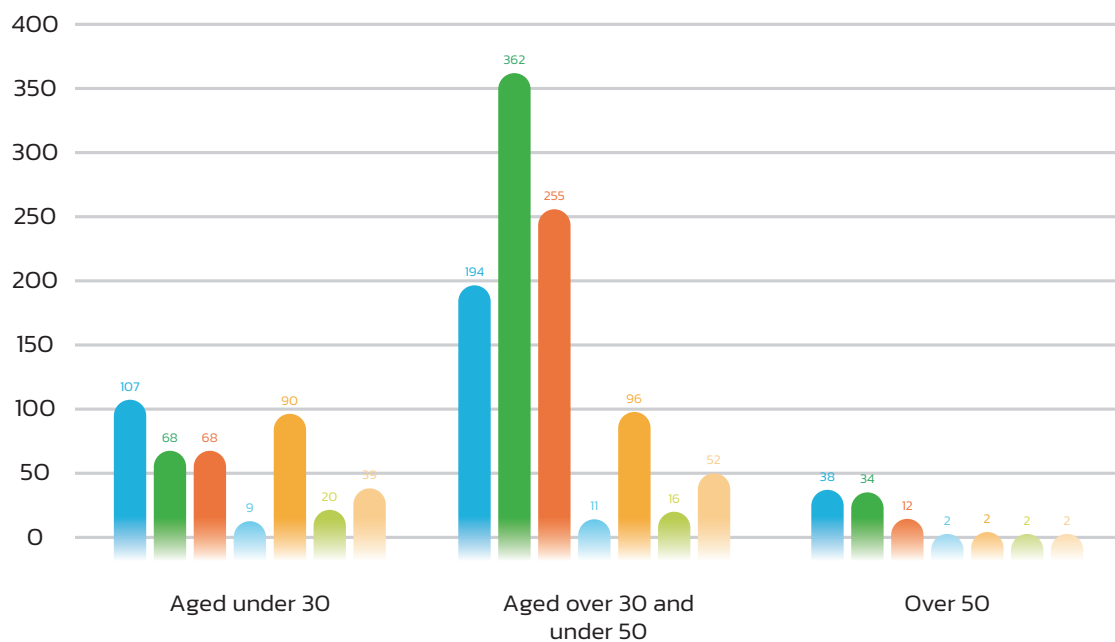


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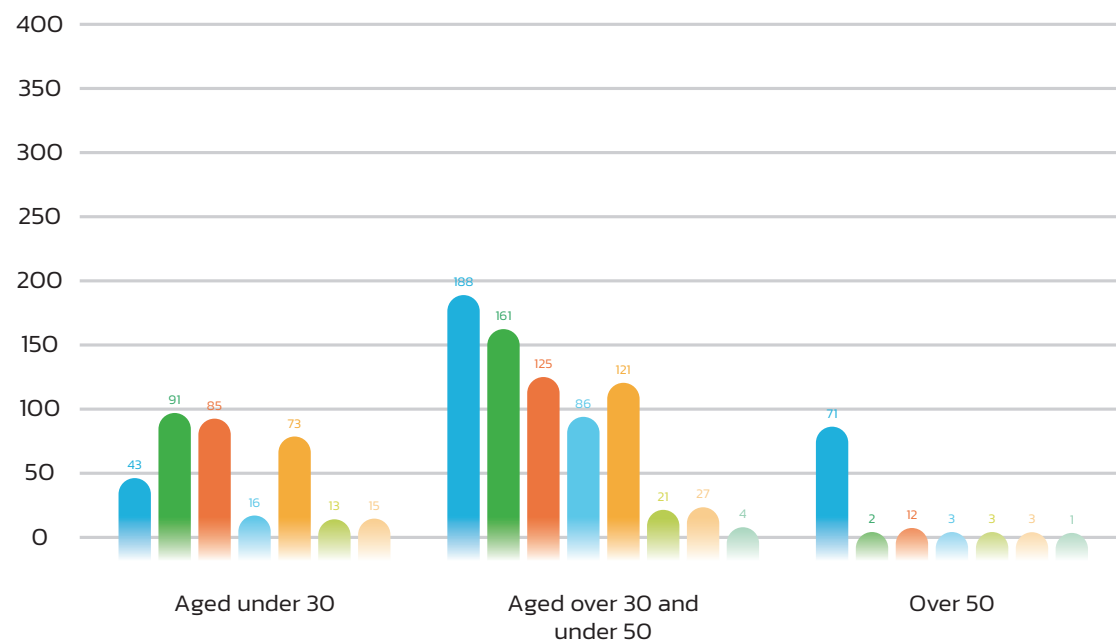
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● Taipei Hu Lane
 ● Nanjing Hu Lane
 ● Dongguan Hu Lane
 ● Dongguan Puguang
 ● Vietnam Hu Lane
 ● Indonesia Hu Lane
 ● Jiaxing Shangho
 ● Europe Hu Lane

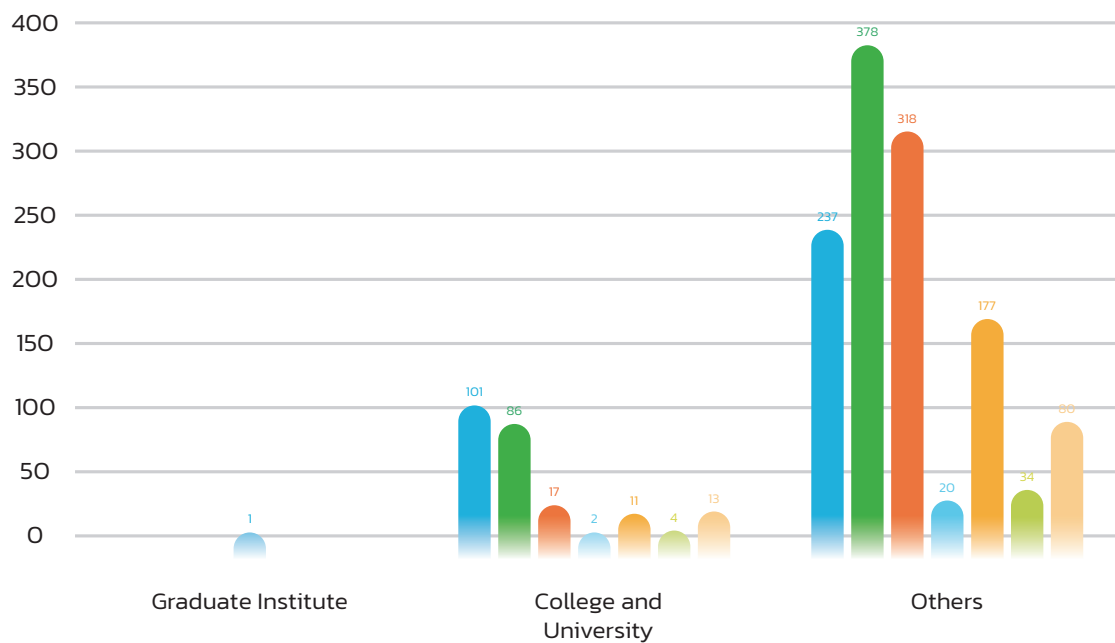
Age Distribution of Direct Employees



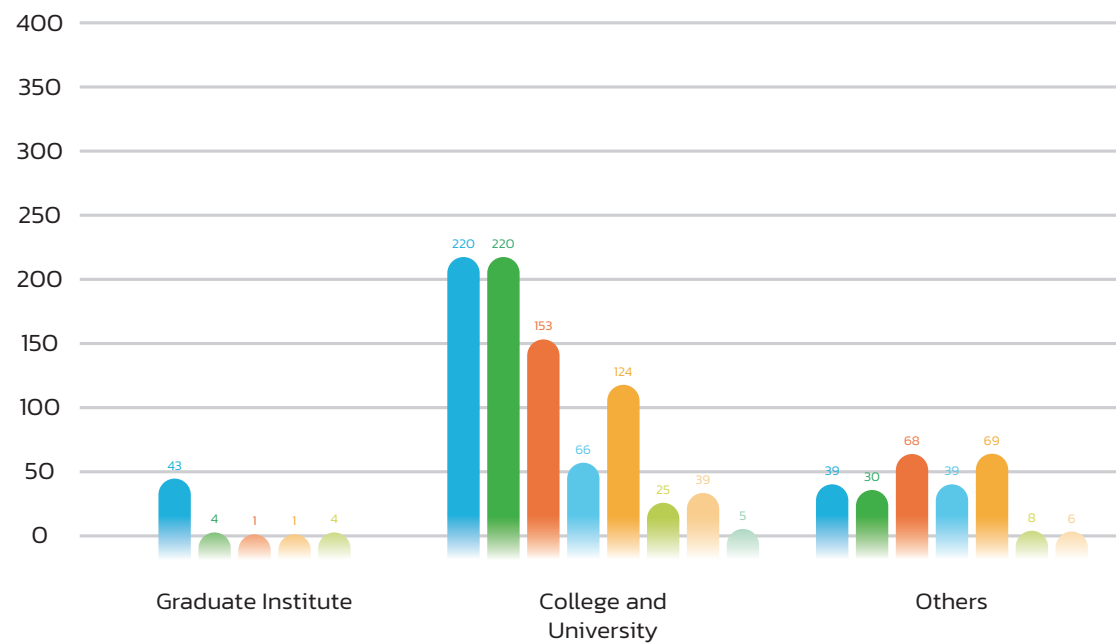
Age Distribution of Indirect Employees



Academic Background Distribution of Direct Employees



Academic Background Distribution of Indirect Employees



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

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

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7.3 Compensation and Benefits

7.3.1 Material Topic: Compensation and Benefits

The concept of the Group's overall remuneration system is to recognize each employee's responsibilities, capability development and performance, and encourage all employees to be more proactive, challenge the current status and take responsibility, in order to continue to grow and demonstrate excellent performance, thereby creating a brighter future for their career development in the Hu Lane Group. The overall remuneration system serves as an important human resources management measure for the Company to attract, motivate, and retain talent, thereby effectively influencing the organization's operational performance.



1. Remuneration benchmarking is based on high-performance enterprises in the external market to design a fair and motivating remuneration system. By providing market-competitive remuneration and comprehensive benefits, the goal of attracting and retaining talent is achieved.

2. Salary determination for all positions complies with the minimum wage requirements stipulated by labor laws in each region, and ensures that employees' salaries do not differ based on gender, age, or race.

