

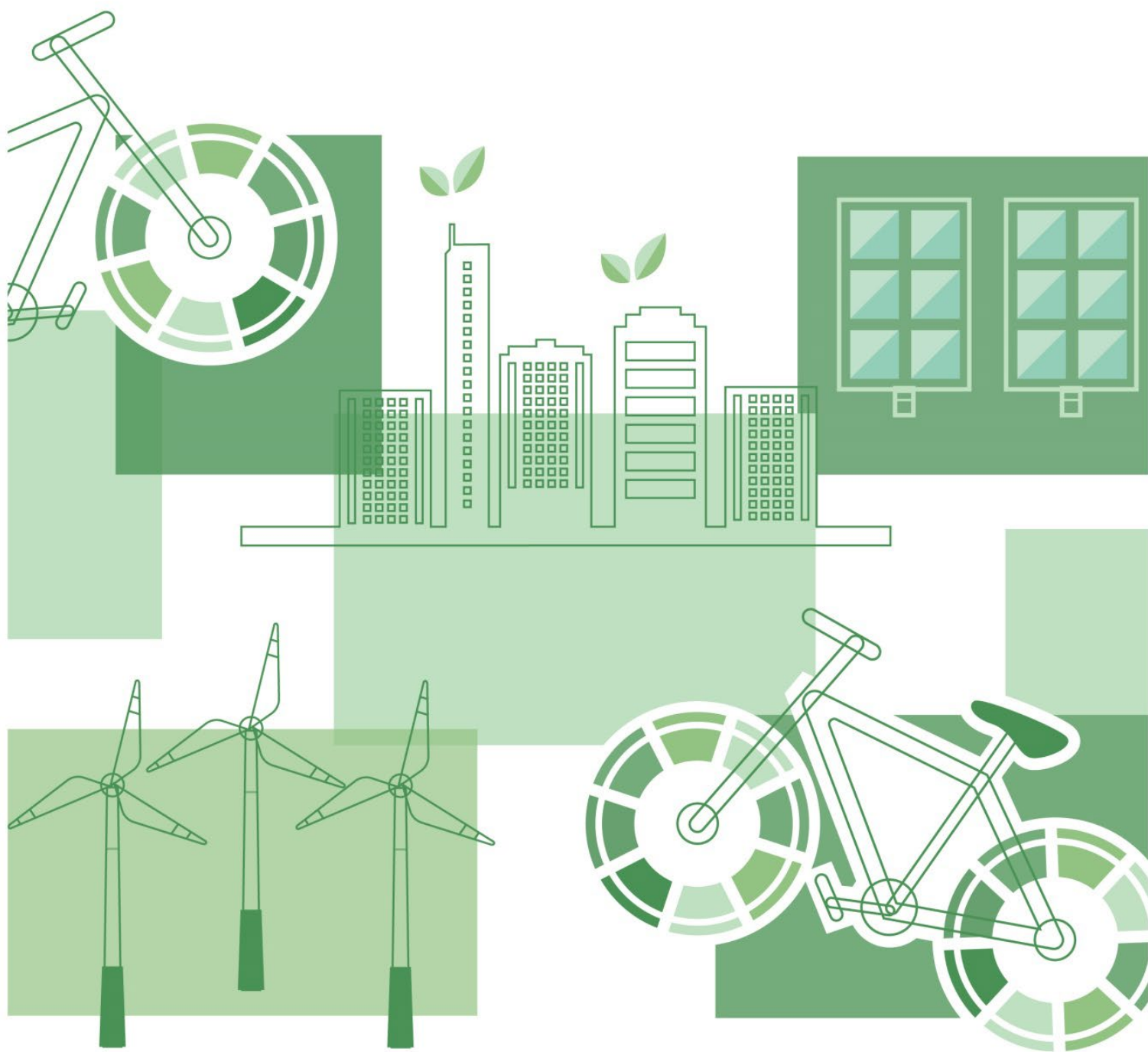


工業股份有限公司

LEECHI ENTERPRISES CO., LTD.

2024

ESG REPORT



www.leechi.com.tw

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➤ About this report

Basis of the report

This report is based on the GRI Sustainability Reporting Standards (GRI Sustainability Reporting Standards, GRI Standards) The 2021 edition was drafted with reference to the Sustainability Accounting Standards Board (SASB) standards , the Task Force on Climate-related Financial Disclosures (TCFD) framework , the Taiwan Stock Exchange's "Regulations on the Preparation and Submission of Sustainability Reports by Listed Companies," and the " Sustainability Practice Guidelines for Listed and OTC Companies ," to provide stakeholders with a detailed explanation of the Company's sustainability- related actions and achievements.

Report scope and boundaries

This report covers the period from January 1, 2024, to December 31, 2024, focusing on the brands and activities of Leechi's operations in Taiwan (Changhua and Nangang plants) . The financial data in this report is calculated in New Taiwan Dollars (NTDs) in accordance with International Financial Reporting Standards (IFRS).

Report management method

The information and data in this report are reviewed and approved by the heads of each department. They are then provided to the Sustainability Report Working Group for compilation and editing of the draft, which is then reviewed and revised by the head of the department. Following administrative procedures, the draft is then submitted to the Chairman for review and final publication.

Sustainable Development Organization

Leechi's sustainable development decision-making and operational mechanism includes a Sustainability Committee established at the Board level to provide oversight , guidance, and support from a corporate strategic perspective . The Chairman has appointed the General Manager as the highest-level leader and authorized the General Manager to coordinate all internal sustainability -related departments to form a Sustainability Working Group . This group , comprised of department heads and executive personnel, jointly promotes sustainability-related matters . The group holds at least four meetings annually to coordinate the preparation of the sustainability report and plan initiatives for the following year. Since 2023 , sustainability has been officially included on the Board's agenda. Annual reports are submitted to the Board on the company's sustainability implementation achievements and the next year's work plan , ensuring the implementation of ESG-related initiatives .

Third-party verification/assurance

The financial data disclosed in this report are derived from the consolidated financial statements audited and certified by Deloitte Touche Tohmatsu CPA Ltd. in accordance with International Financial Reporting Standards (IFRS).

In addition, ISO 9001 : 2015 Quality Management Systems, AS9100 Aerospace Quality Management Systems , ISO 14001 : 2015 Environmental Management Systems, ISO 45001:2018 Occupational Health and Safety Management Systems, Taiwan Occupational Safety and Health Management System (CNS45001:2018) , and ISO 14064-1 Greenhouse Gas Inventory have all been verified by independent third-party certification bodies .

Release Information

This is the third year that Leechi Machinery has issued a sustainability report, which is also disclosed on the company's website.

Reporting period: January 1, 2024 to December 31, 2024

Release cycle: once a year

Last published version : August 2024

This issue is published in August 2025

Next issue: August 2026 (scheduled)

Contact Information

If you have any suggestions for the Leechi Machinery 2024 Sustainability Report, please contact us through the following channels. We will also publish the report on our official website .

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➤ Chairman's Message

In 2024, the bicycle industry faced multiple challenges; including inventory reduction is not as good as expected, rising cost pressures due to inflation, geopolitical risks, trade barriers accompanying supply chain adjustments, and the promotion of ESG sustainability. Due to the impact of geopolitical factors and trade barriers has caused customers to seek diversified sources of supply to mitigate the risk of supply chain disruptions, leading companies to gradually decentralize production bases to other regions to reduce tariff costs and be closer to the market. As a result, the bicycle supply chain has become more regionalized, but this has also introduced more uncertainties in operations.

In 2024, the Company adopted “stable order acceptances, maintaining growth, lean management, and continuous improvement” as the operating goals. To better align with changes to orders in the market, the Company continued to conduct necessary investments, enhancing its overall competitiveness through strengthened product innovation and promotion of ESG sustainability to maintain operational resilience and to seize opportunities in the subsequent economic recovery. The conducts include the following orientations:

1. **Regulations of Production Capacity:** In response to order changes, the Company frequented communication with clients on shipment status, made production capacity adjustments in a timely manner, Furthermore, in line with this wave of inventory adjustments, various production responses have been performed to avoid the impact of circumstances.
2. **Product Innovation:** The Company continuously reviewed the composition of our product lines, launched new products, and actively collaborated with customers on joint development. Furthermore, the Company continued its investment in high-end products, which contributed to the growth of gross profit and market share of the Company’ s product portfolio
3. **Operational Improvement:** The Company continuously reviewed and managed the operational efficiency of each business unit, ensuring effective financial control. Additionally, the Company planned investments in equipment, environmental health and safety, and facility improvements. As a result, operational efficiency showed improvement.
4. **Excellence in Management:** The Company proceeded with its verifications for various ISO management systems in conjunction with the introduction of ERP and HR management systems as means of its ongoing improvement over various operating procedures and strengthening of organizational communication and quality management.
5. **Promoting ESG Sustainability:** The Company established a Sustainability Development Committee, prepared a sustainability report, completed ISO-14064 carbon inventory, adopted environmentally friendly recycled materials and low-carbon production processes, and implemented various waste reduction initiatives. Additionally, the company focused on energy conservation and increasing the proportion of renewable energy usage, strengthened corporate social responsibility and corporate governance, and joined the ESG Alliance of the bicycle industry to jointly promote the formulation and implementation of ESG standards.
6. **Cross-Industry Cooperation:** By utilizing in-house engineering and manufacturing capabilities, the Company has sealed cross-industry cooperation and orders. Through cross-industry alliances, the Company continues to improve technological development

and increase operational prospects, thereby seeking the possibility of reciprocal development.

However, Effects by external competitions, regulation and macroeconomic circumstances on the Company:

1. The ongoing implementation of high tariff measures this year has intensified trade frictions among countries, further impacting the stability of global supply chains. This has led to disruptions or inefficiencies in supply chains, especially those previously optimized through globalized production and distribution. As a result, there is an accelerated shift toward regionalized and market-proximate short supply chains. Production bases are being diversified across different regions to reduce reliance on a single market, such as mainland China. This trend is positioning the United States, Southeast Asia, and Mexico as key hubs in the restructuring of global supply chains.
2. As climate change becomes increasingly severe, governments and consumers around the world are placing greater emphasis on environmental protection. Bicycles, as zero-emission alternatives to fuel-powered vehicles, have emerged as an important option for reducing carbon footprints, with demand expected to continue growing. However, climate change has also contributed to more frequent extreme weather events, which may affect consumers' willingness to ride. Consequently, such extreme weather could intensify seasonal fluctuations in bicycle sales—for example, during periods of extreme heat, heavy rain in summer, or unusually heavy snowfall in winter, sales may be negatively impacted.
3. Due to global climate change and the worldwide push for net-zero emissions and carbon neutrality, "green inflation" is expected to put pressure on Taiwan's manufacturing-driven industries. In addition, high inflation has made rising prices a norm. Combined with challenges such as declining birth rates and labor shortages, as well as rising wages and raw material costs, these manufacturing bottlenecks are squeezing profit margins and posing significant challenges for industries that rely on stable production.
4. Due to inflation and a high interest rate environment, consumer purchasing power has declined, leading to signs of consumption downgrade and even stagflation. As a result, consumers may prefer lower-priced products or delay their purchases. This trend has weakened demand in the mid- to low-end bicycle market, and close attention must be paid to future sales performance and inventory reduction.
5. In recent years, government policies worldwide have increasingly supported green transportation. With advancements in battery technology and growing consumer demand for eco-friendly modes of transport, high-end and electric-assisted bicycles (E-BIKE) have seen rapid development, emerging as a new driver of industry growth. Furthermore, the integration of bicycles with AI technology and the Internet of Things (IoT) is expected to spur further innovation, presenting yet another opportunity for the industry to expand.
6. Under the global trend of promoting Environmental, Social, and Governance (ESG) principles, the bicycle industry is encountering both significant challenges and new opportunities. The industry must proactively respond to customer expectations that encompass various aspects, including environmental protection, social responsibility, and corporate governance. This requires driving ESG transformation and establishing a green

supply chain. However, it also results in increased costs associated with governance and implementation, such as management improvements, the adoption of renewable energy, and the use of recycled aluminum.

With the above internal and external changes and impacts, the Company strongly believes that challenges are definitely accompanied with opportunities. Through strong management and continuous advancement, we will grasp market demand to reflect our sales & operations. The Company is optimistic of its future development, and will continue to achieve great performance in return for the support of the shareholders. We earnestly request every shareholder to continue to support us, for the continued growth of the Company. Thank you!



Chairman **Yu Hsin Lin**

➤ Sustainable Performance and Highlights (2024 Performance Overview)

- Environmental Protection

1. Installed solar panels with a capacity of 933.46KW
2. Renewable electricity generation : 612,808 kWh
3. Purchase green electricity 1,074,070 degrees
4. Power saving rate 3.25%

- Social Inclusion

1. Talent cultivation and promotion of education and culture , with a total sponsorship of NT\$
2. Implement the principle of community-based social welfare and combine social resources to jointly promote catering services for the elderly, sponsoring NT\$ 80,000 .
3. Adopt Shipai Park , assist in cleaning up the environment and keep the community clean.

- Corporate Governance

1. Average attendance rate of board meetings is 100%
2. Average attendance rate of the Audit Committee is 100%
3. Average attendance rate of the Remuneration Committee is 100%
4. Continuous promotion and implementation (ISO9001 , AS9100 , ISO14001 , ISO45001 , ISO14064-1)

- Innovation Value

1. 8 patent applications and 10 patent certificates
2. The product has begun to use recycled aluminum and plans to use low-carbon aluminum

➤ Honor and recognition

Verification (check) information of each management system

Management System	International standard code and version	Initial certification date	Visa date	Certificate start date	Certificate validity date
Quality Management	ISO9001:2015	2012/9/26	2024/10/15	2024/10/15	2027/8/18
	AS 9100: D	2015/4/17	2024/4/17	2024/4/17	2027/4/16
Environmental Management	ISO14001:2015	2016/3/30	2024/10/15	2024/10/15	2027/9/14
2023 Greenhouse Gas Inventory	ISO14064-1:2018	2024/7/10	2024/7/10	2024/7/10	V alid permanently
Occupational safety and health management	ISO45001:2018	2016/3/25	2025/4/25	2025/4/25	2028/3/24
	TOSHMS (CNS45001:2018)	2016/3/25	2025/4/25	2025/4/25	2028/3/24

Note 1: The 2024 greenhouse gas inventory (ISO14064-1:2018) was completed by a third party on May 20 and 27, 2025.

The verification work of the authorized unit (AFNOR) entering the factory is completed.



ISO9001:2015



AS9100 D



ISO14001:2015



ISO45001:2018



ISO45001:2018 (Nangang Factory)



TOSHMS







TOSHMS (Nangang Factory)










ISO14064


➤ Implementation of the United Nations Sustainable Development Goals (SDGs)



Leechi values corporate sustainable development and pays close attention to global sustainability trends and issues. Therefore, the company regularly reviews its sustainable development process and creates customer value and achieves shared prosperity between the company and society through the application of technology, continuous improvement, adherence to energy conservation and environmental protection, and R&D innovation. Leechi actively responds to the United Nations' 17 Sustainable Development Goals (SDGs), aims to align with global standards, and make greater contributions to society. Leechi's relevant practices and benefits are summarized below:



United Nations Sustainable Development Goals (SDGs)		Leechi's Method/Benefits	Corresponding chapter
	End poverty in all its forms everywhere	<p>The company employs employees to engage in business models such as design/manufacturing/sales, etc., thereby making profits and enabling the company to operate sustainably. Therefore, the company's employees receive salary compensation for their labor.</p> <ol style="list-style-type: none"> 1. Ensure that life is secure. 2. Purchase products necessary for daily life 3. Obtain adequate medical resources. 4. Family members can get a good education. 	4.2 Diversity and Talent Cultivation
	End hunger, achieve food security, improve nutrition and promote sustainable agriculture	<ol style="list-style-type: none"> 1. The company has set up a beautiful employee restaurant, providing employees with both non-vegetarian and vegetarian meals, with six dishes and one soup as the standard, to ensure that employees have a healthy and delicious diet. Employees are allowed to bring their own containers to take home leftover lunch . 2. The kitchen waste is packed up and given to employees to take home to raise poultry to ensure that the poultry reproduces and thrives. 3. Deliver meals to elderly people living alone in the community to ensure that they do not go hungry. 	4.2 Diversity and Talent Cultivation 4.5 Social Welfare
	Ensure health and promote well-being at all ages	<ol style="list-style-type: none"> 1. The company conducts regular health checks to protect the health of employees and detect occupational diseases at an early stage. 2. Leechi has established an employee health risk management process, regularly analyzes employee health examination results, and manages employee health risks in a graded manner . 3. Organize various health promotion activities for employees to maintain their health. 4. Arrange employees to receive qualified first aid training and promote health information to enhance employees' health knowledge . 5. Carry out environmental testing regularly , continuously improve the working environment, and prevent occupational diseases . 6. Organize blood donation activities to help others and benefit yourself. 	4.4 Workplace Health and Safety
	Ensure equal, high-quality education for all and promote lifelong learning	<ol style="list-style-type: none"> 1. Implement pre-job training to ensure that work can be performed safely, correctly and efficiently. 2. Provide continuous on-the-job training to enhance employees' work skills. 3. Provide educational scholarships for employees' children to 	4.2 Diversity and Talent Cultivation 4.5 Social Welfare


		<p>encourage learning.</p> <p>4. Encourage employees to continue their studies and provide employee education scholarships .</p> <p>5. Sponsored NT\$78,600 to Shipai Elementary School to establish an after-school talent club , providing students with an excellent learning environment.</p>	
5 性別平等 	Achieve gender equality and empower women	<ol style="list-style-type: none"> 1. Employee recruitment is not based on gender and women are ensured to have equal opportunities for promotion. 2. Leechi employees, regardless of gender, have equal opportunities in work and training . 3. To protect the health of female employees and provide a friendly working environment, Leechi provides a friendly breastfeeding (collection) room environment to create a friendly workplace. 4. Formulate the "Leechi Company Sexual Harassment Prevention and Control Measures Complaint and Punishment Procedures" and publicize it. 	<p>4.1 Employee Profile</p> <p>4.2 Diversity and Talent Cultivation</p> <p>4.3 Human Rights Assessment</p> <p>4.4 Workplace Health and Safety</p>
6 清潔飲水與衛生設施 	Ensure access to and sustainable management of water and sanitation for all	<ol style="list-style-type: none"> 1. the filter cartridge regularly , and have the water quality tested regularly to ensure water safety. 2. Wastewater must be treated before discharge to meet water discharge standards. 3. Condensate recovery tank for recycling (die casting process). 	2.3 Water Resources Management
7 負擔得起的清潔能源 	Ensure access to affordable, reliable, sustainable, and modern energy for all	<p>Leechi actively responds to the government's policy of developing renewable energy and is committed to using clean and pollution-free green energy.</p> <ol style="list-style-type: none"> 1. The company has installed solar photovoltaic system power generation equipment with a capacity of 933.46 kW and is currently continuing to evaluate the installation of renewable energy power generation equipment. 2. In 2024 , 1,074,070 kWh of green electricity was purchased . 	2.4 Clean Energy
8 體面工作與經濟成長 	Promote inclusive and sustainable economic growth, achieve full and productive employment, and give everyone a good job	<ol style="list-style-type: none"> 1. Implement product R&D policies oriented towards creativity and innovation to enhance added value . 2. To protect the rights of workers and promote a safe working environment, all machines are equipped with safety protection devices and provide necessary protective gear. 3. Replace old equipment with new ones to improve work efficiency and comply with green environmental protection trends. 4. Process improvement and continuous improvement to enhance efficiency and reduce resource waste. 5. Leechi strictly abides by the Labor Standards Act and does not employ or support the employment of child laborers under the age of sixteen , nor does it use or support the use of forced labor. 6. Continue to employ Thai and Vietnamese migrant workers and people with disabilities. 	<p>1.3 Operational Performance</p> <p>3.1 Products and Technologies</p> <p>4.3 Human Rights Assessment</p>
9 產業、創新與基礎設施 	Build resilient infrastructure, promote inclusive and sustainable industries, and accelerate innovation	<p>The company aims to develop high-quality, reliable, sustainable and disaster-resilient infrastructure, including regional and cross-border infrastructure, promote inclusive and sustainable industrialization and drive innovation.</p> <ol style="list-style-type: none"> 1. Replacing LED energy-saving lamps saves energy, and the company's internal electricity usage and water resource monitoring are real-time. 2. Replace your diesel forklift with an electric one to reduce carbon emissions . 3. Negative pressure fans are installed in each factory area to 	2.1 Environmental Management

		<p>reduce indoor temperature and air circulation, and reduce the physical burden on workers.</p> <p>4. from the die-casting department is treated by mixing liquid alkali, activated carbon, coagulant, and flocculant aid , then flowing from the sedimentation tank into the discharge tank, where it is discharged as clean water and the sludge is dehydrated before being processed by the manufacturer.</p> <p>5. The punching machine class SMB and SMU have been introduced with smart machine-top boxes. The Data Server and Data Storage are configured with OR Code scanning to record and store the machine's production history with a central electronic dashboard. With real-time production equipment, the PC can display the personnel utilization rate, process, production time and quantity of each machine after startup, and can also query historical data.</p> <p>6. using green building materials for factory renovation, we also adhere to the 3R (Reduce, Reuse, Recycle) principle, changing the traditional wooden materials to recyclable materials such as aluminum and iron.</p>	
	Reducing inequality within and between countries	<p>1. Discrimination based on race, caste, nationality, religion, disability, sex, sexual orientation, family responsibilities, marital status, trade union membership, political affiliation, age or any other basis is not permitted.</p> <p>2. Our employees are diverse, including Taiwanese , Vietnamese , Thai , and foreigners . Foreign and local colleagues all enjoy the same salary and benefits.</p>	4.3 Human Rights Assessment
	Building inclusive, safe, resilient and sustainable cities and villages	<p>Caring for our community and neighbors and protecting our home:</p> <p>1. Adopt Shipai Park: A dedicated person will clean and maintain the environment on a weekly basis, implement garbage sorting and recycling, prune trees and flowers, maintain hardware facilities around the park, renovate the walls of the community archway and regularly beautify and paint it.</p> <p>2. Sponsor community associations: gifts and supplies for community events , and NT\$ 80,000 . In conjunction with the Ministry of Health and Welfare's 10-Year Long-Term Care Plan 2.0 and Class C Long-Term Care Center Initiative, sponsor computer equipment for administrative documents within the community. This aims to accelerate the widespread dissemination of long- term care service resources, establish convenient long-term care stations, dementia service centers, and delayed disability dementia service centers within the community, provide respite care, temporary care, disability prevention, and delayed disability care services, and establish a "community-based" prevention and care system. Through localized community care, the elderly can live in a familiar environment. At the same time, appropriate respite services are provided to family caregivers to prevent the deterioration of long-term care issues and implement sustainable and livable community living development.</p> <p>3. Sponsor the Elderly Association: To ensure adequate food and clothing for the elderly in the Shipai community, we provide designated dining services. These shared dining services address the dietary needs of elderly parents whose children are away from home and unable to provide them with meals, and encourage the</p>	4.5 Social Welfare

		<p>active participation of seniors in community care services. By providing shared dining services for the elderly, we meet their basic physiological needs and promote their health. We strengthen community service capabilities, integrate care and support, improve the quality of life of the elderly, and enable them to live a dignified and joyful life. We implement the principle of community-based social welfare and leverage community resources to jointly promote dining services for the elderly.</p> <p>4. Sponsorship of Shipai Elementary School: Shipai Elementary School is a remote elementary school where parents have limited financial and educational resources. This is especially true for lower and middle school students, who only have half-day classes. After school, they are left unattended and have irregular schedules. This creates significant concerns for their safety, academic performance, and moral development. Sponsorship funds are being provided to establish an after-school arts club at the school, hoping to leverage community resources to implement "equal educational opportunity," provide students with practical experiences, and ultimately enhance their abilities and self-confidence. Furthermore, to promote environmental education, enhance teaching quality, and create a high-quality learning environment, an environmental education signage will be installed in the school's corridor. The concept behind this signage is to create an educational public art gallery showcasing the community, local specialties (dried lychees), and local businesses (Leechi Machinery). The signage integrates local culture, the overall environment, and industrial characteristics, allowing students to gain a deeper understanding of local culture and spirit through the signage, while also conveying the spirit of sustainable cultural heritage.</p> <p>5. Support activities at Wat Phra Phrom (Thai Migrant Workers): Support and participate in various activities at the temple, using religious belief to help migrant workers find spiritual peace and positive physical and mental development. We also hope that the power of religion can improve social morals, eliminate violence, and bring peace and security to our communities and, ultimately, society.</p> <p>6. Focus on communication and maintenance of the factory environment : The company has taken protective measures for noise, sewage, parking and traffic problems caused by production, and maintains two-way interactive communication and timely resolution of problems to avoid affecting neighborhood residents.</p> <p>7. The company's guard room is a community satellite relay point: the company's factory is equipped with an air-raid shelter for disaster preparedness and emergency response , and the factory's road monitoring system can assist in backing up records of people entering and leaving the community and cooperate with the nearby police station to improve neighborly relations and enhance community safety.</p>	
<p>12 永續的消費與生產模式</p> 	Ensuring sustainable consumption and production	<p>low-carbon aluminum and recycled aluminum in product design and planning to reduce carbon emissions.</p> <p>2. Replace old equipment with new ones to improve work efficiency and comply with the trend of green environmental</p>	<p>2.5 Waste Management</p> <p>3.1 Products and</p>

	patterns	<p>protection.</p> <p>3. Process improvement and continuous improvement to enhance efficiency and reduce resource waste.</p> <p>4. All employees should bring their own tableware when dining in the restaurant to avoid using disposable tableware and reduce waste.</p> <p>5. Promote waste reduction among all employees , and implement a resource classification and recycling mechanism for scrap aluminum , scrap iron , scrap plastic , paper , etc.</p>	Technologies
 <p>13 氣候行動</p>	Complete mitigation and adaptation actions to respond to climate change and its impacts	<p>1. In response to global energy trends, the construction of solar panels is the company's key development direction</p> <p>2. Implement climate change education and training</p> <p>3. Carry out greenhouse gas inventory and verification operations</p> <p>4. Implement energy-saving and carbon-reduction operations</p> <p>5. Equipment efficiency improvement strategies include replacing energy-saving motors and old mechanical equipment</p> <p>6. Green product design</p>	1.8 Climate Change and TCFD
 <p>14 保育海洋與海洋資源</p>	Conservation and sustainable use of marine ecosystems to ensure biodiversity and prevent degradation of the marine environment	<p>Avoid sewage and water pollution problems:</p> <p>1. Build sewage treatment equipment to avoid water pollution and obtain discharge permits that comply with environmental regulations.</p> <p>(1) Changhua Plant Wastewater:</p> <p>a. Domestic wastewater-natural discharge</p> <p>b. Industrial wastewater - After being treated by pre-treatment equipment, it is then discharged through chemical methods to the discharge standard value . The sludge from the wastewater treatment process is entrusted to qualified manufacturers for removal and treatment.</p> <p>(2) Nangang Plant Wastewater:</p> <p>a. Domestic wastewater - discharged to sewage sampling well , discharged to sewer and discharged to industrial sewage treatment plant</p> <p>b. Process wastewater - (a) treated by process filtration equipment and discharged to wastewater sampling</p> <p>The well is discharged to the industrial area sewage treatment plant through the sewer pipe</p> <p>(b) Sampling wells and septic tanks should be desilted regularly.</p> <p>2. Waste oil:</p> <p>(1) Waste oil products are collected and processed by the original supplier</p> <p>(2) Hand it over to professional manufacturers</p> <p>3. Set up a dedicated storage area: All process waste and waste liquids are declared in accordance with the law and entrusted to qualified environmental protection manufacturers for removal. For example, sludge, waste cutting fluid, waste chemical containers, etc., which are prone to pollute soil and water sources, are stored in a dedicated area and handled legally.</p> <p>4. Implement waste classification and resource recycling: Dedicated personnel will handle classification to strengthen general waste reduction and entrust qualified environmental protection manufacturers to be responsible for waste removal to ensure that garbage is not discarded indiscriminately.</p>	2.3 Water Resources Management

