AXMAN ENTERPRISE CO., LTD.

'24 Sustainability Report

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Preface

About The Report

This report is the first sustainability report issued by Axman Enterprise Co. Ltd. (hereinafter referred to as “Axman,” “the Company,” or “we”). The primary purpose of this report is to disclose to the public and stakeholders the Company’s efforts in three major areas: Environmental, Social, and Governance (ESG). It includes our actions, performance results, and future plans. Axman upholds the business philosophy of “continuous innovation, sustainable operations, and giving back to society.” Through this report, we aim to help stakeholders understand Axman’s sustainability initiatives and demonstrate our commitment to fulfilling corporate social responsibility and achieving sustainable development.

Report Boundaries and Scope

The scope of the data disclosed in this report primarily covers Axman’s operations in Taiwan and does not include other overseas locations. If information pertaining to other regions is included, it will be specifically noted in the report.

Reporting Period

The reporting period is from January 1, 2024 to December 31, 2024.

Publication Overview

The current version was published in June 2025, and the report is scheduled to be issued annually.

Basis of Preparation

This report has been prepared in accordance with the 2021 edition of the GRI Standards issued by the Global Reporting Initiative (GRI). It also follows the industry-specific standards of the Sustainability Accounting Standards Board (SASB) and the framework of the Task Force on Climate-related Financial Disclosures (TCFD). A GRI Standards and SASB Content Index is provided in the appendix for quick reference and search.

Report Preparation and Approval Process

The information in this report was collected by various departments and reviewed by their respective supervisors. It was then submitted to the Company’s Sustainability Strategy Division for compilation, preparation, and review. The finalized report was approved and confirmed by the Board of Directors before publication.

Feedback

If you have any feedback or suggestions regarding the content of this report, we welcome you to contact us.

Contact Person : Wu, Pei-Chun

Telephone : 04-8535898

Email : ir@axman-bike.com

Address : No.1,Sec.3,Zhongshan Rd., Dacun Township, Changhua County 515,Taiwan(R.O.C)

Message from the Chairman

In recent years, the impact of extreme climate events has intensified, and people's awareness of environmental protection and sustainable development has significantly increased. Governments around the world are actively investing in smart transportation and dedicated bicycle lanes, promoting low-carbon transportation and encouraging the public to use bicycles, which has further driven the growth of the bicycle industry.

In line with the global and industry-wide focus on sustainable development, our company adheres to the spirit of innovation and responsibility, actively establishing a robust ESG sustainability system and strategy. We not only focus on environmentally friendly, low-carbon transportation but also work closely with our customers and supply chain partners to develop innovative electric-assisted bicycles. These products are sold worldwide, meeting the low-carbon transportation goals of markets such as the European Union and the United States, contributing to the realization of a low-carbon economy. We recognize that, in the post-pandemic era, consumers' demand for health and fitness is growing. Therefore, our products not only offer superior performance but also meet modern people's pursuit of a healthy lifestyle. Additionally, governments around the world are vigorously promoting urban bicycle infrastructure, enhancing cycling rates through dedicated bicycle lanes and subsidy policies. Our products are closely aligned with this trend, becoming an important driver of global low-carbon transportation.

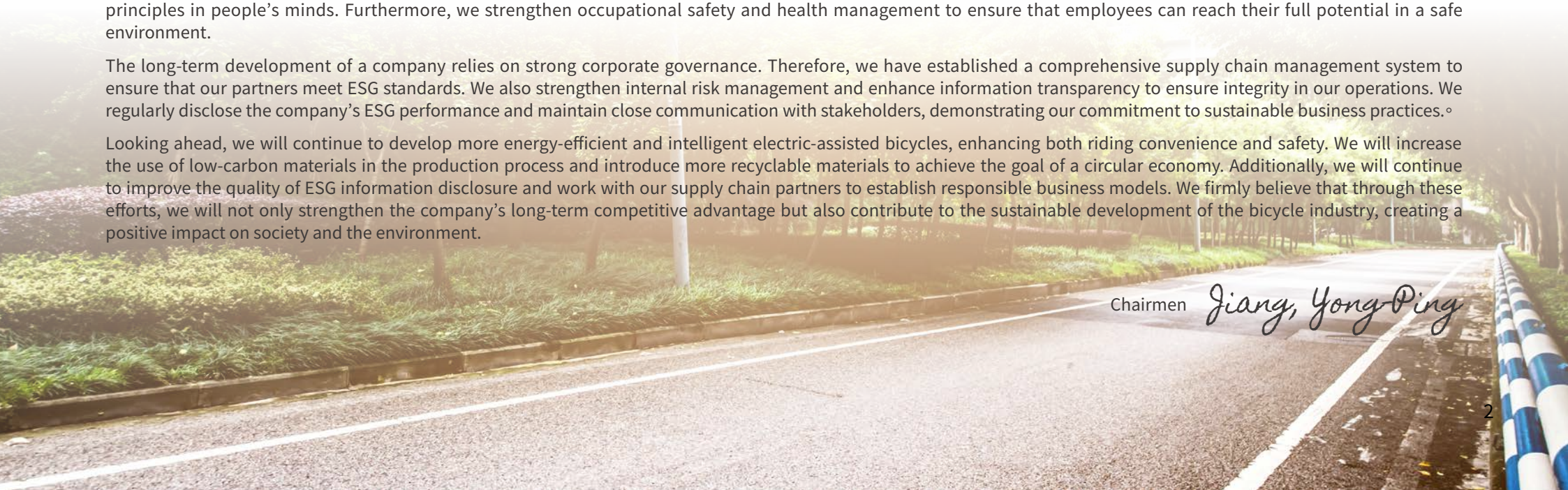
To achieve the goal of sustainable development, we uphold the three core values of "environmental protection and low carbon, social responsibility, and corporate governance," and fully implement the ESG principles in every aspect of our business operations. In terms of environmental protection, we actively use recyclable materials and low-carbon processes to reduce the environmental impact of our products. At the same time, we continuously optimize supply chain management, reduce carbon footprints, and improve energy efficiency, making the entire production process more sustainable.

In terms of social responsibility, we prioritize the well-being of our employees by providing comprehensive career development opportunities and health benefits, creating a friendly workplace environment. We are also actively involved in social welfare, promoting green transportation and environmental education, embedding sustainable principles in people's minds. Furthermore, we strengthen occupational safety and health management to ensure that employees can reach their full potential in a safe environment.

The long-term development of a company relies on strong corporate governance. Therefore, we have established a comprehensive supply chain management system to ensure that our partners meet ESG standards. We also strengthen internal risk management and enhance information transparency to ensure integrity in our operations. We regularly disclose the company's ESG performance and maintain close communication with stakeholders, demonstrating our commitment to sustainable business practices.◦

Looking ahead, we will continue to develop more energy-efficient and intelligent electric-assisted bicycles, enhancing both riding convenience and safety. We will increase the use of low-carbon materials in the production process and introduce more recyclable materials to achieve the goal of a circular economy. Additionally, we will continue to improve the quality of ESG information disclosure and work with our supply chain partners to establish responsible business models. We firmly believe that through these efforts, we will not only strengthen the company's long-term competitive advantage but also contribute to the sustainable development of the bicycle industry, creating a positive impact on society and the environment.

Chairmen Jiang, Yong-Ping



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About Axman

1.1 Company Overview

1.2 Operating Performance

1.3 Sustainable Governance

1.4 Identification and Engagement of Stakeholders

1.5 Identification of Material Topics

1.1 Company Overview

Axman Enterprise Co. Ltd. was established in 1985 in central Taiwan, founded in a rural town. However, we have continuously invested in design, development, manufacturing, and testing. These investments have guided our products toward being the most durable, lightweight, visually striking, and suitable for both riding and competitive use. We have the best design and R&D teams, the most advanced manufacturing equipment and assembly lines, the strictest verification procedures, and we rigorously adhere to ISO standards, even daring to challenge verification procedures that exceed the standard.

The road bikes, mountain bikes, and carbon fiber frames designed and manufactured by Axman are key drivers in helping our customers lead the market share. Our customers have achieved outstanding competition results in the Olympics, World Cups, Asian Championships, and UCI World Tours. We adhere to the philosophy of sustainable operations, with the goal of creating the greatest value for our customers while giving back to society.

Basic Information

Company Name	AXMAN ENTERPRISE CO.,LTD.
Company Abbreviation	AXMAN
Company Address	No.1,Sec.3,Zhongshan Rd., Dacun Township, Changhua County 515,Taiwan(R.O.C)
Operating Location	Taiwan
Stock Code	6804
Listing Date	March 31, 2022
Industry Category	Bicycle and Component Manufacturing
Main Business Operations	Manufacturing and Trading of Bicycles
Chairman	Jiang, Yong-Ping
General Manager	Huang, Qing-Zhong
Spokesperson	Wu, Pei-Chun, Associate Director of Financial Management
Paid-in Capital	350,000,000 NTD (as of the date of this report)

Company Development History

1985
- Established Chengru Co., Ltd., with a registered capital of NT$1,500,000.
- The registered address is No. 1195, Zhongzheng Road, Wufeng Township, Taichung County.

1987
- Renamed to Chengru Industrial Co., Ltd.
- Cash capital increase of NT$3,500,000, with the paid-in capital after the increase being NT$5,000,000.

1988
- Moved to 1st Floor, No. 239-6, Minsheng Road, Wufeng Township, Taichung County.

1991
- Cash capital increase of NT$5,000,000, with the paid-in capital after the increase being NT$10,000,000.

1996
- Cash capital increase of NT$6,000,000, with the paid-in capital after the increase being NT$16,000,000.

1999
- Renamed to Axman Enterprise Co., Ltd.
- Relocated to No. 177, Fenggu Road, Fenggu Village, Wufeng Township, Taichung County.
- Factory approved and registered as a bonded factory.
- Cash capital increase of NT$10,000,000, with the paid-in capital after the increase being NT$26,000,000.

2002
- Cash capital increase of NT$24,000,000, with the paid-in capital after the increase being NT$50,000,000.

2003
- Invested in the research and development of carbon fiber frame and front fork innovation.

2008
- Relocated to No. 229, Fenglin Street, Fengkeng Village, Fenyuan Township, Changhua County.

2009
- Introduced Toyota Production System (TPS) management.
- Cash capital increase of NT$35,000,000, with the paid-in capital after the increase being NT$85,000,000.

2010
- Sponsored Taichung Free Riders team member Hsiao Mei-Yu, who won a gold medal at the Guangzhou Asian Games.
- Sponsored athlete Feng Jun-Kai, a member of the Front Power Professional Men's Category 3 Team.

2011
- Sponsored Taichung Free Riders team member Hsiao Mei-Yu, who won a gold medal at the Thailand Asian Championships.
- Sponsored athlete Feng Jun-Kai, who won the stage championship and kept the yellow jersey at the U.S. Super Week Cycling Race.

2012
- Sponsored athlete Hsiao Mei-Yu, who won a gold medal in the individual road race and a silver medal in the omnium at the Malaysia Asian Cycling Championship, and qualified for the omnium and individual road race at the London Olympics the same year.
- Sponsored athlete Feng Jun-Kai, who won the King of the Mountains title at the Taiwan International Cycling Tour.

2013
- Sponsored athlete Hsiao Mei-Yu, who won a gold medal in the individual road race and a gold medal in the omnium at the India Asian Cycling Championship.
- Surplus capital increase of NT$65,000,000, with the paid-in capital after the increase being NT$150,000,000.

2014
- Cash capital increase of NT$44,120,000 and surplus capital increase of NT$52,600,000, with the paid-in capital after the increase being NT$246,720,000.
- Obtained ISO 9001:2008 certification.
- Established AXMAN brand complete bicycle R&D and sales operations.

2016
- Launched the "AXMAN TRI" triathlon bike, which won the "Taipei International Bicycle iF Innovation Design Award."
- Company relocated to No. 1, Section 3, Zhongshan Road, Daqiao Village, Dacun Township, Changhua County.
- In a bicycle magazine brand poll, AXMAN ranked 6th overall and 3rd among Taiwanese brands.

2017
- Invested in the development of customized testing equipment for electric assist bicycles, replacing road tests.

2018
- Officially entered the North American electric assist bicycle market.
- Sponsored athlete Chen Zhi-Ying, who qualified for the World Championship.

2019
- Employee compensation capital increase of NT$860,000, with the paid-in capital after the increase being NT$247,580,000.
- Sponsored athlete Chen Zhi-Ying, who ranked 5th in the "108 CHALLENGE TAIWAN" event.
- Sponsored athlete Chen Zhi-Ying, who won the championship at the "108 Taitung Beautiful Triathlon International Competition."

2020
- Approved by the Taiwan OTC Securities Exchange for public offering of company stock.
- Listed on the Taiwan OTC Securities Exchange for emerging stock.
- Cash capital increase of NT$26,420,000, with the paid-in capital after the increase being NT$274,000,000.

2021
- Obtained trademark rights certificate - "AXMAN Design Word - United Kingdom."
- Obtained design patent rights certificate - "Multi-chamber Hidden Cable Structure for Frame Head Tube and Seat Tube - Republic of China."

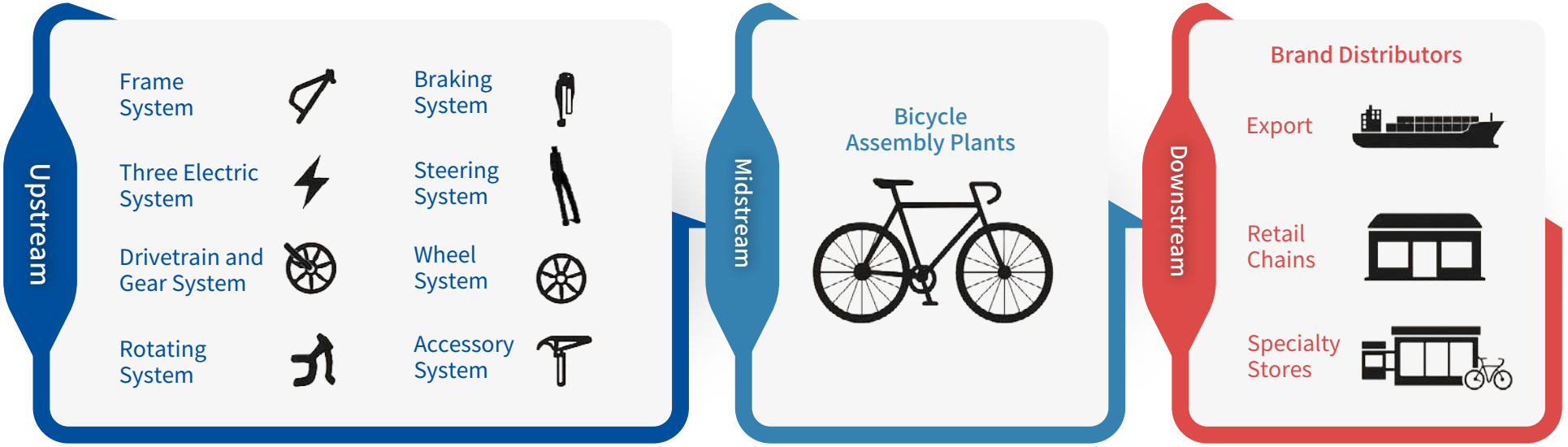
2022
- Listed on the Emerging Stock Market in March, Year 111.
- Cash capital increase of NT$26,000,000, with the paid-in capital after the increase being NT$300,000,000.

2023
- In May, Year 112, issued a three-year domestic unsecured convertible corporate bond of NT$200,000,000.
- In August, Year 112, cash capital increase of NT$50,000,000, with the paid-in capital after the increase being NT$350,000,000.

Participation in Associations

Category	Location	Name	Role	2022	2023	2024
Industry Initiative	Taiwan	Taiwan Bicycle Exporters' Association	Member	NT$46,000	NT$30,000	NT$48,000
		Chinese Bicycle Sustainability Alliance	Member		NT$300,000	NT$300,000
Social Responsibility	Taiwan	Changhua County Labor-Management Relations Promotion Association	Member	NT$5,000	NT$5,000	NT$5,000
		Changhua County Industrial Association	Member	NT$9,600	NT$9,600	NT$9,600

Upstream, Midstream, and Downstream Industry Relationships



The bicycle assembly factory independently produces the main parts of the bicycle, using existing components, which refers to purchasing relevant raw materials for production, such as frame systems, drivetrain systems, wheel systems, control systems, and other related parts. Additionally, electric assist bicycles use batteries as the energy system, electric motors as the power system, and control systems including power switches, speed sensors, and motor controllers. Due to the detailed division of labor in the bicycle industry, each component has its own specialized manufacturer. Besides some frame production, assembly factories mainly purchase parts from specialized manufacturers for assembly. The industry exhibits a specialized technical division of labor, and most bicycle components are standardized in terms of interfaces, allowing the same component to be supplied to all assembly factories, thus forming a highly interconnected supply network.

Industry Overview and Main Products

Overview of the Bicycle Industry

The arrival of the post-pandemic era has brought the bicycle industry out of its slump! After the global devastation caused by the COVID-19 pandemic, there has been a growing global emphasis on health and active living. As the pandemic gradually eases and the worst situation in Asia has passed, countries in Europe and America have also lifted lockdowns. The World Health Organization (WHO) has encouraged people to ride bicycles more, making bicycle commuting the new normal in the future.

Overview of the Electric Bicycle Industry

With the change in people's lifestyles, the bicycle market has undergone rapid transformation over the past half-century. In recent years, people around the world have gradually viewed electric bicycles as a short-distance transportation tool for recreational activities. Additionally, due to shifts in the market environment, the global rise in oil prices, and the continuous development of green energy technology, countries worldwide are focusing on improving the greenhouse effect and addressing the issue of vehicle emissions. Furthermore, the rise of recreational and sports activities in European and American countries has created new opportunities in the electric bicycle market. However, the key technologies of electric bicycles are divided into three main systems: power batteries, power motors, and control systems, which are the primary factors determining the performance of electric bicycles.

Due to the global aging population, the rise of electric bicycles has been accelerated. Additionally, with the growing environmental awareness in European countries, governments are advocating for the use of electric assist bicycles to reduce the greenhouse effect and decrease air pollution in urban areas. As a result, the demand for electric bicycles has significantly increased, benefiting riders, commuters, and the elderly, who are shifting to electric bicycles as a mode of transportation that also serves as a tool for both exercise and leisure.

Main Product Categories

Bicycles

Electric Assist Bicycles

Frames, Forks, Components

1.2 Operating Performance

In 2024, the consolidated revenue of Axman and its subsidiaries was NT$1,903,498,100, a decrease of 42.47% compared to the previous year. The gross margin was 3.963%, and the net income after tax was NT$-7.6 million, a year-on-year decline of 166.62%. The earnings per share were NT$-2.14.

In 2024, revenue was affected by continued global inflation and the instability of international political and economic conditions. Raw material costs remained high, compressing market demand and reducing the company's profit margins. The demand in the bicycle industry also declined, leading to a significant drop in the company's revenue. This was primarily due to slower-than-expected inventory clearance in the European and American markets, unclear demand, and increased financial risks for some customers, which resulted in reduced orders and higher accounts receivable risks.

The company has adopted a cautious approach, adjusting its cooperation model with customers to mitigate accounts receivable risks. However, this measure has temporarily impacted economic efficiency, leading to a revision of profit expectations.

Annual Operating Performance

Unit: NT$ Thousand

Item	2022	2023	2024
Operating Revenue	3,322,572	3,363,294	1,934,981
Operating Costs	(2,970,514)	(3,055,259)	(1,858,292)
Operating Gross Profit	352,058	308,035	76,689
Operating Expenses	161,235	156,889	225,892
Non-operating Income and Expenses	25,097	(2,454)	55,179
Pre-tax Net Profit (Loss)	215,920	148,692	(94,024)
Income Tax (Expense) Benefit	(44,940)	(33,921)	19,176
Other Comprehensive Income (Net)			(1,607)
Net Profit (Loss) After Tax	170,980	114,771	(76,455)

Direct Economic Value Generated and Distributed by the Organization

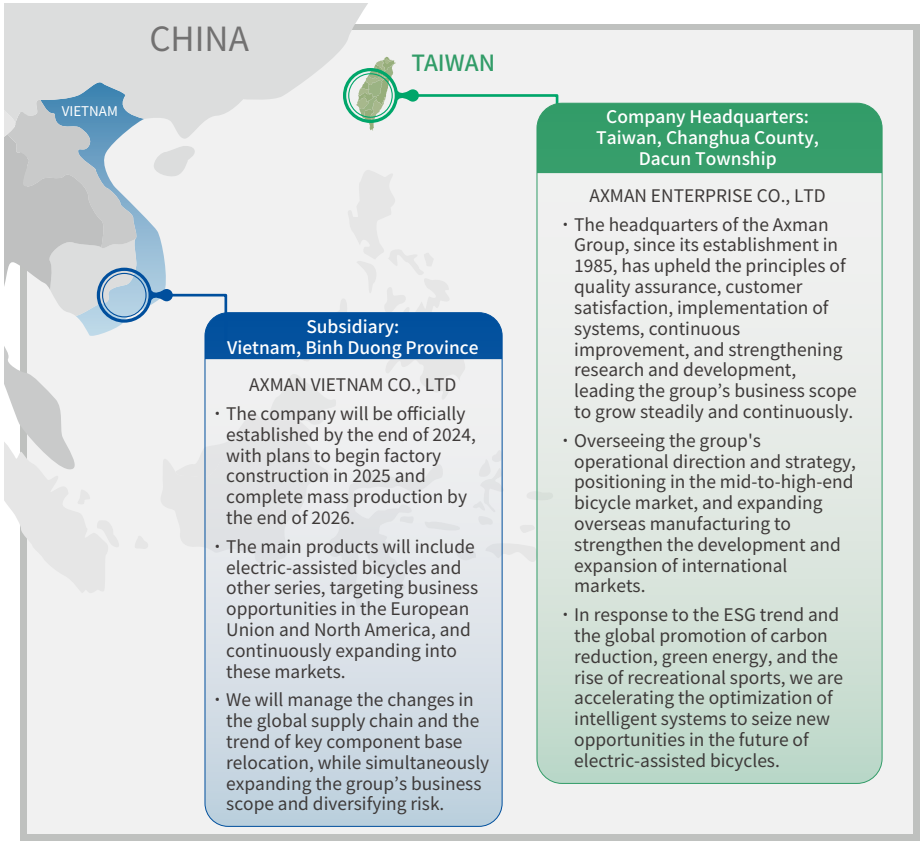
Unit: NT$ Thousand

Item	2022	2023	2024
Revenue	3,324,413	3,373,807	1,945,470
Operating Costs	2,970,514	3,055,259	1,858,292
Employee Salaries and Benefits	182,951	160,997	91,959
Payments to Providers of Capital	87,886	102,311	9,879
Payments to Government	2,189	1,208	1,123

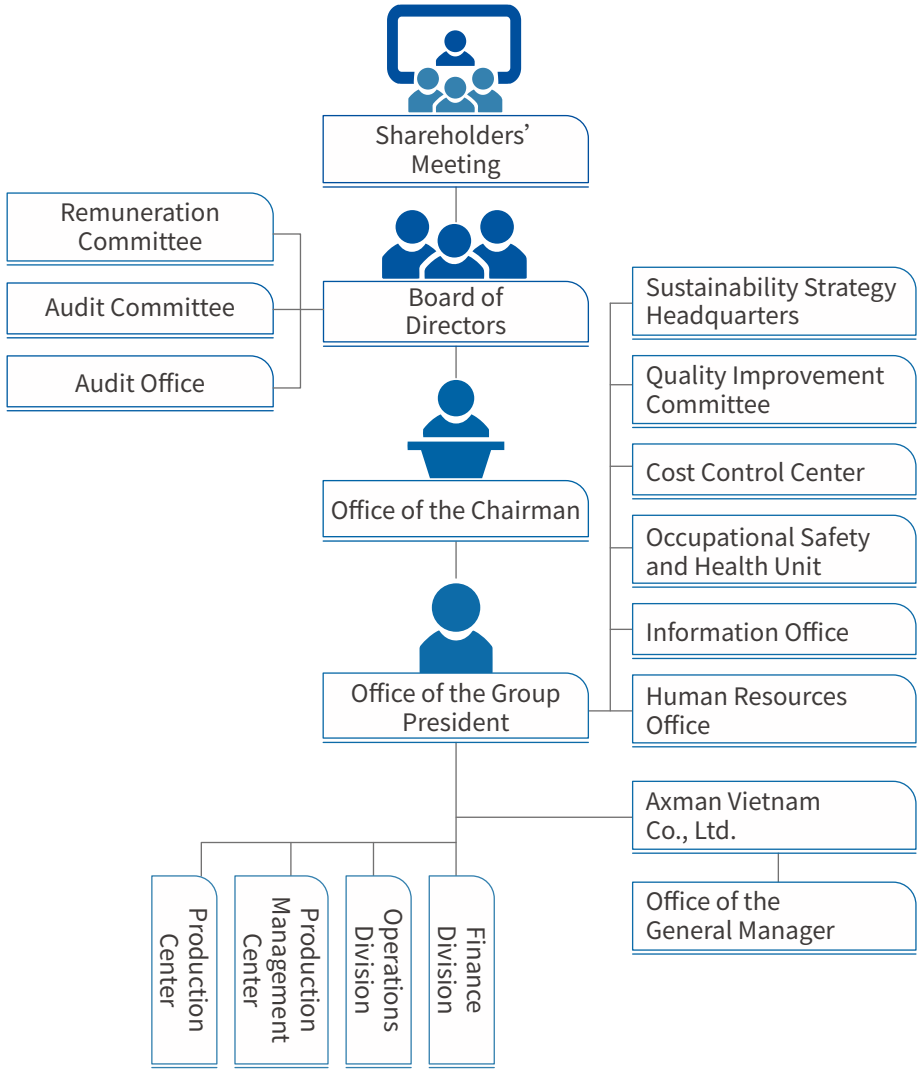
Affiliated Companies Organizational Chart

Axman Enterprise 's Business Scope

Axman Enterprise Co., Ltd. was established in 1985 and has been deeply rooted in the Taiwanese bicycle industry for 40 years. We are committed to continuous investment in design, development, manufacturing, and verification, creating the most durable, lightweight, eye-catching, and performance-oriented products for cycling and competition. We aim to meet the diverse needs of our customers and actively expand our business globally. We will uphold our principles, practice sustainable operations, and give back to society, with the goal of creating the greatest value for our customers, shareholders, and employees.

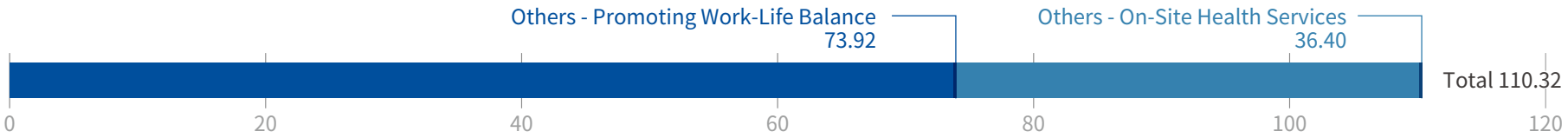


Affiliated Companies Organizational Structure



Government Subsidies

Unit: NT$ Thousand



Product Sales Status

Revenue Proportion of Main Products

Unit: NT$ Thousand; %

Product	2022		2023		2024	
	Sales Revenue	Proportion	Sales Revenue	Proportion	Sales Revenue	Proportion
Complete Bicycles	3,186,442	95.90%	3,195,572	95.01%	1,814,189	93.76%
Others (Frame Sets, Front Forks, Components)	136,130	4.10%	167,722	4.99%	120,792	6.24%
Total	3,322,572	100%	3,363,294	100%	1,934,981	100%

Major Product Sales Volume

Unit: PCS

Volume / Product	2022	2023	2024
Complete Bicycles	82,936	76,558	38,462
Others (Frame Sets, Front Forks, Components)	125,738	94,723	101,524
Total	208,674	171,281	139,986

Major Product Sales Regions

Unit: NT$ Thousand

Sales Revenue / Product	Taiwan	China	USA	Europe	Canada
Complete Bicycles	81 ,512	0	876,175	309,365	547,137
Others (Frame Sets, Front Forks, Components)	8,158	2,335	88,748	2,342	19.209
Total	89,670	2,335	964,923	311,707	566,346

1.3 Sustainable Governance

Axman firmly believes that sustainable development is the key to long-term prosperity for enterprises. Through organized sustainability strategies, the company aims to become a leader in achieving sustainable development within the industry, while striving to enhance corporate value and fulfill its social responsibilities.

The company has established the “Sustainable Development Practice Code,” which ensures that stakeholder interests are considered and maintained in operations. It emphasizes the positive impact of corporate behavior on society while reasonably reducing resource consumption.

The company has established the “Sustainability Strategy Department,” with the General Manager’s Office as the responsible unit for promoting sustainable development. This department is in charge of planning, advocacy, and implementation, striving to fulfill the company’s social responsibilities.

The company’s sustainability affairs are overseen by the Board of Directors as the highest decision-making and supervisory body. The Board is responsible for reviewing and approving sustainability strategies, sustainability reporting information, and other important issues related to environmental, social, and economic aspects. Each unit is responsible for implementing sustainability policies, systems, and relevant management guidelines. The Sustainability Development Center regularly reports to the Board on the progress of sustainability initiatives and key significant events. Through the reporting content, the Board ensures the company’s sustainability efforts, supervises, and tracks the performance of the management team in implementing sustainability practices and achieving sustainability performance targets, ensuring that the company has sufficient capacity and resources to address potential economic, environmental, and social human rights impacts.

To implement and strengthen the governance and oversight of the sustainability development process and its effectiveness, the company will soon establish a “Sustainability Strategy Department” based on the organizational guidelines provided by the Taiwan Stock Exchange for sustainability committees. In the future, the department will be led by the General Manager, with team members responsible for decision-making on overall sustainability policy direction and the company’s sustainability action plans. After reviewing relevant sustainability matters, the department will regularly report to the Board of Directors.

Key Significant Events

The board of directors meets at least once every three months to review business performance, discuss important ESG strategy issues, and address key significant events.

The key significant events communicated by the Sustainability Development Center to the board in 2024 are as follows:

- Resolution to prepare a sustainability report.
- Resolution to conduct a greenhouse gas inventory.

Meeting Name	Date	Term	Session Count	Title	Session Number	Agenda
Board of Directors	2022/5/4	14	12	2. Report Items:	5	The company’s greenhouse gas inventory and verification schedule report. · According to the “Sustainability Development Roadmap for Listed Companies” released by the Financial Supervisory Commission in March 2022, our company, with a paid-in capital of less than 5 billion NTD, should conduct a greenhouse gas inventory in the third phase (i.e., complete the inventory by 2026 and verification by 2028). We will continue to manage the completion of the inventory and verification disclosure schedule according to the guidelines and regulations issued by the authorities, reporting to the board on a quarterly basis. · The greenhouse gas inventory and verification schedule is as follows. For detailed information, please refer to [Attachment 5].
Board of Directors	2022/8/5	14	13	2. Report Items:	5	Greenhouse gas inventory and verification schedule report.
Board of Directors	2022/11/4	14	14	2. Report Items:	5	Greenhouse gas inventory and verification schedule report.
Board of Directors	2022/12/16	14	15	2. Report Items:	3	Greenhouse gas inventory and verification schedule report.
Board of Directors	2023/3/2	14	17	2. Report Items:	6	Greenhouse gas inventory and verification schedule report.
Board of Directors	2023/5/5	14	19	2. Report Items:	5	Greenhouse gas inventory and verification schedule report.
Board of Directors	2023/8/4	15	2	2. Report Items:	5	Greenhouse gas inventory and verification schedule report.
Board of Directors	2023/11/3	15	3	2. Report Items:	5	Greenhouse gas inventory and verification schedule report.
Board of Directors	2023/12/20	15	12	2. Report Items:	2	Other important report items: Report on the company’s ESG sustainability development implementation and plans, please refer to [Attachment 2].

1.4 Identification and Engagement of Stakeholders

Axman values the needs and opinions of stakeholders. Currently, the main stakeholders of the company are employees, shareholders and investors, customers, suppliers and partners, non-profit organizations, the government, media, and local communities. The company engages with stakeholders through the following communication channels.

Stakeholders	Key Focus Issues	Communication Methods / Frequency
Employees	· Human Rights Protection · Happy Workplace · Legal Compliance and Ethical Business Practices · Occupational Safety and Health	· Employee Welfare Committee / Irregular · Labor-Management Meeting / Quarterly · Employee Training / Irregular · Internal Announcements / Irregular · Performance Evaluation / Quarterly
Investors and Shareholders	· Corporate Governance Structure · Legal Compliance and Ethical Business Practices · Innovation and Research & Development · Product Quality and Safety	· Shareholders' Meeting / Annually · Board of Directors Meeting / Quarterly · Financial Reports / Quarterly · Company Website / Irregular · Market Observation Post System Major Announcements / Irregular · Investor Conference / Annually
Customers	· Innovation and Research & Development · Product Quality and Safety · Human Rights Protection	· Business Visits / Irregular · Technical Business Exchanges / Irregular · Customer Meetings / Irregular · Trade Shows / Irregular
Suppliers and Partners	· Supply Chain Management · Legal Compliance and Ethical Business Practices	· Negotiation Meetings / Irregular · Supplier Exchange Visits / Irregular · Supplier Coaching / Irregular · Supplier Evaluation / Irregular

Stakeholders	Key Focus Issues	Communication Methods / Frequency
Non-profit Organizations	· Human Rights Protection · Occupational Safety and Health · Climate Change Response	· Meetings: As Needed · Seminars: As Needed · Emails: As Needed
Government	· Legal Compliance and Ethical Business Practices · Product Quality and Safety · Occupational Safety and Health	· Official Correspondence / Irregular · Government Routine/Sudden Inspections / Irregular
Media	· Product Quality and Safety · Innovation and Research & Development · Legal Compliance and Ethical Business Practices	· Legal Conference / Annually · Shareholders' Meeting / Annually · Exclusive Interviews / Irregular
Local Communities	· Human Rights Protection · Climate Change Response	· Company Website: Anytime · Community Activities: Irregular · Community Activities: Neighborhood Emergency Mutual Assistance and Friendly Relations

Procedures for Remedying Negative Impacts

The company identifies and assesses actual or potential negative impacts on the economy, environment, and people (including their human rights) through regular evaluations, communication with stakeholders, and grievance mechanisms. If the company identifies actual or potential negative impacts, it will provide mitigation or remedial measures for actual negative impacts and implement relevant measures to prevent potential negative impacts from occurring.