3. If the Company has profits in a given year (profits refer to earnings before tax, excluding employee and director remuneration), 1% to 10% shall be allocated as employee remuneration (no less than 15% of this employee remuneration amount shall be allocated to entry-level employees) and no more than 1% shall be allocated as director remuneration. However, when the Company still has accumulated deficits (including the adjustment of undistributed earnings), the Company shall reserve the amount to compensate in advance, and then appropriate the aforementioned proportion as remuneration to employees and remuneration to directors.

The remuneration to employees referred to in the preceding paragraph may be paid in shares or cash, and the recipients of the remuneration may include employees of the affiliated company who meet certain criteria. The eligibility criteria are determined by the board of directors.

The preceding two paragraphs shall be implemented by a resolution of the board of directors and reported to the shareholders' meeting.

Short-term goals

1. Overall remuneration reflects job responsibilities, performance, and capabilities, and is linked to the external salary benchmark market, targeting the P50–80% range of the benchmark market, with regular annual salary reviews.
2. Supervisors shall ensure effective remuneration communication to help colleagues understand the correlation between remuneration, responsibilities, and performance, thereby encouraging them to take on more responsibilities and continue to grow. The achievement rate for annual Performance Management and Development (PMD) interviews is 100%.
3. Broaden the differentiation in remuneration and development between employees with excellent performance and those with average performance to motivate and retain outstanding talent, and grant variable pay annually based on the Company's operational performance results.
4. Considering operational needs, talent asset strategies, and talent competition and exchange, leading enterprises in similar industries in each region are used as benchmarks for overall remuneration. Willis Towers Watson market salary surveys are regularly participated in, and diversified salary tables are updated annually.

Medium- and long-term goals

The remuneration management system is based on the concept of total remuneration, better reflecting responsibilities and market conditions, motivating capability enhancement, and recognizing performance contributions, thereby promoting the realization of mid- to long-term organizational development strategies and annual work objectives, and achieving a win-win outcome of talent motivation, attraction, and retention.

Resources invested during the year	Concrete results
An amount of NTD 2,400 thousand was invested in the employee sustainability engagement survey project.	1. According to MOPS, in 2023, among TPEx listed companies in the electronic components industry in Taiwan, the median annual salary of the Company's full-time employees not holding management positions was NTD 671 thousand per person (+9.6%), higher than the market median of NTD 612.5 thousand per person. 2. In 2024, the Group's annual fixed remuneration reached 80.5% of the benchmark market salary competitiveness, and annual total remuneration reached 81.9% of the benchmark market salary competitiveness. Annual salary reviews are conducted regularly based on employee performance results and salary competitiveness to ensure reasonable remuneration levels. 3. In 2024, a total of 2,304 participants took part in the annual employee sustainability engagement survey, with the Group's overall sustainability engagement recognition reaching as high as 88%, surpassing many high-performing companies in the market. Overall, we outperformed the market in all aspects, with the greatest lead in "realizing potential" and "fair remuneration." In 2025, we will continue to conduct in-depth exploration of the items with lower recognition in the survey results, formulate improvement action plans, and create a better future for Hu Lane Group.

Responsible department/ grievance mechanism	Independent reporting channel established by the Group Human Resources Division/Audit Office	Evaluation mechanism	1. MOPS/2. Salary review BPM approval records/ 3. Employee sustainability engagement survey
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Note: Definition of entry-level employees at Taipei Hu Lane: Those who are not managers and whose salary level is below NTD 63,000.

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7.3.2 Process to Determine Remuneration

The Remuneration Committee meets regularly at least twice a year to professionally and objectively review the annual and long-term performance goals, remuneration policies and system structure of directors and managers, make recommendations to the Board of Directors, and determine the content and amount of their individual remuneration as a reference for decision-making.

Decisions on remuneration for each region of Hu Lane Group are made on the basis of the remuneration levels offered in the external market. Internal remuneration scales are adjusted regularly on an annual basis to ensure that remuneration is in line with the market. The Company has also implemented an overall remuneration package that reflects the responsibilities, performance and capabilities of the positions in accordance with the remuneration policy in order to attract, motivate and retain outstanding talent.

7.3.3 Annual Total Compensation Ratio

Highest Individual Total Remuneration in the Company (A) (Note 1) 6,148,532

Countries Where Major Operating Sites Are Located	Taipei Hu Lane	Nanjing Hu Lane	Jiaxing Shangho	Dongguan Hu Lane	Dongguan Puguang	Vietnam Hu Lane	Indonesia Hu Lane	Europe Hu Lane
Median of Total Remuneration for Other Employees at Each Major Site (B) (Note 2)	641,245	461,482	345,937	399,759	369,958	98,373	189,083	1,087,078
Ratio (A/B)	9.59	13.32	17.77	15.38	16.62	62.5	32.52	5.66
Percentage of Increase in Total Remuneration of the Highest Paid Individual over the Total Remuneration of the Previous Year (C)	6.94%							
Median of Percentage Increase in Total Remuneration of Other Employees at Each Major Site (D)	5.36%	5.54%	7.19%	1.78%	6.14%	3.11%	-2.72%	
Ratio (C/D)	1.29	1.25	0.96	3.89	1.13	2.23	-2.56	

Note:

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

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

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

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7.3.4 Remuneration Ratio for Employees of Different Genders

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

Entry-level Employee Categories	Ratio of standard wages to local basic wages							
Gender	Taipei Hu Lane	Nanjing Hu Lane	Dongguan Hu Lane	Dongguan Puguang	Vietnam Hu Lane	Indonesia Hu Lane	Jiaxing Shangho	Europe Hu Lane
Male	1.33	1.19	1.63	1.51	1.06	1.17	1.64	N/A
Female	1.28	1.21	1.56	2.19	1.00	1.04	1.48	N/A

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

Note 2: The standard wages refer to the monthly wages offered to entry-level employees (definition in accordance with the labor laws of each region).

Ratio of Basic Salary and Remuneration of Women to Men				
Major Operating Sites	Employee Categories	Item	Male	Female
Taipei Hu Lane	Direct (Note 2)	Basic Wage	2.32	1
		Compensation	2.06	1
	Indirect (Note 2)	Basic Wage	0.98	1
		Compensation	0.99	1
Nanjing Hu Lane	Direct	Basic Wage	1.10	1
		Compensation	1.04	1
	Indirect	Basic Wage	1.16	1
		Compensation	1.13	1
Dongguan Hu Lane	Direct	Basic Wage	1.38	1
		Compensation	1.39	1
	Indirect	Basic Wage	1.36	1
		Compensation	1.31	1

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Ratio of Basic Salary and Remuneration of Women to Men				
Major Operating Sites	Employee Categories	Item	Male	Female
Dongguan Puguang	Direct	Basic Wage	1.04	1
		Compensation	0.99	1
	Indirect	Basic Wage	1.32	1
		Compensation	1.40	1
Vietnam Hu Lane	Direct	Basic Wage	1.17	1
		Compensation	1.26	1
	Indirect	Basic Wage	0.95	1
		Compensation	1.18	1
Indonesia Hu Lane	Direct	Basic Wage	2.88	1
		Compensation	2.56	1
	Indirect	Basic Wage	1.53	1
		Compensation	1.53	1
Jiaxing Shangho	Direct	Basic Wage	1.76	1
		Compensation	1.81	1
	Indirect	Basic Wage	1.31	1
		Compensation	1.30	1
Europe Hu Lane	Direct (Note 3)	Basic Wage	No Direct Employees	
		Compensation		
	Indirect (Note 4)	Basic Wage	N/A	N/A
		Compensation	N/A	N/A

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

Note 2: Direct employees refer to those at job ranks O63 to O65 and P51 to P53 within Hu Lane Group, while indirect employees refer to those at job ranks P51 to P53 within the Group.

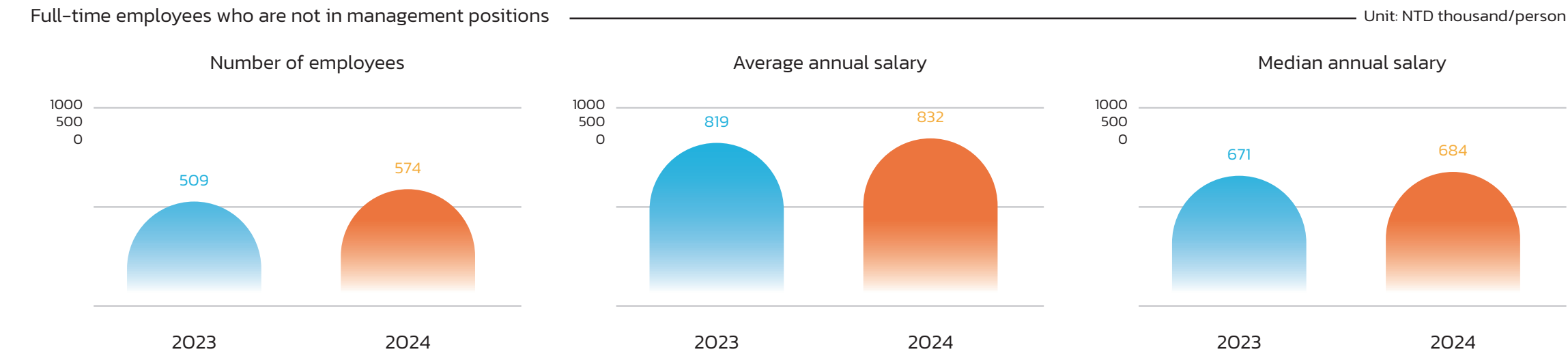
Note 3: Europe Hu Lane has no direct employees.

Note 4: The job grades of indirect employees at Europe Hu Lane do not fall within P51 to P53 (Note 2).

