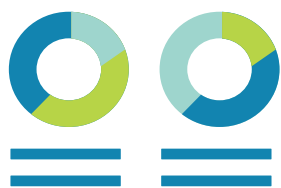


三陽工業
SANYANG MOTOR



2023 | ESG 永續報告書

Environmental, Social and Governance
Sustainability Report



CO₂



GREEN
ECOLOGY



2023

ESG 永續報告書

Environmental, Social and Governance
Sustainability Report

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2023 ESG 永續報告書

Environmental, Social and Governance Sustainability Report



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01 Sustainable Operations

About this Report

Reporting Boundary, Scope, and Disclosure Period

Sanyang Motor Co., Ltd. (below, "Sanyang Motor" or "the Company" in the rest of this Report) has voluntarily prepared and published our Corporate Social Responsibility (CSR) Report annually since 2009. In 2021, the report was renamed and expanded as the Sanyang ESG Sustainability Report. This Report represents the Company's third ESG Sustainability Report, and follows on from 12 years of CSR Reports, continuing to disclose the Company's objectives and achievements in the context of sustainable development.

The disclosures in this Report primarily cover Sanyang Motor's headquarters in Taiwan and our service and dealership locations. Economic performance indicators are disclosed based on the entities included in the consolidated financial statements, encompassing the Company and our investment ventures. For topics and data not covered in this Report, as well as other related information, readers are encouraged to visit Sanyang Motor's official website or contact the designated coordinator.

The information disclosed in this Report pertains to the period from January 1, 2023, to December 31, 2023. To comprehensively present Sanyang Motor's actions and performance in environmental sustainability, social commitment, and corporate governance, certain information may include retrospective data from before 2023 or projections extending into 2024.

Compliance with Regulations, Standards, and Principles

This Report is prepared in accordance with the GRI Universal Standards 2021, issued by the Global Reporting Initiative (GRI). It also references the United Nations Sustainable Development Goals (SDGs) and incorporates disclosures based on the industry-specific indicators proposed by the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB).



Data Calculation Standards and Third-Party Assurance/Verification

- The financial data referenced in this Report is prepared in accordance with the International Financial Reporting Standards (IFRSs), as approved and issued by the Financial Supervisory Commission, and the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The data is based on the financial statements audited and certified by KPMG certified public accountants and presented in New Taiwan Dollars (NTD).
- The results of the ISO 14064-1:2018 greenhouse gas emissions inventory were verified by DNV, an international verification body. The 2023 inventory covered the Hsinchu plant, Xinfeng plant, and Parts Business Department.
- The Company's ISO 14001 and ISO/CNS 45001 certifications were also verified by DNV, covering the Hsinchu and Xinfeng plants.
- The statistical data disclosed in this Report is derived from the Company's own statistics and surveys, presented using internationally recognized indicators. If estimations are included, they are annotated in the relevant sections.
- The Company engaged the KPMG certified public accountants to perform a limited assurance engagement on the subject matter information disclosed in this Report, in accordance with the Standards on Assurance Engagements 3000 (TWSAE 3000), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", issued by the Accounting Research and Development Foundation of the Republic of China. The assurance report can be found in the appendix.

Contact Information

If you have any questions regarding the content of this Report, please contact the following:

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- Phone: +886-3-598-1911 #1722
- Fax: +886-3-598-3378
- E-mail: ESG@sym.com.tw

Reporting Cycle

Sanyang Motor publishes our ESG Sustainability Report annually. The base year for greenhouse gas inventory is 2022, while other data use 2021 as the base year for comparison, adhering to the principle of continuous disclosure for three consecutive years from 2021 to 2023.
Current Chinese Version: Issued on July 15, 2024
Previous Version: Issued June, 2023
Next Version: Expected to be issued from June to August, 2025

Restatement of Information

If any historical information is restated, explanations will be provided within the content of the Report.



Sanyang Motor Website



Sanyang Motor Sustainability Reports





1.1 A Message from the Chairman

Breakthrough Growth in Operational Performance

As we move past the pandemic, the overall economic environment is easing. However, challenges remain significant for businesses due to uncertainties from geopolitical conflicts, rising prices, and other factors. Through exerting our greatest efforts, we aim to mitigate the impacts brought by these external conditions. In 2023, Sanyang Motor focused on technological innovation, quality excellence, and high-standard services, achieving remarkable results in overall operations. Annual revenue surpassed NT\$60 billion, setting a new growth record of 26%. For the motorcycle business unit, the management team closely followed industry trends to understand customer needs, achieving an impressive market share of 38.4% in Taiwan. In the automobile business unit, we realized the dream of superior vehicle craftsmanship, recording a double-digit growth rate of 44% in annual sales. This marked the highest-ever market share of 4.6% for the Hyundai brand under our agency, making Sanyang Motor the fastest-growing brand and earning us a position as the fourth-largest non-luxury domestic brand for the first time. The Company has successfully accomplished our goals under the strategies of three years of stabilization, three years of development, and three years of reclaiming glory, thanks to the efforts of our management team. As Sanyang Motor approaches our 70th anniversary, we mark the beginning of a new chapter.

Creating a New Future

Building on strategies such as the Four Major Reforms, Three Precisions and Three Sharings, and Dual Quality and Dual Quantity, Sanyang Motor (SYM) aims to create a new future from the consumer's perspective. SYM has gradually gained consumer favor and trust. Moving forward, we will focus on developing global and regional product strategies to identify new opportunities. Through shared value across the Group's value chain, SYM will actively integrate resources from three locations, expand shared parts procurement, and enhance bargaining power to mitigate the impact of rising costs. Riding on the momentum of our sales success in Taiwan, SYM will leverage our comprehensive lineup of internal combustion and electric vehicles to drive export growth, aiming for a target of one million units in sales. In response to global sustainable development initiatives and to align with international standards, SYM aims to refine our brand, expand our design capabilities, and capture the mass market with a strategy centered on winning consumers' trust.



Corporate Social Responsibility

Adhering to the principles of integrity and transparency, the Company values the interests of shareholders, employees, consumers, and stakeholders. Through a robust corporate governance system, we ensure the protection of shareholder rights and enhances the functions of various committees under the Board of Directors. Each year, the Company continues to refine our ESG Sustainability Report, aiming to leverage our central vehicle manufacturing hub to drive low-carbon and intelligent development across the industry chain. By fulfilling our corporate social responsibilities and fostering a high-quality living environment, the Company strives to create a sustainable future together with our partners.

Sanyang Motor Co., Ltd.
Chairman and President
Ching-Yuan Wu

吳清源



SANYANG MOTOR

Environmental, Social and Governance Sustainability Report 2023



A Message from the Vice Chairman

Climate change is a significant global challenge, and businesses must continuously enhance their adaptability to mitigate the impact of environmental changes. Every year since 2009, Sanyang Motor has voluntarily compiled and published our Corporate Social Responsibility (CSR) Report. In 2022, we officially established the ESG Editorial and Promotion Team to facilitate cross-departmental communication and coordination, both horizontally and vertically. This long-term, continuous improvement operational model includes regular meetings and reports to the Board of Directors, aligning with stakeholders to support the United Nations' Sustainable Development Goals (SDGs).

With Sanyang Motor's remarkable performance in 2023, we have an even greater duty to embrace the spirit of "giving back what we take from society". Sanyang Motor actively engages in charitable initiatives, such as donating neonatal intensive care incubators, ambulances, and medical mobile units across Taiwan, sponsoring scholarships for underprivileged students, promoting sports events, and more. Through ongoing charitable donations, support for early childhood education and healthcare programs, and efforts to promote diversity, peace, and environmental protection, Sanyang Motor remains committed to caring for communities in need around the world.

Sanyang Motor Co., Ltd.
Vice Chairman
Li-Chu Wu

美麗珠





Sanyang Motor Co., Ltd.
Executive Vice President
Hsu-Pin Chen

A Message from the Executive Vice President

The management team at Sanyang Motor diligently implements the Company's business strategies by focusing on *Quality* to establish a foundation for innovation, *Innovation* to enhance service value, and *Service* to drive quality improvement. This forming a virtuous cycle of continuous growth for the Company. Through a quality refinement operating mechanism, we aim to build international competitiveness, develop energy-saving and carbon-reducing products, and enhance the Company's environmental performance. We also strive to contribute to social and economic development and technological progress in products through environmental and energy-saving education.

Sanyang Motor strictly complies with all legal regulations and obeys all internal governance mechanisms. The Company continuously improves our risk assessment and management policies while fostering a friendly workplace environment. We provide employees with a safe working environment, reasonable compensation, and comprehensive benefits. By holding labor-management meetings and practicing walk-around management, we listen to employees' voices, prioritize their health, encourage participation in social activities, and provide supportive childcare facilities. Under the leadership of the management team, the Company has steadily expanded our business, while actively encouraging an employee culture of innovation, participate in challenging projects, and continuous learning. This has helped build a sense of belonging and teamwork. Through long-term, stable operations, Sanyang Motor aims to attract more investor interest, enhance corporate governance through the operations of the Board of Directors and our different committees, and fulfill our corporate responsibilities to jointly create a sustainable future.



1.2 Business Overview

Founded in 1954, Sanyang Motor is Taiwan's first international enterprise that spans both motorcycle and automobile manufacturing. Guided by our core principles of quality, service, and innovation, the Company has accumulated extensive expertise in the motorcycle business unit. We continuously strive for technological breakthroughs, cultivate global professional talent, and actively expand our diverse customer base. As we approach our 70th anniversary, Sanyang Motor aims to create a new future and increase our global market share. In the automobile business unit, as a key partner in Hyundai Motor's global collaboration efforts, Sanyang Motor focuses on enhancing product competitiveness and aligning with the Hyundai brand philosophy of "Progress for Humanity". By leveraging high-standard vehicle manufacturing craftsmanship, the Company seeks to bring driving dreams and happiness to life. Total sales in 2023 marked four consecutive years of growth; our goal is set on becoming one of the top four leading brands in Taiwan's automobile market.

Company Name	Sanyang Motor Co., Ltd.
Date of Establishment	August 29, 1961 (Predecessor, Sanyang Electric Machinery Plant, was established in 1954)
Chairman	Ching-Yuan Wu
Vice Chairman	Li-Chu Wu
President	Ching-Yuan Wu (concurrent position)
Paid-In Capital	NT\$7.975 billion
Number of Employees	2,469 (as of December 31, 2023)
Main Products	Automobiles, motorcycles, mobility products, and their components
Headquarters Location	No. 3, Zhonghua Road, Fengshan Village, Hukou Township, Hsinchu County, Taiwan

Key Milestones in 2023

1. The SYM Joyride 300 joined in the remarkable achievement of traveling 4,000 kilometers along the Middle East Highway from Greece to the Middle East.
2. The SYM Jet SL 125 series achieved its 100th championship in scooter racing. We also introduced the Jet SL 100th Championship Special Edition.
3. Celebrated the 30th anniversary of VMEP in Vietnam.
4. SYM retained our position as the market share leader for the year with a 38.4% share, and our annual consolidated revenue surpassed NT\$64.4 billion, setting a new record.
5. Hyundai achieved an annual cumulative sales growth of 44%, rising to become the fourth-largest non-luxury domestic brand.
6. Launched the all-new domestically manufactured Hyundai QT500 5-ton commercial vehicle.



1.3 Major Events in 2023

January	The SYM Joyride 300 joined in the remarkable achievement of traveling 4,000 kilometers along the Middle East Highway from Greece to the Middle East.
February	Launch of new models by Xiashing Motorcycle, including Joymax Z+, Fiddle 150, 4mica, and Cruisym150.
March	Sanyang Motor donated two ambulances and on-board medical equipment to the Nantou County Government.
April	SYM Jet SL 125 achieved its 100th championship in scooter racing.
July	Launch of the new SYM CU series CLBCU. SYM CLBCU collaborated with the Rakuten Girls to complete a relay round-island trip. SYM retained our position as the annual market leader with a market share of 38.4%.
August	Launch of the new Shark Mini 50cc model by VMEP in Vietnam. SYM achieved first place in scooter sales in Greece with a market share of 32.4%. Launch of the new MMBCU (Mamba) model by Xiashing Motorcycle.
September	VMEP celebrated its 30th anniversary in Vietnam. Launch of the new TUSCANY150 model by VMEP in Vietnam.
November	The R&D center of Xiashing Motorcycle obtained certification from the China National Accreditation Service for Conformity Assessment (CNAS), earning its laboratory accreditation certificate.
December	Hyundai achieved an annual cumulative sales growth of 44%, rising to become the fourth-largest non-luxury domestic brand. Launch of the all-new domestically manufactured Hyundai QT500 5-ton commercial vehicle. Xiashing Motorcycle donated CN¥1 million in disaster relief funds following a 6.2 magnitude earthquake in Jishishan County, Linxia Prefecture, Gansu Province. SYM retained our position as the annual market leader with a market share of 38.4%. Annual consolidated revenue surpassed NT\$64.4 billion, setting a new record.

1.4 Major Products and Sales Regions

(1) Motorcycle Products

Adhering to our core business principles of quality, service, and innovation, Sanyang Motor has established Taiwan as our global corporate headquarters and R&D center. The Company has developed a global production base with standardized platforms and balanced production processes, aiming to achieve world-class quality standards. With pride in our core technologies of High-Quality and Advanced Engines, and Integrated Vehicle Design and Development, we at Sanyang Motor continually challenge ourselves through relentless innovation and solid maintenance capabilities to deliver the most satisfying products to customers. SYM strives to become a globally recognized leading brand, creating ideal and exciting lifestyles. Through innovative, expert technologies, the Company aims to enhance life's quality while upholding the brand promise of "Advanced Technology, Inspired Living". This promise drives every step of SYM's progress, reflected in every SYM product and service.

3 Production Bases

Sanyang Motor has production bases in Taiwan, China, and Vietnam. Across these three regions, the Company operates more than 3,000 sales, after-sales service, and maintenance locations.

76 Export Countries (2023)

SYM exports to 76 countries across Asia, the Americas, Europe, and Africa, including Italy, Greece, Colombia, Turkey, Spain, the United States, France, Belgium, South Korea, Germany, Brazil, Thailand, Malaysia, the Philippines, Algeria, Egypt, and Australia. In these markets, SYM has established 10 to 200 sales locations per country, providing comprehensive sales, after-sales maintenance, and repair services to SYM motorcycle/motor scooter owners worldwide.



Motorcycle Product Introduction

Note: New models for 2023 are underlined

125cc or less

- WOO, Fiddle/LT/II, Vivo, Duke, New Duke 125, Z1 Attila, 4mica JET SR/SL, FNXBT, KRNBT, JOYRIDE S, Joymax Z+, CRUiSYM α , CLBCU
- MIO, CROX, Orbit III, X'Pro, JET 4 RX, JET 14/X, Symphony/SR/ST/CARGO, ADX
- Wolf, Wolf Classic, SYMNH X/T, VF

150cc to 250cc

- 4mica, Fiddle DX, DRGBT, MMBCU, Joyride S, Joymax Z+
- JET 14/X, Symphony/ST, HUSKYADV, Tuscany
- SYMNH T

251cc or more

- HD, Joyride, Joymax Z+, CRUiSYM α , MAXSYM, MAXSYM TL, HUSKYADV

Electric Vehicles

- E-WOO, e X'Pro, MIO Electric, Fiddle Electric



JET Dominates the Industry with 100 Championship Trophies in the Bag!

JET Achieves a Historic Milestone: 100 Championship Titles!

2023 marked the first year of televised coverage for the TSR Motorcycle Championship, and JET, having accumulated 96 championship titles in 2022, continued its dominance. In the first race of 2023, JET claimed victory in the 125 D1, D2, D3, and 125C categories. As witnessed on the big screen, JET secured its hundredth championship trophy, marking the century milestone. This superb achievement highlights the unparalleled performance of the JET series.



SYM Versatile Lightweight Motor Scooter: CLBCU

SYM has unveiled the second model in our CU series, the CLBCU, inspired by the hummingbird—a tiny, agile creature of the forest. With a compact, lightweight design and vibrant, versatile color options, the CLBCU uses the perspective of women riders to create the most user-friendly vehicle. Since its launch, the CLBCU has received widespread acclaim and sparked a quite a "hum" of interest. Within just over a month of the model's release, it garnered over 6,000 orders, marking SYM's most outstanding performance for a stylish and trendy model in recent years.

The CLBCU features SYM's exclusive enamel paint technology, producing a color-shift effect at different angles and in different lighting conditions that make it truly eye-catching. Equipped with EnMIS fuel-saving technology, it offers both a smooth ride and exceptional fuel efficiency, allowing riders to go up to 25 days on a single tank. Additional features include an ultra-lightweight center stand, rotatable rearview mirrors, keyless start, and LED lighting throughout the scooter.



Out of nearly 8,000 submissions from 23 countries, the CLBCU stood out after rigorous evaluation by a panel of 30 design and creative experts from academia and industry worldwide to win honors in the internationally-renowned Golden Pin Design Award.

SYM CLBCU X Rakuten Girls Complete Round-Island Relay Journey!

In 2022, Sanyang Motor's Chairman embarked on a round-island journey, marking the start of SYM's "Start Your Miles" tradition of traveling around Taiwan. Extending this passion into 2023, SYM invited the Rakuten Girls to ride the newly launched versatile, lightweight CLBCU motor scooter on a relay-style round-island adventure, immersing themselves in the beauty of Taiwan's diverse landscapes.

CLBCU X Rakuten Girls Highlight the Beauty of Taiwan with CLBCU's Five Stunning Colors

The design of the CLBCU motor scooter draws inspiration from the shape and form of the hummingbird. Its body, colors, and features are all developed to reflect the characteristics of these agile birds. Modeled after the hummingbird's compact size, the CLBCU is crafted for reduced wind resistance, making it the lightest model in its class. Reflecting the hummingbird's vibrant plumage, the CLBCU is available in five eye-catching colors: Aurora Silver, Candy Pink, Soft Salt Blue, Dreamy Blue, and Ethereal White. Using SYM's multi-layer painting technique, the motor scooter's body panels shine in different shades under different lighting conditions, adding dynamic visual appeal. During their relay-style round-island journey, the Rakuten Girls visited scenic spots in Taiwan that matched the five motor scooter colors, naturally showcasing the charm and versatility of the CLBCU's vibrant palette.





2023 SYM Sales Highlights

- Retained position as annual market leader, with a 38.4% market share.
- The Double Champions, MMBCU and DRGBT, achieved sales exceeding 100,000 units.



01 Sustainable Operations

1.4 Major Products and Sales Regions

(2) Automobile Products

Sanyang Motor has formed a strategic alliance with South Korea's Hyundai Motor (Hyundai) to provide Taiwanese customers with high-quality domestically manufactured Hyundai cars, trucks, and commercial vehicles. Through our directly managed subsidiaries, Sanyang Motor offers comprehensive sales and maintenance services, making us an important partner in Hyundai's global collaboration efforts.

Since its establishment in 1967, Hyundai Motor has consistently aspired to become a world-class brand, creating numerous cutting-edge R&D centers and production facilities. Guided by the brand promise "Because of You", Hyundai prioritizes quality and brand excellence as its two key focus areas for the future. No longer content to merely follow or study others, Hyundai strives to achieve our ideal of "creating vehicles that bring dreams and happiness to people".

TNCAP (Taiwan New Car Assessment Program)

In 2023, Sanyang Motor received a notification from VSCC (Vehicle Safety Certification Center, an institution commissioned by the Ministry of Transportation and Communications) regarding the evaluation of basic safety level equipment (with the Venue model selected for testing). Moving forward, Sanyang Motor will continue to adhere to the highest standards and procedures in the vehicle production process to ensure high-quality vehicles that meet regulatory and market standards.

80 Service Locations

Currently, Sanyang Motor has nearly 80 service locations across the cities and counties of Taiwan, providing sales, after-sales maintenance, and repair services.



Automobile Product Introduction Note: New models launched in 2023 are underlined

Hyundai SUVs	Ioniq 5 Electric; <u>Tucson L Turbo Hybrid</u> / Turbo Gas; Kona Turbo Gas / Electric; SantaFe DSL /Turbo Hybrid; Venue Gas
Hyundai Minivans	Custin Turbo Gas; Staria
Hyundai Sedans	<u>Ioniq 6 Electric</u>
Hyundai Commercial Vehicles	<u>QT500</u> ; Porter

Product sales volume over the past three years

	2021	2022	2023
Motorcycles (units) (Note)	259,828	276,381	350,511
Automobiles (units)	13,349	15,419	22,358

Note: Motorcycle sales volumes do not include production and sales figures from overseas production bases where Sanyang Motor handles orders.

Sales volume of electric vehicles over the past three years

	2021	2022	2023
Electric Motorcycles (units)	624	621	642
Electric Cars (units)	94	375	775
Hybrid Cars (units)	407	665	1,837

1.4 Major Products and Sales Regions

High-Tech Power: Tucson L Turbo Hybrid

Best-in-class turbocharged hybrid technology, delivering exceptional performance and fuel efficiency



The Hyundai Tucson L takes the lead by introducing a turbo hybrid power unit, a first in its class. It features the innovative TMED (Transmission Mounted Electric Device) single-axis dual-power system architecture, integrating a turbo engine, a permanent magnet synchronous motor, and a 6-speed automatic transmission into the front-drive axle. This design significantly reduces transmission loss. Building on the widely used 1.6T turbocharged engine, Hyundai incorporates the world's first CVVD (Continuously Variable Valve Duration) system. This groundbreaking technology redefines and precisely controls valve timing and duration, optimizing air intake and direct fuel injection combustion efficiency. It enhances power output efficiency while aligning with carbon reduction targets.

The turbo hybrid system integrates Hyundai's advanced hybrid technology, utilizing a direct-drive single-axis design to transmit every unit of horsepower with maximum efficiency. With a combined output of 230 horsepower, it delivers smooth and seamless power for an exhilarating driving experience. Equipped with a highly efficient 1.49 kWh lithium-ion polymer battery, the system benefits from the synergy between the turbo engine and electric motor technologies, unlocking exceptional performance while achieving an impressive fuel efficiency of 21.1 km/L.

All-Electric Sports Car: Ioniq 6

The industry's most advanced battery energy management, delivering a clean and intelligent new driving experience



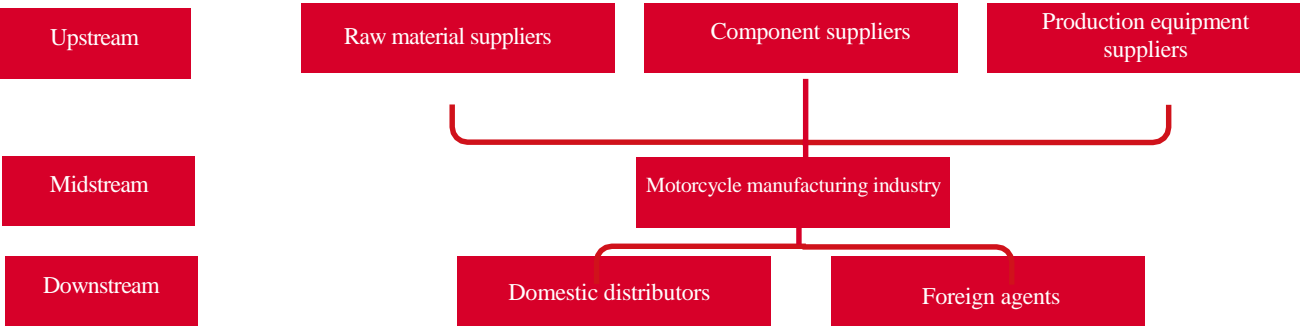
The Ioniq 6 is equipped with the advanced E-GMP (Electric-Global Modular Platform), utilizing cutting-edge high-density battery cells, energy management technology, and a highly efficient permanent magnet synchronous motor. This provides superior driving range and ultra-fast charging capabilities. The EV400 batteries feature a 53-kWh capacity, for maximum power of 149 hp, and peak torque of 35.6 kgm. The EV600 and EV600 Performance batteries both come with a 77.4-kWh capacity. The EV600 delivers a power of 225 hp and a torque of 35.6 kgm, while EV600 Performance offers a power of 321 hp and a torque of 61.9 kgm. The top-tier EV600 Performance accelerates from 0 to 100 km/h in just 5.1 seconds, outperforming the Ioniq 5. The Ioniq 6's chassis is optimized for ideal battery placement, lowering the center of gravity and significantly enhancing the handling performance of this all-electric sports car. The Ioniq 6 possesses the largest 800V DC fast charging system currently available, compatible with 350-kW ultra-fast chargers. It recharges to 80% in just 18 minutes, the fastest in its class.

The Ioniq 6 comes standard with the full suite of Hyundai SmartSense active safety assistance systems, including Level 2 semi-autonomous driving features such as SCC (Smart Cruise Control) intelligent distance-keeping cruise control; LFA (Lane Following Assist) full-range lane-keeping assistance; FCA (Forward Collision-Avoidance Assist) with pedestrian detection and FCA-JX intersection detection; RCCA (Rear Cross-Traffic Collision-Avoidance Assist) to prevent collisions during reversing; BCA/BSD (Blind-Spot Collision-Avoidance Assist/Blind-Spot Detection) to prevent and detect blind-spot collisions; and HBA (High Beam Assist) smart adjustment of high and low beams. For the EV600 and above, additional advanced features include BVM (Blind-View Monitor) blind-spot image assistance; SVM (Surround View Monitor) 360-degree view assistance; SEA (Safe Exit Assist) to ensure safe vehicle exiting; and RSPA 2.0 (Remote Smart Parking Assist), a newly-introduced intelligent parking system using ultrasonic radar and a full-view camera to recognize parking lines and autonomously park or exit even in diagonal spaces. The Ioniq 6 combines zero-emission electric driving with innovative design, powerful energy performance, and cutting-edge safety technology. This all-electric sports car exemplifies Hyundai's limitless vision for electric vehicle design, reigniting passion and desire for sports cars worldwide.

1.5 Value Chain Overview

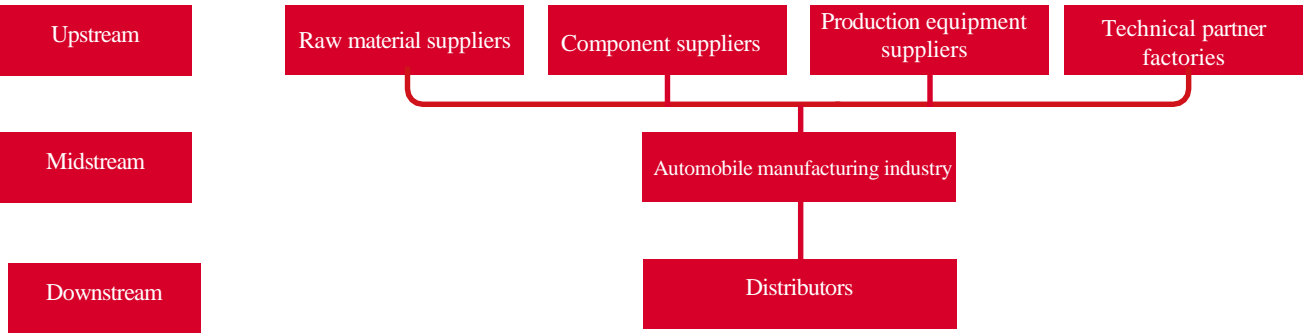
(1) Motorcycle Value Chain

Our upstream segment primarily consists of raw material suppliers (steel, aluminum ingots, rubber, and plastics industries), component suppliers (systems/components), and production equipment suppliers (equipment and peripheral equipment providers). The midstream segment comprises the motorcycle manufacturing industry, which utilizes upstream raw materials and components to produce products needed by consumers. The downstream segment includes customers served by the motorcycle manufacturing industry, such as domestic distributors for the local market and foreign agents for exports.



(2) Automobile Value Chain

Our upstream segment primarily consists of raw material suppliers (steel, aluminum ingots, rubber, and plastics industries), component suppliers (systems/components), production equipment suppliers (equipment and peripheral equipment providers), and technical partner factories (KD components). The midstream segment is the automobile manufacturing industry, which uses upstream raw materials and components to produce products required by consumers. The downstream segment is the automobile dealership system.



(3) Downstream Customers

Sanyang Motor's downstream customers in 2023 were:

- Automobiles: Nanyang Industries Co., Ltd.
- Domestic Motorcycles: A total of 15 general distributors, managing over 500 dealerships.
- Overseas Motorcycles: 100 overseas agents located worldwide.

Note: Domestic dealership locations include Taiwan, Penghu, Kinmen, and Matsu.



1.6 Supplier Overview

In 2023, Sanyang Motor collaborated with a total of 212 component suppliers. Due to some suppliers ceasing operations, the total number of suppliers was slightly reduced compared to 2022, with four major procurement categories: the E group (electrical components), M group (mechanical/forged components), P group (sheet metal components), and R group (rubber and plastic components). Suppliers were further identified as key suppliers based on procurement amounts, criticality, and other criteria.

Key suppliers are defined as those accounting for the top 30% of automobile and motorcycle component procurement by value, with annual procurement exceeding NT\$80 million, or those supplying high-tech or irreplaceable key components for automobiles and motorcycles. In 2023, there were 48 key suppliers, representing approximately 22% of all suppliers. Total procurement for 2023 was approximately NT\$1,456,090,000.

Supplier Procurement Amounts in 2023

Supplier Category	Number of Suppliers	Supplier Location	Procurement Amount (NT\$10,000)	Procurement Percentage
E Group (Electrical Components)	49	Taiwan	46,876	32%
M Group (Mechanical/Forged Components)	89	Taiwan	50,870	35%
P Group (Sheet Metal Components)	27	Taiwan	19,696	14%
R Group (Rubber and Plastic Components)	47	Taiwan	28,167	19%
Total	212	Taiwan	145,609	100%

Selection of Key Component Suppliers in 2023

Supplier Category	Number of Key Suppliers	Number of Non-Key Suppliers	Total
E Group (Electrical Components)	16	33	49
M Group (Mechanical/Forged Components)	18	71	89
P Group (Sheet Metal Components)	4	23	27
R Group (Rubber and Plastic Components)	10	37	47
Total	48	164	212

Risks and Countermeasures for Key Suppliers with Centralized Procurement or Delivery

A. Risks Faced

(1) Domestic Components

For motorcycle components procured by the Company, with the exception of a few high-tech parts, most components can be supplied by two or more qualified suppliers. Therefore, there is no significant risk of centralized procurement.

(2) Imported Components

In response to post-pandemic impacts, electronic components are being consolidated, and safety stock levels are established based on production needs to adapt to market sales fluctuations.

B. Countermeasures

(1) For the aforementioned exclusively procured components, the Company maintains strong relationships with our suppliers while actively developing new suppliers and seeking alternative sources that meet requirements, thus mitigating risks.

(2) The Company provides a six-month forecast to suppliers for material preparation, increases safety stock levels, and extends procurement lead times to reduce the risk of delayed component deliveries.

Supplier Selection Mechanism

Timing	(1) During development of new components for new models. (2) When existing supplier capacity is insufficient to meet production needs.		
Existing suppliers		Procurement policy	Adding new suppliers
Daily evaluation scores (Past three months)	Suppliers are selected based on principles of fairness, reasonableness, and transparency, prioritizing those willing to assist Sanyang Motor in achieving customer satisfaction.		New supplier application
Price reduction performance (Past year)			On-site inspection
QAV data (Recent reports)			Contract approval
Component outsourcing: MK Layout (supplier arrangement) consolidation and approval			
Final selection of component manufacturers			
Initial selection	Supplier application	On-site inspection	Qualification review
<ul style="list-style-type: none">• Supplier application• On-site inspection	<ul style="list-style-type: none">• Basic company information (including copies of business registration certificate, company license, and factory registration)• Operational status	<ul style="list-style-type: none">• Procurement coordinates with technical, environmental, safety, and health units for an on-site supplier audit• Based on supplier's submissions, the Three Actuals (actual place, actual part, actual situation) evaluation is conducted.• Complete the following forms after the evaluation: New Supplier Business Management Capability Assessment Form, New Supplier Development Capability Assessment Form, New Supplier Environmental/Safety and Health Evaluation Form, and New Supplier Quality System Evaluation Form.	<ul style="list-style-type: none">• Within 10 days of the on-site inspection, Procurement consolidates and submits a comprehensive report for review and approval.• If any department rates the supplier as below standards, the supplier must schedule improvements and undergo re-evaluation.
<ul style="list-style-type: none">• Market information• Search within the Group• New supplier engagement• Proposal consolidation• Internal department review	<ul style="list-style-type: none">• Supplier product performance records• Major production and inspection equipment details• Future expansion plans• A simplified company (factory) location map		<ul style="list-style-type: none">• Passing scores on the New Supplier Quality System Evaluation are 80 points or higher (out of 100).
<ul style="list-style-type: none">• Contact suppliers• Provide documents• Arrange visits	<ul style="list-style-type: none">• Factory (machinery and equipment) layout map		

1.6 Supplier Overview

Selection of New Component Suppliers

In 2023, Sanyang Motor collaborated with 9 new suppliers. The Company does not currently mandate environmental standards (e.g., ISO 14001, REACH) as a selection criterion for new suppliers. However, we encourage new partners to participate in international certifications such as ISO 14001 Environmental Management System. Through this approach, Sanyang Motor aims to inspire suppliers to continually improve their multi-faceted environmental management within their organizations, reducing the environmental impact of their operations and contributing to environmental protection. In 2023, five new suppliers, or approximately 56% of the total, obtained ISO 14001 certification.

In accordance with the Company's regulations, all new suppliers manufacturing components for Sanyang Motor must undergo a supplier evaluation in accordance with the Company's Evaluation Guidelines for New Suppliers Applying for QAV1 (CR-PH02-00). Only suppliers who pass the evaluation and receive approval can be officially registered as Sanyang Motor suppliers.

Environmental Standard Evaluation Criteria for New Suppliers

Unit: Number of Suppliers

2022			2023		
Environmental Standard: ISO 14001					
Passed Evaluation	Passed	Failed	Passed Evaluation	Passed	Failed
	10	28		5	4

Operational Sites and Suppliers with Significant Risks of Forced or Compulsory Labor

Sanyang Motor promotes the Responsible Business Alliance (RBA) Corporate Social Responsibility standards across our supply chain and has distributed comprehensive questionnaires. As of January 2023, 160 out of 212 suppliers (75.5%) have signed agreements to comply with the prohibition of child labor and forced or compulsory labor. Efforts to encourage all suppliers to comply are ongoing. Currently, no significant risks of child labor or incidents of forced or compulsory labor have been identified at any operational sites or among suppliers.



Supplier representative meeting

Supplier Environmental Assessment and Management

In 2023, no significant negative environmental impacts were identified among suppliers. Continuous monitoring and evaluation will be conducted moving forward.