Stakeholder Communication and Response

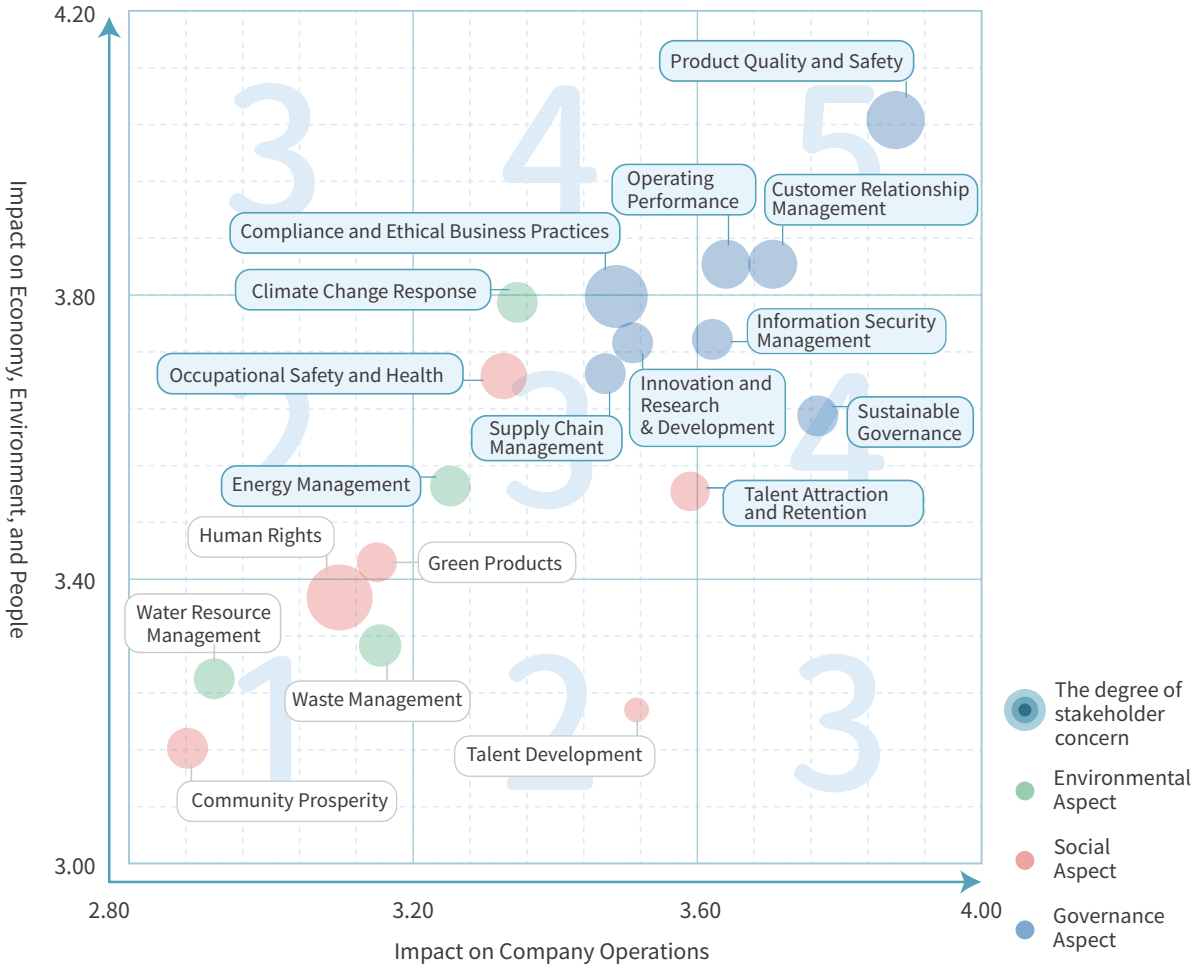
Stakeholders	Contact and Response Methods
Investors, Media	Contact Person: Wu Pei-Chun, Spokesperson Contact Email: ir@axman-bike.com
Employees, Local Community Residents	Contact Person: Yang, Tsong-Han Phone: +886-4-8535898 Grievance Email: careyou@axman.com.tw
Customers	Contact Person: Wang Jun-Sui, Sales Manager Phone: +886-4-8535898 Contact Email: axman@axman.com.tw
Suppliers	Contact Person: Wang Cheng-Xuan, Production Center Associate Manager Phone: +886-4-8535898 Contact Email: axman@axman.com.tw

1.5 Identification of Material Topics

Major Sustainability Topics Identification Process

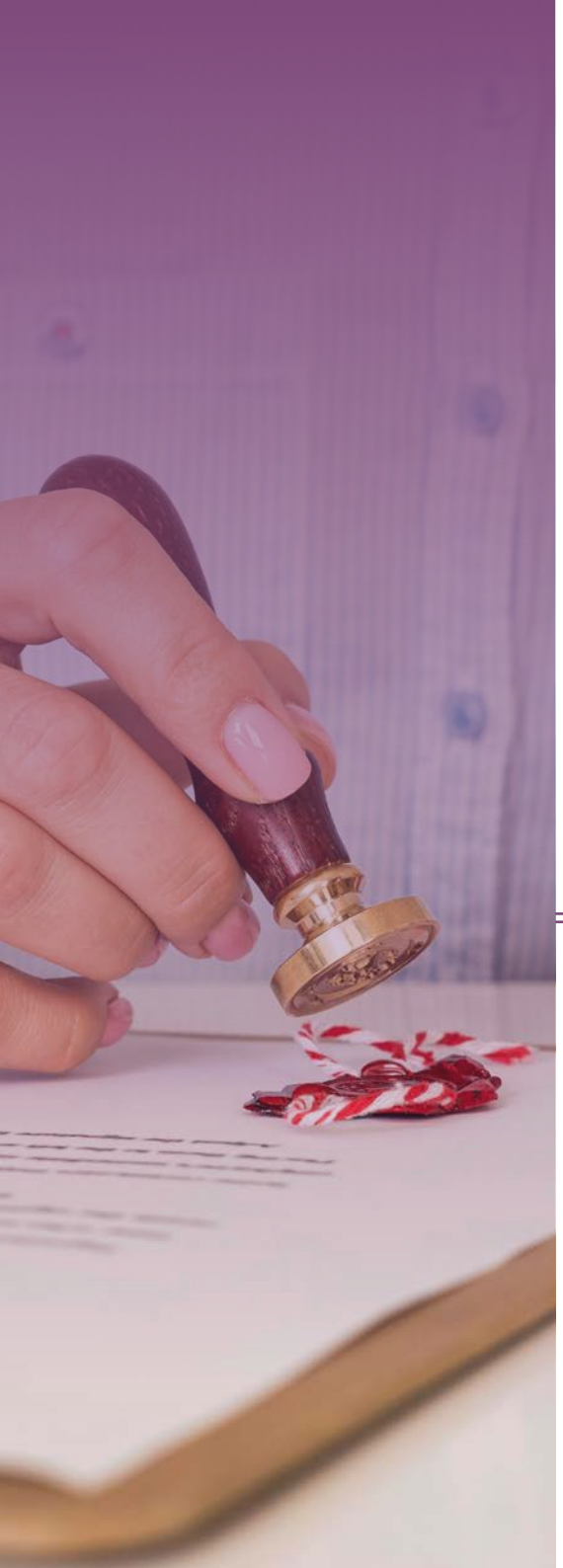
The company identifies material topics through internal discussions, external expert assistance, and by referencing the Global Reporting Initiative (GRI) Standards and significant global and local industry trends. Various sustainability issues are collected and systematically analyzed through departmental interviews and surveys. In 2024, an impact survey was conducted with management to assess the impact of various topics on the economy, environment, society, and company operations. Additionally, a major topic concern survey was distributed to key stakeholders, with 198 valid responses received. Based on the results, the sustainability topics of most concern to stakeholders were identified and mapped onto a major topic matrix. In the matrix, the X-axis represents the “Impact on Company Operations,” the Y-axis represents the “Impact on Economic, Environmental, and Social Aspects,” and the bubble size represents the “Stakeholder Concern Level.” Topics were evaluated for significance based on their scores and categorized as either major or general topics. After integration and analysis, and confirmation with senior management, Axman identified nine major topics for 2024: Supplier and Procurement Management, Product Quality and Safety, Innovation and Research & Development, Customer Relationship Management. Information Security Management, Talent Attraction and Retention, Occupational Safety and Health, Climate Change Response, Energy Management. These will serve as the reference basis for information disclosure in the sustainability report, with ongoing improvements.

Major Topic Matrix



List of Major Topics

Aspects	Major Topics	Corresponding SDGs	SDGs Sub-goals		Corresponding Chapter
Governance	Supplier and Procurement Management		8.8 12.6	Protect the rights of workers and create safe and secure working environments for all workers, including migrant workers, especially women and those in hazardous jobs. Encourage companies, especially large enterprises and multinational corporations, to adopt sustainable practices and integrate sustainability information into their business operations.	2.4 Supply Chain Management
	Product Quality and Safety		12.2 12.6	By 2030, achieve the sustainable management and efficient use of natural resources. Encourage companies, especially large enterprises and multinational corporations, to adopt sustainable practices and integrate sustainability information into their business operations.	2.5 Product Quality and Safety
	Innovation and Research & Development		9.4 9.5	Upgrade all industries and infrastructure to achieve sustainability Strengthen research and enhance industrial technology	2.6 Innovation and Research & Development
	Customer Relationship Management		17.16	Strengthen global partnerships for sustainable development	2.7 Customer Relationship Management
	Information Security Management		9.C	Universal access to information and communication technology	2.8 Information Security Management
Employees	Talent Attraction and Retention		8.5	By 2030, achieve full and productive employment and decent work for all adults, including youth and persons with disabilities, with equal pay for work of equal value.	3.1 Happy Workplace
	Occupational Safety and Health		8.8	Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, particularly women and those in precarious employment.	3.2 Occupational Safety and Health
Environment	Climate Change Response		13.3	Enhance education and awareness-raising on climate change mitigation, adaptation, impact reduction, and early warning, and improve institutional and human capacity to respond.	4.1 Climate Change Response
	Energy Management		7.2	By 2030, substantially increase the share of renewable energy in the global energy mix.	4.2 Energy Management



CH2

Sustainable Governance

2.1 Corporate Governance Structure

2.2 Risk Management

2.3 Compliance and Ethical Business Practices

2.4 Supply Chain Management

2.5 Product Quality and Safety

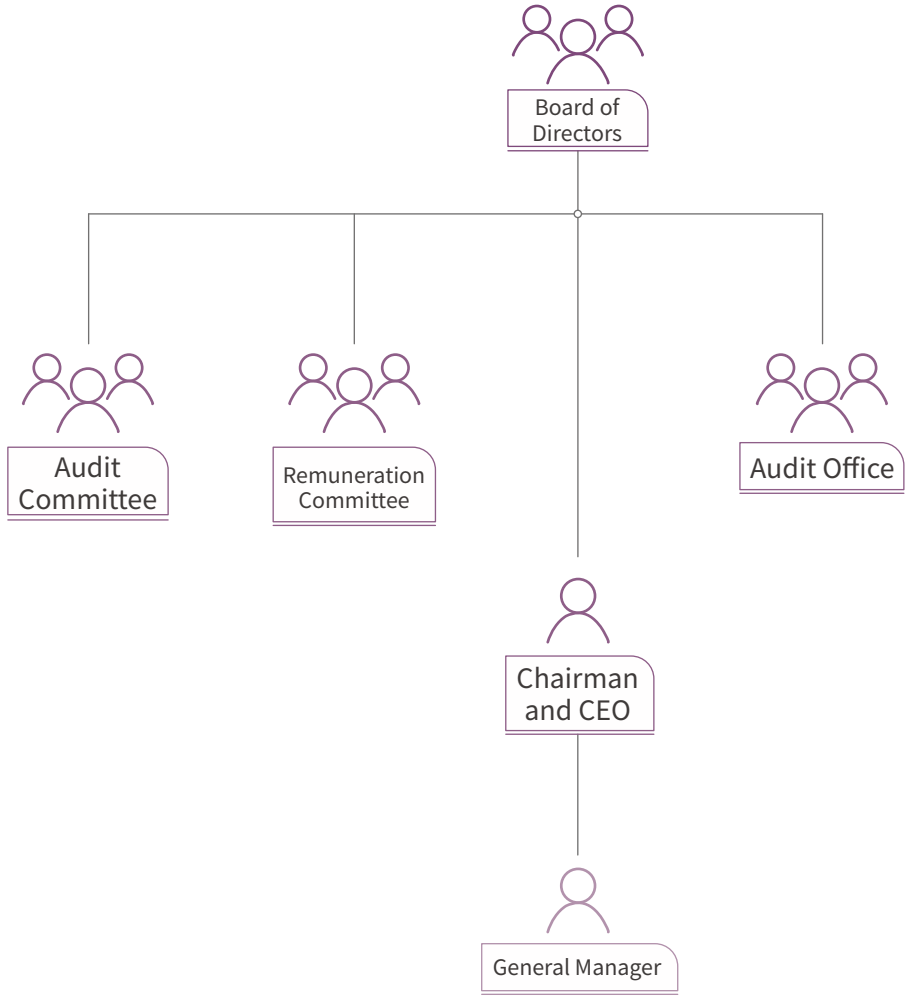
2.6 Innovation and R&D

2.7 Customer Relationship Management

2.8 Information Security Management

2.1 Corporate Governance Structure

Organizational Structure Chart



Main Business Operations

Category	Scope of Responsibilities
Board of Directors	The Board of Directors of the Company convenes at least once every quarter. It is composed of nine directors, including four independent directors, accounting for 44.44% of the board. All board members possess the professional expertise and diverse, complementary backgrounds required for the Company's operations. The Company continuously strengthens the functions of the Board, enhances the leadership and management capabilities of the executive team, and emphasizes the protection of shareholders' rights and the accuracy and transparency of information. In 2024, the Board held a total of seven meetings, with an attendance rate of 98% by its members.
Audit Committee	The Audit Committee of the Company convenes at least once every quarter and is composed of four independent directors. It is responsible for overseeing the proper presentation of the Company's financial statements, the appointment or dismissal and the independence and performance of the certified public accountants, the effective implementation of the Company's internal controls, compliance with relevant laws and regulations, and the management of existing or potential risks. In 2024, the Committee held a total of seven meetings, with a member attendance rate of 96%.
Remuneration Committee	The Remuneration Committee of the Company convenes at least twice a year and is composed of three independent directors. It is responsible for regularly reviewing the compensation policies and proposing revisions; setting and periodically reviewing the Company's annual and long-term performance goals and the policies, systems, standards, and structures for the compensation of directors and managers; regularly assessing the achievement of performance goals by directors and managers; and determining the content and amount of their individual compensation. Recommendations made by the Committee are submitted to the Board of Directors for discussion. In 2024, the Committee held a total of two meetings, with a 100% attendance rate by its members.
Audit Office	Assist the Board of Directors and management in inspecting and reviewing deficiencies in the internal control system and in assessing the effectiveness and efficiency of operations. Timely improvement recommendations are provided to ensure the continuous and effective implementation of the internal control system and to serve as a basis for reviewing and amending the system. In addition, communication is conducted regarding the execution of audit tasks, the tracking of improvements for identified deficiencies, and the effectiveness of such improvements.
Corporate Governance Officer	The Company has appointed a dedicated Corporate Governance Officer. The responsibilities of the Corporate Governance Officer include handling matters related to Board and shareholders' meetings, preparing meeting minutes, assisting directors with onboarding and continuing education, providing directors with the necessary information to perform their duties, and supporting their compliance with laws, the Articles of Incorporation, and contractual obligations. In 2024, the Corporate Governance Officer completed 12 hours of continuing education.

Board Members

The Board of Directors is the highest governance body of the Company, with the Chairman serving as the head of this governance unit. The Board convenes at least once every three months. The current Board consists of nine members, including five directors and four independent directors, with a term of three years. The Board members have backgrounds in finance, law, and industry expertise. Among the members, eight are male and one is female, with women accounting for 11% of the Board. The average age of the members is between 51 and 60 years.

The Board of Directors is the highest governance body of Axman, with Chairman Mr. Jiang Yongping serving as the head, responsible for implementing shareholder resolutions, formulating the Company's business plans and investment proposals. To improve the governance system of the Board, enhance its supervisory functions, and strengthen management, the Company has established the "Board of Directors Meeting Rules" in accordance with the Regulations for Board of Directors Meetings of Public Companies in the Republic of China. These rules stipulate that the Board must convene at least once every quarter.

The nomination and selection of the Board of Directors members are conducted in accordance with the Company's Articles of Incorporation, adopting a candidate nomination system. This process follows the "Board Election Guidelines" and the "Corporate Governance Code" to ensure that Board members possess diversity and independence. In addition to the requirement that directors who also serve as managers of the Company cannot exceed one-third of the total number of directors, the Company has established an appropriate diversity policy based on its operations, business model, and development needs. This policy covers the following two key aspects:

Basic Conditions and Values

Including gender, age, nationality, and cultural background.

Professional Knowledge and Skills

Including legal, accounting, industry, financial, marketing, or technological expertise, professional skills, and relevant industry experience.

The current Board of Directors consists of nine members. The professional backgrounds of the Board members cover industry experience, management expertise, and accounting backgrounds, among others. The Chairman is an executive director, and there are three directors who also hold employee status. The Board includes four independent directors. Among the members, eight are male and one is female, with women accounting for 11% of the Board. The average age of the members is between 51 and 60 years.

Title	Name	Gender	Nationality	Age	Period of Service
Chairman	Yong-Ping Jiang	Male	Republic of China (ROC)	61~70	3 Years
Director	Ming Yu Investment Co., Ltd. - Legal Representative Huang, Qing-Zhong	Male	Republic of China (ROC)	51~60	3 Years
Director	Ming Yu Investment Co., Ltd. - Legal Representative Jiang Ming-Ying	Male	Republic of China (ROC)	31~40	3 Years
Director	Hua Xing Investment Co., Ltd. - Legal Representative Zeng, Huai-Yi	Male	Republic of China (ROC)	41~50	3 Years
Director	LCL Capital Inc - Legal Representative Li, Zhong-Liang	Male	Republic of China (ROC)	61~70	3 Years
Independent Director	Zhang, Jia-Xing	Male	Republic of China (ROC)	51~60	3 Years
Independent Director	Pan, Kuo-You	Male	Republic of China (ROC)	51~60	3 Years
Independent Director	Wu, Shao-Gui	Male	Republic of China (ROC)	51~60	3 Years
Independent Director	Huang, Lan-Jing	Female	Republic of China (ROC)	51~60	3 Years

Board Members' Education and Experience

Title	Name	Education and Experience	Positions Held in This Company/Other Companies
Chairman	Yong-Ping Jiang	Chin Yi Industrial Vocational School, Industrial Management Department General Manager, Axman Enterprise Co., Ltd.	Chief Executive Officer, Axman Enterprise Co., Ltd. Chairman, Ming Yu Investment Co., Ltd.
Director	Ming Yu Investment Co., Ltd. - Legal Representative Huang, Qing-Zhong	Chin Yi Industrial Vocational School, Industrial Management Department General Manager of Axman Enterprise Co., Ltd. Executive MBA, National Changhua University of Education General Manager, Spintec Taiwan Branch General Manager, Fuji Asia Co., Ltd. General Manager, Shanghai Yonghua Import and Export Co., Ltd. Export Department Manager, Merida Industry Co., Ltd.	General Manager, Axman Enterprise Co., Ltd.
Director	Ming Yu Investment Co., Ltd. - Legal Representative Jiang Ming-Ying	Providence University, Department of International Business Deputy Manager, Procurement Department, Axman Enterprise Co., Ltd. Deputy Manager, Coating Department, Axman Enterprise Co., Ltd. Senior Specialist, Procurement Department, Axman Enterprise Co., Ltd. Assistant to the Chairman's Office, Axman Enterprise Co., Ltd. Senior Specialist, General Manager's Office, Axman Enterprise Co., Ltd.	Special Assistant of the General Manager Director, Bicycle Industry Association

Title	Name	Education and Experience	Positions Held in This Company/Other Companies	
Director	Hua Xing Investment Co., Ltd. - Legal Representative Zeng, Huai-Yi	MBA, Tsinghua University and Massachusetts Institute of Technology Sloan School of Management Bachelor's Degree in Civil and Environmental Engineering, University of California, Los Angeles Director of Investor Relations, International Finance, Mergers and Acquisitions, and CFO, Baidu CFO and Secretary General of the Board, Anjuke Vice President of Corporate Affairs, Ctrip Group	Director, Chong You Industrial Co., Ltd. Global CFO, KKDay International Travel Agency Vice President, Deutsche Bank	
Director	LCL Capital Inc - Legal Representative Li, Zhong-Liang	EMBA in International Business, National Taiwan University Bachelor's Degree in Economics, National Taiwan University Chairman, Witty Mate Co., Ltd. Chairman, EverFocus Co., Ltd.	Chairman, Gaolin Industrial Co., Ltd. Chairman, Xingchang Biotech Co., Ltd. Chairman, Xinghua Investment Co., Ltd. Chairman, Xingchang Health Services Co., Ltd. Chairman, Xingchang Investment Co., Ltd. Chairman, Gaolin High-Tech Co., Ltd. Chairman, Yihe International Co., Ltd. Chairman, Gaochang Biomed Co., Ltd. Chairman, Changkang Biotechnology Co., Ltd. Chairman, Gaoming Energy Co., Ltd. Chairman, Gaosheng Energy Co., Ltd. Chairman, Tuosen Energy Co., Ltd. Chairman, Yuguang Energy Co., Ltd. Director, Meizhixin International Co., Ltd.	Director, Gaolin Weirjin Co., Ltd. Director, Zanyu Hong Kong Limited Director, Zanyu Hong Kong Holdings Limited Director, Gaolin International Co., Ltd. Director, Quality Craft Ltd. Director, Colltex Garment MFY (HK) Co., Ltd. Director, Xinghe Biomed Co., Ltd. Director, Lixiang Aerospace Electronics Co., Ltd. Director, Cross-Border Harvest Co., Ltd. Director, Taibao Biomed Co., Ltd. Director, Yunbao Energy Technology Co., Ltd. Director, Sanhe Health Enterprises Co., Ltd. Director, Lüdai Energy-Saving Technology Co., Ltd.
Independent Director	Zhang, Jia-Xing	EMBA, National Chiao Tung University Bachelor's Degree in Financial and Taxation, National Chengchi University Executive Director/CFO, World Center Technology Co., Ltd. Senior Specialist, Business Management Department, Fu Hsiang Industrial Co., Ltd. Manager, Underwriting Department, Yuan Fu Securities Co., Ltd. Assistant Manager, Underwriting Department, Dahua Securities Co., Ltd. Credit Officer, Chinatrust Commercial Bank	Principal, Zhi Yuan Management Consulting Co., Ltd. Principal, Ding Cheng Investment Co., Ltd. Independent Director, Li Ji Enterprises Co., Ltd. Independent Director, Xian Yi Electronics Co., Ltd.	
Independent Director	Pan, Kuo-You	Republic of China Army Officer Academy, Associate Degree Program	General Manager, Yong Ren Enterprise Management Consulting Co., Ltd.	

Title	Name	Education and Experience	Positions Held in This Company/Other Companies
Independent Director	Wu, Shao-Gui	Master's Degree in Business Administration, Chaoyang University of Technology Bachelor's Degree in Law, College of Law and Business, National Chung Hsing University (formerly College of Law and Business, National Chung Hsing University) Director, Taichung Bar Association Pro bono lawyer, Taichung City Government Legal Aid	Managing Partner, Chinatrust Law Firm Independent Director, Jiu He Optoelectronics Co., Ltd. Independent Director, Wang Pin Catering Co., Ltd.
Independent Director	Huang, Lan-Jing	Bachelor's Degree in Economics, Fu Jen Catholic University Master's Degree in Business Administration, Cleveland State University, USA Doctorate in Business Administration (Major in International Business), Nova Southeastern University, USA Independent Director/Compensation Committee Member, Shunde Industrial Co., Ltd. Financial Officer, PELO FILA Limited, Hong Kong	Professor, Department of Business Administration, National Changhua University of Education Independent Director, Xian Yi Electronics Co., Ltd. Independent Director, Shunde Industrial Co., Ltd.

Diverse Professional Backgrounds of Board Members

Title/Name	Operational Judgment	Accounting and Finance	Management and Operations	Crisis Management	Industry Knowledge	Global Perspective	Leadership	Decision-Making
Chairman: Jiang, Yong-Ping	✓		✓	✓	✓	✓	✓	✓
Director: Huang, Qing-Zhong, Legal Representative of Ming Yu Investment Co., Ltd.	✓		✓	✓	✓	✓	✓	✓
Director: Jiang, Ming-Ying, Legal Representative of Ming Yu Investment Co., Ltd.	✓		✓	✓	✓	✓	✓	✓
Director: Zeng Huai-Yi, Legal Representative of Hua Xing Investment Co., Ltd.	✓	✓	✓	✓	✓	✓	✓	✓
Director: Li Zhong-Liang, Legal Representative of LCL Capital Inc	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director: Zhang Jia-Xing	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director: Pan Kuo-You	✓		✓	✓	✓	✓	✓	✓
Independent Director: Wu Shao-Gui	✓		✓	✓	✓	✓	✓	✓
Independent Director: Huang Lan-Jing	✓	✓	✓	✓	✓	✓	✓	✓

Composition of the Board of Directors

Age	Male	Female	Total
30 years old and below	0	0	0
31 to 50 years old	2	0	2
Above 50 years old	6	1	7
Total	8	1	9

Conflict of Interest

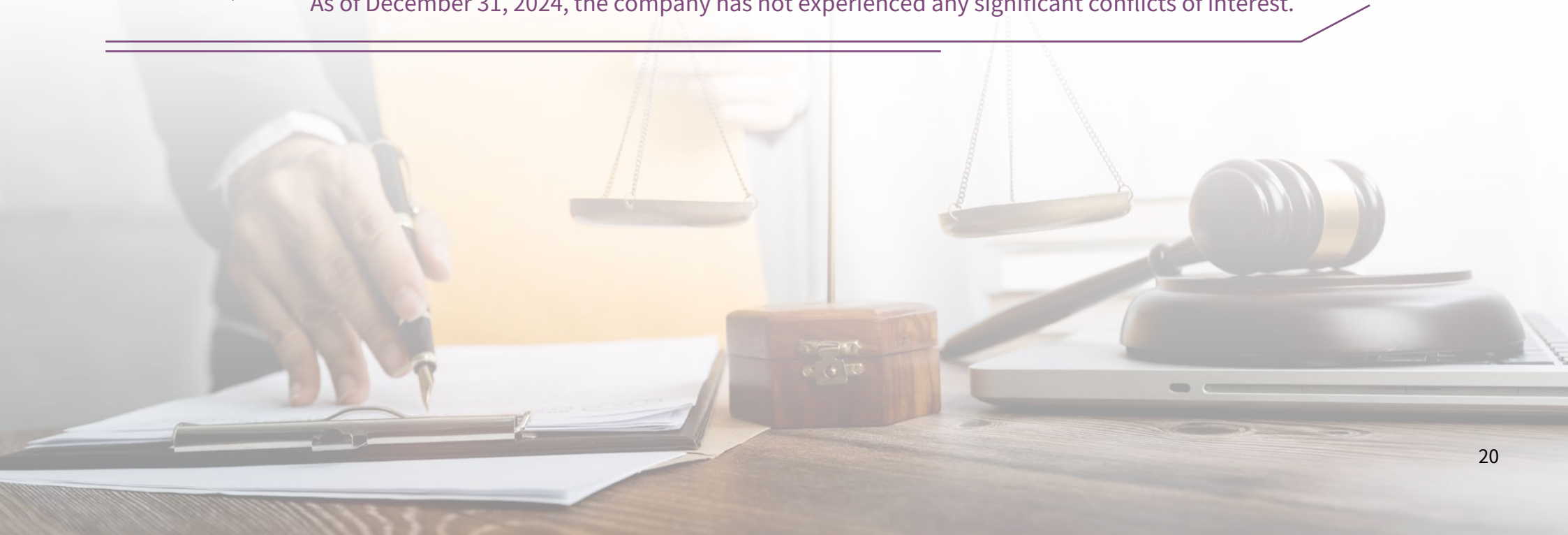
In the notice of the board meeting, the company has outlined the regulations regarding the avoidance of conflicts of interest. Directors with a personal or related entity interest that could potentially harm the company's interests must declare their position and respond to inquiries but are not allowed to participate in the discussion or voting. During the discussion and voting, they must abstain, and they are not allowed to proxy the voting rights of other directors. Additionally, directors should exercise self-discipline and avoid improper mutual support.

If a director has an interest in a matter being discussed at a board meeting, either personally or through a related entity, they must disclose the key details of that interest at the meeting. If there is a potential for the company's interests to be harmed, the director is prohibited from participating in the discussion or voting. During the discussion and voting, they must abstain and are not allowed to proxy the voting rights of other directors. The director's spouse, blood relatives within the second degree, or any company with a controlling or subordinate relationship with the director, will be considered as having an interest in the matter, as it relates to the director's own interest. Board resolutions of the company, in relation to directors who are prohibited from exercising their voting rights based on the previous two stipulations, will be handled in accordance with Article 206, Paragraph 2, and the application of Article 180, Paragraph 4, of the Company Act.

If employees have any conflicts of interest related to business dealings, they must inform their supervisor in advance and avoid the conflict to prevent any potential issues.

In the event of a conflict of interest, employees can report the matter to their direct supervisor, or they may report it directly to the management department.

As of December 31, 2024, the company has not experienced any significant conflicts of interest.



Board Performance Evaluation

To implement corporate governance and enhance the functionality of the board of directors, the company has established performance goals to improve the efficiency of board operations. In accordance with Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, the company approved the "Board Performance Evaluation Measures" at the 6th meeting of the 14th board of directors on June 15, 2021. An internal performance evaluation is conducted annually. To ensure independence, the evaluation is done through a questionnaire that is filled out by the directors, and the results are collected and analyzed by the finance department. The evaluation report is submitted to the board of directors by the end of the first quarter of the following year as a basis for review and improvement. Additionally, at least one external performance evaluation is conducted every three years.

Year	Evaluation Method
2024	Self-Assessment Questionnaire
Evaluation Period	Date Submitted to the Board of Directors
2024/1/1-2024/12/31	2025/02/27

To ensure the implementation of the company's sustainable development policies, the board performance evaluation will also assess directors' involvement in economic, environmental, and social issues.

(1) Board Operation Evaluation: (Five self-assessment areas, 19 evaluation items)

The evaluation results show that each item scored above 4.69, indicating a positive assessment of the board's operational performance.

Self-Assessment Areas:	Evaluation Items:	Evaluation Results
A. Degree of Participation in Company Operations	6 items	4.69
B. Enhancing the Quality of Board Decisions	4 items	4.81
C. Board Composition and Structure	2 items	4.83
D. Director Selection and Ongoing Education	3 items	4.85
E. Internal Control	4 items	4.78

(2) Board Member Performance Self-Assessment: (Six self-assessment areas, 20 evaluation items)

The evaluation results show that each item scored above 4.74, indicating that the board members have a positive assessment of the operation of each indicator.

Self-Assessment Areas:	Evaluation Items	Evaluation Results
A. Understanding of Company Goals and Objectives	3 items	4.74
B. Awareness of Director Responsibilities	2 items	4.89
C. Degree of Participation in Company Operations	6 items	4.78
D. Internal Relationship Management and Communication	3 items	4.89
E. Director Professionalism and Ongoing Education	3 items	4.89
F. Internal Control	3 items	4.81

(3) Self-Evaluation of Audit Committee Performance: (Five Evaluation Aspects, 18 Evaluation Items)

The evaluation results show that each item scored above 4.63, indicating that the overall operation of the Audit Committee is sound, meets corporate governance requirements, and effectively enhances the functions of the Board of Directors.

Self-Evaluation Aspects	Evaluation Items	Evaluation Results
A. Degree of Participation in Company Operations	3 items	4.67
B. Awareness of the Responsibilities of the Functional Committee	5 items	4.95
C. Enhancement of Decision-Making Quality of the Functional Committee	6 items	4.92
D. Composition and Member Selection of the Functional Committee	2 items	4.88
E. Internal Control	2 items	4.63

(4) Self-Evaluation of Compensation Committee Performance: (Four Evaluation Aspects, 14 Evaluation Items)

The evaluation results show that each item scored above 4.83, indicating that the overall operation of the Compensation Committee is sound, meets corporate governance requirements, and effectively enhances the functions of the Board of Directors.

Self-Evaluation Aspects	Evaluation Items	Evaluation Results
A. Degree of Participation in Company Operations	3 items	4.89
B. Awareness of the Responsibilities of the Functional Committee	3 items	5.00
C. Enhancement of Decision-Making Quality of the Functional Committee	6 items	4.89
D. Composition and Member Selection of the Functional Committee	2 items	4.83

Board Training Status

To adapt to the rapidly changing business environment, regulatory requirements, and sustainability policies, the members of the Company's Board of Directors continuously enhance their professional knowledge and governance capabilities. Through annually arranged training programs, board members gain deeper insights into industry trends, market developments, and international changes. In 2024, the total training hours for board members amounted to 24 hours.

Training Status of the Company 's Directors and Independent Directors in 2024

Title	Name	Training Start Date	Training End Date	Course Title	Hours
Chairman	Yong-Ping Jiang	November 6	November 6	Corporate Fraud Investigation Practices and Case Analysis	6
Corporate Director Representative	Li, Zhong-Liang	April 10	April 10	Corporate Governance and Sustainable Business Operations Seminar	3
Corporate Director Representative	Li, Zhong-Liang	October 4	October 4	2024 Seminar on Insider Trading Prevention	3
Corporate Director Representative	Huang, Qing-Zhong	April 24	April 24	2024 Phase I Corporate Governance Practice Workshop – ESG Performance Evaluation	3
Corporate Director Representative	Huang, Qing-Zhong	November 19	November 19	Sustainability Committee and Chief Sustainability Officer Forum	3
Independent Director	Wu, Shao-Gui	July 26	July 26	Starting from TIPS: How Enterprises Build IP Risk Prevention Mechanisms	3
Independent Director	Wu, Shao-Gui	August 29	August 29	Corporate Governance and Securities Regulations	3
Independent Director	Huang, Lan-Jing	May 9	May 9	The Key to Enhancing Corporate Performance – Cost Analysis and Green Supply Chain	3
Independent Director	Huang, Lan-Jing	May 30	May 30	ESG and Corporate Governance	3
Independent Director	Zhang, Jia-Xing	May 9	May 9	The Key to Enhancing Corporate Performance – Cost Analysis and Green Supply Chain	3
Independent Director	Zhang, Jia-Xing	November 7	November 7	Corporate Integrity and Executive Accountability – International Trends and Case Sharing	3
Independent Director	Pan, Kuo-You	October 4	October 4	Board Directors and Corporate Governance Officers Series – Financial Statement Fraud Case Study	3
Independent Director	Pan, Kuo-You	December 6	December 6	Board Directors and Corporate Governance Officers Series – Global AI Development and Governance: Observations on the U.S., Europe, and China	3

Functional Committee

Audit Committee

In accordance with Article 3 of the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies," the Company has established the "Audit Committee Charter," which stipulates that the Committee shall be composed entirely of independent directors, with no fewer than three members. One member shall serve as the convener, and at least one member must possess expertise in accounting or finance. Meetings shall be held at least once per quarter and may be convened at any time as necessary.

The Company's Audit Committee is composed of four independent directors and is responsible for overseeing the proper presentation of the Company's financial statements, the selection, dismissal, independence, and competence of the certified public accountants, the effectiveness of the Company's internal control system, compliance with relevant laws and regulations, and the management of existing or potential risks. The Committee exercises its authority in accordance with the provisions of Article 14-5 of the Securities and Exchange Act.