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

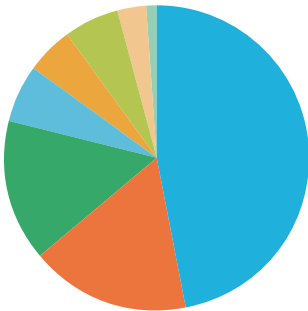


Full-time employees who are not in a managerial position	Number of employees	Average annual salary	Median annual salary
2023	509	819	671
2024	574	832	684
Difference	65	13	13

7.3.6 Proportion of Senior Management Hired From the Local Community

Total number of senior executives

- Taipei Hu Lane 47%
- Nanjing Hu Lane 17%
- Dongguan Hu Lane 15%
- Dongguan Puguang 6%
- Vietnam Hu Lane 5%
- Indonesia Hu Lane 6%
- Jiaxing Shangho 3%
- Europe Hu Lane 1%



7.3.6 Proportion of Senior Management Hired From the Local Community								
Major Operating Sites	Taipei Hu Lane	Nanjing Hu Lane	Dongguan Hu Lane	Dongguan Puguang	Vietnam Hu Lane	Indonesia Hu Lane	Jiaxing Shangho	Europe Hu Lane
Total number of mid-level/senior executives	40	15	13	5	4	5	3	1
Number of local residents employed as mid-level/senior management	40	12	9	4	1	5	2	1
Percentage	100%	80%	69%	80%	25%	100%	67%	100%

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

Note 2: Definition of mid-level/senior executives: Department heads who have obtained local status.

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

7.3.7.1 Employee Rights and Interests

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

7.3.7.2 Welfare Measures

Hu Lane Group values the balance between the lives and work of all employees and actively promotes various activities that emphasize health and fitness and connect with family life, enabling employees to receive proper care and enjoy leisure activities outside of work. Based on Hu Lane Group's core purpose and brand vision, in 2024, Hu Lane Group redefined Hu Lane's core values as Honesty, Unity, Longevity, Agility, Novelty, and Excellence. In 2024, with innovation as the focus, each plant incorporated the theme of innovation into activities for employee care and support, deepening colleagues' understanding and recognition of Hu Lane's core values.

Hu Lane Group regards the physical and mental health of its employees as an important corporate issue, hoping that colleagues can take good care of their bodies outside of work. In 2024, activities such as hiking events, health seminars, and monthly sports days were arranged to strengthen employees' emphasis on health and fitness and encourage exercise. Professional fitness coaches were invited to provide on-site instruction, and health seminars were held to popularize health knowledge, prevent diseases, enhance health literacy, and improve employees' self-health management capabilities, enabling them to better understand their physical conditions and pay attention to their health.



In addition to caring for employees, Hu Lane Group also hopes that through participation in activities, family members can better understand what kind of enterprise Hu Lane Group is. In 2024, family day events were held by the Group in various locations, incorporating the core values into the event design concept. Employees and their families were invited to participate together, experiencing the care and attention that bring happiness and a sense of accomplishment. The Group firmly believes that a happy enterprise can inspire employees' potential and thereby drive the continuous development of the enterprise. Hu Lane Group is committed to creating a happy workplace that both internal and external partners can be proud of, which not only strengthens the cohesion of internal employees but also enhances cooperation and mutual trust with external partners.

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Organize annual employee travel activities, offering a variety of domestic and international routes for colleagues to choose from. During the trips, we hope employees can enjoy relaxing and leisure time with their families and colleagues, creating wonderful travel memories together. After a short break, returning to the workplace is expected to enhance team cohesion and boost employees’ morale and work efficiency.



During workdays, Hu Lane Group occasionally holds various internal recreational activities, including dynamic and static events, food, and laughter. Through these activities, it is hoped that employees can slow down their pace outside of work, immerse themselves in a relaxed and pleasant atmosphere, and, during these short breaks, strengthen their connections with one another and enhance team cohesion.

In the future, Hu Lane Group’s core values will serve as the driving force for our development. We will continue to use various activities as a bridge to convey these core values, aiming to strengthen employees’ understanding and recognition of the organization’s core values, and to enhance their sense of belonging and loyalty.



7.3.7.3 Parental Leave

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

2024		
Parental Leave Without Pay/Year	Male	Female
Number of employees eligible for parental leave without pay <Eligible in 2024>	11	3
Number of employees applying for parental leave without pay	5	1
Number of employees who should be reinstated upon expiry of the parental leave without pay (A)	2	1
Number of employees actually reinstated upon expiry of the parental leave without pay (B) (including early reinstatement)	2	1
Reinstatement rate (B/A)	100%	100%
Number of employees who remained in service 12 months after reinstatement upon expiry of the parental leave without pay in the preceding year (C)	1	1
Retention rate (C/previous year B)	100%	100%

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

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

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

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7.4 Talent Training

7.4.1 Material Topic: Talent Training

Talent is regarded as a valuable asset, and through the Group’s Strategy Map L2-1 Talent Development Strategy, we aim to effectively improve employees’ job performance, promote internal growth, and enhance the competitiveness of a high-performance organization, enabling the Company to gain an advantage in the market and respond to market changes. In addition, cultivating talent can increase employees’ engagement, reduce talent turnover, and achieve internal stability and development. At the same time, it can also motivate employees, foster a proactive learning culture and core values, and build a strong corporate culture.

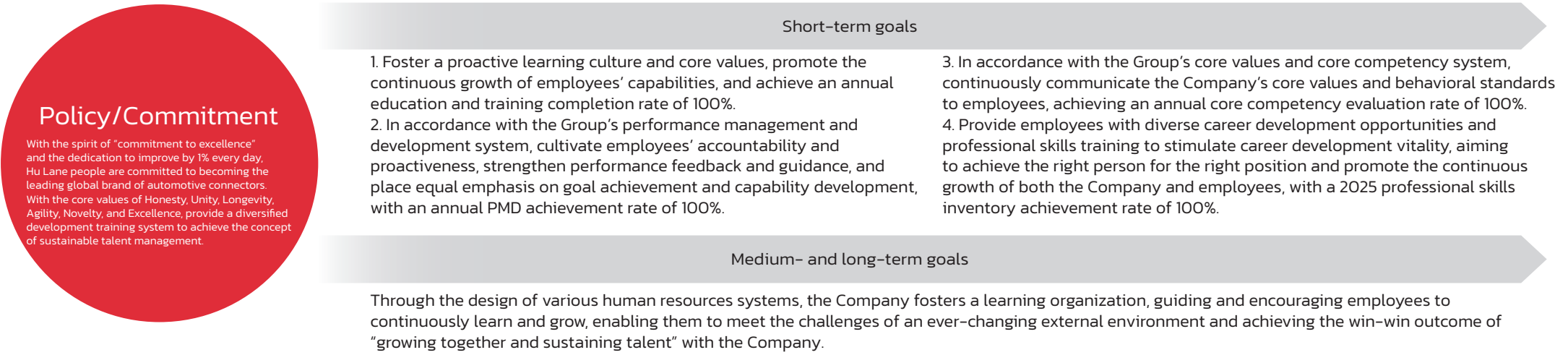


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7.4.2 Programs for Upgrading Employee Skills and Transition Assistance Programs

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

Hu Lane Group's professional skills system clearly plans the career development blueprint and professional skills for each position, hoping that employees are equipped with the capabilities needed by the organization. By doing so, employees can take initiatives to grow and learn, as well as keep abreast of the Company's organizational development in the future to achieve meritocracy, thus stimulating employees in active pursuit of career development and promoting the sustainable growth of both employees and the enterprise to create a win-win situation. Employees are provided with annual training in management or professional capability for the career planning of retired employees. If employees intend to continue to work, the Company assists in contacting employment counseling institutions or provides information on vocational training and skill classes offered by the government agencies to facilitate a smoother transition to their retirement careers.

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

7.4.3 Percentage of Employees Receiving Regular Performance and Career Development Reviews

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

Number of Employees Who Have Completed Performance Appraisals							Number of Employees Appraised/Number of Employees					
By Region	Number of Male Employees Appraised	Number of Male Employees	Percentage %	Number of Female Employees Appraised	Number of Female Employees	Percentage %	Direct Appraisal	Number of Direct Employees	Percentage %	Indirect Appraisal	Number of Indirect Employees	Percentage %
Taipei Hu Lane	396	417	95%	217	229	95%	312	339	92%	301	307	98%
Nanjing Hu Lane	375	397	94%	314	321	98%	446	464	96%	241	254	95%
Dongguan Hu Lane	315	335	94%	211	222	95%	319	335	95%	207	222	93%
Dongguan Puguang	38	39	97%	85	88	97%	22	22	100%	101	105	96%
Vietnam Hu Lane	188	213	88%	145	169	86%	186	188	99%	147	194	76%
Indonesia Hu Lane	43	48	90%	23	27	85%	33	38	87%	33	37	89%
Jiaxing Shangho	57	74	77%	53	64	83%	71	93	76%	39	45	87%
Europe Hu Lane	1	1	100%	4	4	100%				5	5	100%
Global	1,412	1,523	93%	1,048	1,120	94%	1,389	1,479	94%	1,074	1,169	92%

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7.5 Labor-Management Communication

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

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

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

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

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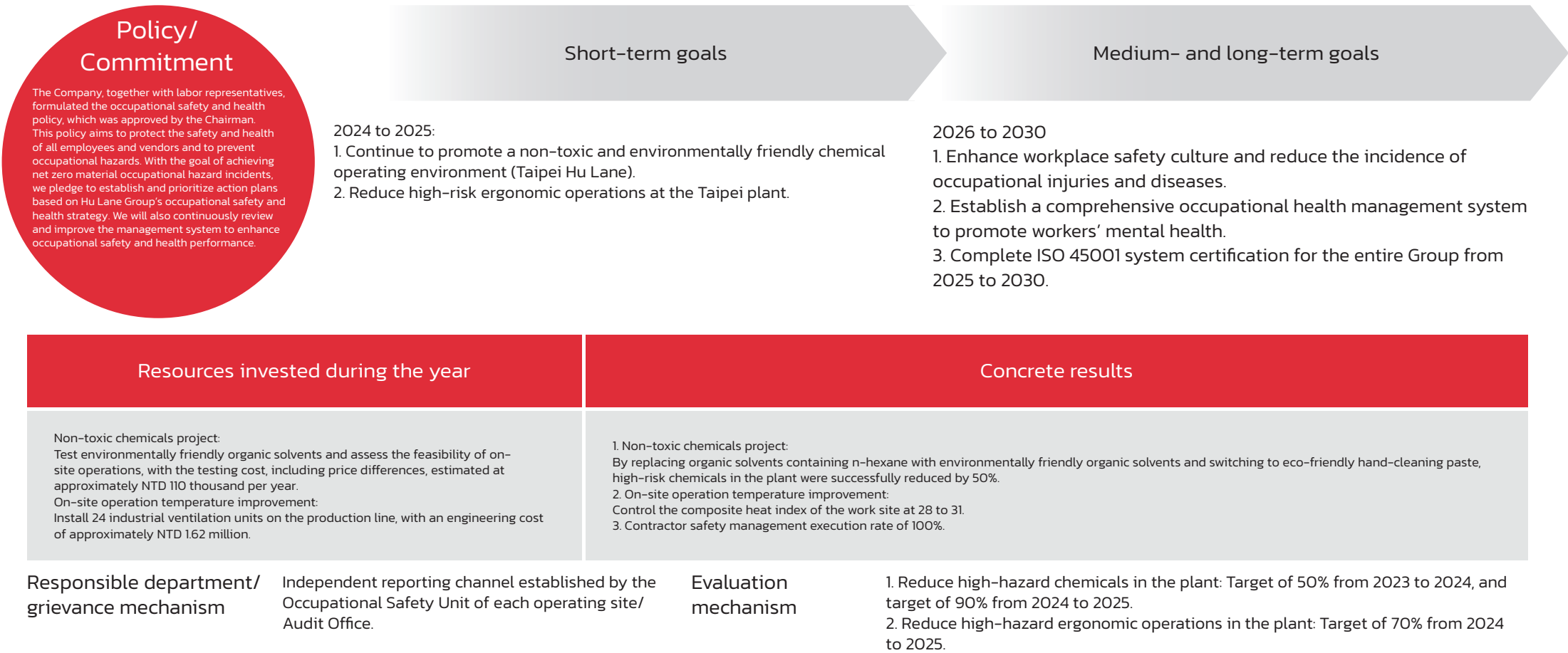
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7.6 Occupational Safety and Health