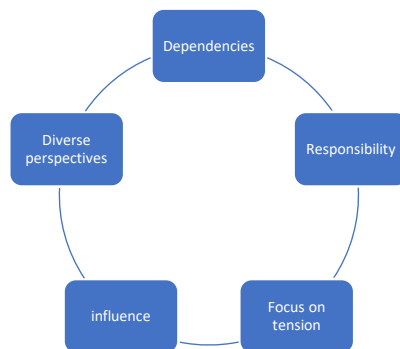
		<p>5. Prohibited herbicides within the factory : The primary impacts of herbicide use on the environment include affecting crop germination and growth, contaminating water and soil, and causing ecological damage. Our company utilizes manual weeding and weed suppression mats for prevention and control.</p>	
<p>15 陸域生態</p> 	<p>Conserving and sustainably utilizing terrestrial ecosystems to ensure biodiversity and prevent land degradation</p>	<p>Maintain terrestrial ecosystems, ensure biodiversity and prevent land degradation:</p> <p>1. Protection, restoration, and sustainable use of back-mountain forests: In addition to preserving existing fruit trees and native trees such as camphor, chinaberry , and acacia, we will also increase the planting of native tree species such as Taiwan nanmu , Taiwan koelreuteria, sweetgum, tangerine peel, black heart stone, kanehira, and tamarisk . We will implement sustainable management of various forest types, halt deforestation , restore degraded forests, and increase afforestation to provide a friendly environment for biological habitats and food sources, reduce the destruction of natural habitats, curb biodiversity loss, and protect and prevent species extinction in mountain forests .</p> <p>2. Establishing a detention pond : In addition to its flood control and disaster reduction functions such as storing flood water, slowing down the occurrence of floods, reducing the impact of floods and settling sediment, it also has considerable value in improving the ecological environment.</p> <p>3. No pesticides or herbicides are used: No pesticides are used to spray the land and forests within the Leechi factory area . Manual weeding and weed suppression mats are used for prevention and control.</p> <p>4. Automatic sprinkler equipment: watering and planting turf to prevent soil deterioration.</p> <p>5. Protect local trees, wildlife and natural forest areas : Located adjacent to the Bagua Mountains, the company is dedicated to preserving the mountain's native ecosystem (including eagles, wild boars, and water deer) and forests, and extensively planting trees. This not only beautifies the living environment and provides a relaxing space for employees and neighbors, but also regulates the climate, purifies the air, conserves the soil, and enriches the ecosystem, all while respecting the concept of equality for all. In response to global warming and the drive for energy conservation and carbon reduction , green afforestation begins with "forest living" to achieve the goal of building sustainable communities, sustainable towns, and a sustainable environment.</p> <p>6. Set up a landscape fish pond: A landscape fish pond was built within the Leechi factory. This not only enhances the landscape and provides recreational opportunities, but also creates a place where mountains and water coexist, optimizing the living environment and maintaining a balance between the soil and water cycles in the mountains and forests.</p>	<p>2.1 Environmental Management</p>
<p>16 和平、正義與健全的司法</p> 	<p>Promote a peaceful and pluralistic society, ensure equal access to justice, and build</p>	<ol style="list-style-type: none"> 1. The company has established a legal department to provide consultation to employees. 2. labor -management meetings are held for both parties to discuss issues. 3. We have established employee human rights policies, job infringement protection plans , employee codes of ethics, 	<p>4.2 Diversity and Talent Cultivation</p>

	a system that is credible and inclusive of public opinion	employee grievance handling standards , and occupational health and safety management procedures to foster a fair, just, and safe workplace environment. 4. Set up a complaint box and provide a complaint channel.	
	Building diverse partnerships to promote sustainable development	<p>1. Giant Group, a leading bicycle manufacturer, invited industry leaders to establish the Bicycle Alliance for Sustainability (BAS) in December 2022 to address ESG issues in the industry. Leechi was honored to be one of the founding members of this alliance . Under the leadership of the chairman and three vice-chairmen , the alliance is expected to gradually accomplish the following tasks, including:</p> <ul style="list-style-type: none"> (1) Collaborate with internal and external industry resources. (2) Lead the low-carbon transformation of the supply chain . (3) Internalize the ESG standards of the bicycle industry. (4) Advocate ESG actions for consumers. (5) Other research and discussions on ESG issues related to the bicycle industry. <p>The alliance is not only a supply chain relationship, but also a partnership. Based on the premise of sustainability, everyone is building a comprehensive ESG ecosystem for the bicycle industry.</p> <p>2. Cooperation We provide guidance and auditing in the field of social responsibility to client groups such as Decathlon and Trek, guiding companies towards sustainable development.</p> <p>3. Collaborate with suppliers to purchase low-carbon aluminum and recycled aluminum.</p>	3.4 Supply Chain Management

➤ Stakeholder Engagement Standards

Identification of stakeholders

Leechi formed a " Sustainability Working Group" from various departments (including the Finance Department , Sales Department , R&D and Technology Department , Management Department, Production Department, Purchasing Department , Quality Assurance Department , Materials Department , Production Management Department , Occupational Safety Office , Computer Room, Audit Office, etc.) to identify eight types of stakeholders . Following the five principles of the AA1000 SES (Stakeholder Engagement Standards) - dependence , responsibility , influence , diverse perspectives, and attention intensity - the group evaluated 30 questionnaires and discussed the results. Furthermore, the group considered domestic and international sustainability trends and operational status, focusing on six key stakeholders : employees, customers, suppliers, shareholders, government, and the community.



1. Diverse perspectives

with different perspectives who can inspire Leechi to gain new insights and opportunities

2. Dependency

directly or indirectly rely on Leechi 's products, activities or services

3. Responsibility

Leechi has legal, commercial, operational or ethical responsibilities

4. Influence

Stakeholders who have influence on Leechi 's strategic or operational decisions

5. Pay attention to tension

concerned about financial, economic, social and environmental issues related to Leechi



Employees : Leechi values employee opinions and regards employees as important assets. We provide market-competitive compensation and benefits and are committed to building a safe and secure workplace.

Clients : We are committed to building a "reliable and professional partnership that enables mutual growth" with our clients, meeting their needs and realizing our sustainable vision .

Suppliers : Suppliers are important partners in promoting sustainable development for Leechi . Through supplier-related management and education and training, we work together to enhance the overall value of the supply chain.

Shareholders : Leechi will make operational information transparent, demonstrate the company's operational performance, win the support of shareholders / investors, and achieve the goals of stabilizing funds and creating investment value.

Government : Leechi strictly abides by the requirements of government and local laws and regulations. In response to government disclosure, all products and services must comply with laws and regulations and supervision by competent authorities.

Community : We value giving back to the community. Leechi organizes a number of charity events every year and encourages employees to participate. Through positive and kind interactions, we aim to enhance positive social influence.

Stakeholder Communication

Leechi is committed to the practice of sustainability. Our colleagues in relevant business units actively engage with stakeholders through diverse and accessible communication channels, including email , phone calls, physical and online meetings , customer satisfaction surveys, customer visits, supplier audits, and more. We also conduct stakeholder engagement through the " Stakeholders " section of Leechi's official website. We listen to and gather the diverse expectations and needs of stakeholders, value the voices of every stakeholder who cares about Leechi , and respond , review, and improve accordingly . We disclose information annually through our annual and financial reports, publish a sustainability report, and maintain a dedicated " Corporate Social Responsibility and Investor Relations " section on our official website , regularly updating ESG (Environmental, Social, and Corporate Governance) information to present issues of concern to stakeholders in a timely and comprehensive manner.

stakeholders	Focus on major themes	Communication channels	Communication frequency	Communication focus and results
staff	1. Employee Diversity and Talent Cultivation 2. Salary and benefits 3. Labor-Management Relations 4. Environment, occupational safety and health 5. Operational performance 6. Regulatory Compliance 7. Risk Management 8. Customer Satisfaction 9. Information Security Management	1. Regular and irregular meetings 2. Regular and irregular education and training 3. Irregular internal company announcements 4. Email, internal communication platform or document 5. Complaint mailbox 6. Welfare Committee Meeting 7. Quarterly labor-management meeting 8. Internal audit at least once a year 9. At least one management and	1. At least one management and audit meeting per year 2. Internal audit at least once a year 3. Quarterly labor-management meetings 4. Hold welfare committee meeting at least once a quarter	1. No major labor disputes in the year 2. No violations of ethical standards and sexual harassment prevention during the year 3. Continue to promote and respect international labor and human rights standards 4. Set up an occupational safety and health committee with the chairman as the chairman , and conduct two work environment monitorings each year.

	10. Waste Management 11. Continuous Improvement 12. Supplier Management 13. Water Resource Management 14. Material and product quality 15. Energy Management 16. Human Rights 17. Greenhouse Gas Management	audit meeting per year 10. Monthly internal meetings 11. Irregular interviews 12. Conduct irregular employee satisfaction surveys	5. Monthly internal meetings 6. Communicate regularly 7. Customer SQA documents will be responded to within one week	5. Conduct an internal information security audit once a year to ensure the effective operation of information security management 6. Conduct job training for new employees and on-the-job training for employees 7. Conduct environmental safety and health regulations compliance review every quarter 8. Conduct continuous improvement meetings every month
client	1. Environmental and occupational safety and health 2. Customer Commitment and Service 3. Customer privacy protection 4. Product Life Cycle Assessment 5. Green product design 6. Human rights and labor rights 7. Product quality and customer complaints 8. Energy Management 9. Risk Management 10. Waste Management 11. Chemical Management 12.ESG 13. Intellectual Property 14. Carbon inventory, carbon reduction, and carbon footprint	1. Accept on-site audits and audit questionnaires from customers from time to time 2. Exclusive corresponding window 3. Irregular phone calls 4. Occasional emails 5. Sales personnel visit 6. Annual customer satisfaction survey	1. Annual customer satisfaction survey 2. Communicate regularly	1. Accept customers to visit the factory 2. Participate in supplier conferences held by customers 3. Conduct risk management and evaluation of customers and suppliers
supplier	1. Supplier price competitiveness 2. Continuous and stable supply 3. Meet quality requirements 4. Comply with laws and regulations 5. Company Vision and Sustainable Development Strategy 6. Procurement environmental protection and safety management 7. Supplier Management 8. Order Management and Changes 9. Customer requirements 10. Operational Performance 11. Carbon inventory, carbon reduction, and carbon footprint	1. Telephone/Fax 2. Email 3. Correspondence 4. Education and training courses 5. Related work forms 6. Supplier coaching/audit 7. Supplier Survey/Evaluation 8. Irregular interviews 9. Procurement Environmental Safety and Health Assessment Management Procedure 10. Environmental Safety and Health Management Procedures for Contractors 11. On-site audit	Communicate regularly	1. Regularly implement supplier evaluation every month 2. Select at least two suppliers every month to provide quality guidance 3. Discuss with suppliers the use of low-carbon aluminum and recycled aluminum, and the use of recycled packaging materials 4. Implement annual supplier evaluation 5. All qualified suppliers review and sign the "Supplier Notice " 6. All orders comply with RoHS policy, and highly polluting surface treatment methods are prohibited 7. Communicate and discuss greenhouse gas emissions and sustainable development issues with major suppliers
shareholder	1. Company financial information 2. Operational performance 3. Corporate Governance 4. Risk Management 5. Greenhouse gas	1. Spokesperson (Manager Li) and Acting Spokesperson (Director Cai) System 2. Annual shareholders' meeting 3. Hold at least one corporate briefing session each year	1. One shareholder meeting or at least one corporate briefing session per year	1. Hold shareholders' meetings regularly to report and explain the operating status and progress of various policy implementations. 2. Continue to hold shareholder meetings and corporate briefings

	management 6. Energy Management	4. Accept interviews and phone calls from domestic and foreign investment legal persons from time to time 5. Annual financial report and irregular release of important information 6. Public Information Observation Station " Shareholder Information" on the company's official website	2. Accept interviews or publish messages from time to time	according to the annual plan 3. Disclose financial reports and annual reports on the Public Information Observatory annual execution results on the company's official website
government	1. Compliance with laws and regulations 2. Occupational safety and health 3. Environmental protection 4. Labor Rights 5. Corporate Governance 6. Fire drills and emergency response 7. Greenhouse gas inventory 8. Risk Management 9. Energy Management 10. Integrity management	1. Telephone/Fax 2. Email 3. Correspondence 4. Participate in seminar activities 5. Website reporting system of the agency to which it belongs 6. Spot checks and visits 7. Exclusive correspondence window	Communicate regularly	1. Cooperate with policies to implement stable employment plans 2. No major fines in the year 3. Comply with the latest government laws and regulations 4. Regularly report the amount of waste every month 5. Regularly conduct fire and emergency response drills 6. Introducing and implementing greenhouse gas inventory
Community	1. Community care and public welfare activities 2. Environmental protection 3. Provide local employment opportunities 4. Labor Rights	1. Corporate website 2. Telephone/Fax 3. Correspondence 4. Participate in community activities 5. Exclusive corresponding window	Communicate regularly	1. Adopt Shipai Park and plant trees to green the environment. 2. Assist in cleaning up the environment and jointly maintain a clean community. 3. Care for the elderly and sponsor meal services for them. 4. Sponsor the talent club activities of Shipai Elementary School. 5. Provide job opportunities to local graduates , new graduates, second-time employees, middle-aged and elderly people, and women.

➤ Sustainable development strategy and major issues management

Analysis of major themes

1. Collect sustainable issues

Leechi regularly conducts sustainability impact assessments annually to ensure the completeness of ESG coverage . We consider the United Nations Sustainable Development Goals (SDGs), international sustainability standards and practices (GRI, SASB, TCFD, CDP), International Labor Organization conventions, industry trends , regulatory requirements, and corporate business strategies. We also interact with stakeholders and evaluate the sustainability practices of our peers to compile 18 actual and potential impacts on Leechi . This sustainable issue serves as the basis for subsequent stakeholder concern surveys and internal sustainability impact assessments . We also formulate sustainable development strategies and action plans for high-impact issues and set short- , medium- , and long-term goals for key projects .

2024 Sustainability Issues List	
Corporate Governance	Regulatory compliance, risk management , integrity management, operational performance , and information security management
Environmental issues	Greenhouse gas management , clean energy , waste management , water resources management
Business Model and Innovation	Customer service, supply chain management , materials, product quality and safety, intellectual property
social issues	Human rights assessment , diversity and talent development , occupational safety and health , and social welfare

2. Investigate stakeholders' level of concern

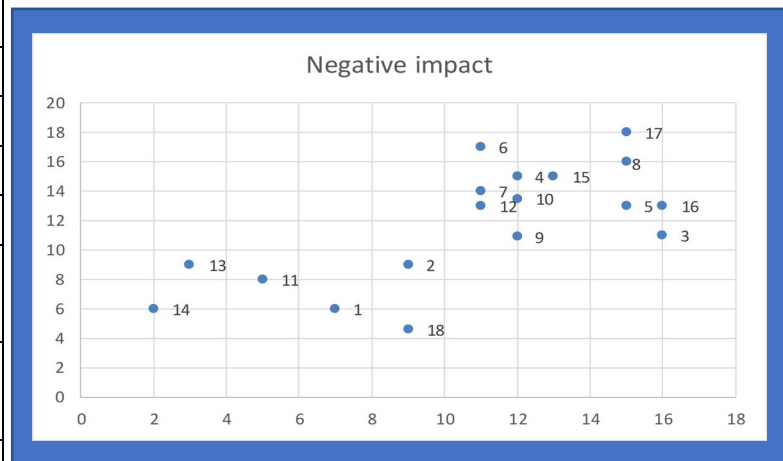
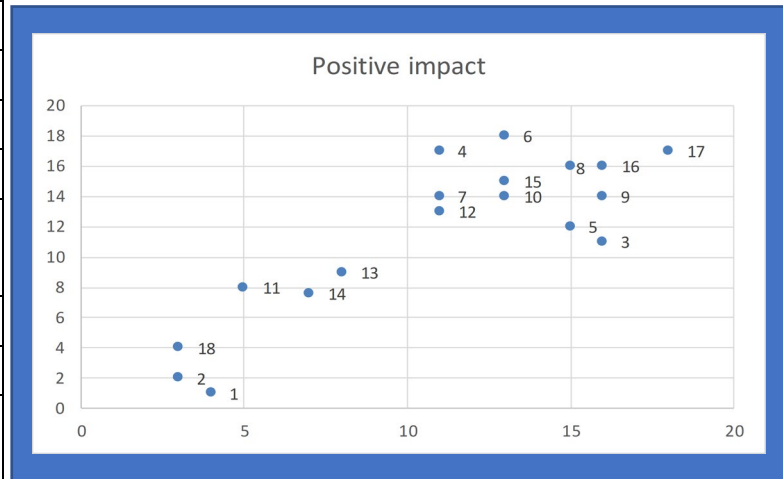
Leechi utilizes diverse and accessible communication channels , including questionnaires , phone interviews , and meetings , to gather information on issues of concern to stakeholders . Leechi aggregates the results to identify the impact of each issue on stakeholders . A total of 35 valid questionnaires were collected in 2024 .

3. Identify major themes

In order to understand the materiality ranking of sustainability issues, Leechi uses " GRI 3 : Material Themes 2021 " as a basis , and refers to the guidance of I FRS and ESRS on sustainability impacts . Senior managers evaluate Leechi's 18 sustainability issues based on the principle of double materiality , the degree of positive and negative impact on the external economy, environment, and people (including human rights) , and the possibility of impact events. After referring to the opinions of various external stakeholders , the output impact score is evaluated , and a material issue matrix is drawn based on "the degree of positive and negative impact on the economy, environment, and people (including human rights) " and "the possibility of impact events" to identify the major issues . The 12 major sustainability topics are, in order: operational performance , diversity and talent

development , human rights assessment , risk management , materials , supply chain management , greenhouse gas management , clean energy , waste management, water resources management , information security management , and occupational safety and health . Compared to 2023 , two new major topics have been added : occupational safety and health and human rights assessment . This report primarily discloses management approaches and performance for the 12 major sustainability topics . For the sake of transparency , other less important topics are also disclosed to the greatest extent possible .

NO	Major issues
1	Integrity management
2	Regulatory Compliance
3	operational performance
4	Information Security Management
5	Risk Management
6	Waste Management
7	Water Resource Management
8	clean energy
9	Greenhouse gas management
10	supply chain management
11	Product quality and safety
12	materials
13	Customer Service
14	intellectual property
15	Diversity and talent cultivation
16	Occupational Safety and Health
17	Human Rights Assessment
18	Social Welfare



category	Major issues	Operational importance	Le ec hi	cli ent	su pp lie r	sh ar eh ol de r	go ve rn men t	C o m m un ity	Correspondin g chapter	GRI/Cust omized Major Themes
Cor pora te Gov erna nce	operational performance	To achieve sustainable and steady growth of the enterprise, we must establish a complete strategy and management practices to meet the expectations of stakeholders such as customers, employees, and shareholders for related results.	V	V	V	V	V	V	1.3 operational performance	GRI 201: Economic Performan ce 2016
	Information Security Management	We are committed to strengthening the company's overall information security protection capabilities, improving the company's information security rating , meeting customers ' information security requirements, and fulfilling our commitment to information security goals for customers, shareholders, and all stakeholders.	V	V	V	V			1.6 Information Security	GRI 2: General Disclosur es 2021
	Risk Management	Identify operational risks, implement risk control and adaptation, and ensure the company operates within controllable risks	V	V	V	V			Sustainable development strategy and major issues management 1.8 Climate Change and TCFD	GRI 2: General Disclosur es 2021
Env iron men tal issu es	Waste Management	By recycling waste by sorting, we can not only comply with the international trend of waste reduction, but also reduce operating costs by reducing waste treatment fees.	V					V	2.5 Waste Management	GRI 306: Waste 2020
	Water Resource Management	Avoid water shortages that affect production and operations , and wastewater discharge that violates legal regulations and results in fines	V					V	2.3 Water Resource Management	GRI 303: Water and Discharge d Water 2018
	clean energy	Cooperate with the domestic government's policy direction on renewable energy development and renewable energy electricity consumption , reduce greenhouse gas emissions,	V	V	V				2.4 clean energy	GRI 302: Energy 2016

		reduce production costs, and thus enhance the company's reputation								
	Greenhouse gas management	Actively manage greenhouse gases, through equipment updates and system introduction, to reduce the impact of enterprises on the environment	V					V	2.2 Greenhouse gas management	GRI 305: Emissions 2016
Business Model and Innovation	supply chain management	Establish stable and friendly relationships with suppliers, build a sustainable supply chain while taking into account quality, and jointly fulfill corporate social responsibility and protect the environment.	V		V			V	3.4 supply chain management	GRI 204: Procurement Practices 2016
	materials	Improve product energy efficiency, adopt green materials and packaging, and easy disassembly and recycling principles, while complying with regulatory requirements and enhancing competitiveness.	V	V	V	V	V	V	3.1 Products and Technologies	GRI 301: Materials 2016
social issues	Diversity and talent cultivation	Talent is the key driving force for corporate growth. To promote workplace diversity and equality, we strive to create a work environment that inspires colleagues and unleashes individual and team potential, thereby creating a benchmark company of excellence and innovation.	V				V		4.2 Diversity and talent cultivation	GRI 405: Employee Diversity and Equal Opportunity 2016
	Occupational Safety and Health	Employee health and safety are the foundation of sustainable development. Sustainable operations can only be achieved by maintaining a safe working environment, improving employee safety quality, safety awareness and operational skills, and controlling risks during business operations to ensure the health and safety of employees in the workplace.	V	V	V		V		4.4 Workplace Health and Safety	GRI 403: Occupational Safety and Health 2018
	Human Rights Assessment	Leechi regards "people" as the company's most important asset. In order to provide employees with a friendly workplace environment and implement human rights	V	V	V				4.3 Human Rights Assessment	GRI General Standards 2021

		protections, Leechi strictly abides by domestic and international labor and human rights regulations, treats and respects all employees fairly, and avoids human rights risks in order to achieve sustainable operations.								
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Major issues	Potential or actual impact	Policy/Commitment	Goals (short, medium and long term)	2024 Management Results
operational performance	Improving productivity can reduce costs and waste, increase operating efficiency and operational capabilities (positive) Insufficient productivity may lead to higher costs and waste, resulting in revenue losses and increased environmental burden (negative) The company's investment in the company is incurring losses, which has affected the parent company's operating performance. (Negative)	1. Continuously improve operational performance through integrated strategies, digital transformation, and strengthening of core competitiveness 2. Ensure that the company's operating information is open and transparent, operate with integrity, and shape a culture of law-abidingness. 3. Comply with laws, regulations and requirements, and actively promote corporate governance and sustainable development. 4. Strengthen communication with all stakeholders and strive to meet their expectations for the company's sustainable development.	short term: 1. Expand production capacity, expand the market and maintain market share of bicycle parts through further investment 2. Develop new customers and new markets or growing industries based on existing mature technologies to maintain Leechi's market share. Mid-term: Improve R&D capabilities and meet market demand to launch outstanding products in a timely manner long: Fully digital management	1. With "capacity adjustment, product innovation, operational improvement, and cross-industry collaboration" as our operational goals, we will continue to launch new products, strengthen collaborative development with customers to secure orders, make necessary investments, strengthen product innovation, promote industrial upgrading and ESG sustainability projects, and enhance overall competitiveness to maintain operational resilience and seize opportunities for subsequent economic recovery. 2. The operating performance in 2024 was a loss per share of NT\$0.42 .
Information Security Management	Implement information security maintenance to effectively protect the company and maintain the normal	the confidentiality, integrity, and availability of confidential information such as the company's	short term: 1. Comprehensively build the confidentiality, integrity and availability of the information security management system of the	1. Regularly hold management review meetings every month to review information security policies, audit reports, and