Environmental Impact Assessment (including aspects such as emissions, waste management, and energy/resource usage)	2021	2022	2023
A. Percentage of new suppliers screened using environmental standards (%)	40%	30%	56%
B. Number of suppliers screened using environmental standards during the reporting period (existing + new suppliers)	65	75	80
Number of suppliers identified as having significant actual or potential negative environmental impacts (existing + new suppliers)	-	-	-

Local Procurement

Sanyang Motor is committed to implementing quality management throughout the upstream, midstream, and downstream of our supply chain to ensure consumer protection. In recent years, the Company has focused on localizing and domesticating components. This has been a consistent policy. In 2023, the proportion of local procurement amounted to approximately 20% for automobile components and 93% for motorcycle components.

Automobile Components

The average localization rate of automobile components in 2023 was around 20%. This is primarily due to the continued decline in imported car prices in recent years, which has altered the domestic automobile market ecosystem. In response to the aggressive market penetration of imported cars, domestic vehicles are seeing new models rolled out approximately every two years. This shortened product cycle, combined with declining production volumes, has made it increasingly difficult to recover tooling costs required for localization. Our current strategy focuses on developing components with no or minimal tooling costs, to maximize cost efficiency.

Motorcycle Components

Motorcycle components are almost entirely localized, with an average localization rate of approximately 93% in 2023. Imported components are primarily advanced technology parts that cannot be produced in Taiwan.



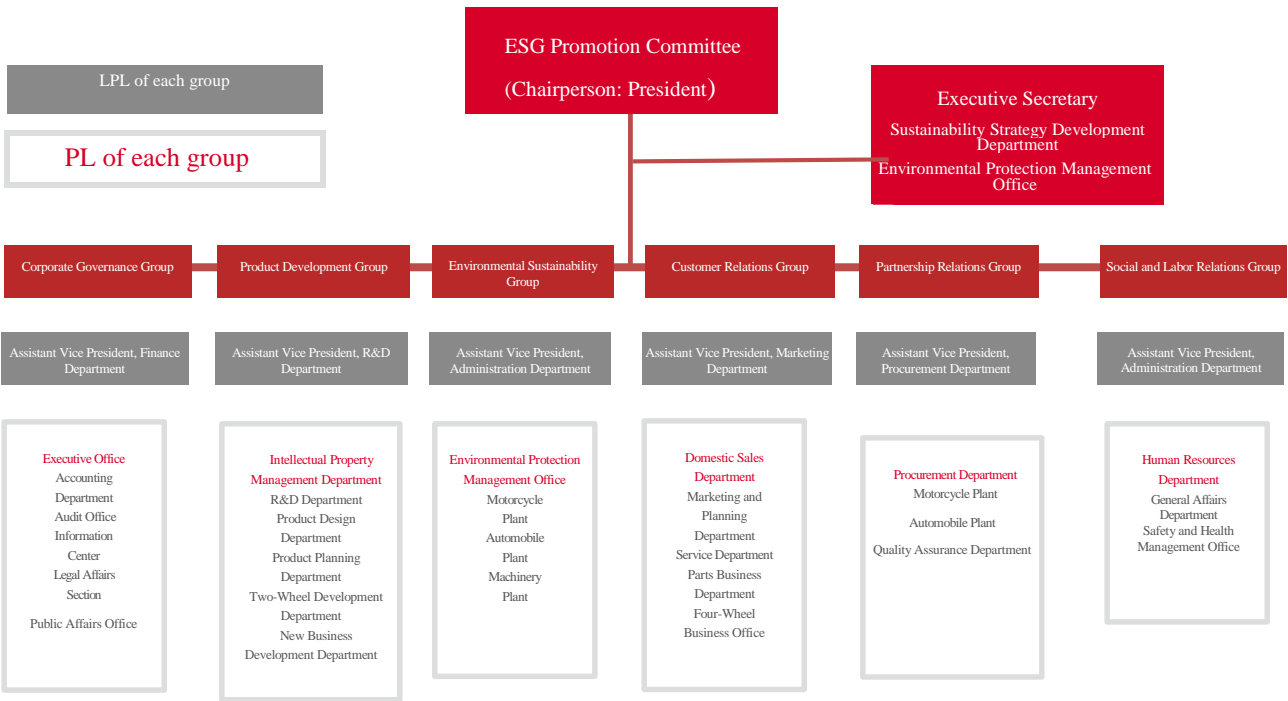
1. 7 ESG Promotion Committee

To implement our sustainability policies and strategies, Sanyang Motor has established a clear ESG (Environmental, Social, and Governance) framework and management mechanism. The Company formed the ESG Promotion Committee to effectively drive related initiatives and enhance ESG performance. The committee’s tasks include:

- (1) Formulating and promoting the Company’s sustainability direction, strategies, and goals.
- (2) Monitoring, analyzing, tracking, and revising the achievement of the Company’s sustainability goals.
- (3) Addressing issues of concern to stakeholders (including but not limited to the government, shareholders, customers, suppliers, employees, communities, and media) and overseeing communication to meet their needs.
- (4) Coordinating ESG evaluation projects and responding to regulatory requirements.
- (5) Analyzing the Company’s governance, strategies, risks, opportunities, and target indicators related to climate change adaptation.

The President serves as the Chairperson of the ESG Promotion Committee, determining the Company’s ESG development orientation and overseeing ESG strategy planning, actions, and performance. The committee comprises six working groups: the Corporate Governance Group, Product Development Group, Environmental Sustainability Group, Customer Relations Group, Partnership Relations Group, and Social and Labor Relations Group. Each working group is led by the highest-level manager of the corresponding department. The groups are responsible for addressing sustainability-related issues and strategies, developing work plans and objectives, implementing tasks and regularly reporting on ESG progress and outcomes, and aligning with governance, strategies, risks, opportunities, and target indicators related to climate change adaptation. The ESG Promotion Committee holds at least one meeting each year to establish the Company’s annual sustainability policies, commitments to responsible business conduct, and to review the implementation of sustainability initiatives. Through these regular meetings, the committee ensures the effective execution of sustainability strategies and policies.

ESG Promotion Committee Organizational Chart



ESG Promotion Committee Working Group Responsibilities

(1) Corporate Governance Group:

1. Formulating ESG policies, strategies, and management mechanisms for the Company.
2. Supporting the operations and execution of the Board of Directors and its committees.
3. Managing corporate risks, internal controls, and governance regulations.
4. Communicating with shareholders and protecting their rights.
5. Handling legal affairs and legal actions.
6. Ensuring information security.

(2) Product Development Group:

1. Researching and developing low-carbon, high-efficiency products.
2. Complying with product-related regulations (performance, safety, information, labeling).
3. Understanding consumer trends and developing products that meet customer preferences.
4. Designing products with minimal environmental impacts over their lifecycles.

(3) Environmental Sustainability Group:

1. Preventing and controlling environmental pollution.
2. Promoting low-carbon production processes.
3. Reducing and conserving energy and resource usage.
4. Advancing circular economy practices by recycling energy, raw materials, and packaging effectively.
5. Reducing greenhouse gas and harmful substance emissions.

(4) Customer Relations Group:

1. Building and maintaining customer relationships.
2. Providing diverse, real-time sales and services to meet customer needs.
3. Gathering and addressing customer feedback to exceed expectations.
4. Protecting customer privacy.

(5) Partnership Relations Group:

1. Managing and mentoring suppliers to deepen partnerships.
2. Conducting supplier quality evaluations.
3. Promoting sustainable supply chains (supporting ESG adoption, greenhouse gas inventories, environmental and safety guidance, etc.).
4. Enhancing supply chain resilience.

(6) Social and Labor Relations Group:

1. Establishing positive labor relations.
2. Creating a safe and friendly work environment.
3. Protecting human rights.
4. Developing and cultivating talent.
5. Building strong community relationships.
6. Promoting social harmony and enhancing the corporate image.



1.8 Association Memberships

To continuously enhance Sanyang Motor's sustainable competitiveness, the Company not only participates in industry associations and organizations as required by law, but also actively joins additional associations. This involvement helps Sanyang Motor to access the latest domestic and international industry information, share our own experiences, and collaborate with different sectors to build a sustainable value chain for the Company.

No.	Association/Organization Name	Type of Involvement
1	Taiwan Transportation Vehicle Manufacturers Association	Member
2	Chinese National Association of Industry and Commerce	Member
3	Chinese Society for Quality	Member
4	Metal Industries Research & Development Center	Member
5	Chinese Arbitration Association	Member
6	Hsinchu Industrial Society	Member
7	Hsinchu County Commerce Association	Member
8	Hsinchu Industrial Society	Member
9	Hsinchu County Industrial Park Manufactures Association	Member
10	Hsinchu Human Resources Management Association	Member
11	Interlibrary Cooperation Association	Member
12	Society of Automotive Engineers (SAE) Taipei Section	Member
13	Chinese Society of Mechanical Engineers	Member
14	Taiwan R&D Managers Association	Member
15	Chinese National Federation of Industries (Intellectual Property Society)	Member
16	Taiwan Foundry Society	Member
17	Taiwan Society for Metal Heat Treatment	Member
18	Taiwan India Business Association	Member
19	Hsinchu County Nurses Association	Member
20	Taiwan Environmental Management Accounting Association	Member

No.	Association/Organization Name	Type of Involvement
21	Importers and Exporters Association of Taipei	Member
22	Member of the Government Procurement Information System	Member
23	Taiwan CIO Association	Member
24	Permanent Member, Mechanical Engineering Alumni Association, National Taipei University of Technology	Member
25	Chinese Lean Management Association	Member



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Environmental, Social and Governance Sustainability Report






02 Sustainable future






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02 Sustainable future




2.1 Responding to the United Nations Sustainable Development Goals (SDGs)




Based on the 17 Sustainable Development Goals developed by the United Nations, Sanyang Motor leverages our professional expertise to produce high-quality products while focusing on target markets, aiming for stable annual growth to create more local employment opportunities. In addition to promoting economic growth, Sanyang Motor is well aware of the severe impact of climate change and global warming on the environment and natural ecosystems. While concentrating on our core business, the Company aligns our efforts with our core competencies to respond to the United Nations Sustainable Development Goals, aspiring to achieve a vision of sustainability and co-prosperity.

SDGs	Sanyang Motor's Actions
	<ol style="list-style-type: none">1. Provided scholarships to underprivileged students in rural areas (39 students, totaling NT\$225,875).2. Donated 250 sets of essential supplies to low-income households in Qionglin Township and Jinshan Community, Hsinchu.3. Sponsored the Arts and Culture Development for Underprivileged Children public welfare activity.
	<ol style="list-style-type: none">1. Supported small-scale farmers by purchasing agricultural products to promote the small farming economy (e.g., 170 boxes of pineapples and 5,000 pomelos).
	<ol style="list-style-type: none">1. Promoted environmental and safety education, along with disease prevention and health promotion campaigns, to enhance employees' health awareness and well-being.2. Implemented health check-ups that exceed legal requirements for employees and their families, achieving early prevention and treatment.3. Promoted health initiatives such as blood pressure monitoring, walking programs, stress relief activities, and flu and COVID-19 vaccinations.4. Regularly arranged consultations with contracted physicians and occupational doctors.5. Donated 36 wheelchairs to Hsinchu Mackay Memorial Hospital.6. Donated 2 neonatal intensive care incubators to Hsinchu Mackay Memorial Hospital.

SDGs	Sanyang Motor's Actions
<div>4</div> <div>Quality Education</div> 	<ol style="list-style-type: none"> 1. Established a talent development department to plan and implement training programs for employees and management. (In 2023: 125 classes, 2,426 participants, and a total of 738 training hours). 2. Conducted on-the-job training (OJT) and expert skill certifications to enhance employees' core competencies. 3. Offered diversified learning opportunities by sending employees for external professional training programs (65 sessions with 165 participants). 4. Provided guidance on career development plans, organizational learning, and potential development for employees. 5. Sponsored the Taipei Design Awards to nurture design talent.
<div>5</div> <div>Gender Equality</div> 	<ol style="list-style-type: none"> 1. Ensured equal pay and benefits for male and female employees and established a Women's Association to protect and support the rights of female workers. 2. Increased the number of female managers to 26, accounting for 10%, an 18% growth compared to 2022. 3. Implemented and promoted a sexual harassment prevention/reporting mechanism. 4. Provided equal parental leave benefits for male and female employees. 5. Enhanced breastfeeding facilities. 6. Managed maternal health protection for female employees.
<div>6</div> <div>Clean Water and Sanitation</div> 	<ol style="list-style-type: none"> 1. Established a wastewater treatment system within the plant and maintained the ecological pond environment. 2. Properly managed plant wastewater, enhanced discharge water monitoring, and implemented water reduction mechanisms. 3. Fully equipped drinking water dispensers with RO (reverse osmosis) systems, ensuring regular maintenance and testing.
<div>7</div> <div>Affordable and Clean Energy</div> 	<ol style="list-style-type: none"> 1. Set annual energy-saving targets and implementation plans. In 2023, the reduction target was 535,000 kW, with actual energy savings of 767,595 kW, achieving a success rate of 143.46%. 2. Since 2018, the Company has established solar power systems with an average annual generation of 8.6 GW.
<div>8</div> <div>Decent Work and Economic Growth</div> 	<ol style="list-style-type: none"> 1. Established an equal and diverse workplace, adhering to the People with Disabilities Rights Protection Act and the Indigenous Peoples Employment Rights Protection Act. 2. Employed 24 Indigenous individuals and 26 persons with disabilities, ensuring their labor conditions, employee benefits, and management requirements are consistent with other colleagues. Relationships are harmonious, and no disputes occurred in 2023. 3. Strengthened corporate governance and achieved outstanding revenue growth, providing generous salary adjustments and bonuses to reward employees. 4. Fully subsidized Employee Assistance Programs (EAPs) to help employees address personal challenges. 5. Supported employees in balancing family and career development by ensuring peace of mind during childbirth and child-rearing, achieving a 100% retention rate for employees returning from parental leave.

2.1 Responding to the United Nations Sustainable Development Goals (SDGs)

SDGs	Sanyang Motor's Actions
 <p>9 Industry, Innovation and Infrastructure</p>	<p>Sanyang Motor continues our efforts in research and development (R&D). On January 16, 2023, the Company held a signing ceremony with the Industrial Technology Research Institute (ITRI), officially announcing their collaboration on hydrogen fuel electric vehicle technology development and marking a significant first step in the field of innovative energy vehicles.</p>
 <p>11 Sustainable Cities and Communities</p>	<ol style="list-style-type: none"> 1. Promoted community public welfare activities: Adopting industrial area interchanges, cleaning town road mirrors, donating to charitable organizations, and sponsoring Hsinchu County athletes. 2. Sanyang Motor actively gives back to the local community by sponsoring Mid-Autumn Festival events in Hukou Township and Baoshan Township, fulfilling our corporate social responsibility.
 <p>13 Climate Action</p>	<ol style="list-style-type: none"> 1. Implemented ISO 14064-1:2018 standards to conduct comprehensive greenhouse gas inventories for the Company and our subsidiaries under consolidated reporting. 2. In 2023, launched innovative energy-saving and low-pollution technologies, including the Three-Zero Technology – Quiet, Fuel-Efficient, and Comfortable, and the Enhanced Multi-Ignition System (EnMIS), thus continuing our development of low-carbon sustainable transportation vehicles. 3. Conducted a carbon footprint inventory and verification for one model of fuel-burning vehicle in 2023. 4. Annually assessed and reviewed climate-related financial risks and formulated response strategies and actions. 5. Participated in the Low-Carbon Industry Subsidy Project held by the Ministry of Economic Affairs' Industrial Development Administration, collaborating with 10 suppliers to promote low-carbon manufacturing processes. 6. Promoted energy-saving and carbon reduction initiatives. 7. Supported low-carbon manufacturing processes, including energy-saving upgrades for painting lines, transitioning boiler fuel from heavy oil to LPG, and waste heat recovery. 8. Committed to developing and producing high-quality products that comply with (or exceed) international regulations on hazardous substances, with a focus on recyclable design, waste reduction, and fuel efficiency in product development. 9. In 2023, achieved 52 Energy Label products and 52 Green Mark-certified products.

SDGs	Sanyang Motor's Actions
 <p>14 Life below Water</p>	<ol style="list-style-type: none"> 1. Adopted the Potou Fishing Port coastline in Xinfeng Township. 2. Organized three coastal cleanup activities in 2023.
 <p>15 Life on Land</p>	<ol style="list-style-type: none"> 1. Enhanced factory greening and beautification by replanting native Taiwanese species to create a park-like factory environment, earning the Outstanding Unit for Industrial Park Greening and Beautification first prize in 2008. 2. Established a factory ecological park in 2007 to support the conservation of local aquatic flora and fauna.
 <p>16 Peace, Justice and Strong Institutions</p>	<ol style="list-style-type: none"> 1. Sanyang Motor promotes ethical management by disclosing the Company's Code of Ethics, a Stakeholder Section, and an Illegality Reporting Hotline on our website. 2. Established formal complaint mechanisms and dedicated hotlines/email addresses for internal employees and external stakeholders. In addition, created customer feedback sections for motorcycles and automobiles to handle and address related issues. 3. Workplace misconduct complaint hotline for employees: (03) 598-1911#1745 (Human Resources Department), Email: professional@sym.com.tw 4. Customer service hotline for product-related issues and complaints: (0809) 020-080 5. Compiling monthly statistics on opinions and suggestions, which are submitted to management for review and improvement.

2.2 Advocating and Promoting Responsible Business Conduct

Sanyang Motor respects and complies with the laws and regulations of every country and region where we operate. The Company regularly promotes guidelines on fair trade, environmental protection, workplace safety and health, personal data privacy, confidentiality, government regulations, and other legal requirements. Sanyang Motor has also established a code of conduct for employees based on the Company's values. The Company firmly believes in the importance of creating a work environment that respects human rights. To eliminate unfair discrimination and prevent workplace misconduct, thus safeguarding employees' dignity, Sanyang Motor has formulated management measures and established grievance channels. These include consultation and reporting mechanisms for issues such as workplace violence and gender-related concerns, as well as a hotline and a dedicated whistleblowing mailbox.

Sanyang Motor uses announcements, education, and training to promote anti-discrimination strategies, conveying concepts about discrimination and harassment behaviors as well as appropriate responses to them. From 2019 to 2023, a total of 981 participants received human rights advocacy training, for a cumulative training duration of 623 hours.

Sanyang Motor also requires our business partners to promote the Responsible Business Alliance (RBA) corporate social responsibility standards across the supply chain. Comprehensive questionnaires have been distributed, and as of now, 160 out of 212 suppliers (75.5%) have signed agreements to comply. Efforts to encourage further supplier participation are ongoing. Currently, no significant risks of child labor or forced or compulsory labor incidents have been identified at any operational sites or among suppliers.

Sanyang Motor internally adheres to the RBA corporate social responsibility standards. The Company welcomes visits and reviews from organizations and individuals concerned about human rights to examine our human rights practices. Sanyang Motor is open to constructive feedback for improvement. At present, no operational activities with potential human rights impacts have been identified.

Human Rights Policy

To implement the corporate philosophy of respecting human rights, Sanyang Motor strictly complies with domestic labor and related regulations. The Company plans to establish a human rights policy and develop a human rights due diligence process in 2024.



2.3 Mechanisms for Seeking Advice and Raising Concerns

Sanyang Motor promotes ethical management and has established reporting channels to address unlawful and unethical behavior. If you discover any illegal activities or actions that violate ethical standards being conducted or attempted under the Company's name, please let us know. All reports made in good faith and based on truthful principles will be handled with the highest level of confidentiality, and any retaliation is strictly prohibited. Except where otherwise required by law, any personal information you provide will be kept confidential and appropriate protective measures will be taken in accordance with the law to safeguard your personal data and privacy rights.

Spokesperson System

The Company has established a spokesperson system and maintains a corporate website as a platform for information dissemination and communication. An investor email box is also available, through which dedicated staff promptly handle shareholder suggestions and inquiries. In 2021, 2022, and 2023, Sanyang Motor had no lawsuits or losses arising from violations of corporate governance, anti-corruption/bribery, or competition laws.

Spokesperson System

Spokesperson:
Assistant Vice President
Ren-Hao Tien

Investor Email Address

93328@sym.com.tw

Contact Information

Phone: (03) 598-1911 ext. 1591
Email: 93328@sym.com.tw



2.4 Materiality Analysis



Identification Process for Material Topics

Collection of Sustainability Issues

By referencing international sustainability standards such as the GRI, SASB, and TCFD, along with the United Nations Sustainable Development Goals (SDGs), and by reviewing sustainability reports and industry-related topics from domestic and international peers, and consulting external consultants, the ESG Promotion Committee has gathered and discussed different issues. The committee compiled a list of 27 sustainability topics for Sanyang Motor's 2023 sustainability survey.

Impact Assessment

Internal management conducted a Sustainability Impact Assessment Survey that involves stakeholders, internal department heads, and senior management. The survey evaluated the probability and magnitude of both positive and negative impacts of different sustainability topics on the economy, environment, and society.

- Negative Impacts: Assessed based on severity and likelihood of occurrence, considering potential negative human rights impacts.
- Positive Impacts: Evaluated based on the scale and scope of influence, as well as the likelihood of occurrence.

Ranking of Impact Significance

Survey results were consolidated, and the scores for positive and negative impacts were combined. The topics were ranked by significance based on their total scores. Internal management analyzed the ranking results through discussions, considering major industry issues, international trends, and external consultant recommendations. A threshold for material topics was established, and nine sustainability topics were preliminarily identified for 2023: Corporate governance/ethical management; quality and technology R&D; customer service management; information security; operational and financial performance; hazardous substance management; energy and greenhouse gas management; employee welfare and compensation; and occupational safety and health. The proposed material topics were submitted to the President for approval.

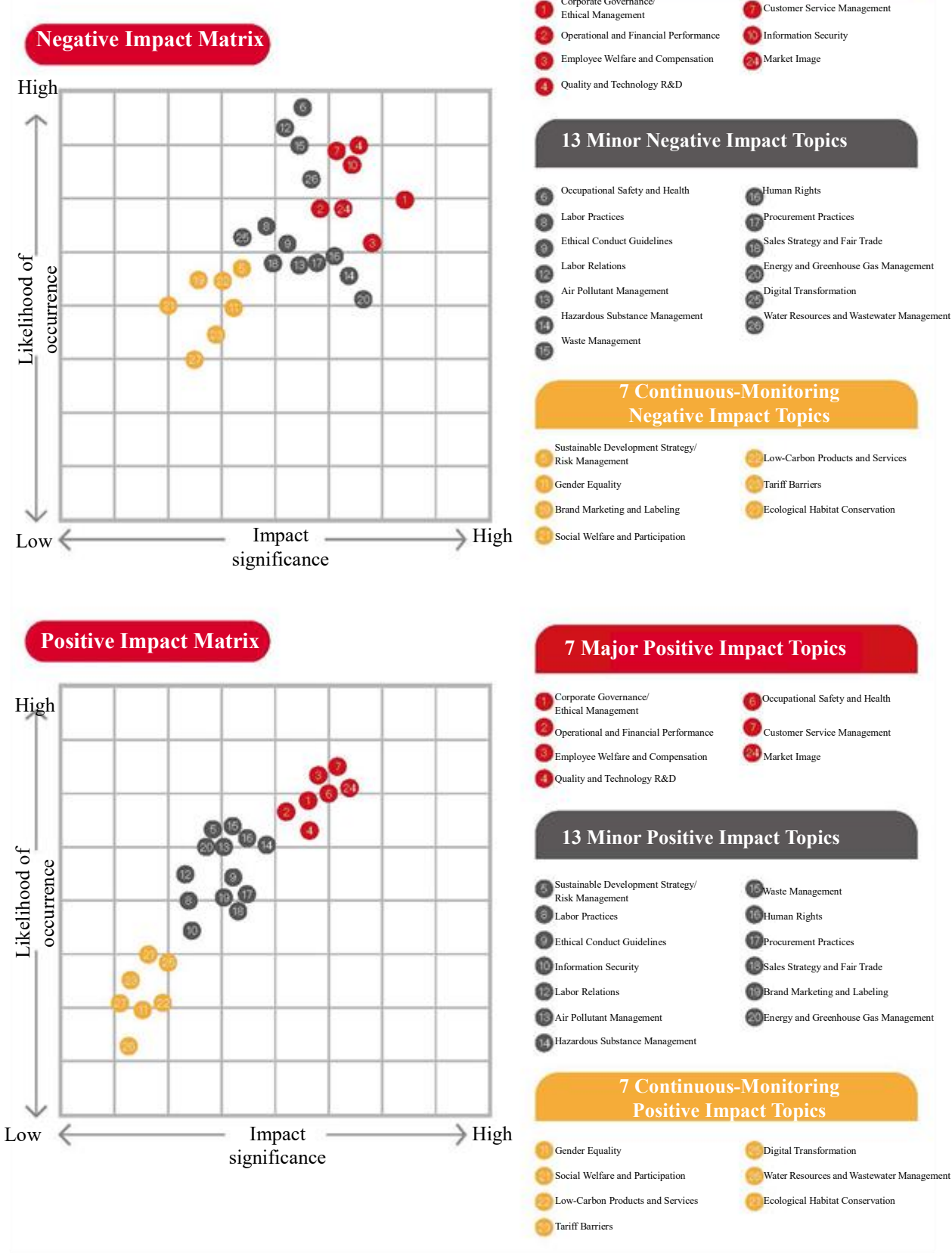
Confirmation and Disclosure of Material Topics

The President reviewed and evaluated the appropriateness of the identified material topics and threshold criteria to ensure that no material topics were overlooked or inadequately addressed. This step guarantees that the topics are comprehensive, inclusive, and aligned with the Company's sustainability strategy.

The President approved the nine identified material topics. Internal management further discussed and confirmed the boundaries of these material topics, considering both internal and external impacts, to ensure that key sustainability information is fully disclosed in this Report.

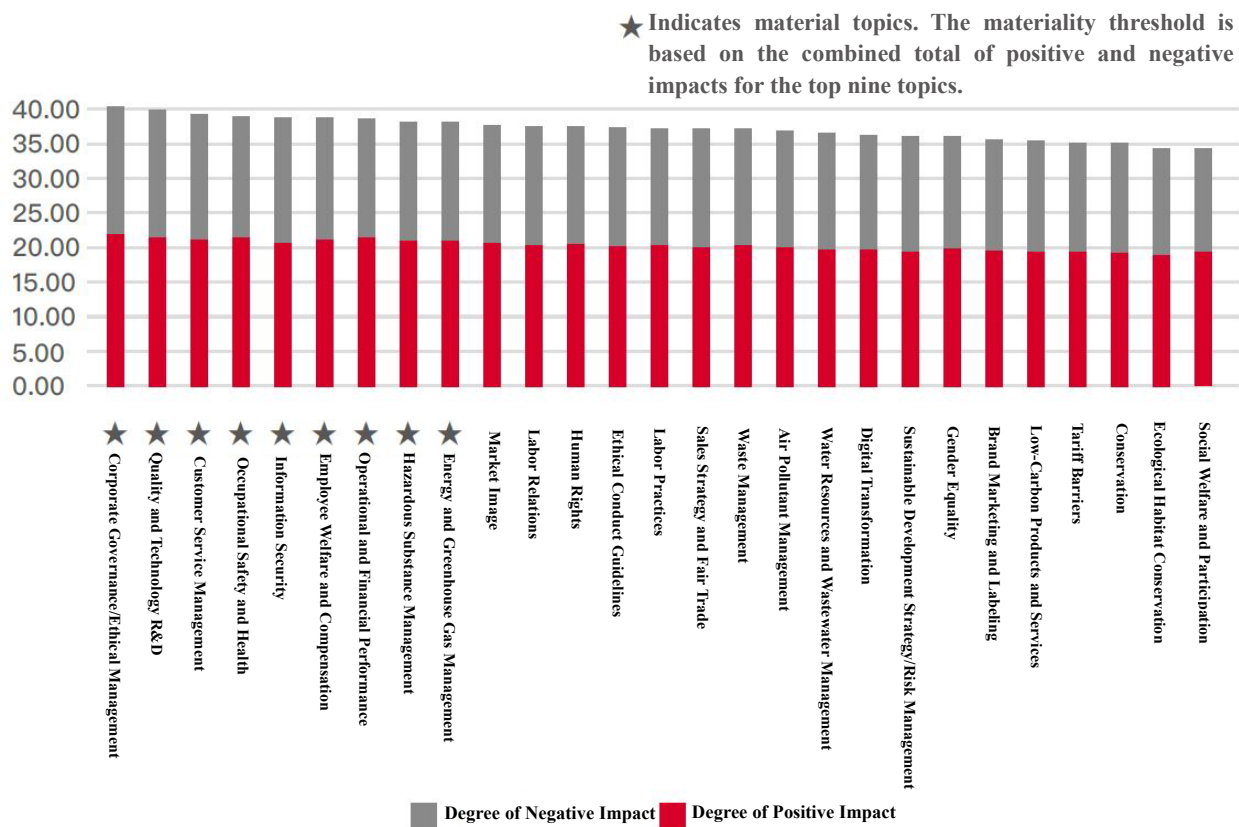
Internal management, following the reporting requirements for material topics, provided explanations in this Report regarding related response strategies, management actions, indicators, and targets. This ensures that the report fairly and accurately represents the Company's implementation of ESG initiatives.

Sanyang Motor's 2023 Material Topics



2.4 Materiality Analysis

Assessment of Positive and Negative Impact Significance



List of Material Topics and Value Chain Boundaries

● Direct Impact ● Indirect Impact

Aspect	Material Topic	Value Chain Boundary Impact			Corresponding GRI Standards
		Upstream	Sanyang Motor Operations	Downstream	
Governance/ Economy	Corporate Governance/ Ethical Management	●	●	●	204-1 Proportion of spending on local suppliers 205-1 Operations assessed for risks related to corruption 205-2 Communication and training about anti-corruption policies and procedures 205-3 Confirmed incidents of corruption and actions taken 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices 308-1 New suppliers that were screened using environmental criteria 308-2 Negative environmental impacts in the supply chain and actions taken 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor
	Operational Strategy and Economic Performance	●	●	●	201-1 Direct economic value generated and distributed 201-4 Financial assistance received from government 207-1 Approach to tax 207-2 Tax governance, control, and risk management 207-3 Stakeholder engagement and management of concerns related to tax 415-1 Political contributions
Governance	Information Security		●	●	418-1 Substantiated complaints concerning breaches of customer privacy or losses of customer data
	Quality and Technology R&D	●	●	●	301-1 Materials used by weight or volume 301-2 Recycled input materials used 416-1 Assessment of the health and safety impacts of product and service categories 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services 417-1 Requirements for product and service information and labeling 417-2 Incidents of non-compliance with regulations concerning product and service information and labeling 417-3 Incidents of non-compliance concerning marketing communications
	Customer Service Management		●	●	416-1 Assessment of the health and safety impacts of product and service categories 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services 418-1 Substantiated complaints concerning breaches of customer privacy or losses of customer data
Environment	Energy and Greenhouse Gas Management	●	●	●	201-2 Financial implications and other risks and opportunities due to climate change 302-1 Energy consumption within the organization 302-2 Energy consumption outside of the organization 302-3 Energy intensity 302-4 Reduction of energy consumption 305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions 305-4 Emissions intensity 305-5 Reduction of GHG emissions 305-6 Emissions of ozone-depleting substances (ODS) 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

2.4 Materiality Analysis

List of Material Topics and Value Chain Boundaries

● Direct Impact ● Indirect Impact

Aspect	Material Topic	Value Chain Boundary Impact			Corresponding GRI Standards
		Upstream	Sanyang Motor Operations	Downstream	
Governance/ Environment	Hazardous Substance Management		●	●	303-1 Interactions with water as a shared resource 303-2 Management of water discharge-related impacts 303-3 Water withdrawal 303-4 Water discharge 303-5 Water consumption 306-1 Waste generation and significant waste-related impacts 306-2 Management of significant waste-related impacts 306-3 Waste generated 306-4 Waste diverted from disposal 306-5 Waste directed to disposal
Social	Occupational Safety and Health	●	●	●	403-1 Occupational health and safety management system 403-2 Hazard identification, risk assessment, and incident investigation 403-3 Occupational health services 403-4 Worker participation, consultation, and communication on occupational health and safety 403-5 Worker training on occupational health and safety 403-6 Promotion of worker health 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships 403-8 Workers covered by the occupational health and safety management system 403-9 Work-related injuries 403-10 Work-related ill health
Social	Employee Welfare and Compensation		●	●	201-3 Defined benefit plan obligations and other retirement plans 202-1 Ratios of standard entry-level wage by gender compared to local minimum wage 202-2 Proportion of senior management hired from the local community 401-1 New employee hires and employee turnover 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees 401-3 Parental leave 402-1 Minimum notice periods regarding operational changes 406-1 Incidents of discrimination and corrective actions taken 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk 404-1 Average hours of training per year per employee 404-2 Programs for upgrading employee skills and transition assistance programs 404-3 Percentage of employees receiving regular performance and career development reviews 405-1 Diversity of governance bodies and employees 405-2 Ratio of basic salary and remuneration of women to men

Changes in Material Topics

This year, nine material topics were identified. Compared to the previous year, changes were made to some topics, including adding Corporate Governance/Ethical Management, and Energy and Greenhouse Gas Management. The main reasons for these changes are as follows:

Item	Topic Name	Reasons for Change
Reorganization	Hazardous Substance Management	<p>Considering international sustainability trends and aligning with Sanyang Motor's sustainability strategy, topics were reorganized for better focus and to address stakeholder concerns more clearly.</p> <ol style="list-style-type: none"> 1. The original topics Air Pollution and Waste Management were consolidated into Hazardous Substance Management. 2. The original topics Labor Relations, Labor Practices, and Gender Equality were consolidated into Employee Welfare and Compensation.
	Employee Welfare and Compensation	
New Topics	Corporate Governance/Ethical Management	<p>Based on the impact assessment results and considering domestic and international policies, trends, and the Company's current priorities, some topics were elevated in significance; Ethical Conduct Guidelines was merged into the new topic Corporate Governance/Ethical Management, and Sustainable Development Strategy was merged into the new topic Energy and Greenhouse Gas Management.</p>
	Energy and Greenhouse Gas Management	

2.5 Stakeholder Communication and Engagement

To fulfill corporate social responsibility, it is essential to respect stakeholders' rights and interests. While pursuing sustainable growth and profitability, the Company emphasizes environmental, social, and governance (ESG) issues and integrates them into our management policies and operational activities to achieve the goal of sustainable operations. Sanyang Motor utilizes different communication platforms to maintain positive interactions with stakeholders, understanding their reasonable expectations and needs. For inquiries, complaints, and suggestions concerning economic, social, or environmental issues, both internal and external, the Company adheres to principles of ethics, handling matters appropriately, and providing feedback or improvement plans to ensure effective communication.