7.6.1 Material Topic: Occupational Health and Safety

Occupational safety is of indispensable importance to enterprises, being closely related to employees’ health, work efficiency, and the company’s reputation. Creating a safe working environment can effectively reduce the occurrence of accidents, thereby protecting employees from harm, significantly improving morale and work efficiency, and helping the company enhance productivity. It is also easier to gain the trust of employees and society, while enhancing the corporate image and attracting and retaining outstanding talent. Occupational safety is not only about protecting employees’ fundamental rights but also a core factor in promoting the Company’s sustainable development.



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

- ✓ Corporate occupational safety and health vision: Build a workplace environment where people can “live and work in happiness.”

✓ Corporate occupational safety and health mission: “Zero hazards and zero accidents”
- ✓ Corporate occupational safety and health goal: “Zero occupational disasters”

✓ Strategic directions to achieve the goal of zero occupational hazards: A. Compliance with regulatory requirements B. Continuous environmental improvement C. Implementation of education training D. Promotion of health and safety.

7.6.3 Occupational Health and Safety Management System

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

Hu Lane Group (Taipei Hu Lane) began to implement the ISO 45001:2018 Occupational Health and Safety Management System in 2022. In April 2023, it passed external third-party verification to implement the ISO 45001:2018 Occupational Health and Safety Management System. We will use the consistent standard to manage our employees, contractors, security guards, logistics, group meal providers, cleaning staff, and other workers within our factory premises. The internal audit coverage rate of the occupational safety and health management system was 100%, covering more than 604 workers. The coverage rate of external third-party verification was 100%, covering more than 590 workers. Other factory premises adopt relevant management programs and execution records, including internal audit, to develop occupational safety and health management in accordance with the laws and regulations of their respective countries.



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7.6.4 Occupational Safety and Health Education Training

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

2024 Education and Training Statistics

Category	Number of sessions	Number of participants	Total hours
License – As required by the laws and regulations of the competent authorities (external training)	9	17	151
Non-license – General safety and health education and training (internal training)	31	479	828
Contractor hazard notification	21	109	109
Total	61	605	1,088

Scope of data: Hu Lane Group. License: Obtained as required by the laws and regulations of the competent authority, such as for supervisors in charge of harmful operations, first aid personnel, etc.* Non-license: Tailored to individual needs of each factory premises, such as general safety and health, emergency response, etc.



20240429
General Occupational Safety and Health Education and Training for New Employees (Taiwanese)



20240507
General Occupational Safety and Health Education and Training for New Employees (Vietnamese)



2024 Fire Drill (Fire extinguisher use and evacuation)



2024 Fire Drill (First aid)

7.6.5 Occupational Health and Safety Committee Composed of Labor and Management

To facilitate good communication regarding occupational safety and health, we encourage all workers to provide suggestions on the occupational safety and health policies formulated by the employer. Employees elect labor representatives, who, together with occupational safety and health personnel and plant supervisors, form the Occupational Safety and Health Committee. In Taiwan, labor representatives account for more than one-third of the total; in China, at least 8%; and in Vietnam, at least 10%. Each location in each region holds meetings at least once every three months, authorizing the committee to jointly deliberate, review, coordinate, and make recommendations on safety and health matters, as well as to make decisions.



2024 Occupational Safety and Health Committee Meeting



2024 Occupational Safety and Health Committee

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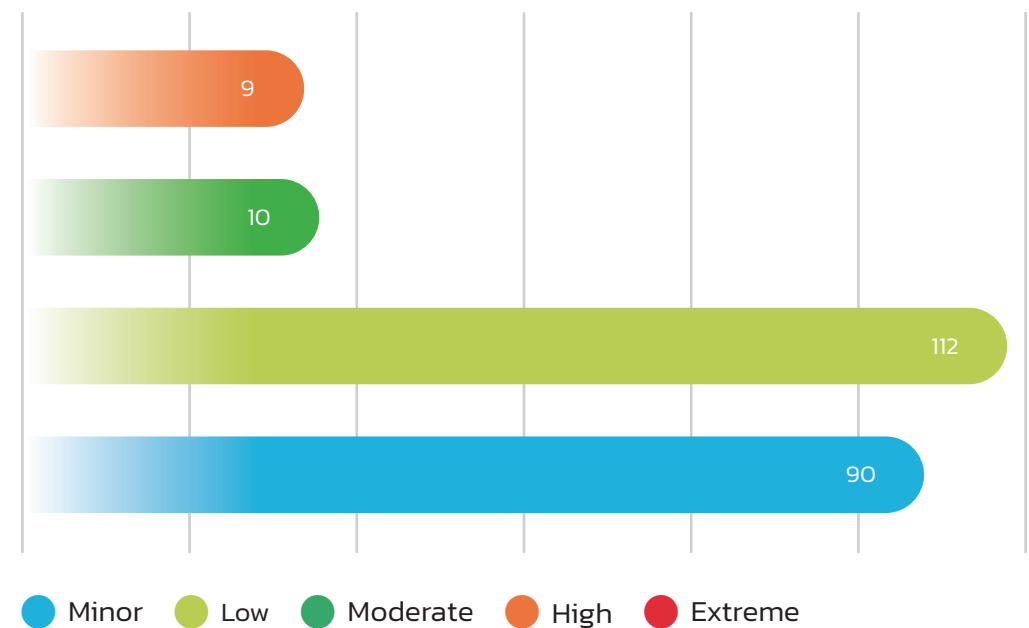
7.6.6 Hazard Identification

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

7.6.7 Risk Classification and Control

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

Graphical Chart of the Quantity of Risk at Each Level



Overview Table of Hazard Identification and Risk Level

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

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7.6.8 Audit and Correction

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

7.6.9 Worker Hazard Reporting Process

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

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

7.6.10 Incident Response and Management

In the event of an occupational accident at the workplace, the Company's occupational safety and health personnel and the person in charge of the workplace, together with the worker's representative, will classify the occupational accident as either a material accident, an ordinary accident, or a false alarm based on internal definitions. They will then report the incident accordingly, investigate its cause, conduct analysis, and maintain records. Additionally, they will formulate appropriate countermeasures to improve work methods. These measures will be report at each level according to administrative procedures and implemented after approval by the supervisor. In the case of an incident classified as material incident, the factory's emergency response team will assemble a task force based on their mission to undertake relevant responsive actions. The Labor Inspection Agency of the region where the factory is located shall be informed within 8 hours of awareness. Additionally, they will initiate a root cause investigation, utilize hazard identification to conduct analysis, categorize the type of hazard, verify the operating environment condition and existing protective measures, and assess the risk level accordingly to determine control measures. Within one week, an improvement plan shall be proposed and the incident shall be announced to prevent the reoccurrence of similar incidents.

7.6.11 Statistics on Work-related Injuries:

Statistics on Work-related Injuries of Employees

Category	2022	2023	2024
Number of work-related fatalities	0	0	0
Work-related fatality rate (Note 1)	0.00	0.00	0.00
Number of serious work-related injuries	0	0	0
Serious work-related injury rate (Note 2)	0	0	0
Number of recordable injuries/number of work-related injuries	1	7	2
Total recordable injury frequency rate/work-related injury rate (TRIFR/IR) (Note 3)	0.14	0.89	0.21
Number of lost-time injuries/number of disabling injuries	1	7	2
Lost-time injury frequency rate/disabling injury frequency rate (LTIFR/FR) (Note 4)	0.14	0.89	0.21
Main types of work-related injuries	Pinch injury	Cutting injuries, abrasions, bruises, mechanical injuries, falling injuries, injuries caused by falling from heights	Pinching and mechanical injuries
Total hours worked	7,312,553	7,875,414	9,399,085.95

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

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

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

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

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7.7 Occupational Health Services and Health Promotion

7.7.1 Adequate Medical Staff Arrangement

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

7.7.2 Employee Health Checkups

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

7.7.3 Employee Physical and Mental Health Consultation and Assistance

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

2024 Health Management and Care Statistics	Number of participants
Health management and care	80
Maternity protection and care	2
Overload protection and care	40
Ergonomic hazard protection and care	14
Total	136

2024 Health Checkup Statistics

Category	Number of Eligible Attendants	Number of Actual Attendants	Attendance Rate	Level 1 and 2 Management (non-occupational contraindications)	Level 3 and 4 Management (occupational contraindications)
General health checkups	1,951	1,896	97.18%		
Health examination for special operations involving noise	257	256	99.61%	235	21
Health examination for special operations involving dust	140	140	100%	140	0
Special health examination for noisy and dusty work	17	17	100%	17	0
Special health examination for noisy and high-temperature work	107	107	100%	107	0
Special health examination for glacial acetic acid-related and high-temperature work	2	2	100%	2	0
Special health examination for dusty and high-temperature work	29	29	100%	29	0
Total	2,503	2,447	97.76%	530	21

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

7.7.4 Diversified Health Promotion Activities

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

2024 Health Promotion Activities Statistics	Number of sessions	Number of participants	Person/ Days
Sports Day	14	201	117 days
Health Lectures	10	295	122 days
Fat Loss Competition	1	158	56,248 days
Online Sports Competition	1	77	1,540 days
Badminton Club Activities	45	452	1,695 days
Total	71	1,183	59,722 days

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7.7.5 Occupational Disease Prevention

We regularly assess workers' health, in collaboration with contracted occupational medicine specialists and environmental monitoring data, to prevent occupational diseases. The medical staff engaged in labor health services conducts individual and workload-induced illness risk factor assessments for employees working in shifts, at night, for long hours, and with other abnormal workloads. These initiatives enable them to identify individuals at high risk of occupational diseases such as irregular lifestyle, frequent travel, abnormal temperatures, noise, jet lag, and mental stress. Based on the annual health checkup results and calculation table of "Framingham Risk Score," they are able to estimate the risk level of cardiovascular diseases within 10 years and implement hierarchical management measures for preventing occupational diseases. In 2024, the number of deaths due to occupational diseases and incidents attributed to occupational diseases are both 0.