	<p>operation of core systems (positive)</p> <p>Strengthen information security systems to protect customer rights (positive)</p> <p>Failure to implement data and information security management may result in the leakage of business information or customer privacy, which may lead to customer claims or regulatory penalties, causing damage to the company's rights and reputation (negative)</p> <p>internal employee security awareness and external hacker attacks and other security incidents cause company losses (negative)</p>	<p>customer data and business information , and achieve the goal of information security protection through the joint efforts of all colleagues, internal and external information service users, and third-party outsourced service providers.</p>	<p>enterprise organization .</p> <p>2. Implement social engineering practice promotion</p> <p>3. Regularly check firewall account permissions and complete annual audit improvements</p> <p>Mid-term:</p> <p>1. Regularly hold information security seminars to cultivate employees' basic information security knowledge and implement management plans in different aspects such as "pre-emptive prevention", "in-process monitoring", and "post-event response" to help companies continuously strengthen information security management</p> <p>2. Regularly replace equipment to ensure continuous hardware upgrades</p> <p>long:</p> <p>1. Establish a new employee information security education process</p> <p>2. Implemented ISO 27001 Information Security Management System (ISMS) and obtained certification from a third-party certification body, using the PDCA process to implement our commitment to information security.</p> <p>3. Introducing AI detection and defense to enhance proactive protection</p>	<p>continuous improvement plans.</p> <p>2. The computer room continuously publicizes the latest information security information and reminds all employees of precautions, and strives to work together to ensure a safe network environment.</p> <p>3. Internal audit will continue to conduct information and communications security inspections as part of the annual audit plan and submit audit reports to the Audit Committee for review.</p> <p>4. Strengthen firewall monitoring and track information security to promptly identify and report any security anomalies.</p> <p>5. Periodically strengthen information security education for information personnel .</p>
Risk Management	<p>the climate change, external economic, environmental, and social risks that the company may encounter in its operations, as well as related management and control mechanisms, such as monitoring, early warning, emergency</p>	<p>1. Establish a "Sustainability Committee Working Group " to review the company's sustainability policies and management guidelines, oversee and promote sustainability-related work , and regularly implement the TCFD</p>	<p>short term:</p> <p>Formulate organizational environment identification and risk management procedures, and corporate sustainable development related measures</p> <p>Mid-term:</p> <p>Strengthen the company's internal risk management policies and educate employees and suppliers on</p>	<p>Adhering to its corporate vision and long-term sustainable responsibilities to the industry and society, Leechi has established a Sustainability Committee to provide appropriate risk management for all stakeholders. The company's risk</p>

	<p>response measures, stop-loss mechanisms, and crisis management for various risks, and identify possible improvement opportunities to enhance operational resilience. (Positive)</p> <p>Failure to identify climate change and corporate risks, and therefore inability to establish mechanisms to address potential risks, has led to internal control confusion and failures, increased operational risks, and potential disruptions to operations. (Negative)</p>	<p>framework to assess climate risks and opportunities. Identified risks and opportunities will be regularly reported to the Board of Directors on implementation status, which will be overseen by the Board.</p> <p>2. Commit to integrating and managing all potential strategic, operational, financial and hazard risks that may affect operations and profitability in a proactive and cost-effective manner.</p>	<p>the need for risk awareness long:</p> <p>Maintain comprehensive risk management to protect natural resources and ensure the safety of personnel and assets, and develop comprehensive plans and processes for risk prevention, emergency response, crisis management, and business continuity for all possible emergencies and natural disasters.</p>	<p>management focuses on strategic risk, operational risk, financial risk, information security risk, integrity risk, hazard risk, climate change or infectious disease-related risks, and corporate sustainability risk arising from non-compliance with environmental and climate-related regulations and other international agreements.</p>
Waste Management	<p>Considering product characteristics and increasing the implementation of a circular economy can reduce waste generation and lower the impact on the environment (positive)</p> <p>Waste generated during operations may have a negative impact on the environment if it is not handled by compliant environmentally friendly vendors in accordance with relevant procedures.</p>	<p>1. Adhere to the policy of "Green Manufacturing, Happy Enterprise and Sustainable Operation" and commit to comply with laws and regulations, control risks, prevent pollution, save energy and reduce waste, and improve performance</p> <p>Through deepening management, integrating resources, upgrading technology, and cultivating environmental research and development/technical personnel, we achieve the management vision of " energy conservation, emission reduction , resource utilization, and reuse"</p>	<p>short term:</p> <p>1. Implement resource recycling and classification mechanism .</p> <p>2. Promote the reduction of garbage among all employees.</p> <p>Mid-term:</p> <p>Through green product design management , we can reduce waste, improve material utilization, and lower operating costs to create a niche.</p> <p>long :</p> <p>Improve and plan the waste recycling and reuse mechanism,</p>	<p>Recyclable waste in 2024 is expected to be 238,537.5 metric tons, an increase of 22.62% from 2023.</p>
Water Resource	Implementing water resource management	1. Implement water resource management	<p>short term:</p> <p>1. Promote water</p>	The tap water consumption in 2024

Management	<p>can save costs and avoid fines for wastewater discharge (positive)</p> <p>Failure to implement water resource management increases water costs and leads to fines for wastewater discharge or causes environmental pollution, which impacts reputation (negative).</p>	<p>and daily water conservation</p> <p>2. Practice water recycling and wastewater management</p>	<p>conservation and install water-saving valves .</p> <p>2. Inspect and replace old water pipes .</p> <p>3. Report any water leaks immediately to avoid wasting water.</p> <p>Mid-term:</p> <p>Plan to increase the usage of recycled water .</p>	<p>is 3565 kWh, which is 1194 kWh less than that in 2023 . 25.10 %.</p>
clean energy	<p>Installing solar panels to provide green energy generation reduces costs and is environmentally friendly through the use of renewable energy (positive)</p> <p>Failure to comply with the domestic government's policy direction on renewable energy development and renewable energy electricity consumption will affect reputation and may even lead to fines and losses in the future (negative)</p>	<p>Improve energy efficiency and increase the use of renewable energy</p>	<p>short term:</p> <p>Plans to add solar panels</p> <p>Mid-term:</p> <p>Continue to build solar panels</p> <p>long:</p> <p>Evaluating solar energy self-generation and self-consumption</p>	<p>The strategy implemented in 2024 has achieved a power saving rate of 3.25% , and a total of 933.46KW of solar panels have been installed . In 2024, the renewable power generation will be 612,808 kWh and the green power purchased will be 1,074,070 kWh .</p>
Greenhouse gas management	<p>Implementing greenhouse gas management is in line with global trends and customer requirements, and it can be used to implement improvements and reduce costs (positive)</p> <p>Failure to implement greenhouse gas management and failure to meet customer requirements impact order volume (negative)</p>	<p>Our environmental, safety and health management policy is to "continue to promote energy conservation and carbon reduction, and move towards green and circular production." We set energy conservation and carbon reduction targets , aiming to use energy rationally and efficiently, reduce greenhouse gas emissions, and address the challenges</p>	<p>short term:</p> <p>1. Energy saving reduced by 2%~5% per year</p> <p>2. Green electricity procurement increases annually to 5%~7% of total electricity consumption</p> <p>Mid-term:</p> <p>1. Energy saving reduced by 5% per year</p> <p>2. Build solar power for self-use and increase electricity consumption annually to 25% of total electricity consumption</p> <p>3. Green electricity procurement increases annually to 20% of total</p>	<p>Greenhouse gas emissions in 2024 : 7,684.635 metric tons CO2e</p>

		of climate change.	electricity consumption long: carbon neutrality	
supply chain management	We have good supplier management, understand supplier delivery schedules and quality, and implement a sustainable supply chain. (Positive) If supplier management is not implemented, if suppliers violate human rights or environmental protection , it will lead to customers boycotting Leechi products. (Negative)	1. Continuously improve productivity and reduce costs 2. Develop supplier strategies and implement sustainable supply chain management to maintain industry leadership	short term: 1. Improve procurement system with sustainable factors 2. Understand the maturity of supplier sustainability management 3. Supplier Sustainability Negotiation Mid-term: Improving supplier sustainability management maturity long: Regular supplier evaluation	1. Regularly evaluate and coach suppliers , and maintain at least two material suppliers to disperse procurement 2. Leechi is reducing its overseas sourcing strategy and increasing local sourcing in Taiwan.
materials	Ensure that specific quality standards and customer needs are met during product design, manufacturing, and delivery, and incorporate ESG thinking . (Positive) Because product design does not meet customer needs and the quality defect rate is too high, customer complaints increase and orders decrease. (Negative)	green and innovative products by understanding market conditions and customer needs . 2. Provide education and training in accordance with the organization's internal quality management system to ensure that personnel possess quality work skills to meet customer quality requirements.	short term: of ISO9001 quality management system . 2. Hold quality review and management review meetings regularly. 3. Communicate with suppliers to understand their R&D plans for low-carbon aluminum and recycled aluminum . Mid-term: 1. Understand the department's job skills development needs and arrange education and training to cultivate colleagues' job functions based on these needs. 2. Discuss development and marketing strategies with suppliers for their developed low -carbon aluminium and recycled aluminium . long: 1. Business and production teams continuously monitor changes in customer needs and industry trends, and adjust quality management systems and KPIs as appropriate. 2. Increase the sales proportion of the company's	1. Complete the convening of 12 quality review meetings and 1 ISO management review meeting per month by 2024 . 2. The content of the meeting includes the achievement of quality KPIs, sales return statistics, education and training plans, equipment maintenance plans and other management content of ISO regulations to confirm whether the product process design meets customer requirements. 3. In 2024 , we have communicated with aluminum material suppliers about their low-carbon aluminum development plans . The company will continue to track progress and develop new products. 4. We have started purchasing and using

			low-carbon aluminum and recycled aluminum .	recycled aluminum .
Diversity and talent cultivation	Enhance competitiveness, promote innovation, increase efficiency, shape corporate culture, and support long-term development. (Positive) Increased recruitment costs, consumption of training resources, time pressure, risk of employee turnover, unsuccessful training, etc. (Negative)	Strengthen industry-university cooperation , provide talent training subsidies, establish a professional talent pool, provide career development support, improve the working environment, provide competitive salaries and benefits, and enhance internal promotion opportunities.	short term: Increase recruitment channels, improve recruitment efficiency, attract outstanding talents, and establish initial training plans. Mid-term: Establish a comprehensive talent recruitment process, cultivate talents with core capabilities, improve employee satisfaction and loyalty, and establish a knowledge sharing mechanism. long: Establish a sustainable talent reserve pool, build an organizational learning culture, cultivate leadership, create a competitive salary and benefits system, and provide career development channels.	1. Employ 7 disadvantaged persons with disabilities. 2. Employ foreign employees (Thai and Vietnamese) Cooperate with Chaoyang University of Technology, Jianguo University of Science and Technology , etc. 4. Continue to implement education and training for new employees and in-service personnel .
Occupational Safety and Health	Implementing occupational safety and health management reduces workplace accidents and allows employees to work with peace of mind and improve performance (positive) Failure to implement workplace safety and health measures increases employees' exposure to risks (negative)	With the policy of establishing a green manufacturing, safe and happy enterprise, we are committed to complying with laws and regulations, controlling risks, caring for health, creating a healthy and safe workplace environment and continuously improving and enhancing performance.	short term: Implement 5S management and perform all operations in compliance with SOP specifications . Mid-term: Through ISO 45001 standards and institutionalized continuous improvement of various hazard risks, we prevent accidents and reduce occupational hazards. long: Through continuous safety education and training, and the shaping of a safe work culture, we aim to achieve the goal of "zero workplace accidents."	No work-related injuries occurred in the factory in 2024.
Human Rights Assessment	People-oriented, respecting employees and treating them fairly, employees are happy to work and work efficiently, increasing profits	To fulfill our corporate social responsibility, implement human rights protections, and realize the universal value of human rights,	short term: 1. Set up a complaint box 2. Implement education and training 3. Human rights due diligence is an ongoing process, conducted annually	There will be no violation of human rights, labor standards laws, or other related laws in 2024.

	(positive) Employees face unfairness, neglect, and abuse of power for years, which can easily lead to conflicts, sabotage , and other disorderly behaviors, causing losses to the company. (Negative)	our company has formulated the "Li Chi Machinery Industry Co., Ltd. Employee Human Rights Policy" with reference to international human rights standards. This policy aims to eliminate human rights violations and provide a safe and healthy working environment, where our employees receive reasonable and dignified treatment and care.	or periodically. It ensures that no human rights violations occur within the company or among related groups. Medium to long term: Regularly review and evaluate relevant human rights systems and practices	
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Chapter 1 Integrity Governance and Sustainable Development

1.1 About Leechi

Company Profile

Founded in 1973, Leechi Machinery Industrial Co., Ltd. is a professional bicycle component manufacturer. Over the years, it has met the comprehensive needs of customers through design, research and development, and advanced manufacturing technology. It has also created its own brand "PROMAX" and marketed it globally. Currently, Leechi's OEM and "PROMAX" products can be seen in major European and American bicycle brands, and have earned long-term recognition and trust from customers.

Adhering to the spirit of never forgetting our original aspirations and continuous improvement, Leechi is committed to bicycle parts innovation and the long-term development of the industry. We strive to fulfill our corporate social responsibility based on a people-oriented and sustainable approach. We also aspire to earn consumer recognition for the PROMAX brand through innovation, improved user experience, public welfare contributions, and sports marketing, ensuring that PROMAX products become synonymous with professionalism, reliability, and quality.

In the rapidly changing market trends, the Leechi team adheres to a corporate culture that combines agility and resilience, continues to pursue ultimate service, creates value for the industrial ecosystem, provides safe, healthy and comfortable riding pleasure for the majority of riders, and contributes to environmental sustainability .

Brand Positioning

Leechi's future goals for its own brand - PROMAX brand positioning is to focus on mid-range and high-end bicycle products.

In terms of brand promotion, we start from the bottom up, that is, we take the recognition of

consumers and riders as the starting point, and Extending to bicycle factories for adoption, as a brand promotion strategy, we hope that PROMAX brand will move towards differentiation and Internationalization. In terms of brand concept, we hope that the PROMAX brand will become a key component of the bicycle collection.

Through the strong promotion of sports marketing , we sponsor well-known domestic and foreign athletes and major domestic and foreign cycling competitions, and continue to Through the reports of advertising media and the recommendations of professional bicycle magazines, we hope that PROMAX brand will gain consumers' attention.

Through the use and recognition of users, we hope to establish the PROMAX brand as a synonym for professionalism and excellence.

The future goal of the PROMAX brand is to pursue professional and continuous innovation to provide the highest-end bicycle parts.

High-quality, unique and innovative products are designed to meet the needs of riders and provide safe, healthy and comfortable riding.

Take the fun.

Leechi 's basic information

Organization Name	Leechi Machinery Industrial Co., Ltd.
Capital	NT\$2.2 billion
Industry Category	Motor Machinery
Date of establishment	May 16, 1973
Release Date	November 14, 1995
Nature of organizational ownership	Publicly listed companies
Stock Code	1517
Chairman	Lin Yuxin
President	Lin Yixian
Number of employees	569
Main products and services	Manufacturing, processing and trading of automobile, motorcycle and bicycle parts General machinery manufacturing, processing and trading
Location of the organization's headquarters	No. 112, Section 1, Shipai Road, Shipai Village, Changhua City



Company History

1973 , formerly known as Leechi Enterprise Co., Ltd. , and was initially engaged in the production of brakes.

Assembly as the main business

Established in 1979 as a pre-process manufacturing plant , producing stamping components, brake ducts and aluminum heat treatment

In 1983, the company was renamed "Leechi Machinery Industry Co., Ltd."

In 1986, the R&D department successfully introduced a computer-aided design system to enhance development capabilities and shorten development time.

In 1990, the forging plant was established and automated production equipment and robotic arms were introduced to improve productivity.

1993.

1.Established Yinglong Machinery (Kunshan) Co., Ltd.

2. Established the Nangang Factory in Nangang Industrial Park, Nantou;

3. Passed ISO 9001 quality management system certification

The company went public in 1995, marking a new milestone in its future growth.

In 2003, due to operational needs, Longda Machinery (Shenzhen) Co., Ltd. was established.

"Excellent Manufacturer" in 2007

Passed AEO quality enterprise certification in 2011

In 2013, the "Click Lever" product won the 2013 IF Design Award

2014.

1.Introduced composite material process equipment and engaged in composite product development/mass production

2. New CNC processing plant completed and put into use

2015.

1. Passed AS9100 and ISO9001 certification

2. The fifth floor office area was completed and put into use

TOSHMS (CNS15506) certification in 2016

In 2017, the product " Crafty Post " won the 2017 IF Design Award

2018

1. Cooperated with the Industrial Development Bureau to organize the "Smart Manufacturing Demonstration and Observation Conference";

2. Cooperate with the Central District Occupational Safety and Health Center to organize the " 107th Annual Promotion of Safety and Health in Business Institutions"Facilities and Labor Working Environment Observation Meeting

Passed ISO 45001 and TOSHMS (CNS 45001) certification in 2019

Implement ESG policies in 2020, continue to invest in afforestation/forest protection/planting greening activities in the factory area, and build solar power generation system, adopting community parks, ...

Passed IATF 16949 certification in 2021

Joined the China Cycling Sustainability Alliance in 2022 and became one of the founding members, jointly committing to implement ESG goals

The company established a sustainable development committee in 2023

first sustainability report in 2023

Introducing and implementing ISO14064-1 greenhouse gas inventory in 2023

Pass ISO14064-1 certification in 2024

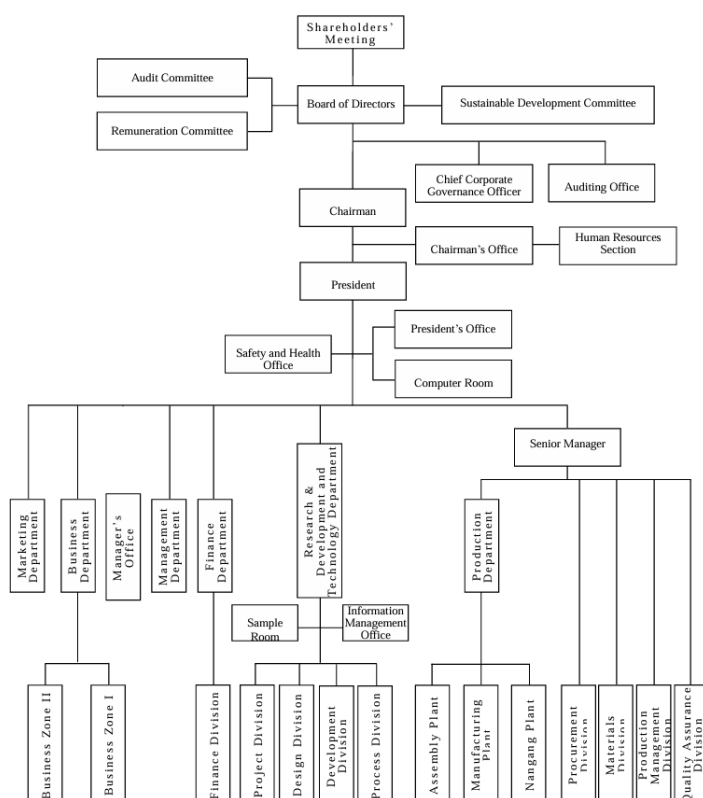
Companies/associations participated in and positions held in 2024

Leechi continues to participate in various organizations and exchange practical experience and industry trends with peers , hoping to jointly promote industry collaboration and development with peers and work together to enhance the competitiveness of the industry .

Name of industrial association	Senior Executives Title and name	Holding positions in public institutions/associations
China Cycling Sustainability Alliance	Chairman Yu-Hsin Lin	Vice Chairman
Bicycle New Culture Foundation	General Manager Yi-Hxien Lin	Supervisor
Taiwan Bicycle Exporters Association	General Manager Yi-Hxien Lin	director

1.2 Governance Structure

As a publicly listed company, Leechi 's Board of Directors serves as its highest governance body. The Board authorizes the establishment of the Audit Committee and the Compensation Committee, each composed entirely of independent directors. Each committee assists the Board in fulfilling its oversight responsibilities. The Chairpersons of each committee regularly report to the Board on their activities and resolutions. The Board's responsibilities include appointing and supervising management, overseeing operational performance, preventing conflicts of interest, and ensuring Leechi's compliance with laws, regulations, the Company's Articles of Association, and resolutions of shareholders' meetings. The Board is committed to maximizing shareholder value.



Department		Business
Chairman's Office		Assist the Chairman in promoting various projects and lead the development of important strategic products and businesses.
General Manager's Office		Assist the General Manager in coordinating the planning, promotion and auditing of various departments, systems or projects.
Audit Office		Under the Board of Directors, effectively audit the company's systems and submit recommendations to supervisors for improvement.
Computer Room		Manage and use computer equipment, assist and support various units in using computers.
Safety and Health Room		Responsible for labor safety and health planning, review and reporting and other related matters.
Business Department		Deal with product sales and explore market trends.
Marketing Department		Formulate and implement brand and marketing strategies.
Finance Department		Handle all accounting and financial matters.
Management Department	General Affairs Section	Handle matters related to personnel, general affairs and property management.
	Legal Affairs Division	Responsible for the company's legal affairs, patents, trademarks and other related matters.
R&D Technology Department		Handle new product development and improve the quality and functionality of existing products.
Production Management Office		Effectively master company resources and information to coordinate various departments to meet customer needs and provide good customer service.
Quality Assurance Department		Coordinate and supervise the implementation of quality control measures among various departments.
Materials Department		Responsible for the receipt and delivery of raw materials and coordinating with production operations to ensure timely and flexible material delivery and serve the material supply status of the production line.

Purchasing Office		Responsible for the procurement of raw materials and outsourcing processing, and providing the right amount, quality and low-cost raw materials on time to improve performance and customer satisfaction with the company.
Production Department	Manufacturing Plant	CNC precision machining of aluminum alloy parts for bicycles, automobiles, and motorcycles .
	assembly plant	Assembly and production of bicycle parts such as brake systems, seat tubes, hubs, handlebars, etc.
	Nangang Factory	Forming and processing of bicycle seat tubes and hubs, brake glue, gearshift cable guides and inner cable processing, carbon fiber products, bicycle rims, wheel sets , etc.

Enhanced functions of the board of directors

1. Board members

condition Name	Professional qualifications and experience (Note 1)	Independence situation (Note 2)	Number of independent directors serving concurrently as directors of other publicly listed companies
Chairman Yu-Hsin Lin	<p>1. Expertise: Business management, leadership and decision-making, and information technology.</p> <p>2. Education: Carnegie Mellon University Electrical and computer Master of Electrical Engineering.</p> <p>3. Main position: Chairman of the Board of Directors</p> <p>4. Concurrently serves as: Ruiteng Energy Co., Ltd. Independent Director</p> <p>5. None of the circumstances set out in Article 30 of the Company Law have occurred.</p>	not applicable	1

condition Name	Professional qualifications and experience (Note 1)	Independence situation (Note 2)	Number of independent directors serving concurrently as directors of other publicly listed companies
director Yi-Hxien Lin	1. Expertise: business management, financial accounting and tax planning. 2. Education: Department of Accounting, National Taiwan University. 3. Main duties: General Manager of the company, Head of Corporate Governance. 4. None of the circumstances set out in Article 30 of the Company Law have occurred.	not applicable	0
director Kefu Investment Co., Ltd.: Ming-Yang Chu	1. Expertise: operational judgment, innovation strategy, communication Coordination and Mechanical Engineering. 2. Education: Department of Industrial Engineering, Feng Chia University. 3. Main position: Assistant Manager of the company. 4. None of the circumstances set out in Article 30 of the Company Law have occurred.	not applicable	0
director Kefu Investment Co., Ltd.: Yu-Cheng Li	1. Expertise: Industry and business analysis, risk management and decision-making, regulatory compliance strategies, and sustainable development. 2. Education: Department of Finance, Law, Chung Yuan Christian University . 3. Main duties and experience: (1) Director of the Legal Office of Leechi Machinery Industry Co., Ltd. (2) Director of the General Manager's Office of Leechi Machinery Industry Co., Ltd. (3) Land surveyors and real estate agents 4. Current position: Manager and spokesperson of the Company's Management Department. 5. None of the circumstances set out in Article 30 of the Company Law have occurred.	not applicable	0

<div>condition</div> <div>Name</div>	Professional qualifications and experience (Note 1)	Independence situation (Note 2)	Number of independent directors serving concurrently as directors of other publicly listed companies
Independent Director Kuei-Tuan Chen	<p>1. Expertise: Education, Economics, Finance and Law.</p> <p>2. Education: PhD in Economic Law, China University of Political Science and Law Master of Finance, National Chengchi University</p> <p>3. Other main positions and experiences:</p> <p>(1) Associate Professor and Head of the Department of Accounting, Director of the Institute of Accounting and Taxation, Feng Chia University; Adjunct Professor of the Institute of Accounting, Chung Hsing University, Tunghai University, and Providence University</p> <p>(2) Legislative Yuan Legislative Consultation Center Budget Division Legislative Assistant - Examination Yuan Civil Service A-level Examination Accounting Auditor Pass</p> <p>(3) Independent Director of Chengye Medical Control Co., Ltd.</p> <p>(4) Supervisor of Feng Chia University</p> <p>4. Current position:</p> <p>(1) Accountant of Jianzhi United Accounting Firm</p> <p>(2) Independent Director of CHUMPOWER INDUSTRIAL CO., LTD .</p> <p>(3) Director of Shangwei International Investment Holding Co., Ltd.</p> <p>(4) Director of Chung Tai University of Science and Technology, Supervisor of Ling Tung University of Science and Technology</p> <p>(5) Independent Director, Audit Committee Member, Compensation Committee Member, and Sustainability Committee Member of Leechi Machinery Industry Co., Ltd.</p> <p>5. None of the circumstances set out in Article 30 of the Company Law have occurred.</p>	<p>1. Neither the individual, his/her spouse, or any relative within the second degree of kinship serves as a director, supervisor, or employee of the company or its affiliated companies;</p> <p>2. The number and proportion of company shares held by the individual, spouse, or relatives within the second degree of kinship (or using the names of others) ;</p> <p>3. a director, supervisor, or employee of a company with a specific relationship with the Company (refer to Article 3 , Paragraph 1 , Clauses 5 to 8 of the Regulations Governing the Establishment of Independent Directors of Publicly Listed Companies) ;</p> <p>4. has not received any remuneration for providing business, legal, financial, accounting, or other services to the company or its affiliated companies in the past two years.</p>	1

condition Name	Professional qualifications and experience (Note 1)	Independence situation (Note 2)	Number of independent directors serving concurrently as directors of other publicly listed companies
Independent Director Yung-Hsueh Chen	1. Expertise: Financial industry, economics and law 2. Education: Department of Law, National Taiwan University 3. Other main positions and experiences: Associate Vice President of Asia Pacific Banking, Vice President of DBS Bank 4. Current position: Independent Director, Audit Committee Member, Compensation Committee Member, and Sustainability Committee Member of Leechi Machinery Industry Co., Ltd. 5. None of the circumstances set out in Article 30 of the Company Law have occurred.	1. Neither the individual, his/her spouse, or any relative within the second degree of kinship serves as a director, supervisor, or employee of the company or its affiliated companies; 2. The individual, his/her spouse, and relatives within the second degree of kinship (or using other persons' names) hold 140,462 shares of the company, representing 0.06% of the company's shares; 3. a director, supervisor, or employee of a company with a specific relationship with the Company (refer to Article 3 , Paragraph 1 , Clauses 5 to 8 of the Regulations Governing the Establishment of Independent Directors of Publicly Listed Companies) ; 4. has not received any remuneration for providing business, legal, financial, accounting, or other services to the company or its affiliated companies in the past two years.	0

condition Name	Professional qualifications and experience (Note 1)	Independence situation (Note 2)	Number of independent directors serving concurrently as directors of other publicly listed companies
Independent Director Hui-Chen Ma	1. Expertise: Financial accounting, tax planning and financial business 2. Education: Department of Accounting , National Taiwan University 3. Other main positions and experiences: (1) KPMG Audit Assistant Manager (2) Deputy Manager of Sanxin Commercial Bank (3) Director of Shikun Plastic Co., Ltd. Supervisor (4) Director of Jieya Co., Ltd. 4. Current position: (1) Chief Operating Officer, Hengli Certified Public Accountants (2) Independent Director, Audit Committee Member, Compensation Committee Member, and Sustainability Committee Member of Leechi Machinery Industry Co., Ltd. 5. None of the circumstances set out in Article 30 of the Company Law have occurred.	1. Neither the individual, his/her spouse, or any relative within the second degree of kinship serves as a director, supervisor, or employee of the company or its affiliated companies; 2. The number and proportion of company shares held by the individual, spouse, or relatives within the second degree of kinship (or using the names of others) ; 3. a director, supervisor, or employee of a company with a specific relationship with the Company (refer to Article 3 , Paragraph 1 , Clauses 5 to 8 of the Regulations Governing the Establishment of Independent Directors of Publicly Listed Companies) ; 4. has not received any remuneration for providing business, legal, financial, accounting, or other services to the company or its affiliated companies in the past two years.	0