Title	Name	Number of Meetings Held	Actual Attendance	Proxy Attendance	Attendance Rate
Independent Director	Zhang, Jia-Xing	7	7	0	100.00%
Independent Director	Pan, Kuo-You	7	7	0	100.00%
Independent Director	Wu, Shao-Gui	7	6	1	85.71%
Independent Director	Huang, Lan-Jing	7	7	0	100.00%

Remuneration Committee

To establish a sound compensation system for the Company's directors and managerial officers, the Company has adopted the "Compensation Committee Charter" in accordance with Article 3 of the "Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of Companies Listed on the Stock Exchange or Traded Over the Counter." The Compensation Committee consists of three members appointed by resolution of the Board of Directors, with a majority of the members required to be independent directors.

The members of the Committee must possess the professional qualifications and independence necessary to fulfill the functions of the Committee. Operating from a professional and objective standpoint, the Committee is responsible for evaluating the Company's compensation policies and systems for directors and managerial officers, taking into account the opinions of stakeholders, adjusting compensation policies as needed, and providing recommendations to the Board of Directors for reference in decision-making.

Title	Name	Number of Meetings Held	Actual Attendance	Proxy Attendance	Attendance Rate
Independent Director	Zhang, Jia-Xing	2	2	0	100.00%
Independent Director	Pan, Kuo-You	2	2	0	100.00%
Independent Director	Huang, Lan-Jing	2	2	0	100.00%

Executive Compensation Policy

The Company has established a Compensation Committee composed of three independent directors. The Compensation Committee is responsible for formulating and periodically reviewing the performance evaluation and compensation policies, systems, standards, and structures for directors and managerial officers. It also regularly evaluates and determines the compensation of directors and managerial officers. The compensation for directors is determined based on their positions within the Company, level of involvement in Company operations, and the value of their contributions. The compensation for the General Manager and other managerial officers is primarily based on their positions, contributions to the Company, and benchmarking against industry standards, and is handled in accordance with the Company's personnel regulations. Currently, the Company has not yet linked ESG goals and performance to the compensation of the Board of Directors or managerial officers. However, the Company continues to monitor this matter and will consider its implementation once ESG initiatives have become more mature.

The remuneration of the Company's independent directors is determined with reference to their academic and professional backgrounds, social standing, market salary surveys, and industry standards, adhering to the principle of aligning with general market levels. In addition, the Company considers its operational performance and the individual contributions of the independent directors in fulfilling their duties. The proposed remuneration is reviewed by the Compensation Committee and submitted to the Board of Directors for resolution. The Company will continue to review the independent director remuneration policy in accordance with operational conditions and legal requirements, aiming to ensure the reasonableness of compensation and the sustainable development of the Company.

2.2 Risk Management

Axman has not yet established a Risk Management Committee; currently, the General Manager serves as the highest responsible officer. However, with continuous technological advancement and widespread access to information, enterprises are facing opportunities, risks, and threats. In order to protect and enhance the overall interests of the Company, an internal control system has been established to monitor domestic and international developments, review and improve the Company's risk management processes, and enhance risk management effectiveness. Only by promptly identifying risk factors and taking appropriate response measures and corrective actions can the Company adapt to the ever-changing market environment and achieve the goal of sustainable operation.

Although the Company has not yet formally established a comprehensive risk management mechanism, it actively refers to the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" to strengthen corporate governance and enhance operational management efficiency. The Company conducts risk identification and assessment based on its operating environment and internal and external risk factors to ensure stable business development.

In 2024, the Company 's identified risk items are as follows

Financial Risk	Exchange Rate Risk	· The Finance and Accounting Department continuously monitors exchange rate fluctuations, strictly controls foreign exchange exposure, and maintains close contact with financial institutions to track exchange rate trends and adopt appropriate hedging measures accordingly.
	Interest Rate Risk	· As operational needs may require borrowing from banks, resulting in increased interest expenses, interest rate fluctuations can significantly affect the Company's profits and losses. The Company will closely monitor interest rate changes, adjust the proportion of floating and fixed-rate financing, and take necessary measures to mitigate the impact of interest rate fluctuations on the Company.
	Credit Risk	· Monitor customers' financial status and conduct aging analysis to prevent losses arising from customers defaulting on contractual obligations.
Information System Risk	Information Equipment	· The Information Integration Department has added backup storage media: virtual tape libraries and NAS storage devices. · Critical system files, programs, and data files are scheduled for daily regular backups. · Enterprise-level firewalls and cybersecurity analysis systems have been installed to effectively block unknown packet attacks and network service threats, and to filter and block virus files. · Environmental control and disaster prevention measures have been established in the equipment room, along with offsite data backups.
	Virus Detection	· When bringing in external data storage media, prior application must be submitted to the IT department, and virus scanning must be performed.
	Information Security	· Strengthen employee training on information security, emphasize verifying the authenticity of email sources, and avoid sending, receiving, or downloading non-business-related emails or software via the company network.
Policy Risk	EU Anti-Dumping Policy CBAM Carbon Border Adjustment Mechanism	· Closely monitor policy changes and refer to industry practices to respond accordingly, while also participating in industry-wide carbon reduction initiatives.
Legal Risk	Litigation and Financial Loss Reputation Damage	· Implement sound management systems and comply with relevant regulations to ensure no violations occur. · Each business and staff unit formulates and executes strategies according to its responsibilities, and analyzes and assesses responses based on changes in laws, policies, and the market.
Market Risk	Market Competition and Trade Protection	· Monitor domestic and international market trends, enhance product quality and delivery timeliness, control inventory levels, and adjust marketing strategies as needed.
	Changes in Consumer Behavior	· Implement sound management systems and comply with relevant regulations to ensure no violations occur.

2.3 Compliance and Ethical Business Practices

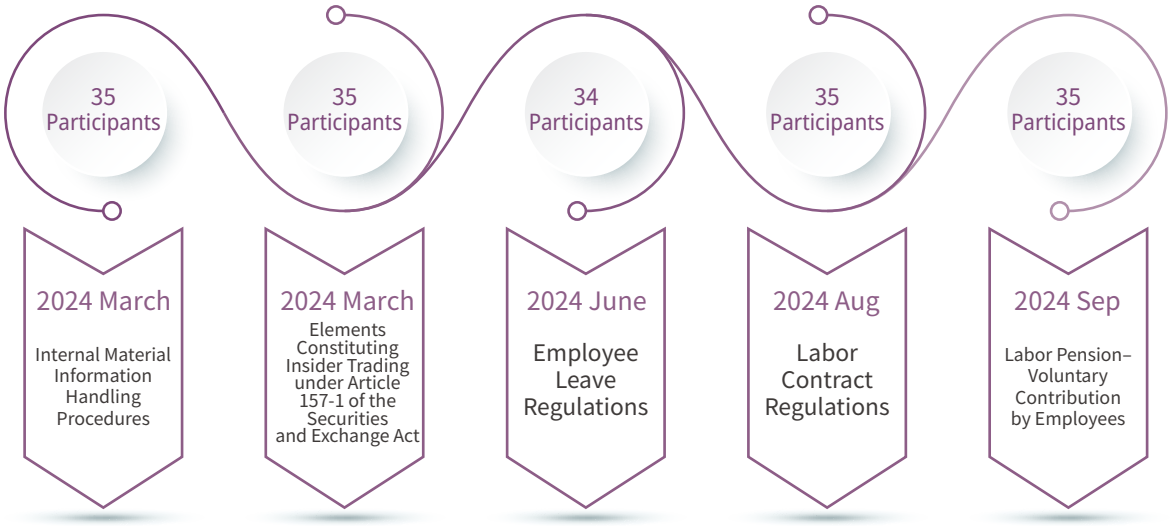
Axman is committed to pursuing balanced development in social, economic, and environmental aspects, and regards sustainable operation as a core value for long-term corporate development. We recognize that regulatory compliance is the cornerstone of maintaining stable and long-term business operations. This requires not only achieving financial growth but also demonstrating leadership in social and environmental issues, while safeguarding the fundamental rights and well-being of our employees.

Axman Enterprise Co. Ltd. was honored as an Outstanding Electronic Invoice User for 2024 by the National Taxation Bureau. Being selected as an annual outstanding business is no easy feat. According to regulations, to qualify, a company must not have been selected as an outstanding invoice issuer or electronic invoice user within the previous two years, and must have no record of underreporting or failing to issue uniform invoices, overdue sales declarations, major violations, or tax arrears (including customs duties). Additionally, the company must not have been suspended from using electronic invoices, and must not have violated laws related to environmental protection, labor, or food safety and sanitation—especially in cases that have attracted public concern or are of symbolic significance. The Central Region National Taxation Bureau oversees five counties and cities in central Taiwan, with more than 291,000 businesses issuing uniform invoices. This year, 62 were recognized as outstanding in uniform invoice issuance, and 25 as outstanding in electronic invoice usage, for a total of 87 awardees.

In 2024, Axman Enterprise Co. Ltd. was honored as an Outstanding Electronic Invoice User by the National Taxation Bureau, demonstrating the company's commitment to ethical business practices and regulatory compliance.

Ethical Business Practices

Axman Enterprise Co. Ltd. adheres to the principle of integrity in all business operations and complies with the laws and ethical standards of the countries in which it operates. In addition to making regulatory compliance a core company policy, Axman has established its own "Code of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," and "Procedures for Ethical Management and Guidelines for Conduct," based on the "Sample Template for the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," along with a dedicated grievance mechanism. All personnel, from board members to frontline employees, are required to comply with legal and ethical standards. The company proactively prevents unethical behavior by implementing robust internal controls and risk management systems, and these measures are publicly disclosed on its official website. Integrity-related topics are regularly promoted through employee training and meetings. In 2024, the focus of ethical training was on enhancing employees' legal awareness. Axman will continue to promote integrity-themed training each year to further strengthen employees' awareness of ethical business practices.



Reporting Channels

Reports shall be handled as confidential documents. The identity of the whistleblower, the content of the report, and the identities of any personnel involved in the investigation shall be kept confidential by the Company. Anyone who becomes aware of the whistleblower's identity or the contents of the report in the course of performing their duties shall not disclose such information. The whistleblower is also obligated to maintain confidentiality regarding the reported case. Any violation of these provisions shall be handled in accordance with the Company's relevant disciplinary regulations.

In response to violations of integrity management regulations, the Company has established reporting channels and strictly maintains the confidentiality of the whistleblower's identity and the content of the report. If the report is verified to be true, disciplinary action will be taken based on the severity of the case in accordance with the "Employee Rewards and Disciplinary Regulations." The Company has also formulated work rules to prevent insider trading, as well as other relevant policies and procedures. Designated personnel will be assigned to investigate reported matters, ensuring confidentiality for both the whistleblower and the reported content. Protective measures will be adopted to ensure the whistleblower does not suffer any improper treatment as a result of making the report.

We accept reports from shareholders, investors, directors, managers, employees, and other internal or external stakeholders who discover violations of the Company's Code of Integrity. A dedicated hotline is provided for reporting:

Reporting Hotline: +886-4-8535898 #531

Fax: +886-4-8531299

Email: ir@axman-bike.com

Mailing Address:

Audit Office, No. 1, Section 3, Zhongshan Road, Daqiao Village, Dacun Township, Changhua County 515002, Taiwan

2024 Complaint Case Statistics

Anti-Corruption Complaints: 0 cases

Environmental Complaints: 0 cases

Social Complaints: 0 cases

Total Complaints for the Year: 0 cases

Legal Compliance

In 2024, through the Company's dedicated efforts, no related reports or complaints were received, and no major legal violations occurred. The Company continues to comply with relevant corporate governance laws and regulations, such as the Company Act, Securities Transaction Tax Act, Futures Transaction Tax Act, and Value-Added and Non-Value-Added Business Tax Act, with the goal of maintaining full regulatory compliance. Strict measures are in place to prevent corruption, ensure that all products meet regulatory requirements, and avoid any penalties due to legal violations. Furthermore, there have been no incidents of anti-competitive behavior, antitrust violations, or monopolistic practices, contributing to a strong and reputable corporate image.

Category	Compliance Item	Measure	Compliance Status
Corporate Governance	Company Act, Securities and Exchange Act, Trade Secrets Act, etc.	Participate in the promulgation of relevant regulations and meetings issued by competent authorities such as the Financial Supervisory Commission, the Securities and Futures Bureau, the Taiwan Stock Exchange, and the Taipei Exchange, and periodically conduct business report discussions at the Board of Directors meetings to enhance internal compliance awareness.	No major violations occurred in 2024.
Labor Rights	Labor Standards Act, Labor Union Act, Act of Gender Equality in Employment, Employment Service Act, Occupational Safety and Health Act, etc.	Comply with international human rights conventions such as the "Universal Declaration of Human Rights" and the "Fundamental Human Rights of Transnational Corporations," and establish concrete management policies based on relevant domestic labor laws, implementing them across different categories of personnel to safeguard labor rights. In addition, labor-related legal training is provided to managerial staff to enhance their awareness of labor law compliance. A "Grievance Handling Procedure" has also been established, with clear complaint and resolution processes, ensuring effective communication.	
Products	Regulations related to product and service labeling, Antitrust Law, Taiwan Pharmaceutical Affairs Act, etc.	Regularly monitor product and environmental regulations, and when there are policy or regulatory adjustments related to the company, reminders and explanations are provided during internal meetings for communication and awareness.	
Environment	Environmental Protection Regulations.		

Criteria for Major Regulatory Violations:According to Article 36, Paragraph 3 of the Financial Supervisory Commission's regulations, a major penalty is defined as a single case involving a cumulative fine exceeding NT$1 million or an incident resulting in personnel fatalities.

Anti-Corruption Policy

The Company discloses its integrity management policy through internal regulations, the annual report, the Company's website, and the Market Observation Post System, ensuring that suppliers, customers, other business-related organizations, and investors clearly understand its principles and policies regarding integrity.

Personnel of the Company are prohibited, in the course of conducting business, from directly or indirectly offering, accepting, promising, or soliciting any improper benefits, or engaging in any acts that violate integrity, are unlawful, or breach fiduciary duties. Directors and managers of the Company must strictly comply with the Securities and Exchange Act and other relevant laws and regulations. The aforementioned conduct restrictions apply to public officials, political candidates, political parties or their representatives, as well as any public or private enterprises or institutions and their directors, independent directors, managers, employees, individuals with substantial control, or other stakeholders. In 2024, the Company received no complaints related to anti-corruption, environmental, or social issues.

Internal Control System

An Audit Office subordinate to the Board of Directors has been established and reports audit operations to the Board on a quarterly basis. The Company has formulated accounting and internal control systems, and the Audit Office conducts various audit tasks according to the audit plan, reporting the results to the Board. During the annual audit of financial statements, the certified public accountants also verify the effectiveness of the internal control system.

Based on the results of the self-assessment, the Company hereby declares the following regarding the internal control system for the year 2024:

1. The Company acknowledges that the establishment, implementation, and maintenance of the internal control system are the responsibilities of the Board of Directors and management. The Company has established such a system to provide reasonable assurance for the achievement of objectives relating to operational effectiveness and efficiency (including profitability, performance, and asset safeguarding), reliability, timeliness, transparency of reporting, and compliance with applicable laws, regulations, and relevant standards.
2. Internal control systems have inherent limitations. No matter how well designed, an effective internal control system can only provide reasonable assurance of the achievement of the aforementioned objectives. Furthermore, the effectiveness of an internal control system may change due to changes in the environment or circumstances. However, the Company's internal control system includes a self-monitoring mechanism, and upon identification of any deficiencies, corrective actions are promptly taken.
3. The Company has evaluated the design and implementation effectiveness of its internal control system based on the criteria prescribed in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria for evaluating internal control systems under the Regulations are structured according to the internal control process and consist of five components: (1) Control Environment, (2) Risk Assessment, (3) Control Activities, (4) Information and Communication, and (5) Monitoring Activities. Each component contains several items. For details, please refer to the Regulations.
4. The Company has adopted the aforementioned evaluation criteria to assess the effectiveness of the design and implementation of its internal control system.
5. Based on the results of the evaluation mentioned above, the Company believes that as of December 31, 2024 (the date of this statement representing the end of the fiscal year), its internal control system (including the supervision and management of subsidiaries), encompassing aspects related to the achievement of operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable laws and regulations, is effective in both design and implementation and can provide reasonable assurance.
6. This Statement shall form a major part of the Company's annual report and public prospectus and will be disclosed publicly. Any falsehoods or concealments in the public disclosure may incur legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement was approved by the Board of Directors on February 27, 2025. All 9 directors attended the meeting, and none expressed dissenting opinions. All agreed to the contents of this Statement, hereby jointly declared.

Internal Audit Organization and Management Process

The Company's internal audit unit is an independent department under the Board of Directors. The chief audit officer attends meetings of the Board of Directors and the Audit Committee to report internal audit matters to the directors and audit committee members.

The Company's senior management conducts risk assessments based on past operational experience, global political and economic conditions, industry developments, and ESG trends to set operational objectives. Department heads then develop action plans and daily management goals aligned with these objectives. Through regular and ad-hoc internal meetings, the Company reviews the progress of operational goals, evaluates risks or regulatory changes that may impact operations, and formulates appropriate preventive measures or mitigation strategies.

Through internal audit operations, internal auditors assess the internal control systems designed by department heads and the implementation processes carried out by all employees. This enables the Company to confirm the effectiveness and efficiency of operations (including profitability, performance, and asset safeguarding), as well as the reliability, timeliness, transparency, and compliance of internal and external financial and non-financial reporting. It also ensures adherence to internal control systems and relevant laws and regulations. Department heads, through self-assessments of their internal control systems, can also evaluate whether their designed controls are appropriate, thereby ensuring the effectiveness of the overall internal control system.

Based on the audit results and departmental self-assessments, the chief audit officer attends meetings of the Board of Directors and the Audit Committee to report on the execution of internal audit activities, allowing directors and audit committee members to understand the effectiveness of the Company's implementation of internal control systems.

2.4 Supply Chain Management

Impact and Influence

Neglecting ESG risks of suppliers may lead to issues related to governance and integrity, environmental degradation, and labor rights violations, thereby impacting the overall value chain.

Policy Commitment

To establish sustainable supply chain management, efforts will be made to increase the proportion of local procurement and actively promote the concept of sustainable development to suppliers. Certified recycled materials will be sourced, and cooperation with suppliers on the use of environmentally friendly materials will be strengthened to reduce the carbon footprint. Furthermore, the supply chain will be aligned with long-term environmental and social responsibility standards, advancing toward a win-win situation for both the enterprise and the environment.

Actions Taken

Regularly assess suppliers on quality, delivery performance, and service to ensure a stable supply chain operation and continuously enhance collaboration efficiency.

Evaluation Mechanism

The Procurement Department regularly tracks progress and reports the results to the Sustainability Development Center.

Short-Term Goal

- Conduct on-site evaluations of business philosophy, manufacturing capabilities, and product quality for 30% of new domestic suppliers, incorporating these aspects into the assessment scope.

Mid- to Long-Term Goals

- Regularly assess suppliers on quality, delivery performance, and service to ensure a stable supply chain operation and continuously enhance collaboration efficiency.
- Identify suppliers of alternative eco-friendly packaging materials, and gradually replace more than 66% of customer packaging materials with environmentally friendly options between 2022 and 2024.
- Require 15% of key component suppliers to provide product certifications under the Restriction of Hazardous Substances Directive (RoHS), REACH certification, or self-declaration statements.

Performance Results

- A total of 138 suppliers were evaluated in 2024, and all scored above 60.
- Conducted “New Supplier Evaluation” for 15 suppliers, all of which were compliant, accounting for 57% of the new suppliers for the year.

Stakeholder Engagement

- Participate in the Bicycle Alliance for Sustainability (BAS)
- Participate in the Bicycle Association
- Facilitate face-to-face exchanges between suppliers and internal departments such as R&D, sales, procurement, quality assurance, and warehousing through supplier product launch events to discuss topics including innovative products and the adoption of eco-friendly materials

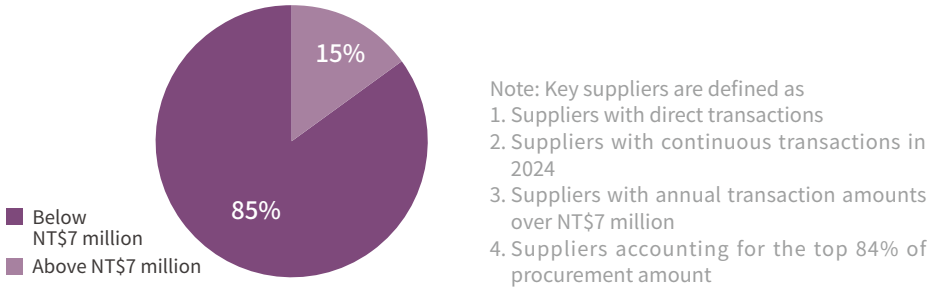
Item / Interest Groups	Needs (Expectations)	Fulfillment	Detection Method	Responsible Unit	Action Plan /Goals	Year 2024 Actual Performance
Suppliers	· Stable orders · Reasonable pricing	· Place orders consistently · Offer reasonable product pricing	Long-Term Partnership	Business	Sales Target Achievement Rate: 95%	95.7%
				Procurement	Procurement Cost Reduction as a Percentage of Total Purchase Amount: 0.60%	0.61%
				Procurement	Weekly Scheduling Achievement Rate: 85%	82.6%

Supply Chain Overview

Suppliers are categorized into eight major groups: Frame System, Electric Drive System, Traditional Gear Shifting, Transmission System, Braking System, Steering System, Wheel System, and Accessories System.

Supplier scale is defined based on transaction amounts. Using a baseline of procurement amounts greater than or equal to NT$7 million in 2024, there are a total of 262 direct procurement suppliers. Among these first-tier suppliers, 38 were identified as key first-tier suppliers in 2024 based on their proportion of the total procurement amount.

2024 First-Tier and Key Supplier Selection Chart



Note: Key suppliers are defined as
1. Suppliers with direct transactions
2. Suppliers with continuous transactions in 2024
3. Suppliers with annual transaction amounts over NT$7 million
4. Suppliers accounting for the top 84% of procurement amount

The main supplier categories are as follows

Main Materials	Main Product Names	Supply Status
Lighting System	Headlights, lamp housings, lamp covers, and bulb components	Acceptable
E-Drive System	Batteries, motors, controllers	Acceptable
Drivetrain and Suspension System	Gears, axles, joints, rubber parts, shock absorbers, shafts	Acceptable
Tire System	Treads, toe clips	Acceptable
Brake System	Brake pads, brake discs	Acceptable
Steering System	Front forks, fork rods, head tubes, tubes, headsets	Acceptable
Frame System	Rims, tires, inner tubes, alloy rims, housings	Acceptable
Accessory System	Racks, handlebars, kickstands	Acceptable

Supplier Management and Regular Evaluation

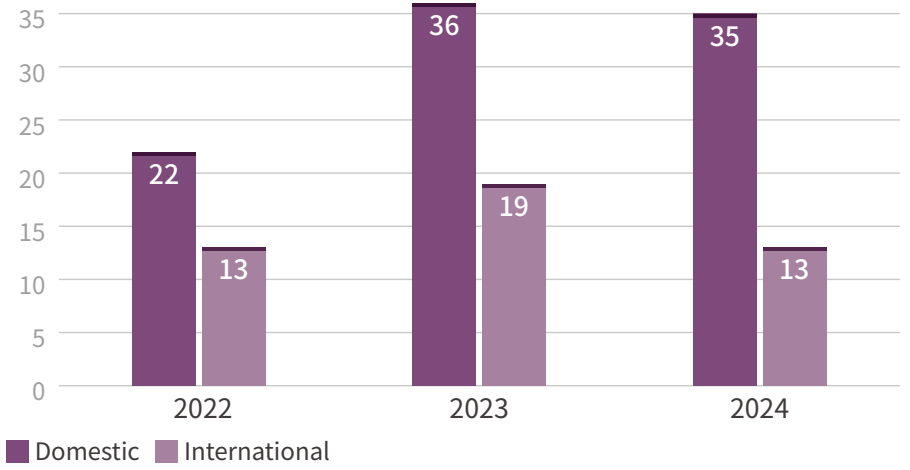
New suppliers in Taiwan are evaluated primarily based on three aspects: business philosophy, manufacturing capability, and product quality. Suppliers scoring above 70 points are considered qualified and approved. Existing suppliers are assessed monthly, and those scoring below 60 are required to make adjustments and submit improvement plans, followed by performance tracking. Suppliers with fewer than five transactions per year or an annual purchase amount below NT$10,000 are excluded from the annual supplier evaluation ranking.

In 2024, the company evaluated a total of 13 new suppliers, all of whom were approved, resulting in a 100% acceptance rate. Additionally, 138 existing suppliers were assessed, and their scores for delivery performance, quality, and service all exceeded 60 points.

Qualified Supplier Evaluation Criteria

Delivery Evaluation	Quality Evaluation	Service Evaluation
· On-Time Delivery Rate · Order Completion Rate · Order Fulfillment Rate	· Supplier Work Checklist · Product Yield Rate	· Quotation Response Time · Information Feedback Timeliness · Issue Resolution Timeliness

Supplier Regional Distribution Table



New Supplier Selection

Axman conducts “New Supplier Evaluations” and annual audits for new suppliers. Responsible departments are tasked with selection, supervision, and inspection based on aspects such as Quality, Environment and Occupational Health & Safety, and Labor and Human Rights. The company has also begun planning to incorporate more ESG criteria as part of the selection standards for new suppliers. During regular performance evaluations, suppliers are assessed based on Quality, Cost, Delivery, and Service, with results monitored and followed up through communication and continuous improvement efforts.

For new suppliers of critical raw materials, products must first pass Axman’s EV engineering verification. Subsequently, the Quality Assurance Department conducts an on-site audit to comprehensively evaluate the supplier’s overall assurance capability based on the Supplier On-Site Audit Checklist. The evaluation covers eight modules: system management, technical capability, supply chain, process control, finished product control, quality improvement and service, environmental protection, and social responsibility.

Axman Raw Material New Supplier Onboarding Flowchart

Axman Miscellaneous New Supplier Onboarding Flowchart

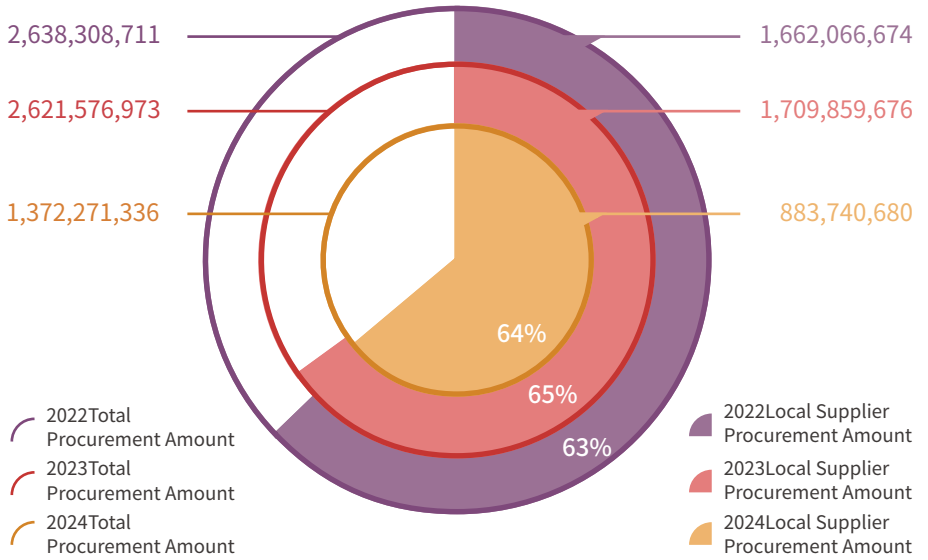
Supplier ESG Self-Assessment Questionnaire

Following the 2024 supplier audits and evaluations, a total of 15 suppliers were assessed, all of whom were found to be compliant. No significant actual or potential negative environmental or social impacts were identified among the suppliers. The company continues to monitor and strengthen compliance requirements to ensure all partners adhere to our environmental and social responsibility standards. If potential issues are identified in the future, corrective actions will be taken immediately, and close collaboration with the supplier will be carried out to improve their operations.

Percentage of Locally Procured Products and Services

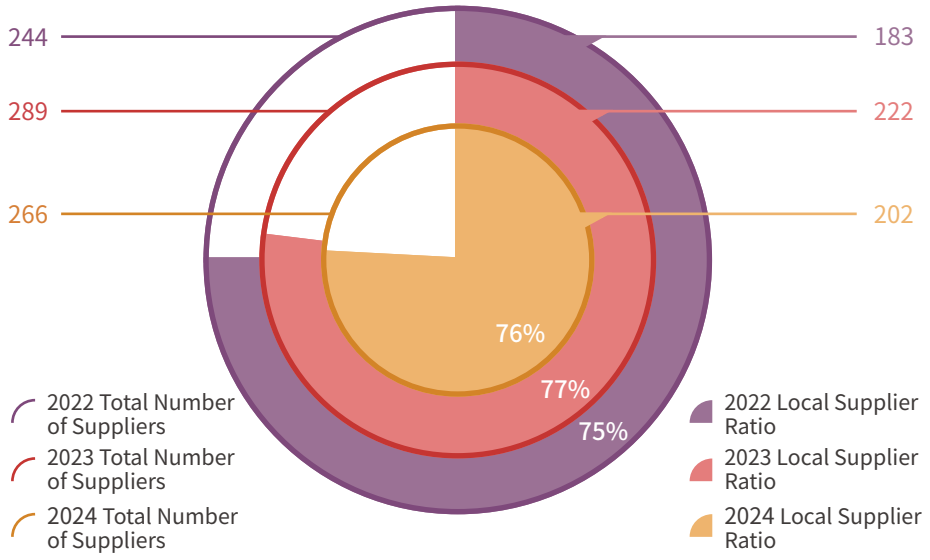
Annual Procurement Amount

Unit: New Taiwan Dollars (NTD)



Annual Number of Suppliers

Unit: Number of Suppliers



To promptly meet market demands, the company actively promotes a local procurement strategy, maintaining close collaboration with domestic suppliers and encouraging joint development. This approach aims to reduce supply risks and operational costs while also minimizing carbon emissions caused by long-distance transportation. “Local” procurement is defined as sourcing from suppliers located within the borders of the respective country.

2.5 Product Quality and Safety

Impacts

Poor product quality management systems may lead to high defect rates, which can result in increased customer complaints and decreased customer satisfaction. This, in turn, can damage brand reputation and negatively impact the company's competitiveness in the market.

Policy Commitment

Axman is committed to safeguarding the safety and health of riders, considering product responsibility as a core pillar of its operations. Therefore, every stage of the bicycle production process is managed with the highest standards of quality and safety. The company has established four major product safety policies: Quality Assurance, Customer Satisfaction, System Implementation, and Continuous Improvement. Through the development of high-quality bicycle products, Axman upholds its philosophy of sustainable operation, aiming to create maximum value for customers while giving back to society.

Actions Taken

- Any necessary controls, processes, equipment (including inspection and testing equipment), fixtures, resources, and technologies required to meet quality standards must be obtained prior to operations.
- Ensure compatibility among design, processes, inspection and management methods (standards), and applicable documentation.
- Update quality control, inspection, and testing technologies as required by standards, customer needs, or production demands, including the development of new equipment.
- Identify any measurement requirements, including those that exceed the current maximum process capability, and allow sufficient time to develop the necessary capabilities.
- At appropriate stages of product completion, proper verification and validation must be conducted.
- Clarify all characteristics and requirements, including acceptance criteria involving subjective factors.
- Identify and maintain quality records.
- Inspection and testing activities are part of the operational control within the quality management system. For each product category, relevant inspection standards must be established for incoming materials, in-process, and finished goods inspections.
- For formally produced products, the quality plan is established as a process quality plan, while for new products, it is created as a development project plan.
- The "Quality Plan Table" serves as the format for the quality plan.

Evaluation Mechanism

The Quality Assurance unit holds monthly operational and quality meetings to review quality-related matters.

Short-Term Goals

- Achieve 80% annual Quality Management KPI fulfillment
- Reach a product quality satisfaction score of 90
- Limit customer complaints to 24 per year (2 per month)
- Keep corrective action cases under 6 per month and process improvement cases under 12 per month

Mid-to-Long-Term Goals

- Achieve 85% annual Quality Management KPI fulfillment
- Maintain a product quality satisfaction score of 90
- Limit customer complaints to 12 per year (1 per month)
- Keep corrective action cases under 5 per month and process improvement cases under 24 per month

Performance Results

Customer Complaint Target Achievement:

Year	2023			2024		
Items	Baseline/ Month	Target/ Month	Execution Status (Cases/Month)	Baseline/ Month	Target/ Month	Execution Status (Cases/Month)
Number of Customer Complaints	4	3	3.9	2	1	1.54

Product Quality Satisfaction: The average score in 2024 was 86.36. A long-term improvement goal is set at 90 points.

Stakeholder Engagement Status

A management review meeting was held on January 15, 2025, to analyze and review the performance related to stakeholder groups.