2024 Health Checkup



2024 Health Checkup



Health management and care offered by a contracted occupational medicine physician in 2024



2024 Online Sports Competition



2024 Health Promotion Activities
Health Seminar – Ophthalmology Seminar



2024 Health Promotion Activities
Health Seminar – Mental Health Seminar



Sports Enterprise Certification Mark



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

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7.8 Social Engagement

Since its establishment, Hu Lane Group has adhered to the spirit of continuous improvement, growing step by step to achieve excellent operational performance. It has also continued to pay attention to diverse social issues, investing resources through “ecological sustainability” and “social contribution” activities, and calling on employees and upstream and downstream partners to participate together, exert social influence, and work hand in hand to create a future of shared prosperity for society.

1

Ecological Sustainability

Joining hands with partners to demonstrate the spirit of local shared prosperity: Inviting neighbors and cooperating suppliers to participate in activities, achieving sustainable local operations and the goal of local shared prosperity. The 2024 activity focus was the “Lane-Xi” Sustainability_Community Street Cleaning Volunteer Activity.



In 2024, the theme of the activity was “From Street Cleaning to a Sustainable Future.” Hu Lane Group has been deeply rooted in Xizhi for over 35 years. Through the activity, the Company led employees into the familiar community to achieve the “local sustainability goal” and bring about change through small actions, starting from themselves, promoting environmental awareness outward, protecting the Earth, and planting seeds of hope for future sustainable development.



In this street cleaning activity, employees, together with their families, the village chief, and volunteers, participated side by side. When they put on vests and stepped onto the streets, everyone truly realized that these small pieces of litter, whether invisible or overlooked, were impacting the community environment. “Usually don’t notice this when walking past, but today, bending down to pick up trash, the problem then actually hit all of a sudden.” This shows that the activity made employees more aware that sustainable actions need to start from small details.



In just 45 minutes of the street cleaning activity, 56 participants (including family members) collected 138 kilograms of trash and filled 10 plastic bottles with cigarette butts. These figures not only demonstrate the efficiency of the action but also highlight the severity of environmental issues. This was not just a cleaning activity, but a shared commitment to the environment, the community, and sustainable development. During the activity, many employees participated with their children, providing an opportunity for environmental education for the next generation. This diverse and inclusive approach embodies Hu Lane Group’s understanding and practice of sustainable development.

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2

Social contribution

To fulfill the public welfare aspect of corporate social responsibility, employees from all plants of the Group were called upon to contribute to society. The 2024 activity highlights were: blood donation for public welfare and charity activities.

Hu Lane Group has always actively participated in social welfare activities, upholding the spirit of "taking from society and giving back to society." Leveraging its resources and influence, the Company, through calling on and organizing colleagues to donate, holding charity sales, and allocating corporate budget for donations, raised a total of NTD 402,616 in 2024. All proceeds were donated to the World Peace Association, Huashan Social Welfare Foundation, Eden Social Welfare Foundation, and Nanjing Pengfu Community, and practical activities were carried out to fulfill the responsibility of giving back to society.



In 2024, each plant of the Group organized the public welfare blood donation activity "Passing on Love through Blood Donation, Accompanied by Hu Lane," calling on employees from all plants to roll up their sleeves and also inviting suppliers to participate together, supporting the cause through action and contributing to society. The event successfully gathered a total of 285 blood donors, donating 90,200 ml in total. Compared with 2023, the number of participants increased by 1.88 times, demonstrating Hu Lane employees' active participation in public welfare activities and their dedication to social responsibility.



Taipei Hu Lane collaborated with the Eden Social Welfare Foundation on the "With Our Support, We Protect Together" Hope Campaign, inviting the New Taipei City Government to subsidize the Eden Social Welfare Foundation in organizing corporate visits for the Xizhi Datong Workshop and Nanxing Workshop. 25 employees participated with trainees with physical and mental disabilities in making yarn ring keychains and floral balls. Through these interactions, participants got to know each other better, reducing prejudice and discrimination, actively supporting friends with disabilities, and fostering a friendly and inclusive community.



On the occasion of the Double Ninth Festival, Nanjing Hu Lane, together with Pengfu Community, launched the "Charity for the Double Ninth Festival, Lighting Up Small Wishes" activity. Nanjing Hu Lane arranged for 6 employees to bring carefully prepared gifts to the community, including smart water bottles, smart electric frying pans, electric rice cookers, and other items, with a total value of RMB 6,983. The successful organization of this activity not only allowed the elderly in the community to feel the care and warmth from society, but also demonstrated Hu Lane's sense of social responsibility and mission in respecting and caring for the elderly, jointly conveying corporate love and positive energy to build a harmonious society and care for elderly people in difficult circumstances.



In the future, we will continue to convey the concepts of ecological sustainability and social contribution through various activities, and, through the implementation of these actions, enhance employees' awareness of ESG. We aim to exert a positive social influence and ultimately achieve the goal of social shared prosperity.

Statement of Use | Hu Lane Associate Inc. has prepared the report in accordance with the GRI Standards.
Reporting Period: January 1, 2024 ~ December 31, 2024.

GRI 1 used
GRI industry standards used

GRI 1: Foundation 2021
Not applicable

Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
GRI 2: General Disclosures 2021					
The Organization and Its Reporting Practices	2-1	Organizational details	02 About This Report	3	
	2-2	Entities included in the organization’s sustainability reporting			
	2-3	Reporting period, frequency and contact point			
	2-4	Restatements of information	6.2.4 Greenhouse Gas and Carbon Emissions	61	The 2023 greenhouse gas inventory data was updated and disclosed based on the information audited by an external third party.
	2-5	External assurance	02 About This Report	3	
Activities and Workers	2-6	Activities, value chain and other business relationships	4.1 Group Profile ~ 4.2 Business Philosophy 5.5 Value Chain Management	17~20 42	
	2-7	Employees	7.2 Employee Overview	73	
	2-8	Workers who are not employees			
Governance	2-9	Governance structure and composition	5.1 Corporate Governance Practices	28	
	2-10	Nomination and selection of the highest governance body			
	2-11	Chair of the highest governance body			
	2-12	Role of the highest governance body in overseeing the management of impacts			
	2-13	Delegation of responsibility for managing impacts			
	2-14	Role of the highest governance body in sustainability reporting			
	2-15	Conflicts of interest			
	2-16	Communication of critical concerns			
	2-17	Collective knowledge of the highest governance body			
	Remuneration Policies	Evaluation of the performance of the highest governance body			
	2-19	Remuneration policies ★	7.3.1 Remuneration Policies	77	
	2-20	Process to determine remuneration ★	7.3.2 Process to Determine Remuneration	78	
	2-21	Annual total compensation ratio ★	7.3.3 Annual Total Compensation Ratio	78	

Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
GRI 2: General Disclosures 2021					
Strategy, Policies and Practices	2-22	Statement on sustainable development strategy	3.1.2 Sustainability Strategy and Promotion 5.1.5 Business Integrity 5.2 Risk Management 7.1 Human Rights Protection	5 32 33 72	
	2-23	Policy commitments			
	2-24	Embedding policy commitments			
	2-25	Processes to remediate negative impacts			
	2-26	Mechanisms for seeking advice and raising concerns			
	2-27	Compliance with laws and regulations ★	5.1.5 Business Integrity	32	
Stakeholder Engagement	2-28	Membership associations	4.5 Participation in Associations	27	
	2-29	Approach to stakeholder engagement	3.2.2 Stakeholder Communication	11	
	2-30	Collective bargaining agreements			Not applicable/No sites have signed, and the Company's labor-management committee has never requested collective bargaining with the Company; therefore, no collective agreement has been signed to date.

Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
GRI 3: Material Topics 2021					
Material Topics	3-1	Process to determine material topics	3.2.3 Identification of Material Topics	12	
	3-2	List of material topics	3.2.4 Management of Material Topics	13	

Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
Economic Aspect					
★ Economic Performance					
GRI 3: Material Topics 2021	3-3	Management of material topics	5.3.1 Material Topic: Operational Performance	35	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	5.3.2 Operational Overview	36	
	201-2	Financial implications and other risks and opportunities due to climate change	6.2.3 Climate Change-related Financial Disclosures	57	
	201-3	Defined benefit plan obligations and other retirement plans	5.3.3 Defined Benefit Plan Obligations and Other Retirement Plans	37	
	201-4	Financial assistance received from government	5.3.4 Financial Assistance Received From Government	37	

Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
Market Presence					
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	7.3.4 Remuneration Ratio for Employees of Different Genders	79	
	202-2	Proportion of senior management hired from the local community	7.3.6 Proportion of Senior Management Hired From the Local Community	81	
Indirect Economic Impacts					
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	7.8 Social Engagement	93	
	203-2	Significant indirect economic impacts			
Procurement Practices					
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	6.1.1 Local Procurement Information	52	
Anti-corruption					
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption			Incomplete information disclosure/assessment is expected to be completed before the end of 2025
	205-2	Communication and training about anti-corruption policies and procedures	05 Ethical Governance 5.1.5 Business Integrity	28 32	
	205-3	Confirmed incidents of corruption and actions taken			Incomplete information disclosure/assessment is expected to be completed before the end of 2025
Anti-competitive Behavior					
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	5.1.5 Business Integrity	32	
Tax					
GRI 207: Tax 2019 Management Approach	207-1	Approach to tax	5.3.5 Tax Governance	38	
	207-2	Tax governance, control, and risk management			
	207-3	Stakeholder engagement and management of concerns related to tax			

Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
★ Innovative R&D					
GRI 3: Material Topics 2021	3-3	Management of material topics	5.4.1 Material Topic: Innovative R&D	39	
Self-defined Material Topics	Innovation-1	Resources Invested in R&D During the Year	5.4.1 Material Topic: Innovative R&D	39	
★ Customer Relations					
GRI 3: Material Topics 2021	3-3	Management of material topics	5.5.2 Customer Relationship Improvement	44	
Self-defined Material Topics	Customers-1	Customer Satisfaction Survey of the Year	5.5.2 Customer Relationship Improvement	44	
★ Information Security					
GRI 3: Material Topics 2021	3-3	Management of material topics	5.6.1 Material Topic: Information Security	48	
Self-defined Material Topics	Information Security-1	Occurrence of Information Security Incident During the Year	5.6.1 Material Topic: Information Security	48	
Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
Environmental Aspect					
★ Materials					
GRI 3: Material Topics 2021	3-3	Management of material topics	6.1 Material Topic: Raw Material Management	52	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	6.1.2 Recycling and Reuse of Raw Materials	53	
	301-2	Recycled input materials used	6.1.2 Recycling and Reuse of Raw Materials	53	
	301-3	Reclaimed products and their packaging materials	6.1.2 Recycling and Reuse of Raw Materials	53	
★ Energy					
GRI 3: Material Topics 2021	3-3	Management of material topics	6.2.1 Material Topic: Energy Conservation and Greenhouse Gas Management	54	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	6.2.2.1 Total Energy Consumption Within the Organization	55	
	302-2	Energy consumption outside of the organization	6.2.2.2 Energy Consumption Outside the Organization	55	
	302-3	Energy intensity	6.2.2.3 Energy Consumption Intensity	56	
	302-4	Reduction of energy consumption	6.2.2.4 Energy Conservation	56	
	302-5	Reductions in energy requirements of products and services	5.4.2 Green New Energy Products	41	

Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
Water and Effluents					
GRI 303: Water and Effluents 2018 Management Approach	303-1	Interactions with water as a shared resource	6.3.1 Water Resources Management	64	
	303-2	Management of water discharge-related impacts			
GRI 303: Water and Effluents 2018	303-3	Water withdrawal			
	303-4	Water discharge			
	303-5	Water consumption			
★ Emissions					
GRI 3: Material Topics 2021	3-3	Management of material topics	6.2.1 Material Topic: Energy Conservation and Greenhouse Gas Management	54	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	6.2.4 Greenhouse Gas and Carbon Emissions	61	
	305-2	Energy indirect (Scope 2) GHG emissions			
	305-3	Other indirect (Scope 3) GHG emissions			
	305-4	GHG emissions intensity			
	305-5	Reduction of GHG emissions	6.2.4 Greenhouse Gas and Carbon Emissions	61	
	305-6	Emissions of ozone-depleting substances (ODS)	No ozone-depleting substances are generated from the raw materials used in the Company's manufacturing process.		
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	6.2.5 Volatile Organic Compounds Control	63	
★ Waste					
GRI 3: Material Topics 2021	3-3	Management of material topics	6.3.2.1 Material Topic: Waste Management	66	
GRI 306: Waste 2020 Management Approach	306-1	Waste generation and significant waste-related impacts	6.3.2.2 Waste Generation and Management 6.3.2.3 Recycling and Reuse of Wastes	66 69	
	306-2	Management of significant waste-related impacts			
GRI 306: Waste 2020	306-3	Waste generated			
	306-4	Waste diverted from disposal			
	306-5	Waste directed to disposal			

Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
★ Supplier Environmental Assessment					
GRI 3: Material Topics 2021	3-3	Management of material topics	5.5.1 Material Topic: Sustainable Supply Chain	42	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria			
	308-2	Negative environmental impacts in the supply chain and actions taken			

Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
Social Aspect					
★ Employment					
GRI 3: Material Topics 2021	3-3	Management of material topics	7.3.1 Material Topic: Compensation and Benefits	77	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	7.2.1 Employee Statistics	73	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	7.3.7.2 Welfare Measures	82	
	401-3	Parental leave	7.3.7.3 Parental Leave	83	
	Salary	The number of full-time employees who are not in a management position, mean and median salary of full-time employees who are not in a management position, and the difference in these figures between the current year and the previous year should be disclosed.	7.3.5 Mean and Median Salary of Full-Time Employees who are not in a Managerial Position	81	
Labor/Management Relations					
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	7.5 Labor-management communication	86	
★ Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3	Management of material topics	7.6.1 Material Topic: Occupational Health and Safety	87	
GRI 403: Occupational Health and Safety 2018 Management Approach	403-1	Occupational health and safety management system	7.6.3 Occupational Health and Safety Management System	87	
	403-2	Hazard identification, risk assessment, and incident investigation	7.6.6 Hazard Identification	89 90	
			7.6.7 Risk Classification and Control		
			7.6.8 Audit and Correction		
			7.6.9 Worker Hazard Reporting Process		
			7.6.10 Incident Response and Management		
			7.6.11 Statistics on Work-related Injuries		

Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
★ Occupational Health and Safety					
GRI 403: Occupational Health and Safety 2018 Management Approach	403-3	Occupational health services	7.7 Occupational Health Services and Health Promotion	91	
	403-4	Worker participation, consultation, and communication on occupational health and safety	7.6.5 Occupational Health and Safety Committee Composed of Labor and Management	88	
	403-5	Worker training on occupational health and safety	7.6.4 Occupational Safety and Health Education Training	88	
	403-6	Promotion of worker health	7.7 Occupational Health Services and Health Promotion	91	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	7.6.4 Occupational Safety and Health Education Training 7.6.3 Occupational Health and Safety Management System	88 87	
GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	7.6.3 Occupational Health and Safety Management System	87	
	403-9	Work-related injuries	7.6.11 Statistics on Work-related Injuries	90	
	403-10	Work-related ill health	7.7.5 Occupational Disease Prevention	92	
★ Training and Education					
GRI 3: Material Topics 2021	3-3	Management of material topics	7.4.1 Material Topic: Talent Training	84	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	7.4.1 Material Topic: Talent Training	84	
	404-2	Programs for upgrading employee skills and transition assistance programs	7.4.2 Programs for Upgrading Employee Skills and Transition Assistance Programs	85	
	404-3	Percentage of employees receiving regular performance and career development reviews	7.4.3 Percentage of Employees Receiving Regular Performance and Career Development Reviews	85	
Employee Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	5.1.2.2 Implementation of the Diversity Policy of the Board of Directors	29	
			5.1.2.3 Board of Directors Diversity Statistics	29	
			7.2.2.2 Employee Diversity	75	
	405-2	Ratio of basic salary and remuneration of women to men	7.3.4 Remuneration Ratio for Employees of Different Genders	79	
Non-discrimination					
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	7.1 Human Rights Protection	72	

Topic	Disclosure Items	Item Description	Chapter	Page	Reason for Omission/Necessary Explanation
Child Labor					
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	7.1 Human Rights Protection	72	
Forced or Compulsory Labor					
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	7.1 Human Rights Protection	72	
Security Practices					
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	7.1 Human Rights Protection	72	
Rights of Indigenous Peoples					
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	7.1 Human Rights Protection	72	
Local Communities					
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	6.4 Environmental Protection Management and Control	70	
	413-2	Operations with significant actual and potential negative impacts on local communities			
★ Supplier Social Assessment					
GRI 3: Material Topics 2021	3-3	Management of material topics	5.5.1 Material Topic: Sustainable Supply Chain	42	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria			
	414-2	Negative social impacts in the supply chain and actions taken			
Customer Health and Safety					
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	5.5.3.2 Product Certification	47	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	5.5.3.2 Product Certification	47	
Marketing and Labeling					
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	5.5.3.1 Marketing and Labeling	46	
	417-2	Incidents of non-compliance concerning product and service information and labeling			
	417-2	Incidents of non-compliance concerning marketing communications			
Customer Privacy					
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	5.7 Trade Secret Protection and Transaction Security	51	

No.	Indicators	Type of Indicators	Annual Disclosure		Unit	Remarks
I	Total energy consumption, percentage of purchased electricity, and utilization rate of renewable energy	Quantitative	Total energy consumption	144,511.0702	Gigajoules (GJ)	
			Percentage of purchased electricity	86.62%	Percentage (%)	Purchased electricity/Total energy consumption
			Utilization rate of renewable energy	13.30%	Percentage (%)	Utilization rate of renewable energy/Total energy consumption
II	Total water intake and consumption	Quantitative	Total Water Intake	149.8361	Thousand cubic meters (1,000 m³)	
			Total Water Consumption	36.0769	Thousand cubic meters (1,000 m³)	
III	Weight of hazardous waste generated and recycling percentage	Quantitative	Weight of hazardous waste generated Total water consumption	41.4146	Metric tons (t)	
			Recycling percentage	20.28%	Percentage (%)	
IV	Description of the type, number and rate of occupational hazards	Quantitative	Number of occupational disasters in 2024	2 people	Quantity	
			Number of occupational disasters/total employees	0.06%	Percentage (%)	
			Type of disaster	Pinching and mechanical injuries		
V	Product lifecycle management disclosure: Including the weight of waste products and electronic waste and recycling percentage (Note 1)	Quantitative	The Company operates in a B2B business model. We do not engage in recycling operations for products, raw materials, or the portion of their parts and components of our end customers at the end of their lifecycle.		Not applicable	
VI	Description of risk management related to the use of key materials	Qualitative description	1. The Company does not purchase materials including, but are not limited to, antimony, cobalt, fluorspar, gallium, germanium, graphite, indium, magnesium, niobium, tantalum, tungsten, platinum group metals (platinum, palladium, iridium, rhodium, ruthenium, osmium), and rare earth elements, including yttrium, scandium, lanthanum, and the lanthanides (cerium, praseodymium, neodymium, promethium, samarium, europium, gadolinium, terbium, dysprosium, holmium, erbium, thulium, ytterbium, and lutetium). 2. The Company's key raw materials include high-volume or special raw materials. In the new product development stage, we plan to engage with two types of raw materials or two suppliers. Substitute materials will undergo verification for substitution according to the "2062 Supplier Sample Recognition Management Regulations" to mitigate supply risks and increase local procurement rate.			
VII	Total money losses arising from legal proceedings relating to the Anti-competitive Behavior Ordinance	Quantitative	There were no such matters in the current year		Reporting currency	
VIII	Production volume of major products by product category	Quantitative	Connector	7,306,641	KPCS	
			New energy connector	1,283,073	KPCS	

Note 1: This includes the sale of scraps or other recycling, for which a relevant description shall be provided. This item shall calculate the weight of the products, raw materials, or the portion of their parts and components that are not discarded but subject to recovery or recycling at the end of their lifecycles. The scope may include reused, recycled, or refurbished items owned by the organization or collected from third parties.