2. Board Diversity

of Leechi is the Board of Directors, which currently has seven members (including three independent directors), all of whom are domestic borrowers . The composition of the board is as follows: three independent directors, accounting for 43%; four directors with part-time employee status, accounting for 57% ; and two directors who are spouses or relatives within the second degree of kinship (28 %). The number of seats meets the requirements of Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

Leechi has established a board selection system. The selection process for all directors is open

and fair, in compliance with the Company's Articles of Association, Director Election Rules, Corporate Governance Code , Regulations Governing the Appointment of Independent Directors of Publicly Listed Companies and Matters to be Complied with, and Article 14-2 of the Securities and Exchange Act. The nomination and selection of directors takes into full consideration diverse aspects, including management, leadership , industry knowledge, finance, accounting, law, and environmental protection, as well as professional capabilities and experience. The Company also prioritizes individual ethical conduct and leadership reputation. To implement corporate governance and enhance the Board's functions, the Board's performance drive provides the Board with clear goals and holds each director accountable. This helps improve the quality and efficiency of the Board's decision-making, ultimately achieving effective management and oversight of the Company. The seven directors of the current Board of Directors come from diverse backgrounds, including those in various industries, academia, and accounting. They possess experience in operating industrial companies or in their respective professional fields. The Company values their extensive knowledge, personal insight, and business judgment. The professional qualifications and experience of the Board members are as follows :

Name	Diversification core project	Basic composition					Industrial experience				Professional ability				
		sex Don't	Part-time employee of the company	age			Term of independent directors Seniority	Business management	Industry knowledge	operating judgment	International market view	financial accounting	law	information technology	Environmental friendly
				31 to 50	51 to 70	71 above	3 to 6 Year								
Yu-Hsin Lin		male	✓	✓				✓	✓	✓	✓	✓	✓	✓	✓
Yi-Hsien Lin		female	✓		✓			✓	✓	✓	✓	✓		✓	
Kefu Investment Co., Ltd.: Ming-Yang Chu		male	✓		✓			✓	✓	✓	✓				✓
Kefu Investment Co., Ltd.: Yu-Cheng Li		male	✓	✓				✓	✓	✓	✓	✓	✓		✓
Kuei-Tuan Chen		male				✓	✓	✓	✓	✓	✓	✓	✓	✓	
Yung-Hsueh Chen		female			✓		✓	✓	✓	✓			✓		
Hui-Chen Ma		female			✓		✓	✓	✓	✓	✓	✓		✓	

3. Independence of the Board of Directors:

The Company 's election of directors adopts a "candidate nomination system." Director candidates are nominated and reviewed by the Board of Directors. Once approved by the Board of Directors, the nominations are submitted to the shareholders' meeting for election.

(1) Basic composition: The Company's current Board of Directors consists of seven members

(including three independent directors), all of whom are domestic borrowers . The composition is as follows: three independent directors, accounting for 43%; four directors with concurrent office status, accounting for 57 %. Three of the independent directors hold the qualification of accountant of the Republic of China, and one of the independent directors has legal expertise. The members of the Board of Directors possess extensive experience, professional knowledge and skills in the fields of finance, law, business and management, and are independent. All independent directors shall serve no more than three consecutive terms.

The age distribution of the board members includes 2 directors aged between 31 and 50, 4 directors aged between 51 and 70, and 1 director aged over 71.

(2) The Company also attaches great importance to gender equality in the composition of the Board of Directors, with a target ratio of 50%. The current Board of Directors includes 3 female directors (2 of whom are independent directors), with a female director ratio of 43 %. The Company will continue to strive for the goal of gender equality in the composition of female directors in the future.

4.Board of Directors Operations

Leechi firmly believes that establishing a corporate culture of integrity and sound business operations is the foundation for creating value for the company. The Board of Directors is responsible for guiding corporate strategy, supervising and evaluating management performance, appointing and dismissing managers, and exercising its powers in accordance with laws, the company's articles of association, or resolutions of shareholders, while also upholding corporate ethics and social responsibility. Directors and independent directors are nominated through a rigorous internal process that thoroughly considers their professional competence, ethical conduct, and leadership reputation. The Board of Directors currently consists of an Audit Committee, a Compensation Committee , and a Sustainability Committee . The Board also makes the highest-level decisions on Leechi's economic, environmental, and social issues. In 2024 , the Board of Directors met five times, with an average attendance rate of 100%.

5. Board of Directors Standards and Training

According to the company's "Corporate Governance Code of Practice ," board composition should consider diversity. Directors who also serve as company managers should not exceed one-third of the board seats. Appropriate diversity policies should be formulated based on the company's operations, operating model, and development needs. All Leechi board members are professionals with experience in corporate management or industry, encompassing backgrounds in business management, leadership, industry expertise, finance, accounting, law, and environmental protection. Leechi 's operations rely on the directors' extensive knowledge, insight, and business judgment, and therefore require board members to fulfill their duties in accordance with the highest ethical standards. Leechi has established a " Code of Integrity " and "Code of Ethical Conduct" for all members of the governance unit to adhere to. To enhance the board's decision-making quality, strengthen its supervisory capabilities, and thereby strengthen its role,

Leechi continues to provide a variety of continuing education programs for its board members. By 2024 , all directors will have met the required continuing education hours as stipulated in Article 4 of the "Guidelines for Implementation of Continuing Education for Directors and Supervisors of Listed and OTC Companies," with those reappointed to complete at least six hours of continuing education during their term .

6. Board Effectiveness

Leechi has established performance goals to strengthen the board's operational efficiency. Based on operational efficiency, Leechi has developed a "Board Performance Evaluation Procedure ," which conducts regular board performance evaluations at least once a year. These evaluations include self-assessments of the board's operational performance, the performance of board members, and the performance of functional committees. The results of these evaluations are submitted to the board, which then formulates a board effectiveness improvement plan for the following year to continuously strengthen corporate governance performance.

Functional Committee

Leechi adheres to operational transparency and prioritizes shareholder interests, believing that a sound and efficient board of directors is the foundation of good corporate governance. In line with this principle, the Board of Directors authorizes its Audit Committee and Compensation Committee to assist the Board in fulfilling its oversight responsibilities. The charters of each committee are approved by the Board, and the Chairpersons regularly report to the Board on their activities and resolutions. The Audit and Compensation Committees are composed entirely of independent directors, who offer objective and impartial advice based on their expertise and experience. The Board of Directors fully considers the opinions of independent directors when deliberating on any proposal, while respecting the principle of conflict of interest to effectively protect the interests of the Company.

1. Set up an audit committee to strictly control legal compliance matters

Leechi Machinery has established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, which is composed of all independent directors, a total of 3 people, one of whom is the convener, and 2 of whom have accounting or financial expertise.

The Audit Committee met five times in 2024 , with 100% attendance by all members. The Audit Committee is responsible for overseeing the presentation of the company's financial statements, the appointment, dismissal , independence, and performance of its accountants, the effective implementation of the company's internal controls, compliance with relevant laws and regulations, and the management of existing and potential risks.

2. Set up a salary and compensation committee to assist in evaluating salary levels

has established a Compensation Committee in accordance with Article 14-6 of the Securities and Exchange Act .

The fifth remuneration committee of the Company was approved by the Board of Directors. It consists of three members, namely Chen Guiduan, Chen Yongxue and Ma Huizhen. Chen Guiduan was elected as the convener by mutual recommendation of the members.

There were two meetings in 2024 , with 100% attendance by all members of the Remuneration Committee.

The Remuneration Committee is responsible for establishing and regularly reviewing the policies, systems, standards and structures for the performance evaluation and remuneration of directors and managers, as well as regularly evaluating the achievement of performance targets for the Company's directors and managers, and determining the content and amount of their individual remuneration.

3. The Sustainable Development Committee is established to review the company's sustainable development policies and management guidelines, and to oversee and promote sustainable development-related work .

1.3 Operational Performance

Operating results

The company's 2024 operating performance included consolidated net operating income of NT\$2,033,762,000, a consolidated net loss after tax of NT\$92,121,000 , a negative profit attributable to the parent company of NT\$92,804,000, and a basic loss per share of NT\$0.42 . The Changhua and Nangang plants are projected to produce 11,989,337 PCS and generate NT \$ 1,297,082,000 in 2024 .

The Company's operational objectives for 2024 are "capacity adjustment, product innovation, operational improvement, and cross-industry collaboration." We will continue to launch new products, strengthen collaborative development with customers to secure orders, make necessary investments, strengthen product innovation, promote industrial upgrades and ESG sustainability projects, and enhance overall competitiveness to maintain operational resilience and seize opportunities for subsequent economic recovery. These objectives include the following :

1. Capacity Adjustment: In response to order adjustments, strengthen communication with customers on order acceptance and shipment, coordinate capacity adjustments in a timely manner, cooperate with current inventory adjustments, make good production responses, and mitigate the impact of economic shocks .

2. Product Innovation: Continuously review product line composition, launch new products, and actively collaborate with customers to develop new products, continuously moving towards high-end products, in order to increase gross profit and market share .

3. Operational Improvement: We continuously review and control the operational efficiency of each business unit, strengthen financial control, and plan investments in various equipment, environmental safety and health, and factory planning. Operational efficiency has improved .

4. Management Improvement: Complete continuous verification of various ISO management systems, cooperate with the introduction of ERP and HR management

systems, continuously improve the company's various operating processes, and strengthen organizational communication and quality management.

5. Promote ESG sustainability: Establish a sustainable development committee, prepare and issue a sustainability report, complete ISO-14064 carbon inventory, adopt environmentally friendly recycled **materials** and low-carbon production processes, promote various waste reduction measures, implement energy conservation and increase the proportion of renewable energy use, strengthen corporate social responsibility and corporate governance, and join the bicycle industry's ESG alliance to jointly promote the formulation and implementation of ESG standards.

6. Cross - industry collaboration: By leveraging our solid R&D technology and manufacturing capabilities, we have secured cross-industry collaborations and orders for mass production. Through cross-industry alliances, we enhance technological development and increase operational prospects, seeking the possibility of mutually beneficial development .

Financial Performance

Unit: NT\$1,000

project	2024	2023	Increase (decrease) amount	Change ratio (%)
operating income	\$ 2,033,762	\$ 1,892,415	141,347	7
operating costs	1,954,425	1,841,625	112,800	6
operating gross profit	79,337	50,790	28,547	56
operating expenses	366,126	359,300	6,826	2
Net operating profit (loss)	(286,789)	(308,510)	21,721	(7)
Non-operating income and expenses	162,453	135,699	26,754	20
Continuing business units before tax				
Net profit (loss)	(124,336)	(172,811)	48,475	(28)
Income tax benefit (expense)	(32,215)	(14,470)	(17,745)	123
After-tax operating units				

Net profit (loss)	(92,121)	(158,341)	66,220	(42)
Losses from suspended units	0	0	0	—
Net profit (loss) for the year	(\$ 92,121)	(\$ 158,341)	66,220	(42)
<p>Explanation of analysis on changes in increase and decrease ratios:</p> <ol style="list-style-type: none"> 1. The main reason is that due to the recovery of market demand in the bicycle industry, the increase in orders and the improvement of production capacity and scale efficiency this year, the operating gross profit, operating net profit and profit and loss for the year increased compared with last year. 2. The increase in non-operating income was mainly due to the changes in foreign currency exchange rates during the year, which resulted in foreign currency exchange gains. 				

Government subsidies

NO	project	Amount
1	Nantou Air Compressor Power Subsidy	330,000
2	Subsidy for replacing a new car	50,000
3	Ministry of Economic Affairs subsidizes European Exhibition	60,000
4	Overseas Visit Grant (2024)	57,143
5	Review of carbon reduction subsidies (2024)	142,857
6	Government Energy Saving Subsidy - Tax Refund	49,000

2025 are as follows:

1. **"Adjusting Operations and Actively Accepting Orders":** The bicycle industry is expected to gradually emerge from its inventory adjustment period, and market demand is expected to stabilize. As inventory is reduced, the company will readjust its production capacity, strengthen communication with key customers, and more proactively set annual sales targets to secure new orders and meet the new wave of growing demand.
2. **"Innovative Products, Smart Manufacturing":** We will continue to deepen our collaborative relationships with renowned vehicle and parts brands, collaborate on new product development, and establish dedicated production lines. Furthermore, with the advancement of AI technology, smart and electric bicycles will become a future trend. We are actively embracing this innovation, collaborating with clients on R&D, and planning to apply AI technology to product design, production, and sales to improve efficiency and quality.
3. **"Marketing the brand and expanding market share ":** Promote sales of new

products under the proprietary brand " PROMAX ", collaborate with major distribution channels to capture the vast market opportunities in repair and after-sales service, continue to establish the brand's repair and after-sales service points around the world, and expand online sales channels.

4. **"Cross-industry collaboration, proactive transformation"**: In recent years, we have actively pursued cross-industry collaboration to seek more development opportunities, and have gradually achieved success. By undertaking cross-industry product orders, we are able to enhance our manufacturing capabilities and profits, and expand our operational prospects beyond our core bicycle business.
5. **"Talent Cultivation, Sustainable Promotion"**: Laying the foundation for the company's sustainable development, we will continue to cultivate talent and enhance welfare. Furthermore, with the global trend towards net-zero carbon emissions , the company is actively assisting customers and the supply chain in promoting ESG sustainability goals. Implementing the green transformation of the bicycle industry requires actively promoting carbon reduction measures and exploring new models for the implementation of carbon credits in the future.
6. **"Strategic Development, Active Layout"**: Due to the impact of geopolitical factors, tariff protectionism, and trade barriers in recent years, the bicycle supply chain will strengthen its supply chain resilience, reduce the risk of supply chain disruptions, or circumvent tariffs. This will further promote regional layout. The company will cooperate with customers to adjust production layout and acquire suitable targets in a timely manner to stay close to the market and enhance competitiveness.

1.4 Integrity Management

1. Establish integrity management policies and plans: The company takes "integrity and honesty" as one of its most important core values and has established a "Code of Integrity Management" that strictly requires every employee to comply with the integrity policy, actively implement the integrity management policy, prevent the occurrence of dishonest behavior, and create a good sustainable business environment.

2. The Company's Board of Directors has established various organizations and channels, including the Audit Committee, the Compensation Committee, Internal Audit, and a Business Integrity Promotion Group composed of management personnel, including the Management Department. The Executive Vice President serves as the convener and is responsible for promoting business integrity policies and preventive measures. Reports on the relevant operations and implementation status are submitted to the Board of Directors on a regular basis (at least once a year) to fulfill the supervisory responsibility for business integrity .

3. The Company implements the Integrity Management Policy. The relevant operations and implementation status in 2024 are as follows :

(1) Education, training and legal compliance

a. The company website publishes internal regulations and relevant laws and regulations. Various training courses are offered to employees based on their job responsibilities, ensuring

they have timely access to regulatory updates and deepening their understanding of professional ethics and compliance. The company's core values and compliance policies are also promoted to employees via email.

b. The company shall strengthen publicity and follow the Taiwan Stock Exchange's published notice, informing its insiders of common violations of the Securities and Exchange Act in reporting insider equity changes and reminding them to comply with the regulations.

c. When hiring new employees, the Company will, as necessary, ask them to sign a statement regarding relevant regulations and fully explain the relevant provisions of the Code of Ethics.

(2) Prohibition of insider trading

a. The company's internal regulations, "Internal Material Information Handling and Insider Trading Prevention Management Procedures," published on its website, clearly stipulate the procedures for directors, managers, and employees to handle and disclose relevant internal material information, prevent improper information leaks, ensure the consistency and accuracy of information released by the company to the outside world, and strengthen the prevention of insider trading.

b. This operating procedure shall be incorporated into the Company's internal control system. Internal auditors shall regularly monitor compliance with this procedure and prepare audit reports to ensure the effective implementation of the procedures for handling material internal information and preventing insider trading.

(3) Education and promotion of laws and regulations to prevent insider trading:

Each year, the Company continues to strengthen its emphasis on the legal awareness of current directors regarding the "Internal Material Information Handling and Insider Trading Prevention Management Procedures" and related laws and regulations, and has forwarded the TSE's letter of reminder to ensure compliance with regulations.

a. The Company 's Board of Directors' Report dated December 17, 2024 , requested that the Taiwan Stock Exchange provide a FAQ on insider equity trading to nine current directors and managers to strengthen insider awareness and compliance.

b. On December 17 and December 3, 2024 , a two-hour education and promotional course was held for nine current directors and managers, as well as 16 heads of various departments. The course focused on "Internal Material Information Handling and Insider Trading Prevention Management Procedures," covering key points such as the purpose of preventing insider trading, legal compliance, applicable scope, operating procedures, confidentiality, disclosure, handling of violations, and prohibition of unjust enrichment.

c. The Company will establish and notify the Board of Directors of stock trading control measures for company insiders from the date of becoming aware of the Company's financial reports or related performance information. Directors and managers are prohibited from trading their own stocks during the closed period (30 days prior to the release of the annual financial report and 15 days prior to the release of each quarterly financial report). Directors and managers are reminded not to trade their own stocks during the closed period prior to the release of each quarterly and annual financial report to avoid inadvertent violations of these regulations. After

the course, an electronic file of the course content will be emailed to directors, managers, and heads of each department for reference.

(4) Reporting and protection

a. The Company has multiple reporting and complaint channels, such as email, employee suggestion boxes, direct complaint channels, and related disciplinary measures. These are regularly reviewed and revised to ensure effective and comprehensive communication of opinions, enabling rapid and effective resolution of issues when they arise.

b. The company will investigate and accept reports and comply with relevant confidentiality mechanisms.

c. The company shall fulfill its responsibility to protect the whistleblower and prevent him/her from being subjected to inappropriate treatment due to the whistleblower's report.

Statistics of the actual number of reports in 2024 : 0

(5) .Regular inspection

The company's internal audit department conducts various audits based on the annual audit plan developed based on risk assessment results. The company reports the audit results and subsequent improvement plans to the Board of Directors and management to ensure audit effectiveness. Internal organizations and employees conduct annual internal control self-assessments. Each department and subsidiary is required to self-examine whether their employees have sufficient understanding of the Code of Ethics, assess and strengthen the effectiveness of internal ethics controls, and implement the Code of Ethics. The company annually reviews the causes of violations, identifies risks, and amends corporate management policies and internal control procedures, strengthening promotional and educational training.

The Company follows the "Code of Corporate Governance Practices for Listed and OTC Companies" and the "Corporate Governance Evaluation and Self-Assessment Index" of the Taiwan Stock Exchange Corporate Governance Center and has formulated

1. Code of Integrity Management ,
2. Code of Ethical Conduct
3. Procedures for Disclosure of Important Internal Information and Prevention of Insider Trading
4. Internal regulations such as procedures for handling cases of reporting illegal, unethical or dishonest behavior.

The Board of Directors and management are actively implementing their commitment to the integrity management policy and are strictly enforcing the integrity management policy in internal management and business activities.

2024 , there were no complaints or reports of violations of ethics or illegal activities by the company's operations or employees.

The company transmits documents related to shareholders' meetings and other notices electronically.

1. Cost savings

Compared to sending paper notifications, which cost about \$12 to \$14 per letter , electronic notifications can save at least \$7 per letter.

2. ESG benefits

- (1) Cooperate with the government to promote the 2050 net zero emission policy and respond to the global trend of carbon reduction .
- (2) Satisfy the needs of shareholders in the new era and demonstrate the company' s determination to go digital.
- (3) Can be disclosed on the website, annual report and ESG sustainability report to show the company' s ESG performance.

1.5 Intellectual Property

Intellectual Property Management Plan

To maintain its industry leadership, the company has established intellectual property management procedures in 2022 , in compliance with relevant intellectual property laws, including the Patent Law, Trademark Law, Copyright Law, and Trade Secret Law. These procedures ensure the protection of intellectual property rights and standardize the management of research and development results. Furthermore, the company encourages employees to engage in design, development, and innovation, enhancing industry competitiveness and creating greater corporate value. The company also promptly adjusts its intellectual property management and maintenance procedures to comply with regulatory changes, effectively controlling operational risks and ensuring sustainable development.

Implementation of the Intellectual Property Management Plan

2024 , the Company 's Board of Directors approved the intellectual property management procedures. By establishing a comprehensive intellectual property system, it will strengthen its intellectual property layout, maintain operational security, and control risks.

The Company will submit a report on the implementation of intellectual property-related matters in 2024 to the Board of Directors in March 2025.

The intellectual property achievements obtained are as follows:

1. Patents: The company has over 500 patents approved worldwide. We adopt a patent application strategy that focuses on development results to protect the rights of the company and its creators.

2. Regarding the " 2024 Patent and Trademark Case Statistics Details":

Patent applications: 8 (8 Taiwan new models , 0 Chinese new models).

Patents issued: 10 (0 Taiwan inventions , 10 Taiwan new models).

Number of trademark applications: 0.

trademark cases obtained : 0.

3. Trademarks: Global trademark registrations span Taiwan, China, the United States, the European Union, and other countries, with over hundreds of products. Trademark applications focus on the actual business operations and future plans of services and products.

4. Trade secrets: Trade secrets are institutionalized and standardized to ensure the security of

confidential information and to cooperate with other intellectual property to protect the company's R&D technology.

5. Others: Analyze the intellectual property products of major competitors to strengthen global product development. Strengthen employee knowledge of intellectual property rights through education and training, and ongoing promotion to effectively prevent and reduce infringement risks.

1.6 Information Security

Information Security Risk Management Framework

1. To enhance information security management, the Company established the "Information Security Management Committee" on October 30, 2020. The head of the computer room serves as the convener. Meetings are held regularly or as needed each year to review the development direction, strategy and related matters of information security management. The computer room provides information security information and publicity to enhance the security of business operations.

Information security management personnel are appointed - 1 information security manager and 1

information security personnel . 2. Implementation status in

2024 : (1) Management review meetings will be held regularly for a total of 12 times per month in 2024. Management review meetings will continue to be held regularly every month. The main content is to review information security policies, audit reports and continuous improvement plans.

(2) The computer room will continue to provide information security information and publicity from time to time . The computer room will notify all employees of the latest relevant information and reminders of precautions from time to time through emails, contact forms, etc., and make every effort to jointly prevent and ensure a safe network environment.

(3) Internal audits will continue to cooperate with the annual audit plan to implement information security inspections as audit items, and submit audit reports to the Audit Committee for review.

(4) Strengthen firewall monitoring and tracking of information security, promptly identify any security anomalies, and report information security incidents. (5) Strengthen information security education for information personnel at irregular intervals each year .

3. Submission of the 2024 Information Security Governance Report to the Board of Directors: Submit the December 2024 Board of Directors Report (2024/12/17) .

Information Security Policy:

1. We will strictly adhere to laws and regulations, establish relevant information security management regulations, and strengthen information security management to ensure the confidentiality, integrity, and availability of our company's information assets. 2. We will regularly evaluate and conduct internal audits to ensure the continued stable and secure operation of our business. 3. We will supervise our employees in implementing and cooperating with

information security measures, and enhance information security awareness among all departments and personnel.

4. All employees of the Company and suppliers who use or connect to the Company's computer systems are required to strictly comply with the Company's information security regulations.

Information Security Management Plan

1. The Company has implemented security monitoring operations to prevent theft or malicious destruction of information equipment and network equipment. 2. In response to the increasing importance of information security, to prevent cyber attacks, ransomware, computer viruses and other information security issues , we implement security protection mechanisms every year and cooperate with external information security vendors for testing.

3. We conduct annual information security incident drills and strengthen the company's information security crisis awareness and information security processing personnel's response capabilities. In order to prevent and block the spread of crises.

4. The Company's internal audit is in accordance with the annual audit plan to standardize information security inspections as an audit item. According to Article 8 of the Internal Control System Processing Guidelines for the management of personal data protection and Article 9 of the Internal Control System Processing Guidelines for the use of computerized information systems by the Company, the information department and the user department should clearly divide the rights and responsibilities and the following control operations: (1) The division of functions and responsibilities of the information processing department. (2) Control of system development and program modification. (3) Control over the preparation of system documents. (4) Control over access to programs and data. (5) Control over data input and output. (6) Control over data processing. (7) Security control over files and equipment. (8) Control over the purchase, use, and maintenance of hardware and system software. (9) Control over system recovery plans and testing procedures. (10) Control over information security inspections. (11) Control over the reporting of public information to the website designated by the competent authority.

Information security implementation effectiveness

major cybersecurity incidents occurred in 2024 , and there were no leaks of confidential information affecting the personal information of customers, suppliers, and employees , nor were there any fines incurred.

1.7 Regulatory Compliance

Leechi strives to comply with relevant laws and regulations in all its operations. To ensure compliance, since its inception, each department has conducted an annual internal control self-assessment, updated all policies and regulations potentially impacting the company's operations, and regularly monitored future regulatory developments to facilitate timely adjustments to operational strategies. The company also conducts internal awareness campaigns on the importance of corporate governance, employee ethics, and other ethical standards annually, and provides relevant training to help all departments understand and adhere to current laws and regulations. Employees who violate laws, occupational safety and health regulations, labor contracts, and business ethics will be dealt with in accordance with relevant laws and regulations and disciplinary measures, which will be included in employee performance evaluations . In 2024 , Leechi was not involved in any anti-competitive, antitrust, or monopoly-related lawsuits,

nor was it implicated in any corruption incidents. Furthermore, the company has not been subject to any legal proceedings or penalties related to corporate governance (including economics), environmental protection, and social engagement (including human rights).