Stakeholder Group Analysis Table

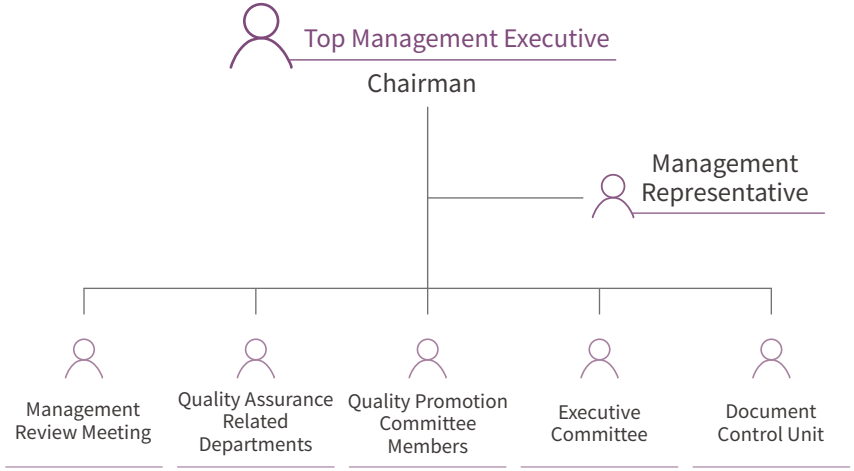
Item / Interest Groups	Needs (Expectations)	Fulfillment	Detection Method	Responsible Unit	Action Plan /Goals	Year 2024 Actual Performance
Customers	· On-time delivery · Excellent quality · Competitive pricing	· On-time delivery according to customer schedule · Zero customer complaints · Reasonable product pricing	· No customer complaints · Customer satisfaction surveys	Sales	Customer Satisfaction: 83 points ↑	88.4
				Quality Assurance	Number of Customer Complaints: 2 cases, 1 case/ month	1.5 cases/month
Consumers	· Excellent quality · Reasonable pricing · Continuous new product launches	· Satisfaction with the product · Reasonable pricing or discounts	· Increase in orders · No consumer complaints	Sales	Customer Satisfaction: 83 points ↑	88.4
				Quality Assurance	Number of Customer Complaints: 2 cases, 1 case/ month	1.5 cases/month

Quality Management Policy

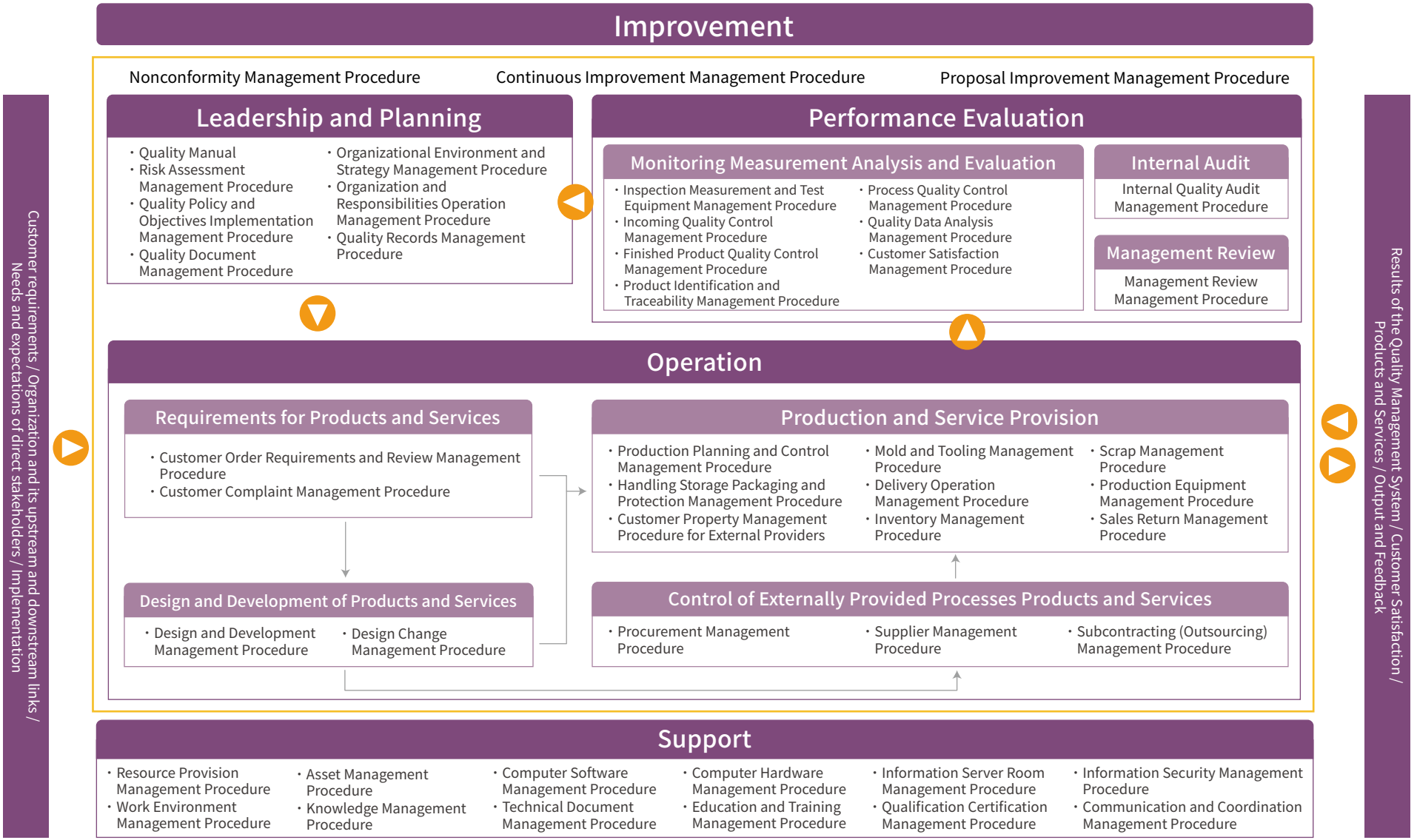
Quality System Acquisition Timeline Diagram

Our company's quality policy is "Quality Assurance, Customer Satisfaction" and "Implementation of Systems, Continuous Improvement." We are committed to ensuring that all levels of management and employees take full responsibility to achieve the objectives of this policy. To ensure the effective operation of the quality management system, the management representative is authorized to implement and fulfill the requirements outlined in the Quality Manual, and is empowered to resolve internal quality disputes and coordinate quality-related matters among relevant parties. Since 2014, the Ming Hsi Group has obtained certifications for quality management systems including ISO 9001, EN 14764, ISO 4210, ISO 14064-1, and ISO 50001, and continues to dedicate itself to quality enhancement and management.

Organizational Structure of the Quality Management System



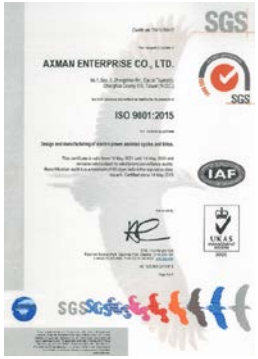
Quality Inspection Process



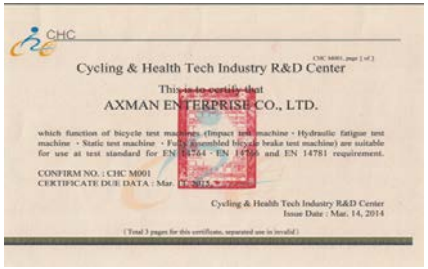
In accordance with the requirements of international standards ISO 9001, EN 14764, ISO 4210, ISO 14064-1, and ISO 50001 quality management systems, and the company's quality policy, the requirements of stakeholders directly related to the quality management system are identified and translated into internal management objectives. These objectives are implemented through management processes including business, R&D, production, procurement, and quality, supported by education and training as well as various resource provisions. With a process-oriented management approach, the company has established its quality manual and related written management procedures (standards). The quality management system is implemented, maintained, and continuously improved to ensure the achievement of the company's established quality policy and objectives.

Quality System Management Certifications

Taiwan ISO 9001:2015



EN ISO 14764



ISO 4210:2014

ISO 4210:2015

ISO 14064-1:2018

ISO 50001:2018

In-house branded electric bicycles have passed the CHC safety inspection standards for electric-assisted bicycles, while client-branded electric-assisted bicycles have all met the SGS EN-15194 testing standards. Before mass production, the first unit of each new product undergoes complete vehicle testing. In 2024, there were no incidents of violations related to health and safety regulations concerning products and services.

ISO 4210-C Cycles — Safety requirements for bicycles

Pre-launch Training for New Products

Technical Enhancement Project Training Program in 2024

Type	Course Name	Number of Participants in the Course
Industry Skill Identification	Understanding Bicycle Types	43
Industry Skill Identification	Characteristics of Bicycle Frames	45
Industry Skill Identification	Introduction to Bicycle Frame Operation Specifications	44
Industry Skill Identification	Explanation of Main Components of Frames	40
Industry Skill Identification	Correspondence of Frame and Component Dimensions	41
Industry Skill Identification	Introduction to Frame and Related Hardware	40
Industry Skill Identification	Introduction to SHIMANO Bicycle Parts Modules	43
Industry Skill Identification	Introduction to SRAM Bicycle Parts Modules	40
Industry Skill Identification	Training on Mountain Bike Specification Matching	38
Industry Skill Identification	Training on Mountain Bike Bearing Assembly	39
Industry Skill Identification	Main Components of Electric-Assisted Bicycles	43
Industry Skill Identification	Hands-on Training for Saddle Identification	40
Industry Skill Identification	Understanding Electric Bicycle Regulations	39

Quality Management KPI Indicators

By implementing appropriate management strategies, the number of both external and internal complaints can be effectively reduced. The details are as follows:

Customer Complaint Cases: A trend chart is used in conjunction with a performance control summary table to manage complaints. Complaints are recorded and analyzed on a monthly basis. Corrective and preventive actions are implemented based on the issues raised by customers, with follow-up and case closure carried out accordingly.

Number of Corrective Action Cases: The progress and results of corrective actions are tracked using a corrective action follow-up table. Improvement measures and preventive actions are taken to address the root causes of the issues.

Number of Operational Process Improvement Cases: When management targets are not met, a management item deviation review form is prepared. Countermeasures and preventive measures are then adopted to resolve the identified issues.

Items	2022			2023			2024		
	Baseline/ Month	Target/ Month	Execution Status (Cases/Month)	Baseline/ Month	Target/ Month	Execution Status (Cases/Month)	Baseline/ Month	Target/ Month	Execution Status (Cases/Month)
Customer Complaint Cases	5	4	6.41	4	3	3.9	2	1	1.54
Corrective Action Case Count	8	6	8.83	7	6	6.17	6	5	6
Operational Process Improvement Case Count	12	24	14.5	12	24	12	12	24	12

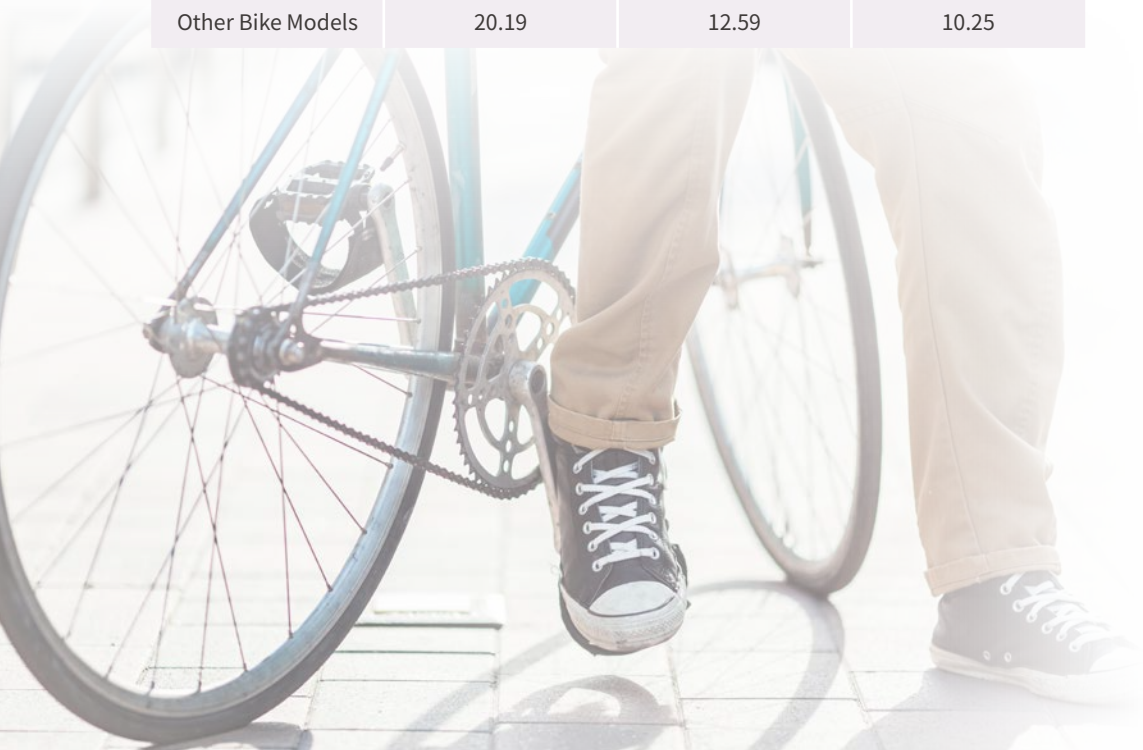
Product Marketing and Labeling

To achieve customer objectives, we implement vertically integrated supply chain management and establish project-based control systems to monitor all schedules. We continuously optimize manufacturing processes to ensure full compliance with the international ISO 9001:2015 standard. All product labeling complies with relevant regulations and includes information such as country of origin, size, color, bike type, weight, batch number, and product code. In 2024, there were no incidents of non-compliance with regulations related to marketing communications or product/service information and labeling.

Product Output Over the Past Three Years

Unit: Thousand Units

Main Products / Year	2022	2023	2024
	Production Volume	Production Volume	Production Volume
Suspension Bikes	29.80	26.40	15.25
Road Bikes	22.59	22.85	7.03
Electric Bikes	11.40	14.73	7.65
Other Bike Models	20.19	12.59	10.25



Main Reasons for the Decline in Production Volume

- In 2024, Taiwan's bicycle industry continued the downturn seen in 2023. According to customs statistics, the total annual bicycle export volume reached only 909,800 units, marking a 36% year-on-year decrease—officially dropping below the 1-million-unit mark.
- This serves as a major warning sign for Taiwan's bicycle industry. Total export value was USD 1.028 billion, down 25.68% year-on-year, though the average export unit price increased by 8.19% to USD 1,130.79.
- In Taiwan's two major export markets—Europe and the United States—demand remained sluggish. Bicycle imports from Taiwan in 2024 declined by 30.28% and 33.27%, respectively.
- Taiwan's electric bicycle exports in 2024 totaled only 363,000 units, a 47% drop compared to 2023. Export value also fell by 44.6% to USD 672 million. However, the average export unit price continued to rise, reaching a new high of USD 1,847.56, a 4.55% year-on-year increase. Bicycle parts exports also saw a decline, with volume and value dropping by 13.61% and 17.46%, respectively.

Data Source: Wheel Giant International, February 6, 2025.

Countermeasures

- Stabilize new customer orders for electric bicycles and adjust the ratio of existing customers and the product line structure.
- Increase OEM production for well-known electric control system brands to expand competitive advantages.
- Continue monitoring demand and investment in electric bicycles.

2.6 Innovation and R&D

Impacts

As a company primarily engaged in OEM and ODM operations, failure to align innovation and R&D management with market and customer needs may result in delayed product updates and an inability to launch competitive products in a timely manner, leading to a decline in competitiveness. In addition, the scarcity of professional talent in the bicycle industry affects continuous innovation and company development. Moreover, R&D involves a high degree of uncertainty; if the technology fails to meet expected outcomes, it may lead to wasted resources or failed technological development, further weakening market competitiveness.

Policy Commitment

AXMAN is committed to continuously strengthening its innovation and R&D capabilities. While pursuing technological innovation, the company places strong emphasis on internal talent development and actively participates in support programs and industry alliances to integrate external resources and enhance its R&D strength. AXMAN continues to focus on the integrated development of key components such as frames, front forks, and e-bike electrical systems, aiming to increase the technological value of its products and maintain a leading position in the international market.

Actions Taken

- **Technological Innovation and Certification**: AXMAN focuses on technological innovation in electric-assisted bicycles and advanced suspension systems, investing substantial resources to enhance product performance. Through rigorous product testing and certification, AXMAN ensures that its products meet quality and safety standards, thereby increasing market competitiveness and strengthening consumer trust.
- **Green Innovation and Environmental Sustainability**: AXMAN is committed to developing environmentally friendly and sustainable bicycle products, promoting lighter and more efficient electric bicycles to meet market demands for energy saving and carbon reduction. The company actively responds to the global environmental movement and leverages this approach to enhance AXMAN's green brand image. It is also dedicated to reducing the use of plastic materials by replacing traditional plastic packaging with paper-based alternatives.
- **Talent Development and Knowledge Transfer**: AXMAN values the cultivation of R&D talent and the transfer of technical knowledge. By providing continuous learning and growth opportunities, the company enhances the team's innovation capabilities and ensures long-term competitiveness in high-end technology and product development.
- **ISO-9001-Based Innovation Management**: In accordance with the ISO-9001 quality management system, AXMAN has established design and development management procedures, with the R&D department leading new product development, technological innovation, and improvement. By promoting cross-departmental collaboration, optimized resource allocation, risk management, internal audits, and continuous improvement mechanisms, AXMAN not only enhances product performance and market competitiveness but also improves resource efficiency and quality stability throughout the innovation process, fully supporting the company's long-term growth and leadership in technology.

Evaluation Mechanism

Evaluation Mechanism for Goal Achievement

To ensure the effectiveness of innovation and R&D management, AXMAN has established a comprehensive supervision and audit mechanism. The company's internal audit unit is responsible for conducting regular reviews and inspections across the organization to ensure that technological innovation and R&D meet market demands and quality standards.

▣ Supervision and Audit Mechanism:
- Internal quality audits are conducted every six months, focusing on the innovation and R&D process, product quality management, and implementation status.
- External audits are conducted annually by third-party organizations to ensure the suitability, adequacy, and effectiveness of the management system, along with improvement recommendations.

▣ Management Approach:
- During product design and innovation, quality management and design development controls are implemented to conduct product quality inspections and verifications, ensuring product safety and quality stability.
- Internal and external quality audits, along with annual performance reviews, are conducted to ensure that innovation and R&D align with the company's technological strategy and market needs.
- In accordance with ISO 9001 standards, regular audits of the innovation and R&D process are carried out to ensure that technology development aligns with market trends and regulatory requirements, thereby enhancing product competitiveness.

Short-Term Goals
1. New Product Development and Validation Mountain Bike Series – 2 New Products: · Develop a high-end, full-carbon fiber electric downhill bike equipped with the latest BOSCH Performance Line CX high-performance electric assist system, capable of handling all types of rugged terrain. · Develop a mid-to-high-end aluminum electric downhill bike featuring the SHIMANO EP-8 intelligent drive motor, delivering controllable high-performance power with a maximum torque of 85 N·m across a wide cadence range, suitable for various rugged terrains. Road Bike Series – 2 New Products: · Develop a high-end, aerodynamic full-carbon electric road bike equipped with the latest BOSCH Performance Line SX high-performance assist system, designed for diverse terrain challenges. · Develop an ultra-lightweight gravel bike using high-strength carbon fiber composite materials, offering both lightweight construction and high rigidity, capable of tackling high-speed and gravel riding conditions. 2. Technical Collaboration and Innovation · Strengthen the integration and development of electric drive systems, optimizing BOSCH and SHIMANO power system compatibility. Simultaneously enhance production process optimization to ensure precise and stable power system installation, improve vehicle range and riding experience, and meet the market demand for high-performance e-bikes. 3. Internal Process and Technical Management Optimization · Develop or revise over 20 production technical standard operating procedures (SOPs) and optimize internal processes to improve operational efficiency.
Mid-to-Long-Term Goals
1. Complete E-Bike and System Integration Development – 2 Projects · Develop an E-MTB electric mountain bike with a high level of integration of domestic components, including frame, electric system, drivetrain, steering, and wheels. Key technologies include the development of a fast integration interface for e-bikes and the implementation of intelligent control and personalized riding systems. · Develop an E-City electric assist bike incorporating a coaxial mid-drive power system and an app-based sharing service platform, offering the bicycle industry a smart, convenient, and eco-friendly e-bike solution. This project will also initiate ISO 14067 carbon footprint verification for the complete vehicle. 2. Technical Collaboration and Innovation · For the E-MTB electric mountain bike, partner with domestic controller, seat post, and front fork manufacturers to integrate intelligent power control, electronic suspension forks, electronic dropper posts, and personalized AI riding modes. This will result in a more efficient, intelligent, and future-ready e-bike, offering higher value to customers. · For the E-City electric assist bike, collaborate with domestic electric system providers and various technology partners to enhance system integration, smart application development, frame design, and carbon footprint certification, ensuring the product is high-performance, intelligent, and sustainable. 3. Internal Process and Technical Management Optimization · Develop or revise over 20 production technical SOPs and continue to optimize internal processes to improve efficiency. By strengthening R&D and system integration capabilities and optimizing internal processes, technical quality verification, and testing capabilities, AXMAN aims to boost competitiveness, tap into niche markets, and create greater value for the company.

Performance Results

1. New Product Development and Validation

2024

- Completed development of electric system integration (motor, battery, controller) and successfully mass-produced 2 models that passed the VSCC (Vehicle Safety Certification Center) micro electric two-wheeler certification, demonstrating AXMAN's strong capabilities and efficiency in product development.
- Developed a series of new electric bicycles, including 3 models of ultra-lightweight electric road and gravel bikes.

From 2024 to 2025, 4 new products are under development with progress meeting planned milestones:

▣ Mountain Bike Series
- Developed a full carbon fiber electric off-road bike frame integrated with the BOSCH Performance Line CX system. Internal performance verification was completed, and the technology has been transferred into mass production.
- Developed an aluminum alloy electric off-road bike frame integrated with the SHIMANO EP-8 system. Internal performance testing was completed, and the technology was transitioned into mass production.

▣ Road Bike Series
- Developed a high-end aerodynamic full carbon fiber electric road bike frame equipped with the BOSCH Performance Line SX system. Internal testing was completed, and mass production has begun.
- Developed an ultra-lightweight gravel bike carbon frame, completed mass production validation, and prepared the product for market launch.

2026–2027 Planned development of 2 new products, with progress on schedule:

▣ Mountain Bike Series
- E-MTB electric mountain bike: completed integration of frame and electronic system, as well as regulatory certification.

▣ City Bike Series
- E-City electric assist bicycle: completed frme design verification and full vehicle carbon footprint certification.

2. Technical Collaboration and Innovation

- Strengthened development of E-MTB technology and lightweight, high-strength carbon fiber frame technology to ensure optimal balance of frame rigidity, durability, and lightweight characteristics. Enhanced precision and integration of electronic system installation.
- Through innovation and cross-disciplinary collaboration, AXMAN e-bikes now feature smart power adjustment, electronic suspension integration, adjustable seat posts, and ergonomically optimized designs. This results in a smoother, more comfortable, and efficient riding experience, reinforcing AXMAN's technological leadership in the e-bike market.
- Successfully developed and integrated domestic electric system components and frame design, passing Ministry of Transportation safety certification (VSCC) and completing third-party full vehicle carbon footprint verification.

3. Internal Process and Technical Management Optimization

- Implemented technical review and knowledge transfer procedures to ensure accurate communication of technical data, reducing rework and delays while enhancing production efficiency and quality control.
- Improved production standard operating procedures—368 new SOPs were created this year—enhancing the completeness of technical documentation, reducing errors, and ensuring efficient and stable production operations.

2024 Strategic Alignment Review Form

Sector: R&D

Year	Strategic Items	Outstanding Performance Action Plan / Specific Management (KPI) Items	Performance Categories	Measurement Indicators	Actual Results	Target Achieved
2024	Pursue Cross-Industry Alliance Opportunities	Collaborative Innovation and New Product Development	Number of Successful New Product Developments	1 item per year	2 items	Target Achieved
2024	Enhance Process and Quality Management	Effective Implementation of Sample Vehicle Technical Review and Handover	Completeness Rate of Technical Document Transfer (4th/5th Review)	95%	95%	Target Achieved
		Improvement of Standard Operating Procedures for Production Operations	Number of Completed New or Revised Standard Operating Procedures	23 items per year	368	Target Achieved

Stakeholder Engagement Status

In 2024, Axman Enterprise Co. Ltd. continued to advance relevant R&D projects in collaboration with various partner manufacturers and the Bicycle R&D Center. The following are the details of the collaborations:

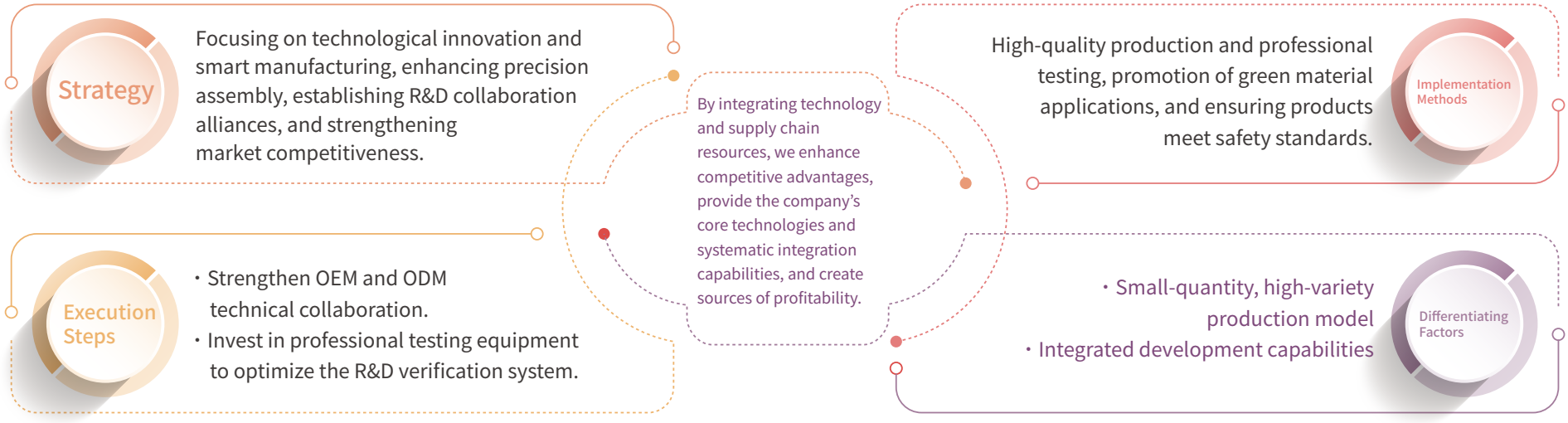
Project Titles	Collaboration Agreements:
Research and Development Project for Integrated Electronic Control System of Complete Bicycles	Technology Transfer and Licensing Agreement
Localization and Pilot Operation Project of the Three Major Electronic Systems and Digital Platform for Electric-Assist Bicycles	Industrial Service Commissioned Project Agreement
Frame Component Design and Development with Sample Prototyping	Commissioned Service Project Contract
A+ Enterprise Innovation and R&D Enhancement Project	Cooperation Agreement for the Localization and Pilot Operation Subsidy Project of Electric-Assist Bicycles
Industrial Upgrading and Innovation Platform Support Project	Cooperation Agreement for the Industrial Upgrading and Innovation Platform Support Project

Axman is dedicated to driving innovation and development in the electric bicycle industry. As an OEM and ODM enterprise, we recognize the critical role of R&D in maintaining market competitiveness, and we continually launch research initiatives to enhance product technology and market resilience. Our focus lies in the development of electric-assist bicycles and advanced suspension systems, ensuring product quality and safety through thorough testing and certification. We are committed to creating lightweight, high-performance e-bikes, promoting eco-friendly packaging, and strengthening our brand's green identity. In addition, we prioritize talent cultivation by offering professional training and knowledge transfer mechanisms to foster ongoing innovation within our R&D team. All products are developed in compliance with the ISO-9001 quality management system to align R&D efforts with corporate goals and boost resource efficiency and competitiveness. Looking ahead, we aim to further enhance our customized manufacturing capabilities, master frame design, supply chain management, and precision coating technologies, increase product value, and develop integrated R&D systems to expand into niche markets through customized innovation.

In 2024, Axman achieved significant milestones in innovation and R&D, including the completion of the development of the three major electronic systems and the successful acquisition of VSCC micro vehicle electric two-wheeler certification for two electric-assist bicycle models. Additionally, we developed three ultra-lightweight electric road and gravel bikes, showcasing our outstanding technological capabilities. On the management front, we established a technical review and knowledge transfer mechanism to enhance production efficiency and quality control. This year alone, 368 new standard operating documents were introduced, further promoting production standardization while reducing errors and waste.

Through technological innovation, sustainable development, and effective R&D management, Axman ensures product competitiveness and market leadership, and will continue to optimize R&D efforts to deliver high-quality, high-value products. The launch of several innovative products demonstrates our strong technical expertise and innovative capabilities.

Innovation and R&D Strategy



Product Technology Leadership

- A professional integrated development team and skilled technical personnel
- Continuous technological innovation, focusing on the development of high-performance, lightweight electric-assist bicycle systems, especially those equipped with intelligent energy management and motor control systems to deliver an enhanced riding experience
- Adoption of eco-friendly materials and recyclable technologies to promote carbon footprint management, aligning with global environmental concerns and strengthening the brand's green image to attract environmentally conscious customers

Precise Market Positioning

- Offering a diversified product line
- Launching high-value products with innovative technologies
- Strengthening brand image

Project Direction

Strategy	Direction
Strengthen R&D capabilities	Continuously innovate and improve the product development process to maintain technological leadership and meet market demands.
Integration of smart electric-assist systems	In response to global trends in carbon reduction, green energy, and the rise of recreational sports, accelerate the development of intelligent systems to seize new opportunities in the electric-assist bicycle market.
Development of lightweight carbon fiber materials	Adopt high-strength, lightweight material technologies to reduce vehicle weight, improve efficiency, and enhance product competitiveness.
Introduction of agile development processes	Strengthen cross-departmental collaboration to increase development efficiency, accelerate iterations in response to market changes, and review product development and launch cycles.

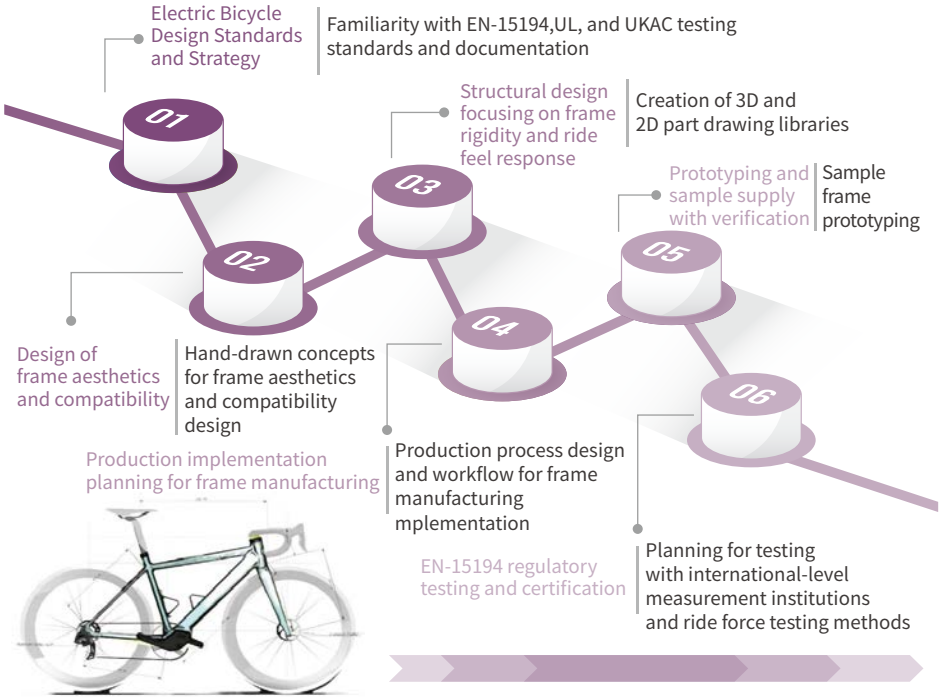
Innovative R&D Products

In product R&D, the focus is placed not only on innovation in the products themselves but also on promoting localization and upgrading supply chain technologies. Significant breakthroughs have been achieved, gradually reducing reliance on imported components and enhancing supply chain autonomy. This includes the integration of systems from globally renowned brands such as BOSCH and SHIMANO, as well as the in-house development of the three major electronic systems. New electric off-road suspension bikes and low-drag road racing e-bike series have been developed.

In terms of intelligent technology, the bikes are equipped with a smart power management system that automatically adjusts power output based on varying power levels, thereby improving battery efficiency and extending range. These innovations also enhance the aesthetics and dynamic performance of the complete bicycle (refer to AXMAN 2025 New Product Development Plan V2 and Project No. 113 - Industry Innovation Thematic R&D: Intelligent System for Bicycle Products).

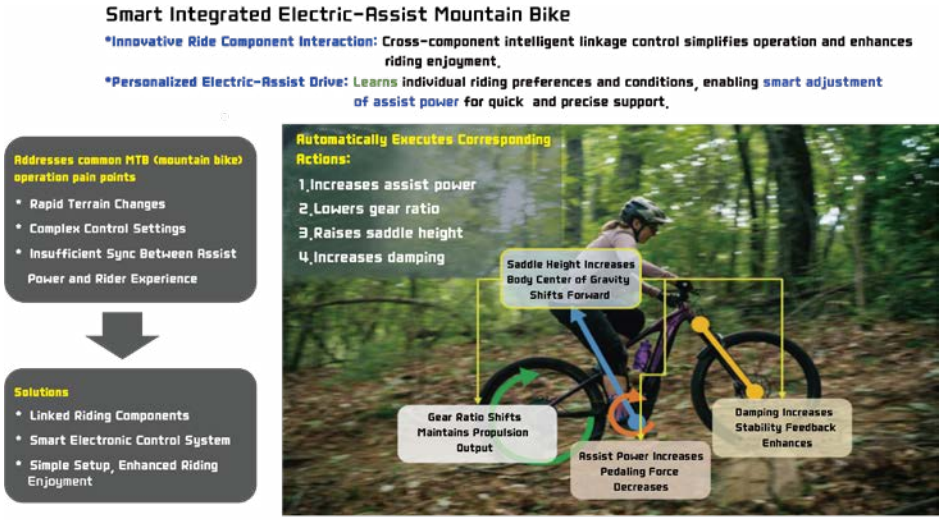
Innovative R&D Product Activity for Electric-Assist Bicycle Three Major Electronic Systems and Digital Platform

Developed an electric-assist bicycle equipped with a mid-drive three-electronic system, including a mid-mounted coaxial motor system and an intelligent energy control system, aimed at optimizing energy consumption and integrating information and communication systems.



Innovative R&D Product Activity for Intelligent Bicycle System Development

Promoted the electrification and value enhancement of bicycle products by developing intelligent systems that enable rapid integration interfaces, smart interconnectivity, and personalized control functions.



Bike Type: Electric Mountain Bike	Bike Type: Electric City Bike	Bike Type: Electric Suspension Bike
Bike Type: Electric Road Bike	**Bike Type: Electric City Bike**	**Bike Type: Electric Mountain Bike**

Future Challenges and Responses in R&D Innovation

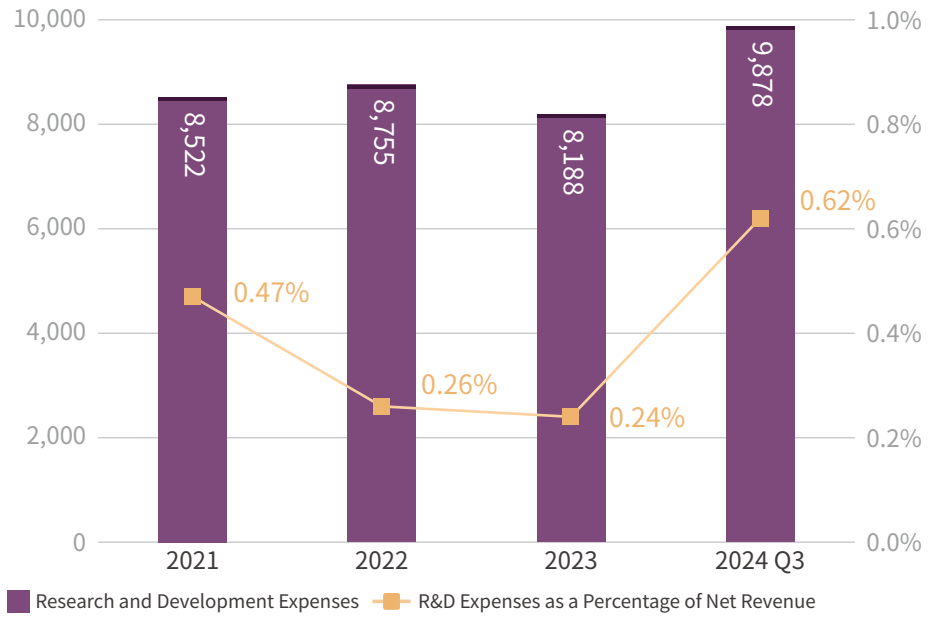
Challenges	Responses:
Competitive pressure from Southeast Asian manufacturers	Focus on core technologies by enhancing the integration of smart electric-assist systems to increase product added value and establish technical barriers against market competition.
Market pressure from competitors with economies of scale	Accelerate product technology upgrades, strengthen performance, and enhance market differentiation to ensure the group's products maintain a competitive edge in both price and performance.
Demand for rapid product iteration	Adopt a modular development process to speed up product iteration, enabling rapid adaptation to changing market demands and shortening time-to-market.
Need for innovation in material development	Invest in the development of advanced carbon fiber materials to improve product strength and lightness while emphasizing recyclability to meet high-end market demands.
Uncertainty in the global market	Continue investing in advanced technologies to enhance internal innovation capabilities, respond flexibly to market changes, and maintain a competitive edge in the global market while steering future development directions.