Note 2: Calculation of occupational accident rate: The percentage (%) is calculated by dividing the number of employees suffered from occupational accidents during the year (numerator) by the total number of employees at the end of the year (denominator).
The definition of occupational accident is based on Article 2 of the Occupational Safety and Health Act of the Ministry of Labor. The term "occupational accident" refers to any diseases, injuries, disabilities, or deaths of workers caused by buildings, machinery, equipment, raw materials, materials, chemicals, gases, vapors, dusts, etc., at the place of duty, or as a result of work activities, or due to other occupational causes. Therefore, traffic accidents involving employees while commuting to and from work are excluded from the place where laborers carry out work services. Companies shall disclose the number of employees with illnesses, injuries, disabilities, or deaths, as well as the respective ratios.

Note 3: Key materials are those essential in the manufacturing process of the Company's products and subject to supply risks.
This definition is derived from the National Research Council of the National Academy of Sciences. Key materials include but are not limited to antimony, cobalt, fluorspar, gallium, germanium, graphite, indium, magnesium, niobium, tantalum, tungsten, platinum group metals (platinum, palladium, iridium, rhodium, ruthenium, osmium), and rare earth elements, including yttrium, scandium, lanthanum, and the lanthanides (cerium, praseodymium, neodymium, promethium, samarium, europium, gadolinium, terbium, dysprosium, holmium, erbium, thulium, ytterbium, and lutetium).



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INDEPENDENT AUDITORS’ LIMITES ASSURANCE REPORT

HU LANE ASSOCIATE INC.,

We have undertaken a limited assurance engagement on the selected performance indicators in the Sustainability Report (“the Report”) of HU LANE ASSOCIATE INC. (“the Company”) for the year ended December 31, 2024.

Subject Matter Information and Applicable Criteria

See Appendix 1 for the Company’s selected performance indicators (“the Subject Matter Information”) and the applicable criteria.

Responsibilities of Management

The management of the Company is responsible for the preparation of the Subject Matter Information in accordance with Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies (“the TPEx Sustainability Reporting Rules”), Universal Standards, Sector Standards and Topic Standards published by the Global Reporting Initiative (“GRI”), and the criteria specifically designed by the Company, and for such internal control as management determines is necessary to enable the preparation of the Subject Matter Information that are free from material misstatement resulted from fraud or error.

Auditors’ Responsibilities

Our responsibility is to plan and conduct our limited assurance engagement in accordance with Standard on Assurance Engagement 3000 “Assurance Engagements Other than Audits or Review of Historical Financial Information” issued by the Accounting Research and Development Foundation of the Republic



of China to issue a limited assurance report on whether the Subject Matter Information (see Appendix 1) is free from material misstatement. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We exercised our professional judgment in the planning and conducting of our work to obtain evidence supporting the limited assurance conclusion. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:

- Inquiring of management and the personnel responsible for the Subject Matter Information to obtain an understanding of the policies, procedures, internal control, and information system relevant to the Subject Matter Information to identify areas where a material misstatement of the Subject Matter Information is likely to arise.
- Selecting sample items from the Subject Matter Information and performing procedures such as inspection, recalculation, reperformance, and analytical procedures to obtain evidence supporting the assurance.

Inherent Limitations

The Subject Matter Information involved non-financial information, which was subject to more inherent limitations than financial information. The information may involve significant judgment, assumptions and interpretations by the management, and the different stakeholders may have different interpretations of such information.

Independence and Quality Control

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.



The firm applies Standard on Quality Management 1 “Quality Management for Public Accounting Firms” issued by the Accounting Research and Development Foundation of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information is not prepared, in all material respects, in accordance with the applicable criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the Subject Matter Information or the applicable criteria after the issuance date of this report.

The engagement partner on the limited assurance report is Mengta Wu.

Mengta Wu

Crowe (TW) CPAs

June 5, 2025

Notice to Readers

For the convenience of readers, the independent auditors’ limited assurance report and the accompanying summary of subject matter information have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ limited assurance report and summary of subject matter information shall prevail.

APPENDIX 1

SUMMARY OF SUBJECT MATTER INFORMATION

No.	Assurance Item	Indicator	Corresponding Section	Measurement Standard
1	Article 4, Table 1-12, No.1 of the TPEx Sustainability Reporting Rules	Total Energy Consumption, Percentage of Purchased Electricity, and Use of Renewable Energy	6.2 Energy Conservation and Greenhouse Gas Management	Total energy consumption, external purchase in million kWh, and renewable energy usage rate (2024)
2	Article 4, Table 1-12, No.2 of the TPEx Sustainability Reporting Rules	Total water withdrawal and discharge volume	6.3 Water Resources and Waste Management	Total water withdrawal and discharge volume (2024)
3	Article 4, Table 1-12, No.3 of the TPEx Sustainability Reporting Rules	Percentage of hazardous waste generated and recycled	6.3 Water Resources and Waste Management	Hazardous waste generated and recycled percentage (2024)
4	Article 4, Table 1-12, No.4 of the TPEx Sustainability Reporting Rules	Frequency and rate of occupational injuries	7.6 Occupational Safety and Health	Occupational injury frequency and rate (2024)
6	Article 4, Table 1-12, No.6, of the TPEx Sustainability Reporting Rules	Description of risk management related to the use of critical materials.	5.5 Value Chain Management	Policy of the Company on responding to critical mineral suppliers
7	Article 4, Table 1-12, No.7 of the TPEx Sustainability Reporting Rules	Total amount of monetary losses due to legal violations related to anti-competitive behavior	5.1.5 Business Integrity	Total monetary losses due to legal violations related to anti-competitive behavior
8	Article 4, Table 1-12, No.8 of the TPEx Sustainability Reporting Rules	Main production volume by product category	5.3.2 Operational Overview	Main production volume by product category (2024)

Implementation of climate-related information						
Item		Content disclosed in the Report				
1.	Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	The Company pays attention to climate issues, promotes the TCFD framework, and has the Risk Committee as the highest supervisory body. The CEO under its jurisdiction serves as the general commander, leading the management team to form the risk management promotion and implementation task force, which reports regularly or irregularly to the Risk Committee on plans, management, and performance related to climate and operational risks and opportunities. The Risk Committee reports the operation and supervision status to the Board of Directors.				
2.	Describe how the identified climate risks and opportunities affect the Company's business operations, strategies, and finance (for short-term, medium-term, and long-term).	Short-term: Business: Production equipment and inventory may be damaged. Strategy: Operating costs may increase. Finance: Raw material procurement costs may increase. Mid-term: Business: The supply chain may experience disruptions or even a breakdown crisis due to climate risks. Strategy: Technical bottlenecks may be encountered as regulations continue to be updated. Finance: Equipment needs to be replaced, and investment in R&D technology costs will increase. Long term: Business: Changes in consumer preferences lead clients to adjust their business demands. Strategy: Operate with the goal of low carbon or carbon neutrality. Finance: The lack of consensus among countries on carbon emissions and energy policies will cause operating and investment costs to continue to rise.				
3.	Describe the financial impacts of extreme climate events and transformational actions.	The increase in raw material procurement and transportation costs will drive the R&D department to improve the raw material recycling rate to reduce costs, and actively replace outdated equipment and increase investment in intelligent production equipment to enhance utilization rates and reduce costs.				
4.	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	In November 2024, the Company reorganized the Risk Management Committee to include climate-related risks and opportunities. Through management processes such as risk identification, risk analysis and assessment, risk supervision and management, and risk reporting and disclosure, each operating unit with authority and responsibility identifies risks based on short-, mid-, and long-term objectives and business duties, analyzes and evaluates the likelihood of risk events, and proposes risks according to the assessed risk levels. All related execution reviews and reports are conducted to effectively adapt to risks.				
5.	If scenario analysis is used to assess the resilience to climate change risks, the used scenarios, parameters, assumptions, analysis factors, and main financial impacts shall be described.	The Company uses a questionnaire survey method and applies the RCP2.6 and RCP8.5 scenario parameters to assess climate change risks. A total of 148 questionnaires were distributed, and a materiality assessment was conducted under different scenarios (assessing impact severity and frequency). Scenario 1: SSP1-2.6 is a low-forcing pathway, and its simulation results show that the temperature increase will be kept below 2°C by the year 2100. Scenario 2: SSP5-8.5 is a high-forcing pathway, with emissions high enough to produce a radiative forcing of 8.5 W/m² by 2100 under the SSP scenario, resulting in a global temperature increase of 5°C. Scenario analysis factors and indicators: 1. Discount rate; 2. Carbon price/carbon tax; 3. Commodity prices; 4. Macroeconomic indicators; 5. Product energy efficiency (revenue); 6. Energy policy; 7. Temperature change; 8. Carbon neutrality timeline				
6.	If there is a transformation plan in place to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transformational risks.	Transformation Plan	Plan Content	Action Item	Indicators	Goals
			Energy Conservation	In accordance with ISO 50001: 2018 management procedures	Energy Intensity	No target set
			Carbon Reduction	In accordance with ISO 14064-1: 2018 management procedures	Carbon Emissions Intensity	The carbon emission intensity for 2024 to 2025 decreased by 10% compared with the previous year. The carbon emission intensity for 2026 to 2027 decreased by 6% compared with the previous year.
				In accordance with ISO 14067: 2018 management procedures	Product Carbon Footprint Quantification Process	Conduct annual inventories to effectively control carbon emission sources and reduce the risk of being subject to additional carbon fees or carbon taxes in the market in the future.
		Green Energy	Solar Power Generation	Solar Power Generation Volume	No target set	
Green Electricity Procurement	Green Electricity Procurement Quantity		In 2024, Nanjing Hu Lane's green electricity procurement accounted for 17% of its 2023 electricity consumption, and this will be increased to 40% in 2025. Taipei and Vietnam Hu Lane are expected to have green electricity procurement account for 10% of their 2024 electricity consumption.			
7.	If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	Currently, internal carbon pricing is not used as a planning tool; therefore, it is not applicable.				
8.	If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the relevant target, the source and quantity of carbon reduction credits to be offset or the quantity of renewable energy certificates (RECs) to be used should be specified.	1. In 2023, the Company completed the 2022 sustainability report disclosure and external certification, as well as the Group's GHG inventory and external verification. From May 14 to June 17, 2024, an external audit and verification for 2023 was conducted. On August 1, 2024, the Company obtained the ISO 14064-1 GHG Emissions Certificate, and the GHG emissions status will be disclosed in public information such as the annual report and sustainability report in June 2025. 2. In 2023, the Company completed the ISO 14067 product carbon footprint inventory and external verification for four products, and in 2024, completed the ISO 14067 product carbon footprint inventory and external verification for five products, to understand the product life cycle and identify solutions for product optimization.				
9.	GHG inventory and assurance status.	Also filled in 1-1 GHG Inventory and Assurance Status and 1-2 GHG Reduction Targets, Strategies, and Specific Action Plans.				