1.8 Climate Change and TCFD

Climate change is a high priority for Leechi . In response to potential crises associated with climate change and energy supply, Leechi is not only strengthening its climate resilience efforts to mitigate the operational impact of potential disasters, but also continuously working to mitigate greenhouse gas emissions. Through close collaboration across departments and the integration of company resources, Leechi proactively and cost-effectively identifies climate change risks and opportunities, implements relevant response measures and strategies to mitigate risks, seize business opportunities, and achieve sustainable corporate operations. Scenario-based approaches are also used to identify Leechi 's physical and transformational risks, as well as opportunities in production, products, and new markets, and the impacts and influences on the company's operations, strengthening the company's climate change governance.

Organization and Responsibilities

Leechi uses the Board of Directors as the highest governance unit for responding to climate change. To strengthen the Board's oversight responsibilities for sustainability matters and promote and implement the sustainable development vision, the company established a "Sustainability Development Committee" in December 2023 with the approval of the Board of Directors . The committee aims to review the company's sustainability development policies and management guidelines, oversee and promote sustainability-related work, and comply with the requirements of the corporate governance assessment. Six committee members will be appointed , and the Chairman will appoint the General Manager as the highest leadership officer and authorize the General Manager to coordinate all internal sustainability -related units to form a sustainability development working group . The working group members will be composed of department heads and executive personnel. In accordance with the requirements of the corporate governance assessment, they will be responsible for promoting the company's risk management, corporate social responsibility, climate change adaptation and other sustainability-related work. Through diverse and smooth communication channels, the committee will understand the ideas and needs of stakeholders and use this as an important reference for the formulation of the company's sustainability policy.



The Sustainability Committee is convened by the Chairman, while the Sustainability Working Group serves as a cross-functional organization , coordinating department heads and facilitating

cross-departmental communication. Regarding climate change-related issues, the company references the TCFD framework to identify relevant risks, establish management strategies, and conduct strategic risk management.

Sustainability Working Group are:



The Sustainability Working Group holds quarterly review meetings. The General Manager oversees various energy conservation, carbon reduction, and water conservation initiatives, reviews progress and achievement of targets, and reports quarterly to the Chairman on energy conservation and carbon reduction implementation results. These are included in the Board's agenda for easy reference and discussion. The Company holds at least four Board meetings annually and regularly submits climate-related topics to the Board, including long-term strategic goals for addressing climate change, energy conservation and carbon reduction strategies, mid-to long-term vision, annual energy conservation and carbon reduction performance, and green production and product planning.

Division of responsibilities



With the goal of achieving carbon neutrality by 2050, Leechi continues to promote energy-saving measures, reduce unit product energy consumption, and build (invest in) solar panel power generation facilities and other improvement plans to achieve the vision of transitioning to a low-carbon economy.

The following table shows the reduction directions and goals planned by Leechi to achieve short-, medium-, and long-term goals :

Timeline	2022~2024	2025~2030	2031~2050
Target	1. Energy saving reduced by 2%~5% per year 2. Green electricity procurement increases annually to 5%~7% of total electricity consumption	1. Energy saving reduced by 5% per year 2. Build solar power for self-use and increase electricity consumption annually to 25% of total electricity consumption 3. Green electricity	carbon neutrality

		procurement increases annually to 20% of total electricity consumption	
Reduction direction	1. Measures to improve energy conservation, carbon reduction and circular economy 2. Install and develop renewable energy, such as solar energy 3. Procurement of green electricity 4. Evaluate the use of recycled aluminum and low-carbon aluminum	1. Measures to improve energy conservation, carbon reduction and circular economy 2. Install and develop renewable energy and use it for your own needs 3. Procurement of green electricity 4. Evaluate product usage reduction and product recycling 5. Evaluate wastewater recycling and reuse	1. Assessing the energy transition 2. Assessment of carbon sinks and negative carbon credits 3. Procurement of green electricity

To meet its 2050 carbon neutrality goal, Leechi has established five strategies: process energy reduction, equipment efficiency improvement, fossil fuel reduction , energy management, and renewable energy . The short-term strategic planning items for 2022 to 2024 are described below :

2022~2024 Carbon Reduction Strategy Project	Implementation content description
Process energy reduction	Process energy reduction strategies include process optimization, regular maintenance of related equipment, and energy-saving improvements.
Improved equipment efficiency	Equipment efficiency improvement strategies include replacing energy-saving motors and old mechanical equipment .
Reduce fossil fuel use	Replace the electric forklift and electric vehicle .
Energy Management	Energy management strategies include energy-saving measures such as system voltage reduction and power saving , and replacement of energy-saving lamps.
Renewable Energy	We will continue to review potential solar photovoltaic sites, assess their feasibility, and gradually increase the installed capacity of green electricity .

The strategy implemented in 2024 has achieved an electricity saving rate of 3.25% , and a total of

933.465kW of solar panels have been installed , reducing carbon emissions by approximately 290 tons of CO₂e and purchasing 1,074,070 kWh of green electricity .

Climate Change Risk and Opportunity Identification and Assessment Process

We identify various risks related to climate change, establish management strategies, and conduct strategic risk management. Using the TCFD framework as a reference, we identify various risks, establish management strategies, and conduct strategic risk management. When developing risk scenarios, we consider transition risks (policy and regulation /market/ technology /reputation) and physical risks (long- term and immediate). We also provide a risk description for potential events, including the extent of the financial impact, the duration of the impact (short-term , medium-term , long-term), the impacted entities in the value chain, and the likelihood of the risk. When assessing opportunities, we consider aspects such as resource efficiency, energy sources , products and services, markets, and adaptability. Leechi 's risk identification and assessment process for climate-related risks is as follows:

1. Background information collection

- Collection period: 2024/1~2024/12
- Topic collection:
 - 1. Collect background information from news, the Internet, and events in other countries or companies
 - 2. Consider transition risks (including policy and legal, market, technological, and reputational) and physical risks (including immediate and long- term)

2. Scope of risk and operational assessment

- Conduct climate change risk assessments across the value chain, including direct and indirect operations

3. Risk and operational impact analysis

- Frequency of analysis: Review annually.
- Analysis method: Risk Mapping .
- High-risk inventory and identification:
 - 1. When identifying and assessing climate-related risks and opportunities, the Company defines a financial impact exceeding NT\$ 1 million as a material impact.
 - 2. Define risk levels :
 - exceeding 5 million and with a probability greater than 80% are considered high risk. For high-risk events, corresponding management plans must be developed to reduce the losses caused by the risk, such as reducing the number of occurrences, reducing financial impact, risk transfer, and risk avoidance. (Carbon fee collection issue)
 - A moderate risk is defined as a probability greater than 50% for a typhoon exceeding 2 million . No action is currently required for moderate risks, but the situation needs to be continuously monitored. (Typhoon Issue)
 - The rest are low risks; low risks are acceptable risks .

4. Control measures and target setting

- The Sustainability Working Group assesses risk based on a criteria based on consequences and likelihood. Once risks and opportunities are identified, relevant response strategies are developed to mitigate, transfer, control, or accept them, thereby setting short-, medium-, and long-term goals.
- Regularly hold " Sustainable Development Working Group Review Meetings" to review implementation results
- In the future, we will entrust a third-party impartial organization to verify the actual energy conservation and carbon reduction performance, and adjust the carbon reduction targets and approaches on a rolling basis to align with international trends.
- In the future, we plan to set relevant carbon fees to implement internal carbon pricing management, and incorporate carbon emission costs and targets into the operating costs of each plant.

Leechi 's climate change risk and opportunity identification analysis is as follows:

Establish management	risk	Transformation risks	Policies and regulations	Carbon emissions reporting obligations, carbon price increases , renewable energy , regulations for existing products/services	General Manager's Office , Management Department
			technology	Product replacement and transition to low-carbon technology costs	R&D Technology Department ,

					Management Department
			market	Changing consumer preferences and rising raw material costs	Business Department
			reputation	Stakeholders' concerns	General Manager's Office
		entity risk	Immediacy	Flooding , landslides, and debris flows	General Manager's Office , Management Department
			Long-term	Rainfall, rising temperatures, and rising sea levels	
	Chance	Transformation opportunities	Resource efficiency	Adopt more efficient production processes, distribution and transportation processes, and use new technologies	Production Department
			Energy Source	Low-carbon energy and new technology applications	Management Department
			Products and Services	Development of low-carbon products and changes in consumer preferences	R&D Technology Department , Business Department
			market	Access to new markets, public sector incentives	Business Department
			Adaptability	Renewable energy projects, energy substitution/diversification , process improvement	Management Department , R&D Technology Department

Risk and opportunity management

" Sustainable Development Working Group " assesses the risk index based on the consequence and probability rating standards. After the risk and opportunity levels are confirmed, relevant response measures for mitigation, transfer, control or acceptance are formulated, and short- , medium- and long-term goals are set . In response to the goal formulation plan, the " Sustainable Development Working Group " reviews the implementation progress and goal achievement status through quarterly work meetings. The general manager reports the results of energy conservation and carbon reduction implementation to the chairman every quarter , and organizes them in the appendix to the board agenda for reference and discussion. After a comprehensive assessment of global sustainability trends and Leechi 's operational development goals, analysis of major issues in various aspects such as governance, economy , environment, and society , and the ones with the greater impact of the above assessments, the proposed response methods are disclosed as

shown in Tables 1.8-1 and 1.8-2 :

Risk Type Transformation/Entity	Risk Level	Main climate-related risk factors	Risk Management Plan
Transformation risks Policies and Regulations	Moderate risk	<p>Greenhouse Gas Reduction and Management Act - Carbon Fee</p> <p>1. No Excess Carbon Emissions : To implement carbon reduction legislation , the government announced in 2023 that it would amend the Greenhouse Gas Reduction and Management Act to become the Climate Change Response Act. Based on an estimated greenhouse gas emissions of approximately 7,684 metric tons of CO₂e in 2024 , if no carbon reduction measures are implemented, and a carbon fee of NT\$ 300 per metric ton is imposed, the estimated annual financial impact would be NT\$2.3 million .</p> <p>2. Excess Carbon Emissions : For carbon emissions exceeding the quota assigned by the central competent authority , the penalty for excess emissions will remain capped at NT\$1,500 per metric ton. Our company's greenhouse gas emissions in 2024 were estimated to be approximately 7,684 metric tons of CO₂e. If no reductions are made by 2050 and no carbon credits are purchased to offset these emissions, we may be subject to a carbon fee of NT\$1,500 per metric ton for excess emissions .</p>	In order to strengthen the personal awareness of carbon reduction among all employees, the company not only continues to promote and formulate greenhouse gas emission reduction measures , but also uses relevant data as an important indicator for performance evaluation, product operation, investment evaluation and other matters, in order to maintain the company's competitiveness.
Transformation risks Customer behavior changes	High risk	The bicycle industry is a low-GHG emitter. Whether it's individual bikes or shared bikes, increasing bicycle penetration is	carbon emissions , the company plans its products and increases the production of low-carbon aluminum

		<p>crucial to achieving net-zero emissions . This also makes it increasingly urgent for the bicycle industry to achieve net-zero emissions in its manufacturing process. Failure to proactively transform and improve towards low-carbon products will lead to a shrinking market, reduced revenue, and financial losses.</p> <p>Purchasing green energy aluminum materials will increase the purchase cost by 3 yuan/ kg</p>	<p>and recycled aluminum products to address the financial losses caused by changes in customer behavior.</p> <p>Promote various energy conservation and carbon reduction programs and gradually move towards low-carbon transformation, evaluate investment</p> <ol style="list-style-type: none"> 1. Green energy power generation facilities (solar energy) and subsequent evaluation of energy storage systems 2. Self-recycling of scrap aluminum 3. Process technology optimization and other technologies
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Table 1.8-1 Risk issues with the greatest financial impact and management solutions

Risk Type Transformation/Entity	Risk Level	Main climate-related risk factors	Risk Management Plan
Transformation opportunities Improve energy efficiency	High chance	Our company utilizes the concept of circular economy and considers the opportunities for energy reduction that can be brought about by improving energy efficiency. Regular maintenance of machines , replacement of machinery and equipment, and modification and simplification of processes can reduce fuel usage.	The electricity saving rate will reach 3.25% by 2023 .
Transformation opportunities Renewable Energy	Moderate chance	The installation and purchase of renewable energy are part of our company's carbon reduction strategy. Installing solar energy can reduce the use of gray electricity .	Renewable Energy Generation System Construction Plan: Plans are underway to install solar panels with a total capacity of 933.46 kW by 2024. The project will generate 12,808 kWh of

			electricity in 2024 .
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Table 1.8-2 Assessment and management of issues with the greatest financial impact by opportunity category

Integration of climate change related issues

Sustainable business operations must consider a variety of potential risk issues and operational assessments. To implement the philosophy of sustainable development, Leechi continuously monitors global risk trends. Risk issues have evolved from a single "economic" dimension to encompass a wide range of dimensions, including environmental, social, technological, and geopolitical, with climate change issues now integrated into the environmental dimension. Risk management is centered around the Sustainability Working Group , which identifies risks that could impact the company's operations. Based on the nature of the risk, Leechi collaborates with various business units to jointly assess the likelihood and impact of the risk. These findings are then promptly communicated to management to adjust the company's operational strategy.

Regarding risk management, the company further categorizes risks into two main categories: "inherent operational risks" and "emerging risks." Inherent operational risks are identified as required by the "Standards for Reporting in Annual Reports of Public Companies," and are analyzed and assessed item by item by the Finance Department . Emerging risks, on the other hand, are identified as operational risks that may arise over the next five years. The company utilizes the COSO Enterprise Risk Management (ERM) framework to collect and analyze emerging risks, and engages ESG experts to collaborate on the analysis of these risks. Currently, climate change-related issues often fall under the emerging risk category.

Based on our integrated risk analysis and assessment process, we have identified inherent operational and emerging risks. Risk issues analyzed and assessed related to climate change include: changing corporate image, technological change, the physical risks of climate change, stakeholder concerns about low-carbon energy, energy transition, and compliance with domestic and international energy policies.

" Sustainable Development Working Group " re-examined the physical risks of climate change. In terms of risks, it identified the transition risks of climate change (policies and regulations /markets/ technology /reputation) and the physical risks of climate change (long-term and immediate). In terms of opportunities, considerations included: improving resource efficiency, other alternative energy sources, low-carbon products and services, low-carbon product markets, and low-carbon product adaptability.

After identifying and assessing climate-related risks and opportunities, Leechi defines a financial impact exceeding NT\$1 million as a material impact, as shown in Figure 1.8-1 . Risks and opportunities are then categorized into four categories : high financial impact with a high probability of occurrence, high financial impact with a low probability of occurrence, low financial impact with a high probability of occurrence, and low financial impact with a low probability of occurrence.



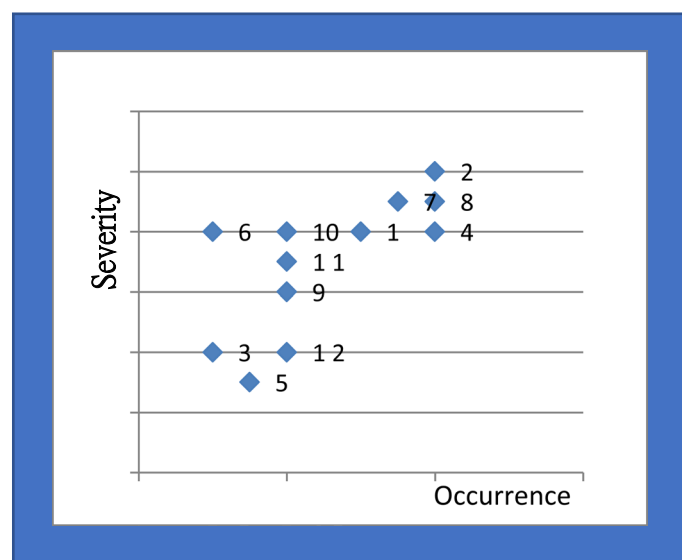
Figure 1.8-1 Climate change issue significance assessment process

Leechi uses a matrix of financial impact severity and risk probability to determine high risk. The risk probability assessment index is divided into 4. The indicators are divided into three levels, which are based on the probability of occurrence, namely 0% - 30 %, 31 % - 50 %, 51 % - 80 %, and above 81 %. The severity of financial impact is financially substantial if it exceeds 1 million . For each level, the financial impact may exceed RMB 5.01 million , be between RMB 5 million and RMB 2.01 million , or be between RMB 2 million and RMB 1 million . Draw a risk matrix as shown in Table 1.8-3 .

Financial impact	high	middle	Low
Amount	More than 5.01 million	2.01 million to 5 million	1 million to 2 million
impossible (0%<X<30%)	Low risk/opportunity	Low risk/opportunity	Low risk/opportunity
Somewhat possible (31%<X<50%)	Low risk/opportunity	Low risk/opportunity	Low risk/opportunity
possible (51%<X<80%)	Moderate Risk/Opportunity	Moderate Risk/Opportunity	Low risk/opportunity
Very likely (81%<X)	Significant risks/opportunities	Moderate Risk/Opportunity	Low risk/opportunity

Table 1.8-3 Risk Matrix

NO	type	issue
1	Transformation risks	Policies and Regulations - Carbon Fees
2	Transformation risks	Technology-Renewable Energy
3	Transformation risks	Policies and Regulations - Carbon Tariffs
4	Transformation risks	Market-customer behavior changes
5	Transformation risks	Energy-Diversified Energy



6	Transformation risks	Reputation-ESG Investing
7	Transformation risks	Adaptability-Low Carbon Products
8	Transformation risks	Adaptability-Process Improvement
9	Physical Risk	Immediate-Typhoon
10	Physical Risk	Immediate-flooding
11	Physical Risk	Immediate-debris flow
12	Physical Risk	Long-term temperature rise

A climate change risk and opportunity risk map comparison chart , as shown in Figure 1.8-2 , defines 12 risk levels: high risk for events exceeding 5 million with a probability greater than 80%, medium risk for events exceeding 2 million with a probability of 50%, and low risk for all others. Low risk is considered acceptable, while medium risk does not require immediate action, but ongoing monitoring is required. For high-risk events, corresponding management plans must be developed to mitigate the resulting losses, such as reducing the frequency of occurrence, mitigating financial impact, risk transfer, and risk avoidance.

Summary of risks and opportunities affecting the company

Climate issues	Impact Analysis	Risk/Opportunity Level
Possible impact on the company/organization (Current Risk , Opportunity Analysis and Strategy)	Topic Category	Risk Level
The Greenhouse Gas Reduction and Management Act has been renamed the Climate Change Response Act, and its text has been revised . This is primarily due to the severity of global climate change, the increasing demand for carbon reduction in international industrial supply chains, and the impending implementation of stricter international carbon emission controls. This is intended to promote Taiwan's net-zero transition and enhance industrial competitiveness. Key revisions include incorporating a 2050 net-zero emissions target and establishing dedicated carbon fees . The Environmental Protection Administration also plans to impose a carbon fee on major emitters starting in 2024 , with the threshold for collection gradually lowered .	Transition risks/policies and regulations	Moderate risk

Based on an estimate of approximately 7,684 metric tons of CO ₂ e in 2024 , if no measures are taken to reduce carbon emissions , and a carbon fee of NT\$ 300 per metric ton , it is estimated that the financial impact will be NT\$2.3 million per year.		
border tax after 2026. Initially, the tax will target products directly emitting from five major industries: electricity, cement, chemical fertilizers, steel, and aluminum. Leechi's current export products are not included in the tax scope. In its "Environmental Policy" risk assessment, the EU's carbon border tax is assessed for its potential future impact. The UK, Japan, Canada, Singapore, and other countries have expressed support for the carbon border tax, and while it seems unlikely to have any impact in the short term, it will continue to be monitored.	Transition risks/policies and regulations	Low risk
Government regulations, such as "renewable energy must account for 20% of total power generation by November 2026 " and "management measures for electricity users above a certain contract capacity to install renewable energy generation equipment," suggest that reductions and energy transitions will lead to price increases and power instability, posing a high medium-term risk to companies. In response to the risks of renewable energy policy adjustments, companies are actively investing in renewable energy facilities, including wind and solar power generation. Leechi's "Renewable Energy Generation System Construction Plan" includes plans to install 933.46 kW of solar panels by 2024 , generating 612,808 kWh of electricity in 2024 .	Transformation Risk/Technology	High risk
The "Climate Change Risk and Opportunity Identification" and "Design and Development" categories encompass risks related to product design and development, raw materials, markets, operations, and process technology. The customer behavior change review further assesses the impact on revenue from changes in consumer preferences (such as the use of recycled and low-carbon	Transition Risk/Market	High risk

aluminum) leading to a decrease in demand for goods and services. To address customer demand, Leechi is transitioning to low - carbon and recycled aluminum production to mitigate the impact.		
With the recent surge in ESG awareness, investment institutions are assessing clients' ESG performance when evaluating investments and lending. Failure to meet ESG sustainability requirements not only negatively impacts a company's reputation, but can also lead to higher interest rates and, in severe cases, even a refusal to lend to high-carbon industries. Leechi assesses the risk posed by reputation as low.	Transformation risk/reputation	Low risk
Leechi considers the product lifecycle and value chain, investing in R&D to develop low-carbon products. This involves reducing raw material usage, improving processes, and reducing transportation within the supply chain. Leechi incorporates the concept of a circular economy, recycling and reusing scrap aluminum generated during the manufacturing process. This reduces production costs while promoting sustainable resource utilization. The global market for recycled aluminum and scrap aluminum continues to grow, presenting significant development opportunities.	Opportunity/Adaptability	High risk
Leechi , through its Sustainability Committee, promotes risk management, corporate social responsibility, and climate change adaptation. In response to climate change, the company is committed to promoting a circular economy for raw materials, water resources, energy, and waste, and is working towards energy conservation, emission reduction , resource integration, and zero waste. In recent years, the company has continuously strengthened resource efficiency and reduced operating costs, considering the potential for reusing process waste and scrap aluminum at its plants to reduce greenhouse gas emissions , in line with Leechi's sustainable development goals.	Opportunity/Adaptability	Low risk
Typhoons are a representative example of extreme	Physical risk/immediacy	Low risk

weather events in Taiwan . Statistics show that an average of 3 to 4 typhoons hit Taiwan each year . Taiwan 's direct financial losses from catastrophic weather events average NT\$15 billion annually , with typhoons accounting for approximately 85% of this . Leechi is strengthening emergency response measures and drills.		
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Climate change scenario analysis

Leechi , drawing on models used by government agencies to conduct scenario analysis for Nationally Determined Contributions (NDCs), provided the results to the Sustainability Working Group as a strategic basis for identifying , assessing , and managing risks and opportunities (including details of identified risks , opportunities, related financial impacts , and management strategies) . Leechi Risk primarily used climate change models RCP2.6, RCP4.5, RCP6.0, and RCP8.5 as future scenario simulations, drawing on the IEA Net Zero Emissions by 2050 Scenario (NZE) and Nationally Determined Contribution (NDC) targets. In its Intended Nationally Determined Contribution (INDC) report, Taiwan set a 50% reduction in greenhouse gas emissions by 2030 based on the Business As Usual (BAU) scenario, and a national net zero emissions pathway by 2050. In this scenario, the company analyzes the future impact on the market, technology, reputation, finance, and operations, based on the power generation structure and development of various national departments from 2030 to 2050. Physical risks are referenced from the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and the National Center for Disaster Prevention and Mitigation . Under the RCP2.6/RCP4.5/RCP6.0/RCP8.5 scenarios, Leechi's own assets are classified as non-risk because none of their locations have the potential for flooding, landslides, or landslides. However, even in this non-risk scenario, Leechi has developed contingency plans and risk management measures, including emergency response procedures, such as preparing evacuation plans and salvage supplies, to ensure employee safety and property protection. Leechi is also considering further enhancing the water resistance of its building structures and risk management systems to mitigate potential future risks and losses.

Types of disaster potential	the Changhua Plant have disaster potential?	the Nangang plant have disaster potential?	Detailed description
Flooding potential area with 350mm rainfall in 6 hours	none	none	potential area for 350mm rainfall in 6 hours within 500 meters
Flooding potential: 400 mm rainfall in 12 hours	none	none	potential for 400mm rainfall in 12 hours within 500 meters
Flooding potential area with 500mm rainfall in 24 hours	none	none	potential for 500mm rainfall in 24 hours within 500 meters

Flooding potential area with 24- hour rainfall of 650 mm	none	none	potential for 650mm of rainfall in 24 hours within 500 meters
Debris flow potential stream	none	none	
Areas with potential for large-scale landslides	none	none	potential area within 500 meters
Downslope	none	none	potential area within 500 meters
rock slide	none	none	potential area within 500 meters
debris avalanche	have	have	There is no direct potential area , but there is one within 500 meters.
falling rocks	none	none	potential area within 500 meters
Soil liquefaction potential zone	none	none	
Active fault	none	none	potential area within 500 meters of the fault sensitive area
Tsunami flooding potential areas	none	none	
Volcanic potential	none	none	
Nuclear emergency response area	none	none	

Chapter 2 Clean Energy and Environmental Sustainability

2.1 Environmental Management

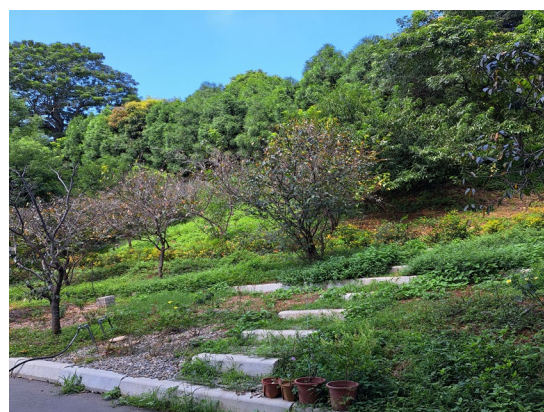
While pursuing profitability, Leechi recognizes the importance of fulfilling its corporate citizenship responsibilities. Leechi strictly controls product and service quality to ensure the absence of any hazardous substances. Raw material inspection and international chemical management monitoring ensure compliance with relevant regulations. Leechi utilizes low-energy, low-pollution processes, avoids the use of conflict minerals, conducts regular third-party testing, and updates and discloses hazardous substance information to achieve the highest safety standards. Leechi's products comply with regulations such as RoHS and REACH, demonstrating its commitment to non-toxic manufacturing. The company's mission is to reduce environmental impact and achieve shared prosperity , and it is fully committed to promoting this through various initiatives, including energy conservation, carbon reduction, greening, eco-design , and resource recycling.