R&D Expense as a Percentage of Operating Revenue

Unit: NT$ Thousands

Item / Amount	2021	2022	2023	2024
R&D Expenses (A)	8,522	8,755	8,188	7,732
Operating Revenue (B)	1,798,693	3,322,572	3,363,294	1,934,981
Percentage of Operating Revenue (A)/(B)	0.47%	0.26%	0.24%	0.62%
Total Number of Employees (A)	196	228	223	213
Total Number of R&D Personnel (B)	7	7	9	8
Percentage of R&D Personnel (A)/(B)	3.57%	3.07%	4.04%	3.76%

R&D Expenses for the Past Three Years



Patent Statistics and Deployment

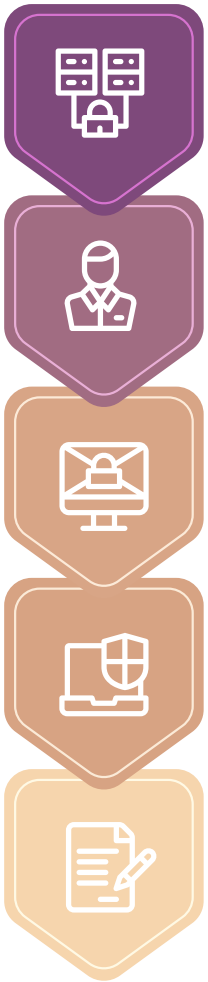
Year	Type of Rights	Description
2012	Trademark	AXMAN stylized text, Australia trademark, Class 12
2012	Design	Bicycle seatpost structure
2012	Trademark	AXMAN stylized text, Europe
2013	Patent	Battery box structure for bicycles – Taiwan utility model
2013	Patent	Battery box structure for bicycles – China utility model
2013	Patent	Battery box structure for bicycles – U.S. patent
2021	Trademark	AXMAN stylized text – United Kingdom
2021	Design Patent	Multi-section tube structure of bicycle head tube and seat tube – Republic of China

As of 2024 – Statistical Results

	Total
Approved Trademarks	34
Approved Patents	2
Under Review	0
Total	34

Confidential Data Protection

To protect confidential information of policyholders, Axman Enterprise Co. Ltd. has established relevant procedures such as the Information Security Management Regulations and the Technical Document Management Regulations to ensure comprehensive information protection and prevent issues such as the leakage of personal data.



Item	Specific Measures	Specific Measures
Information Classification and Grading Management	• Trade secrets and sensitive information are classified according to confidentiality levels • Access permissions are set based on roles, limited to authorized personnel • Regular audits are conducted to review implementation	Ensure the security of information access rights and prevent unauthorized disclosure
Employee Confidentiality Training and Contractual Protection	• Confidentiality training is provided regularly to enhance employee awareness • Employees are required to sign confidentiality agreements to fulfill their obligations • Confidentiality obligations and handover procedures are enforced for departing employees	Promote employee confidentiality awareness to ensure contractual compliance
Digital Asset Security Measures	• Technologies such as firewalls, encryption, and multi-factor authentication are implemented • Regular system security checks and updates are performed	Prevent leakage and unauthorized access of sensitive information
Management and Physical Protection	• Strict management procedures for documents and equipment limit removal from the company • Access control and surveillance are implemented in restricted areas	Strengthen information management and security of office areas
Confidentiality Agreements with Partners	• Confidentiality agreements are signed with suppliers, clients, and partners	Ensure equal protection of confidential information shared during cooperation

2.7 Customer Relationship Management

Impacts

Poor customer relationship management can directly impact customer satisfaction. If a company fails to respond promptly or resolve issues encountered during the purchase of products or services, customer satisfaction will decline. If complaints are not handled effectively, customers may lose confidence in the company and turn to competitors, affecting the company's revenue. Furthermore, dissatisfied customers may influence the perceptions and purchasing decisions of other potential customers, further weakening the company's market competitiveness.

Policy Commitment

Axman adheres to a corporate culture of integrity, service, quality, and innovation, dedicated to meeting customers' high standards for delivery time, service, and quality. With a customer-centric approach, the goal is to enhance customer interaction, manage the sales process, and strengthen customer relationships, which have a profound impact on customer satisfaction. This improves customer service quality and efficiency, thereby increasing customer satisfaction. Axman maintains close contact with customers, deeply understands and meets their needs, and continually provides excellent solutions.

Actions Taken

- Conduct annual customer satisfaction surveys and use the results as a basis for improving operational management.
- Establish a comprehensive customer complaint management process to enhance customer satisfaction with product quality, design development, delivery time, and after-sales service.

Evaluation Mechanism

The sales department sends the "Customer Satisfaction Survey" to the company's clients at the end of each year, collects the responses, and compiles them into a "Customer Satisfaction Survey Summary." The summary is submitted to senior management for review and is presented and discussed during the annual management review meeting.

Short-term Goal

Maintain an average customer satisfaction score of 83.

Mid to Long-term Goal

Steadily maintain an average customer satisfaction score of 85.

Performance Results

The average score of the 2023 customer satisfaction survey results was 84.6.
The customer satisfaction survey for 2024 will be conducted at the end of December, with an expected average score of 88.4.

Stakeholder Consultation Status

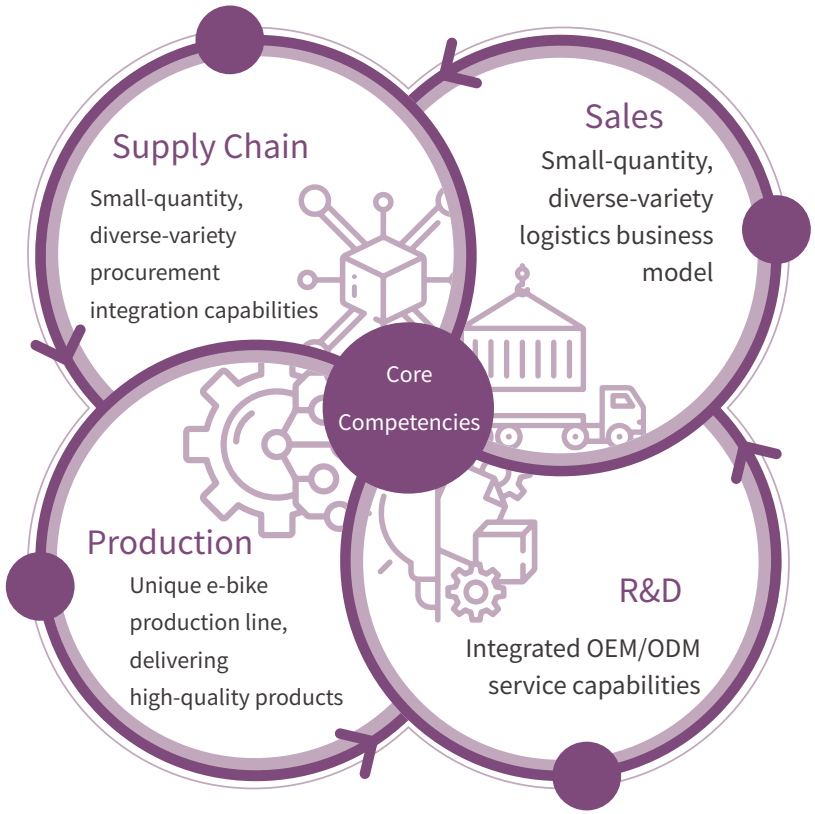
Annual customer visit plan, regularly participate in domestic and international exhibitions, and video conferences. Maintain open communication channels, such as regular online meetings and thorough, periodic visits to gain a deeper understanding of customer needs.

Item / Interest Groups	Needs (Expectations)	Fulfillment	Detection Method	Responsible Unit	Action Plan /Goals	Year 2024 Actual Performance
Customers	· On-time delivery · Excellent quality · Competitive pricing	· On-time delivery according to customer schedule · Zero customer complaints · Reasonable product pricing	· No customer complaints · Customer satisfaction surveys	Sales	Customer Satisfaction: 83 points ↑	88.4
				Quality Assurance	Number of Customer Complaints: 2 cases, 1 case/month	1.5 cases/month
Consumers	· Excellent quality · Reasonable pricing · Continuous new product launches	· Satisfaction with the product · Reasonable pricing or discounts	· Increase in orders · No consumer complaints	Sales	Customer Satisfaction: 83 points ↑	88.4
				Quality Assurance	Number of Customer Complaints: 2 cases, 1 case/month	1.5 cases/month

Customer Service System / Strategy and Process

Since its establishment in 1985, we have consistently invested in design, development, manufacturing, and verification.

We possess an outstanding design and R&D team, state-of-the-art manufacturing facilities and assembly lines, and the most rigorous verification procedures. We strictly adhere to ISO standards and even strive to exceed them. Our road bikes, mountain bikes, and carbon fiber frames are key factors in helping our customers lead in brand market share. Our clients have achieved outstanding results in the Olympics, World Championships, Asian Championships, and UCI tours. We uphold our core philosophy and are committed to sustainable operations, aiming to create maximum value for our customers while giving back to society.

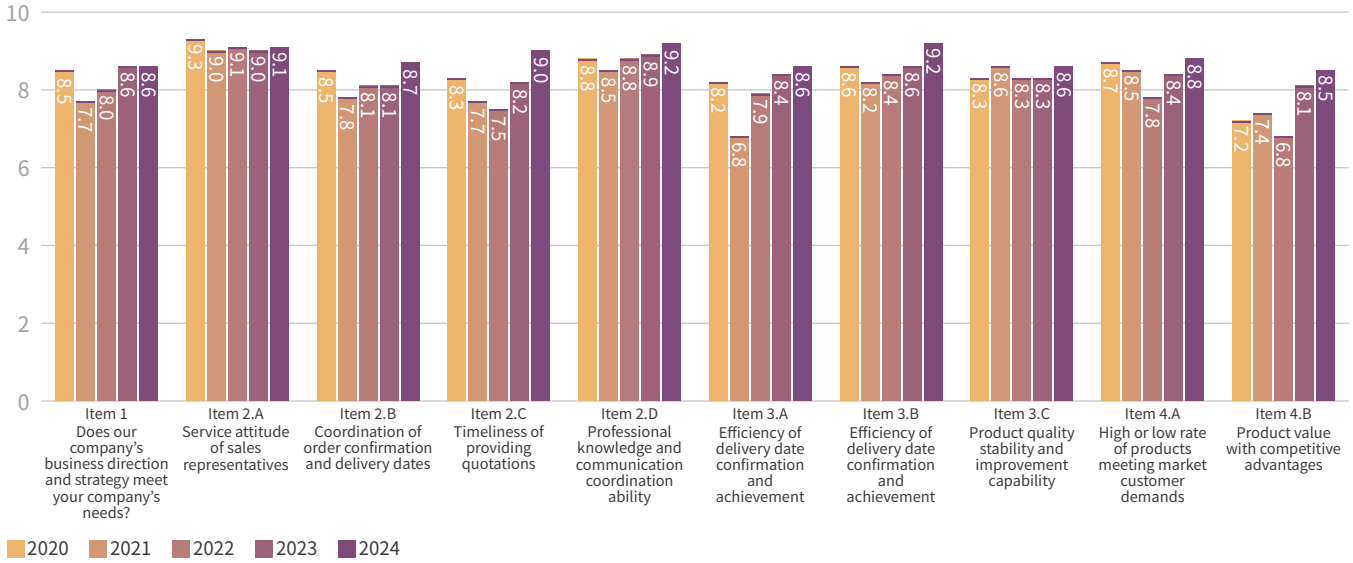


Satisfaction Survey

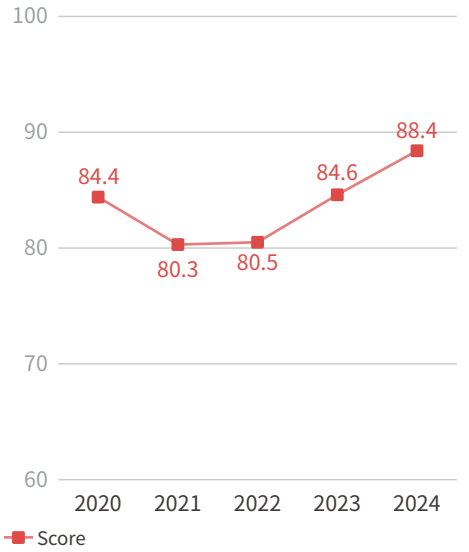
To gain deeper insights into customer satisfaction regarding product quality, delivery time, and service, we conduct an annual customer satisfaction survey. The results are used as a basis for improving operational management. Through continuous improvement, we aim to reduce customer complaints, enhance customer satisfaction, and ensure that customer needs are fully met.

The customer satisfaction survey covers four major quality categories: business and strategic direction, sales service capability, product manufacturing capability, and product market competitiveness, comprising a total of ten quality items. The survey is conducted to understand customer evaluations of our product quality and overall service. The average score of the 2024 customer satisfaction survey results was 88.4.

Customer Satisfaction Survey - Average Scores for Each Item



Total Score



Customer Communication Channels

We provide diverse communication channels: through phone, email, Skype, LINE, WeChat, and other platforms, allowing the company to enhance convenience and immediacy in communication with customers. This diversified contact method ensures that regardless of the customer's preferred mode, they can easily and quickly stay in touch with the company.

An annual customer visit plan is established, and the company regularly participates in domestic and international exhibitions. In addition, regular video conferences are held with customers to communicate and exchange on various matters, maintaining close contact. Customers also occasionally arrange factory visits to promote two-way interaction and deepen cooperation.

Annual Customer Visit Plan

- A plan for 4 overseas customer visits per year
- In addition to in-depth visits to key customers, we also actively engage with and meet new customers.

Video Conference

- Arrange monthly or weekly video conferences for different customers
- Occasional ad-hoc video conferences
- Over 300 customer meetings held

Regular participation in domestic and international exhibitions

- Participate in 3 major international exhibitions
- Domestically, there are the Taipei Show and Taichung Week, and internationally, the European Exhibition.

Customer Visit

- Customers arrange occasional factory visits to promote two-way interaction
- Over 100 customer visit meetings held

Customer Complaint Handling Process

To quickly handle customer complaints and maintain the company's reputation, a comprehensive complaint management process has been established. This process aims to enhance customer satisfaction with product quality, design development, delivery time, and after-sales service, while treating customer feedback as an important opportunity to improve product and production quality.

When the sales unit confirms a customer complaint, they must fill out a "Customer Complaint Form" and initiate the case within three working days. Subsequently, the quality assurance (QA) unit will analyze and improve the issue, and respond with countermeasures and actions within three working days, proposing management strategies to prevent recurrence and incorporating tracking and improvement processes. If the case cannot be resolved promptly, the sales unit will stay in contact with the customer according to the actual progress until the issue is fully resolved. After receiving the QA unit's analysis results, the sales unit must respond to the customer within three days to ensure the issue is properly addressed.

1. The sales unit receives a confirmed customer complaint case.
2. The sales unit fills out the "Customer Complaint Form" and initiates the case within three days.
3. The quality assurance (QA) unit conducts analysis and improvement.
4. The QA unit provides a response with countermeasures and actions within three days.
5. The sales unit must respond to the customer within three days after receiving the QA unit's analysis results.

In 2024, 17 quality-related customer complaints were received. The reasons for the complaints and the handling methods are as follows.

Complaint Reasons	Handling Methods	Cases
Parts assembly/ specification accuracy issues	The quality assurance, development, and manufacturing units held a quality anomaly meeting, initiated corrective action forms for improvement and tracking, and conducted training to prevent recurrence.	11
Abnormal surface coating and scratches on the frame	We optimized the packaging method and strictly required suppliers to maintain stable product quality to address this type of complaint. Additionally, we asked the production unit to conduct OPL (One Point Lesson) training to strengthen quality awareness during the assembly process.	4
Shipping damage	We enhanced the stacking of goods to prevent items from falling, while also optimizing the packaging method to reduce damage during shipping.	2

Customer Communication Channels

Taipei Sales: Sales Department,

Assistant Manager, Zhu Wan-Ying

Contact Phone: 886-4-8535898#528

Communication Email:sherry.chu@axman.com.tw

2.8 Information Security Management

Impacts

Due to information security vulnerabilities, hacker attacks, or ransomware threats, the company's confidential data may be leaked, altered, or cause disruptions in operations, which infringes upon the rights and interests of customers and other stakeholders.

Policy Commitment

In compliance with legal and regulatory requirements, we continuously strengthen employees' awareness of information security, protect business activity information, control network behavior, and prevent unauthorized access and modifications to ensure data accuracy and integrity.
Regular internal and external audits, as well as technical reviews, are conducted to ensure that all related operations are properly implemented.

Actions Taken

Promote relevant information security concepts and regularly arrange employee training sessions.

Evaluation Mechanism

Each year, the IT department is responsible for confirming the achievement status and regularly reports to the "Sustainability Strategy Headquarters."

Short-term Goals

- The availability of information systems should reach over 99% (1 – (downtime hours) / (9 hours * 5 days * 52 weeks))
- Major information security incidents (Level 3 and 4) should not occur.

Mid-to-Long-term Goals

- The availability of information systems should be maintained above 99% (1 – (downtime hours) / (9 hours * 5 days * 52 weeks))
- Proper management of major information security incidents (Level 3 and 4) to prevent occurrence.

Performance Results

Item Name	2021	2022	2023	2024
Information System Availability	98%	99%	99%	99%
Major Information Security Incidents (Level 3 and 4)	0	0	0	0
Complaints from Personal Data Protection Authorities or Other Government Entities (Number of Cases)	0	0	0	0
Complaints from Individuals or Other Entities (Number of Cases)	0	0	0	0

Stakeholder Engagement Status

Axman Enterprise values the protection of personal privacy data (hereinafter referred to as "personal data") and follows Taiwan's Personal Data Protection Act and relevant regulations regarding the collection, processing, utilization, retention, and disclosure of personal data. It ensures that senior management, managers, all employees, and subcontractors comply with applicable legal regulations when handling personal data in their daily operations.

Information Security Risk Management

To strengthen the company's information security management and ensure the safety of data, systems, and networks, the Information Office has been established as the dedicated unit for information security. This unit includes an Information Security Supervisor and dedicated personnel. It regularly reviews information security management policies and related procedures. All departments are required to implement these procedures accordingly. Periodic information security risk assessments and inspections of servers and related equipment are conducted to promptly detect anomalies. In collaboration with audit units, inspections are carried out to ensure the accuracy and effectiveness of operations. Upon identifying abnormalities or risks, immediate corrective actions are taken to ensure the stable operation of information systems and the reliability of data protection.

Information Security Policy

- Conduct Information Risk Assessments: To ensure the effective implementation of the company's information security management systems and to maintain sustainable operations, oversight, and a reliable computerized work environment, the integrity and availability of the company's confidential data are safeguarded. According to the "Information Security Classification Operation Guidelines," digital information assets are classified and located, and the information security risks faced by the company are assessed.
- Establish Information Security Policies: Formulate regulations and standards related to information security policies to protect the privacy and information security of employees, suppliers, and customers during business interactions. This ensures the continuous, effective, and secure operation of company activities and supports practical information security management.
- Deploy Information Security Technologies: Common measures include setting up system firewalls, system monitoring, and developing or using certificate management systems to maintain information security. Foster information security awareness by regularly conducting education and awareness training on security policies and relevant laws and regulations, thereby reducing risks caused by human error.
- Develop Incident Response Strategies: To address unexpected information security incidents that may disrupt critical information assets, essential operations, or communication systems, an incident response plan is established to effectively and continuously manage security risks.

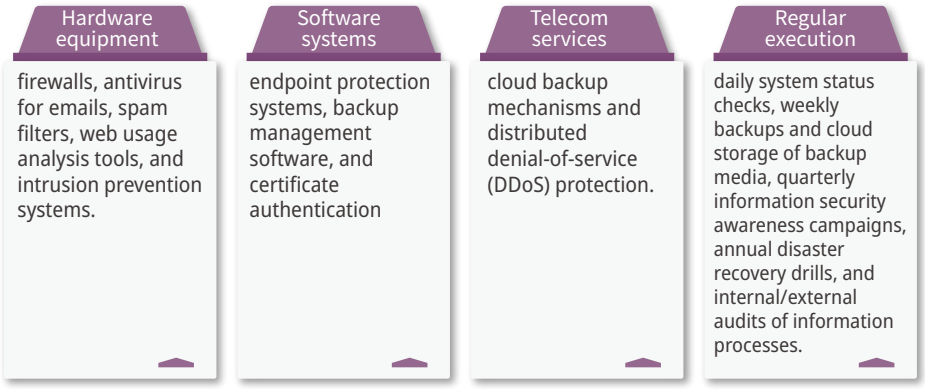
Information Security Mechanisms and Measures

- The company adopts a dual hot standby firewall architecture as a protective measure to isolate external access and reduce the risk of exposing internal information systems to external networks. It establishes internal and external network zones to segregate critical information environments.
- Information is protected through the deployment of firewalls, email filtering systems, trojan and virus detection mechanisms, endpoint protection systems, and multi-factor authentication. Internally, regular virus scans and patch updates are performed to ensure company devices are protected from attacks.
- Hosting information security seminars and training sessions:

2024 Information Security Awareness Campaign

Promotion Titles	Target Audience	Number of Participants	Session (minutes)
Prohibition of Account Sharing and Use of Weak Passwords – Not Adopted	General Employees	30	10
Email Security Precautions	General Employees	28	10
Increased Ransomware Attack Risks and Preventive Measures	General Employees	29	10
How to Enhance Web Browsing Security	General Employees	30	10
Precautions to Prevent Public USB Charging Station Traps	General Employees	30	10

- In terms of data security, local and off-site backups are regularly performed for critical systems and data in accordance with management regulations. Data encryption is implemented to reduce the risk of data corruption and to safeguard the company's critical information. Mechanisms for preventing internal data leakage and collecting access records are also in place. Suspicious behavior is identified using heuristics and promptly analyzed and reported to prevent data leaks, ensuring the company's operational continuity.
- To uphold the principles of the information and communications security policy, the following resources have been invested:



Major Information Security Incident Response Procedure

To prevent information security incidents, Axman Enterprise Co. Ltd. conducts regular reviews and progress tracking of key cybersecurity tasks—such as system host OS or critical software upgrades and disaster recovery drills—by the Information Security Management Office. Through information security awareness campaigns, user awareness of information security is enhanced. Additionally, information equipment and resource allocation are regularly maintained and inspected for potential risks. A cybersecurity budget is allocated in a timely manner and implemented according to plan. Emergency Reporting Procedure: When an information security incident occurs, the responsible unit reports it to the Information Office, which determines the type of incident, identifies the issue, handles it immediately, and documents the process. In the past three years, there have been no information security incidents that caused losses to the company or its clients.

Information Security Breach Incidents

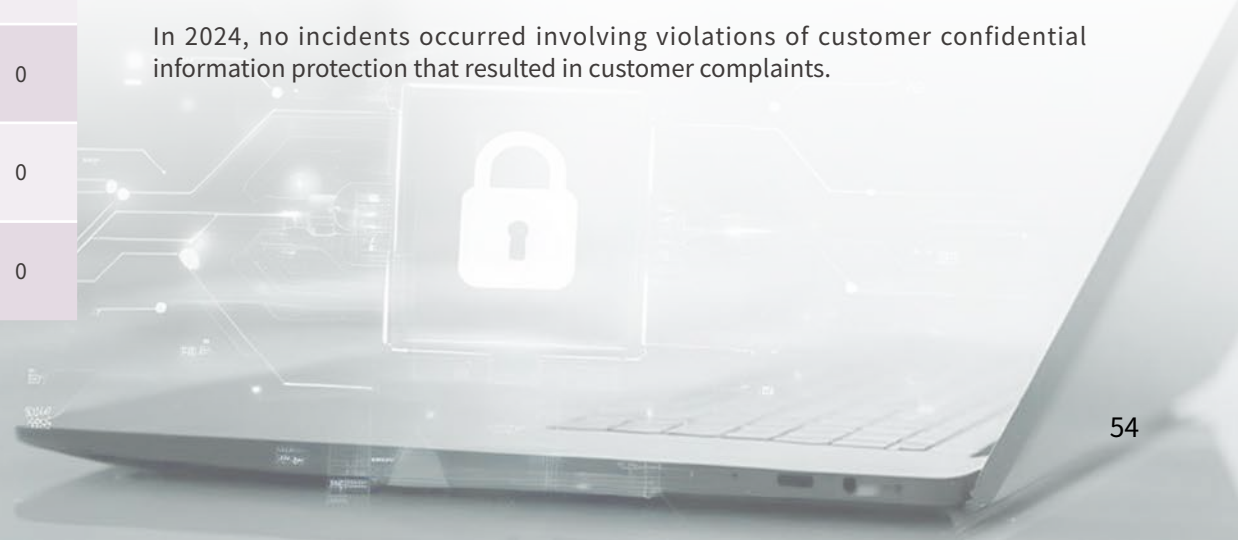
Item Name	2021	2022	2023	2024
Number of Information Security or Other Cybersecurity Incidents	0	0	0	0
Number of Data Breach Incidents	0	0	0	0
Number of Affected Customers and Employees Due to Data Breach	0	0	0	0
Number of Information Security Breaches Involving Customer Personal Data	0	0	0	0
Amount of Fines Due to Information Security Violations	0	0	0	0

Personal Data Protection

Protecting customer privacy is the responsibility of Axman Enterprise Co. Ltd., especially in the data-driven era. Customer privacy protection measures are of even greater importance:

- **Access Control**: Only personnel with necessary permissions are allowed to access sensitive data, and these permissions are reviewed regularly.
- **Employee Awareness**: Employees are educated on best practices for privacy protection and data security to prevent internal risks.
- **Privacy Policy**: A policy requiring regular password changes is in place to ensure customer data is reasonably used and protected.
- **Compliance Review**: Regular compliance reviews are conducted to ensure adherence to relevant laws and regulations.

In 2024, no incidents occurred involving violations of customer confidential information protection that resulted in customer complaints.



CH3

Happy Workplace and Social Prosperity

3.1 Happy Workplace

3.2 Occupational Safety and Health

3.3 Human Rights Protection

3.4 Social Prosperity

3.1 Happy Workplace

Talent Attraction and Retention, Talent Development and Growth

Impacts

The shortage of labor in the market, coupled with uncompetitive employee salary and benefits compared to industry standards, will make recruitment difficult and negatively affect employee retention willingness.

Policy Commitment

We place great emphasis on labor-management agreements and various measures to protect employee rights. Through continuous further education and training, we strengthen professional skills, improve labor productivity and improve the employment system to reduce employee turnover.

Actions Taken

- Provide summer internships and internship opportunities during the school term to recruit talent in advance.
- Implement production technology automation, establish intelligent processes, and optimize procedures to reduce labor load.
- Legally introduce foreign workers according to the industry's peak and off-peak seasons to obtain manpower support and fill short-term labor gaps.

Evaluation Mechanism

Track and evaluate through the Sustainability Development Committee.

Short-term Goal	Mid- to Long-term Goal
Increase the retention rate to 80%.	Maintain the retention rate above 80%.

Performance Results

- The retention rate for 2024 is 66.06%.
- One all-employee dinner was held in 2024.
- The execution rate of the annual employee care program is 100%.

Stakeholder Engagement Status

The company has established work rules and various management regulations, which clearly outline employee rights, obligations, and benefits to protect employee interests. Employees can report issues they encounter through both formal and informal communication channels. The company also adheres to Article 18 of the Labor-Management Meeting Implementation Rules, holding at least one labor-management meeting every three months to foster mutual understanding and recognition. In 2024, a total of four labor-management meetings were held, and there were no labor disputes in 2024.

Item / Interest Groups	Needs (Expectations)	Fulfillment	Detection Method	Responsible Unit
Colleague	· Excellent work environment · Reasonable salary · Good benefits system	· Comfortable work environment · Satisfactory salary and benefits	Employee Care	Human Resources

Hiring Local Supervisors

The company was established in central Taiwan, with convenient transportation, attracting talent from the central Taiwan region. After expanding and relocating the factory, the headquarters is now in Changhua County. The company prioritizes hiring talents from the central region, creating local employment opportunities and cultivating outstanding talent. Currently, 66.7% of mid-level management positions are held by local personnel, and talent development continues.

100% Return-to-Work Rate After Parental Leave in 2024

The company implements a parental leave policy in accordance with the law and offers a family-friendly work environment. This allows employees to focus on raising their children and return to the workplace afterward, enabling them to dedicate themselves to their work. This reduces the cost of recruiting new talent and results in a win-win situation for both the employees and the company.

Employee Structure and Distribution

Axman Enterprise Co. Ltd.'s employee composition prioritizes local talent, with foreign migrant workers supplementing manpower shortages. All employees are full-time, officially employed staff, totaling 175 individuals. Among them, 18 are foreign migrant workers on fixed-term contracts, and there are 3 non-employee workers, including 1 in catering, 1 in security, and 1 in cleaning. The company's primary operations are based in Taiwan.

The company's workforce is diverse and dedicated to retaining senior talent with care. Employees aged 50 and above make up 15% of the workforce. The company values equal employment opportunities, with female employees comprising over 42%. The hiring of individuals with disabilities is in compliance with the law, providing suitable job roles to ensure a secure work environment. The company's friendly environment encourages long-term employee retention. Additionally, timely care is provided to employees from disadvantaged groups, supporting their physical and mental well-being and contributing to a friendly employment environment.

Number of Employees

Category		Taiwan		Foreign Migrant Workers		Total	
		Male	Female	Male	Female	Male	Female
Position	Senior Executives	13	8	0	0	13	8
	Mid-level Managers	11	5	0	0	11	5
	General Employees	60	60	17	1	77	61
	Total	84	73	17	1	101	74
Employment Type	Permanent Employees *Note 1	84	73	0	0	84	73
	Temporary Employees *Note 2	0	0	17	1	17	1
	Total	84	73	17	1	101	74
Job Type	Full-time Employees *Note 3	84	73	17	1	101	74
	Part-time Employees *Note 4	0	0	0	0	0	0
	Employees with No Guaranteed Hours *Note 5	0	0	0	0	0	0
	Total	84	73	17	1	101	74

Age							
Age	Under 30 Years Old	8	14	8	0	16	14
	30-50 Years Old (Inclusive)	59	50	8	1	67	51
	Over 50 Years Old	17	9	1	0	18	9
	Total	84	73	17	1	101	74
Other Relevant Diversity Indicators (e.g., Minority or Disadvantaged Groups)							
Diverse Composition	Indigenous Identity	0	0	0	0	0	0
	Persons with Disabilities	1	1	0	0	1	1
	Others	0	0	0	0	0	0
	Total	1	1	0	0	1	1

Note 1: Permanent Employees: Full-time or part-time employees with an indefinite (i.e., unlimited) contract.
Note 2: Temporary Employees: Employees with a fixed-term contract.
Note 3: Full-time Employees: Employees who work 40 hours or more per week.
Note 4: Part-time Employees: Employees who work fewer hours per week than full-time employees.
Note 5: Employees with No Guaranteed Hours: Employees who are not guaranteed or fixed a certain number of working hours.

Diverse Workforce Statistics

Diversity Categories	Content	Percentage (%)
Female Diversity	Percentage of Female Employees (%)	42%
	Percentage of Female Mid-level Managers (%)	31%
	Percentage of Female Senior Executives (%)	40%
Age Diversity	Percentage of Employees Under 30 Years Old (%)	17%
	Percentage of Employees Aged 30-50 Years Old (%)	68%
	Percentage of Employees Over 50 Years Old (%)	15%
Other Diversity	Persons with Disabilities	1%
	Others	0

Non-Employee Workers

Job Types	Work Locations	Contractual Relationship	Number of People
Catering	Taiwan	Contracted	1
Security	Taiwan	Contracted	1
Cleaning Staff	Taiwan	Contracted	1

New Employees and Departing Employees

The company strictly adheres to labor laws in employing staff, promotes workplace equality, and prohibits any form of discrimination. Employees are treated fairly regardless of nationality, gender, race, religion, skin color, age, sexual orientation, marital status, or political affiliation. No discrimination incidents occurred in 2024.

Due to adjustments in the company's operational strategy, personnel changes occurred, leading to a more conservative approach to recruitment. In 2024, the focus was on filling indirect manpower positions and emphasizing future talent reserves. The new hire rate in 2024 was 16.19%, and the turnover rate was 33.9%. Employee selection is based on integrity, academic and professional qualifications, abilities, and job fit. Talent recruitment continued steadily. To retain talent, the company increased its focus on employee care, actively listening to employees' thoughts, maintaining good relationships with departing employees, and effectively utilizing the talent rehire system to reduce talent loss.

New Employees

Category	Taiwan		Foreign Migrant Workers		Total	
	Male	Female	Male	Female	Total	Percentage
Under 30 Years Old	6	4	0	0	10	32%
30-50 Years Old (Inclusive)	9	9	0	0	18	58%
Over 50 Years Old	3	0	0	0	3	10%
Total	18	13	0	0	31	100%

Departing Employees

Category	Taiwan		Foreign Migrant Workers		Total	
	Male	Female	Male	Female	Total	Percentage
Under 30 Years Old	10	10	7	1	28	43%
30-50 Years Old (Inclusive)	11	19	4	0	34	52%
Over 50 Years Old	1	2	0	0	3	5%
Total	22	31	11	1	65	100%

The Shortest Notice Period for Operational Changes

To ensure the protection of employees' work rights, if significant operational changes occur or if the labor-employer relationship needs to be terminated, the company will provide prior notice of the contract termination date in accordance with Article 16, Paragraph 1 of the Labor Standards Act. The notice period will vary depending on the employee's length of service. In accordance with the reasons for dismissal under Article 10 of the Labor Standards Act, the company may terminate the employment relationship after notifying the employee in the following situations:

1. Business closure or transfer.
2. Losses or business contraction.
3. Force majeure causes suspension of work for more than one month.
4. Changes in business nature that require reducing the workforce and there is no suitable alternative work available.
5. Employees are incapable of performing the work they are assigned.