Basic information of the Company		According to the Sustainable Development Roadmap for TWES/TPEX Listed Companies, the Company is required to disclose at least	
☐ A company with a capital of more than NTD 10 billion and operating in the iron and steel industry or the cement industry		☐ Inventory of the parent company	☐ Inventory of the subsidiaries included in the consolidated financial statements
☐ A company with a capital of more than NTD 5 billion but less than NTD 10 billion		☐ Assurance of the parent company	☐ Assurance of the subsidiaries included in the consolidated financial statements
☒ A company with capital of less than NTD 5 billion			

1–1 Greenhouse gas inventory and assurance for the most recent two fiscal years

Hu Lane Group

Item / Year	2022		2023 (base year)		2024	
	Total emissions (tCO2e/year)	Intensity (tCO2e/NTD million)	Total emissions (tCO2e/year)	Intensity (tCO2e/NTD million)	Total emissions (tCO2e/year)	Intensity (tCO2e/NTD million)
Scope 1						
Parent company	188.8766	0.0289	133.5995	0.0182	179.3792	0.0204
Nanjing Hu Lane	231.0339	0.0354	253.8919	0.0346	278.7591	0.0317
Dongguan Hu Lane	139.8849	0.0214	132.9578	0.0181	147.3961	0.0167
Dongguan Puguang	170.5370	0.0261	42.7727	0.0058	516002	0.0059
Jiaxing Shangho	67.8145	0.0104	96.8984	0.0132	132.2077	0.0150
Vietnam Hu Lane	68.1430	0.0104	90.0436	0.0123	89.6806	0.0102
Indonesia Hu Lane	67.0700	0.0103	73.2999	0.0100	79.6320	0.0090
Europe Hu Lane	-	-	-	-	23.0302	0.0026
Total	933.3599	0.1430	823.4638	0.1123	981.6851	0.1116
Scope 2						
Parent company	3,475.4839	0.5325	3,752.8263	0.5119	4,105.7804	0.4666
Nanjing Hu Lane	8,736.5255	1.3386	8,297.1135	1.1318	7,082.4789	0.8048
Dongguan Hu Lane	3,495.3231	0.5355	3,643.2971	0.4970	3,234.2237	0.3675
Dongguan Puguang	20.1456	0.0031	34.7870	0.0047	30.2222	0.0034
Jiaxing Shangho	220.5065	0.0338	924.8990	0.1262	1,187.3574	0.1349
Vietnam Hu Lane	1,837.2769	0.2815	2,119.6480	0.2891	2,488.1115	0.2827
Indonesia Hu Lane	219.2029	0.0336	308.8824	0.0421	476.2820	0.0541
Europe Hu Lane	-	-	-	-	0.3384	0.0000
Total	18,004.4644	2.7586	19,081.4533	2.6029	18,604.7945	2.1141
Scope 3						
Parent company	13,926.6898	2.1338	14,815.4096	2.0210	17,000.6447	1.9318
Nanjing Hu Lane	12,259.2683	1.8783	10,758.2150	1.4675	13,301.2240	1.5115
Dongguan Hu Lane	10,661.0328	1.6334	9,823.8948	1.3401	11,096.6407	1.2610
Dongguan Puguang	133.7720	0.0205	404.8420	0.0552	310.7644	0.0353
Jiaxing Shangho	916.7504	0.1405	4,459.8468	0.6084	8,731.4388	0.9922
Vietnam Hu Lane	4,112.1793	0.6301	5,312.0559	0.7246	7,869.6597	0.8943
Indonesia Hu Lane	646.6352	0.0991	2,280.9464	0.3111	1,304.0167	0.1482
Europe Hu Lane	-	-	-	-	5.5410	0.0006
Total	42,656.3278	6.5356	47,855.2105	6.5280	59,619.9300	6.7748
Combined Total	61,594.1521	9.4372	67,760.1276	9.2432	79,206.4096	9.0005

Description of Assurance

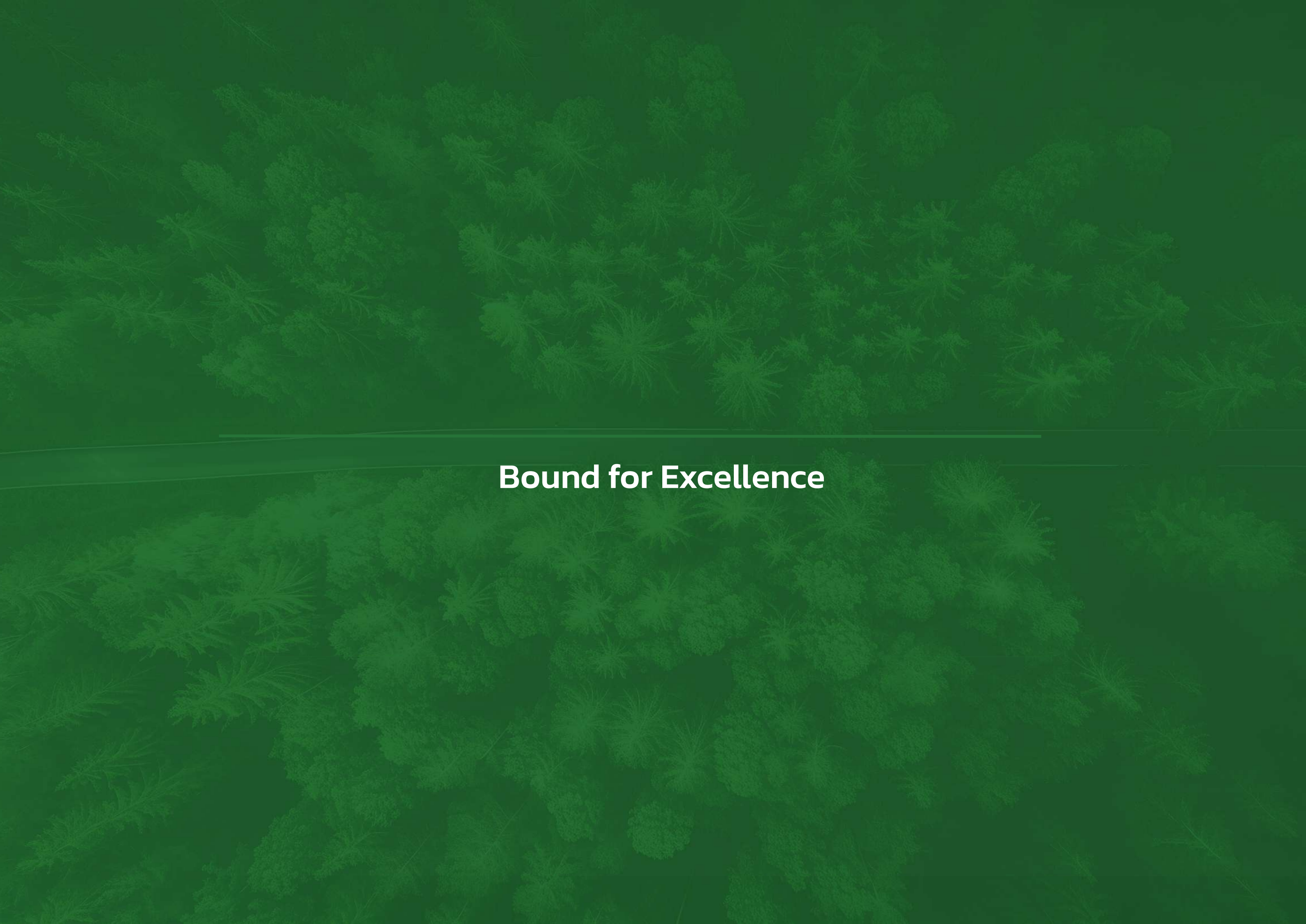
Among the total GHG emissions disclosed by Hu Lane Group in 2023, the Scope 1 emissions amounted to 823.4638 metric tons of CO2e (1.22% of the total emissions); Scope 2 emissions amounted to 19,081.4533 metric tons of CO2e (28.16% of the total emissions), and Scope 3 emissions amounted to 47,855.2105 metric tons of CO2e (70.62% of the total emissions). These emissions have been assured by BSI Group Singapore Pte. Ltd. Taiwan Branch, an assurance institution, according to ISAE3410/ISO 14064-3. Assurance opinion: Scope 1 and Scope 2 received reasonable assurance, and Scope 3 received limited assurance. The 2024 GHG inventory data will be verified by an external third-party verification agency in Q3 2025.

- Note:
- 1. The GHG emission intensity is calculated as total emissions in metric tons of CO2e/consolidated revenue (unit: NTD million).
 - 2. The 2024 inventory data is scheduled to be verified by an external third-party verification body in Q3 2025.

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

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

- 1. Base year for greenhouse gas reduction: 2023.
- 2. Base year data: Please refer to the total emissions data for 2023, expressed in tCO2e/year, in the table above.
- 3. Reduction target: Short-term target: ISO 14064-1 GHG inventory_Reduce the Group’s carbon emission intensity by 10%.
Mid- to long-term tareget: ISO 14064-1 GHG Inventory_Reduce the Group’s carbon emission intensity by 6%
- 4. Strategies and specific action plans: Please refer to 6.2 Energy Resources and GHG Management.
- 5. Achievement of reduction targets: Please refer to 6.2 Energy Resources and GHG Management.

An aerial photograph of a dense evergreen forest, likely spruce or fir, covering a hillside. The trees are tightly packed, creating a textured green canopy. A thin, horizontal white line runs across the middle of the image, slightly above the text.

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