Hazardous chemicals used in our factory processes are managed by qualified professionals. We implement comprehensive controls over the procurement, issuance, storage, and use of hazardous chemicals. As part of our 2024 Taiwan factory environmental protection initiative, we will fully replace our primary petrochemical-based cleaning agents with environmentally friendly alternatives to mitigate environmental impact. We implement a regular annual safety and health training program, providing operational training, emergency response, and knowledge training. We also ensure that Safety Data Sheets (SDSs) are clearly visible and readily available for on-site personnel to review and effectively implement emergency response measures in the event of an

emergency.

Seizing opportunities such as the trend of sustainable development and the company's active promotion of the green energy industry , Leechi has obtained ISO 14001 environmental management system certification . By introducing the environmental management system, employees are not only made aware of the company's commitment to ensuring a safe working environment for employees, but also understand the company's long-term commitment to promoting environmental protection and green energy as an important and excellent policy.

Leechi Environmental Safety and Health Policy
➤Comply with environmental safety and health laws and regulations and fulfill social responsibilities.
➤Implement environmental safety and health management systems to reduce hazard risks.
➤Implement and promote environmental safety and hygiene awareness, and promote energy conservation and waste reduction.
➤Promote full staff participation and consultation, and provide management resources.
➤Continuously improve and enhance performance to ensure sustainable operation.



Through the implementation of the ISO 14001:2015 environmental management system, we have systematically implemented environmental, safety, and health management policies, risk identification, and legal compliance. We systematically prioritize management areas, develop management procedures, implement improvement projects, and provide employee education and training. This aims to reduce the environmental impact of our operations, provide customers with safe products and services, and ensure employee health and safety at work. Two environmental assessments were conducted in 2024 , and no significant environmental impact risks were identified. Throughout the ISO 14001:2015 implementation process, we have provided multiple employee education and training sessions. Through active employee participation and hands-on experience, we are improving our existing work practices to achieve our environmental management goals. The environmental management system not only ensures that employees understand our commitment to ensuring a safe workplace, but also demonstrates the importance and excellence of our long-term commitment to environmental protection and green energy .

project	Target	Promotion measures	2024 results
Energy conservation and carbon reduction	1% reduction per year	<ol style="list-style-type: none"> 1. All office area lighting has been replaced with energy-saving LED fluorescent lamps. 2. The heat energy generated by the operation of the air compressor is converted to heat the domestic water in the factory, reducing the electricity consumption of electric water heaters. 3. Continue to replace old electrical appliances with energy-saving label products - air conditioners, fans, dehumidifiers, refrigerators, etc. 4. Turn off several fluorescent lights during lunch and lunch breaks . 5. Purchase new frequency conversion energy-saving air compressors and overhaul air compressor pipelines to avoid air leakage and energy consumption. 6. Increase ventilation or insulation facilities in the factory, such as exhaust fans , energy-saving glass, etc., to lower the indoor temperature and reduce the air-conditioning load. 7. Install an insulated roof on the air-conditioning chiller to improve its efficiency and install temperature control equipment on the air-conditioning units in each unit to limit the temperature to above 26 degrees to avoid energy waste. 8. Improve the problem of excessive power consumption during peak hours - Install energy storage equipment to store power at night and release power during the day. When power consumption exceeds the limit, large energy-consuming equipment will be shut down to adjust power allocation. 	3.25% reduction
Save water	1% reduction per year	<ol style="list-style-type: none"> 1. Promote water conservation and install water-saving valves to encourage everyone to develop the habit of turning off the water at any time. 	Tap water consumption in 2024 will decrease by 1,194

		<p>2. Report any water leaks immediately to avoid wasting water.</p> <p>3. Increase the usage of circulating water .</p>	kWh, a 25.1 % decrease compared to 2023.
Greenhouse gas reduction	5% reduction per year	<p>1. Promote paperless policies and publicize the use of electronic forms to reduce paper usage.</p> <p>2. Employees bring their own environmentally friendly tableware to reduce the use of disposable tableware.</p> <p>3. Promote the reuse of recycled paper to reduce paper usage.</p> <p>4. Replace old equipment with new ones to improve work efficiency and comply with green environmental protection trends.</p> <p>5. Process improvement and continuous improvement to enhance efficiency and reduce waste.</p> <p>6. Our company cooperates with the government to actively promote green procurement. Our procurement department uses low-carbon aluminum and recycled aluminum . We hope to reduce environmental impact through green procurement and create an environmental ecological balance for coexistence and prosperity.</p>	7,684.635 metric tons of CO2e emitted in 2024
Waste Management	1% reduction per year	<p>1. Implement resource recycling and classification mechanisms for scrap aluminum , scrap iron , scrap plastic , and paper .</p> <p>2. Promote the reduction of garbage among all employees.</p> <p>3. The company shall implement a resource recycling mechanism for waste generated in accordance with laws and regulations.</p> <p>4. Enforce compliance with resource recycling regulations and implement environmental protection policies.</p>	Recyclable waste was 238,537.5 metric tons, an increase of 22.62% compared to 2023

March 2026, Leechi received AFNOR certification and ISO 14001:2015, achieving the latest environmental management system standards. The certificate is valid from October 15, 2024 , to September 14 , 2027. Leechi complies with government regulations regarding environmental protection and pollution prevention. In 2024 , there were no environmental pollution incidents, nor were there any legal proceedings or penalties for violations of environmental protection regulations.

In recent years, stakeholders have focused on climate-related risks, with biodiversity loss emerging as a key concern with the greatest impact. Leechi conducts environmental impact assessments in accordance with environmental regulations to ensure that operations do not compromise biodiversity conservation. We actively reduce pollution using environmentally friendly technologies and strictly adhere to environmental regulations. Annual testing measures ensure that wastewater, exhaust, waste treatment, and noise emissions meet regulatory requirements. At our Changhua plant , we continue to implement programs related to protecting the natural environment. Leechi is committed to promoting nature and biodiversity conservation and tree planting and care through continuous improvement of its activities, products, and services, thereby fulfilling its responsibility to mitigate overall ecological impacts. Currently, a 3-hectare plantation of distinctive, elegant , tall trees, such as bald cypress and jacaranda , is located in the Leechi company's backyard , providing a habitat for wildlife such as sambar deer , squirrels , and white-crowned sparrows . As trees grow, they are inevitably subject to damage, such as during typhoon season , when they are prone to wind and rain, leading to their collapse , and to pests and diseases. In addition, the growth of trees also requires maintenance such as pruning, thinning, and branch fixing, all of which require the integration of human and material resources to take care of.



2.2 Greenhouse Gas Management

As global warming becomes increasingly serious, Leechi is committed to reducing carbon emissions by actively promoting strategies such as process optimization and improvement , equipment efficiency enhancement , reduction of fossil fuel use , energy management, integration of renewable energy , and green product design . All employees actively participate in energy conservation and carbon reduction, lowering greenhouse gas emissions, and conducting annual inventory and verification operations .

Leechi 's energy management approach utilizes a three-pronged approach: maintenance, replacement, and new installation. This approach implements energy management through regular maintenance to prevent equipment inefficiency, replacement of high-energy-consuming equipment , and installation of green power generation and energy-saving equipment based on the company's operational needs . Energy management goals are revised on a rolling basis, and energy management strategies are reviewed and adjusted using the PDCA model to continuously improve energy management performance and enhance efficiency and effectiveness. Leechi 's ongoing energy management efforts focus on both water and electricity conservation. This includes replacing old refrigerators and lighting fixtures and gradually replacing old fans in conjunction with floor renovations. Water conservation is addressed through restroom renovations and regular inspections and replacements of old water pipes. We also uphold the commitment to environmental protection and sustainable development by promoting paperless internal documentation and the use of electronic invoicing to contribute to environmental protection.

Leechi will not stop at its sustainable policy . Based on energy management regulations, we continuously revise Leechi's energy conservation policy. By holding regular meetings to review energy achievements, we actively promote various energy reduction measures. We select equipment with high energy efficiency and energy-saving design to reduce corporate and product energy consumption, and expand the use of renewable energy to optimize energy efficiency.

■ Statistics on environmental resource investment in 2024

property	category	project	unit	2024
investment	energy	gasoline	liter	16,332.367 0
		diesel fuel	liter	1 8,062.7200
		Purchased electricity	Thousand degrees	6,266,732.6207
	Water resources	Tap water	Thousand tons	3.5649

2024 are 7,684.635 metric tons of CO₂e .

(Changhua Plant: 5,725.354 metric tons CO₂e ; Nangang Plant: 1,959.281 metric tons CO₂e) .

category	project	category	unit	2022	2023	2024
greenhouse gases	1. Direct greenhouse gas emissions and removals	Category 1	Metric tons of CO ₂ e	974.3799	569.5408	8 5 0 . 0465
	2. Indirect greenhouse gas emissions from energy input	Category 2	Metric tons of CO ₂ e	5149.2098	2530.2024	2 ,9 70 . 4313
	3. Indirect greenhouse gas emissions from transportation	Category 3	Metric tons of CO ₂ e	54.9098	230.2754	3 62.4593
	4. Indirect greenhouse gas emissions from product use		Metric tons of CO ₂ e	3723.5098	2146.2692	3,501.6976
	5. Indirect greenhouse gas emissions associated with product use		Metric tons of CO ₂ e	No disclosure	No disclosure	No disclosure
	6. Indirect greenhouse gas emissions from other sources		Metric tons of CO ₂ e	No disclosure	No disclosure	No disclosure

Refrigerant use

Refrigerant Types in 2024	R12	R22	total
Refrigerant usage (tons)	0.0002	0.1168	
CFC-11 equivalent (tons)	0.0002	0.0064	0.0066

Note 1 : ODS emissions are calculated using the ozone depletion potential (ODP) coefficients in the Annex to the Montreal Protocol.

Note 2: The ODP values of R12 and R22 refrigerants are 1 and 0.055 respectively , and the ODP value of CFC-11 is 1. The usage of R12 and R22 refrigerants is converted into CFC-11 equivalent (tons), as shown in the above data.

Other major gas emissions

type	unit	Emissions in 2023	Emissions in 2024
SO _x	Kilogram	25.93	16.08
NO _x	Kilogram	190.01	312.62
VOCs	Kilogram	3.6	0

2.3 Water Resources Management

Leechi is committed to the proper management and recycling optimization of water resources, conducting water resource risk impact analysis and operational sustainability planning, establishing a management model of "source management", "source reduction" and "recycling" to ensure the continuous operation of the company's water system and to formulate a water shortage crisis response mechanism in advance . Leechi first emphasizes the implementation of water resource management and water conservation measures in daily life :

1. Continue to promote water conservation and install water-saving valves to encourage everyone to develop the habit of turning off the water at any time.
2. Inspect and replace old water pipes .
3. Continue to encourage employees to report water leaks immediately to avoid wasting water.
4. Plan to increase the use of recycled water .

Each of Leechi's plants is primarily supplied with tap water. To reduce water consumption, each plant annually reviews its water-saving plans and water-using equipment. Furthermore , Leechi promotes various water-saving initiatives, such as regularly replacing outdated water pipes, to achieve efficient water utilization, reduce wastewater discharge, and minimize water waste. According to statistics, tap water consumption in 2024 has decreased by 25.10% compared to 2023 , saving a total of 1,194 kWh of water .

Rivers also play a crucial role in providing water resources and habitats for diverse species that thrive in the water. Therefore, maintaining clean rivers is a key component of our environmental program. To prevent sewage and water pollution, we have installed wastewater treatment facilities and obtained discharge permits that comply with environmental regulations.

1. Changhua plant wastewater:

- (1). Domestic wastewater-natural discharge
- (2) Industrial wastewater - after being treated by pre-treatment equipment, it is then discharged through chemical methods to the discharge standard value . The sludge from the wastewater treatment process is entrusted to qualified manufacturers for removal and treatment , and its facilities are also regularly maintained .

2. Nangang Plant Wastewater:

(1) Domestic wastewater - discharged to sewage sampling wells, discharged to sewers and discharged to industrial wastewater treatment plants

(2) Process wastewater - a. After being treated and precipitated by process filtration equipment, it is discharged to the sewage sampling well and then discharged to the industrial area through the sewer pipe.

sewage treatment plants

b. Sampling wells and septic tanks should be desilted regularly.

2024 , total wastewater discharge reached 4,975 metric tons, a decrease of 380.26 metric tons compared to 2023. To date, Leechi's wastewater has been treated and discharged to designated locations in compliance with regulations, without significant impact on local water users. Wastewater quality is tested semi-annually, and the results consistently meet the discharge standards of the competent authorities. Leechi actively reviews and improves its wastewater pollution prevention and control systems. To comply with environmental laws and wastewater discharge standards and mitigate the impact of future stringent environmental regulations, the company continues to invest in improving the efficiency of its wastewater treatment facilities to reduce environmental pollution.

2.4 Clean Energy

In line with the Taiwanese government's policy direction regarding renewable energy development and renewable energy electricity consumption, Leechi , in conjunction with its core business, has integrated solar panels into each plant to support the nation's sustainable development goals. Since solar power generation does not produce air pollution or greenhouse gas emissions, the power generation equipment is connected to the national grid, replacing grid power with solar power, thereby reducing greenhouse gas emissions and protecting the environment. Currently, solar panels are installed on the rooftops of both the Changhua and Nangang plants to generate green energy , achieving environmental friendliness through the use of renewable energy. Furthermore , each plant utilizes LED lighting and green building materials, and is gradually replacing and upgrading high-energy-consuming equipment . In 2024 , the solar photovoltaic system on the roof of the Leechi factory has been completed with a capacity of 933.46 kW , and will provide 612,808 kWh of electricity in fiscal 2024 , reducing carbon dioxide emissions by nearly 290 metric tons. Since fiscal 2020, it has provided 2,393,325 kWh of electricity, reducing carbon dioxide emissions by nearly 1,134 metric tons, fulfilling Leechi 's commitment to sustainable environmental protection.

Overview of Solar Panel Installations and Actual Power Generation

year	Total plant capacity (kWp)	Annual power generation (kWh)	Annual carbon reduction (tons CO ₂ e)	Cumulative power generation (kWh)	Cumulative carbon reduction (tons)	Electricity carbon emission coefficient
109	346.5	453,509	227.662	453,509	227.662	0.502
110	346.5	455,728	231.966	909,237	462.802	0.509
111	346.5	440,944	218.267	1,350,181	668.340	0.495
112	346.5	430,336	213.016	1,780,517	881.356	0.495
113	933.46	612,808	2 90.471	2,393,325	1134.436	0.474

2.5 Waste Management

Since the industrial age, a large amount of solid waste has been generated in response to manufacturing processes and public needs. If the waste is not properly disposed of, it will invade the soil, air and water sources, not only polluting the environment, but also producing waste that cannot be quickly decomposed, which in turn affects future generations. Therefore, waste has become an increasingly important environmental issue. Leechi is committed to not using banned substances and raw materials, and actively promotes waste reduction and recycling. We strictly and carefully select raw materials and suppliers, continuously improve technology or look for environmentally friendly materials, and comply with environmental laws and regulations and customer specifications related to our own activities, products and services to achieve or even exceed the set goals. Leechi 's waste management methods are "green product design management ", "continuous promotion of waste classification and reduction" and "strengthening waste recycling and reuse."

To achieve its waste reduction goals, Leechi is implementing a source reduction program that combines resource sorting and recycling. Recycling areas are established at each plant and office . Resource-based waste generated within the plant , such as metals , packaging materials, plastics, paper, and batteries, is collected and disposed of by external recyclers , in accordance with regulatory requirements . This waste sorting and recycling not only aligns with international waste reduction trends but also reduces operating costs by lowering waste disposal fees. In addition to resource-based waste, special waste generated during other processes is continually reviewed to reduce both the type and volume of waste used . For example , chemical solvents (such as isopropyl alcohol and lubricating oil) are categorized, labeled , and temporarily stored in designated storage areas for disposal by qualified haulers approved by government agencies. A comprehensive assessment and inventory of waste and chemical substance generation and distribution is conducted, with efforts to minimize waste generation and recycle waste to reduce waste. Good waste and chemical management not only protects the environment and reduces the environmental burden, but also reduces operating costs and creates niches in business operations by improving material utilization, which is beneficial to the sustainable operation of the enterprise.

category	project	unit	2022	2023	2024
waste	Industrial waste -generally	Metric tons/year	29.8946	8.5640	20.8487
	Industrial waste -harmful	Metric tons/year	none	none	none
	Resource recycling waste -Paper	Metric tons/year	63.5500	30.7900	21.6300
	Resource recycling waste -Aluminum	Metric tons/year	399.8140	127.8510	192.9600
	Resource recycling waste -Iron	Metric tons/year	98.3425	35.8923	23.9475
	Resource recycling waste -Plastics	Metric tons/year	1.2630	none	none
	Resource recycling waste -Wires (copper)	Metric tons/year	0.0150	none	none

Future directions

Driven by global warming and climate change, countries around the world are under pressure to reduce carbon emissions , and many major global companies are also promoting environmental protection. Leechi is deeply aware of the importance of protecting the planet and is therefore continuously striving to capitalize on the green trend. Leechi is not only gradually transitioning its products to green recycling, but is also implementing waste management strategies, properly assessing and managing the environmental impacts of every production process. This commitment to social responsibility creates opportunities and achieves a win-win situation for society, the environment, and the economy.

3.1 Products and Technologies

Leechi's future goal for its own brand – PROMAX is positioned towards mid- to high-end bicycle products. In brand promotion, we take a bottom-up approach, starting with the recognition of consumers and riders and extending it to the adoption of bicycle manufacturers. This is our brand promotion strategy, and we hope to achieve differentiation and internationalization of the PROMAX brand.

In terms of brand philosophy, we hope that the PROMAX brand will become a key component of bicycle components, and through a down-to-earth pursuit of excellence – in line with a down-to-earth and diligent spirit and an attitude of not fearing difficulties and getting to the bottom of things – we will establish ourselves as a major global supplier of bicycle parts.

Main products:

Leechi mainly engages in the manufacture and sale of bicycle parts. Leveraging its own product R&D and aluminum alloy production technologies, we continue to develop bicycle brakes, handlebars/seatposts, hubs/rims, and various forged parts, and are expanding our applications to related metal parts processing and carbon fiber products for the automotive and aerospace industries.

In 2024, the product revenue proportions will be bicycle handlebar stems accounting for 24.07%, bicycle hubs accounting for 4.14%, bicycle brakes accounting for 15.92%, bicycle seat posts accounting for 12.87%, and others accounting for 43.00%.

Major products and proportions in business (consolidated):

Major product categories	products and proportions in business %
Stem	24.07
Braking system	15.92
Seat post	12.87
Hub	4.14
others	43.00
Total	100.00

R&D Overview:

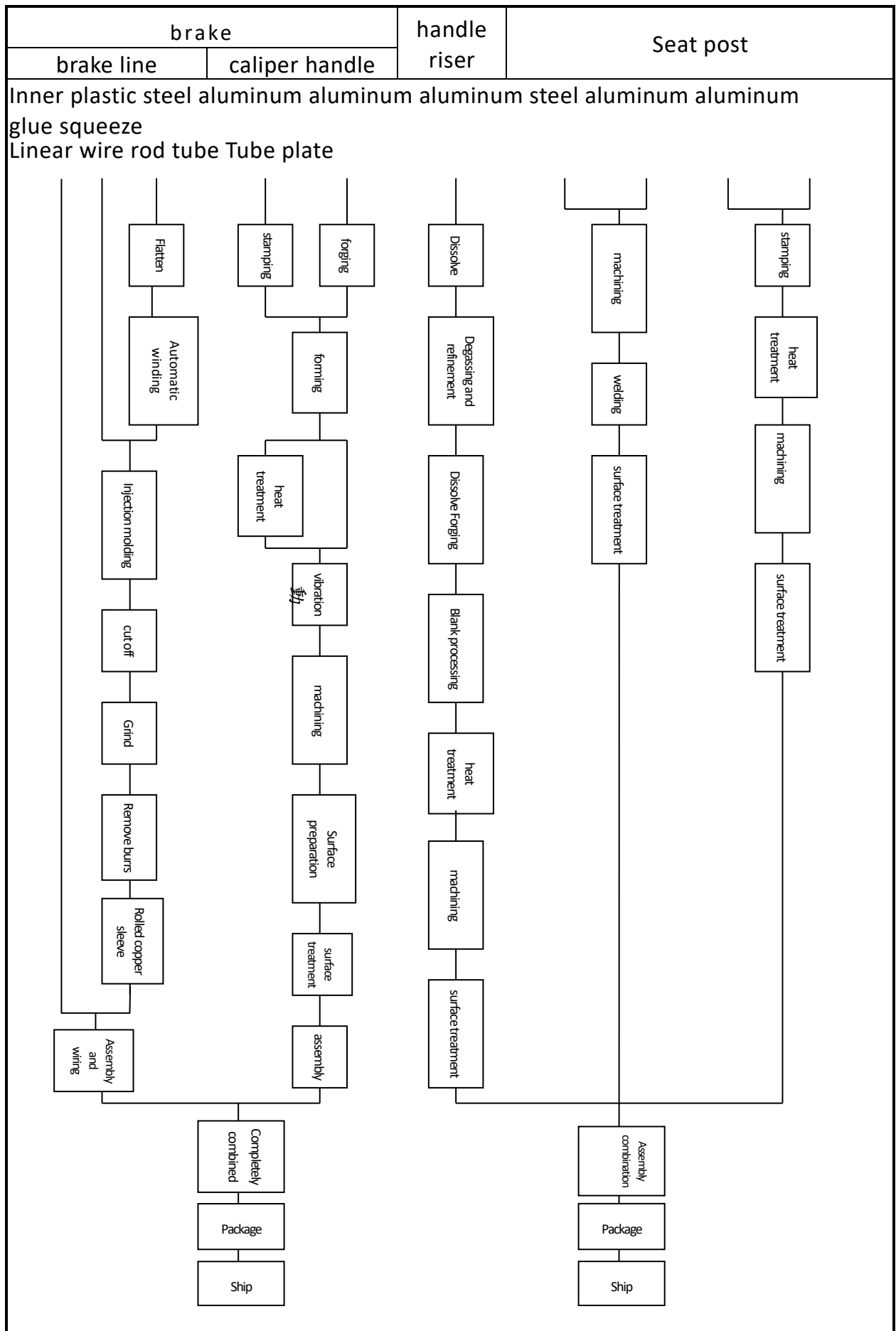
Leechi will invest approximately NT\$74,117,000 in R&D in 2024. Leechi will leverage its own product development and aluminum alloy production technology to continue developing brakes, handlebars/seatposts, hubs/rims, and various forged parts for bicycles, and expand its applications to related metal parts processing and carbon fiber products for the automotive and aerospace industries.

In view of the increasing demand for electric bicycles, our company has invested in the research and development of electric bicycle-related parts, including power-off handlebars, power-off hydraulic disc brakes, and adjustable quick-release seatposts , which have been adopted by customers. In addition to promoting our own PROMAX brand, we have also expanded our own-brand product series, including handlebars, seatposts, single-speed hubs, rims, and other items.

In response to the transformation of lightweight materials in bicycles, our company continues to invest in the use of new metals and composite materials, actively developing various lightweight design products, and utilizing computer-aided FEA simulation analysis to help accelerate product development.

We continue to use recycled materials in our in-house die-casting process . By 2024, the amount of recycled aluminum used had reached 40% of our production output , and we are actively collaborating with suppliers to discuss the use of low-carbon aluminum and recycled aluminum. low-carbon aluminum and recycled aluminum in product design and planning to reduce carbon emissions, and actively promote green procurement. The procurement department selects low-carbon aluminum and recycled aluminum , hoping to reduce environmental impact through green procurement and create an environmental ecological balance of coexistence and prosperity.

Manufacturing process :



Future research and development plans :

1. Leechi plans to develop 161 new products and invest approximately RMB 80 million in R&D expenses in 2025 .

2. Leechi is actively engaged in the research and development of high-end electric bicycle parts, such as improving the safety factor of brakes.

Related innovative products include power-off hydraulic brake series products, tool-free risers that allow riders to adjust handlebar height, and more.

Taste.

3. Due to the high demand for adjustable suspension seatposts in the market , our company has actively launched its own brand of adjustable seatposts.

We not only develop products but also collaborate with customers to develop and set up dedicated production lines .

4. Through the company's accumulated solid forging manufacturing capabilities , we actively improve the technology of pipe extrusion forging and develop special

Production equipment to improve product yield.

5. Continue to cooperate with major customers to jointly develop new product plans to diversify the company's product development capabilities.

It also accumulates innovative R&D capabilities for its own products.

6. In line with the trend of aluminum alloy processing and the application of electronic products in bicycle parts, our company continues to diversify its business.

opportunities to expand into different product areas.

7. Based on the company's accumulated R&D and manufacturing technology for hub products, we invest in hubs and wheels that can be matched with various types of vehicles.

lock up.

8. Our company continues to develop and launch new hydraulic brake products and high-performance brake rubber, so that brake products can occupy a higher market share.

Level market.

9. Continue to strengthen CAE capabilities and effectively use computer-aided FEA simulation analysis technology to accelerate product development speed and ease

Quantify demands.

10. The company continues to cooperate with various research institutions and colleges and universities in product development and technology cooperation to strengthen product design foundation Basic energy .

3.2 Quality Management

Leechi has prioritized process development and management, achieving ISO 9001:2015 quality management system certification . Adhering to the principles of a quality management system, Leechi incorporates production line management techniques such as 6S on-site management and TPM (Total Production Management). This rigorously implements management procedures across both the manufacturing process and customer service, establishing a customer-centric

management framework. Currently implemented management systems include ISO 9001, as well as AS9100 Aerospace and IATF16949 Automotive, which are more rigorous than standard quality management standards . Leechi not only strives to improve production quality, meet customer needs, and forge new paths , but also pursues the long-term goal of expanding across industries and internationally, connecting with the world. To enhance customer satisfaction and achieve high quality and high standards, Leechi adheres to international standards such as ISO 9001, AS9100 , and IATF16949 in all its processes , ensuring it meets the specifications and precision of leading international manufacturers .

Leechi has established a systematic process for product development to ensure that the quality, cost, and delivery of new products meet customer and market requirements within a systematic framework. Leechi continuously pursues process optimization to enhance product competitiveness. The quality assurance system involves cross-departmental collaboration among R&D personnel, quality management personnel, sales, plant operations, and supply chain management. It optimizes quality management and customer service through a cycle of planning, implementation, inspection, and improvement.