Company Termination Process

1. Confirm whether the reason for termination complies with the provisions of the Labor Standards Act.
2. Decide on the termination date and calculate the severance pay based on the employee's length of service, ensuring an appropriate notice period is provided.
3. Prepare the termination notice, explaining the reason for termination, the date, and the calculation method for severance pay. Notify the employee and inform them of their rights to job-seeking leave.
4. Notify the local competent authority of the termination within the prescribed time, and prepare documents such as the involuntary resignation certificate, service certificate, and health insurance cancellation form.
5. On the last working day, provide the severance pay and related documentation.
6. Complete the procedures for canceling labor and health insurance.

Employee Compensation

To align with modern business practices, the company adopts a competency-based salary system, incorporating talent selection, development, utilization, and retention into the planning process. This enhances the company's competitiveness and achieves the goals of fairness, reasonableness, and transparency. Overall compensation includes base salary, meal allowances, position salary, functional salary, title allowances, functional allowances, attendance bonuses, special allowances, and environmental allowances. Employee salaries are determined based on factors such as education, past experience, personal expertise, and job performance, without any differentiation based on gender, religion, race, nationality, political affiliation, or other factors.

Axman deeply understands the importance of gender equality for regional economic growth, prosperity, and health and safety. The company is committed to narrowing the gender pay gap and sees this as one of the most powerful ways to support gender equality. In 2024, the salary ratio between female and male employees at the company was 1:1.19. As this issue continues to gain attention, we will remain advocates and strive to achieve a gender pay gap-free environment within the organization. At the same time, the company focuses on improving employee salary levels, translating employees' contributions into shared and fruitful outcomes, further enhancing salary competitiveness, and attracting more talented individuals to join.

2024 Total Compensation Ratio

The median annual total compensation for all employees (excluding the highest-paid individual).	Annual Total Compensation Ratio
385,320	12.20

The percentage increase in the annual total compensation of the highest-paid individual in the organization.	The percentage increase in the median annual total compensation for all employees (excluding the highest-paid individual).	Annual Total Compensation Change Ratio
26.34%	4.05%	6.50%

The ratio of female to male base salary and total compensation

Average Base Salary Ratio (Female : Male)	
Direct Employees	1 : 1.03
Indirect Employees	1 : 1.20

Average Total Compensation Ratio (Female : Male)	
Direct Employees	1:1.12
Indirect Employees	1:1.25

Parental Leave

The majority of the company's employees come from dual-income households and often face the challenge of balancing work and family responsibilities. To support employees in meeting both work and childcare needs, the company actively implements and adheres to parental leave policies. These policies ensure employees' rights to take parental leave, providing necessary time off and benefits. Employees can apply for unpaid leave based on their individual needs, with assistance in processing allowance applications. Additionally, the company offers timely reminders before the end of the leave period to help employees plan their return to work with peace of mind after caring for their children.

In 2024, a total of 5 employees applied for parental leave, with 3 expected to return to work within the year. All 3 employees successfully resumed their positions, including 1 who returned earlier than scheduled. From 2021 to 2023, the company achieved a 100% return-to-work rate, demonstrating a supportive environment that enables employees with childcare needs to effectively balance family and career.

Category	Taiwan	
	Male	Female
FY2024 Total Number of Employees Eligible for Parental Leave	8	8
FY2024 Total Number of Employees Who Took Parental Leave	0	5
Total Number of Employees Scheduled to Return from Parental Leave in FY2024	0	3
Total Number of Employees Who Actually Returned from Parental Leave in FY2024	0	3
Total Number of Employees Who Returned from Parental Leave in FY2023	0	1
Total Number of Employees Who Remained Employed for One Year After Returning in FY2023	0	0
Return-to-Work Rate	-	100%

Note 1: Number of Employees Scheduled to Return = Employees on parental leave expected to return to work in the given fiscal year.
Note 2: Number of Employees Retained in 2024 = Employees who returned from parental leave in 2023 and remained employed as of December 31, 2024.
Note 3: Return-to-Work Rate for the Year = Actual number of employees who returned from parental leave in the given fiscal year ÷ Number of employees scheduled to return (D/C).
Note 4: Retention Rate for the Year = Number of employees who continued working for one year after returning from parental leave in the previous year ÷ Actual number of employees who returned in the previous year (F/E).

Employee Performance Evaluation

Axman aims to implement effective performance management through a comprehensive evaluation system that maximizes employee potential. Evaluations are conducted quarterly, four times a year, with annual assessments carried out by supervisors using the company's online evaluation system.

For new employees during their probationary period, a probation review must be completed before the quarterly performance review, serving as the final basis for official employment. Additionally, the evaluation mechanism is adjusted according to different job responsibilities, ensuring fairness and accuracy while achieving both management and motivation goals.

All newly onboarded employees

Upon entry, supervisors set specific evaluation targets, expected performance standards, and weightings for the probationary period. Progress is reviewed before the end of probation to assess actual achievement.

Existing employees

Performance evaluations are conducted quarterly through the company's online assessment system, with results reviewed each cycle.

Assessment outcomes serve as a critical reference for decisions related to salary adjustments, bonus allocation, promotions or demotions, job transfers, and work assignments. For employees with unsatisfactory results, a personalized improvement plan is arranged in collaboration with their supervisor, offering necessary support and guidance.

The core of performance management lies in evaluating employees' overall goal achievement and competency performance. The results are not only used for decisions regarding promotions, rewards, and training plans but also serve as a reference for individual development planning. Through a comprehensive performance management system, the company strives to cultivate a performance-oriented corporate culture that motivates employees to improve both their performance and competencies. At the same time, it fosters personal growth and capability development, laying a solid foundation for the mutual growth of employees and the company.

Number of employees receiving regular performance and career development reviews

Position	Male	Female	Total
Senior Management	13	8	21
Middle Management	11	5	16
General Staff	77	61	138
Total number of employees receiving regular performance and career development reviews	101	74	175
Total number of employees	175		

Proportion of employees receiving regular performance and career development reviews by gender and employee category

Total Employees		100.00%
Position	Senior Management	11.43%
	Middle Management	9.14%
	General Staff	79.43%
Gender	Male	59.43%
	Female	40.57%

Employee Benefits

Axman has established an Employee Welfare Committee dedicated to systematically implementing a variety of employee benefits. These include meal subsidies, employee care initiatives, dormitory arrangements, regular health check-ups, and leave entitlements. The company ensures that its benefits system is equally applicable to both local and foreign employees. In accordance with the Labor Standards Act, employees' legal rights are protected, and the Employee Welfare Committee is fully committed to promoting and executing various welfare measures. Quarterly labor-management meetings are held to foster positive labor relations, and on-site medical personnel are engaged to provide regular services that support employees' physical and mental well-being.

In addition, the company provides employees with labor insurance and National Health Insurance in accordance with government regulations. It also offers supplementary group insurance and travel insurance, ensuring stable income and benefits that exceed legal requirements to alleviate employees' financial burdens. The company grants various allowances such as wedding gifts, condolence payments for the loss of immediate family members, and childbirth gifts. It continuously works to enhance a safe and healthy work environment as well as comprehensive training programs. Through employee care interviews, the company fosters a strong relationship of mutual trust and support, enabling employees to dedicate themselves to their work and grow together with the company.

Insurance	Maternity/Parental Subsidies	Bonus Benefits
· Labor Insurance · Health Insurance · Group Insurance	· Maternity, childbirth, and parental leave without pay · Breastfeeding room facilities · Cooperative childcare programs with kindergartens	· Festival gift vouchers (three major holidays) · Birthday gift vouchers · Wedding cash gifts, childbirth subsidies, hospitalization consolation money, funeral subsidies · Discounts at contracted stores

Health Initiatives

- Regular employee health checkups and weekly on-site health consultations by contracted medical staff; employee events to enhance relationships and work-life balance, creating a more supportive and healthy work environment.
- Stress-relief classes for employees – yoga, dance
- Annual health examinations for employees engaged in special operations

Other Benefits

- Year-end gatherings
- Group meals: On-site employee cafeteria with meal subsidies, offering a variety of seasonal ingredients to ensure balanced nutrition
- Seminars – Employee care and career development

Retirement System

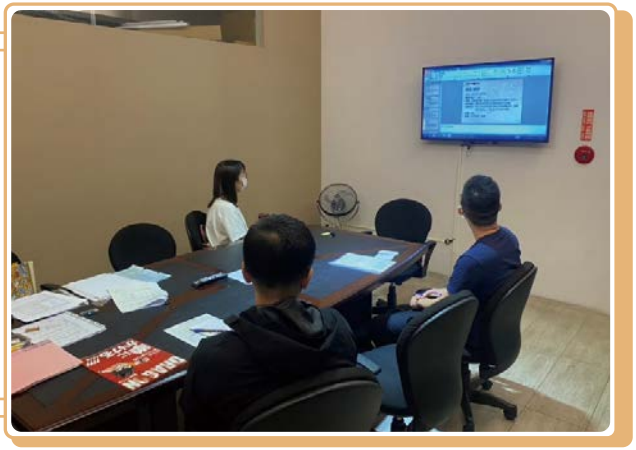
Axman's retirement system is administered in accordance with the "Employee Retirement Management Regulations," the "Labor Standards Act," and the "Labor Pension Act." As of January 2023, the company completed the calculation of pension amounts for employees under the old pension system and finalized the transfer of old pension contributions to the designated pension account with the Central Trust.

- "Labor Pension Act": Starting from July 1, 2005, in line with the implementation of the new pension system, the company contributes no less than 6% of each employee's monthly salary to the employee's individual pension account managed by the Bureau of Labor Insurance.
- "Pension Payment": For employees who meet the retirement criteria, those covered under the Labor Standards Act will receive their pension calculated and issued in accordance with Article 55 of the Act. Those under the Labor Pension Act may claim their pension from their individual pension account managed by the Bureau of Labor Insurance.

Education and Training

From the onboarding stage, the company communicates its various policy objectives—such as the "Human Rights Policy Declaration," "Quality Objectives," and "Energy Policy"—through audiovisual and written materials to establish a shared understanding with employees and encourage collective effort toward common goals. At the same time, the company places great emphasis on personal integrity and work attitude, encouraging employees to strengthen their capabilities and pursue personal growth. Through training and the promotion of company values, these principles are instilled into daily practice, driving the company toward greater achievements. To enhance employee knowledge, skills, and professional competence, tailored training programs are implemented for different job roles.

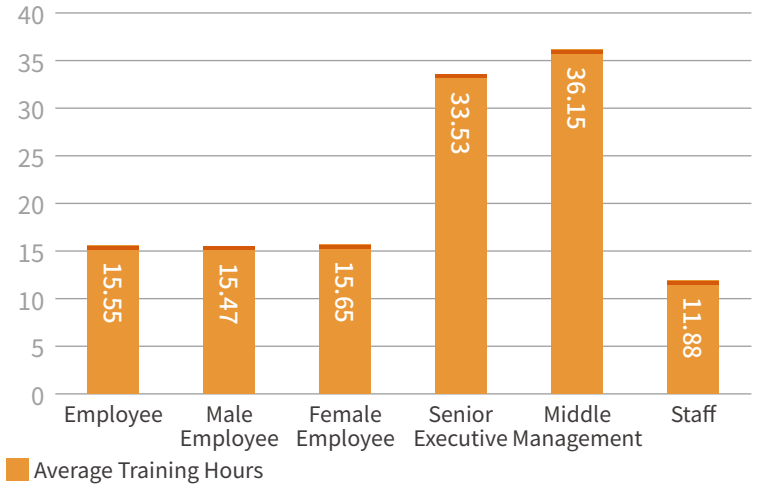
- New Employee Training: In addition to general orientation courses on the first day (such as HR regulations and management systems), each department provides customized professional training schedules to help new employees integrate quickly into the work environment.
- Management Competency Development: Management competencies are clearly defined for each job function, providing employees with clear goals for career planning.
- Annual Training Plan: Training plans for the following year are developed at the end of each year based on operational needs.
- Ongoing Professional Courses: Periodic foundational professional courses are offered to strengthen employees' technical and professional skills.



The company aims for every employee to not only enhance their work performance but also improve overall team collaboration, ultimately contributing to the company's long-term development. In 2024, a total of 243 employee training attendances were recorded, with an accumulated 3,778.5 training hours, averaging 15.55 training hours per employee.

Total Training Hours / Number of Trainees

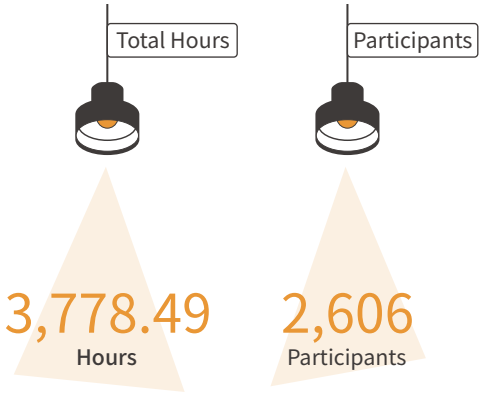
Employee Category	Male		Female		Total	
	Hours	Number of Participants	Hours	Number of Participants	Hours	Number of Participants
Senior Executive	376.2	13	327.9	8	704.0	21
Middle Management	524.4	13	126.8	5	651.2	18
General Staff	1,187.3	109	1,235.9	95	2,423.3	204
Total Training Hours	2,087.9	135	1,690.6	108	3,778.5	243



Training Courses

Regular Courses		
Regular/Category of Courses	Total Hours	Number of Participants
ISO 9001 System Training	565.00	82
Talent Development Training	24.63	32
Talent Development Training – On-Site	149.03	213
Technical Update Training	4.98	6
Others	55.54	341
Others – ESG	4.00	2
Defect Rate Reduction Training	51.93	69
Professional Refresher Training	85.00	16
Professional Skills	191.40	157
General Knowledge Courses	68.86	83
Efficiency Improvement Training	594.83	536
New Product Introduction	111.14	86
Pre-Job Training for New Employees	133.30	265
New Standards Training – ISO 50001	17.50	21
Occupational Safety Training	514.00	144

Non-Regular Courses		
Regular/Category of Courses	Total Hours	Number of Participants
Talent Development Training	142.00	8
Others – ESG	108.50	60
Professional Skills	102.31	28
New Standards Training	27.25	19
New Standards Training – ISO 50001	257.92	99
New Standards Training – Internal	55.37	139
New Standards Training – Lean	514.00	200



3.2 Occupational Safety and Health

Impacts
Positive Impact: The company has established a set of Occupational Safety and Health (OSH) guidelines and actively implements OSH management practices. It continuously improves the physical work environment to enhance workplace safety, reduce the incidence of occupational accidents, and strengthen employee well-being. Negative Impact: The occurrence of occupational safety and health incidents may adversely affect employees' health and quality of life. In severe cases, it could lead to work stoppages, fines, or legal disputes. These negative events can impact the morale of other employees and harm the company's reputation and public perception.
Policy Commitment
The company strictly complies with relevant regulations, enforces occupational safety and health management standards, promotes autonomous management, enhances awareness of occupational safety and health, and supports employee health management.
Actions Taken
· Monthly preventive safety awareness campaigns are conducted to enhance employees' occupational safety and health awareness. · Promote health management initiatives.
Evaluation Mechanism
· The Occupational Safety and Health (OSH) team conducts monthly safety inspections to identify potential hazard factors. · The Occupational Safety Committee holds quarterly meetings to review whether monthly safety awareness campaigns have been conducted and to assess whether improvements have been made based on inspection records.

Short-Term Goals
Achieve a health check-up participation rate of over 92%; on-site health service coverage of over 92%; zero major occupational safety incidents.
Mid- to Long-Term Goals
Achieve a health check-up participation rate of over 95%; on-site health service coverage of over 95%; maintain zero major occupational safety incidents.
Performance Results
· No major occupational safety incidents occurred in 2024. · Health check-up participation rate exceeded 90%. · On-site health service coverage exceeded 90%. · Health promotion initiatives: In 2024, the company organized 1 workplace wellness seminar, 10 stress-relief sessions under the work-life balance program, and 10 additional sessions focused on employee care and work-life balance.
Stakeholder Engagement
In 2024, three Occupational Safety and Health Committee meetings were held, covering topics such as the revision of workplace safety codes, monitoring items for the working environment, and on-site health service consultations, among others.

Overview of Occupational Safety and Health

The company has established the "Occupational Safety and Health Regulation Management Guidelines" and the "Work Environment Management Guidelines" with the aim of preventing occupational hazards and providing employees with a safe and healthy working environment. Regular health check-ups are also conducted to support employee well-being.

To enhance employees' occupational safety and health awareness, and in alignment with the ISO 45001:2018 Occupational Health and Safety Management System, the company's Safety and Health team has developed a comprehensive Safety and Health Management Manual based on internal policies and organizational resources. To strengthen occupational safety and health across all facilities, the company has progressively implemented related management procedures, including regulatory compliance and identification, objective and target setting, hazard identification and risk assessment, safe procurement operations, monitoring and measurement, management program implementation, emergency response, and change management for safety operations.

To promote health management and comply with legal requirements, the company has also established a series of health protection documents, including the Hearing Conservation Program for Workers, the Prevention Plan for Diseases Induced by Abnormal Workload, the Prevention Plan for Unlawful Infringement During Duty, the Respiratory Protection Program, the Maternity Health Protection Program in the Workplace, and the Ergonomic Hazard Prevention Program.

Workers Covered by the Occupational Safety and Health Management System

The company has established relevant management procedures in accordance with the ISO 45001 Occupational Safety and Health Management System framework, which are applied to all company employees and contractors working within the facility, achieving 100% coverage.

Workers Covered by the Occupational Safety and Health System	Number of Employees		Non-Employees (Workers in the Workplace)		
	Local	Foreign	Catering Service Provider	Cleaning Service Provider	Security Company
Number of Employees	155	18	1	1	1
Coverage Rate (Percentage of Workers Covered by the System)	88.07 %	10.23 %	0.57 %	0.57 %	0.57 %

Occupational Safety and Health Committee

The Occupational Safety and Health Committee is composed of seven members, with the Manufacturing Department Manager serving as the management representative and committee chairperson. Committee members serve a two-year term, and the chairperson appoints one occupational safety officer as the secretary to assist with committee affairs. In compliance with legal regulations, labor representatives make up at least one-third of the total number of committee members. In 2024, the committee held a total of four meetings.

The composition of the committee members is as follows

Roles	Departments:	Count	Percentage
Management Representative	Manufacturing Department Manager	1	14.3 %
Occupational Safety and Health Personnel	Head of Safety and Health Team	1	14.3 %
Supervisory Personnel	Section Chief, Quality Assurance Department	1	14.3 %
Engineering and Technical Personnel	Factory Affairs, Administration Section	1	14.3 %
Labor Representative	Staff, R&D Department	1	42.9 %
Labor Representative	Staff, Coating Department	1	
Labor Representative	Staff, Manufacturing Department	1	

The committee holds meetings once every quarter to handle the following matters

1. Provide suggestions on the employer's proposed occupational safety and health policies.
2. Coordinate and recommend occupational safety and health management programs.
3. Review implementation plans for safety and health education and training.
4. Review workplace environment monitoring plans, results, and proposed actions.
5. Review health management, occupational disease prevention, and health promotion measures.
6. Review various safety and health proposals.
7. Review self-inspections and safety and health audits of the organization.
8. Review preventive measures for hazards related to machinery, equipment, raw materials, or substances.
9. Review occupational accident investigation reports.
10. Evaluate on-site safety and health management performance.
11. Review safety and health management for contracted operations.
12. Handle other matters related to occupational safety and health management.

Worker Participation, Consultation, and Communication

To ensure that workers' voices are fully reflected in the occupational safety and health decision-making process, labor representatives participate in the Occupational Safety and Health Committee and actively engage in discussions and decisions regarding related policies and measures. In accordance with the Occupational Safety and Health Act, the committee is responsible for formulating occupational safety and health policies, implementing safety and health education and training, establishing workplace environment monitoring plans, and taking necessary actions based on monitoring results. These responsibilities also include reviewing, coordinating, and making recommendations on health management, occupational disease prevention, and health promotion.

If employees have suggestions for improvements regarding occupational safety and health, they may submit proposals via the suggestion box located next to the bulletin board. Additionally, the company has established a dedicated email address (careyou@axman.com.tw) and an internal complaint hotline to provide channels for employees to report issues related to gender equality, sexual harassment, or unlawful infringement.

For the current 19 foreign employees, a monthly care meeting is held to discuss dormitory life and work-related matters. Safety briefings are conducted regularly and translated into Thai for announcement to ensure that foreign employees receive the information simultaneously and to enhance their safety awareness.

Hazard Identification, Risk Assessment, and Incident Investigation

In accordance with the Occupational Safety and Health Administration's Risk Assessment Technical Guidelines, the company has clearly established the "Hazard Identification and Risk Assessment Operating Procedures" to systematically identify, assess, and control occupational safety and health risks.

1.Hazard Identification and Risk Assessment Process

▣ Work Process Analysis and Hazard Identification

Personnel in charge of each relevant unit are required to conduct a comprehensive review of all activities, facilities, and processes within the plant to identify potential occupational safety and health hazards. These hazards must be recorded in the "Hazard Identification and Risk Assessment Registration Form."

Based on the risk analysis formulae

Risk Weight (R) = Frequency of Exposure (F) × Probability of Occurrence (P)

For each work process, the sources of risk—such as energy, raw materials, and machinery—are evaluated for unsafe acts and unsafe environments that may cause hazards. The risk weight (R) is calculated by considering the frequency of exposure (F) and the probability of occurrence (P). This is then cross-referenced with the severity of consequences (S) to determine the risk level. Appropriate control measures are taken based on the determined risk level.

Frequency of Exposure (F)

Exposure Time / Exposure Frequency	Continuously exposed to this environment for at least 8 hours per occurrence	Exposed to this environment for at least 6 hours per occurrence	Exposed to this environment for at least 4 hours per occurrence	Exposed to this environment for at least 2 hours per occurrence	Exposed to this environment for no more than 2 hours per occurrence
More than once per day on average	10	9	8	7	6
More than once per week on average	9	8	7	6	5
More than once per month on average	8	7	6	5	4
More than once per quarter on average	7	6	5	4	3
At most once per year or less frequently	6	5	4	3	2

Probability of Event Occurrence (P)

Number of Protective Measures / Frequency of Occurrence	Protective measures required but not in place, or protection not feasible	One hardware protective facility and software protection measures are in place	Two hardware protective facilities and software protection measures are in place	Two or more specific and effective hardware and software protection measures are in place	Multiple protective measures are in place, with excellent hardware and software effectiveness
Frequent (more than five times per year)	10	9	8	7	6
Possible (more than once in five years, but no more than once per year)	9	8	7	6	5
Occasional (purely accidental) (more than once in ten years, but no more than once in five years)	8	7	6	5	4
Highly Unlikely, Assumable (occurs approximately once every ten to one hundred years, or no more than once in ten years)	7	6	5	4	3
Rare (unlikely to occur)	6	5	4	3	2

Severity (S)	
Personnel Safety and Health Status	Weight
· One fatality or three or more people sent for emergency medical treatment · Permanent disability/injury or illness	A
· Severe injury (severe fractures, third-degree burns, disabling injuries) · Requires hospitalization or long-term rest/rehabilitation	B
· Medical treatment or work restrictions (requires external medical referral) · Moderate injury (fractures, second-degree burns)	C
· Only requires initial care at the medical office, no need for external referral · Minor injury (abrasions, minor cuts, pain, or allergies)	D
· No obvious harm	E

Note 1: Severity indicators consider the potential worst-case scenario if all protective measures fail.
Note 2: Please select the higher-weighted option to include in the S score.

Risk Level					
Probability Weight (R) \ Severity (S)	A	B	C	D	E
70~100	1	1	2	3	4
40~69	1	2	2	4	4
20~39	2	2	3	4	5
10~19	3	3	3	5	5
0~9	3	3	4	5	5

Risk Level	Risk Level	Countermeasures
CLASS 1	High Risk	Priority should be given to reviewing existing protective measures, proposing improvements, or enhancing response capabilities.
CLASS 2	Medium-High Risk	Further assessment may be conducted to decide whether improvement is necessary.
CLASS 3	Medium Risk	Temporarily acceptable; consider implementing improvement measures.
CLASS 4	Low Risk	Temporarily acceptable; monitor using existing methods.
CLASS 5	Acceptable Risk	Acceptable.

Occupational Safety and Health Hazard Identification and Risk Assessment Procedure

▣ Detailed Annotation and Classification

The completion process should refer to the "Hazard Identification and Risk Assessment Registration Form Instructions" and the "Hazardous Incident Characteristics Classification" to accurately document the energy sources, raw materials, machinery and equipment, unsafe behaviors, unsafe environments, and potential hazards involved in each step of the workflow.

▣ Risk Control Measures and Review

After formulating appropriate hazard risk control measures, the occupational safety and health unit is responsible for compiling and reviewing their applicability and effectiveness to ensure that risks are reduced to an acceptable level. If the control measures fail to achieve the expected outcomes, revision suggestions will be proposed, and alternative control methods will be implemented as necessary.

2. Change Management and Emergency Response

▣ Change Risk Assessment

When changes involve materials, processes, or operating methods, the responsible unit must conduct a change risk assessment and implement corresponding risk control measures to ensure operational safety. The development of improvement measures should take into account the concerns of relevant stakeholders, required costs, and the level of difficulty in implementing improvements.

▣ Emergency Response and Work Suspension Mechanism

- Immediate Hazard Handling: When there is an imminent danger in the workplace, the employer or person in charge must immediately halt operations and ensure that workers evacuate to a safe location.
- Worker's Right to Stop Work: If a worker identifies an immediate hazard while performing their duties, they may stop work and evacuate without endangering others, and must promptly report to their direct supervisor.
- Employer Protection Guidelines: Employers may not dismiss, transfer, or impose adverse actions on workers for exercising their right to stop work. However, if it is determined by the competent authority that the right was abused and such action complies with labor laws, this restriction shall not apply.

3. Emergency Response Management

To ensure stable company operations, the company has established the "Emergency Response Management Regulations" to conduct risk assessments and respond promptly and effectively to unexpected incidents. These measures aim to minimize harm to personnel, property, the environment, and quality, thereby ensuring the continuity of business operations.

Occupational Safety and Health Education and Training

Axman places great importance on employee workplace safety. To ensure that new employees quickly become familiar with the company's operations, occupational safety and health education and training is arranged upon their onboarding, followed by evaluations based on the course content. For current employees, training is divided into internal and external programs. Internal training sessions are held periodically each year and include occupational safety awareness, fire drills, and emergency response training. External training allows employees to participate in relevant certification programs outside the company to enhance their awareness of safety and health protection and operational practices. The number of occupational safety and health training sessions and participants is shown in the table below:

Certification Types (Table 1)	Count
Class B Dedicated Wastewater (Sewage) Treatment Personnel	1
Type A Occupational Safety and Health Affairs Supervisor	4
Organic Solvent Operations Supervisor	2
Fire Prevention Manager	3
First Aid Personnel	4
Specific Chemical Operations Supervisor	1
Forklift Operator	7
Class B Technician for Occupational Safety and Health Management	2

Course Content	Total Hours
Occupational Safety and Health Education and Training	78
In-House Firefighting Team Training	324
General (On-the-Job) Occupational Safety and Health Training	168
Workshop on Hazard Identification and Establishment of Self-Management System (Changhua Session 39)	4
Occupational Safety and Health Legal Seminar – General Safety and Health in Manufacturing	6
On-the-Job Safety and Health Education for First Aid Personnel	3
On-the-Job Safety and Health Training for Forklift Operators Handling Loads Over One Ton	9
Total	592

Connecting Suppliers and Customers to Jointly Implement Occupational Safety and Health Management

Contractors entering the company premises for construction or operations are managed in accordance with the "Contractor Safety and Health Management Regulations." Vendors undertaking business with the company for the first time are required to sign the "Contractor Safety and Health Commitment Statement."

Evacuation Assembly Drill	Fire Hydrant Operation Drill	Fire Team Training	First Aid CPR Training and Instruction	Fire Awareness Explanation	Escape Rappelling Drill	AED First Aid Explanation	Fire Extinguisher Operation Drill

Occupational Injury Statistics Table

In accordance with the "Hazard Identification and Risk Assessment Management Regulations," the company reviews internal activities, facilities, and processes to identify, register, and assess hazards that may arise from materials, machinery and equipment, and operational methods. These hazards include physical, chemical, biological, and ergonomic risks. Significant occupational safety and health risks that have occurred or may occur are controlled to comply with relevant safety and health regulations and to reduce impacts on employee health and safety. No occupational injuries occurred in 2024.

	Total Hours Worked in 2024 (Hours)	357,380
Occupational Injuries	Number of General Occupational Injuries (Days Lost ≤ 180 Days)	0
	Number of Severe Occupational Injuries (Days Lost > 180 Days)	0
	Number of Recordable Occupational Injury Cases	0
	Number of Occupational Injury-Related Fatalities	0
	Lost Workdays*1	0
	Rate of Severe Occupational Injuries*2	0
	Recordable Occupational Injury Rate*3	0
	Occupational Injury Fatality Rate*	0
Occupational Diseases	Number of Occupational Disease Cases	0
	Number of Occupational Disease-Related Fatalities	0
	Occupational Disease Fatality Rate*	0
	Number of Recordable Occupational Disease Cases	0

Note 1: The total number of lost workdays per individual case is calculated from the date of the injury or fatality. It includes all days the injured person is temporarily (or permanently) unable to return to work, excluding the day of the injury and the day of return to work, but including all calendar days in between (including Sundays, holidays, or company shutdown days), as well as any subsequent days of work incapacity caused by the same incident.
Note 2: Rate of Severe Occupational Injuries = [Number of Severe Occupational Injuries (excluding fatalities) × 200,000 work hours] / Total Hours Worked.
Note 3: Recordable Occupational Injury Rate = (Number of Recordable Occupational Injury Cases × 200,000 work hours) / Total Hours Worked.
Note 4: Occupational Injury Fatality Rate = (Number of Occupational Injury-Related Fatalities × 200,000 work hours) / Total Hours Worked.
Note 5: Occupational Disease Fatality Rate = (Number of Occupational Disease-Related Fatalities × 200,000 work hours) / Total Hours Worked.

Occupational Health Services

Full-time employees undergo general health examinations every two years and special workplace environment health checks annually. In collaboration with an on-site occupational health service provider, physicians and nurses are regularly assigned to conduct interviews, review, and assess the health examination results. Follow-up interviews and care are provided when necessary. Potential sources of occupational disease risks are identified, covering physical, chemical, biological, and psychological factors that employees may be exposed to. These data serve as a critical basis for implementing improvement measures to enhance the effectiveness of health and safety management.

Occupational Health Service Achievements in 2024 Are as Follows

Execution Items	Execution Content and Achievements
Health Management	· On-the-Job Health Examination Reports: 182 individuals · Health Consultations Completed: 164 sessions Physicians and nurses classified employees based on health examination reports for graded health management and arranged interview schedules accordingly. Each month, occupational safety personnel send email notifications to the respective department supervisors and individuals concerned.
Prevention of Diseases Triggered by Abnormal Workload	The 10-year cardiovascular disease risk is categorized into high, medium, and low risk levels. Throughout the year, the proportion of personnel requiring interview assessments remained below 1.1%.
Prevention of Ergonomic Hazards	Individuals with symptoms scoring 3 or above in any body part accounted for less than 4%: 7 people Assessments Completed: 7 people
Maternal Health Protection	Pregnant employees and employees within one year postpartum: Conduct hazard assessments, provide health consultations, have occupational physicians perform health risk evaluations, and offer health education.
Prevention of Unlawful Infringement During Duty Execution	· No complaint cases in 2024. · Departmental hazard identification and risk assessment completed on March 28. · Workplace environmental inspection completed on March 28. · First audit conducted on May 9.
Hearing Conservation Program	· Both annual environmental monitoring sessions have been completed. · Special noise operation examinations have been conducted.
Respiratory Protection Program	· Both annual environmental monitoring sessions have been completed. · Dust hazard operation examinations have been conducted.

Health Management Classification Explanation

Level 1 Management

Good health condition; one wellness interview per year.

Level 2 Management

- Abnormal blood pressure—if readings remain high with physiological discomfort, refer to occupational physician for evaluation, medical treatment, and regular follow-up
- Other issues handled with printed health education materials.

Level 3 Management

- Consultation and health education with occupational physician
- Semi-annual follow-up on health data and case status.

Level 4 Management

- Consultation and health education with occupational physician
- Regular follow-up every 3–4 months depending on case status—mandatory medical treatment or submission of medical records may be required
- Case included in target group for internal health promotion activities.

In addition, we arrange regular themed health education sessions and assessments, with several employees participating each time to further enhance their health awareness and health management capabilities. These measures are designed to provide comprehensive health services for employees, ensuring they maintain optimal well-being both at work and in their daily lives.

To promote health management and comply with legal regulations, we have formulated health protection documents including: the Hearing Conservation Program Guidelines, the Disease Prevention and Management Guidelines for Abnormal Workload, the Prevention Plan for Unlawful Infringement in the Workplace, the Respiratory Protection Program Guidelines, the Maternal Health Protection Plan for the Workplace, and the Ergonomic Hazard Prevention Guidelines. These measures are aimed at enhancing employee health protection and effectively preventing and mitigating various risks in the work environment.

Health Promotion

In addition to emphasizing occupational safety in the workplace, Axman also places great importance on the physical and mental well-being of its employees. The company conducts irregular health promotion campaigns to help employees maintain good health beyond their work duties. A variety of health promotion programs are offered to support employees in maintaining their overall well-being and quality of life.

In 2024, a total of one Friendly Workplace Seminar, ten Work-Life Balance – Employee Stress Relief sessions, and ten Work-Life Balance – Employee Care sessions were conducted.