Identification of Communication Targets

The AA1000 Stakeholder Engagement Standard (AA1000 SES) principles focus on five aspects: Influence; tension; responsibility; dependency; and diverse perspectives. In accordance with these, Sanyang Motor distributed a stakeholder identification survey to all employees (including management). The results were then analyzed and approved by the Company. Stakeholders were categorized into 10 key groups, based on significance: Shareholders/investors; government agencies; employees; community and society; suppliers; customers; distributors; contractors; the media; and consumers.

2.5 Stakeholder Communication and Engagement



Stakeholder Concerns and Communication Overview for 2023

Stakeholders	Significance to the Company	Issues of Concern	Communication Channels	Frequency of Communication	Outcomes and Responses
Customers	Customers are the source of the Company's revenue. We listen to their needs, strive to provide premium and high-quality products, stay abreast of industry trends, and deliver expert services to achieve customer goals and grow together.	<ul style="list-style-type: none"> Quality and Technology R&D Brand Marketing and Labeling Customer Service Management Market Image 	<ul style="list-style-type: none"> Customer Satisfaction Surveys 	Conducted after new vehicle launches to assess customer satisfaction	<ul style="list-style-type: none"> Free Customer Service Hotline and Roadside Assistance - Providing peace of mind and proactive care to customers, enhancing customer satisfaction. Timely Complaint Handling - Complaints are addressed within 24 hours, with responders contacting the complainant and providing feedback. Statistical analysis is conducted to monitor public sentiment and provide real-time feedback. In 2023, Sanyang Motor organized the Lunar New Year Safety Checkup event, inviting vehicle owners of all brands to visit SYM dealerships for free safety inspections. A total of 71,214 registrations were recorded for participation in 2023. The results of satisfaction surveys are analyzed and interpreted in depth, helping to identify and address areas for improving product satisfaction.
			<ul style="list-style-type: none"> Lunar New Year Safety Checkups: Free safety inspections provided by dealers 	Annually	
			<ul style="list-style-type: none"> Customer free service hotline After-sales service follow-up Website, telephone calls, face-to-face meetings, video conferencing, formal letters, and messaging platforms Customer complaint hotline 	Real-time	
Employees	Employees are the Company's most valuable asset. Sanyang Motor provides competitive compensation and benefits, actively attracting, cultivating, and retaining talent. The Company strives to create a respectful, safe, and stable work environment, enabling employees to realize their potential in their careers and move forward with the Company to achieve greater operational performance.	<ul style="list-style-type: none"> Corporate Governance/Ethical Management Operational and Financial Performance Employee Welfare and Compensation Labor Relations Labor Practices 	<ul style="list-style-type: none"> Safety and Health Committee 	Quarterly	<ul style="list-style-type: none"> The Company values employee feedback, diversity, and workplace inclusivity. In 2023, no employee complaints were reported. Efforts are made to enhance employee loyalty, trust, and support, encouraging dedication to work while improving employee skills and job performance. To prepare a competitive pool of critical talent, 125 education and training sessions were conducted in 2023. The Company also provides Employee Assistance Programs (EAPs) on an ad hoc basis to address employee concerns and proactively prevent workplace issues. In 2023, several health promotion activities were organized, including blood pressure monitoring events, blood donation campaigns, walking challenges (Walk Your Way to Health), and workshops such as the DIY Aromatherapy Candle Holder event. Through quarterly labor-management meetings, the Company discusses ways to attract and retain talented employees with competitive compensation and benefits, enabling them to excel in their roles.
			<ul style="list-style-type: none"> Foreign Worker Symposiums 	Monthly	
			<ul style="list-style-type: none"> Internal Company Website 	Real-time	
			<ul style="list-style-type: none"> Employee Welfare Committee 	Quarterly	
			<ul style="list-style-type: none"> Employee Assistance Program (EAP) 	Real-time	
			<ul style="list-style-type: none"> Labor-Management Meetings 	Quarterly	
			<ul style="list-style-type: none"> Employee Grievance Channels 	Real-time	
			<ul style="list-style-type: none"> Training and Education 	Irregular (Implemented according to training plans)	

Stakeholders	Significance to the Company	Issues of Concern	Communication Channels	Frequency of Communication	Outcomes and Responses
Shareholders/ Investors	Shareholders and investors (including potential ones) who contribute capital to the Company should have fair access to material company information, to ensure the Company's intrinsic market value is accurately reflected.	<ul style="list-style-type: none"> Corporate Governance/Ethical Management Operational and Financial Performance 	<ul style="list-style-type: none"> Investor conferences 	Twice a year	<ul style="list-style-type: none"> Provide investors with transparent information and updates on the Company's operations. Held 1 shareholders' meeting and published the annual report in June. Organized 2 investor conferences, held in April and November. Released quarterly financial reports. Published 40 major real-time announcements. Communicating business growth strategies and operational outlooks, to enhance investor confidence. Addressing shareholder and investor inquiries and information needs.
			<ul style="list-style-type: none"> Publication of material real-time information through the Market Observation Post System 	Irregular	
			<ul style="list-style-type: none"> Shareholder meetings 	Annually	
			<ul style="list-style-type: none"> Annual report 	Annually	
			<ul style="list-style-type: none"> Financial reports 	Quarterly	
			<ul style="list-style-type: none"> Company website (Investor Relations section, Corporate Governance section) 	Real-time	
Suppliers	Suppliers are important partners supporting our sustainable operations. We aim to achieve mutual growth and prosperity through trust and close collaboration with our supplier partners.	<ul style="list-style-type: none"> Operational and Financial Performance Corporate Governance/Ethical Management Quality and Technology R&D Procurement Practices Energy and Greenhouse Gas Management 	<ul style="list-style-type: none"> New supplier evaluation 	Real-time	<ul style="list-style-type: none"> Enhance supplier delivery timelines and quality. Foster communication and consensus through supplier networking events. Strengthen suppliers' alignment with the Company by organizing 4 training sessions to improve their management capabilities and resilience. Participate in the Industrial Development Administration's low-carbon energy-saving program, collaborating with 10 suppliers on carbon footprint assessments and reduction projects.
			<ul style="list-style-type: none"> Official supplier assessment 	Monthly	
			<ul style="list-style-type: none"> Supplier meetings & supplier association meetings 	Annually	
			<ul style="list-style-type: none"> Telephone/email communication 	Real-time	
			<ul style="list-style-type: none"> On-site visits 	Irregular	
			<ul style="list-style-type: none"> Education and training 	Four times a year	
Government Agencies	Complying with regulations from government agencies and proactively supporting policy implementation, Sanyang Motor fosters trust, support, and collaboration through transparent two-way communication with the government. In addition, the Company collaborates with affiliated industry associations to provide policy recommendations and contribute to the development of a favorable industrial environment.	<ul style="list-style-type: none"> Corporate Governance/Ethical Management Occupational Safety and Health Hazardous Substance Management Sustainable Development Strategy/Risk Management Labor Relations 	<ul style="list-style-type: none"> Meetings and communications with regulatory authorities 	Irregular	<ul style="list-style-type: none"> In response to regulatory authorities' governance requirements, the Company enhances ESG sustainability capabilities and performance, enabling employees to promptly understand and comply with new government policies and regulations. In compliance with ISO standards and regulatory requirements, the Company has improved progress in environmental protection as well as occupational health and safety management. The Company collaborated with government agencies to promote public welfare activities, including 2 beach cleanup events in 2023.
			<ul style="list-style-type: none"> Telephone/email communication 		
			<ul style="list-style-type: none"> Participation in regulatory authorities' information sessions/workshops/meetings 		
			<ul style="list-style-type: none"> Supervision and inspection activities by regulatory authorities 		
			<ul style="list-style-type: none"> Participation in public welfare activities organized by government agencies (e.g., beach cleanup activities) 		

2.5 Stakeholder Communication and Engagement

Stakeholders	Significance to the Company	Issues of Concern	Communication Channels	Frequency of Communication	Outcomes and Responses
Community and Society	Using corporate social responsibility as a reference for improving sustainability efforts, the Company focuses on developing social contributions and enhancing positive societal impacts. By establishing mechanisms for communication with stakeholders, the Company aims to further increase our positive influence on society.	<ul style="list-style-type: none">Social Welfare and ParticipationCorporate Governance/Ethical ManagementCorporate Image	<ul style="list-style-type: none">Sponsorship of charitable organizations, sports, academic, and cultural activitiesCollaboration with charitable organizations	Irregular	<ul style="list-style-type: none">Sponsorship of charitable activities to enhance our corporate image, benefiting over 40 recipient organizations.In 2023, the Company participated in 5 networking events organized by the Hsinchu Industrial Park Manufacturers' Association, fostering interaction among businesses in the industrial park.
			<ul style="list-style-type: none">Participation in association and society meetings or activities	Irregular	
			<ul style="list-style-type: none">Community and school engagement	Annually	
The Media	Through diverse media channels, the Company gains deeper insights into consumer expectations for our products, thus ensuring that our products and services better align with customer needs. The Company communicates accurate information to the public through the media, maintaining a positive corporate image.	<ul style="list-style-type: none">Corporate Governance/Ethical ManagementBrand Marketing and LabelingOperational and Financial PerformanceSustainable Development Strategy/Risk ManagementMarket Image	<ul style="list-style-type: none">Telephone/email communication	Irregular	<ul style="list-style-type: none">Disclosure of positive and public corporate information.In 2023, the Company held 14 promotional events and activities for our products.
			<ul style="list-style-type: none">Corporate spokesperson system		
			<ul style="list-style-type: none">Media interviews and engagement		
Distributors	Distributors are essential partners in supporting our sustainable operations. We aim to achieve mutual growth and prosperity through trust and close collaboration with our distributor partners.	<ul style="list-style-type: none">Corporate Governance/Ethical ManagementOperational and Financial PerformanceCustomer Service ManagementBrand Marketing and LabelingSales Strategy	<ul style="list-style-type: none">Distributor meetings	Monthly	<ul style="list-style-type: none">Promoting company policies to enhance cohesion, with 12 distributor meetings held in 2023.Promoting marketing strategy to strengthen business performance.Addressing inquiries and assisting in resolving issues, to boost alignment and loyalty.
			<ul style="list-style-type: none">Distributor conferences	Annually	
			<ul style="list-style-type: none">Distributor visits	Irregular	
			<ul style="list-style-type: none">Telephone/email communication	Real-time	
			<ul style="list-style-type: none">Social media platforms		

Stakeholders	Significance to the Company	Issues of Concern	Communication Channels	Frequency of Communication	Outcomes and Responses
Contractors	Contractors are important strategic partners for the Company. By engaging in fair and transparent collaboration, we aim to build strong, trusting relationships for mutual growth and prosperity.	<ul style="list-style-type: none"> Occupational Safety and Health Waste Management Procurement Practices 	<ul style="list-style-type: none"> Pre-construction safety meeting Agreement organization 	Prior to construction (operation)	<ul style="list-style-type: none"> Ensuring engineering quality and cost requirements are met. To guarantee the safety of contractors or workers involved in joint operations, high-risk tasks are managed in accordance with the Contractor Safety and Health Management Guidelines. This includes pre-construction safety meetings and agreement organizations, gathering (sub)contractors, and requesting units and safety management units confirming contractor qualifications such as safety awareness and expert certifications. The requesting unit then informs contractors about environmental and operational hazards to ensure safety remains the top priority for both parties.
			<ul style="list-style-type: none"> Safety and health training for on-site personnel 	Semi-annually	
			<ul style="list-style-type: none"> Construction coordination meetings/contract compliance briefings 	Before, during and after construction (operation)	
Consumers	We listen to consumer needs, stay attuned to industry trends, and strive to provide consumers with premium, high-quality products and services, working together to create a sustainable future.	<ul style="list-style-type: none"> Quality and Technology R&D Market Image Brand Marketing and Labeling Product and Service Innovation 	<ul style="list-style-type: none"> Online testing and telephone surveys 	Irregular	<ul style="list-style-type: none"> The Company values consumer feedback and demand. We develop and manufactures products that align with customer preferences, while enhancing consumer awareness of the Company's image and products. The Company conducts satisfaction surveys following the launch of each new model.
			<ul style="list-style-type: none"> Customer satisfaction surveys for vehicle buyers 		
			<ul style="list-style-type: none"> Media advertising and online advertising 		
			<ul style="list-style-type: none"> Company website 	Real-time	

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3.1 Corporate Governance / Integrity Management

Management of Material Topics

Economic, Environmental, and Social Impacts

In the face of global challenges such as the pandemic, the Russia-Ukraine war, the Red Sea crisis, high inflation, and the increasingly severe impacts of climate change, the overall sales market has been affected. These challenges have led to inadequate inventory of key components, rising raw material costs, and difficulties in sales. Amidst the rapidly changing automobile and motorcycle markets and competition from imported vehicles, Sanyang Motor has leveraged the strengths of the group, maintaining high-level R&D capabilities and manufacturing technologies. By flexibly allocating resources to maximize synergy, the Company ensures the adequacy and timeliness of supply, addressing the stringent global market environment, consolidating existing markets, and actively expanding overseas sales.

Policy or Commitment

The Company adheres to its business philosophy, establishing innovation on the foundation of quality, enhancing service depth through innovation, and driving quality optimization through improved services. This creates a positive growth cycle that builds world-class competitiveness. The Company is dedicated to developing energy-saving and carbon-reducing products, improving environmental performance. Leveraging its centralized vehicle manufacturing facilities, Sanyang Motor drives the development of a low-carbon and intelligent industrial chain, fulfilling corporate social responsibility and creating a high-quality living environment. Together, the Company strives to build a sustainable environment and uphold its corporate social responsibility.






Actions Taken to Manage Material Topics and Related Impacts

Sanyang Motor complies with local national laws and regulations, conducting business with the highest ethical standards. Based on the principle of "Integrity Management", the Company explicitly requires supervisors and employees at all levels to adhere to the "Code of Ethical Conduct of Sanyang Motor Co., Ltd.". The Company implements internal control and audit management measures, regularly holding weekly meetings, monthly meetings, and production-sales meetings to facilitate cross-departmental communication. In response to any significant regulatory changes or shifts in the business environment, the Company quickly formulates countermeasures, which are executed after joint deliberation by senior management. These actions effectively mitigate corporate risks and support sustainable operations.

Tracking Performance of Actions

Amid the global challenges posed by extreme climate conditions, companies are tested on their ability to respond to risks. As a manufacturing hub for complete vehicles, Sanyang Motor enforces internal control systems, requiring all functional units to conduct sales forecasting and medium-to-long-term strategic planning. These efforts support the development of annual operational plans for each unit. The Company regularly holds weekly meetings, monthly meetings, and production-sales meetings to improve management precision and swiftly address the supply status of raw materials and key components. By monitoring the execution of all operational activities, the Company ensures effective resource allocation and enhances its crisis response capabilities.

Specific Goals / Management Objectives

	Short-term Goals (within 3 years)		Medium-term Goals (3-5 years)		Long-term Goals (beyond 5 years)
Align with the Board's objectives and group KPIs	Achieve innovation and leading-edge technologies	Implement global strategies and pursue international operations			
<ul style="list-style-type: none">● Achieve a projected global sales volume of 700,000–750,000 units for two-wheelers and 24,000 units for four-wheelers.● Maintain the number one market share and capture the top share of mind among customers.● Focus on managing key distribution channels and optimizing the layout of channel locations.● Accelerate feedback from channels through digital integration and enhance the customer experience.● Achieve growth in operational performance and expand scale.	<ul style="list-style-type: none">● Advance manufacturing techniques and refine the development system for new models.● Conduct a comprehensive review and upgrade of smart equipment, leveraging advanced technology extensively.● Establish international-level competitiveness with precise quality management systems.● Develop a wide range of new energy technologies and products.	<ul style="list-style-type: none">● Optimize global supply chain and procurement strategies, integrating model platforms.● Exceed one million units in global sales volume.● Actively seek international business cooperation opportunities.			

Annual Performance

Building on the efforts of the Four Major Reforms, the Three Precision and Three Sharing, and the Dual Quality and Dual Quantity(Note), 2023 saw the automotive and motorcycle business units achieve record-breaking results through the dedicated efforts of the management team. Annual revenue surpassed NT\$600 billion, with market shares of 4.6% for automobiles and 38.4% for motorcycles, solidifying the Company's position in both sectors and establishing new value for the brand.



2023 Sales Performance: Two-wheelers: 350,511 units, Four-wheelers: 22,358 units

Note:

Four Major Reforms: engine platforms, chassis platforms, parts centers, and market reform Three Precision and Three Sharing: precision in timing, quality, and quantity; design sharing, profit sharing, and mutual prosperity Dual Quality and Quantity: quality, organizational robustness, baseline volume, and high-value sales volume

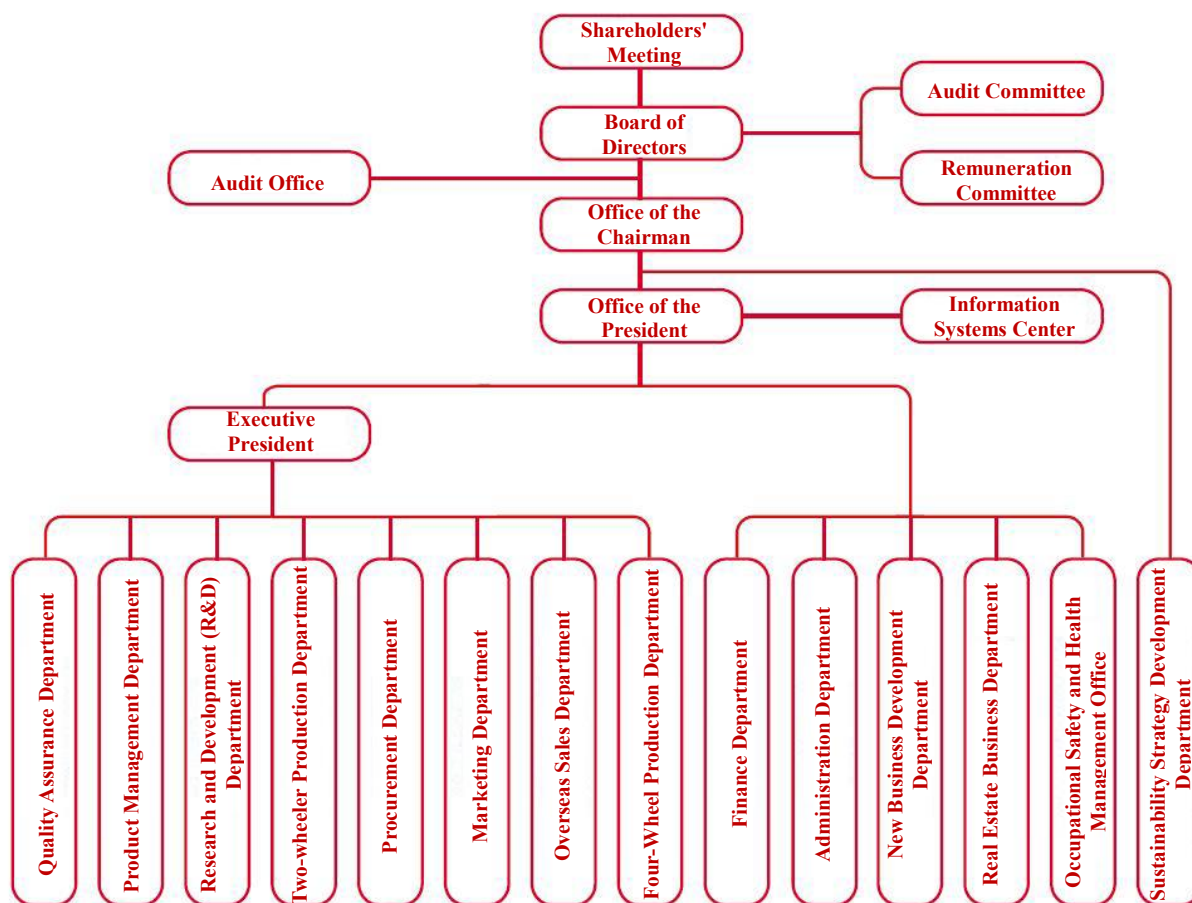
Stakeholder Engagement

To enhance governance, the Company has appointed independent directors and established both an Audit Committee and a Remuneration Committee, which hold regular meetings. In line with regulatory requirements, the Company ensures timely disclosure of significant information and implements a spokesperson system with dedicated units to effectively maintain its corporate image. In the face of global challenges such as extreme climate conditions, which test the adaptability of businesses to risks, the Company, as a key manufacturer of complete vehicles, pursues a goal of sustainable environmental management. Aligning with the government's net-zero emissions roadmap, the Company publishes an annual sustainability report and actively develops new energy technologies and products. With a commitment to long-term stable operations, the Company embraces its corporate responsibilities to build a sustainable future.

3.1 Corporate Governance / Integrity Management

Corporate Governance Organization and Responsibilities

Corporate Governance Organizational Chart



Sanyang Motor Board of Directors

The corporate governance of Sanyang Motor is conducted in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies". The Board of Directors of Sanyang Motor serves as the Company's highest governance body. To enhance corporate governance, the Company has established a Remuneration Committee and an Audit Committee to assist the Board in fulfilling its supervisory responsibilities. The Sanyang Motor Board of Directors consists of seven directors and four independent directors. The Board is composed of members with extensive management experience or expertise in various professional fields, responsible for overseeing and supervising the Company's operations. The diversity of industry experience among board members significantly contributes to decision-making and medium- to long-term strategic planning. To protect the rights and interests of stakeholders and shareholders, the Company has established the "Rules of Procedure for Board Meetings" of Sanyang Motor Co., Ltd. The Board holds regular meetings five times annually, and in 2023, seven meetings were held, with an attendance rate of 95.77%. For details about the board members' names, gender, terms, major education and professional experience, as well as their concurrent roles in other companies, please refer to the Company's 2023 Annual Report.

Sanyang Motor Board Members

Title	Name	Gender	Major Education and Experience
Chairman	Ching-Yuan Wu	Male	Master's Degree in Architecture and Urban Planning, Chung Hua University
Vice Chairman	Representative of Qian Jing Investment Co., Ltd. - Li-Chu Wu	Female	EMBA, Nanjing Normal University
Executive Director/ Independent Director	Chung-Chuan Shih	Male	Master's Degree in Law, National Chengchi University
Director	Representative of Qian Jing Investment Co., Ltd. - Li-Xi Jiang	Male	Department of International Trade, Feng Chia University
Director	Representative of Qian Jing Investment Co., Ltd. - Yi-Cheng Wu	Male	Master's Degree in Management, National United University
Director	Representative of Zhao Yao Investment Co., Ltd. - Yu-Chang Huang	Male	-
Director	Representative of Zhao Yao Investment Co., Ltd. - Ren-Hao Tian	Male	Cass Business School Investment Management
Director	Representative of Zhao Yao Investment Co., Ltd. - De-Qing Zhang	Male	University of Ottawa
Independent Director	Zhen Jiang	Male	Master's Degree in Commerce, Department of Accounting and Information Technology, National Chung Cheng University
Independent Director	Chih-Hung Hsieh	Male	Doctorate in Law, National Chengchi University
Independent Director	Fu-Wei Chen	Male	Master's Degree in Commerce, Graduate Institute of Accounting, National Chengchi University

Board of Directors Operational Performance

Title	Name	Actual Attendance Rate at Board Meetings in 2023 (%)
Chairman	Ching-Yuan Wu	100
Vice Chairman	Representative of Qian Jing Investment Co., Ltd. - Li-Chu Wu	100
Executive Director / Independent Director	Chung-Chuan Shih	100
Director	Representative of Qian Jing Investment Co., Ltd. - Li-Xi Jiang	100
Director	Representative of Qian Jing Investment Co., Ltd. - Yi-Cheng Wu	100
Director	Representative of Zhao Yao Investment Co., Ltd. - Yu-Chang Huang	71.43
Director	Representative of Zhao Yao Investment Co., Ltd. - Ren-Hao Tian	100
Director	Representative of Zhao Yao Investment Co., Ltd. - De-Qing Zhang	85.71
Independent Director	Zhen Jiang	100
Independent Director	Chih-Hung Hsieh	100
Independent Director	Fu-Wei Chen	100

3.1 Corporate Governance / Integrity Management

Audit Committee

The Audit Committee regularly engages with the Company's certified public accountants (CPAs) to review the selection, independence, and performance of the CPAs. In addition, the Company's internal audit staff presents consolidated audit reports to the Audit Committee on a regular basis, as outlined in the annual audit plan. The Audit Committee also periodically evaluates the Company's internal control systems, the internal audit personnel, and their performance.

The Sanyang Motor Audit Committee consists of four members, all of whom are independent directors: Chung-Chuan Shih, Zhen Jiang, Chih-Hung Hsieh, and Fu-Wei Chen. The committee convenes meeting at least once every quarter and may hold additional meetings as needed. In 2023, the Audit Committee convened six meetings, achieving an attendance rate of 100%. For detailed information on the Audit Committee members and their operations, please refer to the Company's 2023 Annual Report.

Remuneration Committee

The Remuneration Committee of Sanyang Motor is primarily responsible for establishing and reviewing the performance goals, remuneration policies, systems, standards, and structures for the Company's directors and managerial personnel. It also regularly evaluates the achievement of performance goals and the remuneration packages for directors and managerial personnel. The Remuneration Committee convenes meeting at least twice a year. In 2023, it held a total of four meetings, with an attendance rate of 100%. For detailed information on the members and operations of the Remuneration Committee, please refer to the Company's 2023 Annual Report.

Board Diversity

According to Article 20 of the Company's "Corporate Governance Best Practice Principles", the composition of the Board of Directors should consider diversity. Directors who concurrently serve as company managers should not exceed one-third of the board seats. Based on the Company's operational nature, business model, and development needs, an appropriate diversification policy should be formulated, including but not limited to the following two aspects:

1. Basic Attributes and Values: Gender, age, nationality, and culture.
2. Professional Knowledge and Skills: Professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Board members should generally possess the knowledge, skills, and expertise required to perform their duties. To achieve the ideal goals of corporate governance, the Board as a whole should have the following competencies:

- ✓ Business judgment capabilities
- ✓ Accounting and financial analysis skills
- ✓ Operational management skills
- ✓ Crisis management abilities
- ✓ Industry knowledge
- ✓ International market perspective
- ✓ Leadership abilities
- ✓ Decision-making skills



The current Board of Directors of the Company consists of 11 members, with the specific management goals and achievements of its board diversity policy as follows:

Management Goal	Achievement Status
Independent directors comprise more than one-third of the total board seats	Achieved
Directors who also serve as company managers should not exceed one-third of the total board seats	Achieved
Independent directors have not served more than three terms	Achieved
Board of Directors must include at least one female member	Achieved

Implementation of the Board Members Diversity Policy is as follows:

Core Diversity Items		Name / Title	Nationality	Gender	Concurrent Employment as a Company Employee	Age			Professional Background				Professional Knowledge and Skills							
						30~40 Years old	51~60 Years old	61~70 Years old	Accounting	Industry	Finance	Law	Business judgment capabilities	Accounting and financial analysis skills	Operational management skills	Crisis management abilities	Industry knowledge	International market perspective	Leadership abilities	Decision-making skills
Director	Ching-Yuan Wu	Male	Republic of China	Male	●			●		●			●	●	●	●	●	●	●	●
	Li-Chu Wu	Female		Female			●			●			●	●	●	●	●	●	●	●
	Li-Xi Jiang	Male		Male			●			●			●	●	●	●	●	●	●	●
	Yi-Cheng Wu	Male		Male	●	●				●			●	●	●	●	●	●	●	●
	Ren-Hao Tian	Male		Male	●	●				●			●	●	●	●	●	●	●	●
	Yu-Chang Huang	Male		Male			●			●			●	●	●	●	●	●	●	●
	De-Qing Zhang	Male		Male			●			●			●	●	●	●	●	●	●	●
Independent	Chung-Chuan Shih	Male	Republic of China	Male			●		●	●	●	●	●	●	●	●	●	●	●	●
	Zhen Jiang	Male		Male			●			●		●	●	●	●	●	●	●	●	●
	Chih-Hung Hsieh	Male		Male				●		●		●	●	●	●	●	●	●	●	●
	Fu-Wei Chen	Male		Male				●	●	●	●		●	●	●	●	●	●	●	●

3.1 Corporate Governance / Integrity Management

Nomination and Selection of the Highest Governance Unit

The election of directors at Sanyang Motor is conducted in accordance with Article 192-1 of the "Company Act", adopting a candidate nomination system. As stipulated by law, shareholders holding more than 1% of the total issued shares of the Company may submit a list of candidates to the Company. Directors are then elected by shareholders through voting during the annual shareholders' meeting. The nomination and selection of director candidates consider the diversity of the Board, including basic attributes such as gender, age, nationality, and culture, as well as professional knowledge, background, and industry experience. This ensures that the directors elected by the Company possess the necessary knowledge, skills, and qualities to perform their duties effectively. To maintain the independence of the Board of Directors, independent directors are nominated and selected in accordance with the "Company Act" and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".

Chairperson of the Highest Governance Unit

The current Sanyang Motor Board of Directors is in its 27th term, chaired by Ching-Yuan Wu, who also serves as the President. This dual role as both Chairman and a member of the executive team provides the Company with strong and consistent leadership, enabling the effective and efficient planning and execution of long-term business strategies.

To ensure the independence of corporate operations, directors who have a conflict of interest, either personally or as representatives of a legal entity, are required to adhere to conflict-of-interest avoidance mechanisms when dealing with matters related to such conflicts.

Role of the Highest Governance Unit in Supervising Impact Management

The Board of Directors at Sanyang Motor serves as the Company's highest governance unit. To strengthen corporate governance, the Company has established the Remuneration Committee and Audit Committee to assist the Board in fulfilling its supervisory duties.

Person Responsible for Impact Management

Impact management is overseen by various working groups under the ESG Promotion Committee, focusing on economic, environmental, and social aspects. These groups evaluate the impacts of corresponding sustainability issues, develop response strategies, work plans, and goals, and regularly report their progress to the committee chairperson, who is also the President.

Role of the Highest Governance Unit in Sustainability Reporting

The Company's sustainability report is reviewed by the chairperson of the ESG Promotion Committee (the President) to ensure the report addresses all material topics. The 2023 Sustainability Report was approved by the Chairman of the Board in July 2024.

Mechanism for Avoiding Conflicts of Interest

The Company has outlined conflict of interest clauses in the "Rules of Procedure for Board Meetings" and the "Organizational Rules of the Audit Committee". For agenda items where a director or the legal entity they represent has a conflict of interest, the director is required to explain the key details of the conflict during the Board meeting. If the conflict poses a risk of harming the Company's interests, the director must refrain from participating in discussions and voting on the matter and must also recuse themselves during the relevant discussions and voting. Moreover, they are prohibited from acting on behalf of other directors to exercise voting rights.

The Company has appointed independent directors who provide suggestions from an objective and impartial standpoint based on their professional expertise and experience. When discussing any proposals, the Board of Directors thoroughly considers the opinions of independent directors, and their reasons for agreement or disagreement are recorded in the meeting minutes. Adhering to the principles of conflict of interest avoidance ensures effective protection of the Company's interests. In addition, no board member holds cross-shareholdings with major suppliers.

Details of board members and their conflict of interest situations (including Board meeting dates, directors required to abstain, agenda items, reasons for conflict of interest, and voting participation) can be found in the Company's 2023 Annual Report.

Communication of Key Material Events

In addition to regular meetings held by various committees and their reports to the Board of Directors, the Company's management also regularly provides key reports and information to the directors (as outlined below) and communicates immediately regarding any key material events.

- Accounting Department: Monthly financial information and quarterly financial reports
- Audit Department: Quarterly audit activity reports

For the nature and total number of key material events during the reporting period, please refer to the material disclosures published by the Company on the Market Observation Post System (MOPS).



3.1 Corporate Governance / Integrity Management

2023 Training Status of Board Members

To enhance the professional knowledge and skills of the directors, Sanyang Motor arranges annual training sessions based on the characteristics of the industry, company development strategies, and the educational and professional backgrounds of the directors. These sessions cover topics such as corporate governance, economics, environmental issues, and social matters. For detailed information on the board members' training (including participating directors, training dates, course information, organizing institutions, and training hours), please refer to the Company's 2023 Annual Report.