Our ISO9001:2015 quality management system ensures complete traceability of product quality records, including computer data and usage forms, for the identification of raw materials, in-process products, finished products, and customers. Exception records are accessible through quality records . Improvement measures are analyzed based on the human, machine, material, method, and environmental factors , and countermeasures are formulated . Through education and training and the development of standards, recurrence is effectively prevented, improving quality, increasing productivity and customer satisfaction, and reducing defect rates to ensure flawless product quality. A quality control mechanism is implemented from the moment materials arrive at the factory . Incoming materials are inspected and accepted according to inspection specifications. Disposal and handling procedures for nonconforming products are immediately confirmed. Only qualified materials can proceed to subsequent processing and assembly . All process operators are fully aware of all quality requirements before processing and assembly , and strictly follow SOPs for processing and assembly . They are responsible for their products and conduct self -inspections of first-articles during production . Quality control personnel also conduct random inspections and reliability testing in accordance with quality specifications to ensure flawless quality.

Our company believes that good product quality must be achieved through the implementation and management of on-site production operations. Only by following standardized production procedures can the safety of our employees be fully guaranteed and high-quality products be produced.

Leechi sets "endless improvement" as its highest quality goal. Starting from listening to and understanding customer needs, to product and process design, sample provision, mass production and after-sales service after delivery, each stage has established a complete management system and correction mechanism and strictly implemented it to ensure that customers are provided with stable quality products and services under optimized processes, creating win-win value.

In 2024, the company did not have any recalls due to product quality problems , nor did it receive any notifications from the U.S. Consumer Product Safety Commission. However, there are currently two cases of claims, and the amount spent in 2024 was USD57,083.87.

3.3 Customer Service

Product quality

Leechi sets "zero defects" as its long-term quality management goal. Whether it's design quality, product quality, or service quality, we aim to meet and exceed customer expectations and become a trusted partner for all our customers. To fully implement our quality policy of " continuous innovation , quality first, " we have implemented an ISO quality management system. Following quality processes and policies, and leveraging comprehensive IT information systems and management procedures, we drive the monitoring, measurement, analysis, and continuous improvement of quality-related indicators, fully implementing the PDCA cycle to prevent quality defects. We have established a "Quality System Implementation Committee," chaired by the Chairman and implemented by department heads . This committee ensures that all units are fully implemented with quality management requirements. Leechi did not have any product recalls in 2024 .

Customer satisfaction

providing customers with satisfying products and services that exceed their expectations and become a trusted partner. In the process of providing products and services, we use various communication methods and frequencies to understand customer needs, such as internal assessments and customer satisfaction surveys. We continuously improve based on the relevant results, actively respond to customer needs, and enhance customer satisfaction. In the process of providing customers with products and services, we hope to bring greater benefits to our customers and provide higher-quality services.

We regularly conduct customer satisfaction surveys annually. We promptly propose solutions based on customer feedback and close the cases with responses. The 2024 customer satisfaction survey averaged 91.83 points, with customers scoring above 90 points across six categories: order fulfillment rate , sample delivery rate , complaint handling , product quality , technical expertise , and overall service satisfaction .

- Survey period: August 2024
- Survey subjects: The business department selects key customers , new customers or potential customers for survey, and the business department provides a survey list of 56 companies .
- The survey content includes satisfaction with order delivery rate , satisfaction with sample delivery rate , satisfaction with customer complaint handling , satisfaction with product quality , satisfaction with technical expertise , and overall service satisfaction .
- Survey results: Response rate in 2024 : The total number of valid questionnaires in this survey is 56 , with a response rate of 100% . The total average score is 91.83 . The average scores of the six categories are as follows: satisfaction with order delivery rate is 91.25 points , satisfaction with sample delivery rate is 92.23 points , satisfaction with customer complaint handling is 90.98

points, satisfaction with product quality is 91.52 points , satisfaction with technical professionalism is 92.23 points , and satisfaction with overall service is 92.77 points .

Customer complaint handling process

Leechi implements the company's " Corrective and Preventive Action Management Procedure " and takes into account industry characteristics and practical requirements. In order to serve customers more flexibly and efficiently, the service process will be adjusted according to customer needs. It is mainly based on customer complaints about product quality raised by individual customers , and customized task groups are planned to respond to customers immediately and provide the best service quality.

Customer Privacy Protection

Protecting Customer Privacy "Strictly guarding customer confidentiality and adhering to the principle of integrity" is Leechi's commitment to customer privacy. To implement the protection and management of personal data, Leechi refers to laws and regulations and the relevant requirements of the EU General Data Protection Regulation (GDPR) to clearly define privacy-related operating regulations , covering all employees of Leechi and its subsidiaries and suppliers, contractors, external consultants and other partners. These operating regulations clearly define and require matters related to the use and protection of personal data. We also require all members and partners to comply with them to effectively protect personal data and rights. We have established privacy reporting and reporting channels. If there is a possibility of privacy infringement or violation of the privacy policy, you can file a complaint or report through the privacy protection hotline (04) 738-2121 ext . 1100 or email gmoe@leechi.com.tw . To ensure privacy protection, we regularly conduct privacy training for all employees and evaluate its effectiveness. We maintain a zero-tolerance policy for privacy protection, and any violation will be punished in accordance with our Code of Conduct. Leechi strictly adheres to our privacy policy with respect to customer information, and dedicated personnel are responsible for its safekeeping and handling . In 2024 , there were no complaints regarding privacy from external parties or regulatory bodies.

3.4 Supply Chain Management

With Taiwan's Climate Change Response Act having passed its third reading, and in response to the trend toward carbon reduction , Leechi has standardized its internal procurement system in accordance with domestic and international regulations on greenhouse gas reduction . We have also been clearly communicating Leechi 's green procurement requirements and goals in various meetings . We are continuously promoting carbon reduction measures internally through action plans such as increasing local procurement, concentrating delivery quantities and reducing delivery frequency, and enhancing the sustainability of purchased materials to achieve Leechi's carbon reduction goals.

Leechi's supplier management policy is based on establishing a sustainable supply chain that fosters a friendly environment, emphasizes social responsibility, and emphasizes labor rights. It clearly sets requirements beyond performance and quality, and continuously promotes sustainable

procurement from the inside out , ensuring greater benefits for human health and environmental protection. Because of our commitment to product quality, Leechi requires all qualified suppliers to review and sign the " Leechi Supplier Notice ." Through four key initiatives : supplier assessment, supplier audits, supplier communication , and supplier incentives , we work with suppliers to maintain a friendly environment and prioritize social responsibility.

Supplier Evaluation

Leechi 's suppliers must be evaluated according to our established "Supplier Evaluation Management Procedure," which covers six key aspects: business management, environmental safety, social responsibility, quality system, technical level, and manufacturing capabilities. Leechi has established a supplier audit team and coaching team. After a written review and on-site evaluation, Leechi selects qualified suppliers and promotes compliance with relevant laws and regulations.

Leechi regularly conducts supplier evaluations every month , conducting comprehensive evaluations based on the quality, delivery time, service, and other items of the supplier's delivery . We also occasionally invite specific suppliers to hold quality meetings for two-way communication, review and improve deficiencies , and provide guidance to suppliers on improving their measures when necessary . We also conduct comprehensive evaluations of suppliers every year. If the assessment does not meet the level set by the company's internal regulations, we will suspend the purchase of new products from the supplier or cancel its approval qualification. We will resume the purchasing relationship only after the supplier has made concrete improvements to ensure the stability of the supply chain quality.

To maintain stable service quality for suppliers, we also provide regular training to suppliers on topics such as workplace health and safety, relevant professional manufacturing procedures, and the inspection and use of green materials.

To ensure quality and sustainable operations, Leechi evaluates suppliers' delivery quality, delivery time, service, and sustainability performance annually according to internal company regulations. Excellent suppliers will be given priority in new product production (including sampling), with increased order volumes and preferential payment terms .

Leechi's supplier audit projects currently focus on product quality, and only continue to communicate and require suppliers' social responsibility code of conduct. Planning has begun at the end of 2024, and it is expected to begin environmental audits and improvement guidance for suppliers starting in 2025.

Supplier Categories and Local Sourcing

We have identified four major supplier categories: raw material suppliers (including miscellaneous items) , process outsourcers, waste disposal, and service outsourcers (including engineering) . When broken down by region, with the exception of raw material suppliers, which have a 99 % local sourcing ratio (Taiwan) , the remaining suppliers (process outsourcers, waste disposal, and service outsourcers (including engineering)) have a 100% local sourcing ratio.

Establish a dedicated hotline for reporting supplier corruption

Leechi provides suppliers with the "Leechi Supplier Notice" for review and signature. Suppliers and their employees are required to faithfully conduct all transactions, including but not limited to material procurement, project contracting, outsourcing, equipment sales, and waste disposal. Suppliers are prohibited from providing or giving cash, securities, gifts, entertainment, travel, or any other personal benefits to any company employee, their relatives, or other stakeholders. Suppliers are prohibited from engaging in any form of loan, lease, investment, or other activities not directly related to their duties with any company employee or their relatives. Suppliers are prohibited from providing any company employee or their relatives with gratuitous work arrangements. Suppliers are prohibited from engaging in any behavior that damages the company's interests and business image. If any company employee actively or passively violates procurement discipline, suppliers must promptly report it to the following company department by letter or email, using their real name, contact information, and providing accurate information or evidence. Reporting email : gmoe@leechi.com.tw .

Chapter 4 Friendly Workplace and Social Inclusion

4.1 Employee Profile

People are a company's most important asset. Leechi is committed to creating a stable, harmonious, diverse, inclusive, and meaningful workplace for its employees, grounded in its business philosophy of "steadfastly pursuing excellence, leveraging teamwork through harmony, satisfying customers with quality, sharing achievements with employees, and pioneering the future with innovation." Leechi offers competitive salaries and benefits, a comprehensive training and development system, smooth labor-management communication channels, clear diversity and inclusion policies, and a diverse program of activities, enabling employees to balance work and family, achieve an optimal work-life balance, and enjoy a fulfilling life. Leechi believes that employees are a company's most valuable asset. In addition to complying with national laws and regulations to protect workers, Leechi also respects their human rights, including gender equality, anti-discrimination, and avoiding excessive working hours. We will not tolerate any harassment, discrimination, or other violations of employment laws. We recognize employee performance through performance appraisals, including rewards and promotions. We encourage every employee to maximize their individual strengths and for outstanding employees to lead the team in achieving company goals.

Leechi has a total of 569 employees, of which 119 are foreign nationals (20.9%); 7 employees with disabilities (1.2%); and 70 supervisors (12.3%) at the level of deputy team leader or above. There are 231 male employees (40.6%) and 338 female employees (59.4%). The average employee age ranges from 31 to 50.

■ Statistics of the total number of employees by gender and region (unit : 1 person)

Operation Locations	male		female		total
	Number of people	Proportion	Number of people	Proportion	
No. 112, Section 1, Shipai Road, Shipai Village, Changhua City	181	31.8%	283	49.7%	464
No. 8, Gongye South 5th Road, Nangang Industrial Park, Nantou City	50	8.8%	55	9.7%	105
total	231	40.6%	338	59.4%	569

■ Employees are divided into gender and job categories (unit : 1 person)

Job Category	male		female		total
	Number of people	Proportion	Number of people	Proportion	
Production	143	25.1%	248	43.6%	391
R&D	20	3.5%	13	2.3%	33
business	2	0.3%	26	4.6%	28
Quality Assurance	15	2.6%	9	1.6%	twenty four
manage	51	9.0%	42	7.4%	93
total	231	40.5%	338	59.5%	569

■ Employees are divided according to gender and supervisory position (including deputy team leader and above) (unit : 1 person)

Job Category	male		female		total
	Number of people	Proportion	Number of people	Proportion	
Supervisor	50	8.8%	20	3.5%	70
Non-supervisory positions	181	31.8%	318	55.9%	499
total	231	40.6%	338	59.4%	569

■ Employees are classified by age (unit : 1 person)

Age group	male		female		total
	Number of people	Proportion	Number of people	Proportion	
Under 30 years old	46	8.1%	70	12.3%	116
31-50 years old	119	20.9%	171	30.1%	290
51 years old or older	66	11.6%	97	17.0%	163
total	231	40.6%	338	59.4%	569

4.2 Diversity and Talent Cultivation

Recruitment and Communication

Leechi 's hiring plan is primarily based on business objectives, government labor policies, internal and external human resource supply and demand, and employee development needs. It has established a " recruitment and selection process " that details the recruitment process and operating procedures. It attracts external job seekers with a comprehensive system, competitive salaries, and sustainable career plans . The company continuously seeks high-quality talent through diverse recruitment channels, including job search websites, campus recruitment, and industry-university partnerships, to enhance its competitiveness. Hiring managers arrange interviews and candidates based on their needs. Industry-university partnerships have long been a key talent recruitment channel for companies, and internships are a key talent development method for companies. Through collaborations between companies and universities, companies offer internship opportunities to interns, allowing them to observe their performance and assess their potential for future employment, thus contributing to the company's talent pool. The company 's new employee recruitment rate is expected to be 18.1 % in 2024 , while the employee turnover rate is expected to be 16.5 %. Due to changes in bicycle market demand and adjustments to reduce inventory, the company's production capacity demand will remain relatively low in 2024 .

Although the total number of employees in 2024 is 12 less than that in 2023 , the turnover rate of full-time employees is 45 less than that in 2023 (The company has been committed to talent retention policies, hoping to provide a work environment and content that meets the needs of employees, reduce employee turnover and improve employee retention.

Employees currently holding disability certificates have served for many years. The company provides comprehensive assistance , understanding and adjusting their workload appropriately, while also providing care, support, and assistance. We believe that employees with disabilities will create significant value in their work .

■ The total number and proportion of new employees and employees leaving the company by age group and gender

(Unit : 1 digit)

	Age group	male		female		total	
		Number of people	Proportion	Number of people	Proportion	Number of people	Proportion
Newcomer staff	Under 30 years old	3 2	5.6%	3 0	5.3%	6 2	10.9%
	31-50 years old	2 0	3.5%	2 0	3.5%	4 0	7.0%
	51 years old or older	1	0.2%	0	0%	1	0.2%
	total	5 3	9.3%	5 0	8.8%	1 03	18.1%

	Age group	male		female		total	
		Number of people	Proportion	Number of people	Proportion	Number of people	Proportion
Resignation staff	Under 30 years old	1 4	2.5%	1 5	2.6%	2 9	5.1%
	31-50 years old	3 0	5.3%	2 5	4.4%	5 5	9.7%
	51 years old or older	6	1.0%	4	0.7%	1 0	1.7%
	total	5 0	8.8%	4 4	7.7%	9 4	16.5%

Salary Policy

Leechi provides a diversified and competitive remuneration system under the premise of taking into account external competition, internal fairness and legality. It adheres to the concept of profit sharing with employees, attracts employees to stay and motivates their career development , and is committed to providing employees with competitive remuneration and benefits . It has a remuneration committee and holds regular remuneration committee meetings to review and discuss relevant content. The company's employee salaries are in compliance with statutory regulations . In addition to the monthly employee salaries , it also issues year-end bonuses based on annual settlement of operating performance and distributes employee dividends based on annual profit conditions . The year-end bonuses and annual employee dividends are to give back to colleagues, reward their contributions, and motivate colleagues to continue working hard, so that the interests of employees are linked to the interests of shareholders, creating a win-win

situation for the company, shareholders and employees. Leechi determines the total amount of employee remuneration based on the company's operating results and with reference to the domestic industry's payment level. The amount and distribution method are proposed by the remuneration committee to the board of directors. Employee remuneration is distributed after approval by the board of directors. The amount of each employee's distribution depends on their position, contribution, and performance. In accordance with the "Operational Procedures for the Preparation and Submission of Perpetual Reports by Listed Companies" , Leechi 2024 The weighted average number of full-time, non-supervisory employees in 2024 was 499. The average and median employee salaries for 2024 were compiled, reviewed and calculated by an accountant, and compared with the previous year. Furthermore, the average salary for full-time, non-managerial employees was NT \$ 395,453,000 (a 14.68% increase over 2023) , and the median salary was NT\$ 345,409,000 (an 18.55% increase over 2023) . Both the average and median salaries for non-managerial employees increased significantly compared to the previous year .

■Salary and benefits information (unit : 1,000 yuan/person)

Salary and Benefits Information Category	2023	2024	difference(%)
Average employee benefits	464	530	14.22%
Average employee salary	372	431	15.86%
Average salary of full-time employees in non-supervisory positions	395	453	14.68%
Median salary of full-time non-supervisory employees	345	409	18.55%

Performance Appraisal

2024 , a total of 563 full-time employees received regular performance and career development reviews, representing 98.95 % of the company's total workforce . Further broken down by gender, 231 male employees underwent regular performance and career development reviews , representing 100 % of the total male workforce at the end of the reporting period. 332 female employees underwent regular performance and career development reviews , representing 98.22 % of the total female workforce at the end of the reporting period. Furthermore, the percentage of employees receiving regular performance and career development reviews by employee category during the reporting period can be found in the "Statistical Table of Employees Receiving Regular Performance and Career Development Reviews by Gender and Employee Category." To effectively align company, organizational, and individual goals, the company conducts performance appraisals annually from August to December. Through a continuous performance management cycle, we review each employee's career capabilities and identify talent gaps. Around August of each year , supervisors and employees review goal achievement and confirm

the alignment of their personal development plans with company goals. In December, supervisors conduct performance reviews , providing employees with insights into their work performance and learning growth, and jointly setting new annual work goals and personal development plans. Employee performance evaluation results also serve as a crucial reference for promotions, salary increases, bonuses, and dividends. This ensures continuous positive development for both the organization and individuals.

■ Percentage of employees receiving regular performance and career development reviews , by gender and employee category

(Unit : 1 digit)

	male			female			total		
	Total number of employees at the end of the reporting period	Number of men evaluated	Proportion	Total number of employees at the end of the reporting period	Number of women evaluated	Proportion	Total number of employees at the end of the reporting period	Number of males and females evaluated	Proportion
Formula code	A	B	C=B/A	D	E	F=E/D	G=A+D	H=B+E	I=H/G
Production	231	161	69.70%	338	253	74.85%	569	414	72.76%
R&D		16	6.93%		11	3.25%		27	4.75%
business		2	0.86%		twenty four	7.10%		26	4.57%
Quality Assurance		13	5.63%		8	2.37%		twenty one	3.69%
manage		39	16.88%		36	10.65%		75	13.18%
total		231	100%		332	98.22%		563	98.95%

Note : The following conditions are not included in the assessment:

1. New employees who have not worked for more than three months will be evaluated according to the new employee completion assessment model.
2. Those who have been confirmed to leave during the assessment period
3. Those who are still on unpaid leave during the assessment period or have been confirmed to be on unpaid leave

Industrial Relations

Leechi values labor-management relations and believes that all employees must be treated with dignity and respect. In addition to not forcing or coercing anyone to perform work without consent, Leechi also listens to the opinions of its employees, maintains open communication channels, and prioritizes two-way communication with its employees. To ensure the input and voices of its employees, Leechi holds quarterly labor-management meetings. This approach aims to utilize fair and effective communication mechanisms to listen to employees' concerns and promptly address any issues raised, thereby promoting harmonious labor-management relations and creating a win-win situation for all employees. Leechi respects its employees' right to freedom of association, but to date, no employees have yet formed a union.

In 2024, Leechi adhered to the principle of holding labor-management meetings at least quarterly, holding a total of four meetings. Topics discussed included workplace safety issues, intellectual property advocacy, labor standards laws, overtime hours, and workdays. The company complies with the Labor Standards Act and provides affected employees with 10 to 30 days' advance notice, based on seniority, before implementing major operational changes that could significantly impact employee rights. The company also provides employee support measures, such as providing employees with relevant conditions and assistance in applying for government subsidies. Leechi also engages employees in company goals through meetings, both large and small, including labor-management meetings, irregular department meetings, and management review meetings. These meetings are all designed to facilitate smooth communication and organizational adjustments. In 2024, the company experienced no employee complaints regarding violations of human rights, labor conditions, sexual harassment, bullying, or workplace abuse.

Employee Benefits

Life is more than just work. We want our employees to be healthy, happy, and enjoy a wonderful life with their families. Therefore, in addition to the company's benefits program, we have an Employee Welfare Committee that meticulously plans various activities and amenities, offering a wide range of benefits, including wedding grants, childbirth grants, employee allowances, employee consolation payments, education scholarships, holiday gifts, and employee birthday celebrations. Leechi also focuses on employee adaptation, professional growth, and career development, helping employees integrate into the company culture and achieve their personal development goals. This allows employees to constantly challenge themselves, set new records, and grow with the company in a diverse and innovative environment. Consequently, Leechi fosters a vibrant work atmosphere and boosts employee morale.

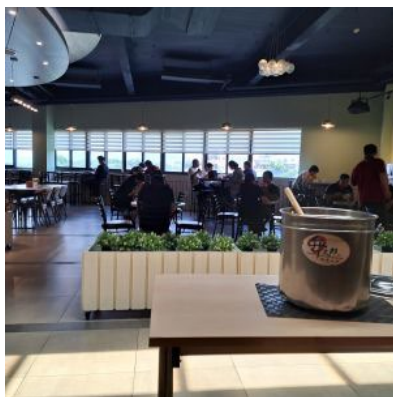
Leechi provides legally mandated labor insurance, national health insurance, and group insurance for every employee. Group insurance is fully covered by the company and includes: term life insurance, accidental injury insurance, accidental medical insurance, critical illness insurance, and hospitalization and treatment limit insurance. Employees can also add various individual insurance plans at their own expense based on their needs and those of their families through

regular on-site visits provided by the group insurance underwriter . All premiums are affordable. These comprehensive insurance plans are designed to ensure peace of mind for our employees and provide benefits to their families.

Leechi prioritizes the health of its employees and outsources meals to a group catering company. The company covers 70% of the meal costs, while employees pay 30% (for overtime work at night and on holidays, the company covers the entire meal cost). Leechi offers weekly special meals with a diverse and balanced menu, featuring Southeast Asian cuisine, allowing employees of different nationalities to adapt and enjoy the meals. Employees are encouraged to use the appropriate amount of ingredients based on their appetite to avoid food waste .

Leechi attaches great importance to maternity benefits and childcare subsidies. In addition to the subsidy of NT\$3,000 per person issued by the Occupational Welfare Association , a total of 6 people applied for maternity benefits in 2024 , totaling NT\$ 18,000 .

We have staff quarters, employee dormitories, and foreign worker dormitories to provide accommodation for our long-distance employees and foreign workers. We also have a nursing (breastfeeding) room and have optimized its facilities and environment to make it easier for female employees to feed their babies. We have also added an on-site doctor, provided a dedicated early childhood education center for employees, beautified the plant landscaping with trees, provided a dedicated hospital for employees, renovated the staff quarters, improved the kitchen and dining room for foreign employees, and renovated and improved the employee recreation room and outdoor parking lot for employees, effectively boosting employee morale and cohesion.



Regarding reinstatement and retention of employees after parental leave , Leechi complies with the Gender Equality in Employment Act by providing maternity leave, paternity leave, and unpaid parental leave. Therefore, all employees, male and female, are eligible for parental leave . In 2024 , 0 male employees and 2 female employees were eligible, and 2 female employees applied for parental leave . One employee was expected to be reinstated in 2024 , resulting in a 100% reinstatement rate . However, 5 employees were reinstated in 2023 , and 4 of them remain employed for over 12 months after reinstatement , resulting in an 80% retention rate .

■ Statistics on the percentage of employees returning to work and staying on after parental leave , by gender (unit : 1 person)

	formula code name	male		female		total
		Number of people	Proportion	Number of people	Proportion	
Number of people using parental leave in 2024	A	0	0%	2	100%	2
Total number of people returning to work after parental leave in 2024	B	0	0%	1	50%	1
Total number of employees who used parental leave and should be reinstated in 2024	C	0	0%	1	100%	1
Total number of employees returning to work after parental leave in 2023	E	0	33%	5	67%	5
Total number of employees still employed 12 months after returning to work after taking parental leave in 2023	D	0	33%	4	67%	4
reinstatement rate	B/C	0%		100 %		-
Retention rate	D/E	0 %		8 0%		-

Regarding parental leave applications and reinstatement statistics , Leechi grants parental leave in accordance with statutory regulations and proactively inquires about return 45 days prior to the expiration date. Leechi colleagues, deeply ingrained in gender equality awareness , received a total of two parental leave applications in 2024 (0 from men and 2 from women) .

Peace of mind retirement system

Retirement matters for Leechi employees are handled in accordance with the "Leechi Machinery Industrial Co., Ltd. Work Rules" and relevant regulations such as the Labor Standards Act and the Labor Pension Act.

The pension system of our company, which is governed by the Labor Pension Act, is a government-managed retirement plan . Based on each employee's salary and in accordance with the monthly contribution wage classification table approved by the Executive Yuan, a minimum of 6% of monthly salary is allocated to individual accounts at the Bureau of Labor Insurance.

For companies subject to the Labor Standards Act's pension provisions, the company's Labor Pension Reserve Fund Supervisory Committee oversees and regularly reports on pension fund contributions and expenditures, and deposits the funds in the committee's name with the Bank of Taiwan, which is responsible for handling the collection, expenditure, safekeeping, and utilization of the funds. However, in accordance with the Regulations Governing the Management , Custody , and Utilization of the Labor Pension Fund, the minimum annual distribution from the Labor Pension Fund must not be less than the return calculated based on a two-year fixed deposit rate at a local bank.

of each fiscal year, the Company estimates the retirement benefits for employees who meet the retirement requirements pursuant to Article 53 or Article 54, Paragraph 1, Item 1 of the Labor Standards Act within the following fiscal year and, in accordance with the law, makes full pension contributions by the end of March of the following year . This ensures that retired employees have no worries about their lives and encourages all employees to fully contribute to their work.

Education and Training

Leechi believes that a company's continued growth is inextricably linked to its employees' commitment to keeping pace with the times. Sustainable transformation is an issue that global companies must confront . Continuously disseminating sustainability knowledge to employees lays the foundation for sustainable transformation, and talent development planning is crucial. To this end, the company integrates internal and external resources to provide a diverse training program for employees. In addition to establishing an " education and training management program " to foster a continuous and diverse learning environment, it also provides a platform for employees to demonstrate their talents. A rotation system offers diverse development opportunities, allowing employees and the company to grow together with purpose, discipline, and a plan.