Work-Life Balance – Stress Relief Course

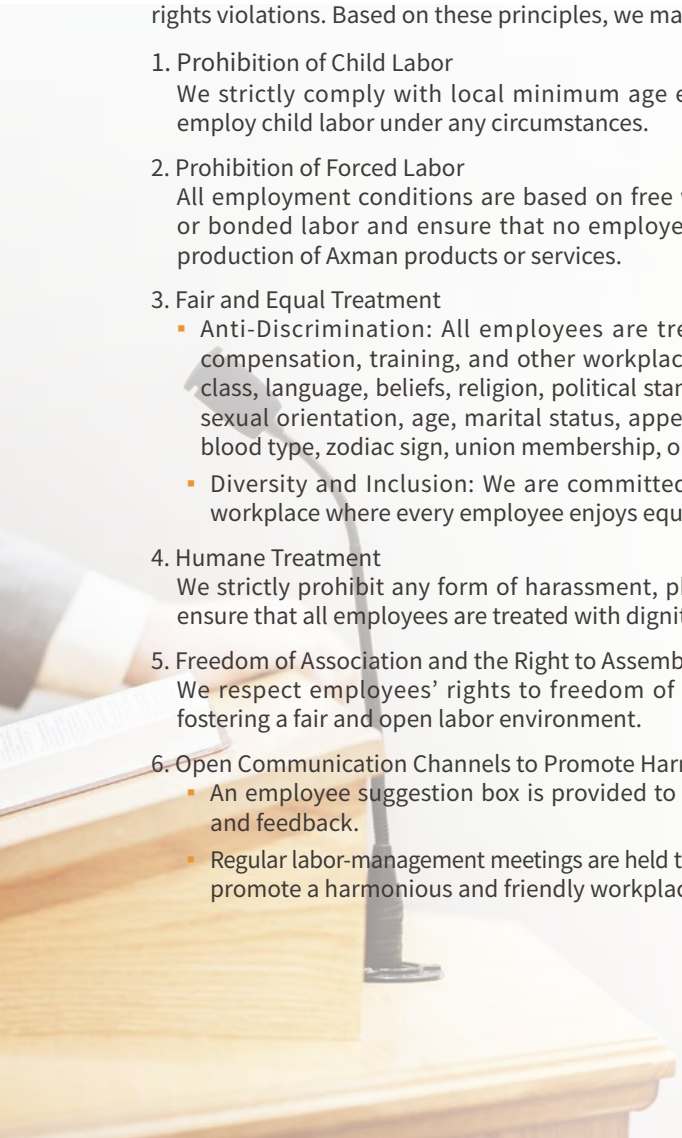
Pop Dance	Yoga	Fat-Burning Aerobics	Gentle Stretching	Pilates	Fat-Burning Aerobics

3.3 Human Rights Protection

Human Rights Policy

Axman complies with international guidelines such as the Responsible Business Alliance (RBA) Code of Conduct, the United Nations Global Compact, the United Nations Universal Declaration of Human Rights, and the International Labour Organization (ILO). The company also strictly adheres to local labor laws and is committed to eliminating any form of human rights violations. Based on these principles, we make the following declaration:

1. Prohibition of Child Labor
   We strictly comply with local minimum age employment regulations and do not employ child labor under any circumstances.
2. Prohibition of Forced Labor
   All employment conditions are based on free will. We eliminate all forms of forced or bonded labor and ensure that no employee is subjected to forced labor in the production of Axman products or services.
3. Fair and Equal Treatment
   - Anti-Discrimination: All employees are treated equally in hiring, promotion, compensation, training, and other workplace practices, regardless of race, social class, language, beliefs, religion, political stance, nationality, place of birth, gender, sexual orientation, age, marital status, appearance, physical or mental disability, blood type, zodiac sign, union membership, or political affiliation.
   - Diversity and Inclusion: We are committed to building a diverse and inclusive workplace where every employee enjoys equal rights and protections.
4. Humane Treatment
   We strictly prohibit any form of harassment, physical abuse, or threats thereof, and ensure that all employees are treated with dignity and respect.
5. Freedom of Association and the Right to Assemble
   We respect employees' rights to freedom of association and peaceful assembly, fostering a fair and open labor environment.
6. Open Communication Channels to Promote Harmonious Labor Relations
   - An employee suggestion box is provided to ensure timely expression of concerns and feedback.
   - Regular labor-management meetings are held to enhance two-way communication and promote a harmonious and friendly workplace.



2024 Human Rights-Related Performance Results

Human Rights Issues	Specific Management Methods / Measures	2024 Annual Implementation Status
Prohibition of Child Labor	Prohibition of employing child labor	No incidents of child labor occurred
Prohibition of Forced Labor	Formulated "Talent Recruitment Procedures"	All employment relationships are established with written labor contracts in accordance with the law
	Comply with labor laws and the company's "Human Rights Policy," and do not force employees to perform work against their will	No incidents of forced labor occurred
Non-Discrimination	Comply with labor laws and the company's "Human Rights Policy," and eliminate discrimination	No incidents of discrimination occurred
Humane Treatment	Formulated regulations such as "Work Rules" and "Sexual Harassment Prevention Measures, Complaints, and Disciplinary Procedures"	No incidents of sexual harassment occurred
No Restrictions on Freedom of Association; Respect for Employees' Right to Peaceful Assembly	Respect employees' rights, including freedom of association, participation in labor-management meetings, and appointment of labor representatives	No restrictions on freedom of association; employees' right to peaceful assembly is respected Labor-management meetings are held quarterly to promote harmonious labor relations
Multiple Communication Channels, including Designated Employee Suggestion Boxes and Regular Labor-Management Meetings, to Foster Harmonious Labor Relations	Formulated "Sexual Harassment Prevention Measures, Complaints, and Disciplinary Procedures"	An internal employee suggestion box is in place

The company references international human rights guidelines, domestic laws and regulations, and benchmark enterprise human rights reports. After compiling relevant human rights risk issues, potential risks within the value chain are assessed and incorporated into a human rights risk assessment questionnaire. The questionnaire evaluates each human rights risk issue based on “likelihood of occurrence” and “severity”:

Likelihood of occurrence:	0 = Will not occur	1 = Low probability (1% - 30%)	2 = Moderate probability (31% - 60%)	3 = High probability (above 61%)
Severity:	0 = No impact	1 = Minor	2 = Severe	3 = Very severe

Based on the collected responses, a “Human Rights Risk Matrix” is created. Human rights risks are then categorized into three levels based on the following criteria:

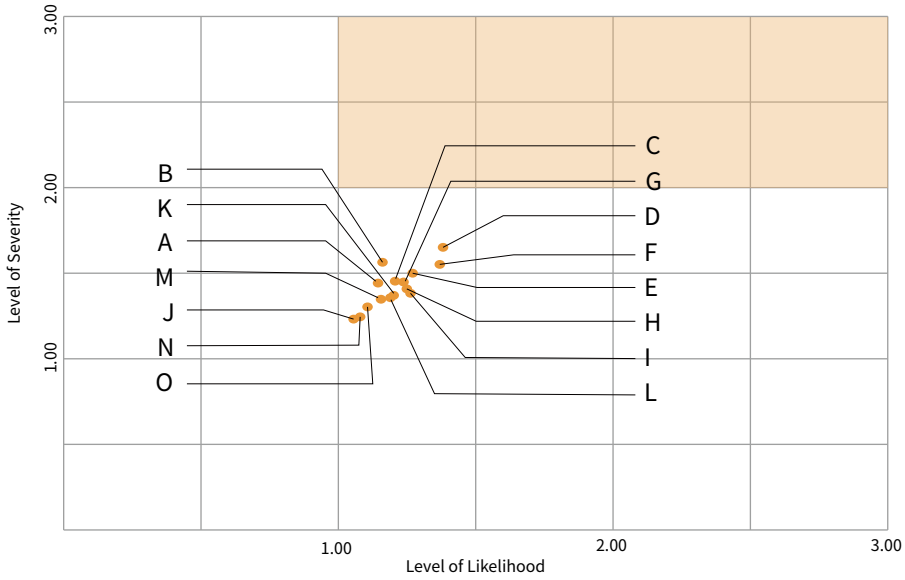
High Risk:
Likelihood > 1 and Severity > 2

Medium Risk:
Likelihood > 1 and Severity < 2

Low Risk:
Likelihood < 1

The 2024 questionnaire was distributed to Axman employees, with a total of 160 questionnaires collected. The assessment results are as follows:

	Risk Issues	Multiplier
A	Privacy Protection	1.65
C	Work and Labor Conditions Protection	1.82
E	Health Right (2)	1.75
D	Health Right (1)	2.28
B	Personal Freedom and Safety	1.90
L	Non-discrimination (2)	2.12
F	Freedom of Speech and Expression	1.79
G	Freedom of Speech and Expression	1.76
K	Non-discrimination (1)	1.75
M	Forced or Compulsory Labor	1.30
H	Freedom of Assembly and Association	1.64
O	Right to Family Life (2)	1.61
N	Right to Family Life (1)	1.55
I	Freedom of Assembly and Association	1.34
J	Child Protection	1.44



Based on the above employee human rights due diligence results, no medium or high-risk human rights issues were identified in 2024. Axman will continue to conduct ongoing monitoring and evaluation to ensure the effectiveness of existing human rights risk mitigation measures.

To provide a safe and secure working environment, Axman Enterprise has established the “Sexual Harassment Prevention, Complaint, and Handling Procedures,” which apply to employees, dispatched workers, and job applicants. A dedicated complaint hotline and email address are available, and all cases are handled by the Administration Section. To protect the parties involved, cases are processed confidentially by the Sexual Harassment Complaint Handling Committee. In 2024, no workplace sexual harassment or human rights-related complaints were received.

3.4 Social Prosperity

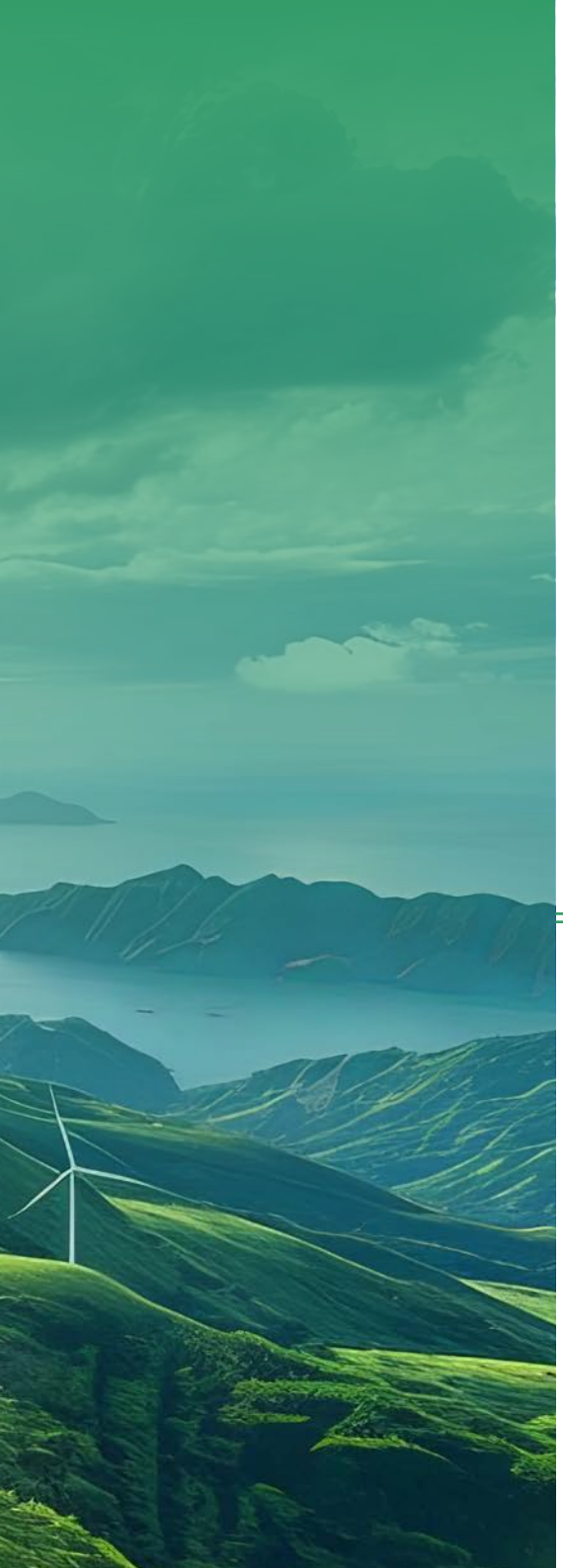
Caring for Disadvantaged Groups and Creating a Harmonious Society Together

The company upholds the philosophy of "giving back to society" and actively fulfills its social responsibilities by regularly donating to the Dajia Mazu Social Welfare Foundation. The Dajia Mazu Pilgrimage has evolved beyond a religious activity into a social event that fosters interpersonal connections. Participants find spiritual comfort through the pilgrimage, transforming anxiety into strength. We also promote the global environmental campaign "Less Meat, Less Heat," encouraging reduced meat consumption to lower greenhouse gas emissions. On April 9, 2024, during the Dajia Mazu Pilgrimage, the company provided approximately 16,000 servings of vegetarian meals to pilgrims, advocating for a low-carbon diet and contributing to environmental protection.

Participation in Local Religious Events

Axman participated in and sponsored the Fude Zhengshen Blessing and Pilgrimage Event at Zhongzhuang Stele of Babaozun, Dacun Township in June 2024. This event has become one of Taiwan's significant folk cultural traditions. Through corporate support, local events can access more resources and amplify their impact. This initiative also provided an opportunity to enhance interaction with surrounding communities, fostering cohesion and a harmonious atmosphere among local residents. Moving forward, Axman will continue to support and promote various neighborhood-friendly activities, striving to create a prosperous and mutually beneficial local development.

Corporate Social Responsibility Philosophy	Service Focus	Service Project	Target Group	Action Plan	Service Benefits	Corresponding SCDs
Implement comprehensive mitigation and adaptation actions to address climate change and its impacts	13 CLIMATE ACTION	Less Meat, More Vegetables – Reduce Global Warming	Employees, Employees' Families, Pilgrims	Invite members of the Tzu Chi Foundation during the pilgrimage event to lead employees and their families in preparing vegetarian meals. Through this hands-on experience, participants can directly engage in making vegetarian dishes.	· A total of 69 employees and 40 employee family members were invited to participate in the event. · A total of 16,000 servings of vegetarian meals were provided.	TARGET 13·3
End poverty in all its forms everywhere	1 NO POVERTY	Charitable Donations	Disadvantaged Groups	Make regular donations to the Dajia Mazu Social Welfare Foundation, with each donation no less than NT$200,000.	Engage in social welfare and charitable initiatives by supporting children's homes established by foundations dedicated to caring for disadvantaged groups. With a special focus on the welfare of children and adolescents, the support helps ensure that more underprivileged children can receive the assistance they need.	TARGET 1·A TARGET 1·2
Build inclusive, safe, resilient, and sustainable cities and human settlements	11 SUSTAINABLE CITIES AND COMMUNITIES	Support Local History and Culture	Employees, Local Residents	Enhance interaction with local residents through traditional cultural events (such as Lantern Festival celebrations and Mid-Autumn Festival gatherings). In the future, continue to support and promote neighborhood engagement activities to foster a harmonious and thriving community.	· A total of 15 employees and 20 local residents were invited to participate in the event. · Provided donations to support the implementation of local activities.	TARGET 11·3 TARGET 11·4



CH4

Environmental Sustainability

4.1 Climate Change Response (TCFD)

4.2 Energy Management

4.3 Water Resource Management

4.4 Waste Management

4.1 Climate Change Response (TCFD)

According to the Global Risk Report 2024, environmental risks will continue to rank as the top global threats over the next decade. Our company fully recognizes the profound impact of climate change on the environment, economy, and society, and regards it as a core issue for sustainable corporate development. Starting in 2024, we have followed the Task Force on Climate-related Financial Disclosures (TCFD) recommendations issued by the Financial Stability Board (FSB) to assess the risks and opportunities posed by climate change. These insights are integrated into our risk management and decision-making processes.

Despite the challenges posed by global economic conditions and market uncertainties, Axman remains focused on the mid-to-high-end bicycle market and has successfully adjusted its strategies to respond to fluctuations in demand. In the face of climate risks and uncertainties in environmental policies, we have implemented flexible adjustments in order management, material control, and production scheduling to ensure operational stability. Although global economic pressures and inflation have had some impact on gross margins, we have maintained relatively stable profitability. Climate risks continue to be integrated into our daily operational decisions to enhance the company's resilience.

Governance

To implement and promote sustainable development, the company established the “ESG Sustainability Strategy Division” in 2022 to oversee initiatives related to corporate governance, environmental protection, and social responsibility. This division integrates internal and external resources to drive project-based execution of sustainability issues. The Office of the General Manager serves as the highest decision-making and supervisory body, demonstrating the company’s commitment to fulfilling its corporate social responsibility. Under the organizational framework of the Sustainability Strategy Division, there are three dedicated teams: the Environmental Protection Team, the Social Responsibility Team, and the Corporate Governance Team. These teams, in collaboration with various departments, are responsible for executing sustainability policies, systems, and related management guidelines. The Sustainability Strategy Division adopts the framework of the Task Force on Climate-related Financial Disclosures (TCFD) to assess various risks and opportunities. By identifying the degree of exposure to risks, the company determines material risks and opportunities and categorizes them based on factors such as policies and regulations, market conditions, and production operations. This risk classification helps evaluate potential impacts and fosters a climate resilience mindset within the organization.

Chief Commissioner

- Review the company’ s annual sustainability strategy goals and plans, and regularly report the implementation status of these goals to the Board of Directors.
- Convene at least two regular sustainability development meetings per year, appoint members to the Environmental Protection, Social Responsibility, and Corporate Governance teams, and follow up on the execution progress of meeting resolutions.

Environmental Protection Team

- Addressing issues such as carbon emissions, wastewater management, and energy management, environmental sustainability topics are incorporated into routine operations during the stages of product development and design, raw material procurement, and production processes. By engaging with external stakeholders, the company implements measures to prevent or mitigate environmental damage.

Social Responsibility Team

- Personnel policies regarding hiring, leave of absence, resignation, and retirement; planning of compensation and benefits systems; employee training and career development; respect for and protection of fundamental human rights and gender equality; fostering a healthy workplace and labor safety; promoting harmonious labor-management relations; and research on human resources issues, including the establishment and development of related management systems.
- Promotion of public welfare activities, participation in social and community services, nurturing of local culture, support for arts and cultural events, advocacy for healthy and vibrant lifestyles, promotion of ecological conservation, industry-academia collaboration, and long-term educational programs, with attention to social issues and the establishment and development of related management systems.

Corporate Governance Team

- Regulatory compliance, corporate governance, risk management, and transparency in information disclosure. Key focus areas include: strengthening corporate governance and board functions, ensuring legal compliance, upholding the principles of ethical business conduct, protecting shareholder rights and ensuring transparent information disclosure, fostering investor relations, and conducting research on governance-related regulations, along with the establishment and development of relevant management systems.

Strategy

Axman Enterprise Co. Ltd. has identified and assessed the risks and opportunities brought about by climate change and integrated them into its core business strategy. In response to risks, the company has implemented various measures, such as enhanced carbon disclosure requirements, carbon pricing mechanisms, production impacts, corporate image concerns, and mandatory carbon tax reporting. Regarding opportunities, we are committed to cap-and-trade systems, participation in carbon trading markets, and improvements in energy efficiency. These strategies are closely aligned with long-term business goals and will continue to be adjusted in the coming years to ensure resilience and competitiveness under different climate scenarios. This allows us to understand how climate issues affect the organization’s operations, policies, and financial planning, and to forecast future benefits. Furthermore, by setting specific climate goals and performance indicators, we will continuously monitor and optimize the implementation of our strategies, driving the company toward a more sustainable development path.

Risk Management and Opportunity Identification

The climate change risk management process covers environmental risks such as operational disruptions caused by natural disasters and supply chain impacts due to extreme weather. An emergency response procedure for operational interruptions has been established. The climate risk identification process is mainly divided into four key steps:

Data Collection
- Guidance from consultants and experts and discussion of relevant issues
- Reference to climate-related financial disclosure reports
- Understanding the nature of various risks and opportunities
- Collecting data related to climate risks and opportunities

Risk and Operations Assessment Scope
- Definition of risks and their scope
- Assessment initiated in 2024

Risk and Operations Impact Analysis
- Evaluation of the financial impact and likelihood of each risk and opportunity
- Discussion of each evaluation with senior executives and consultants

Management Measuresand Goal Setting
- Identification of risks and opportunities and discussion of response strategies to mitigate financial impacts
- Setting specific and achievable goals
- Exploring feasible approaches and formulating short-term implementation plans

Financial Impact Severity	Risk and Opportunity Likelihood				
	Almost certain (5 points)	Very likely (4 points)	Possible (3 points)	Unlikely (2 points)	Almost impossible (1 point)
	It will definitely happen	May occur multiple times within 10 years	May occur more than once within 10 years	Has not occurred within the past 10 years	Has never occurred
High (5 points)					
Medium-High (4 points)					
Medium (3 points)			❶ ❷		
Medium-Low (2 points)		❸	❹ ❺	❻	
Low (1 point)					

15~25 points: Major risk/opportunity (Red)
6~14 points: Moderate risk/opportunity (Blue)
1~5 points: Low risk/opportunity (Green)

Transition Risks and Opportunities

Risk Aspects	Likelihood and Impact Severity	Potential Financial Impact (Qualitative)	Potential Financial Impact (Quantitative)	Opportunity Aspects	Likelihood and Impact Severity	Potential Financial Impact	Mitigation Measures
① Policy and Regulations Strengthened carbon emission disclosure requirements	Short-term	· Increased labor costs for carbon accounting · Third-party verification fees	· Verification fees: 185,000 NTD · Carbon accounting system setup costs: 70,000 NTD	Cap-and-trade and emissions trading	Long-term	Enhance regulatory compliance, ensuring smooth operations	· Established a carbon accounting team in 2022 · Utilized a systematic approach for data collection · Gradually increased the proportion of third-party verification each year
② Policy and Regulations Carbon pricing mechanisms	Medium-term	Impact of carbon tax/carbon fee mechanisms on operations	Under evaluation	Participation in carbon trading markets	Long-term	Obtain carbon credits for emission reductions	· Plan to establish product carbon footprint guidance in 2025 · Plan to verify product carbon footprint in 2026 · Internal carbon pricing mechanism
③ Technology Production impacts	Short-term	· Energy policies · Carbon cap-and-trade policies · Customer evaluation affecting orders	· Energy management system verification fees: 180,000 NTD (annual audit verification fees of 45,000 NTD starting from the second year)	Improvement in energy efficiency	Short-term	Reduce operational costs	· Increase the use of renewable energy · Improve energy efficiency of machinery and equipment · Control leaks · Promote energy monitoring and management systems · Enhance resource utilization and increase waste recycling opportunities
④ Reputation Impact on company image	Short-term	· ESG evaluations · Investor willingness to invest (stock price) · Impact on funding sources and revenue	Under evaluation	-	-	-	Enhance ESG information transparency

Physical Risks and Opportunities

Risk Aspects	Likelihood and Impact Severity	Potential Financial Impact (Qualitative)	Potential Financial Impact (Quantitative)	Opportunity Aspects	Likelihood and Impact Severity	Potential Financial Impact	Mitigation Measures
⑤ Immediate Extreme weather	Short-term	· Decrease in operational days (typhoon disasters) · Drought leading to water resource shortages	Under evaluation	Adoption of more effective waterproofing facilities	Medium-term	Strengthen climate issue management to reduce the likelihood and impact of operational disruptions	· Strengthen water treatment and water recycling measures
⑥ Long-term Rising average temperatures	Medium to long-term	· Increased capital expenditures for improving employee working conditions · Increased electricity costs and carbon emissions	· In 2024, the warehouse will be equipped with variable frequency air conditioners · In 2024, the dormitory will install variable frequency air conditioners	Introduction of new technologies	Medium-term	Save energy costs	· Optimize factory ventilation · Design new factories incorporating climate information

Indicators and Goals

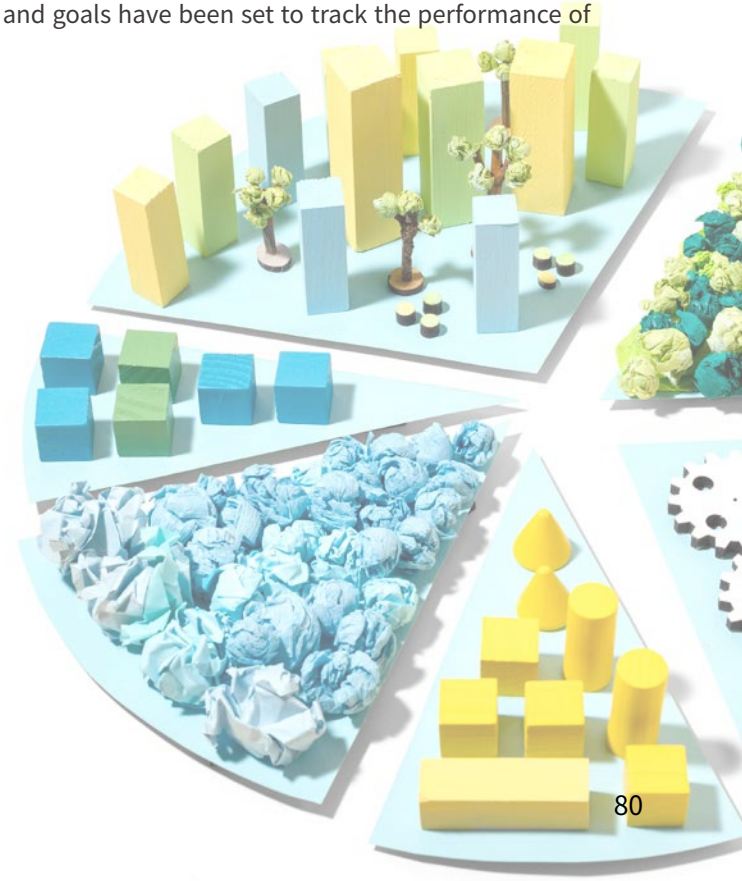
Axman strictly adheres to energy regulations, actively fulfills social responsibilities, and provides information and resources to promote an annual energy reduction target of 10,000 kWh. At the same time, it is committed to improving energy performance, implementing energy-saving designs and procurement, and encouraging full participation to collectively achieve energy sustainability.

In addition, the company has joined the BAS Alliance to promote actions aimed at reducing greenhouse gas emissions. To ensure the effective management of emission sources, we conduct internal greenhouse gas inventories to comprehensively monitor all emission sources and establish a well-organized systematic framework. The greenhouse gas inventory is carried out in accordance with ISO 14064-1:2018 standards and the Environmental Protection Administration's guidelines for greenhouse gas inventory operations. The inventory covers greenhouse gases including carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), nitrogen trifluoride (NF_3), sulfur hexafluoride (SF_6), hydrofluorocarbons (HFCs), and perfluorocarbons (PFCs), using 2022 as the baseline year. Through the inventory process and results, we can effectively monitor the company's greenhouse gas emissions and, in the future, work towards reducing greenhouse gas emissions.

Since 2023, carbon accounting has been incorporated into the climate change management KPIs as one of the evaluation factors. It is also included in the performance indicator KPI policy, with related performance and bonuses being linked. Using 2022 as the baseline year for greenhouse gas emissions, the company plans to establish a group-wide reduction program based on internationally recognized scientific reduction targets. The following indicators and goals have been set to track the performance of climate change adaptation and management.

Indicators	2023	2025	2030
Greenhouse Gas Reduction (%)	3%	9%	25%
Percentage of participants in climate education (%)	50%	80%	90%
Percentage of key suppliers passing ISO 14064-1 (%)	35%	70%	100%
Carbon reduction ratio of BAS key suppliers (%)	3%	9%	25%

Indicators	2024		
	Target	Results	Achievement Status
Greenhouse Gas Reduction (%)	3%	4.73%	Target Achieved: In reference to greenhouse gas reduction measures
Percentage of participants in climate education (%)	50%	60%	Target Achieved: Employee training platform established
Percentage of BAS key suppliers passing ISO 14064-1 (%)	35%	95%	Target Achieved: In reference to Section 4.2.2, Bicycling Alliance for Sustainability (BAS)
Carbon reduction ratio of BAS key suppliers (%)	3%	5%	Target Achieved: In reference to Section 4.2.2, Bicycling Alliance for Sustainability (BAS)



Greenhouse Gas and Other Emissions

In 2024, direct greenhouse gas emissions primarily resulted from the use of natural gas and diesel, while indirect emissions mainly stemmed from purchased electricity. Other sources of indirect emissions included employee commuting, business travel, and waste disposal. The total greenhouse gas emissions for 2024 amounted to 815.963 tons of CO_2e, with an emission intensity of 0.418 CO_2e per million NTD. The increase in carbon emission intensity was mainly due to a 41.97% decline in revenue. However, through the implementation of an energy management system and the execution of energy-saving initiatives, we successfully conserved 43,513 kWh of electricity and reduced carbon emissions by 20.61 tons of CO_2e. We continue to drive carbon reduction efforts through our established management evaluation mechanisms, performance adjustments, and preventive and corrective actions. For details, please refer to the chart below.

Management Evaluation Mechanism

- To enhance the quality of the company's greenhouse gas (GHG) inventory reports,effective evaluations of emissions are conducted, along with internal verification processes carried out in ccordance with the *APF-0020 Internal Audit Management Guidelines*
- To improve the accuracy of the company's 2023 GHG inventory data and reporting, an external hird-party verification was commissioned.

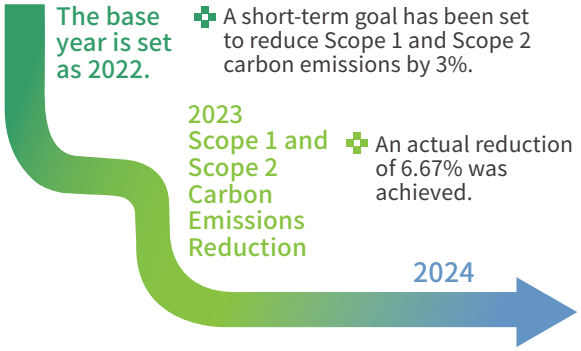
Performance and Adjustments

- After the inventory is completed, audits are conducted based on the established carbon reduction targets, with corresponding adjustments made to management approaches and carbon reduction actions.
- Carbon reduction plans are dynamically adjusted through a rolling review process to ensure the achievement of reduction goals.

Preventive and Corrective Measures

- Each year, the overall effectiveness of carbon reduction efforts is reviewed during the management review meetings, and carbon reduction plans are formulated accordingly.
- If the reduction results fall short of expectations, adjustment plans are implemented, and more effective carbon reduction technologies and methods are explored.

Category	2022	2023	2024
Scope 1: Direct Greenhouse Gas Emissions	151.937	144.677	109.684
Scope 2: Energy Indirect Greenhouse Gas Emissions	724.086	673.125	497.226
Scope 3: Other Indirect Greenhouse Gas Emissions	247.204	263.808	209.053
Total Emissions = Scope 1 + Scope 2 + Scope 3 (tons CO_2e)	1,123.227	1,081.611	815.963
Organization-Specific Metric (Revenue: Million NTD)	3,322.57	3,363.29	1,951.78
Greenhouse Gas Emission Intensity (tons CO_2e / Million NTD)	0.338	0.322	0.418



Category	Carbon Dioxide (CO_2)	Methane (CH_4)	Nitrous Oxide (N_2O)	Hydrofluorocarbons (HFCs)	Perfluorocarbons (PFCs)	Sulfur Hexafluoride (SF_6)	Nitrogen Trifluoride (NF_3)	Total (Tons CO_2e)
2022	1073.994	31.011	0.638	17.584	0	0	0	1123.227
2023	1032.565	29.749	0.533	18.765	0	0	0	1081.611
2024	773.232	23.534	0.534	18.663	0	0	0	815.963

Scope 3 Emissions (tons CO_2e)			Year		
ISO 14064-1 Category	GHG Classification	Item Name	2022	2023	2024
Category 3	Category 6	Business Travel	0	5.878	5.150
	Category 7	Employee Commuting	74.917	77.695	69.265
	Category 9	Downstream Transportation and Distribution	0	6.512	7.713
Category 4	Category 1	Emissions from Purchased Goods	155.481	156.625	118.978
	Category 3	Emissions from Solid and Liquid Waste Treatment	16.806	17.099	7.947
Scope 3 Emissions Subtotal (tons CO_2e)			247.204	263.808	209.053

Note 1. Emission factors are calculated based on the latest data (version 6.0.4) announced by the Bureau of Energy, Ministry of Economic Affairs, using the IPCC Sixth Assessment Report.
Note 2. Global Warming Potential (GWP) values are based on the IPCC Fourth Assessment Report (2007).
Note 3. Emission factors for purchased electricity are based on those announced by the Bureau of Energy, Ministry of Economic Affairs: 0.509 kgCO_2e/kWh for 2022, 0.494 kgCO_2e/kWh for 2023 and 0.474 kgCO_2e /kWh for 2024.
Note 4. Greenhouse Gas Emission Intensity = Total Emissions (tons CO_2e) / Revenue (million NTD).
Note 5. Starting from 2022, the company has been assisted by consultants in conducting GHG inventories for Scope 1 to Scope 3, under strict internal audit and control. Scope 3 includes employee commuting, waste disposal, purchased goods, upstream transportation, and other indirect emissions.

Energy Reduction Category	2024 Implementation Details	2024 Annual Reduction (tons CO_2e)
Process Optimization	Closed air compressor storage tank valves during non-operating hours to reduce leakage.	1.16
Lighting System Optimization	Implemented dimming measures and removed non-essential lighting to reduce energy consumption.	2.25
	Replaced T5 28W tubes with 16W LED tubes to lower energy use.	0.07
Performance Enhancement	Adjusted 20HP air compressor settings to save electricity.	7.51
Electricity Consumption Management	Reduced standby power consumption of water dispensers to lower energy usage.	0.81
	Installed timers on the Manufacturing Department's automatic carton sealing machine glue heaters to optimize startup times.	8.81
Total		20.61

Energy Reduction Category	2023 Implementation Details	2023 Annual Reduction (tons CO_2e)
Lighting System Optimization	Installed solar-powered streetlights around the plant to conserve electricity.	0.15
Replacement of Outdated Equipment	Replaced fixed-speed air conditioners in the warehouse department with inverter air conditioners.	0.79
Performance Enhancement	Adjusted the cooling temperature of the chiller and selected higher-efficiency chillers to reduce energy consumption.	4.83
Total		5.77

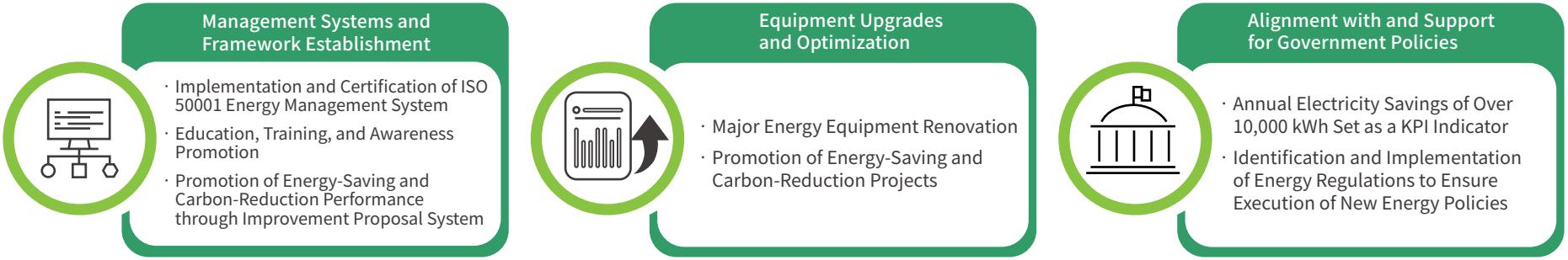
2024 Environmental Expenditures

Wastewater Treatment Equipment Maintenance Fee	Garbage Collection and Disposal	Replacement Cost of Exhaust Gas Treatment Equipment Consumables	Air Pollution Control Fee	Waste Disposal Fee	Total
402,319 NTD	119,595 NTD	348,185 NTD	242,345 NTD	430,752 NTD	1,543,196 NTD

4.2 Energy Management

To enhance energy management efficiency and achieve energy-saving and carbon-reduction goals, the company has implemented a multi-level action strategy encompassing three main areas: management systems, equipment upgrades, and policy alignment. On the management front, the company has fully adopted the ISO 50001 Energy Management System, establishing standardized procedures and integrating educational training and internal awareness campaigns to boost employees' energy-saving awareness and practical capability. Additionally, it has implemented a performance improvement system for energy saving and carbon reduction to ensure continuous optimization of energy management. On the equipment side, the company has carried out comprehensive improvements on high-energy-consuming equipment and actively promoted energy-saving and carbon-reduction projects, combining data monitoring with technical optimization to significantly enhance energy efficiency and reduce overall energy consumption.