Title	Name	Training Date	Training Course	Training Hours (hr)	Organizing Institutions
Chairman	Ching-Yuan Wu	2023.08.11	Insights on Digital Transformation	3	Taiwan Corporate Governance Association
		2023.11.13	Risks and Opportunities for Corporate Operations Amid Climate Change and Net-Zero Emission Policies	3	Taiwan Corporate Governance Association
Vice Chairman	Li-Chu Wu	2023.08.11	Insights on Digital Transformation	3	Taiwan Corporate Governance Association
		2023.11.13	Risks and Opportunities for Corporate Operations Amid Climate Change and Net-Zero Emission Policies	3	Taiwan Corporate Governance Association
Executive Director and Independent Director	Chung-Chuan Shih	2023.03.25	Corporate Governance - Sustainable Environmental Carbon Management - Low-Carbon Transition Pathway Planning - Carbon Inventory	3	Taipei Foundation of Finance
		2023.03.27	Corporate Governance - Sustainable Environmental Carbon Management - Low-Carbon Transition Pathway Planning - Carbon Rights and Carbon Pricing	3	Taipei Foundation of Finance
		2023.08.10	Case Analysis of Money Laundering and Insider Trading	3	CPA Associations R.O.C. (Taiwan)
		2023.08.11	Insights on Digital Transformation	3	Taiwan Corporate Governance Association
		2023.10.23	Latest Anti-Money Laundering Trends and Practices	3	CPA Associations R.O.C. (Taiwan)
		2023.11.08	Practical Analysis of Independent Directors and Audit Committee Operations	3	CPA Associations R.O.C. (Taiwan)
		2023.11.13	Risks and Opportunities for Corporate Operations Amid Climate Change and Net-Zero Emission Policies	3	Taiwan Corporate Governance Association
		2023.11.15	2023 Internal Shareholder Transactions Compliance Seminar	3	Securities and Futures Institute
Director	Li-Xi Jiang	2023.08.11	Insights on Digital Transformation	3	Taiwan Corporate Governance Association
		2023.11.13	Risks and Opportunities for Corporate Operations Amid Climate Change and Net-Zero Emission Policies	3	Taiwan Corporate Governance Association
Director	Yi-Cheng Wu	2023.08.11	Insights on Digital Transformation	3	Taiwan Corporate Governance Association
		2023.11.13	Risks and Opportunities for Corporate Operations Amid Climate Change and Net-Zero Emission Policies	3	Taiwan Corporate Governance Association
Director	Yu-Chang Huang	2023.08.11	Insights on Digital Transformation	3	Taiwan Corporate Governance Association
		2023.11.13	Risks and Opportunities for Corporate Operations Amid Climate Change and Net-Zero Emission Policies	3	Taiwan Corporate Governance Association
Director	De-Qing Zhang	2023.08.11	Insights on Digital Transformation	3	Taiwan Corporate Governance Association
		2023.11.13	Risks and Opportunities for Corporate Operations Amid Climate Change and Net-Zero Emission Policies	3	Taiwan Corporate Governance Association
Director	Ren-Hao Tian	2023.08.11	Insights on Digital Transformation	3	Taiwan Corporate Governance Association
		2023.11.13	Risks and Opportunities for Corporate Operations Amid Climate Change and Net-Zero Emission Policies	3	Taiwan Corporate Governance Association

Title	Name	Training Date	Training Course	Training Hours (hr)	Organizing Institutions
Independent Director	Chih-Hung Hsieh	2023.08.11	Insights on Digital Transformation	3	Taiwan Corporate Governance Association
		2023.11.13	Risks and Opportunities for Corporate Operations Amid Climate Change and Net-Zero Emission Policies	3	Taiwan Corporate Governance Association
Independent Director	Zhen Jiang	2023.08.11	Insights on Digital Transformation	3	Taiwan Corporate Governance Association
		2023.11.13	Risks and Opportunities for Corporate Operations Amid Climate Change and Net-Zero Emission Policies	3	Taiwan Corporate Governance Association
Independent Director	Fu-Wei Chen	2023.07.20	Seminar on Corporate Governance and Directors' Responsibilities	3	Taiwan Corporate Governance Association
		2023.08.07	Key Topics on IFRS 2 Share-Based Payments, IFRS 9, IFRS 15, and IFRS 16	3	CPA Associations R.O.C. (Taiwan)
		2023.08.11	Insights on Digital Transformation	3	Taiwan Corporate Governance Association
		2023.08.16	Impact of Climate Change Risks on Corporate Financing and Partnerships, and Response Strategies	3	Taiwan Institute of Directors
		2023.08.30	The Role and Responsibilities of Board Members in ESG and Sustainability Governance for Listed Companies	3	Taipei Foundation of Finance
		2023.11.13	Risks and Opportunities for Corporate Operations Amid Climate Change and Net-Zero Emission Policies	3	Taiwan Corporate Governance Association
		2023.12.06	M&A Strategies for Taiwanese Businesses Amid Global Political and Economic Trends	3	Corporate Operating and Sustainable Development Association
		2023.12.12	2023 Trends in ESG, CSR, and Sustainability Governance	3	Taiwan Institute of Directors

Board Performance Evaluation

To enhance the operational effectiveness of the Board of Directors, the Company has established a performance evaluation mechanism for the Board in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" to ensure diligent governance. The Company conducts at least one internal performance evaluation of the Board annually, using a self-assessment questionnaire. Details of the evaluation results can be found in the Company's 2023 Annual Report.

In addition, the Company organizes annual training courses for board members to enhance the overall knowledge of the highest governance body on legal, economic, environmental, and social issues. In 2023, the Company offered courses covering topics such as "Insights on Digital Transformation" and "Risks and Opportunities for Corporate Operations Amid Climate Change and Net-Zero Emission Policies".

Remuneration Policy for the Board of Directors and Senior Executives

According to Article 24 of Sanyang Motor's Articles of Incorporation, the remuneration for the Chairman, directors, and supervisors is determined by the Board of Directors based on their level of participation in the Company's operations, contribution value, and by referencing domestic and international industry standards. In addition, Article 31-1 stipulates that if the Company achieves profitability in a fiscal year, at least 1% of pre-tax earnings shall be allocated as employee compensation, and up to 1% as remuneration for directors and supervisors. However, if the Company has accumulated losses, the shortfall must first be retained to offset the losses. Independent directors are not eligible for the aforementioned remuneration allocation.

Per Company regulations, executive remuneration includes salaries and bonuses. Salaries are determined with reference to industry standards and factors such as title, level, education, professional experience, and expertise. Bonus distribution is based on the results of the "Performance Evaluation Regulations", which evaluates criteria such as work performance (60%), managerial competence (30%), and specific contributions (10%). The final remuneration ratio is calculated after considering factors such as the Company's overall profitability, target achievement rate, operational performance, and participation in sustainable development. Remuneration policies are reviewed periodically and adjusted as needed in line with actual operating conditions and relevant regulations.

3.1 Corporate Governance / Integrity Management

Remuneration Determination Process

Sanyang Motor establishes its remuneration procedures by considering not only the Company's overall operating performance but also individual performance achievement rates and contributions to the Company's results. Reasonable remuneration is granted accordingly, with all related compensation matters submitted to the Remuneration Committee for review and the Board of Directors for resolution. The Company continuously monitors global economic trends, international financial conditions, and industry market fluctuations to anticipate future business development, profitability, operational risks, and changes in relevant regulations. It reviews its remuneration system as needed to strike a balance between sustainable corporate operations and risk management. Currently, only internal personnel are involved in designing the remuneration policy and making remuneration-related decisions. For details regarding the Company's remuneration resolutions, please refer to the Company's 2023 Annual Report.

The Company's remuneration distribution is carried out in accordance with the Articles of Incorporation, with an annual report on the allocation of employee remuneration and director remuneration presented at the shareholders' meeting. The Company has established a Remuneration Committee under the Board of Directors, at the same hierarchical level as the Audit Committee. This committee comprises four independent directors and is responsible for fair and reasonable review and decision-making regarding the remuneration of the highest governance body and senior management.

Code of Ethical Conduct

Business Ethics Policy and Performance

Sanyang Motor complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, regulations governing listed companies, and other laws related to business conduct. The Company adheres to the highest ethical standards in conducting business and, under the principle of "integrity management", explicitly requires supervisors and employees at all levels to comply with the "Code of Professional Ethics and Service Guidelines" (VT-HR-H06). All commitments to professional ethics regulations at Sanyang Motor are approved by the President.





Sanyang Motor Code of Professional Ethics Declaration

- ✓ In our work and personal conduct, we must ensure compliance with professional ethics standards.
- ✓ We must avoid conflicts of interest.
- ✓ We must safeguard the Company's confidential information and assets.
- ✓ We must comply with all applicable laws, regulations, and rules.
- ✓ We must not violate the regulations on "insider trading".
- ✓ We respect every individual and treat everyone fairly and justly.
- ✓ We must ensure that we have read and understood all company policies.
- ✓ If there are questions or uncertainties, we should consult our direct supervisor or the Professional Ethics Committee.
- ✓ For any violations of the code, we must provide factual evidence and immediately report to the Professional Ethics Committee or follow the whistleblowing procedures to report a complaint.

Sanyang Motor promotes corporate integrity management and has established a whistleblowing channel to report illegal or unethical behavior. If you discover anyone conducting or attempting to conduct activities that violate laws or ethical standards under the Company's name, please inform us. Reports made in good faith and in accordance with legal principles will be handled with the highest level of confidentiality, and any form of retaliation will be strictly prohibited. Unless otherwise required by law, the personal information you provide will remain confidential and be protected under appropriate measures to safeguard your privacy and information.



Whistleblowing Channels

Tel: 03-5981911 Ext. 1605

E-mail : professional@sym.com.tw



Company Website – Professional Ethics



3.1 Corporate Governance / Integrity Management

Anti-Corruption Measures

Sanyang Motor complies with the legal regulations of the countries in which it operates and upholds the highest ethical standards in all business practices. These standards represent the core values and principles that all employees must adhere to in their conduct and actions. To strictly prohibit any acts of corruption, bribery, or extortion, Sanyang Motor has established anti-corruption management practices across the Company. This includes adherence to the "Code of Professional Ethics and Service Guidelines VT-HR-H06" and providing a whistleblowing mailbox at professional@sym.com.tw, in reference to the Corporate Governance Evaluation Indicators set by the Securities and Futures Institute. These measures aim to prevent unlawful and unethical behavior throughout the organization.

The Company also regularly conducts training sessions to promote adherence to the Code of Professional Ethics, and 100% of employees sign the "Confirmation of Code of Professional Ethics and Service Guidelines" upon joining the Company. For any violations of the code, employees may report the incidents with supporting facts to the Professional Ethics Committee, which will appoint designated personnel to investigate. All new employees at grade 5 and above are required to sign the "Non-Compete and Confidentiality Agreement". An independent internal audit unit is established within the Company to conduct regular monthly audits of departmental operations and special audits when necessary. If any misconduct is identified, the audit unit collects relevant evidence and reports to the Chairman and Vice Chairman, with the Legal Department handling subsequent actions. In 2023, Sanyang Motor conducted a 100% corruption risk assessment across all operational sites, including the Hsinchu Plant, Xinfeng Plant, and the Parts Business Department, and no incidents of corruption were identified.

Sanyang Motor conducts at least one educational session annually for directors on preventing insider trading. The content includes the elements constituting insider trading, insider trading regulations, and the definition of internal material information. In 2023, educational sessions were conducted for all 11 directors.

Board of Directors	Total No. of Board Members	No. of Board Members Completing the Educational Session	Completion Rate
	11	11	100%

Note: Completion Rate = Number of Board Members Who Completed Relevant Courses During the Year / Total Number of Board Members



Sanyang Motor has established the "Code of Professional Ethics and Service Guidelines VT-HR-H06" to communicate the anti-corruption policy to every new employee. Employees, their family members, friends, or relatives are strictly prohibited from directly or indirectly requesting or accepting any personal compensation, gifts, money, loans, services, or items from competitors or companies or individuals with business dealings or potential transactions with the Company. This policy aligns with the operational procedures for employee social conduct standards.

All newly appointed managers and assigned supervisors undergo training on employee behavior and ethical standards. In 2023, 199 participants, including newly appointed and assigned supervisors, completed the training sessions, with a total of 99.5 training hours.

		Employee Level		Employee Category	
		Supervisors	Non-Supervisors	Non-Operational Staff	Operational Staff
Taiwan	Total Training Hours	9	90.5	38.5	61
	No. of Participants Completing Training	18	181	77	122
	Completion Rate	100%	100%	100%	100%

Note:

1. The data covers: Hsinchu Plant, Xinfeng Plant, and the Parts Business Department.
2. Supervisors include the President, personnel in managerial roles, and those at the rank of Assistant Manager (or Director) and above.
3. Completion Rate = Number of employees who completed the relevant courses during the year and were still employed as of the end of December / Total number of employees still employed in the region as of the end of December.

Furthermore, Sanyang Motor promotes the "Corporate Social Responsibility Guidelines" across its supply chain. These guidelines include a prohibition on any form of commercial bribery or improper personal benefit. In 2023, the Company distributed questionnaires to all 212 suppliers, of which 160 suppliers signed and agreed to comply.

Suppliers	No. of Suppliers Signed	Completion Rate
Signing of Supplier Corporate Social Responsibility Confirmation Form	160	75.5%

Note: Supplier Corporate Social Responsibility Confirmation Form Completion Rate = Number of suppliers who have signed the "Supplier Corporate Social Responsibility Confirmation Form" / Total number of suppliers required to sign the form.

Actions Regarding Anti-Competitive Behavior, Anti-Trust, and Monopolistic Practices

The Company adheres strictly to the "Fair Trade Act" and the "Trade Secrets Act" of the Republic of China. Each year, representatives of the Company participate in seminars held by the Fair Trade Commission to ensure that the Company does not engage in anti-competitive, anti-trust, or monopolistic practices. In 2023, there were no lawsuits or rulings related to anti-competitive, anti-trust, or monopolistic regulations.

Regulatory Compliance

In 2023, Sanyang Motor did not have any major violations of laws and regulations (note) related to social and economic matters.

Note: Major violations are defined as cases with penalties amounting to NT\$3 million or more.

3.2 Operational Strategy and Economic Performance

Management of Material Topics

Economic, Environmental, and Social Impacts

Economic performance is one of the key factors supporting sustainable business operations. Efforts should focus on revitalizing brand value, reducing costs, and improving operational efficiency. Poor economic performance could pose a threat to the Company's ongoing operations in the future.

Policy or Commitment

The Company upholds its core values and philosophy, striving for stable growth in economic performance.

Actions Taken to Manage Material Topics and Related Impact



Innovative Marketing Strategies to Win Customer Loyalty

1. Focusing on technology-driven and youth-oriented product designs to reflect vibrant, enjoyable, innovative, and trendy brand values, enhancing the joy of riding for consumers.
2. Integrating hardware and software capabilities of sales channels, adopting digital marketing models to accelerate customer feedback and strengthen technical service training. This includes establishing store layouts and decorations that align with the professional brand image, rapidly responding to market demands, and improving the efficiency of channel management as well as 3S services (Sales, Service, and Spare parts).
3. Leveraging innovative approaches to break traditional advertising methods by utilizing online self-media to strengthen interaction and connection with vehicle owners, enabling quick response and adaptation to market changes.
4. Basing R&D and design on customer vehicle usage needs, continuously innovating to improve efficiency and reduce costs, offering both high- and low-priced models to optimize the product lineup and provide a diverse selection for consumers.



Striving for Excellence in Quality to Build World-Class Competitiveness

1. Actively promoting product platformization and standardized production processes to ensure consistent quality levels across global production facilities.
2. Implementing a comprehensive and consistent quality audit and support system, adhering to the three-phase approach of "Defect Prevention, Outflow Prevention, Recurrence Prevention", along with the "Three No's" policy of "No Acceptance, No Production, No Outflow" of defective products. Continuous improvement and swift response to market feedback ensure customer satisfaction with products and services.
3. Advancing factory digitalization, transparency of information, and rationalization of processes to strengthen employees' awareness of problems and their ability to resolve them.



Showcasing Sanyang's Automotive Craftsmanship and Brand Management Philosophy

1. Establishing itself as a key international partner for Hyundai Motor in global operations, enhancing the competitiveness of market offerings, and aligning with the international HYUNDAI brand strategy.
2. energy-efficient and new-energy vehicles, high-performance passenger cars, specialty vehicles, and commercial vehicles to provide a comprehensive product lineup and expand market share.
3. Upgrading production equipment and rationalizing processes to actively secure overseas OEM orders for Hyundai.



Closely partnering with overseas agents through high-quality products, actively expanding into export markets, enhancing brand recognition, and increasing global market share.

Tracking Performance of Actions

- Holds an Annual General Meeting and publishes its annual report each year.
- Hosts two investor conferences annually.
- Maintains strong relationships with multiple financial institutions to secure the most favorable deposit/loan terms.
- Regularly evaluates the Company's cash flow to ensure sufficient operating capital and secures medium- and long-term financing facilities from various financial institutions to strengthen the Company's financial structure.
- Establishes a dedicated unit to monitor changes in tax-related regulations, researches their impact, and develops response strategies to ensure tax compliance and to leverage tax incentives and savings where applicable.

Specific Goals / Management Objectives



Short-term Goals (within 3 years)

Capturing Top Share of Mind

- Optimize dealership layouts and enhance service experiences.
- Attain customer satisfaction leadership in sales and after-sales services.
- Increase repurchase rates among loyal customers.

Operational Performance Growth

- Achieve annual growth in operating profit for both automotive and motorcycle sectors.
- Expand the scale of overseas operations.



Medium-term Goals (3-5 years)

Innovative and Leading Technologies

- Develop diversified new energy technologies and products.
- Integrate resources for a comprehensive product portfolio.
- Build technological capabilities and introduce large displacement engine products.

Enhancing Brand Favorability

- Pursuing quality to deliver highly reliable products.
- Offering a complete product lineup with high-value-for-money options.



Long-term Goals (beyond 5 years)

Global Strategy

- Promote a unified global brand presence with sales across three key regions.
- Develop and nurture international talent.
- Ensure flexible allocation of global procurement resources.
- Actively pursue international collaboration opportunities.

Annual Performance

- In 2023, the Company achieved operating revenue of NT\$49,290,243,000; gross profit of NT\$6,374,325,000; operating net profit of NT\$3,523,860,000; and earnings per share of NT\$7.95.
- The total production volume (domestic and export) of motorcycles in 2023 increased by 26.82% compared to the previous year, with a 3.6% increase in domestic market share.
- The automotive growth rate in 2023 increased by 45% compared to the previous year, with a 1% increase in domestic market share.

Stakeholder Engagement

Stakeholders can learn about the Company's operational and financial performance through shareholders' meetings, investor conferences, and annual reports.

3.2 Operational Strategy and Economic Performance

Financial Information

The following includes key financial information of the Company for the past three years. For detailed data, please refer to the Sanyang Motor 2023 Annual Report. The financial information was audited and approved by KPMG on March 14, 2024, with the approval number: Financial Supervisory Commission Securities Audit No. 1100333824.

Revenue, Pre-Tax Net Profit, Total Assets, and Total Equity

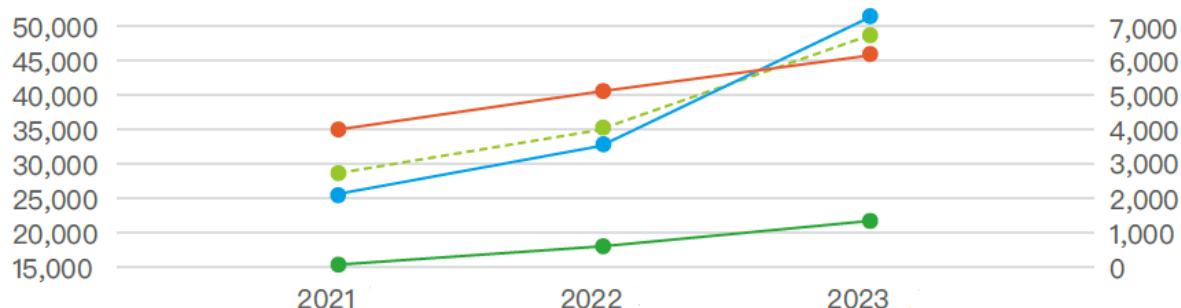
Unit: NT\$ thousands

	2021	2022	2023
Operating Revenue	29,876,799	35,882,517	49,290,243
Pre-Tax Net Profit	2,017,265	3,467,230	7,199,104
Total Assets	35,076,497	41,601,782	46,048,825
Total Equity	15,412,103	17,833,881	22,395,211

Operating Revenue

Total Assets, Total Equity

Pre-Tax Net Profit



Operating Revenue Total Assets Total Equity Pre-Tax Net Profit

Unit: NT\$ thousands

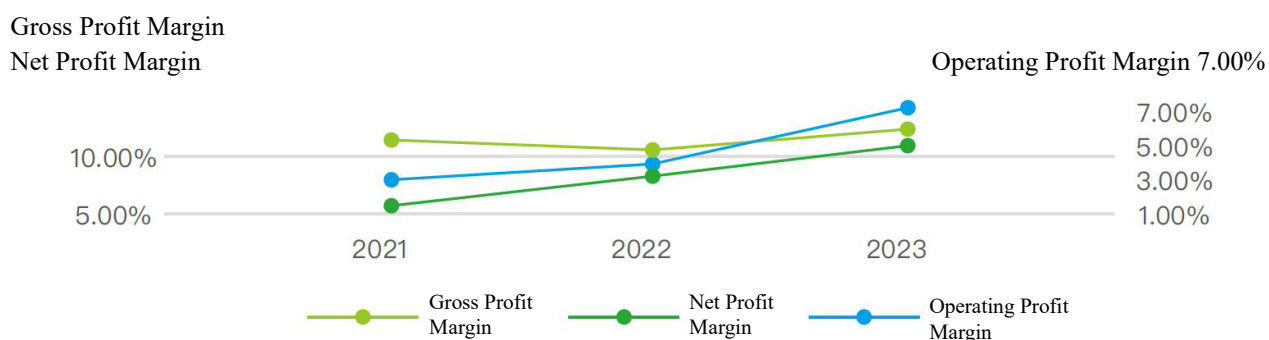
Return on Assets (ROA) and Return on Equity (ROE)

	2021	2022	2023
Return on Assets	5.58%	8.47%	14.81%
Return on Equity	12.13%	18.75%	31.31%



Gross Profit Margin and Operating Profit Margin

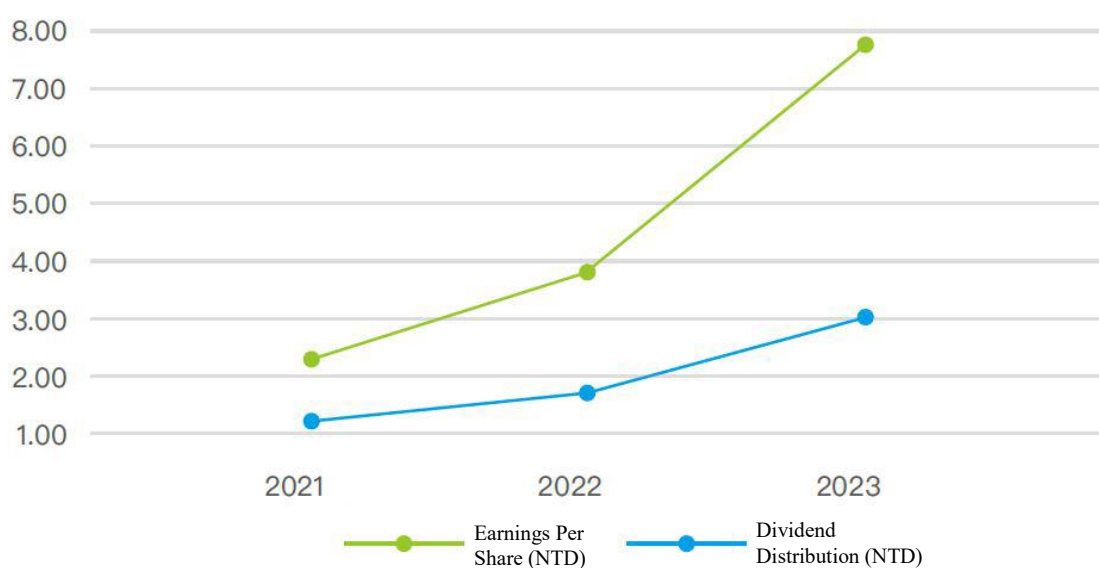
	2021	2022	2023
Gross Profit Margin	12.37%	11.72%	12.93%
Operating Profit Margin	4.80%	4.87%	7.15%
Net Profit Margin	6.13%	8.68%	12.78%



3.2 Operational Strategy and Economic Performance

Earnings Per Share and Dividend Distribution (Payments to Investors)

	2021	2022	2023
Earnings Per Share (NTD)	2.30	3.93	7.95
Dividend Distribution (NTD)	1.30	1.80	3.00



Economic Performance Information

Unit: NT\$ thousands

	2021	2022	2023
Direct Economic Value Generated: Revenue	29,876,799	35,882,517	49,290,423
Direct Economic Value Generated Expenditure Ratio– Economic Value Distributed			
Operating Costs (Note 1)	24,857,784	30,041,608	40,9008,232
Employee Salaries and Benefits (Note 2)	2,540,133	2,817,725	3,503,188
Payments to Investors (Note 3)	1,044,001	1,036,931	1,435,481
Payments to Government by Country (Note 4)	233,048	265,238	606,963
Community Investments (Note 5)	23,593	133,468	10,915
Retained Economic Value ("Direct Economic Value Generated" minus "Economic Value Distributed")			
Retained Economic Value	1,178,240	1,587,547	2,825,464

Note

1. Operating costs refer to the operating costs in the financial statements, excluding "employee salaries and benefits" classified under operating costs.
2. Employee salaries and benefits comprise salary expenses, director remuneration, pension expenses, labor and health insurance contributions, and other personnel-related costs.
3. Payments to investors refer to distributed dividends.
4. Payments to government by country refer to paid income taxes.
5. Community investments refer to expenditures on donations to organizations and groups.
6. For the year 2023, Sanyang Motor had no government subsidies or political donations.



Company Website – Professional Ethics



3.2 Operational Strategy and Economic Performance

Tax Policy

Sanyang Motor adheres to relevant tax regulations established by the government, regularly reviewing its tax status to effectively manage tax risks and implement sustainable development practices. All significant tax decisions are approved by the Assistant Vice President of the Finance Department, who holds ultimate responsibility for tax management. Routine tax administration and management are executed by the Manager of the Accounting Department. For significant tax matters, consultations with tax accountants are sought to identify the most appropriate solutions.

To effectively manage tax risks, Sanyang Motor follows internal control processes to identify, assess, and manage tax risks arising from regulatory changes and operational activities. These risks are appropriately measured, managed, and controlled. Tax filings are audited by certified accountants at the end of each fiscal year and submitted in accordance with the law.

To address global anti-tax avoidance regulations, Sanyang Motor consulted tax accountants and assessed the related tax impacts before the implementation of these regulations. The Company leveraged Taiwan's repatriated capital special regulations to mitigate additional tax burdens due to anti-tax avoidance rules. In addition, Sanyang Motor actively applies for tax rebates under the Statute for Industrial Innovation for substantial investments of undistributed earnings, effectively reducing the Company's tax burden.

Internal Control and Audit System

Sanyang Motor has established supervisory mechanisms through its Audit Committee and Remuneration Committee. Additionally, in accordance with the "Regulations Governing the Establishment of Internal Control Systems by Public Companies", the Company has developed an internal control system. The scope of the internal control plan covers all company activities to achieve the following objectives:

- ✔ Enhancing operational effectiveness and efficiency
- ✔ Ensuring the reliability, timeliness, transparency, and compliance of reporting
- ✔ Adhering to relevant laws and regulations

The Audit Office, which reports directly to the Board of Directors, plays a vital role in effectively managing corporate risks and ensuring sustainable operations. In accordance with the Company's "Internal Control System", the Audit Office formulates an annual audit plan to carry out on-site audits of daily operations. The scope of these audits encompasses both functional units involved in company operations and subsidiaries. The internal control system is designed to divide operational activities into nine major cycles and other related control processes. When audit findings indicate areas for improvement, the Audit Office issues an audit recommendation, requiring the audited units to implement improvements within a specified timeframe.

Monthly audit reports are submitted to members of the Audit Committee in writing. These reports include follow-ups on unresolved issues from previous periods, which remain under management until improvements are completed. To enhance the understanding of operational control processes among functional managers and employees, the Company conducts a self-assessment of the internal control system's operation at the beginning of the following year.

In 2023, a total of 77 audit plans were proposed, as illustrated below, approved by the Audit Committee and subsequently by the Board of Directors. The audit work for the year progressed on schedule, with tasks implemented monthly according to the plan. Furthermore, the chief auditor attends quarterly meetings of the Audit Committee and the Board of Directors to report on the results of the quarterly audit items.

2023 Audit Plan Items

Category	Number of Audit Items
AC - Information Cycle	6
AE - Real Estate Cycle	3
AE - Purchase Cycle	4
AF - Financing Cycle	19
AI - Investment Cycle	20
AP - Production Cycle	7
AR - R&D Cycle	3
AS - Sales Cycle	6
AW – Labor and Wage Cycle	6
Subsidiaries	3
Total	77



3.3 Information Security

Management of Material Topics

Economic, Environmental, and Social Impacts

Through the proper deployment of information security measures, the Company aims to prevent information security incidents caused by cyberattacks, natural disasters, machine failures, and other factors.

Policy or Commitment

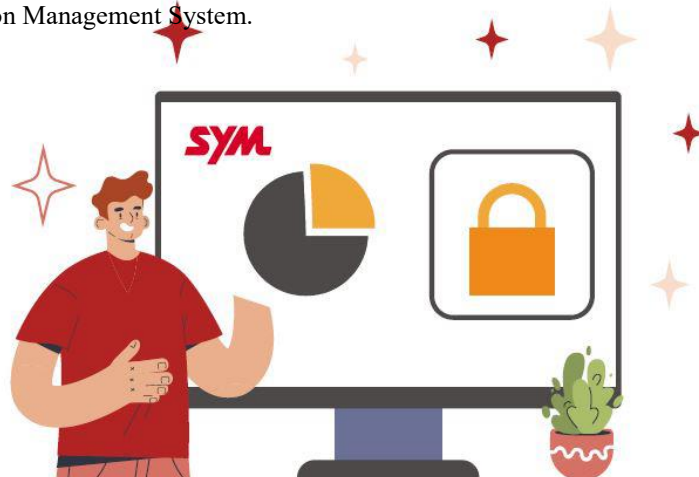
Sanyang Motor is committed to safeguarding the information security and confidentiality of customers and partners. The Company has established a "Personal Data Protection Committee" and an "Information Security Management Committee" to oversee the formulation and implementation of information security-related regulations. In addition, the Company began implementing the ISO 27001 Information Security Management System in 2021.

Actions Taken to Manage Material Topics and Related Impact

The establishment of the Information Security Management Committee focuses on defining policies and structures for information security. Key areas include information security policy, information security organization, information asset management, risk assessment and management, human resources security management, access control, physical and environmental security, organizational landscape evaluation, system and network security, system development and O&M (operations & maintenance), information security incident reporting and management, business continuity management, outsourcing management, information security auditing and management, corrective actions, applicability, document and record management, backup and recovery management, database management, and implementation of information security. Through the implementation of the ISO 27001 Information Security Management System, the Company continually reviews and improves its cybersecurity framework, mitigating risks to an acceptable level and ensuring the confidentiality, integrity, and availability of information.

Tracking Performance of Actions

To align with international information security management trends, Sanyang Motor obtained ISO 27001 certification in December 2021 for core business application system maintenance and management activities. This includes system management, data center management, and network infrastructure management. The certificate is valid until January 2025. With the implementation of the ISO 27001 Information Security Management System, Sanyang Motor has appointed a dedicated information security officer and a team of 16 dedicated personnel. Through continuous review and improvement of the cybersecurity system, the Company mitigates information security risks to an acceptable level, ensuring the confidentiality, integrity, and availability of information. Sanyang Motor conducts an annual internal audit and review of its Personal Data Protection Management System.



Specific Goals / Management Objectives



Short-term Goals (within 3 years)

- Achieve ISO 27001:2022 Information Security Management System transition certification.
- Obtain the ISO 27001:2022 Lead Auditor transition certificate for the Information Security Management System.
- Establish a Security Operations Center (SOC) to detect abnormal behavior and assess potential information security incidents.



Medium-term Goals (3-5 years)

- Zero major information security incidents.
- Continuously align with ISO 27001 standards to ensure that information security management controls meet organizational security needs.
- Continuously review operational resilience and crisis management mechanisms in compliance with ISO 27001 standards to ensure business continuity in unforeseen crises.



Long-term Goals (beyond 5 years)

- Maintain ongoing investments and expenditures in information security.
- Source Code Testing: Conduct testing and analysis of application source code to identify and resolve potential vulnerabilities and weaknesses.
- Multi-Factor Authentication (MFA): Implement secure multi-factor authentication methods that require users to provide two or more forms of evidence (factors) during login to verify their identity.
- Privileged Access Management: Implemented comprehensive solutions to protect privileged identities, credentials, and passwords, with real-time threat detection and prevention of unauthorized access.

Annual Performance

- Continued execution of the Information Security PDCA cycle, completing asset inventory and risk assessments.
- Conducted 4 crucial system disaster recovery drills as planned in 2023.
- Conducted system vulnerability scans and penetration tests in 2023, addressing 7 high-risk vulnerabilities.
- Organized 26 internal information security training sessions in 2023.
- Held external ISO 27001:2022 Lead Auditor training for the Information Security Management System.
- Conducted 25 information security meetings and 1 security management review meeting in 2023.
- Carried out 1 internal audit and 1 external audit in 2023, both with no major deficiencies.
- Results of 2023 email phishing simulation showed a significant decrease in success rates by approximately 47% (from 56.03% to 26.43%), demonstrating that ongoing awareness campaigns and drills effectively enhanced employees' information security awareness.
- Since 2022, Sanyang Motor has been a member of the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC), strengthening information security threat intelligence sharing and fostering cross-domain cybersecurity collaboration.

Stakeholder Engagement

Stakeholders can learn about the Company's operational and financial performance through shareholders' meetings, investor conferences, and annual reports.

Information Security

Through the proper implementation of information security measures, Sanyang Motor ensures the prevention of security incidents caused by cyberattacks, natural disasters, or equipment failures. Sanyang Motor is committed to safeguarding the information security and confidentiality of customers and business partners. The Company has established the "Personal Data Protection Committee" and the "Information Security Management Committee" to oversee the formulation and implementation of information security regulations. In 2021, the Company introduced ISO 27001 Information Security Management System.

In December 2021, Sanyang Motor obtained ISO 27001 certification from BSI, covering the development, operation, and maintenance of the SMILE and ERP core business application systems, as well as network management, data center management, and related support activities. The certification is valid until January 2025 and undergoes annual audits by external verification bodies. Through the implementation of ISO 27001 Information Security Management System, the Company continuously reviews and improves its cybersecurity systems, mitigating information security risks to an acceptable level and protecting the confidentiality, integrity, and availability of information. In 2023, the Company did not experience any cybersecurity incidents, nor were there any confirmed complaints of customer privacy breaches or data loss.

2023 Environmental, Social and Governance Sustainability Report



04 Innovative Services

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4.1 Quality and Technology R&D

Management of Material Topics

Economic, Environmental, and Social Impacts

Quality is the lifeline of a company's survival. If quality is not maintained, customer complaints will inevitably arise. In today's fast-paced digital communication environment, poor quality can severely impact the Company, leading to the loss of even more business opportunities. Therefore, Sanyang Motor has always placed significant emphasis on improving and ensuring product quality.

Policy or Commitment

With technological advancements and the rise of consumer awareness, quality management techniques must also evolve with the times. Sanyang Motor employs a sound and stringent quality assurance process to ensure that all products meet quality requirements. Adhering to the Company's ultimate quality policy: "Meet Requirements, Ensure Customer Satisfaction", we uphold the principle of total quality management. By continuously reviewing and improving quality issues through the PDCA cycle, we strive to achieve the goal of "precision in quality", creating a win-win outcome for both customers and the Company.

Actions Taken to Manage Material Topics and Related Impacts

- Establish a quality assurance system program with computer connectivity, digitalizing production and inspection records to integrate various data in real-time, thereby enhancing work efficiency and quality monitoring.
- Collect, analyze, and utilize big data from warranty exchanges to promptly understand market demands and quality issues, enabling improvements and preventive measures.

Tracking Performance of Actions

- Conduct thematic audits to thoroughly review the 4Ms (Man, Machine, Material, Method) that affect quality, achieving quality risk prevention.
- Promote Conformity of Production (COP) activities across all product lines to ensure product quality assurance.
- Regularly carry out ISO 9001 internal/external audits and certification renewals/extensions to ensure product quality reliability.