Leechi is committed to cultivating outstanding talent, enriching employee knowledge and skills, and adhering to the principles of Environmental, Social, and Governance (ESG). We have established a systematic education and training system, guided by short-, medium-, and long-term goals, to foster a high-quality work environment and improve performance. We have formulated talent and organizational development plans based on the needs of each department, individual employee work nature, performance evaluation results, and career development needs, aiming to encourage employees to continuously improve and make greater contributions to the company.

We also provide a variety of learning channels and development resources, including pre-employment training , on-the-job training, classroom instruction, job mentoring, mentoring , and job rotation. We encourage employee exchange and discussion, fostering a learning atmosphere and helping them acquire diverse work skills through various learning programs. Furthermore, we attach great importance to ESG issues and incorporate them into our education and training curriculum. We invite external experts to provide relevant lectures and cultivate internal talent to pass on important ESG knowledge, experience, and skills.

Leechi has a comprehensive education and training system. We offer various academic, knowledge, and technical education courses at irregular intervals each year. We also select employees to participate in off-site or overseas internship education courses based on work needs, allowing employees to enjoy learning and growth through work.

year , a survey form on education and training needs is issued, and an education and training plan is compiled based on the responses from each department. Employees can apply for external training based on their work needs. If they participate in training during working hours, they will be given public leave. In 2024 , Leechi employees participated in courses such as " Occupational Safety and Functional Courses", "Internal Control Audit", "Legal Courses", "Business Management Courses", "Information Security Courses ", "Industry Knowledge Related Courses", and "Corporate Sustainability", totaling 8,507 hours , an increase from 8,491 hours in 2023 . 16 hours, and the average training hours per person in 2024 will reach 14.95 hours.



■ Statistics of the average hours of education and training received by each employee per year ,
divided by gender and employee category

		Formula code	male	female	total
Production	Number of people	A	370	264	634
	Hours	B	2864	2867	5731
	Average training hours for employees in this category	$C=B/A$	7.74	10.86	9.04
R&D	Number of people	D	63	60	123
	Hours	E	354	327	681
	Average training hours for employees in this category	$F=E/D$	5.62	5.45	5.54
business	Number of people	G	18	58	76
	Hours	H	58	387	445
	Average training hours for employees in this category	$I=H/G$	3.22	6.67	5.86
Quality Assurance	Number of people	J	55	38	93
	Hours	K	358	266	624
	Average training hours for employees in this category	$L=K/J$	6.51	7.00	6.71
manage	Number of people	M	102	121	223
	Hours	N	530	496	1026
	Average training hours for employees in this category	$O=N/M$	5.20	4.10	4.60
Total number of employees trained and total hours	Number of people	P	608	541	1149
	Hours	Q	4164	4343	8507
Total number of employees	Number of people	R	231	338	569
Average training hours per employee	Hours	$S=Q/R$	18.03	8.03	14.95

4.3 Human Rights Assessment

Our company adheres to the human rights standards of the International Labor Organization Conventions and, on July 1, 2018 , formulated and approved the "Li Chi Machinery Industrial Co., Ltd. Employee Human Rights Policy," which ensures that the entire company adheres to its social responsibility and working conditions related to labor human rights. This policy is divided into eight areas: child labor, forced labor, health and safety, freedom of association and collective bargaining rights, discrimination, disciplinary measures, working hours, and wages . This policy is published on the company website to respect the protections set forth in human rights conventions .

project	Specific practices
Prohibition of child labor	The company does not employ child labor and does not support the employment of child labor under the age of 16.
Prohibition of forced labor	<ol style="list-style-type: none"> 1. The Company does not use or support the use of forced labor, nor does it require employees to pay a deposit or deposit their identification documents upon the start of employment . 2. Never withhold part of an employee’ s salary, benefits, property or documents to force the employee to continue working in the company. 3. Employees have the right to leave the workplace after completing standard working hours. Employees are free to terminate their employment contract after giving the company a reasonable notice period.
Provide a healthy and safe working environment	<ol style="list-style-type: none"> 1. The company promises that all operations will comply with national laws, meet internationally recognized environmental protection and social responsibility standards, and continue to improve. 2. Provide a safe and healthy working environment and take necessary and effective measures to reduce potential hazards in the working environment as much as possible to avoid health hazards to employees caused by accidents occurring at work or due to work-related accidents. The designated management department head is responsible for providing a healthy and safe working environment for all employees and is responsible for implementing the health and safety provisions of this policy. 3. Provide effective health and safety training to employees on a regular basis, and re-train new employees, transferred employees, and employees at the site where the accident occurred. 4. Establish a mechanism to detect, prevent and respond to potential threats to employee health and safety. The company should keep

	<p>written records of all accidents that occur in all workplaces, residences and property under the company's control.</p> <p>5. The company provides employees with appropriate personal protective equipment while at work. When an employee is injured at work, the company provides first aid and assists in obtaining subsequent treatment.</p> <p>6. Assess all risks faced by female employees during pregnancy and ensure that reasonable measures are taken to eliminate or reduce risks to their health and safety.</p> <p>The Company will not allow female employees to work between 10:00 PM and 6:00 AM . This restriction will not apply unless necessary safety and sanitation facilities, transportation home, or dormitories are provided, as agreed upon by the labor-management meeting.</p> <p>Employees whose children are under three years old and who need to be breastfed by themselves may breastfeed twice a day during working hours, in addition to their rest periods, for a maximum of thirty minutes each time.</p> <p>7. Provide employees with clean toilets, potable water, and sanitary facilities for food storage when necessary.</p> <p>8. The company provides employee dormitories and ensures that the dormitories are clean and safe, have escape exits, washing facilities, sufficient ventilation equipment for heat dissipation, and reasonable personal space.</p> <p>9. All employees have the right to leave or eliminate any serious danger that may occur in their work, even without the company's permission.</p>
Allowing freedom of association and collective bargaining rights	<p>1. Respect employees' right to freely associate, elect representatives, join labor unions, and bargain collectively. The company respects this right and ensures that employees are free to join the organizations of their choice.</p> <p>2. Employees can openly communicate directly with management regarding working conditions through labor-management meetings without fear of retaliation, threats, or harassment.</p>
Prohibition of discriminatory practices	<p>1. The Company does not discriminate on the basis of race, caste, nationality, religion, disability, gender, sexual orientation, family responsibilities, marital status, union membership, political affiliation, age, or any other factors in matters involving hiring, compensation, training opportunities, promotion, dismissal, or</p>

	<p>retirement.</p> <p>2. The Company will not interfere with the employees' right to exercise their beliefs and customs, nor will it discriminate against employees on the basis of race, social class, nationality, religion, physical disability, gender, sexual orientation, family responsibilities, marital status, union membership, political affiliation or any other reason.</p> <p>3. The company does not allow any threatening, abusive, exploitative behavior or forced sexual harassment in the workplace, employee dormitories or other places, including gestures, language and physical contact.</p>
Prohibition of disciplinary measures	The company respects all employees and maintains their dignity. It shall not engage in or support corporal punishment, mental or physical coercion, or verbal insults, nor treat employees in a rude or inhumane manner.
Working hours	<p>1. The company complies with the relevant labor laws regarding working hours. The normal weekly working hours and weekly overtime are stipulated by law. Employees have at least one day off in every 7-day cycle.</p> <p>2. If employees are required to work overtime to meet short-term business needs, we will reach an agreement with the employees and respect their wishes. All overtime work by employees is voluntary .</p>
Salary	<p>1. The company guarantees that the wages paid in a standard working month will at least reach the statutory basic wage standard and meet the basic needs of employees.</p> <p>2. The company guarantees that wages will not be deducted for disciplinary purposes unless permitted by relevant laws or with the consent of employees through free collective bargaining.</p> <p>3. The company shall regularly and clearly explain to employees the salary and benefits structure and ensure that the salary and benefits are in full compliance with all applicable laws. Salaries and benefits shall be paid in cash, check, or any other form that is convenient for employees.</p>

providing human rights protection training to new employees in 2024 , supervisors of each unit of the company also used department meetings to continuously promote human rights policies to current employees. As a result, all current employees (598 people) in 2024 have completed the training, with a completion rate of 100 %. In addition, in 2024, the company also signed the Human Rights Code of Conduct of the China Bicycle Sustainability Alliance, pledging to abide by international human rights conventions.

4.4 Workplace Health and Safety

Occupational Safety and Health Organization

Leechi has established a "Safety and Health Office" and has established an "Environmental Safety and Health Implementation Committee" and an "Occupational Safety and Health Committee". The Occupational Safety and Health Committee is composed of both labor and management, with the chairman serving as the chairman and labor representatives holding more than one-third of the seats. The Occupational Safety and Health Committee holds a meeting every three months. The main business of the meeting is to make recommendations on the company's safety and health policies and to review, coordinate and make recommendations on safety and health related matters.

Safety and health management dual system verification

Leechi has passed ISO45001 and TOSHMS occupational safety and health management dual system certification to ensure the safety and health of employees in the workplace. It hopes to provide employees with an excellent safe and hygienic working environment through the establishment and external verification of hazard identification, risk assessment and risk control, and avoid and reduce the occurrence of accidents.

When implementing new construction, renovation, or demolition projects, labor safety, management, and other relevant departments must conduct safety and health risk assessments for project planning, design, and construction. During the construction process, contractors are strictly required to comply with occupational safety and health laws and regulations. Furthermore, our company's Labor Safety Office and Management Department regularly visit each unit's construction site to conduct unannounced inspections to prevent occupational safety accidents and protect employee safety.

Safety and Health Management

Leechi has established a comprehensive safety and health management system as a guideline for all operations, with the goal of achieving zero disasters and zero injuries and ensuring the personal safety of employees.

Each unit of the Leechi production line has strengthened the implementation of automatic inspections to ensure the safe use of equipment, and regularly (twice a year) conducts work environment monitoring. It has all necessary safety protection equipment in place and continues to require employees to wear and use them in accordance with regulations to avoid injury or health hazards while working.

In addition, we regularly hold safety and health education and training and emergency response drills (twice a year) to enhance employees' safety and health knowledge and familiarize them with emergency response skills. We also regularly conduct 5S audits on production units (four times a year). We also use external audits to identify potential hazards and implement preventive measures to prevent them from occurring.

Statistics of safety and health education training/drills in 2023

category	number of people	Hours
Safety and health education and training	412	5731
Safety and health education and training for contractors	38	223
emergency response drills	137	560

Note : Safety and health education and training include new employee courses and certification courses

Work safety management personnel holding professional certificates

Certificate Name	Number of people	Certificate Name	Number of people
Occupational Safety Manager	2	High-pressure gas specific equipment operators	0
Occupational Safety and Health Manager	5	Automatic inspection of liquefied petroleum gas storage tanks and their accessories	1
Occupational Safety and Health Supervisor---Grade A	7	Non- medical ionizing radiation protection	2
Dangerous goods transporters	1	Automatic inspection of power punching and shearing machinery	1
First responders	20	Specified Chemical Substances Operation Supervisor	3
Operators of forklifts with a load capacity of more than 1 ton	36	Dust Operations Supervisor	5
Organic solvent operations supervisor	5	Acetylene operator	1
Hypoxia Operation Supervisor	1	Workplace health service nurses	1
Fire Prevention Manager	5	Small boiler operators	1
Operators of fixed cranes weighing less than three tonnes	1	Class B waste treatment technician	3
Operators of fixed cranes (overhead cranes) weighing more than three tons	6	Energy management professionals	2
Training Course on Lifting Equipment (Handler)	1	Security Supervisor	1



Safety and health management performance

To implement safety and health management, the Safety and Health Office selects several key occupational safety and health indicators each year, including the number of disabling injuries , the number of people injured due to disabling injuries , the number of days lost due to disabling injuries , the number of improvement proposals, and the number of false alarm reports . Annual targets are set as performance management assessment criteria. In 2024, the factory experienced no occupational safety incidents, with only three cases of disabling injuries resulting from commuting accidents . The office will continue to strengthen awareness and remind employees of traffic safety precautions to reduce the incidence of traffic hazards.

2024 Safety and Health Management Performance Statistics

Number of disabling injuries	Number of disabled injured	Disability injury days lost	Number of improvement proposals	Number of false alarm reports
3	3	20	103	12

Note 1: Number of disabling injuries = Number of incident investigation reports

Note 2: Number of disabled injured = Number of disabled injured in the incident investigation report

Note 3: Disability Injury Lost Days = Total Lost Days After Injury

Note 4: Number of proposed improvements = number of proposed improvements related to environmental, safety and health issues

Note 5: Number of false alarm reports = Number of improvement proposals related to occupational safety and health issues

Note 6: Traffic accidents are included in statistics

Note 7: This statistical data includes all workers

■ Statistics on types of work-related injuries , frequency of work-related injuries , occupational diseases , and percentage of lost days in 2024

category	Work-related injuries		Traffic incidents	
gender	male	female	male	female
Number of people	0	0	1	2
Lost days	0		20	
Disabling injury frequency rate (FR)	0		3.25	
Disability Injury Severity Rate (SR)	0		21.67	
FSI (Summary Damage Index)	0		0.27	

Healthy and safe working environment

Employee Care and Concern: Employees are a company's most important asset, and employee health is the foundation of Leechi's sustainable development. Healthy employees drive productivity. Leechi safeguards the health of every employee through a diverse range of health promotion and health management activities. Leechi values the physical and mental well-being of its employees, encourages a work-life balance, and is committed to promoting healthy lifestyles and behaviors. Leechi adheres to the ISO 45001 Occupational Safety and Health Management System, fully understanding workplace hazards and risks, assessing their impact on all relevant personnel within the company (including employees, contractors, visitors, and others), and ensuring that all personnel have the right understanding to ensure a healthy and injury-free work environment.

1. Happy work and happy life

Employees are the company's greatest asset, and creating a hopeful and dynamic working environment is something Leechi values.

In addition to work, we also hope that our employees can have a harmonious life both physically and mentally. Therefore, the company provides care and assistance to The system and company activities enable employees to work happily and have a happy life.

In addition to providing care and assistance to employees and their families, each factory also regularly organizes activities such as monthly birthday parties, employee trips, employee welfare activities, etc., and also provides a variety of lectures and courses to allow employees to experience various life experiences outside of work.

2. Employee health management

Based on our employee care and support policy, employee health screenings and health management are key priorities. Leechi implements health screenings for all employees in accordance with the law. We also conduct regular health information outreach activities. Each site has a factory doctor who provides health consultations and daily health advice and services. Comprehensive health screenings can detect potential illnesses early. For employees in special work positions (such as those exposed to high noise levels and dust), the company schedules annual health screenings with specific health items. This comprehensive health screening program allows employees to understand their health status and take appropriate self-care measures or seek medical attention promptly. After the health screening, professional medical staff will provide medical assistance and checkup reminders for any significant abnormalities found in the results, implementing supportive care. We also offer specialized consultations for individuals with health issues. Each site regularly hosts physician consultations, providing employees with access to professional advice. The company actively manages and develops programs for education/training, counseling, prevention/risk monitoring, and medical assistance related to personal health issues. To care for the physical and mental health of our employees, in addition to documenting basic employee health information, managing and tracking

abnormal physical examination values, and grading and tracking special examination results , we also arrange one-on-one consultations between employees and factory doctors , conduct questionnaires on factors such as human factors and abnormal workloads , and provide health guidance and consultations as a basis for work arrangements and workplace improvements. All employee personal health service records and information are used solely to assess whether employees are in a safe workplace and are not used for any other purpose. This data is securely stored by the dedicated health management unit and will not be disclosed.

Under strict safety and health management and protection, no occupational diseases occurred among Leechi employees in 2024 .



Leechi implements health examinations in accordance with legal regulations . For employees working in workplaces with particular health hazards, special annual health examinations are conducted to ensure employee health protection.

Employee health checkups provided by Leechi	
● Under 40 years old	Once every 5 years
● Every three years for those aged 40 to 65	
● Once a year for those over 65 years old	

Number of employees receiving special health examinations in 2024

Dust workplace	Noisy workplace
23 people	128 people

3. Employee health promotion activities

In order to maintain the habit of continuous exercise among employees, the company continues to encourage employees to establish Safe exercise habits to maintain personal physical, mental and spiritual health . In 2024 , we will organize " Health Information Promotion" for employees every month ."Guide", and held " Weight Loss Class ", "Noise Operation and Hearing Protection Health Education Lecture", "Four Major Protection Plan Education Training", "Human Factors Health Promotion Lecture", "Psychological Related Issues Health Promotion Lecture ", "A ED + Simple CPR Education.

Total of 326 people participated in health promotion activities such as "training" and "blood donation activities" .

To encourage all employees to participate in the healthy stair climbing activity, we have posted " Healthy Stair Climbing " signs on the stairs of each floor of our company.slogans” to encourage colleagues to take the elevator voluntarily , indirectly reducing the number of elevator trips and at the same time saving energy and reducing carbon emissions Do your part.





4. Team physical activities

Leechi actively encourages colleagues to participate in group health promotion activities (such as cycling club) to maintain a healthy body. It should be one of everyone's life goals. Exercise is the beginning of health. Riding a bicycle, Exercising while enjoying the beautiful natural scenery is such a wonderful thing. It not only improves your health but also It can enhance the relationship between colleagues and provide employees with opportunities to exercise and communicate after work. The power of the body has brought about a culture of physical exercise within the company and promoted the habit of cycling among Leechi employees. Through bicycle club activities, employees can understand the basic knowledge of bicycle riding (riding posture and Safety protection) and simple bicycle maintenance and respond to the government's energy conservation and carbon reduction policies, inspiring colleagues to innovate. To promote bicycle sports and leisure culture, the bicycle club occasionally organizes bicycle rides for Leechi employees and their families. We will participate in activities and share experiences with other bicycle companies and the bicycle industry, and at the same time, implement new products Real vehicle road test and feedback on the pros and cons of new product development and improvement suggestions. The exhibition has been held all over Taiwan.



5. Reproductive care and resources

In addition to regular health checkups , we also arrange special checkups for female employees.To take care of the health of female employees, increase their willingness to have children and provide a friendly working environment, in order to nurture a healthy next generation the most timely care and attention during the pregnancy stage , Leechi encourages female employees to take the initiative to report and share their pregnancy happiness.Yue and received the following special care consultation arrangements for pregnant female employees .

- (1) If a female employee actively reports and completes the evaluation during pregnancy and postpartum breastfeeding ,After the assessment form and the mother's manual are provided and the company's occupational doctor assists in the interview and assessment, the company will Gift voucher worth \$500 or maternity and baby related gifts.
- (2) During pregnancy , female employees shall submit written application to the management department, and the company shall provide dedicated car /motorcycle parking spaces) at the entrances and exits of the factory to improve the safety of female employees during pregnancy During this period, the convenience and safety of round-trip transportation.
- (3) Each factory of the company provides a friendly breastfeeding (collection) room environment and encourages colleagues to continue to provide nursing services for newborns after giving birth.Giving birth and breastfeeding .
- (4) The company has signed an annual special cooperation agreement with the adjacent Shipai non-profit kindergarten to provide employees with excellent and Convenient childcare facilities.
- (5) The welfare fund will provide a birth subsidy of NTD\$ 3,000 per birth . In 2024 , there were 6 employees who applied for the subsidy , with a total amount of NTD\$18,000 .

4.5 Social Welfare

Leechi adheres to the principle of "taking from society and giving back to society," focusing on community care, continuously cultivating talent, and supporting vulnerable groups, demonstrating care and practical action. However , national strength depends on education. Therefore, in 2024, Leechi will continue to deepen its commitment to rewarding outstanding students and supporting the disadvantaged, sponsoring scholarships and grants at Jianguo University of Science and Technology and donating funds to Shipai Elementary School to cultivate elite talents with a balanced education. Leechi also proactively provides assistance for emergency relief, vulnerable groups, and individuals experiencing disasters, directing limited resources to those most in need and contributing to the advancement of society. With these three core pillars, Leechi is committed to fulfilling its commitment to a friendly and caring society.

Talent cultivation and promotion of education and culture:

This is especially true for lower and middle school students, who only have half-day classes. After school, they are left unattended and have irregular schedules. This creates significant concerns for their safety, academic performance, and moral development . A donation of NT\$78,600 was made to establish an after-school arts club at the school , hoping to leverage community resources to implement "equal educational opportunity," provide students with practical experiences, and ultimately enhance their abilities and self-confidence. Furthermore, to promote environmental education, enhance teaching quality, and create a high-quality learning environment, an environmental education signboard was installed in the corridor of the school. The concept behind the signboard is to create an educational public art gallery showcasing the community, local specialties (dried lychees), and local businesses (Leechi Machinery). The signboard integrates local culture, the overall environment, and industrial characteristics, allowing students to gain a deeper understanding and appreciation of local culture through the signboard, while also conveying the spirit of sustainable cultural heritage.

2. Donate 20,000 yuan in scholarships to Jianguo University of Science and Technology to reward outstanding students and cultivate outstanding talents for the country, hoping that they will become leaders in the country's progress and development.

感謝狀

彰石國家謝字第 113021 號

茲收到 利奇機械工業股份有限公司 寶號 先生惠贈本校家長會 女士

☐第 屆畢業生畢業典禮

☒慶祝 64 週年校慶運動大會

☐新(卸)任會(校)長交接

☐其他:

賀儀(獎學金): 新台幣 一萬 零 仟 陸 佰 一 拾 元

花園(花籃): 對 份

盆景: 盆

獎品(禮品): 份

隆情厚誼, 殊深感激, 謹此申謝!

彰化縣彰化市石牌國民小學學生家長會 家長會長: [Red Seal]

中華民國 113 年 12 月 6 日

統一編號: 39883228

附註: 對學校及家長會之捐贈, 依照所得稅法第 24 條及財政部 75 年 12 月 30 日, 台財稅第 75 四七七四號函規定, 公司行號准予費用列支, 個人准於綜合所得稅結算申報時列舉扣除。

感謝狀

茲感謝 利奇機械工業股份有限公司 提供精美小禮物與孩子們歡慶聖誕節

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彰化縣彰化市石牌國民小學 校長 郭舒華

中華民國 113 年 12 月 24 日

感謝狀

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特頒此狀 以致謝忱

彰化市石牌社區發展協會 理事長 林峻毅

中華民國 13 年 10 月 12 日



Community care and giving back to the local community:

1. Adopt Shipai Park, and have dedicated personnel clean and maintain the environment on a weekly basis, implement garbage sorting and recycling, prune trees and flowers, maintain hardware facilities around the park, renovate the walls of the community archway, and regularly beautify and paint it.
2. Assist in cleaning up the environment and jointly maintain a clean community.
3. The company's guard room is a community satellite relay point . The company's factory is equipped with an air-raid shelter for disaster preparedness and emergency response. The factory's road monitoring system can assist in backing up records of people entering and leaving the community and cooperate with the nearby police station to improve neighborly relations and strengthen community safety.
4. Provide job opportunities to local fresh graduates, new graduates, second-time employees, middle-aged and elderly people, and women, etc.
5. We donated NT\$20,000 to support and participate in various activities at the Erawan Shrine and Shi An Temple . Through religious belief, we aim to help migrant workers find spiritual peace and positive mental and physical development. We also hope that the power of religion can improve social morals, eliminate violence, and bring peace and security to our communities and society as a whole.
6. Sponsor gifts and materials for community activities and cooperate with the Ministry of Health and Welfare to promote the Ten-Year Long-Term Care Plan 2.0 and the Long-Term Care Class C Location Initiative to sponsor computer equipment for administrative documents in the community in order to accelerate the goal of disseminating long- term care service resources. In order to set up convenient long-term care stations, dementia service locations and delayed disability dementia service locations in the community, provide respite, temporary care and disability prevention, delayed disability care and other services, establish a "community"-based prevention and care system, and hope that through localized community care, the elderly can live in a familiar environment. At the same time, appropriate respite services are provided to family caregivers to prevent the deterioration of long-term care problems and implement sustainable and livable community living development.



Disadvantaged assistance, medical assistance:

1. To provide food and drink for the elderly in the Shipai community, we will provide designated dining services. These shared dining services address the issue of children working away from home unable to provide dietary care for the elderly, encourage their active participation, and implement community care services. With a NT\$60,000 sponsorship , we will provide shared dining services for the elderly in the community, meeting their basic physiological needs and promoting their health. We will strengthen community service capabilities, integrate care and support, improve the quality of life of the elderly, and enable them to live a dignified and joyful life. We will implement the principle of community-based social welfare and leverage community resources to jointly promote dining services for the elderly.

➤ Appendix

➤ GRI Guidelines Content Index

GRI 2 General Disclosures 2021				
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2.01	Organization details	1.1 About Leechi	30	
2.02	Entities included in organizational sustainability reporting	About this report	01	
2.03	Reporting period, frequency and contact person	About this report	01	
2.04	Information recompilation			No such situation this year
2.05	External assurance/assurance			No external assurance/confidence was provided this year
2.06	Activities, value chains and other business relationships	3.1 Products and Technologies	76	
2.07	staff	4.1 Employee Profile	84	
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2.23	Policy commitments		Sustainable development strategy and major issues management	20	
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2.29	Stakeholder Consultation Policy		Stakeholder Interaction	16	
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	201.2	Financial impacts and other risks and opportunities arising from climate change	1.8 Climate Change and TCFD	52	
	201.3	Defining benefit plan obligations and other retirement plans	4.2 Diversity and Talent Cultivation	86	
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GRI 414: Supplier Social Assessment 2016	414.1	New suppliers are screened using social criteria	3.4 Supply Chain Management	82	
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➤ TCFD Guidelines Comparison Table

oriented	TCFD recommends disclosure projects	Corresponding chapter	page number
Governance	Climate issues governance structure	1.8 Climate Change and TCFD	52
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	The impact of climate-related issues on companies' business models, strategies, and financial planning	1.8 Climate Change and TCFD	52
	Scenario analysis (including 2°C or more severe scenarios)	1.8 Climate Change and TCFD	52
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➤ SASB Standard Comparison Table

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Chemical hazards and safety hazards of products	C G-TS-250a.1	(1) Number of recalls issued (2) Actual recall quantity	3.2 Quality Management	79
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Labor conditions in the supply chain	C G-TS-430a.1	Number of factories that have undergone social responsibility code of conduct audits	3.4 Supply Chain Management	82
	C G-TS-430a.2	Direct Supplier Social Responsibility Audit (1) Failure rate (2) Improvement rate of non-conformities a. Improvement rate of major issues b. Other matters improvement rate	3.4 Supply Chain Management	82
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Contact Information

If you have any suggestions for the "Leechi Machinery 2024 Sustainability Report", please contact us through the following channels:

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