In addition, the company actively aligns with government energy policies, setting an annual electricity savings target of over 10,000 kWh as a key performance indicator. It has also established a comprehensive mechanism for identifying and implementing energy-related regulations, ensuring that new policies are swiftly adopted. These efforts further strengthen the company's performance and commitment in energy management. Through these concrete actions, the company not only achieves its energy-saving goals but also actively fulfills its corporate social responsibility, contributing to sustainable development.



Energy Consumption Statistics Over the Past Three Years

Energy Usage Statistics (GJ)		2022	2023	2024
Non-Renewable Energy	Electricity	5,266.08	4,905.37	3,776.40
	Natural Gas	1,451.53	1,393.54	859.15
	Gasoline	239.79	199.66	201.39
	Diesel	72.15	57.83	68.83
Renewable Energy	Solar Energy	-	-	-
Total Non-Renewable Energy Consumption		7,029.55	6,556.41	4,905.77
Energy Intensity (GJ per NT$ Million)		2.11	1.95	2.52

Note 1: Energy intensity increased in 2024 due to lower production compared to previous years. (Production levels reached record highs in 2022–2023)

Energy-Saving Measures and Results

Type of Energy-Saving Measures		2023 Energy Savings (GJ)	2024 Energy Savings (GJ)
Electricity	Behavioral management, lighting, process optimization, equipment replacement, and upgrades.	43,794	156,647
Metric tons of CO_2e		5.77	20.61

Item / Year	2022	2023	2024
Total Electricity Consumption (kWh)	1462800	1362602	1049000
Natural Gas Consumption (converted to kWh)	399555	383594	236495
Total	1862355	1746196	1285495
Target Value (Energy-saving Goal)	Base Year	10000	10000
Actual Value (Energy-saving Achievement)	Base Year	12165	43513
Achieved O / Not Achieved X	Base Year	O	O

4.3 Water Resource Management

All water used by the company is sourced from municipal tap water, with no alternative water sources utilized. Water is primarily consumed in manufacturing processes (only the coating process requires water, while the assembly process does not), domestic use, cooling towers, and chillers. Water usage data is collected from water bills and meter readings at wastewater discharge points. To ensure that wastewater within the facility is properly, safely, and legally treated while minimizing environmental impact, the company manages wastewater in accordance with the Regulations for Water Pollution Control Operations. After proper treatment, wastewater is discharged in compliance with standards. Third-party testing companies are commissioned biannually to conduct inspections, and the results are submitted to the Environmental Protection Bureau to ensure compliance with regulatory requirements.

Although Taiwan receives abundant rainfall, the distribution of water resources is uneven. Combined with climate change-induced extreme weather events such as heavy rainfall and droughts, water resources have become increasingly strained. While there is currently no shortage in tap water supply in the Changhua region, the company still considers water resource management a critical environmental and operational issue. Plans are in place to promote wastewater recycling and reuse in order to enhance water conservation and regulation capabilities.

In the future, the company plans to improve its piping infrastructure to recycle and reuse treated wastewater. This reclaimed water will be supplied to the painting department, external plant area scrubbers, water curtains, landscape irrigation, and fishponds. Through these initiatives, the company aims to reduce water resource waste, achieve efficient resource utilization, and support the sustainable development of both the enterprise and the environment.

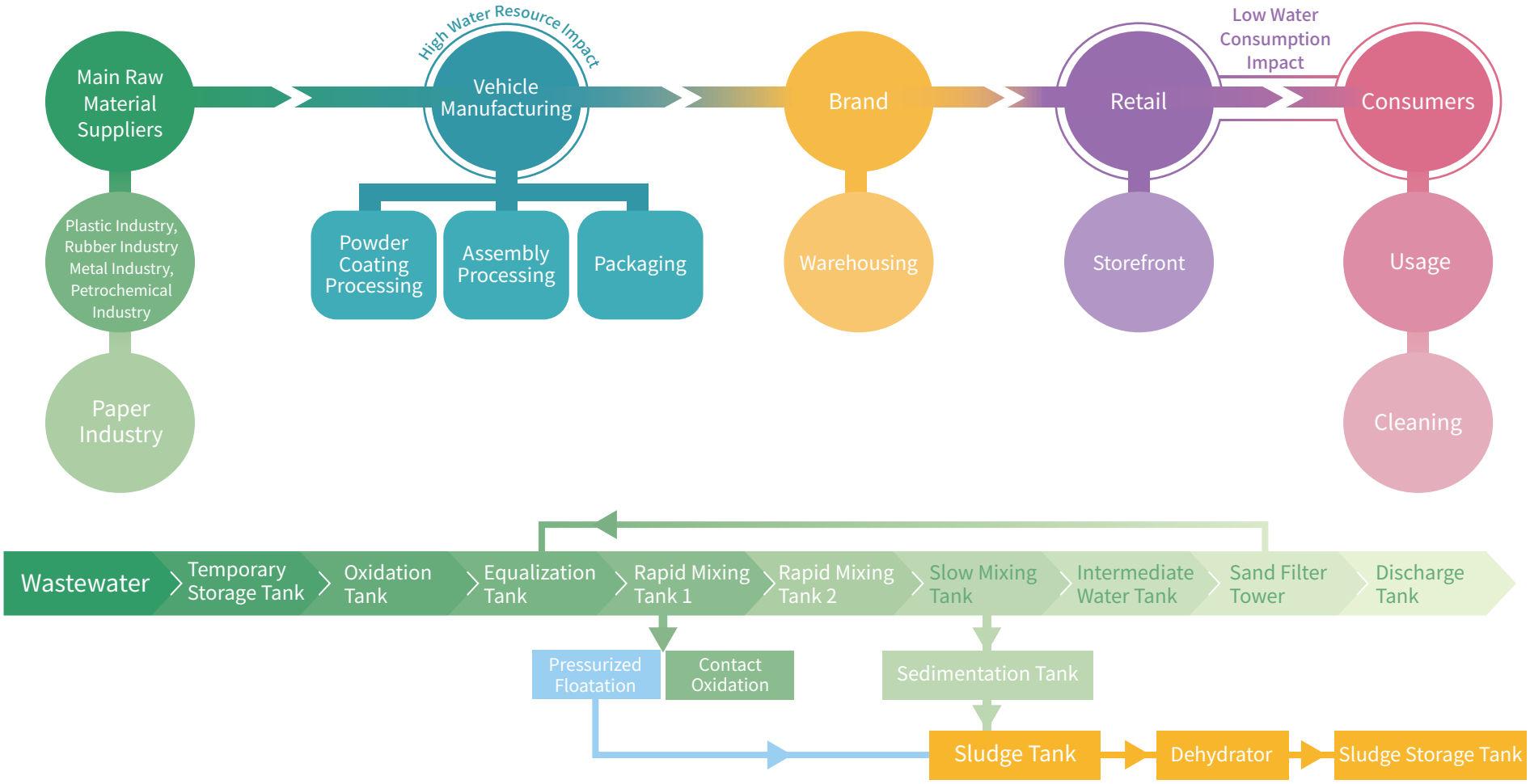
In 2024, the Ming-Hsi Group adopted the WRI (World Resources Institute) water risk assessment tool to identify the risk level indicators for the company's Taiwan headquarters. The results are shown in the table below.

Water Resources	Risk Level
WRI Basin Risk	Changhua, Taiwan
Physical Risk Quantity (Water Stress, Water Depletion, Inter-annual Variability, Seasonal Variability, Groundwater Table Decline, Riverine Flood Risk, Coastal Flood Risk, Drought Risk)	Medium-high(2-3)
Physical Risk Quality (Non-treated Connected Wastewater, Coastal Eutrophication Potential)	Medium-high(2-3)
Regulatory and Reputational Risk (Unimproved/No Drinking Water, Unimproved/No Sanitation, Peak RepRisk Country ESG Risk Index)	Low - Medium(1-2)
Over All Risk	Medium-high(2-3)

Water Resource Assessment Table

Risk Category	Assessment Factors	Occurrence Period	Potential Risks/Opportunities	Response Measures
Policy and Regulation	Water Resource Regulations and Standards	Short-term	· Regulatory Standards for Wastewater Quality/Quantity Discharge	· Strengthen Water Treatment Efficiency, Plan Advanced Treatment Technology Units When Necessary to Improve Water Quality Treatment Capacity and Reduce Pollutant Emissions
		Mid-term	· Increasing Requirements for Reuse Ratio of Discharged Water	· Actively Assess Water Treatment and Recycling Process Targets and Improve Water Resource Utilization Efficiency
Management and Technology	On-site Management Requirements	Mid-term	· Wastewater Treatment Technologies and Equipment · Improvement of Wastewater Prevention Technologies	Continuously Collect and Evaluate Water Treatment Technology Solutions and Their Applicability
Corporate Image	Major Incident Announcements	Short-term	Shutdown, Fines	Daily Water Quality Operation Monitoring
Corporate Loss	Climate Change Frequency and Financial Loss Recovery	Mid-term	· Special Climate: Drought, Flooding, Increased Disaster Impact, Causing Factory Damage or Shutdown	· Establish an Emergency Notification Mechanism, Including an Abnormal Response Mechanism for Climate Risks
			· Raw Material Supply Disruption	· Assess and Consider Design Factors to Strengthen Water Treatment Efficiency
Risk	Aqueduct Water Risk Atlas)	Mid-term	· Flood Risk and Drought Risk May Lead to Factory Damage, Employee Injury · Water Supply Shortage, Poor Water Quality Risk	Continuously Monitor International Water Resource Risks and Regional Early Warning Information for Reference by Decision Makers

Main Water Circulation Diagram in Product Manufacturing



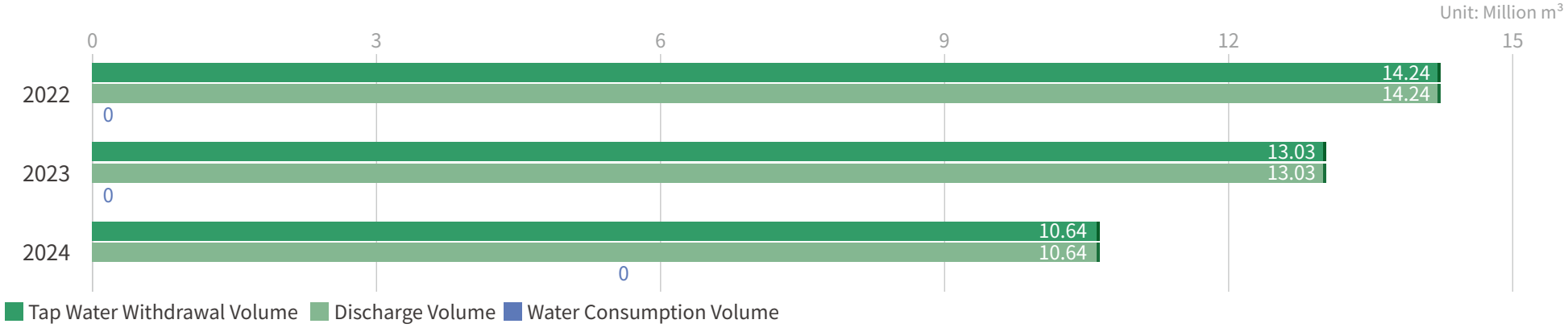
Based on the current bicycle manufacturing process, the highest water consumption is in the powder coating process. The water usage required for production needs to be continuously optimized through the coating process. Regular maintenance of water-related facilities should be carried out to ensure that water consumption aligns with production capacity requirements, minimizing the impact on water resources. This should be complemented by diversified products and technologies to improve efficiency.

The wastewater treatment process generated during production involves using wastewater station equipment to adjust the pH level of the process wastewater. This is followed by mixing and flotation treatment. Finally, a sand filter is used to filter the wastewater, ensuring that the discharge water quality is below 100 ppm before being released.

Water Quality Test Results

Items	Standards	2022 Second Half Test Values	2022 First Half Test Values	2023 Second Half Test Values	2023 First Half Test Values	2024 Second Half Test Values	2024 First Half Test Values
Water Temperature	Shall not exceed 35°C.	28.5	26.5	26.9	23.6	28	25.8
Argon Ion Concentration Index	6-9	7.9	7.6	8.2	8.2	7.8	7.7
Suspended Solids	30 mg/L	16	7.5	12.6	4.7	9.9	4.9
Chemical Oxygen Demand	100 mg/L	88.1	56.5	42.3	41.2	46	14.5
Fluoride	15 mg/L	0.31	1.46	0.16	0.54	0.06	0.1
Ammonia Nitrogen	30 mg/L	6.28	0.34	1.12	0.19	1.01	<0.04
Nitrate Nitrogen	50 mg/L	1.17	3.48	0.78	1.56	2.2	1.59
Zinc	3.5 mg/L	ND	<0.02	<0.02	ND	ND	ND
Copper	0.35 mg/L	<0.05	<0.05	ND	<0.05	<0.05	ND
Arsenic	0.6 mg/L	ND	ND	ND	ND	ND	<0.001

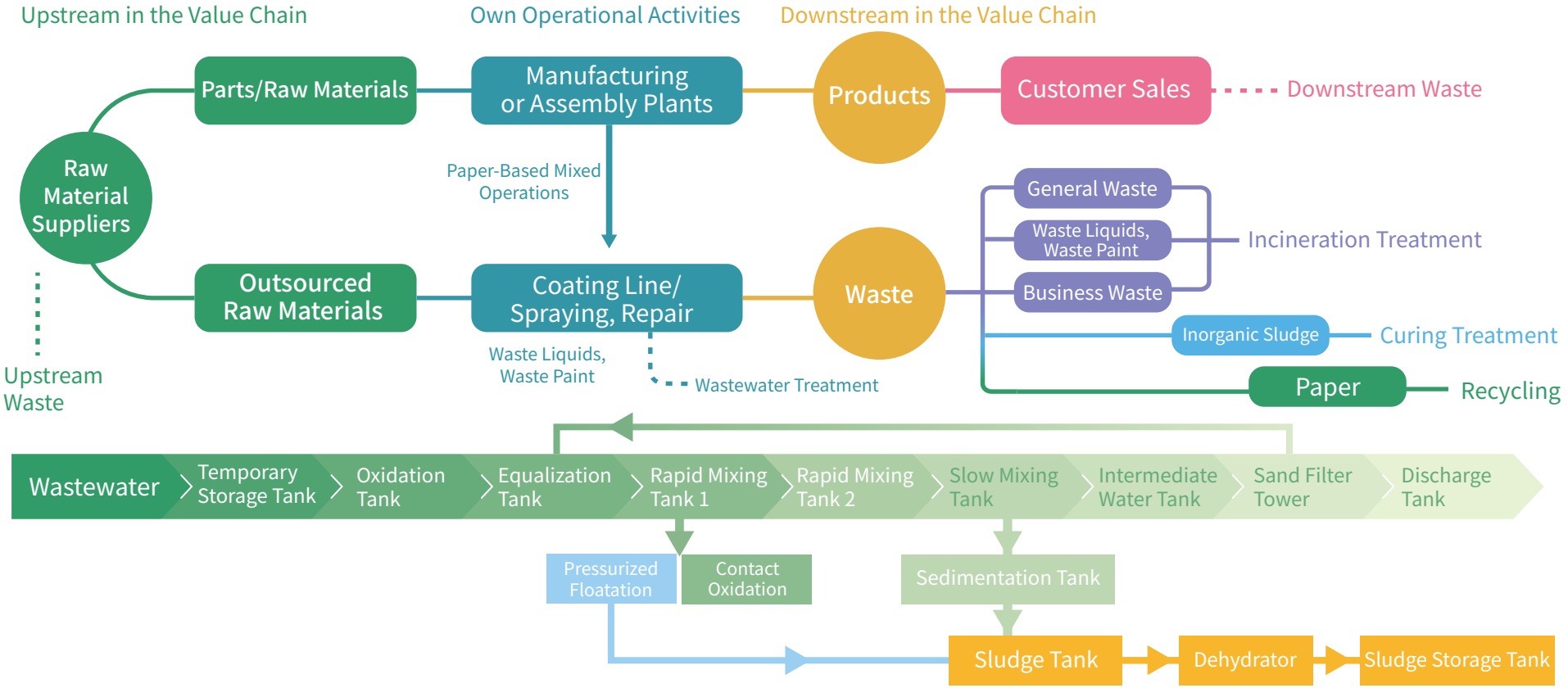
Water Resource Usage in the Last Three Years



4.4 Waste Management

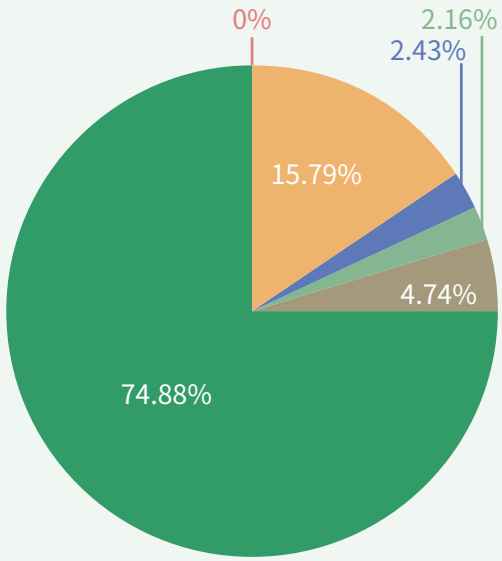
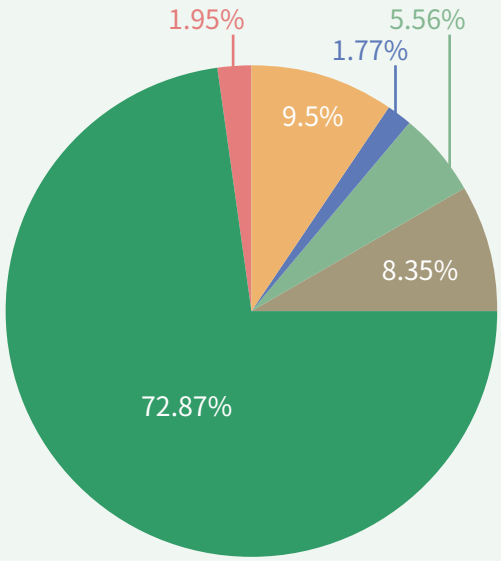
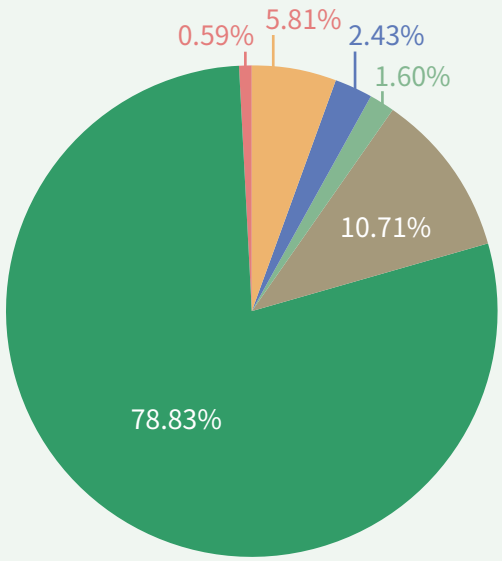
Axman's waste generation sources include raw material packaging, waste paint sludge, sludge from the production process, and household waste. Waste can be divided into self-recycling and outsourced treatment. To ensure that the waste generated during production is properly and legally handled with minimal environmental impact, the company complies with waste management regulations and, in accordance with the approved "Industrial Waste Cleanup Plan" by the local Environmental Protection Bureau, entrusts qualified third-party treatment units for disposal.

In addition, the company actively implements a circular economy and carbon reduction initiatives to minimize the negative environmental impact of waste, reduce incinerator burning and air pollution, and further decrease deforestation and greenhouse gas emissions. To promote environmental awareness among employees, the company encourages staff to develop recycling habits and advocates for the principles of 6S (Seiri – Sort, Seiton – Set in Order, Seiso – Shine, Seiketsu – Standardize, Shitsuke – Sustain, Safety). This enables employees to practice these values both in their work and daily lives, fulfilling corporate social responsibility and enhancing the company's image in society.



Waste Generation Statistics in the Last Three Years

Unit: Metric Tons

Waste Composition Components	Waste Generation		
	2022	2023	2024
General Waste Inorganic Sludge Paint Sludge Industrial Waste Paper Recycling Waste Solvents			
Total Volume	194.39	193.68	113.49
Revenue (Million New Taiwan Dollars)	332.2572	336.3294	195.1786
Waste Intensity	0.5850	0.5778	0.4271

Waste Moved from Disposal to Recycling Operations

Unit: Metric Tons

	On-site			Off-Site			Total		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Non-hazardous Waste									
Preparation for Reuse	-	-	-	15.278	9.876	13.612	15.278	9.876	13.612
Recycling	-	0.645	2.125	-	-		-	0.645	2.125
Other Recycling Operations	145.565	141.140	89.470	-	-		145.565	141.140	89.470
Total Volume	145.565	141.785	91.595	15.278	9.876	13.612	160.843	151.661	105.207

Note: In 2024, the largest output of non-hazardous waste at Axman was paper recycling (78.83%). The company collaborates with suppliers to reduce the use of paper packaging. After materials are assembled on the production line, the prepared for reuse process involves recycling used cardboard boxes from the warehouse, stacking them onto pallets, and returning them to suppliers for reuse in transportation, thereby reducing environmental impact.

Waste Disposal by Final Disposal Operation

Unit: Metric Tons

	On-site			Off-Site			Total		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Non-hazardous Waste									
Incineration (Excluding Energy Recovery)	0	0	0	44.10	45.33	20.58	44.10	45.33	20.58
Physical Treatment	0	0	0	4.72	3.43	2.76	4.72	3.43	2.76
Other Disposal Operations (Curing)	0	0	0	0	0	0	0	0	0
Total Volume	0	0	0	48.82	48.76	23.34	48.82	48.76	23.34

Note: Physical treatment refers to inorganic sludge generated from the wastewater treatment plant, while incineration treatment involves employee household waste, industrial waste, paint sludge, and others. The company does not have any hazardous industrial waste. The waste management, including transportation, measurement, and reporting of waste in the factory area, is handled uniformly by the management unit. General industrial waste is outsourced to a qualified local waste management company for disposal.

Waste Reduction Measures and Achievements

To comply with environmental regulations and minimize waste generation, we have implemented several measures, including waste classification and recycling to reduce disposal volume, using eco-friendly packaging or reducing packaging materials, outsourcing the recycling of recyclable waste to agencies, encouraging the use of personal utensils in the cafeteria to reduce disposable utensil usage, and conducting regular 6S environmental audits to prevent environmental pollution. According to a comparison of the results from 2023 and 2024, we successfully reduced general waste by 11.8 metric tons in 2024. At the same time, the cost of general waste disposal was reduced by NT$200,600, a decrease of 64.13%.

Packaging Reduction and Plastic-Free Initiatives

In response to the global environmental trend and to reduce plastic waste, Axman Group began improving bicycle packaging and transportation methods in 2022. **We have sought suppliers for eco-friendly packaging materials and gradually replaced more than 50% of materials with environmentally friendly options, aiming to achieve a plastic-free goal.** We redesigned the bicycle packaging boxes, drawing on the experience of market-leading brands in eco-friendly packaging. Starting with the best-selling bicycle models within the group, we reformed the packaging by replacing plastic materials such as tie wires and bubble wrap with cardboard and paper-based protective packaging. This transformation not only reduces environmental impact but also enhances the quality of the product packaging.

Execution Results

By replacing plastic packaging with cardboard and paper-based materials for parts such as the frame, handlebars, and tires, we effectively reduce a significant amount of plastic waste from entering the environment each year. By 2024, this initiative has successfully prevented a large amount of plastic from being sent to incineration plants, while also enhancing product protection during transportation. Currently, several bicycle models have completed the eco-friendly packaging replacement, and we plan to extend this solution across the entire product line, continuing to reduce at least 300,000 grams of plastic waste annually, demonstrating our firm commitment to sustainable development.

▲ Before

▲ After

By 2024, Axman Group has started using paper-based alternatives to replace foam tubes and plastic for the front fork components of mountain bikes. This initiative will reduce the use of 13,161 foam tubes and 4,387 plastic parts annually.

Reduction in
Waste Incineration Weight
342,186 g

Appendix

GRI Standards Index

Statement of Use	The content has been reported in accordance with the GRI Standards for the period from January 1, 2024 to December 31, 2024.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	No applicable GRI Sector Standards

GRI Standard	Disclosure Item	Disclosure Section/Notes	Page Number
GRI 2: General Disclosures 2021:			
Organization and Reporting Practices			
GRI 2: General Disclosures 2021:	2-1 Organizational Details	1.1 Company Overview	3
	2-2 Entities Included in the Organization's Sustainability Report	About the Report	1
	2-3 Reporting Period, Frequency, and Contact Person		
	2-4 Information Restatement	There were no restatements of information during the reporting period.	
	2-5 External Assurance/Verification	During the reporting period, no external assurance was conducted.	
Activities and Workers			
GRI 2: General Disclosures 2021:	2-6 Activities, Value Chain, and Other Business Relationships	1.1 Company Overview 2.4 Supply Chain Management	3 29
	2-7 Employees	3.1 Happy Workplace	55
	2-8 Workers Who Are Not Employees		
Governance			
GRI 2: General Disclosures 2021:	2-9 Governance Structure and Composition	2.1 Corporate Governance Structure	15
	2-10 Nomination and Selection of the Highest Governance Body		

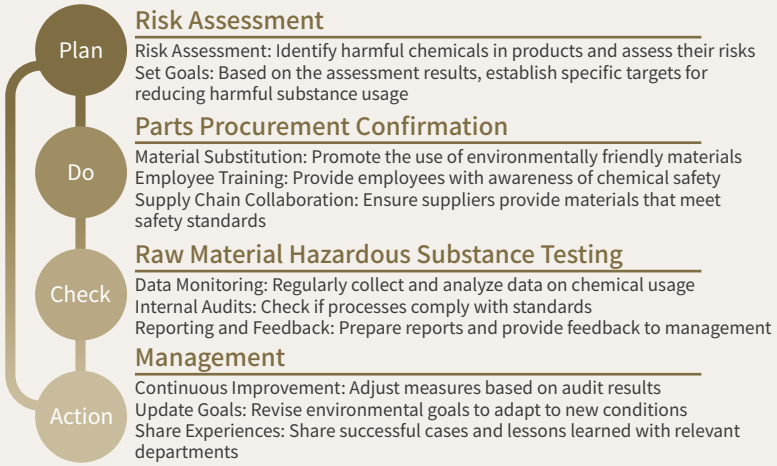
GRI Standard	Disclosure Item	Disclosure Section/Notes	Page Number
GRI 2: General Disclosures 2021:	2-11 Chair of the Highest Governance Body	2.1 Corporate Governance Structure	15
	2-12 Role of the Highest Governance Body in Overseeing Impact Management	1.3 Sustainable Governance	10
	2-13 Delegation of Responsibility for Impact Management		
	2-14 Role of the Highest Governance Body in Sustainability Reporting		
	2-15 Conflict of Interest	2.1 Corporate Governance Structure	15
	2-16 Communication of Critical Concerns	1.3 Sustainable Governance	10
	2-17 Collective Knowledge of the Highest Governance Body	2.1 Corporate Governance Structure	15
	2-18 Evaluation of the Performance of the Highest Governance Body		
	2-19 Remuneration Policies	2.1 Corporate Governance Structure 3.1 Happy Workplace	15 55
	2-20 Remuneration Decision-Making Process		
	2-21 Annual Total Remuneration Ratio		
Strategies, Policies, and Practices			
GRI 2: General Disclosures 2021:	2-22 Statement of Sustainable Development Strategy	Message from the Chairman	2
	2-23 Policy Commitment	3.3 Human Rights Protection	73
	2-24 Embedding Policy Commitments		
	2-25 Mechanisms for Seeking Advice and Raising Concerns	1.4 Stakeholder Identification and Engagement	10
	2-26 Mechanisms for Seeking Advice and Raising Concerns		
	2-27 Compliance with Laws and Regulations	2.3 Legal Compliance and Integrity in Operations	25
	2-28 Membership of Associations	1.1 Company Overview	3
Stakeholder Engagement			
GRI 2: General Disclosures 2021:	2-29 Approach to Stakeholder Engagement	1.4 Stakeholder Identification and Engagement	11
	2-30 Collective Bargaining Agreements	The Taiwan branch has no union organization, hence no collective bargaining agreement has been signed.	

GRI Standard	Disclosure Item	Disclosure Section/Notes	Page Number
GRI 3: Material Topics 2021			
GRI 3: Material Topics 2021	3-1 Process for Determining Material Topics	1.5 Identification of Material Topics	13
	3-2 List of Material Topics		
Supply Chain Management			
GRI 3: Material Topics 2021	3-3 Management of Material Topics	2.4 Supply Chain Management	29
GRI 204: Procurement Practices 2016	204-1 Proportion of Spending on Local Suppliers		
GRI 308: Supplier Social Assessment 2016	308-1 New Suppliers That Were Screened Using Environmental Criteria		
	308-2 Negative Environmental Impacts in the Supply Chain and Actions Taken		
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		
Product Quality and Safety			
GRI 3: Material Topics 2021	3-3 Management of Material Topics	2.5 Product Quality and Safety	33
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the Health and Safety Impacts of Product and Service Categories		
	416-2 Incidents of Non-compliance Concerning the Health and Safety Impacts of Products and Services		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for Product and Service Information and Labeling		
	417-2 Incidents of Non-compliance Concerning Product and Service Information and Labeling		
	417-3 Incidents of Non-compliance Concerning Marketing Communications		
Innovation and Research & Development			
GRI 3: Material Topics 2021	3-3 Management of Material Topics	2.6 Innovation and Research & Development	39

GRI Standard	Disclosure Item	Disclosure Section/Notes	Page Number
Customer Relationship Management			
GRI 3: Material Topics 2021	3-3 Management of Material Topics	2.7 Customer Relationship Management	48
GRI 418: Customer Privacy 2016	418-1 Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data		
Information Security Management			
GRI 3: Material Topics 2021	3-3 Management of Material Topics	2.8 Information Security Management	52
Talent Attraction and Retention, Talent Cultivation and Development			
GRI 3: Material Topics 2021	3-3 Management of Material Topics	3.1 Happy Workplace	55
GRI 401: Employment 2016	401-1 New Employee Hires and Employee Turnover		
	401-2 Benefits Provided to Full-time Employees That Are Not Provided to Temporary or Part-time Employees		
	401-3 Parental Leave		
GRI 402: Labor-Management Relations 2016	402-1 Minimum Notice Periods Regarding Operational Changes		
GRI 404: Training and Education 2016	404-2 Programs for Upgrading Employee Skills and Transition Assistance Programs		
	404-3 Percentage of Employees Receiving Regular Performance and Career Development Reviews		
	404-2 Programs for Upgrading Employee Skills and Transition Assistance Programs		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of Governance Bodies and Employees		
	405-2 Ratio of Basic Salary and Remuneration of Women to Men		
Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of Material Topics	3.2 Occupational Health and Safety	64
GRI 403: Occupational Health and Safety 2018	403-1 Occupational Health and Safety Management System		

GRI Standard	Disclosure Item	Disclosure Section/Notes	Page Number
GRI 403: Occupational Health and Safety 2018	403-2 Hazard Identification, Risk Assessment, and Incident Investigation	3.2 Occupational Health and Safety	64
	403-3 Occupational Health Services		
	403-4 Worker Participation, Consultation, and Communication on Occupational Health and Safety		
	403-5 Worker Training on Occupational Health and Safety		
	403-6 Promotion of Worker Health		
	403-7 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	2.4 Supply Chain Management	29
	403-8 Workers Covered by an Occupational Health and Safety Management System	3.2 Occupational Health and Safety	64
	403-9 Work-related Injuries		
	403-10 Work-related Ill Health		
Human Rights Protection			
GRI 3: Material Topics 2021	3-3 Management of Material Topics	3.3 Human Rights Protection	73
Climate Change Response			
GRI 3: Material Topics 2021	3-3 Management of Material Topics	4.1 Climate Change Response	76
GRI 201: Economic Performance 2016	201-2 Financial Implications and Other Risks and Opportunities Due to Climate Change		
Others			
GRI 201: Economic Performance 2016	201-1 Direct Economic Value Generated and Distributed	1.2 Operational Performance	7
GRI 201: Economic Performance 2016	201-4 Financial Assistance Received from Government		

SASB Index Table

Disclosure Topic	Code	Accounting Metric	Category	Measurement Unit	Description
Chemical Substances and Safety Hazards in Products	CG-TS-250a.1	(1) Number of Units Recalled Announced (2) Actual Number of Units Recalled	Quantitative	Units	In 2024, there were no major violations related to product safety issues for the company; therefore, no product recalls were requested.
	CG-TS-250a.2	Number of Letters of Advice Received	Quantitative	Pieces	No relevant notices were received in 2024.
	CG-TS-250a.3	Total Monetary Losses Due to Litigation	Quantitative	$	In 2024, there were no monetary losses due to legal disputes related to product safety.
	CG-TS-250a.4	Describe the process for assessing and managing the risks and hazards of chemicals in products.	Discussion and Analysis	-	
Supply Chain Management and Material Procurement	CG-TS-430a.1	Number of Facilities Audited for Social Responsibility Code of Conduct	Quantitative	%	Currently, operations are monitored through surveys, and in the future, on-site audits will be conducted.
	CG-TS-430a.2	Social Responsibility Audits of Direct Suppliers (1) Non-compliance Rate (2) Improvement Rate of Non-compliance Issues: a. Major Issues Improvement Rate b. Other Issues Improvement Rate	Quantitative	Proportion	The company's supplier evaluation primarily focuses on three aspects: business philosophy, manufacturing capability, and product quality, with a passing score of 70 or above. Suppliers that meet the criteria are included in the approved supplier list. In 2024, the company evaluated 13 new suppliers, all of whom were deemed qualified, resulting in a 100% acceptance rate.
Activity Indicators	CG-TS-000.A	Annual Production Volume	Quantitative	Units/Pieces	In 2024, a total of 38,462 bicycles were produced, along with 139,986 other components (frames, front forks, and parts).
	CG-TS-000.B	(1) Number of Manufacturing Facilities (including Outsourced Facilities) (2) Proportion of Outsourced Facilities (%)	Quantitative	%	The proportion of in-house facilities is 100%, while the proportion of outsourced facilities is 0%.