Specific Goals / Management Objectives



Short-term Goals (within 3 years)

- In accordance with company regulations (Market Quality Meeting Operational Guidelines), conduct regular quality meetings to improve feedback, prevent recurring defects, and reduce market warranty losses.
- Improve First Pass Yield (FPY) on production lines.
- Reduce the appearance damage rate for newly released vehicles



Medium-term Goals (3-5 years)

- Conduct quality control education programs annually to continuously enhance quality management capabilities, ensuring that all components and vehicles meet product quality standards.
- Launch more competitive and market-oriented new products.



Long-term Goals (beyond 5 years)

- Continuously promote technological innovation in Taiwan's electric vehicle industry and create forward-looking energy storage technologies and products.



Annual Performance

- In 2023, the automobile plant passed Hyundai Motor Company (HMC) overseas factory certification, with a total of 111 production process inspection items evaluated.
- First Pass Yield (FPY) on production lines improved from 80% to 90% in 2023.
- The appearance damage rate for newly released vehicles decreased from 2.9% to 1.0% in 2023.

Stakeholder Engagement

Sanyang Motor regularly compiles and analyzes customer feedback on quality-related issues. Reports are presented to senior management, and feedback is provided to frontline service personnel to engage in direct dialogue with customers. This process ensures real-time insights and continuous improvement of quality issues, aiming to achieve the goal of "precision in quality".



Sanyang Motor Partners with ITRI to Develop Hydrogen Fuel Cell Electric Vehicle Technology

Sanyang Motor continues its commitment to research and development (R&D). On January 16, 2023, Sanyang Motor held a signing ceremony with the Industrial Technology Research Institute (ITRI), officially announcing their collaboration on hydrogen fuel cell electric vehicle technology. This marks a significant first step in advancing new energy vehicle development. In the initial phase, both parties will jointly research, design, and develop ultra-high-pressure hydrogen storage technology, which will be applied to hydrogen-powered electric scooters.

Hydrogen is one of the most abundant elements on Earth. Hydrogen fuel cell electric vehicles use hydrogen or hydrogen-containing substances to generate electricity through fuel cells, which then power electric motors to drive the vehicle. In the development of hydrogen fuel cell vehicle, the primary challenge is hydrogen storage. Hydrogen has an extremely low density; therefore, the goal of this first phase of collaboration is to safely store ultra-high-pressure hydrogen in gas cylinders while ensuring ease of use.

For high-pressure hydrogen storage cylinder technology, the ITRI leverages its robust technical foundation accumulated over 40 years. Compared to traditional gantry-type fiber winding machines, this collaboration uses high-flexibility multi-axis robotic arms in combination with an automated winding process system to produce hydrogen cylinder liners. This significantly reduces setup costs and offers greater flexibility for small-volume, multi-variety production. The technology features high safety, lightweight design, and corrosion resistance. The material scope covers customized material technologies such as high-temperature curing, medium-to-low temperature curing, dry winding, and wet winding, along with compatible material processing equipment. Combining this with Sanyang Motor's over 60 years of innovative vehicle engineering capabilities and extensive experience in vehicle body development is a key cornerstone of this collaboration. Moving forward, both parties aim to leverage their expertise to achieve synergy in developing hydrogen-powered electric vehicles and related application technologies.



4.1 Quality and Technology R&D

Innovative Sanyang Motor

☑ Innovation is an idea, and R&D is its implementation; the two are inseparable

Sanyang Motor adheres to the philosophy of "focusing on a green Earth, respect for humanity, and a knowledge-based economy, constantly innovating to showcase new global momentum". The Company is steadily and efficiently moving toward its vision: "to establish outstanding R&D capabilities, becoming a leading research hub in the vehicle industry, and providing products that customers love". Product design must comply with government regulations on environmental protection, energy efficiency, and safety. It must meet the performance and functional requirements outlined in product planning, incorporate customer feedback to improve past product shortcomings, and innovate to deliver competitive designs that provide value to customers.

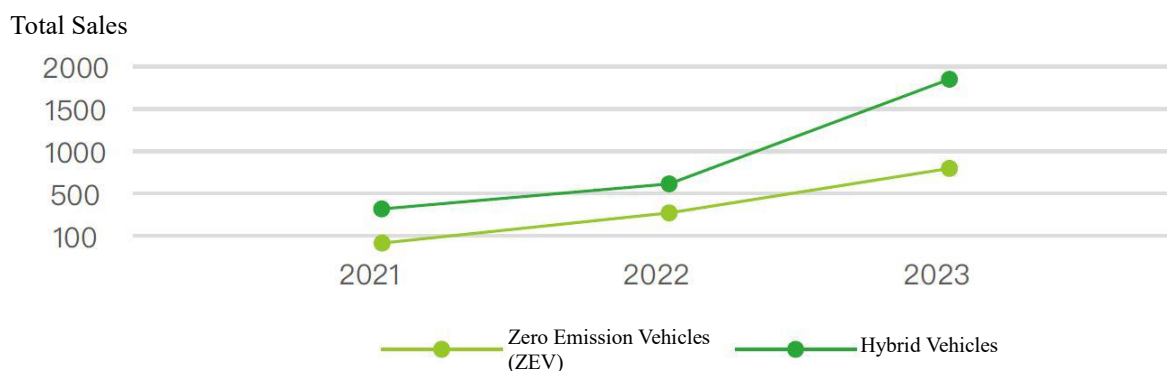
Innovative Technology and R&D Projects	Description	2023 Execution Results
1. Triple Zero Technology – Quiet, Fuel-Efficient, and Most Comfortable	Zero Resistance Starter & Generator System (Z.R.S.G), zero noise and zero pollution Start & Stop system (S.STOP), zero rearward Anti-Lift Engine Hanger system (A.L.E.H)	<ol style="list-style-type: none"> 1. Z.R.S.G: In traditional idle stop systems, a starter motor engages gears to restart the vehicle. Sanyang Motor's latest Zero Resistance Starter & Generator System (Z.R.S.G) utilizes electronic signals to transmit information and employs a decompression mechanism to minimize startup resistance. The crankshaft rotates instantaneously, enabling a seamless start with zero delay. 2. S.STOP (Start & Stop System): By integrating the starter motor with the generator coil, the system automatically shuts off the engine after 3 seconds of idling. When restarting, there is no vibration or noise; simply twisting the throttle directly re-engages the engine, achieving fuel savings and enhanced environmental protection. 3. Anti-Lift Engine Hanger System (A.L.E.H): The design prevents engine lift and suppresses rearward movement of the suspension system. By optimizing the geometric configuration of the front fork, rear shock absorber, and engine mount, the system ensures balance in three key areas. This results in smoother acceleration during takeoff and enhances overall riding comfort.
2. Dual Spark Plug Enhanced Multi-Ignition System (EnMIS)	Achieves lower fuel consumption, reduced emissions, greater fuel efficiency, and enhanced environmental protection.	<ul style="list-style-type: none"> ■ Features of the EnMIS in the engine cylinder head combustion chamber: <ol style="list-style-type: none"> 1. Controlled by the Engine Control Unit (ECU), the system provides different ignition timings for the primary and secondary spark plugs based on engine load and speed under varying operating conditions. 2. Results in reduced fuel consumption and emissions, delivering superior fuel efficiency, cleaner performance, and better environmental friendliness. ■ Comparison of dual spark plugs versus single spark plugs: <ol style="list-style-type: none"> 1. High-efficiency combustion: Reduces fuel consumption by 14%. 2. Advanced cooling system: Optimizes heat dissipation. 3. Enhanced power output: Improves maximum power output by 9.3%.
3. 500cc Liquid-Cooled Twin-Cylinder Flagship Touring Bike	A twin-cylinder fixed-mount engine paired with a six-link suspension system delivers exceptional handling and performance.	The all-new upgraded parallel twin-cylinder liquid-cooled engine significantly enhances overall power efficiency. The fixed-mount engine design ensures optimal center of gravity distribution, offering stable and confident sporty riding dynamics. The six-link suspension system, combined with a preload-adjustable shock absorber with a reservoir and chain drive, delivers refined sporty feedback and an exhilarating riding experience.
4. All-New Safety Combined Braking System (CBS 2.0)	A three-point collinear balance bar design ensures smooth and safe integration of front disc brakes and rear drum brakes.	In addition to effectively reducing braking distances, the all-new CBS 2.0 introduces a balance bar design that creates a "three-point collinear" smart automatic brake ratio, achieving optimal braking performance.

5. Safety Upgrades and Evolution	Features include the BOSCH ABS 10 Anti-lock Braking System, Traction Control System (TCS), Emergency Brake Light (EBL), and LED Headlights.	Equipped with the BOSCH ABS 10 Anti-lock Braking System and wheel speed sensors, it effectively prevents tire lock-ups, maintaining control even on slippery roads for enhanced safety.
6. Practical and Thoughtful Features	KEYLESS system, 3D multifunctional handle switch assembly, maximum storage compartment space, low-seat height for comfortable riding, and effortless parking stand.	508cc Water-Cooled Twin-Cylinder Flagship Touring Bike: The KEYLESS ignition system eliminates the need to take out the key—simply enter the sensing range to start the engine. The ergonomically designed seat with multi-material construction provides a non-slip surface. Paired with a lumbar cushion, it offers excellent back support for enhanced comfort.

Fuel Consumption and Emissions

In the face of the rapid global climate change, increasingly stringent environmental regulations, and rising consumer environmental awareness, Sanyang Motor continues to refine innovative energy-saving and carbon-reduction technologies. The Company not only improves the fuel efficiency of existing models but also actively develops vehicles with "low pollution and low energy consumption". In addition, Sanyang Motor invests in the R&D of hybrid and fully electric vehicles, gradually developing energy-efficient and carbon-reducing products.

Vehicle Type	Total Sales in 2021	Total Sales in 2022	Total Sales in 2023
Zero Emission Vehicles (ZEV)	94	375	775
Hybrid Vehicles	407	665	1,837
Plug-in Hybrid Vehicles	—	—	—



Sanyang Motor Commercial Vehicle Fuel Efficiency Overview

Commercial Vehicles					
Model	Sales Region	Units Sold	Proportion (%)	Fuel Efficiency (km/L)	Weighted Fuel Efficiency (km/L)
Porter Pro	Taiwan	4,169	97.7%	Total Weight 2.5 Tons	—
QT500	Taiwan	100	2.3%	Not Regulated (Note)	—
Total		4,269	100%		

Note: Currently, the Company's commercial vehicles (light trucks), Porter Pro & QT500, both have a total weight exceeding 2.5 tons. According to Article 6 of the Ministry of Economic Affairs' "Fuel Economy Standards and Regulations on Vehicle Inspection and Administration", there are no fuel efficiency requirements for vehicles exceeding 2.5 tons in total weight. Therefore, the Company has not calculated the corresponding weighted fuel efficiency.

4.1 Quality and Technology R&D

Sanyang Motor Passenger Vehicle Fuel Efficiency Overview



Passenger Vehicles					
Model	Sales Region	Units Sold	Proportion (%)	Fuel Efficiency (km/L)	Weighted Fuel Efficiency (km/L)
VENUE	Taiwan	3,898	22.5	17.3	3.89
TUCSON L	Taiwan	4,149	24.0	15.7	3.76
CUSTIN	Taiwan	6,292	36.3	15.0	5.45
TUCSON L Turbo Hybrid	Taiwan	1,689	9.8	21.1	2.06
KONA	Taiwan	147	0.8	17.9	0.15
SANTA FE	Taiwan	28	0.2	17.4	0.03
SANTA FE Turbo Hybrid	Taiwan	148	0.9	19.2	0.16
STARIA	Taiwan	963	5.6	14.0	0.78
Total		17,314	100		16.29

Note: Weighted Fuel Efficiency = Proportion (%) * Fuel Efficiency (km/L)

Weight or Volume of Materials Used

Usage of Major Raw Materials at the Hsinchu Plant (Motorcycles) from 2021 to 2023

Unit: Metric Tons

Material Type		2021	2022	2023
Non-Renewable Materials	Aluminum Ingots	3,260.1	3,316.3	4166.0
	Paint	376.4	365	274.3
Renewable Materials	Plastic Pellets	820.5	959.2	917.6
	Thinner	133.2	144.3	110.1
Total Raw Materials for the Year		4,590.2	4,784.8	5,468

Usage of Major Raw Materials at the Hsinchu Plant (Automobiles) from 2021 to 2023

Unit: Metric Tons

Material Type		2021	2022	2023
Non-Renewable Materials	Paint	91	86.7	93.2
	Thinner	138	139.8	143.2
Total Raw Materials for the Year		229	226.5	236.4

Use of Recycled Materials

Usage of Recycled Raw Materials at the Hsinchu Plant (Motorcycles) from 2021 to 2023

Unit: Metric Tons, %

Material Type		2021	2022	2023
Total Renewable Materials Used	Plastic Pellets	820.5	959.2	917.6
	Thinner	133.2	144.3	110.1
Total Recycled Materials Used	Plastic Pellets	76.8	61.3	73.4
	Thinner	22.6	29.7	26.4
Percentage of Recycled Materials Used	Plastic Pellets Recovery Rate	9.4%	6.4%	8.0%
	Thinner Recovery Rate	17.0%	20.6%	24.0%

Usage of Recycled Raw Materials at the Hsinchu Plant (Automobiles) from 2021 to 2023

Unit: Metric Tons

Material Type		2021	2022	2023
Total Renewable Materials Used	Thinner	138	139.8	143.2
Total Recycled Materials Used	Thinner	75.9	69.1	70.2
Percentage of Recycled Materials Used	Recovery Rate	55.0%	49.4%	49.0%

4.1 Quality and Technology R&D

Sanyang Motor's Automotive Plant Successfully Passed Hyundai Motor Audit in 2023

In 2023, a team led by Director Cho from Hyundai Motor Korea conducted a factory audit at Sanyang Motor's automotive plant. Sanyang Motor was represented by Assistant Vice President Chang from the Four-Wheeler Production Department, supported by the Quality Assurance Department, Procurement Department, Four-Wheeler Business Office, Automotive Plant, and Four-Wheeler Development Department. The audit primarily focused on the quality assurance system, development system, production system (including welding, painting, and assembly), as well as dynamic and static testing. The audit required compliance with Hyundai Motor's production and quality management standards. Following the audit, 78 issues were identified (e.g., suggestions for parts placement, and improvements to equipment and work environment). All issues have been addressed and resolved with corresponding responses provided. Moving forward, the automotive plant will conduct investment evaluations in the new fiscal year to address equipment and facility-related issues, ensuring continuous improvement.



4.2 Customer Service Management

Management of Material Topics

Economic, Environmental, and Social Impacts

The products and services provided by Sanyang Motor create a lasting relationship with customers from the moment they purchase a vehicle. Since motorcycles require regular maintenance to function properly and need dealer assistance for repairs in case of malfunctions, the service journey begins the moment the customer buys a vehicle. Therefore, providing high-quality service is Sanyang Motor's core value.

Policy or Commitment

- Continuously enhancing customer service and satisfaction through innovative thinking.
- Strengthening professionalism and adopting diverse perspectives to drive innovation and improve customer service.
- Pursuing quality and excellence in the execution and delivery of customer service initiatives.

Actions Taken to Manage Material Topics and Related Impacts

To ensure that SYM vehicle owners can use their vehicles with peace of mind, we optimize the customer experience from three aspects: thoughtful service, enhancing dealer service capabilities, and fulfilling social responsibilities.

Tracking Performance of Actions

- Each year, during the month before Lunar New Year, Sanyang Motor organizes the "New Year Homecoming Health Check" activity. Owners of all vehicle brands are invited to visit SYM dealerships for a free safety inspection, ensuring that all customers can start the new year with joyful travels and a safe return home.
- In response to energy-saving, carbon reduction, and eco-friendly plastic reduction policies, the Company has recently digitized product-related manuals. Starting in 2023, all domestic motorcycle products no longer include printed user manuals and maintenance booklets. Customers can scan the QR code inside the storage compartment to read them online or download electronic files from the company website or service section.

Specific Goals / Management Objectives



Short-term Goals (within 3 years)

- Increase domestic dealership service satisfaction to above 90%.
- Increase overseas agency service satisfaction to above 80%.



Medium-term Goals (3-5 years)

- Increase domestic dealership service satisfaction to above 92%.
- Increase overseas agency service satisfaction to above 82%.



Long-term Goals (beyond 5 years)

- Increase domestic dealership service satisfaction to above 95%.
- Increase overseas agency service satisfaction to above 85%.

Annual Performance

- The Company aims to enhance customer experience through proactive and thoughtful services, making SYM the top brand in consumer preference. In 2023, the Company conducted a voluntary recall and correction campaign for the Joymax Z+ model oil window issue and reported it to the Vehicle Safety Certification Center (VSCC), completing the process in accordance with relevant regulations.

Stakeholder Engagement

A 24-hour live-answer toll-free customer service hotline (0809-020080) and roadside assistance service have been established, allowing vehicle owners to use their vehicles with peace of mind. Following any service interaction, we proactively check with vehicle owners about their satisfaction with the repair and service experience, using the feedback as a reference for service improvement. Additionally, customers can express their opinions through various channels such as the company website and the Facebook fan page. The Company typically responds and provides feedback to inquiries within 24 hours.

4.2 Customer Service Management

Sanyang Motor Service Culture

In 2023 SYM Amazing Taiwan Motorcycle Gathering in Changhua: Bringing together adventurers to this exciting event

Amazing Taiwan: A Fresh Start

The SYM Motorcycle Gathering has always embraced the spirit of the Amazing Taiwan theme, aiming to explore the beauty of Taiwan alongside SYM motorcycle enthusiasts. Following the last gathering held in 2020 at Miaoli's Xihu Resort under the theme Amazing Taiwan: Exploring Mountain Towns, the event returned on May 7, 2023. The SYM Motorcycle Gathering launched from Xizhou Park in Changhua with a sense of adventure, guiding riders to rediscover the beauty of Amazing Taiwan.



Gathering at Xizhou Park in Changhua with a Spirit of Adventure

In 2023, as industries revived following the pandemic, SYM brought together over 600 riders at Xizhou Park in Changhua. On May 7, despite heavy rain in the early morning, the enthusiasm and anticipation of SYM motorcycle enthusiasts remained undampened. Their passion seemed to even sway the weather, as the skies gradually cleared by noon when the event began. Under the theme of Amazing Taiwan: Adventure in Changhua, SYM kicked off the 2023 SYM Motorcycle Gathering. The event integrated three key elements—local culture, human connections, and emotional resonance—to once again explore the beauty and pride of Taiwan. The unforgettable experience of riding SYM motorcycles and cherishing the charm of their homeland, Taiwan, left an indelible impression in the hearts of all participants.





Product Safety

Safety has always been Hyundai Motor's top priority. To ensure consumer safety on the road, Hyundai has implemented comprehensive active and passive safety features across its entire vehicle lineup, including both domestically manufactured and imported vehicles.

For active safety, Hyundai has introduced advanced safety technologies under HYUNDAI SMART SENSE. These preventive safety features include multiple functions that not only issue warnings about potential accidents but also provide active assistance when necessary, ensuring the safety of both drivers and passengers.

For passive safety, all models come standard with at least six SRS airbags. Additionally, the vehicle body incorporates a high proportion of Advanced High-Strength Steel (AHSS), significantly enhancing structural protection during collisions and providing outstanding passive safety for drivers and passengers.

In 2023, there was 1 complaint related to product safety defects for motorcycles, with a 100% investigation rate. For automobiles, there were 4 complaints related to product safety defects, also with a 100% investigation rate.

Disclosed Item	2023
Number of product safety-related defect complaints investigated	5Cases
Number of product safety-related defect complaints	5Cases
Percentage of product safety-related defect complaints investigated	100%

In 2023, Sanyang Motor carried out five proactive recall correction operations for both motorcycles and automobiles, affecting a total of 1,428 motorcycles and 8,624 automobiles. The reasons for the recalls and subsequent handling are as follows: For motorcycles, in November 2023, Sanyang initiated a voluntary recall correction campaign for the Joymax Z+ model due to issues with the engine oil window. Owners within the affected range were proactively notified and instructed to schedule inspections with certified motorcycle service centers. The recall was reported to the Vehicle Safety Certification Center (VSCC) and executed in accordance with relevant regulatory procedures. The total number of affected units under control was 1,428, accounting for 0.427% of the total registered units in the market for 2023.

4.2 Customer Service Management

Motorcycles



Model Recalled	Recall Type	Reason for Recall	Number of Units Recalled	Follow-up Measures
Joymax Z+	Voluntary	Engine oil window detachment	1,428	Replacement of the right crankcase cover assembly

Automobiles



Model Recalled	Recall Type	Reason for Recall	Number of Units Recalled	Follow-up Measures
SANTA FE	Voluntary	Front seatbelt pretensioner may deploy abnormally during a collision.	734	Install a protective cover for the front seatbelt pretensioner.
TUCSON • SANTA FE	Voluntary	Address defects in the HECU (Hydraulic Electronic Control Unit), which may cause an electrical short circuit leading to overheating from current overload.	6,383,	Replace the HECU fuse assembly.
CUSTIN	Voluntary	Abnormality in MLCC multilayer ceramic capacitor components may cause a failure in the EOP circuit board.	845	Replace the control unit for the transmission electronic oil pump (EOP).
IONIQ5 • IONIQ6	Voluntary	Investigate potential failure concerns with the Integrated Charging Control Unit (ICCU).	662	Conduct ICCU inspections, update software if no issues are found, and replace the control unit if diagnostic codes are detected.



Product and Service Information and Labeling Requirements

All products (including motorcycles and automobiles) of Sanyang Motor comply with government regulations for energy consumption labeling and environmental protection energy-saving labels. As of December 2023, out of 62 motorcycle models, 52 have obtained dual certifications for energy-saving and environmental protection, and product manuals are provided concurrently. In 2023, sampling inspections were conducted according to testing frequency. For instance, the All-New DUKE 125 model was tested with the following labels, achieving a 100% product inspection pass rate.

In 2023, Sanyang Motor reported no violations of health and safety regulations for products and services, product and service information and labeling regulations, or marketing and communication-related regulations.

Inspection Items Sampling Quantity	2W Pollution (Frequency 1/500)	2W Noise (Frequency 1/2000)	4W Pollution (Frequency 1/200)	4W Noise (Frequency 1/500)
Planned Sampling (units)	635	166	124	64
Actual Sampling (units)	683	198	137	68
Achievement Rate (%)	108	119	110	106



2023

Environmental, Social and Governance Sustainability Report



05 Environmentally Friendly

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5.1 Energy and Greenhouse Gas Management

Management of Material Topics

Economic, Environmental, and Social Impacts

Global warming and climate change have become key global concerns. Governments have legislated for net-zero emissions by 2050, and various regulations are being gradually introduced. As a result, companies will face a range of risks and challenges, including: Physical Risks - Climate change causing floods, droughts, energy shortages, and supply chain disruptions; Transition Risks - Regulatory requirements and market trends, such as carbon fees, carbon tariffs, efficiency standards, emission caps, and low-carbon products, all of which could impact the Company's operations and financial performance. Proactively addressing these risks and formulating strategies to mitigate impacts and enhance resilience are critical steps for adaptation.

Policy or Commitment

- Aligning with government greenhouse gas reduction policies and regulations, the Company continues to promote greenhouse gas emissions reduction initiatives and sets reduction targets for carbon dioxide emissions across departments.
- Implementing Sanyang Motor's Environmental Declaration: "Pollution Prevention, Energy Conservation, Resource Recycling, and Environmental Greening".
- Promoting low-carbon production processes to enhance production efficiency, reduce energy consumption, and lower greenhouse gas emissions. The goal is to achieve green factory status through cleaner production practices.
- Developing low-carbon, high-performance products and diversifying into high-efficiency product lines (fuel vehicles, hybrid vehicles, fully electric vehicles, and new energy vehicles) to reduce carbon emissions during the product usage phase.

Actions Taken to Manage Material Topics and Related Impacts

Completed the implementation of ISO 14001 Environmental Management System, ISO 14064 Greenhouse Gas Inventory (including subsidiaries), and ISO 14067 Product Carbon Footprint. Established a visualized energy monitoring system for electricity and compressed air systems to manage energy usage and greenhouse gas emissions.

- Enhanced energy management, with plans to implement ISO 50001 Energy Management System in 2024 and smart Energy Management Systems (EMS) by 2025.
- Participated in the Industrial Development Administration's low-carbon initiative, which involves collaboration with 10 partner suppliers. The project includes three major energy-saving facility improvements: transitioning fuel for steam boilers from heavy oil to liquefied petroleum gas (LPG), adopting zeolite rotor concentrator & regenerative thermal oxidizer (RTO) for VOC emissions from painting processes, and low-carbon process improvements for painting lines.

Tracking Performance of Actions

- ☑ ISO 14001 Environmental Management System was verified by DNV.
- ☑ ISO 14064 Greenhouse Gas Inventory was verified by DNV for the headquarters and by ARES for the subsidiaries.
- ☑ ISO 14067 Product Carbon Footprint was verified by ARES.

Specific Goals / Management Objectives



Short-term Goals (within 3 years)

- Achieve a greenhouse gas reduction of more than 2% annually.
- Establish an energy management system (ISO 50001).
- Implement smart factory energy management systems (Energy Performance Monitoring and Analysis System - EMS).
- Promote greenhouse gas reduction projects (ISO 14064-2) and verification



Medium-term Goals (3-5 years)

- Achieve a greenhouse gas reduction of more than 3% annually.
- Utilize more than 10% renewable energy and energy storage.
- Implement SBTi (Science-Based Targets initiative) reduction goals.



Long-term Goals (beyond 5 years)

- Achieve a greenhouse gas reduction of more than 4% annually.
- Align with national policies for 2050 net-zero emissions

Annual Performance

- Completed ISO 14064-1 greenhouse gas inventory and verification and submitted the results.
- Completed ISO 14067 carbon footprint verification for the FU12V1 SYM New Duke motorcycle.
- Implemented 21 energy-saving projects in 2023, such as replacing lighting equipment and upgrading outdated equipment, saving approximately 767,600 kWh of electricity.
- Successfully completed three low-carbon facility improvement projects under the Industrial Development Administration's subsidy program for promoting low-carbon manufacturing. These include switching steam boiler fuel from heavy oil to liquefied petroleum gas, adopting zeolite rotor concentrator & regenerative thermal oxidizer (RRTO) for VOC emissions from painting processes, and low-carbon process improvements for painting lines.
- Promoted energy-saving improvement projects in 2023 and reported to the Energy Administration according to regulations. Achieved an annual energy-saving target of over 1%, with a 2023 accomplishment rate of 143%.
- Participated in the Industrial Development Administration's subsidy program for promoting low-carbon manufacturing and received full funding of NT\$30 million after passing expert reviews.

Policy or Commitment

- Government Energy-Saving Assistance: To effectively advance the Company's energy-saving and carbon reduction efforts, actively participate in government-subsidized and guidance programs to strengthen and accelerate the completion of projects. The Company engages in low-carbon energy-saving projects under the Industrial Development Administration and applies for energy management system evaluations and subsidies.
- Government Energy Management: Complies with the Energy Administration's "Regulations on Setting Energy Conservation Objectives and Execution Plans for Energy Users", conducting energy audits and reporting as required.



Switching steam boiler fuel from heavy oil to LPG



Zeolite rotor concentrator & regenerative thermal oxidizer (RRTO) for VOCs

5.1 Energy and Greenhouse Gas Management



Task Force on Climate-related Financial Disclosures (TCFD)

Governance

The Company identifies the risks and opportunities related to climate issues and establishes an effective management mechanism. To effectively promote ESG initiatives and ensure that ESG sustainability considerations are integrated into organizational strategy assessments, Sanyang Motor has established the ESG Promotion Committee. Through internal and external environmental risk assessment procedures, the committee collects relevant information on these issues as a basis for risk evaluation.

Each working group within the Company analyzes corresponding climate change risks, opportunities, strategies, targets, and indicators. These are consolidated and reported by the Executive Secretary to the ESG Promotion Committee. The committee, chaired by the President, confirms short-, medium-, and long-term targets related to climate change issues, effectively tracking progress and outcomes.

Implementation by Management

(1) Chairperson:

- ☑ Determine the direction for ESG development, oversee ESG strategy planning, actions, and outcomes.

(2) Executive Secretary:

- ☑ Consolidate strategies, work plans, and track execution outcomes from various working groups, providing regular reports to the Chairperson.
- ☑ Respond to regulatory authorities, board requirements, and requests for reports and data.

(3) Working Groups:

- ☑ Formulate and implement strategies, work plans, and targets related to sustainability issues (including climate-related topics).
- ☑ Regularly report on ESG progress and outcomes.
- ☑ Define and promote the Company's sustainability direction, strategies, and goals.
- ☑ Address issues of concern to stakeholders (including but not limited to government, shareholders, customers, suppliers, employees, communities, and media) and oversee communication matters to respond to their needs.
- ☑ Coordinate ESG evaluation items and respond to regulatory requirements.
- ☑ Analyze governance, strategies, risks and opportunities, and targets and indicators related to climate change adaptation for the Company.



Task Force on Climate-related Financial Disclosures (TCFD)

Strategy

Type	Risk Dimension	Risk Item	Impact Duration	Impact on Company Strategy, Operations, and Finance	Response Strategy and Action Plan	Financial Impact and Performance of Response Measures
Transition Risks	Policies and Regulations	1. Increase in Greenhouse Gas Emission Costs:				
		Implementation of carbon fees, increasing carbon-related expenses	Short-term	<ul style="list-style-type: none"> Emissions exceeding 25,000 tons CO₂e/year may make the Company subject to regulation under the second round of controlled entities announced by the Ministry of Environment, with carbon fees expected to be levied starting in 2025. Estimated initial carbon fee expense: NT\$2.6 million per year, with potential annual increases in the fee rate. 	<ul style="list-style-type: none"> Implement energy-saving and carbon reduction measures to achieve the short-term goal of reducing greenhouse gas emissions by 2% annually, a mid-term goal of 3%, and a long-term goal of 4%. Evaluate the installation of solar photovoltaic systems for self-use or expand green energy generation. 	<ul style="list-style-type: none"> Annual investment in energy-saving facilities: NT\$15–20 million. Carbon reduction achieved in 2023: 379.96 tons CO₂e.
		Energy Regulatory Requirements and Increased Energy Costs	Short-term	<ul style="list-style-type: none"> Mandatory energy-saving targets and plan implementation (Regulatory requirements for electricity users with a contract capacity exceeding 800 kW mandate an annual energy-saving target of at least 1% and the implementation of an energy-saving plan.) Rising electricity and fuel costs influenced by international markets and Taiwan Power Company's production costs, estimated to increase electricity expenses by 13.4%. 	<ul style="list-style-type: none"> Set energy-saving targets and implementation plans, and prepare for the adoption of SBTi (Science-Based Targets Initiative) reduction targets by 2026. Implement the ISO 50001 Energy Management System using the PDCA cycle to improve energy efficiency. Introduce smart factory energy management systems (EMS) for monitoring and analyzing energy performance by 2025. Apply for subsidies from agencies such as the Industrial Development Administration and Taiwan Green Productivity Foundation, with guidance from professional consulting firms. Install energy storage systems to balance production electricity usage and reduce electricity costs. 	<ul style="list-style-type: none"> In 2023, 21 energy-saving improvement projects were implemented with a total investment of NT\$17.1 million, resulting in energy savings of 767,600 kWh. Costs for implementing the ISO 50001 Energy Management System amounted to NT\$840,000.

Note:

- Short-term: 2023-2025; Medium-term: 2026-2027; Long-term: 2028 and beyond
- Currency: New Taiwan Dollars (NTD)

5.1 Energy and Greenhouse Gas Management

Type	Risk Dimension	Risk Item	Impact Duration	Impact on Company Strategy, Operations, and Finance	Response Strategy and Action Plan	Financial Impact and Performance of Response Measures
Transition Risks	Policies and Regulations	1. Increase in Greenhouse Gas Emission Costs:				
		Greenhouse Gas Inventory Regulatory Requirements	Medium-term	<ul style="list-style-type: none"> The Financial Supervisory Commission requires companies with capital exceeding NT\$5 billion and their subsidiaries in the consolidated financial statements to complete greenhouse gas inventories starting in 2026. 	<ul style="list-style-type: none"> Since 2022, the Company and its subsidiaries in the consolidated financial statements have been conducting annual greenhouse gas inventories and verification (ISO 14064-1) and completing the verification statement. Inventory results serve as the basis for reduction target planning, with a greenhouse gas reduction project (ISO 14064-2) to be implemented in 2025. 	<ul style="list-style-type: none"> Verification Costs: NT\$1 million (including parent company and subsidiaries).
		Stricter Efficiency Standards	Short-term	<ul style="list-style-type: none"> Products must comply with mandatory regulations (Phase 6 for automobiles, Phase 7 for motorcycles, and the new CAFE cap standards). Increase costs for green vehicle R&D. 	<ul style="list-style-type: none"> Monitor regulatory developments, develop and manufacture high-performance products, and ensure energy-saving models account for over 90% of sales. Continuously launch environmentally friendly and energy-saving products that meet green and energy efficiency labels, targeting over 85% of model offerings. 	<ul style="list-style-type: none"> R&D Expenditure: NT\$1 billion annually for high-efficiency energy-saving products.
		Net Zero Policy Pathway: Ban on Fossil Fuel Vehicles by 2040	Long-term	<ul style="list-style-type: none"> Sales of fossil fuel vehicles face restrictions, leading to revenue declines. Develop two-wheel electric motorcycles and low-carbon products. Introduce new energy vehicles in collaboration with Hyundai Motor. 	<ul style="list-style-type: none"> The New Business Development Department will continue developing two-wheel electric motorcycles and collaborate with CPC Corporation to develop electric motorcycles with standardized batteries. Invest in Aph ePower to develop aluminum batteries. Introduce new energy vehicles in collaboration with Hyundai Motor. 	<ul style="list-style-type: none"> Investment in Aph ePower: NT\$2.2 billion as of 2023, with plans to invest an additional NT\$1.1 billion in the future.

Note:

1. Short-term: 2023-2025; Medium-term: 2026-2027; Long-term: 2028 and beyond
2. Currency: New Taiwan Dollars (NTD)

Type	Risk Dimension	Risk Item	Impact Duration	Impact on Company Strategy, Operations, and Finance	Response Strategy and Action Plan	Financial Impact and Performance of Response Measures
Transition Risks	Policies and Regulations	2. Costs of Low-Carbon Technology Transition:				
		Investment Costs for Low-Carbon Process Equipment	Short/Medium-term	<ul style="list-style-type: none"> Processes must comply with emission standards and reduce pollution and carbon emissions. 	<ul style="list-style-type: none"> Participate in the Industrial Development Administration's Low-Carbon Project, working with 10 partner suppliers. Sanyang Motor implements 3 projects, with each supplier undertaking at least 1 project. Adopt zeolite rotor concentrator & regenerative thermal oxidizer (RTO) in motorcycle painting processes to reduce VOC fuel costs and carbon emissions. Transition boiler fuel to low-carbon options (from heavy oil to LPG) and add heat recovery systems. Continuously improve processes and equipment efficiency annually. Improve low-carbon painting lines to enhance production efficiency. 	<ul style="list-style-type: none"> Total Investment Amount: NT\$71 million. The Industrial Development Administration provides subsidies of NT\$30 million for the Low-Carbon Project.
		3. Low-Carbon Alternatives for Existing Products and Services:				
		Demand for Low-Carbon Products and Services	Short/Medium-term	<ul style="list-style-type: none"> Customer preferences shift towards high-efficiency and low-carbon products. Increasing investment costs in developing low-carbon products. 	<ul style="list-style-type: none"> Continuously develop high-efficiency fuel motorcycles, hybrid motorcycles, and pure electric motorcycles. Actively obtain Green Marks and Energy Labels. Introduce circular economy concepts with products designed for disassembly and recyclable materials to improve post-disposal recovery rates. 	<ul style="list-style-type: none"> R&D Investment: Sanyang Motor allocates approximately NT\$1 billion annually for R&D in high-efficiency products. In 2023, completed carbon footprint inventory and verification for one fuel vehicle product and planned carbon footprint inventories for other products to identify areas for improvement.

Note:

1. Short-term: 2023-2025; Medium-term: 2026-2027; Long-term: 2028 and beyond

2. Currency: New Taiwan Dollars (NTD)

5.1 Energy and Greenhouse Gas Management

Type	Risk Dimension	Risk Item	Impact Duration	Impact on Company Strategy, Operations, and Finance	Response Strategy and Action Plan	Financial Impact and Performance of Response Measures
Physical Risks	Short-term Risks	Impact of Extreme Weather	Short/Medium-term	<ul style="list-style-type: none"> Weather disasters such as typhoons and storms leading to flooding and water shortages may disrupt the supply chain, affect plant capacity operations, or damage equipment. Disasters caused by extreme weather may lead to work stoppages, flooding, and other incidents, impacting production lines and operations, with an estimated production value loss of NT\$3.89 million to NT\$12.96 million per day. 	<ul style="list-style-type: none"> Establish emergency response procedures and disaster reporting mechanisms. Inspect water supply and drainage facilities and strengthen disaster prevention functions and measures. 	<ul style="list-style-type: none"> Before typhoons, clear roof gutters and drainage ditches. Flood-prone factory areas have been equipped with waterproof gates. A groundwater well is available as an alternative water source.
	Long-term Risks	Long-term Climate Change and Rising Temperatures	Medium/Long-term	<ul style="list-style-type: none"> Rising temperatures may result in increased electricity consumption, power shortages, and equipment damage. Risks include heatstroke or heat exhaustion among employees, causing health issues. 	<ul style="list-style-type: none"> Promote energy-saving and carbon reduction projects, ensuring routine and periodic equipment inspection and maintenance in accordance with maintenance plans and standards. Improve workplace environments by installing air conditioning, ventilation systems, cooling fans, and similar measures. 	<ul style="list-style-type: none"> Currently, no significant financial impact has been observed. The Company continues to monitor long-term climate changes.

Note:

1.Short-term: 2023-2025; Medium-term: 2026-2027; Long-term: 2028 and beyond

2.Currency: New Taiwan Dollars (NTD)

Opportunity Category	Content	Impact Timeline	Impact on Company Strategy, Operations, and Finance	Response Strategy and Action Plan	Financial Impact of Response Measures
Products and Services	Developing New Products and Services Through R&D and Innovation	Short-term	<ul style="list-style-type: none"> Regulatory policies subsidizing new energy vehicles support the development of new products. Align with government initiatives for new energy policies. Following stricter fuel efficiency standards to launch low-carbon, energy-saving, and high-efficiency products. 	<ul style="list-style-type: none"> Specialize in motorcycle design and manufacturing, employing dual-track strategies by collaborating with CPC Corporation and Aph ePower to co-develop batteries and create new energy electric motorcycles. Develop green energy and energy storage businesses. Collaborate with partners to co-develop lightweight materials and components. 	<ul style="list-style-type: none"> By developing green energy and energy storage businesses, projected savings on electricity costs are approximately NT\$5,000,000 per year by 2025, with a carbon fee reduction of NT\$210,000 per year.
Market	Entering New Markets	Short-term	<ul style="list-style-type: none"> Develop products and services aligned with market demands, such as high-performance four-wheel vehicles and two-wheel electric vehicles. Invest in marketing and personnel to promote sales of high-energy efficiency vehicles. 	<ul style="list-style-type: none"> Monitor regulations and consumer trends to introduce high-performance four-wheel/two-wheel models and continuously improve the energy efficiency of products. Continuously launch environmentally friendly and energy-efficient vehicles that meet Green Mark and Energy Label requirements while dedicating resources to the R&D of two-wheel electric vehicles. 	<ul style="list-style-type: none"> Actively invest over NT\$60 million annually in the R&D of two-wheel electric vehicles to explore new products and market niches.

Opportunity Category	Content	Impact Timeline	Impact on Company Strategy, Operations, and Finance	Response Strategy and Action Plan	Financial Impact of Response Measures
Resource Efficiency	Utilizing More Efficient Production and Distribution Processes	Short/Medium-term	<ul style="list-style-type: none"> Develop high-efficiency, energy-saving, and green production processes. 	<ul style="list-style-type: none"> Implement countermeasures for high-energy-consuming processes by transitioning to low-carbon, high-efficiency energy sources (e.g., replacing heavy oil with LPG) to reduce environmental harm and operational costs. Introduce eco-friendly technologies and practices to minimize electricity and water usage while promoting resource recycling and reuse. 	<ul style="list-style-type: none"> Using low-carbon, high-efficiency energy (replacing heavy oil with LPG) is projected to save approximately NTD\$9 million annually.

Note:

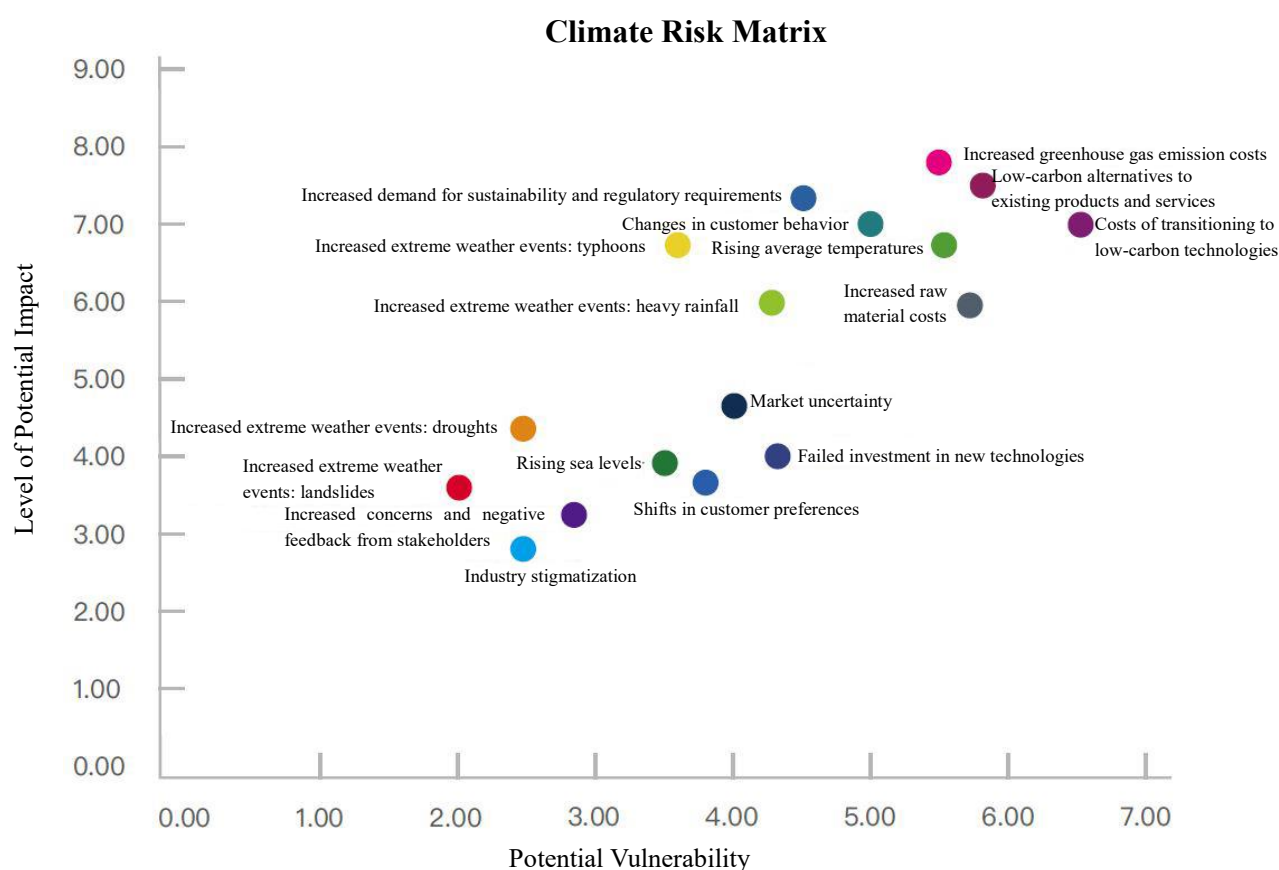
1.Short-term: 2023-2025; Medium-term: 2026-2027; Long-term: 2028 and beyond

2.Currency: New Taiwan Dollars (NTD)

Risk Management

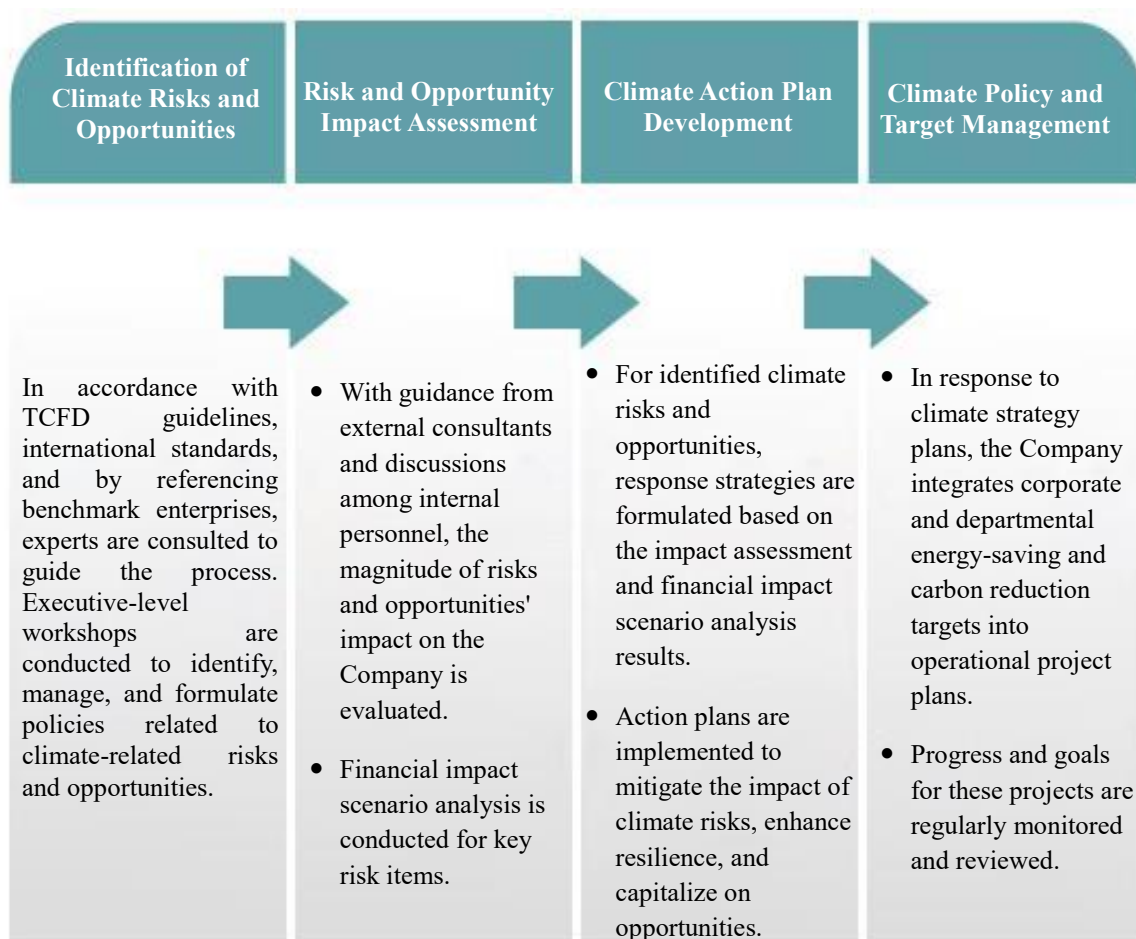
Climate Management Procedures

In 2023, Sanyang Motor conducted a TCFD workshop for senior executives to build consensus, identify operational risks that could impact the Company's sustainable development, and formulate climate risk management strategies and countermeasures to mitigate operational impacts.



5.1 Energy and Greenhouse Gas Management

To identify the impacts of climate risks and opportunities on the Company's operations, strategies, and finances, the following climate risk identification and management process is conducted:



Metrics and Targets

Policy: Align with national carbon dioxide reduction policies and targets, continuously promote greenhouse gas (GHG) emission reduction efforts.

Reduction Targets	Short-term	(2023-2025)	Reduce GHG emissions by 2% annually
	Medium-term	(2026-2027)	Reduce GHG emissions by 3% annually
	Long-term	(2028 and beyond)	Reduce GHG emissions by 4% annually
Action Metrics	1. Continue annual GHG verification and validation (ISO 14064-1).		
	2. Persist in process improvements and equipment efficiency upgrades annually.		
	3. Conduct the carbon footprint inventory and verification for one fuel vehicle product in 2023.		
	4. Establish and verify an energy management system (ISO 50001) by 2024.		
	5. Implement smart factory energy performance monitoring and analysis system(Energy Management System - EMS) by 2025.		
	6. Promote GHG reduction projects (ISO 14064-2) with system implementation and verification by 2025.		
	7. Implement SBTi (Science-Based Targets initiative) reduction targets by 2026.		



5.1 Energy and Greenhouse Gas Management



Green Sanyang

Energy Consumption in the Organization

Sanyang Motor's Energy Consumption in the Organization			2021		2022		2023	
	Energy Type	Unit	Usage	Usage (KJ)	Usage	Usage (KJ)	Usage	Usage (KJ)
Non-renewable Fuels	Gasoline (92/95)	L	492,708.7	16,091,176,350	631,520.8	20,624,585,199	813,210.5	26,558,316,141
	Diesel	L	90,239.3	3,173,788,372	113,091.5	3,984,551,633	118,175.3	4,156,318,997
	Liquefied Petroleum Gas (LPG)	L	1,129,461.6	31,377,284,697	1,082,660.6	30,077,118,050	1,374,258.9	38,177,936,065
	Liquefied Natural Gas (LNG)	m3	11,320,794	47,659,427,286	1,431,976.2	53,961,157,637	1,517,680.6	57,190,759,344
	Heavy Oil/Fuel Oil	L	1,464,500	58,865,870,400	1,416,000	56,916,403,200	1,278,000	51,369,465,600
	Acetylene	m3	76.6	4,105,270	109.4	5,863,140	139.5	7,476,307
Purchased Energy	Electricity	kWh	46,096,800	165,986,279,376	54,237,334	195,298,877,014	58,228,445.8	209,670,152,206
Total Energy Used by the Organization			323,157,931,751		360,868,555,873		387,130,424,660	

Notes:

1. The primary equipment using non-renewable energy in all Sanyang Motor facilities includes boilers, air compressors, melting furnaces, heat treatment furnaces, RTO (Regenerative Thermal Oxidizer) exhaust incinerators, and production processing equipment.
2. Acetylene is primarily used for metal welding.
3. None of the Company's facilities use renewable energy.
4. All data in this Report are rounded to the nearest whole number.
5. The scope of Sanyang Motor's 2023 statistics includes the Hsinchu Plant, Xinfeng Plant, Parts Business Department, and dormitories.
6. From 2021 to 2023, Sanyang Motor generated solar photovoltaic power entirely for sale. The annual electricity outputs were 32,250,013,364 kJ, 29,169,277,800 kJ, and 29,934,768,922 kJ, respectively for 2021, 2022, and 2023.
7. These statistics are based on electricity data from Taiwan Power Company and procurement records of oil, LPG, and natural gas.
8. Conversion factors for various energy types are based on the Energy Unit Conversion Table by the Energy Administration, Ministry of Economic Affairs.
9. Gasoline: 1 liter = 7,800 kcal; Diesel: 1 liter = 8,400 kcal; LPG: 1 liter = 6,635 kcal; LNG: 1 cubic meter = 9,000 kcal; Fuel oil: 1 liter = 9,600 kcal; Electricity: 1 kWh = 860 kcal; 1 kcal = 4.187 kJ (kilojoules)

Energy Consumption Outside the Organization

Sanyang Motor's Energy Consumption Outside the Organization			2021		2022		2023	
Energy Type	Unit		Usage	Usage (KJ)	Usage	Usage (KJ)	Usage	Usage (KJ)
Non-renewable Fuels	Gasoline (92/95)	L	492,708.7	16,091,176,350	631,520.8	20,624,585,199	813,210.5	26,558,316,141
	Diesel	L	90,239.3	3,173,788,372	113,091.5	3,984,551,633	118,175.3	4,156,318,997
	Liquefied Petroleum Gas (LPG)	L	1,129,461.6	31,377,284,697	1,082,660.6	30,077,118,050	1,374,258.9	38,177,936,065
	Liquefied Natural Gas (LNG)	m ³	1,320,794	47,659,427,286	1,431,976.2	53,961,157,637	1,517,680.6	57,190,759,344
	Heavy Oil/ Fuel Oil	L	1,464,500	58,865,870,400	1,416,000	56,916,403,200	1,278,000	51,369,465,600
	Acetylene	m ³	76.6	4,105,270	109.4	5,863,140	139.5	7,476,307
Purchased Energy	Electricity	kWh	46,096,800	165,986,279,376	54,237,334	195,298,877,014	58,228,445.8	209,670,152,206
Total Energy Used by the Organization			323,157,931,751		360,868,555,873		387,130,424,660	

Notes:

- 1.All data in this Report are rounded to the nearest whole number.
- 2.Acetylene is primarily used for metal welding.
- 3.The scope of Sanyang Motor's 2023 statistics includes the Hsinchu Plant, Xinfeng Plant, Parts Business Department, and dormitories.
- 4.The data is based on estimates of energy consumption generated from upstream and downstream activities related to fuel and energy.
- 5.Conversion factors for various energy types are based on the Energy Unit Conversion Table by the Energy Administration, Ministry of Economic Affairs: Gasoline: 1 liter = 7,800 kcal; Diesel: 1 liter = 8,400 kcal; LPG: 1 liter = 6,635 kcal; LNG: 1 cubic meter = 9,000 kcal; Fuel oil: 1 liter = 9,600 kcal; Electricity: 1 kWh = 860 kcal; 1 kcal = 4.187 kJ (kilojoules)

5.1 Energy and Greenhouse Gas Management



Energy Intensity

	2021	2022	2023
Absolute Energy Consumption	323,157,931,751	360,868,555,873	387,130,424,660
Revenue (NT\$ thousands)	29,876,799	35,882,517	49,290,243
Energy Intensity	11,648.53	10,056.37	7,853.95

Notes:

- 1.The scope of Sanyang Motor's statistics includes Hsinchu Plant, Xinfeng Plant, Parts Business Department, and Dormitories.
- 2.Energy intensity values are rounded to two decimal places.
- 3.Energy intensity formula: Ratio between energy consumption and revenue (kJ/NT\$ thousands).
- 4.Types of energy included: Non-renewable fuel, electricity.
- 5.The value is based on the organization's internal energy consumption.
- 6.Comparison of energy intensity: In 2023, energy consumption per NT\$ thousand in revenue decreased by 21.9% compared to 2022.



Reduction of Energy Consumption

Item	Energy-Saving Initiative/ Policy Name	Description	Implementation Location/Unit	Energy-Saving Results			Data Unit
				Base Year Data	Reporting Year Data	Actual Reduction Data	
1	High-Efficiency Transformer for New High-Frequency Equipment	Introduced High-Efficiency Transformer of Shihlin Electric	Crankshaft Division, Mechanical Section II	44,100	27,739	16,361	kWh/Year
2	Energy-Saving Improvement for Lighting	(150W*56 → 150W*35)	Die-Casting Division, Casting Section	56,078	35,049	21,029	
3	Low-Pressure Casting Machine Insulation Furnace Repair	Repaired 2 units to improve energy efficiency	Aluminum Casting Division, Casting Section	745,200	670,680	74,520	
4	Insulation Furnace Lining Repair	Replaced insulation furnace lining	Die-Casting Division, Casting Section	124,560	112,104	12,456	
5	Hitachi Horizontal M/C Replacement with Energy-Efficient Model	Upgraded to Tongtai Vertical M/C 292	Crankcase Division II, Mechanical Section I	181,224	122,979	58,245	
6	Okuma Howa Twin-Turret Lathe Replacement with Energy-Efficient Model	Consolidated into smaller HOWA Integrated Processing Machine (190 & 37) for reduced energy use	Two-Wheeler Cylinder Division, Mechanical Section I	187,840	150,832	37,008	
7	Tongtai Lathe Replacement with Energy-Efficient Model	Replaced with Precision Machinery Lathe of Victor Taichung	Camshaft Division, Mechanical Section II	216,430	108,795	107,635	

Item	Energy-Saving Initiative/Policy Name	Description	Implementation Location/Unit	Energy-Saving Results			Data Unit
				Base Year Data	Reporting Year Data	Actual Reduction Data	
8	Okuma Howa Integrated Processing Machine Capacity Consolidation	Consolidated into smaller HOWA Integrated Processing Machine (190 & 37) for reduced energy use	Crankshaft Division, Mechanical Section II	112,497	0	112,497	kWh/Year
9	LED Lighting Equipment	Replaced 500W with 200W	Four-Wheeler Production Management Section	16,652	6,661	9,991	
10	LED Lighting Equipment (Rain Shelters)	Replaced 500W with 200W	Four-Wheeler Production Management Section	11,484	4,594	6,890	
11	HR Factory Lighting Replacement	Four-Wheeler Assembly Section	Replaced 1000W (10 units) and 500W (20 units) with 100W (10 units)	11,940	4,374	7,566	
12	Heavy Vehicle Factory Lighting Replacement	Replaced 500W with 240W	Four-Wheeler Assembly Section	18,288	8,778	9,510	
13	Workshop Ventilation Fan Replacement	Reduced from 8 units to 4 units	Four-Wheeler Welding Section	14,275	7,137	7,137	
14	Coating Area Sullair 250HP Air Compressor Replacement	Replaced 650HP with 500HP	Four-Wheel Coating Section	421,863	324,510	97,353	
15	S1 Inspection Area Air Conditioner Upgrade	Replaced 34.5KW with 18.75KW	Four-Wheel Coating Section	54,027	29,363	24,665	
16	Replacement of Six Window-Type Class 5 Air Conditioning Units in Dormitory Building A	Replaced six window-type class 5 units with more energy efficient split-type class 1 units	General Affairs Section	65,589	46,505	19,084	
17	Automotive Factory Office Chiller Replacement	Replaced 100T chiller with variable frequency chiller	General Affairs Section	112,014	63,627	48,387	
18	Cooling Water Pump Frequency Converter Installation (20HP)	Installed frequency converters on cooling water pumps	General Affairs Section	20,860	10,780	10,080	
19	Vibration Noise Lab Chiller Energy-Saving Improvement	Added timed control system for chiller motors	R&D Department	65,700	35,100	30,600	
20	T8 Fluorescent Lighting Upgrade for the Public Area of the Plastics and Structural Engineering Zones	Replaced 40W T8 fluorescent tubes with 20W LED tubes	R&D Department	28,920	14,460	14,460	
21	Temperature-Controlled Room Cooling Tower Control Upgrade	Automated on/off control of cooling tower pumps	Machine Tool Factory	73,746	31,626	42,120	
Total				2,583,288	1,815,693	767,595	
Converted Total				9,301,955,096	6,537,983,668	2,763,971,428	KJ

Notes:

1. In 2023, 21 energy-saving projects were implemented, resulting in a savings of 767,595 kWh.
2. The calculation of 767,595 kWh * 860 (kcal) * 4.187 (kJ) shows that the energy-saving measures and policies reduced a total of 2,763,971,428 kJ in 2023.
3. The reduced energy consumption is based on electricity as the energy type.
4. Due to the inclusion of the Xinfeng Factory, Parts Business Department, and dormitories within the organizational boundary in 2022, the year 2022 was set as the base year.
5. The data was calculated using electricity usage records from Taiwan Power Company, comparing electricity consumption before and after the 2023 energy-saving improvements. Energy conversion factors were based on the Energy Unit Conversion Table by the Energy Administration, Ministry of Economic Affairs: For electricity, 1 kWh = 860 kcal; 1 kcal = 4.187 kJ.

5.1 Energy and Greenhouse Gas Management

Greenhouse Gas Emissions

Greenhouse Gas Emissions	Emissions		
	2021	2022	2023
Scope 1 Emissions	10,690.11	11,285.87	11,872.51
Scope 2 Emissions	23,140.59	26,847.48	28,764.85
Scope 3 Emissions	6,896.25	7,699.64	8,349.93

Notes:

1. Scope 1 Statistics Scope: Includes diesel (generators), fuel oil (heavy oil), gasoline (company vehicles), liquefied petroleum gas (LPG), liquefied natural gas (LNG), refrigerants, methane (CH₄) emissions from septic tanks, CO₂ from fire extinguishers, and exhaust gas combustion. The greenhouse gases covered include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and hydrofluorocarbons (HFCs).
2. Scope 2 Statistics Scope: Primarily derived from electricity consumption supplied by Taiwan Power Company. The included gas is carbon dioxide (CO₂).
3. Scope 3 Statistics Scope: Includes greenhouse gas emissions from upstream and downstream activities related to fuel and energy consumption. This includes diesel for mobile equipment and vehicles, automotive gasoline, diesel for forklifts, natural gas for production processes, LPG, acetylene, heavy oil (grades 4~6), kerosene, butane, propane, calculated using cradle-to-gate emission factors published by the Ministry of Environment.
4. The scope of statistics for 2023 covers Hsinchu Plant, Xinfeng Plant, Parts Business Department, and dormitories.
5. Due to the inclusion of the Xinfeng Factory, Parts Business Department, and dormitories within the organizational boundary in 2022, the year 2022 was set as the base year.
6. Calculations are based on methodologies announced by the Ministry of Environment, using GWP (Global Warming Potential) values from the IPCC Fifth Assessment Report for each greenhouse gas.
7. Conversion factors for Scope 1 and Scope 2 are sourced from the Ministry of Environment's Greenhouse Gas Emission Factor Management Table version 6.0.4 and the electricity carbon emission factors of the Energy Administration, Ministry of Economic Affairs, respectively.
8. Scope 3 indirect emission factors are sourced from the Carbon Footprint Information Platform.
9. Greenhouse gas emissions are compiled using the operational control approach.
10. All data are rounded to two decimal places.
11. Greenhouse gas data has been verified externally by a third party in accordance with ISO 14064-1.
12. The data was compiled through external guidance, with calculations based on oil, LPG, and natural gas procurement records and Taiwan Power Company electricity usage data, using GWP ratios, emission factor method, and mass balance method.

Greenhouse Gas Emission Intensity

Greenhouse Gas Emission Intensity (Scope 1, 2, and 3)	2021	2022	2023
Scope 1	10,690.11	11,285.87	11,872.51
Scope 2	23,140.59	26,847.48	28,764.85
Scope 3	6,896.25	7,699.64	8,349.93
Greenhouse Gas Emissions	40,726.95	45,832.99	48,987.29
Actual Data for Measurement Standard	29,877	35,883	49,290
Carbon Intensity	1.36	1.28	0.99

Notes:

- The emission intensity ratio is calculated by dividing product or sales intensity (numerator) by the organization-specific measurement standard in monetary units (denominator).
2023 Greenhouse Gas Emissions (a): 48,987.29 tons CO₂e
2023 Actual Data for Measurement Standard (b): NT\$49,290 million
2023 Carbon Intensity (a) / (b) = 0.99 (tons CO₂e/revenue in NT\$ millions)
- The organization-specific measurement standard is calculated based on monetary units (revenue and sales) for the base year of 2023.
- The calculated intensity ratio includes greenhouse gas emissions from Scope 1, Scope 2, and Scope 3.
- Greenhouse gases include: Carbon Dioxide (CO₂), Methane (CH₄), Nitrous Oxide (N₂O), Hydrofluorocarbons (HFCs)

5.1 Energy and Greenhouse Gas Management

Greenhouse Gas Emission Reduction

- ☑ To achieve greenhouse gas reduction, Sanyang Motor continues to align with the Energy Administration's annual energy-saving target of achieving a reduction rate of over 1%.
- ☑ In 2023, the Company implemented 21 energy-saving initiatives, with an energy-saving target of 535,000 kWh, actual energy savings of 767,600 kWh, and a carbon reduction of 379.96 metric tons CO₂e.

Item	Energy-Saving Initiative/ Policy Name	Description	Implementation Location/Unit	Energy-Saving Results			Data Unit
				Base Year Data	Reporting Year Data	Actual Reduction Data	
1	High-Efficiency Transformer for New High-Frequency Equipment	Introduced High-Efficiency Transformer of Shihlin Electric	Crankshaft Division, Mechanical Section II	21,830	13,731	8,099	kgCO ₂ e /年
2	Energy-Saving Improvement for Lighting	(150W*56 → 150W*35)	Die-Casting Division, Casting Section	27,759	17,349	10,410	
3	Low-Pressure Casting Machine Insulation Furnace Repair	Repaired 2 units to improve energy efficiency	Aluminum Casting Division, Casting Section	368,874	331,987	36,887	
4	Insulation Furnace Lining Repair	Replaced insulation furnace lining	Die-Casting Division, Casting Section	61,657	55,491	6,166	
5	Hitachi Horizontal M/C Replacement with Energy-Efficient Model	Upgraded to Tongtai Vertical M/C 292	Crankcase Division II, Mechanical Section I	89,706	60,875	28,831	
6	Okuma Howa Twin-Turret Lathe Replacement with Energy-Efficient Model	Consolidated into smaller HOWA Integrated Processing Machine (190 & 37) for reduced energy use	Two-Wheeler Cylinder Division, Mechanical Section I	92,981	74,662	18,319	
7	Tongtai Lathe Replacement with Energy-Efficient Model	Replaced with Precision Machinery Lathe of Victor Taichung	Camshaft Division, Mechanical Section II	107,133	53,854	53,279	
8	Okuma Howa Integrated Processing Machine Capacity Consolidation	Consolidated into smaller HOWA Integrated Processing Machine (190 & 37) for reduced energy use	Crankshaft Division, Mechanical Section	55,686	0	55,686	
9	LED Lighting Equipment	Replaced 500W with 200W	Four-Wheeler Production Management Section	8,243	3,297	4,946	
10	LED Lighting Equipment (Rain Shelters)	Replaced 500W with 200W	Four-Wheeler Production Management Section	5,685	2,274	3,411	
11	HR Factory Lighting Replacement	Replaced 1000W (10 units) and 500W (20 units) with 100W (10 units)	Four-Wheeler Assembly Section	5,910	2,165	3,745	

Item	Energy-Saving Initiative/ Policy Name	Description	Implementation Location/ Unit	Energy-Saving Results			Data Unit
				Base Year Data	Reporting Year Data	Actual Reduction Data	
12	Heavy Vehicle Factory Lighting Replacement	Replaced 500W with 240W	Four-Wheeler Assembly Section	9,053	4,345	4,707	kgCO ₂ e /Year
13	Workshop Ventilation Fan Replacement	Reduced from 8 units to 4 units	Four-Wheeler Welding Section	7,066	3,533	3,533	
14	Coating Area Sullair 250HP Air Compressor Replacement	Replaced 650HP with 500HP	Four-Wheel Coating Section	208,822	160,632	48,190	
15	S1 Inspection Area Air Conditioner Upgrade	Replaced 34.5KW with 18.75KW	Four-Wheel Coating Section	26,743	14,534	12,209	
16	Replacement of Six Window-Type Class 5 Air Conditioning Units in Dormitory Building A	Replaced six window-type class 5 units with more energy efficient split-type class 1 units	General Affairs Section	32,467	23,020	9,446	
17	Automotive Factory Office Chiller Replacement	Replaced 100T chiller with variable frequency chiller	General Affairs Section	55,447	31,495	23,952	
18	Cooling Water Pump Frequency Converter Installation (20HP)	Installed frequency converters on cooling water pumps	General Affairs Section	10,326	5,336	4,990	
19	Vibration Noise Lab Chiller Energy-Saving Improvement	Added timed control system for chiller motors	R&D Department	32,522	17,375	15,147	
20	T8 Fluorescent Lighting Upgrade for the Public Area of the Plastics and Structural Engineering Zones	Replaced 40W T8 fluorescent tubes with 20W LED tubes	R&D Department	14,315	7,158	7,158	
21	Temperature-Controlled Room Cooling Tower Control Upgrade	Automated on/off control of cooling tower pumps	Machine Tool Factory	36,504	15,655	20,849	
Total				1,278,728	898,768	379,960	Tons CO ₂ e /Year
Converted Total				1,278.728	898.768	379.960	

Notes:

1. In 2023, a total of 21 energy-saving projects were implemented, achieving a carbon reduction of 379.960 metric tons CO₂e.
2. The reduction falls under Scope 2: Indirect energy emissions, involving carbon dioxide as the greenhouse gas.
3. Due to the inclusion of the Xinfeng Factory, Parts Business Department, and dormitories within the organizational boundary in 2022, the year 2022 was set as the base year.
4. The scope of statistics covers Hsinchu Plant, Xinfeng Plant, Parts Business Department, and dormitories.
5. The data was compiled with the assistance of a consulting organization, based on electricity usage data from Taiwan Power Company, and calculated using the Global Warming Potential (GWP) ratios, emission factor method, and mass balance method.
6. Greenhouse Gas Emissions = Activity Data × Global Warming Potential (GWP) × Emission Factor

5.2 Management of Hazardous Substances

Management of Material Topics

Economic, Environmental, and Social Impacts

The production and manufacturing processes may result in environmental impacts (including air, water, waste, and hazardous substances), drawing the attention of stakeholders such as government agencies, local communities, and neighboring factories.

Policy or Commitment

Environment, Safety and Health Policy: Comply with regulations, establish a safe workplace, prevent occupational injuries and environmental pollution, enhance employee health, and pursue continuous environmental improvement.

Environmental Declaration: Pollution prevention, energy conservation, resource recycling, and environmental greening.

Environmental Commitments:

1. Continuously develop green products to provide consumers with low-pollution and energy-saving solutions.
2. Promote the sustainable use of resources, climate change mitigation and adaptation, and the protection of biodiversity and ecosystems.
3. Implement industrial waste reduction and pollution control to ensure effective pollution prevention.
4. Enforce waste reduction and resource recycling for reuse.
5. Improve equipment efficiency, conserve energy and resources, and reduce carbon dioxide emissions.

Actions Taken to Manage Material Topics and Related Impacts

1. Regarding environmental planning and management, Sanyang Motor adopts ISO 14001 Environmental Management System as the basis for overall planning and implementation. Management manuals are developed in accordance with ISO 14001 standards and relevant regulatory requirements to provide guidance for management planning.
2. Standard operating procedures (SOPs) and work instructions are formulated to serve as the basis for execution.
3. All documents are managed, maintained, and made accessible in digital format.

Tracking Performance of Actions

1. Set up annual environmental management projects, with monthly performance tracking and supervision.
2. Conduct monthly inspections of environmental facilities and pollution control equipment to prevent environmental pollution.
3. Perform two reviews of the environmental management system annually, including two internal audits and one external audit, to ensure system effectiveness.
4. The wastewater management unit conducts daily water quality tests, while the environmental protection unit conducts bi-monthly sampling to ensure that water discharged to industrial wastewater treatment plants meets standards.
5. Air pollution control equipment is monitored daily, and regular and random inspections are conducted by the environmental protection unit. In 2023, to effectively reduce VOC emissions, a zeolite rotor concentrator & regenerative thermal oxidizer (RRTO) was installed for the motorcycle painting line. Additionally, four boiler units transitioned from heavy oil to liquefied petroleum gas, reducing air pollution and carbon emissions.

Specific Goals / Management Objectives



Short-term Goals (within 3 years)



Medium-term Goals (3-5 years)



Long-term Goals (beyond 5 years)

- Reduce VOC emissions by 25%.
- Evaluate the reuse of discharged water to reduce water resource usage by 10%.
- Further enhance hazardous substance management, adopt environmentally friendly materials, components, and processes, and focus on developing and manufacturing products that are "low-carbon" and "low-pollution".
- Increase the recovery rate of solvent by 5%.
- Promote recycling and reuse efforts to reduce waste volume by 10%.
- Reduce water resource usage by 5%.

Annual Performance

- Zero pollution incidents occurred in 2023.
- The industrial waste recycling rate reached 87.14% in 2023.
- Wastewater discharge values met the regulatory limits set by the Hsinchu Industrial Park Wastewater Treatment Plant.
- Air pollution emission tests complied with standards for stationary pollution sources.
- The installation of VOC RRTO for the motorcycle painting facility was completed in 2023.

Stakeholder Engagement

- The Company's environmental personnel participated in over ten information sessions organized by the Ministry of Environment and Hsinchu County Environmental Protection Bureau. These sessions covered topics such as environmental regulations, policies, environmental impact assessments, audit management, water efficiency improvement, and greenhouse gas emissions.
- The Company collaborated and exchanged insights with institutions like the Industrial Technology Research Institute (ITRI), the Foundation of Taiwan Industry Service, and the Taiwan Green Productivity Foundation. Discussions included topics on carbon footprint, greenhouse gas inventory, low-carbon and intelligent transformation subsidy applications, and energy management system assistance.



5.2 Management of Hazardous Substances

Environmental Sustainability Management

To comply with the latest domestic environmental regulations and the green regulations of the European market (e.g., Green Mark of Taiwan, ISO 11469, and the EU REACH Regulation), Sanyang Motor has established the "Green Parts Management Procedure". This procedure mandates control measures for hazardous substances in parts used during product design and production stages by the Company, affiliated entities, and suppliers. For example, paints procured must meet the restricted substance requirements of the Green Mark (details below). Other parts must adhere to the European Chemicals Agency's (ECHA) REACH requirements, and suppliers are required to conduct substance investigations in accordance with these regulations.



Lead, Cadmium, Mercury:

Not detectable (ND, < 2 ppm)

Test Methods: NIEA M301, US EPA 3051, US EPA 3050, US EPA 3052



Hexavalent Chromium, Arsenic:

Not detectable (ND, < 3 ppm)

Test Methods: NIEA M353, NIEA M301, US EPA 3051, US EPA 3050, US EPA 3052



Antimony:

Not detectable (ND, < 5 ppm)

Test Methods: NIEA M353, NIEA M301, US EPA 3051, US EPA 3050, US EPA 3052



Triphenyltin and Tributyltin:

Not detectable (ND, < 2 ppm)

Test Method: NIEA T504

To comply with the latest environmental regulations and ISO-14001, Sanyang Motor has established the Waste Management Procedure (SP-E04-004) to effectively classify, collect, process, and reuse industrial waste generated by the Company. This procedure aims to comply with current regulations, prevent improper disposal, and reduce environmental impact.

Sanyang Motor's management unit registers waste composition and treatment methods in the Waste Classification Table (CT-M-032), in accordance with Article 2 of the Waste Disposal Act and the composition of in-plant waste, for approval by the management representative. Each department collects and sorts its waste by category, and the general affairs unit regularly gathers and transports the waste to the resource recycling area, where it is neatly stored. The storage facilities in the resource recycling area are equipped with measures to prevent the inflow of surface water, groundwater, and leachate. Fire prevention facilities are also in place, and in the event of a fire, the "Emergency Preparedness and Response Procedure" is followed.

When the waste in the resource recycling area accumulates to a certain quantity, the general affairs unit notifies qualified agencies for removal and disposal. Disposal operations comply with the Ministry of Environment's online reporting requirements (including confirmation of the final treatment agency's reporting). The removal process is governed by the contractor management procedure, and only Class B or higher qualified waste removal companies are authorized to perform waste clearance.

Waste Management

Sanyang Motor adheres to government regulations on waste disposal to implement effective waste management. Waste is primarily handled through outsourcing to external disposal services. For outsourced waste disposal, the Company contracts qualified waste disposal operators that comply with legal requirements. Proper classification and handling of waste are ensured to guarantee that outsourced operators appropriately process various types of waste, thereby preventing additional environmental burdens and pollution risks. At Sanyang Motor's Taiwan locations (Hsinchu Plant, Xinfeng Plant, and Parts Business Department), waste includes General Industrial Waste (Category D) and Announced Recyclable and Reusable Waste (Category R). None of the locations generate hazardous industrial waste.

Considering sustainable resource reuse, Sanyang Motor aims to effectively reduce resource usage at the source, implement circular utilization, and achieve the goals of full resource recycling and zero waste. In the future, the Company will continue to promote source reduction and in-plant waste recycling and reuse while minimizing waste volume and reducing the environmental impact of production processes. In addition, it will sustain environmental recycling projects to implement the concept of a circular economy. The Company advocates for general waste reduction goals by promoting waste resource recycling and classification at all facilities to achieve waste minimization. During environmental management system review meetings, efforts will also focus on reinforcing the principles of zero waste and resource reuse, optimizing environmental impact reduction.

The Company is legally prohibited from directly disposing of waste. All waste is collected, classified, and transported by qualified waste disposal operators in accordance with regulations, with tracking conducted for final disposal operators. The following details the waste disposal operators and methods for 2023:

Details of Waste Disposal Operators in 2023

Waste Code	Waste Name	Disposal Operator ID	Disposal Operator Name
Xinfeng Plant			
D-1801	General waste from business activities	O1708061	Arng-Der Enterprise
D-1703	Waste lubricating oil	J5995043	Tailin Vehicle Enterprise
R-1201	Waste casting sand	K7005769	Jie Fa Freight
Hsinchu Plant			
D-1801	General waste from business activities	O1708061	Arng-Der Enterprise
D-0299	Mixed waste plastics	O1708061	Arng-Der Enterprise
D-0902	Inorganic sludge	J5995043	Tailin Vehicle Enterprise
D-1701	Waste paint and paint residue	J5995043	Tailin Vehicle Enterprise
D-1703	Waste lubricating oil	J5995043	Tailin Vehicle Enterprise
D-0699	Mixed waste paper	O1708061	Arng-Der Enterprise
R-0701	Waste wood	O1708061	Arng-Der Enterprise
R-1201	Waste casting sand	K7005769	Jie Fa Freight

5.2 Management of Hazardous Substances

Final Disposal Quantities and Methods for 2023

Waste Code	Waste Name	Quantity Reported in for 2023 (tons)	Disposal Method
Hsinchu Plant			
D-1801	General waste from business activities	575.57	Incineration
D-0299	Mixed waste plastics	53.84	Incineration
D-0902	Inorganic sludge	537.13	Thermal treatment
D-1701	Waste paint and paint residue	47.1	Thermal treatment
D-1703	Waste lubricating oil	15.47	Physical treatment
D-0699	Mixed waste paper	27.7	Incineration
R-0701	Waste wood	265.52	Reuse
R-1201	Waste casting sand	299.59	Reuse
Hsinchu Plant			
D-1801	General waste from business activities	65.07	Incineration
D-1703	Waste lubricating oil	1.7	Physical treatment
R-1201	Waste casting sand	59.96	Reuse

Management of Significant Impacts Related to Waste

The Company's products (automobiles and motorcycles) in Taiwan comply with regulatory requirements, allowing consumers to apply for recycling. With the Ministry of Environment's vehicle recycling subsidies, vehicle models awarded the Green Mark achieve a recycling rate of over 90%. Vehicles exported or manufactured abroad are handled according to local regulations.

In 2023, the Company did not arrange for the reuse, recycling, or regeneration of products (automobiles and motorcycles) and product components. In the future, the Company plans to focus on promoting the recycling and reuse of product components.

The Company follows the Waste Management Procedure (SP-E04-004). Waste is weighed before leaving the facility, with security and general affairs personnel overseeing the weighing process as the basis for waste management reporting. During waste removal operations, there must be no scattering, spillage, or environmental contamination caused by the waste. The general affairs unit records the waste removal contractor, vehicle number, driver, type, and quantity of waste on the "Weighbridge Record Form". Both parties must simultaneously submit online declarations for monitoring. The general affairs unit assigns personnel to conduct monthly random inspections of waste storage and removal processes. All relevant records and reporting forms for waste are retained for three years.

The Company utilizes the "Management of Waste Clearance and Disposal Information System of the Resource Circulation Administration, Ministry of Environment" to identify qualified operators approved by the Ministry of Environment. After conducting an evaluation process, cooperative contractors are selected. Each year, the Company implements compliance training for suppliers to promote proper waste management practices. Additionally, it regularly accesses the "Industrial Waste Report and Management Information System" to review waste reporting records for all Taiwan facilities, monitor evidence of waste output, and ensure proper disposal. All related documents are retained for future reference and verification.



Sanyang Motor Three-Year Industrial Waste Data (Including Recyclable Waste)

Waste Category	Unit	2021	2022	2023
General Industrial Waste (Category D)	Metric Tons (T)	734.87	818.41	1,423.42
Announced Recyclable or Reusable Waste (Category R)		7,426.22	7,919.22	9,645.29
Total Waste Weight		8,161.09	8,737.63	11,068.71
Waste Recycling Rate	Percentage (%)	91.00	90.63	87.14

Notes:

1. The statistics cover the Hsinchu Plant, Xinfeng Plant, Dormitories, and the Parts Business Department.
2. In 2023, Sanyang Motor did not produce any hazardous waste.
3. The data includes waste temporarily stored onsite.
4. Waste Recycling Rate = (Weight of Recycled Waste Generated in Production / Total Weight of Waste Generated in Production) x 100%. The figure is rounded to two decimal places, with any digits after the third place discarded.



5.2 Management of Hazardous Substances



Sanyang Motor 2023 Non-Hazardous Waste Disposal and Transfer Data

Waste Category	Unit	2021	2022	2023
Non-Hazardous Waste				
Prepared for Reuse	(Onsite, A)	Metric Tons (T)	-	-
Recycling			-	-
Other Recovery Operations			-	-
Prepared for Reuse	(Offsite, B)	Metric Tons (T)	-	-
Recycling (Note)			6,849.72	7,305.01
Other Recovery Operations (Note)			576.5	614.21
Prepared for Reuse	(Onsite & Offsite, A + B)	Metric Tons (T)	0	0
Recycling			7,426.22	7,919.22
Other Recovery Operations			0	0
Total			7,426.22	7,919.22

Notes:

1. Other recovery operations include reuse after heat treatment and solidification processes, such as adding concrete, wastewater sludge, and grinding mud.
2. Recycling refers to waste handled by contracted waste collection operators for transfer and reuse.
3. Sanyang Motor did not produce any hazardous waste.



Sanyang Motor 2023 Direct Disposal of Non-Hazardous Waste

Waste Category		Unit	2021	2022	2023
Non-Hazardous Waste					
Incineration (Including Energy Recovery)	Offsite	Metric Tons (T)	734.87	818.41	1,423.42
Incineration (Excluding Energy Recovery)					
Landfilling					
Other Disposal Operations (e.g., dumping, open burning, or deep well injection)					
Total			734.87	818.41	1,423.42

Notes:

1. All non-hazardous waste directly disposed of by Sanyang Motor was handled by contracted waste collection operators.
2. Sanyang Motor did not produce any hazardous waste.

Water Resource Management

Sanyang Motor's main water supply for its Taiwan operating sites—Hsinchu Plant, Xinfeng Plant, Parts Business Department, and dormitories—comes from Taiwan Water Corporation's water plants. Water resources are primarily used for office purposes and production processes at the Hsinchu Plant. Domestic wastewater from the Hsinchu Plant and dormitories is discharged directly into the wastewater treatment plant at the Hsinchu Industrial Park, managed by the Industrial Development Administration, Ministry of Economic Affairs. At the Xinfeng Plant, all wastewater is treated through a reclaimed water recycling system and reused for toilet flushing and irrigation.

Sanyang continues to promote water conservation measures, including the full implementation of Water Conservation Mark equipment in its plants and strengthening daily water management at all facilities. Moving forward, the Company will maintain strict water resource management and plan various water-saving initiatives to reduce overall water usage, fostering progress toward green operations and sustainable development.

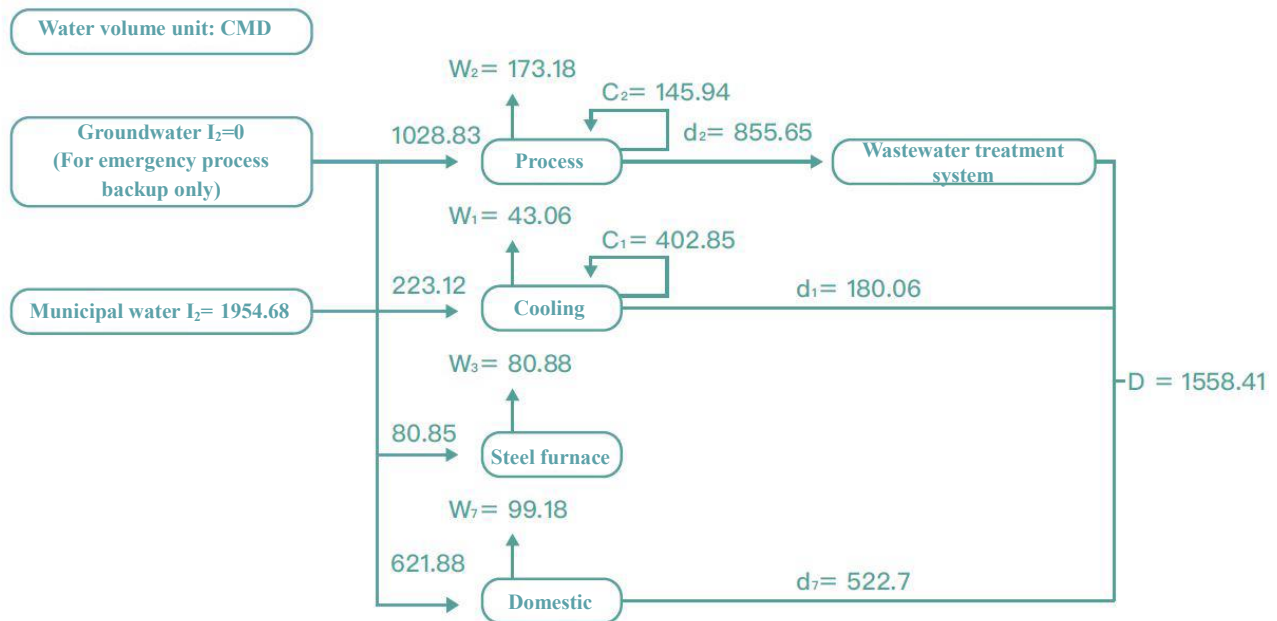
5.2 Management of Hazardous Substances

Sanyang Motor is not a company that heavily consumes water resources. Short-term water shortages do not have a significant negative impact on its core operations. Moreover, the water resources for the Hsinchu Plant, Xinfeng Plant, Parts Business Department, and dormitories are primarily supplied by municipal water plants, and thus do not cause a significant impact on water resources or face major risks of unstable water supply.

To address water shortages and critical water supply conditions, the Company has two backup groundwater wells. Sanyang Motor complies with government-implemented water restriction measures and aligns with local government policies by adopting various actions, such as reducing water pressure, temporarily halting or shortening the use of domestic water in its facilities. Additionally, the Company promotes reduced use of municipal water within its facilities, aiming to achieve sustainable operations and development.

The Company has also installed a water recycling system for its painting process, achieving a recycled water volume of 138.7 CMD in 2023.

Starting in 2022, the Company adopted a new calculation method based on the updated standards (Ministry of Economic Affairs directive No. 11120206070 dated May 2, 2022, specifying content and format revisions to water usage plans under Point 3, Appendix 2 of Point 1, and Appendix 6 of Point 7). The water resource management information for the Company in 2023 is as follows:



Notes:

1. The scope of statistics includes the Hsinchu Plant
2. Unit: CMD (cubic meters/day)
3. Water source: Municipal water; withdrawal volume: 1,954.68 CMD
4. Discharge volume: 1,558.41 CMD, discharged to the wastewater treatment plant of the industrial park
5. Primary uses include process water, boilers, cooling evaporation, and domestic use; total water consumption: 396.3 CMD
6. R1 (Recycling Rate): 21.92%
7. R2 (Excluding internal cooling tower recycling): 6.95%

The wastewater sources at Sanyang Motor primarily consist of wastewater from painting processes and domestic sewage from the plant. Key water quality monitoring parameters include Chemical Oxygen Demand (COD), Suspended Solids (SS), and heavy metals.

To ensure the plant's wastewater pollution prevention complies with the discharge standards of the Hsinchu Industrial Park, the Company focuses on the separation of rainwater and wastewater, as well as the maintenance of the wastewater treatment system. A high-concentration wastewater collection tank is installed to separately collect pre-treated wastewater with higher concentrations. This wastewater is then gradually and evenly fed back into the adjustment tank for treatment, minimizing the impact of sudden high-concentration discharges on the wastewater system.

For wastewater treatment and discharge water quality testing, the plant's laboratory conducts regular measurements and establishes trend charts for monitoring. Through maintaining operational stability, the wastewater treatment efficiency has improved. In 2023, the discharge water quality of the plant was significantly below the regulatory discharge limits, with no significant impacts on water sources. Wastewater from the Hsinchu plant is channeled to the Hsinchu Industrial Park's wastewater treatment facility, with the treated discharge ultimately flowing into the Ciedong River.



Water Quality Information for Sanyang Motor Over the Past Three Years

Hsinchu Plant, Xinfeng Plant, and Dormitories

Year	Water Quality and Discharge Volumes in Recent Years					
	Tap Water Usage	Wastewater Volume	pH	COD	SS	Heavy Metal Value
	(Tons)	Tons/Year	Annual Average	mg/l/Annual Average	mg/l/Annual Average	ppm/Annual Average
	Hsinchu Plant					
2021	440,750	351,651	7.34	73.05	17.62	0.19
2022	435,853	320,972	7.56	58.11	18.87	0.26
2023	466,446	373,811	7.58	66.72	19.34	0.25
Xinfeng Plant						
2021	32,112	0	7.87	32.45	28.09	0.23
2022	39,023	0	7.47	29.25	28.33	0.02
2023	33,755	0	6.88	32.25	19.34	0.05

Note: The heavy metal values include the following types: dissolved iron, dissolved manganese, cadmium, lead, total chromium, hexavalent chromium, methylmercury, total mercury, copper, zinc, silver, nickel, selenium, arsenic, tin, and indium.

5.2 Management of Hazardous Substances

Regulatory Standards for Wastewater Treatment Plant at Hsinchu Industrial Park

Waste Type		Unit	Discharge Standards	Inlet Limits	Effective Date
Water Temperature		°C	35~42	Below 45°C	Effective from April 29, 2019
Water Volume		m ³ /day/hectare	-	50	Effective from April 29, 2019
BOD		mg/l	30	400	Effective from April 29, 2019
COD		mg/l	100	480	Effective from April 29, 2019
S.S		mg/l	30	400	Effective from April 29, 2019
pH		-	6~9	5~9	Effective from April 29, 2019
Fluoride		mg/l	15	15	Effective from April 29, 2019
Nitrate Nitrogen		mg/l	50	50	Effective from April 29, 2019
Phenols		mg/l	1	1	Effective from April 29, 2019
Anionic Surfactants		mg/l	10	10	Effective from April 29, 2019
Cyanides		mg/l	1	1	Effective from April 29, 2019
Oil & Fat	Mineral-based	10	10	10	Effective from April 29, 2019
	Animal/Plant-based	-	-	30	Effective from April 29, 2019
Dissolved Iron		mg/l	10	10	Effective from April 29, 2019
Dissolved Manganese		mg/l	10	10	Effective from April 29, 2019
Cadmium		mg/l	0.02	0.02	Effective from January 1, 2021 (announced April 9, 2019)
Lead		mg/l	0.5	0.5	Effective from January 1, 2021 (announced April 9, 2019)
Total Chromium		mg/l	1.5	1.5	Effective from January 1, 2021 (announced April 9, 2019)
Hexavalent Chromium		mg/l	0.35	0.35	Effective from January 1, 2021 (announced April 9, 2019)
Methyl Mercury		mg/l	0.0000002	0.0000002	Effective from April 29, 2019
Total Mercury		mg/l	0.005	0.005	Effective from January 1, 2016

Waste Type	Unit	Discharge Standards	Inlet Limits	Effective Date
Copper	mg/l	1.5	1.5	Effective from December 7, 2019 (Hsinchu County Government tightened discharge standards for the Ciedong River, announced April 9, 2019)
Zinc	mg/l	3.5	3.5	Effective from January 1, 2021 (announced April 9, 2019)
Silver	mg/l	0.5	0.5	Effective from October 1, 2019
Nickel	mg/l	0.7	0.7	Effective from January 1, 2021 (announced April 9, 2019)
Selenium	mg/l	0.35	0.35	Effective from January 1, 2021 (announced April 9, 2019)
Arsenic	mg/l	0.35	0.35	Effective from January 1, 2021 (announced April 9, 2019)
Tiin	mg/l	2.0	2.0	Effective from January 1, 2021 (announced April 9, 2019)
Indium	mg/l	0.1	0.1	Effective from the announcement date(April 9, 2019)



5.2 Management of Hazardous Substances



Water Withdrawal

The water withdrawal data for Sanyang Motor's Hsinchu Plant, Xinfeng Plant, and dormitories is based on water consumption readings provided by Taiwan Water Corporation. The calculation is converted as follows: 1 m³ of water (1 ton of water) = 1,000 liters = 0.001 Megaliters (MI). In 2023, the total water withdrawal amounted to approximately 500.2 MI, sourced from third-party freshwater supplies. According to the Aqueduct Water Risk Atlas of World Resources Institute (WRI), Sanyang Motor's operating sites in Taiwan do not withdraw water from areas identified as under water resource stress.

Unit: MI

Total Water Withdrawal	2021	2022	2023
	472.9	474.9	500.2

Note: Since the Parts Business Department currently lacks an effective method for accurately measuring actual water withdrawal and accounts for a very small proportion of total water consumption, it is temporarily excluded.



Water Discharge

The wastewater discharge data for Sanyang Motor's Hsinchu Plant and dormitories is based on statistics from the Wastewater Treatment Plant of the Hsinchu Industrial Park, converted as follows: 1 m³ of water (1 ton of water) = 1,000 liters = 0.001 Megaliters (MI). Wastewater from the entire Xinfeng Plant is treated and recycled through the reclaimed water system for toilet flushing and irrigation purposes. In 2023, a total of approximately 373.8 MI was discharged. Process wastewater from the Hsinchu Plant is treated in its wastewater treatment facility before being discharged into the Wastewater Treatment Plant of the Hsinchu Industrial Park. Domestic wastewater from the Hsinchu Plant and dormitories is also discharged into the Wastewater Treatment Plant of the Hsinchu Industrial Park. The discharged water falls under the category of freshwater with a Total Dissolved Solids (TDS) concentration equal to or less than 1,000 mg/L. According to the Aqueduct Water Risk Atlas of World Resources Institute (WRI), Sanyang Motor's operating sites in Taiwan do not discharge water in areas identified as under water resource stress.

Unit: MI

Total Water Withdrawal	2021	2022	2023
	354.0	348.8	373.8

Note: The discharge statistics cover the Hsinchu Plant and dormitories. All wastewater at the Xinfeng Plant is fully recycled and reused. The Parts Business Department is located outside the Hsinchu Industrial Park, and domestic wastewater is directly discharged into the public sewer system. As it accounts for a very small proportion of total discharge, it has not been included.



Water Consumption

The water consumption data for Sanyang Motor's Hsinchu Plant, Xinfeng Plant, and dormitories (Water Consumption = Total Water Withdrawal - Total Water Discharge) is derived from Taiwan Water Corporation's water usage statistics (water withdrawal) and the data from the Wastewater Treatment Plant of the Hsinchu Industrial Park (water discharge). The conversion formula used is 1 m³ of water (1 ton of water) = 1,000 liters = 0.001 Megaliters (ML). According to the Aqueduct Water Risk Atlas of World Resources Institute (WRI), Sanyang Motor's operating sites in Taiwan do not experience water consumption in areas identified as under water resource stress.

The Company's water storage capacity is sufficient and does not pose significant water resource impacts. The total water storage capacity across Sanyang Motor's facilities (2.556 ML at the Hsinchu Plant and 0.45 ML at the Xinfeng Plant, amounting to a combined 3.006 ML) is more than adequate. Currently, there is no significant impact due to water scarcity. In the event of water supply interruptions, the Company will align with government policies and promote water conservation measures within the plants to achieve efficient water use.

Unit: ML

Total Water Withdrawal	2021	2022	2023
	118.9	126.1	126.4



5.3 Air Pollution Management at Sanyang Motor



Emission of Ozone-Depleting Substances (ODS)

The majority of refrigerants used by Sanyang Motor are for fugitive emissions in chillers and air conditioning systems. These include R-134a and eco-friendly refrigerant R-410a. Currently, only a portion of refrigeration equipment still utilizes ozone-depleting substance R-22 (ozone depletion potential of 0.055). In compliance with the Montreal Protocol, the Company has implemented air pollution management measures, progressively replacing R-22 with eco-friendly refrigerants during equipment repairs. This initiative aims to reduce the environmental impact of air pollution emissions.

Emission of Ozone-Depleting Substances (ODS)		Emission Volume (Metric tons)		
		2021	2022	2023
ODS Produced	R-22	0.00429	0.00352	0.01337

Note:

1. The scope of statistics for Sanyang Motor in 2023 includes: Hsinchu Plant, Xinfeng Plant, Parts Business Department, and dormitories.
2. Most refrigerants used at Sanyang Motor are for chillers and air conditioning systems, including R-134a and eco-friendly refrigerant R-410a. Currently, only a portion of refrigeration equipment uses ozone-depleting substance R-22 (ozone depletion potential of 0.055).
3. In 2023, the R-22 fugitive emissions, when converted to CFC-11 equivalents, amounted to 0.01337 metric tons.
4. The data source is the Ministry of Environment regulated pollution source inquiry system website and the Montreal Protocol's list of ozone-depleting substances (ODS).
5. The emission factor is derived from the ozone depletion potential values listed in the Montreal Protocol for ozone-depleting substances.



Emissions of Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Gases

Emission of Ozone-Depleting Substances (ODS)		Emission Volume (kg)		
		2021	2022	2023
Emission Type	Nitrogen Oxides (NOx)	16,397	15,852	16,958
	Sulfur Oxides (SOx)	14,365	15,470	15,196
	Persistent Organic Pollutants (POP)	-	0	0
	Volatile Organic Compounds (VOC)	406,567	443,210	421,585
	Hazardous Air Pollutants (HAP)	110,226	113,358	103,414
	Particulate Matter (PM)	2,420	2,478	2,883

Notes:

1. The scope of statistics for Sanyang Motor in 2023 includes the Hsinchu Plant.
2. All data are rounded to the nearest integer.
3. Data Sources: “Control Fees and Emissions Reporting Integrated Management System” and “Stationary Pollution Sources of Information Disclosure Management Platform”
4. Hazardous Air Pollutants (HAPs) are reported in accordance with the Air Pollution Control Fee Collection Regulations issued by the Ministry of Environment.
5. The reported figures on the Stationary Pollution Sources of Information Disclosure Management Platform of the Ministry of Environment are currently under the status of "Confirmation in Progress".

2023

Environmental, Social and Governance Sustainability Report



06 Human-Centered

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6.1 Occupational Safety and Health

Management of Material Topics

Economic, Environmental, and Social Impacts

Founded in 1954, Sanyang Motor is an international company specialized in manufacturing automobiles and motorcycles. In adherence to the strategic principles of the Occupational Safety and Health System and ISO/CNS 45001, the Company has established the "SP-E02-003 EHS (Environment, Health and Safety) Strategic Management Procedures" to monitor the occupational safety and health needs and expectations of all stakeholders. Quarterly and semi-annual Occupational Safety and Health Committee and Management Review Meetings are conducted with the participation of senior management to ensure compliance and oversight.

With occupational safety and health regulations becoming increasingly stringent and growing employee awareness of safety and health, Sanyang Motor strives to provide a safer and more hygienic work environment for employees, enabling them to focus their expertise and efforts. The Company spares no effort in tracking occupational safety and health monitoring indicators and initiatives, aiming to establish a workplace with "zero workplace accidents and zero occupational diseases" to achieve mutual benefit for both employers and employees.

Policy or Commitment

Sanyang Motor has established the following:

- EHS (Environment, Health, and Safety) Policy: "Comply with regulations, build a safe workplace, prevent occupational injuries and environmental pollution, improve employee health, and continuously enhance the environment"
- Environmental Declaration: "Pollution prevention, energy conservation, resource recycling, and environmental greening"
- Safety and Health Declaration: "Zero accidents, zero injuries, zero occupational diseases"

Our Commitments:

1. Continuously develop green products to provide consumers with low-pollution and energy-saving options.
2. Promote sustainable resource utilization, mitigate and adapt to climate change, and protect biodiversity and ecosystems.
3. Promote industrial waste reduction and pollution control to ensure effective pollution prevention.
4. Implement waste reduction, resource reuse and recycle.
5. Improve equipment efficiency, conserve energy, and reduce carbon dioxide emissions.
6. Strictly comply with environmental and occupational safety and health laws and related requirements.
7. Continuously improve equipment and ensure robust safety measures.
8. Enhance occupational safety systems, actively conduct inspections, and ensure a safe working environment.
9. Promote a zero-accident initiative and strengthen accident and disease prevention efforts.
10. Prevent workplace violence, mitigate fatigue and overload risks, and address ergonomic hazards, while fostering a healthy and friendly workplace.
11. Ensure maternal health protection, safeguarding work rights, conducting risk assessments, and eliminating hazards to ensure the health of both mothers and their children.
12. Provide comprehensive environmental, safety, and health education and training for all employees, and promote environmental protection, safety and health concepts to contractors, partners, and the general public.

Actions Taken to Manage Material Topics and Related Impacts

- In 2023, internal occupational safety and health audits were conducted in accordance with the "SP-E05-002 Occupational Safety and Health Management Internal Audit Procedures." These audits aimed to ensure the operational effectiveness of the ISO/CNS 45001 Occupational Safety and Health Management System. The results are as follows:

Audit Items	Occupational Safety and Health Consideration Evaluation	Target Management Plan	Noise Control	Storage and Use of Chemicals	Contractor Management	Management Review and Internal Audits	Calibration and Testing Equipment	Performance Measurement	Confined Space Management	Procurement Safety and Health Control	Change Management	Hazard Control Management	Electrical Hazard Control	Occupational Safety and Health Regulatory Requirements	Training and Employment of Skilled Personnel	Occupational Safety and Health Policy	Emergency Preparedness and Response	Corrective and Preventive Measures	Document and Record Control,	Worker Representation and Participation in Safety Committee Decisions	Total
Year																					
2023 (1st half)	1	0	0	0	0	0	0	0	0	0	0	8	2	0	1	0	1	0	1	0	14
2023 (2nd half)	2	0	0	2	5	0	0	0	0	0	0	10	0	0	4	0	4	0	4	0	31

- Occupational Safety and Health Training Courses: To enhance awareness and understanding of workplace safety and health (system) practices, the Safety and Health Management Office annually plans comprehensive training programs. These are based on key audit priorities outlined by government agencies, recommendations from external verification audits, or opportunities from engaging external professional auditors. The training programs cover both systemic and practical aspects of occupational safety and health. A list of the training programs for 2023 is as follows:

Plan	Execution Date	Training Topic	Instructor	Training Targets
February	2/16	Safety and Health Training for Mid- to Senior-Level Supervisors	Ming-Hui Lin	Mid- and senior-level supervisors
March	3/15 、3/22	Risk Assessment Training (6 hours - Occupational Safety; 6 hours - Environmental Protection)	You-Cheng, Zhang Jian-Ning Su	Assigned personnel
April	4/13 、4/20	Safety and Health Training for Team Leaders	Yong-Zhe Chen	Team leaders at operational sites
April	4/18	Occupational Safety and Health Training for Long-Term On-Site Contractors (First Half of the Year)	Safety and Health Management Office Instructor	Long-term on-site contractor management personnel
May	5/9 、5/10	Occupational Safety and Health Management Personnel (Certified Manager) Training	Ming-Hui Lin	Occupational Safety and Health Management Personnel
June	Five sessions in total	Forklift Recertification Training (6/6, 6/13, 6/16, 6/20, 6/27)	Shu-Da Lin, Yong-Zhe Chen	Certified forklift operators
June	6/8 、6/12	Refresher Training for Fixed Crane Operators (3 tons or above)	Jun-Jie Guo	Certified crane operators
July	7/6	General Occupational Safety and Health Training for Safety and Health Personnel	Dong-Lin Liu	Section EHS Management Personnel
August	8/28	Safety and Health Training for Long-Term On-Site Contractors (Second Half of the Year)	Safety and Health Management Office Instructor	Long-term on-site contractor management personnel
	1/1~11/6	Occupational Safety and Health Training for New Employees	Safety and Health Management Office Instructor	New employees, technical trainees, migrant workers, and temporary
	9/1~12/31	General Training on Hazards	Dr. An-Qing Wang	Employees handling

6.1 Occupational Safety and Health

Tracking Performance of Actions

- The Company has achieved ISO/CNS 45001 certification through verification by DNV, an international certification body. The certification scope includes the Hsinchu plant (including headquarters) and the Xinfeng plant.
- Occupational safety and health internal audits, as mentioned in point 1, are conducted in response to the international certification body's verification. These audits are carried out following the "SP-E05-002 Occupational Safety and Health Management Internal Audit Procedure".
- Stakeholders can utilize the complaint mechanism outlined in the "EHS (Environment, Health and Safety) Management and Communication Procedures (SP-E04-001)".

Specific Goals / Management Objectives



Short-term Goals (within 3 years)

- Achieve zero major occupational accidents.
- Implement health management for high-risk groups to ensure employees' physical health.
- Conduct annual occupational safety and health education and training.
- Develop and pilot a systematic health check-up operation system.



Medium-term Goals (3-5 years)

- Plan and implement four major health protection programs, including maternal protection, musculoskeletal disease prevention, prevention of workplace misconduct, and prevention of overwork.
- Fully launch and execute the systematic health check-up operation system.



Long-term Goals (beyond 5 years)

- Continuously optimize the systematic health check-up operation system.
- Promote workplace health initiatives to enhance occupational safety and health culture.

Annual Performance

- The verification company conducts regular annual audits to ensure the implementation and operation of the management system comply with ISO standards and requirements, thereby maintaining the validity of the certification. Through external audits, any identified system deficiencies are addressed by issuing a "Safety and Health Abnormality Correction Form". Each responsible unit must submit a root cause analysis and corrective measures to continuously improve and enhance the occupational safety and health management standards.
- 2023 Audit Results: The management system meets the requirements of ISO 45001 and CNS 45001 standards, with no significant non-conformities found against the standards or regulations, ensuring the certification remains valid.
- Deficiencies identified during the 2023 audit will be included in the 2024 internal audit review scope to prevent recurrence.
- In 2023, health management was provided for employees categorized as level 3 and level 4 high-risk groups based on annual health check results. Relevant medical consultations were arranged to identify employees' health conditions and offer personalized medical advice and support, achieving a 100% engagement rate.
- A total of 11 occupational safety and health training sessions were held in 2023, achieving a 100% completion rate.

Policy or Commitment

In accordance with Article 12 of the Regulations of Occupational Safety and Health Management, the Company holds quarterly Occupational Safety and Health Committee meetings. Furthermore, as per the requirements of the Occupational Safety and Health System and in alignment with ISO/CNS 45001 standards, combined review meetings are conducted semi-annually. To facilitate this, the Company has established the "SP-E02-001 EHS (Environment, Health and Safety Policy Procedures)" and the "SP-E06-001 Environmental and Occupational Safety and Health Management Review Procedures". These regulations aim to plan and manage safety and health-related tasks to ensure the health and safety of employees, while encouraging active participation from all staff. The committee is chaired by the President and consists of occupational safety and health management personnel, department supervisors, medical personnel, and worker representatives.

Stakeholders can provide feedback on unsafe behaviors and conditions within the facility by filling out the "Safety and Health Communication Feedback Form (CT-M-031)" as outlined in the "EHS (Environment, Health and Safety) Management and Communication Procedures (SP-E04-001)". The Safety and Health Management Office will then require the relevant units to implement improvements.



6.1 Occupational Safety and Health

Human-Centric Sanyang Motor

Workforce Overview and Management

As of the end of 2023, Sanyang Motor employed a total of 2,469 people, comprising 2,125 full-time employees (86% of the total workforce) and 344 non-full-time employees (fixed-term contract workers), accounting for 14% of the total workforce. During the reporting period, the number of employees did not experience any significant fluctuations in comparison to the previous period.

Sanyang Motor's operating sites are based in Taiwan; therefore, the majority of full-time employees are Taiwanese, with a local employment ratio exceeding 88%. In addition, the Company's senior management (note) responsible for organizational and operational strategic decisions consists entirely of Taiwanese, achieving a 100% local employment rate for senior management. Sanyang Motor strictly complies with labor-related laws and regulations set by regulatory authorities and has never employed child labor.

Sanyang Motor values diversity and workplace inclusion. Employee recruitment, remuneration, and benefits do not differ based on gender, age, nationality, race, religion, or position. In 2023, there were no complaints related to discrimination. Due to the nature of the Company's work, which primarily involves manufacturing, packaging, equipment maintenance and repair, process control, and transportation of finished goods and raw materials (tasks requiring labor and technical skills), the proportion of male employees is higher than female employees, with a male-to-female ratio of approximately 87:13.

Aside from the 2,469 employees, at the end of 2023, there were 290 non-employee workers performing tasks such as process-related processing, material handling, transportation, waste clearance, facility maintenance, security services, cleaning, and catering. During the reporting period and compared to the previous period, there were no significant fluctuations in the number of non-employee workers.

Note: The definition of "senior management" includes the President, individuals holding supervisory roles, and those at the level of Assistant Manager (or Director) and above.

Global Employee Workforce Structure (Classified by Gender and Work Location)

Category	Group	Male		Female		Group Subtotal		Work in Taiwan/Taiwanese		Work in Taiwan/Foreigner		Group Subtotal	
		No. of People	%	No. of People	%	No. of People	%	No. of People	%	No. of People	%	No. of People	%
Employment Contract	Permanent Employees (or indefinite contract workers)	1,812	85.27	313	14.73	2,125	86.07	2,125	86.07	0	0	2,125	86.07
	Temporary Employees (or indefinite contract workers)	344	100	0	0	344	13.93	47	1.90	297	12.03	344	13.93
	Zero-hour Employees (or indefinite contract workers)	-	-	-	-	-	-	-	-	-	-	-	-
Employment Contract	Full-time (or indefinite contract workers)	2,156	87.33	313	12.68	2,469	100	2,172	88	297	12	2,469	100
	Part-time (or indefinite contract workers)	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

1. The number of people represents the actual employee count.
2. In 2023, Sanyang Motor did not employ any zero-hour contract workers.
3. Permanent employees: Full-time workers who sign an open-ended contract with the employer. They can continue working unless terminated or they resign voluntarily.
4. Temporary employees: Workers hired under a fixed-term contract with the employer, typically for temporary, short-term, seasonal, or specific work. Employment ends when the contract expires unless renewed.
5. Full-time employees: Workers who meet the conditions outlined in Taiwan's Labor Standards Act, Article 30, Paragraph 1, which specifies a weekly work of 40 hours and a daily work of 8 hours.
6. Part-time employees: Workers who do not meet the conditions for full-time employment (40 hours per week, 8 hours per day) but have the same legal rights as full-time employees.
7. Due to Sanyang Motor's high labor demands, the proportion of temporary foreign workers is relatively higher, and they are primarily hired under fixed-term contracts.

New Employees and Resigned Employees

	Age Group	New Employees				Resigned Employees			
		Male	%	Female	%	Male	%	Female	%
Taiwan	<30 Years Old	247	0.57	20	0.05	246	0.57	7	0.02
	30~50 Years Old	145	0.34	14	0.03	115	0.27	14	0.03
	>50 Years Old	6	0.01	0	0	44	0.20	3	0.01
Total Number of Employees		2,469							
Total Number of New Employees		432							
Overall New Hire Rate (%)		17.49							
Average Monthly New Hire Rate (%)		1.45							
Total Number of Resigned Employees		429							
Overall Turnover Rate (%)		17.38							
Average Monthly Turnover Rate (%)		1.45							

6.1 Occupational Safety and Health

Diversity of Governance Units and Employees

Members of Sanyang Motor's Governance Units in 2023 Categorized by Age						
Gender	Male			Female		
Age	<30 Years Old	30~50 Years Old	>50 Years Old	<30 Years Old	30~50 Years Old	>50 Years Old
Board of Directors (Number of Members)	-	2	8	-	-	1
Percentage of Total Board Members (%)	-	18	73	-	-	9

Note: The Board of Directors consists of 11 members.

Sanyang Motor Employee Categories for 2023

Sanyang Motor Taiwan Headquarters						
Employee Category		Management Level		Non-Management Level		Percentage of Total Employees (%)
		Male	Female	Male	Female	
Age	<30 Years Old	5	1	458	49	20.8
	30~50 Years Old	109	18	789	136	42.6
	>50 Years Old	127	7	668	102	36.6
	Percentage of Total Employees (%)	9.8	1.0	77.6	11.6	100.0
Diversity	Indigenous People	1	0	17	6	1.0
	Persons with Disabilities	4	0	19	3	1.0
	Percentage of Total Employees (%)	0.2	0	1.5	0.3	2.0

Notes:

- Employee statistics cover the Hsinchu Plant, Xinfeng Plant, and Parts Business Department.
- Percentage of Total Employees = Number of employees in the category for 2023 / Total number of employees at the end of 2023.

Ratio of Entry-Level Employee Standard Salary to Local Minimum Wage by Gender

Sanyang Motor's entry-level monthly salaries for male and female employees are higher than Taiwan's minimum monthly wage, with a salary difference of less than 1% between genders.

Unit: NTD

Ratio of Entry-Level Employee Standard Salary to Local Minimum Wage			
	Sanyang Motor	Taiwan Minimum Wage (Note)	Ratio
Average Salary for Female Entry-Level Employees	32,315	26,400	1.22:1
Average Salary for Male Entry-Level Employees	32,504	26,400	1.23:1

Notes:

1. Source of Taiwan's minimum wage data: Ministry of Labor's announcement of the 2023 minimum wage.
2. Sanyang Motor's key operational locations are in Hsinchu County, with employees based at the Hsinchu Plant, Xinfeng Plant, and Parts Business Department.

Ratio of Male to Female Base Salary and Total Remuneration

Key Operational Locations of Sanyang Motor (Note)	2023 (Male:Female)		
Employee Category	Salary	Bonuses	Total Remuneration
Management	0.87:1	0.82:1	0.84:1
Non-Management	1.02:1	1.02:1	1.02:1

Notes:

1. Total Remuneration = Salary + Bonuses
2. The ratios in the table are relative to female remuneration, with female remuneration set at 1.
3. Sanyang Motor's key operational locations are in Hsinchu County, with employees based at the Hsinchu Plant, Xinfeng Plant, and Parts Business Department.

Safe and Healthy Workplace Environment

Occupational Safety and Health Management System

Sanyang Motor complies with the Occupational Safety and Health Act and the Regulations of Occupational Safety and Health Management. It has adopted the ISO 45001 standards and established an occupational safety and health management system for over 11 years. The scope includes all of the Company's operational activities, products, services, and workers. In 2019, Sanyang Motor obtained ISO 45001:2018 certification for its occupational safety and health management system from the international verification body DNV. However, the certification scope is limited to the Hsinchu Plant and the Xinfeng Plant. According to Article 12-2 of the Regulations of Occupational Safety and Health Management, the Parts Business Department is not required to establish an occupational safety and health management system and is therefore excluded from the calculation.

6.1 Occupational Safety and Health

The Company has established the "Contractor Environmental, Safety, and Health Management Guidelines (CR-SH03-00)" in accordance with ISO 45001:2018 Occupational Safety and Health Management System, certified by the international verification body DNV. The management scope includes all workers, such as long-term on-site contractors, all contractors, suppliers, and subcontractors performing on-site operations. This also applies to visitors and employees in all operational locations within the Company, as they are defined as stakeholders. Therefore, no exclusions are applied, and the Company will continue to implement management in accordance with regulations.

Occupational Safety and Health Management System Coverage Statistics for 2023

Number of company employees	2,448
Number of workers (non-employees)	310
Number of employees and workers (non-employees) covered by the Occupational Safety and Health Management System	2,758
Proportion of employees and workers (non-employees) covered by the Occupational Safety and Health Management System	100%
Number of employees and workers (non-employees) audited under the Occupational Safety and Health Management System	2,758
Proportion of employees and workers (non-employees) audited under the Occupational Safety and Health Management System	100%
Number of employees and workers (non-employees) audited or verified by external organizations under the Occupational Safety and Health Management System	2,758
Proportion of employees and workers (non-employees) audited or certified by external organizations under the Occupational Safety and Health Management System	100%

Notes:

1. The number of company employees is based on all employees at Hsinchu Plant, Xinfeng Plant, and the Parts Business Department. Due to the occupational injury reporting system using working hours data from the previous month (provided by the HR Department), there may be discrepancies with the employee headcount as of December 31, 2023.
2. The scope of "workers" includes all employees and all non-employees whose work and/or workplace is controlled by the organization.

Hazard Identification, Risk Assessment, and Incident Investigation

Occupational Safety and Health Hazard Identification

Sanyang Motor, in accordance with Article 18 of the Occupational Safety and Health Act, has established procedures for accident reporting and investigation. The Company has developed the "EHS (Environment, Health and Safety) Management and Communication Procedures (SP-E04-001)", which facilitates the investigation and analysis of the causes of incidents through internal and external communication. Preventive and corrective measures are then proposed to prevent or avoid the recurrence of such incidents.

Internal Communication	External Communication
<ol style="list-style-type: none"> 1. Company introduction, including the Company's EHS knowledge and environmental management system, is conducted during onboarding training for new employees. 2. The Company's EHS policies, practices, goals, and relevant legal requirements are regularly or occasionally communicated to all employees via bulletin boards, meetings, and publications. 3. Internal audit results of the management system, the adequacy of policies, and concerns raised by stakeholders are discussed in management review meetings, with appropriate response measures proposed. 4. If employees still have concerns regarding potential safety and health hazards, they can address them through internal communication using the "Safety and Health Communication Feedback Form (CT-M-031)". 	<ol style="list-style-type: none"> 1. The EHS management unit and related functional departments shall document and discuss suggestions or concerns from external groups regarding environmental, health, and safety management, and determine response measures. 2. The proposed solutions must be signed by the management representative and submitted for approval according to the Company's responsibility hierarchy, after which the receiving unit will respond to the proposing unit. 3. Proposals and resolutions will be integrated as references in relevant management systems. 4. If necessary, communication can be facilitated through publications, online platforms, or advertisements to achieve greater effectiveness. 5. Requests from external groups for the Company's EHS policies will be handled and issued solely by the safety and health management unit. 6. External communication is managed by the safety and health management unit and may take place in writing or through meetings. Records must be kept, and any resolutions reached must be incorporated into the management system. 7. When establishing communication processes, compliance obligations must be taken into account.

Occupational Safety and Health Incident Reporting and Investigation Process

Sanyang Motor has established the "Incident Investigation and Handling Procedures (CR-SH13-02)" to address incidents effectively. Upon learning of an incident, it must be reported immediately (describing the details using the "who, what, when, where, and how" method) to the direct supervisor, plant medical personnel, as well as the safety and health management unit. The reporting process must be followed to clarify the cause of the incident. The safety and health management unit is required to record and compile the occupational incident details and statistics as per the Ministry of Labor's regulations. These are reported monthly to the labor inspection authority for review and are displayed in the workplace. If the department involved in the incident deliberately conceals, misrepresents, avoids responsibility, or fails to fulfill reporting obligations, or if the investigation reveals the incident was caused by individual negligence, the safety and health management unit will verify the facts and report them to the HR unit. Disciplinary actions will then be taken in accordance with the Company's "Reward and Discipline Management Guidelines (CR-PS57-00)".

Sanyang Motor Occupational Safety and Health Incident Reporting Procedure

- (1) Upon learning of an incident, it must be immediately reported to the direct supervisor, plant medical personnel, as well as the safety and health management unit, describing the details using the "who, what, when, where, and how" method.
- (2) In the event of a major injury or accident, the department or plant supervisor must promptly escalate the report to the President.
- (3) For major injuries, the safety and health management unit must notify the Northern Region Occupational Safety and Health Center of the Occupational Safety and Health Administration (Ministry of Labor) within eight hours.

6.1 Occupational Safety and Health

Reporting Methods and Approval for Incident Investigations:

Incident Type	Reporting Method	Approval
Near-miss incident	Near-miss Incident Report	Section Manager
Non-disabling injury incident (minor external injuries)	Incident Report	Plant/Department Supervisor
Disabling injury incident	Incident Report	President
Disaster incident	Incident Report	President
Minor injury incident (requiring only antiseptic treatment)	Minor Injury Record Form	On-site Medical Personnel

Notes:

1. Incident investigations must provide a detailed account of the incident and root cause analysis. False statements, fact concealment, off-topic explanations, or responsibility evasion are strictly prohibited.
2. The safety and health management unit will conduct the investigation alongside labor representatives from the corporate union. If necessary, relevant departments may be convened for a joint investigation.

Occupational Safety and Health Risk Assessment

In accordance with the Company's "Occupational Safety and Health Opportunity and Risk Identification Procedures (SP-E03-001)", each department identifies and records potential hazards to personnel and property in their operational activities. These are documented in the Occupational Safety and Health Opportunity and Risk Factor Identification Log, where safety and health risk factors are analyzed to facilitate the implementation of the safety and health management system. The procedure involves identifying opportunities and risks, developing countermeasures, and conducting a thorough review by responsible personnel, field units, as well as the safety and health management unit. The process is validated at each level. Prior to the annual ISO 45001 external audit, the Safety and Health Management Office submits an annual summary report to the President for review and approval, ensuring the quality of the data. The 2023 identification results are provided on the following page.



2023 Sanyang Motor Risk/Opportunity Factor Statistics

Unit	Risk Factors (Cases)	Opportunity Factors (Cases)	Significant Factors (Cases)
Industrial Equipment Factory: Maintenance Section	198	5	0
Industrial Equipment Factory: Mold Technology Section	124	0	0
Industrial Equipment Factory: Mechanical Technology Section	138	0	0
R&D Department: Molding Division	87	0	0
R&D Department: Verification Division	17	0	0
R&D Department: R&D Management Division	129	0	0
Automotive Factory: Four-Wheeler Production Management Section	74	0	0
Automotive Factory: Four-Wheeler Welding Section	76	1	0
Automotive Factory: Four-Wheeler Coating Section	119	0	0
Automotive Factory: Four-Wheeler Assembly Section	19	2	0
Motorcycle Factory: Section One	443	1	0
Motorcycle Factory: Section Two	191	0	0
Motorcycle Factory: Engine Assembly Section	19	4	0
Motorcycle Factory: Body Assembly Section	16	0	0
Motorcycle Factory: Body Processing Section	125	13	0
Motorcycle Factory: Production Management Section	57	0	0
Motorcycle Factory: Equipment Management Section	193	14	0
Motorcycle Factory: Coating Section	52	6	0
Motorcycle Factory: Casting Section	100	0	0

6.1 Occupational Safety and Health

Unit	Risk Factors (Cases)	Opportunity Factors (Cases)	Significant Factors (Cases)
Quality Assurance Department: External Quality Section	23	0	0
Quality Assurance Department: Two-Wheeler Product Inspection Section	12	0	0
Quality Assurance Department: Four-Wheeler Product Inspection Section	17	0	0
Quality Assurance Department	52	5	0
Two-Wheeler Development Department	8	1	0
Parts Business Department: Logistics Management Section	12	7	0
General Affairs Section	23	3	0
EHS (Environment, Health and Safety) Management Section	252	1	1
Total	70	63	1

- Risk Factors: Potential adverse effects (threats), including environmental and occupational health and safety risks, and work-related hazards/impact events or the likelihood of exposure, combined with the severity of harm and health impacts caused by the event or exposure.
- Opportunity Factors: Potential favorable effects (opportunities), including environmental and occupational health and safety opportunities that can lead to improved environmental and occupational health and safety performance under certain conditions or a set of conditions.
- Significant Factors: Occupational health and safety opportunities and risk factors that, after quantification, are assessed to have or potentially have significant safety and health hazards.

Occupational health and safety risks and opportunities fall under residual risks, which cannot be completely eliminated unless processes are entirely removed, thereby eliminating related work activities. However, risks can never be fully eradicated. To minimize risks to an acceptable level, efforts are made to enhance the hazard identification capabilities of on-site (direct) units, enabling them to manage and identify various risks and opportunities, assess and analyze improvement measures, and reduce residual risks to the lowest acceptable level.

In 2023, through identification efforts by various units, several risks not identified or noticed in 2022 were added. These included risks stemming from the addition of auxiliary tools and equipment related to processes, resulting in an increase in the number of risk factors.

- Number of risk factors at Xinfeng Plant: 693 cases (2022: 694 cases)
- Number of risk factors at Hsinchu Plant: 1,901 cases (2022: 1,575 cases)
- Number of opportunity factors at Xinfeng Plant: 5 cases (2022: 0 cases)
- Number of opportunity factors at Hsinchu Plant: 58 cases (2022: 29 cases)
- Number of significant factors: 1 case (2022: 2 cases)

員工協助方案(EAPs)

Employee Assistance Program

在你想得停滯不前時，別忘了EAPs是你的好夥伴。
不受地點限制，只要你拿起手機，我們就能成為你的心靈樹洞。
讓我們陪伴你走過你人生的轉捩點。

諮詢專線

 **0800-666-528**

諮詢時間 | 週一至週六 9:00 - 21:00

諮詢形式

 來電諮詢  一對一/視訊諮詢

諮詢方式

公司全額補助每人每年6次諮詢服務
時間：每次諮詢30分鐘
語言：國語、台語、英語或口語
議題：心理、法律、健康、財務、婚姻管理等

諮商師承諾
您的個人資料僅會用於諮詢評估時使用，此外所有的內容在未獲
您許可決不透露給他人，包含對公司機密會妥善保密，請您放心。



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6.1 Occupational Safety and Health

Occupational Safety and Health Risk Assessment Results

Based on the 2023 risk and opportunity identification results, the following management plan was proposed to address one identified issue:

Management Plan	Objective		
Dedicated Occupational Safety and Health Management	Ensure the Company's occupational safety and health management complies with legal requirements. Establish a dedicated occupational safety and health management unit and personnel.	Situation to be Improved by the Company	<ul style="list-style-type: none"> Occupational safety personnel and environmental protection personnel belong to the same unit, and personnel from the Environmental Protection Section are not designated as dedicated personnel under the Occupational Safety and Health Act. Supervisors (section chiefs and directors) of the EHS Section/Safety and Health Management Office sign off on environmental protection documents, which does not align with the designation of a dedicated unit.
		Implementation Period	May 5, 2023 – June 1, 2023
		Target	Dedicated occupational safety and health management
		Implementation Details	<p>On May 5, 2023, the following steps were undertaken to implement the improvement:</p> <p>Step 1: Review the current operational status of company units.</p> <p>Step 2: Discuss organizational structure and solutions with the supervisor of the EHS Section and management.</p> <p>Step 3: Issue a corrective action notice based on the Occupational Safety and Health Administration's directive.</p> <p>Step 4: Confirm the separation of the "EHS Section" into the "Safety and Health Section" and the "Environmental Protection Section".</p> <p>Step 5: Officially announce organizational changes and enforce them.</p>
		Expected Benefits	Establishing a dedicated occupational safety and health management unit and personnel ensures compliance with the requirements of the Occupational Safety and Health Act. This specialization prevents the risk of work stoppage orders due to non-compliance.
		Improvement Outcomes	Through the execution of this improvement plan, a Safety and Health Management Office and Safety and Health Section were established. The responsibilities were assigned to the head and section chief of the Safety and Health Management Office and the Safety and Health Section, who are now accountable for executing, improving, and promoting occupational safety and health management measures, ensuring compliance with regulatory requirements.

Occupational Health Services

"Employees" are the Company's most valuable asset. Sanyang Motor prioritizes employee health, incorporating regular health examinations as a key initiative. The Company provides routine health check-ups for all employees and special health examinations for personnel engaged in specialized operations. Additionally, employee health status is tracked and managed based on the examination results. Moving forward, the Company will continue to implement various measures to ensure comprehensive employee health management and promotion.

Examination Items	Chest X-RAY	General Health Check	Additional Health Check	Special Health Check
Target Group	Under 40 years of age		40-65 years of age	Specific hazardous work personnel
Frequency Required by "Regulations of the Labor Health Protection"	-	Once every five years	Once every three years	Once a year
Sanyang Motor's Frequency	Once a year	Once every three years	Once a year	Once a year
Comparison with "Regulations of the Labor Health Protection"	-	Exceeds regulatory standards	Exceeds regulatory standards	Meets regulatory standards

Worker Participation, Consultation, and Communication on Occupational Safety and Health

Occupational Safety and Health Committee

To ensure the effective promotion and implementation of occupational safety and health efforts, Sanyang Motor has established an Occupational Safety and Health Committee. The committee comprises the following members: Chairperson (the Chairman of the Board), Executive Secretary, Employer Representatives, Occupational Safety and Health Personnel, and Worker Representatives (12 out of the 35 committee members). The committee convenes quarterly meetings to discuss occupational safety and health regulations, draft related management plans, and review, coordinate, and propose recommendations on safety and health matters. In addition, the Company has established the "Corrective and Preventive Measures for Safety and Health Management Procedures (SP-E05-001)", which guides the implementation of safety and health-related operational standards for employees, aiming to comprehensively prevent occupational hazards. In 2023, there were 140 communication cases, covering topics such as: automatic inspections and safety and health audits, implementation of safety and health education and training, hazards of machinery, equipment, raw materials, and chemicals, along with corresponding measures, safety and health management for contracted work, and occupational incident investigation reports. The composition and responsibilities of the Occupational Safety and Health Committee are summarized in the following table:

Composition and Responsibilities of Sanyang Motor Occupational Safety and Health Committee

Total Number of Committee Members	Total Number of Worker Representatives	Ratio (note)
35	12	34%
Responsibilities		
Occupational safety and health policy review and explanation	Autonomous inspections and occupational safety and health audit matters by the business unit	
Occupational safety and health management plan	Preventive measures for hazards related to machinery, equipment, raw materials, and substances	
Implementation plan for safety and health education and training	Occupational accident investigation report	
Workplace environment monitoring plan results and measures taken	Evaluation of on-site safety and health management performance	
Health management, occupational disease prevention, and health promotion initiatives	Safety and health management of contracted work	
Various safety and health proposals	Other matters related to occupational safety and health management	

Note:

- Ratio = Total Number of Worker Representatives / Total Number of Committee Members
- The scope of decision-making authority includes: Hsinchu Plant, Xinfeng Plant, and the Parts Business Department.

6.1 Occupational Safety and Health

Union Activities

To protect employees' freedom of association and establish a comprehensive two-way communication bridge between labor and management, Sanyang Motor has legally established a corporate union, with 100% participation from full-time employees. A collective agreement has been drafted, with approximately 7% of its provisions relating to health and occupational safety. The agreement is reviewed and renewed every three years to ensure a robust formal communication channel between labor and management. Union offices and dedicated personnel are available on-site, allowing employees to voice their opinions and concerns at any time, fully safeguarding workers' rights. In 2023, Sanyang Motor did not experience any union strikes or incidents involving violations or significant risks to workers' freedom of association or collective bargaining rights.

Disclosure Items	2021	2022	2023
Number of Employees Covered by Collective Agreements at Any Point During the Reporting Period	2,297	2,420	2,469
Total Number of Employees	2,297	2,420	2,469
Percentage of Employees Covered by Collective Agreements (%)	100	100	100

We place great importance on employee rights and regularly hold legally mandated labor-management meetings to openly communicate operational status, listen to employee feedback, and respond promptly to improvements, aiming for a win-win outcome for both parties. Furthermore, Sanyang Motor has established clear guidelines for organizational groups, encouraging employees to form and participate in club activities to promote physical and mental well-being, thereby boosting morale and work performance. Current clubs include the Women's Association, Historical and Cultural Exploration Society, Charity Club, Swimming Club, Basketball Club, Tai Chi Club, Badminton Club, Fitness Club, Baseball and Softball Club, Fishing Club, and Cooking Club, with activity subsidies provided.



Sanyang Motor Corporate Union 18th Session, 3rd Member Representative Meeting

- Date: May 26, 2023
- Location: Sanyang Motor Employee Dormitory Activity Center
- Attendance: Total representatives required: 85; Representatives attending in person: 62; Proxy representatives: 16;
- Observers: 23
- Discussion Items: Proposal to adjust overtime meal allowances and organization of educational training for member representatives



Key Union Activities in 2023

- Union Member Representative Educational Workshop: Held on August 3, 2023, spanning 2 days, with 58 participants in attendance.
- Union and Welfare Committee Leadership Exchange Event: Held on November 30, 2023, spanning 2 days, with 27 participants in attendance.

Occupational Safety and Health Training for Workers

Sanyang Motor has established a comprehensive training system. In 2023, the number of participants and completion rates for occupational safety and health training courses are as follows:

Number of Participants and Completion Rates for Occupational Safety and Health Training				
Training Course	Employees (Participants)	Non-employees (Participants)	Training Hours	Completion Rate
Occupational Safety and Health Training for Mid-level and Senior Supervisors	86	–	3	100%
Risk Assessment Training (6 hours – Occupational Safety; 6 hours – Environmental Protection)	26	–	12	100%
Safety and Health Training for Foremen and Team Leaders	100	–	3	100%
Occupational Safety and Health Training for Long-term On-site Contractors (First Half)	–	17	2	100%
Occupational Safety and Health Management Personnel	18	–	12	100%
Forklift Operator Retraining (6/6, 6/13, 6/16, 6/20, 6/27)	249	–	3	100%
Retraining for Operators of Fixed Cranes Above 3 Tons	114	–	3	100%
General Occupational Safety and Health Training for Safety and Health Section Personnel	58	–	3	100%
Occupational Safety and Health Training for Long-term On-site Contractors (Second Half)	–	19	3	100%
Occupational Safety and Health Training for New Employees	513	–	2	100%
General Hazard Awareness Training	275	–	3	100%

Note: "Employees" refers to all Sanyang Motor employees; "Non-employees" refers to long-term on-site contractors

Prevention and Mitigation of Occupational Safety and Health Impacts Directly Related to Business Relationships

In 2023, Sanyang Motor organized occupational safety and health training for long-term on-site contractors on April 18 and August 28, with each session lasting 3 hours.



Training Objectives

1. Improve the safety and health knowledge of long-term on-site contractors and implement on-site management to prevent contractor-related incidents. Address frequent audits of contractors by external agencies recently by providing training on data preparation and key points to note.
2. Periodically update the basic information of long-term on-site contractors.
3. Agreement on organizational details:
 - (1) Establish an agreement structure and designate workplace managers responsible for directing, supervising, and coordinating tasks.
 - (2) Perform coordination and adjustments of work activities.
 - (3) Conduct workplace inspections.
 - (4) Provide guidance and assistance for safety and health education among related contractors.
 - (5) Implement other necessary measures to prevent occupational accidents.
4. Reporting of work rules and conducting education and training
5. Miscellaneous discussions

6.1 Occupational Safety and Health

Worker Health Promotion

The activities are conducted based on the annual health management plan, in accordance with the Company's "Employee Health Check Management Procedures (CR-SH10-00)" and the policy guidelines of the CNS 45001 Occupational Safety and Health Management System, serving as the basis for health promotion and environmental protection activities.

- EHS (Environment, Health and Safety) Policy: "Comply with regulations, build a safe workplace, prevent occupational injuries and environmental pollution, enhance worker health, and continuously improve the environment"
- Environmental Declaration: "Pollution prevention, energy conservation, resource recycling, and environmental greening"
- Safety and Health Declaration: "Zero accidents, zero injuries, zero occupational diseases"
- Health Declaration: "Balanced diet, regular exercise, smoking cessation and alcohol moderation, and psychological well-being"

Objectives

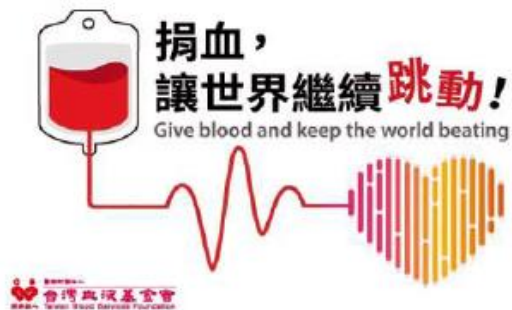
- To enhance employees' physical and mental health and establish a safe workplace through dynamic and static activities, creating a safe, healthy, and sustainable eco-friendly environment.
- Develop a company-friendly health promotion model to advocate for healthy lifestyles and foster self-managed health behaviors. Based on this, formulate comprehensive employee health promotion plans to achieve a safe, healthy, and vibrant workplace.



2023 Health Promotion Activities

2023	
"Relax and Check Blood Pressure, Stay Healthy"	A blood pressure check activity was held with a total of 924 participants. Employees were encouraged to attend and check their blood pressure, with nurses monitoring participants' conditions.
Blood Donation Drive	Organized in collaboration with the Hsinchu Blood Center, this activity encouraged all employees to participate. Donating a bag of blood can save a life, fostering a sense of goodwill and uplifting physical and emotional well-being.
"Walk for Health"	A walking activity was conducted with 179 participants. Employees were encouraged to participate as walking helps enhance brain function, improve memory, and reduce the risk of dementia.
"Step Up for Fun and Fitness!"	Employees were motivated to join an in-plant walking activity using step-counting tools. Participants who accumulated 150,000 steps during the event period were eligible to redeem a small gift. A total of 130 employees participated.
Aromatherapy Candle Workshop	A workshop for making aromatherapy candles was organized, with 75 participants. The activity aimed to promote relaxation and relieve stress through creating scented candles.
On-site Medical Consultation Services	Nurses and doctors scheduled consultation times to monitor employees' health, helping them address workplace environment risks, work adaptation, and job placement issues.
Employee Assistance Programs (EAPs)	Recognizing that a healthy workforce is vital for societal development and economic growth, the government has been promoting Employee Assistance Programs (EAPs) in recent years. Through implementing EAPs and providing professional services, we aim to foster a workplace health culture, enhance employee productivity and stability, and improve overall corporate operational efficiency.

"Donate Blood, Share Love, and Receive Gifts" Blood Donation Drive



"Walk for Health"

腳『勤』健走就是健康！

健走時間

4月25日 16:45-17:10

4月26日 16:45-17:10

4月27日 16:45-17:10

地點：新竹廠、新豐廠

辦法：可任選一天參加

***新竹廠依照路線圖繞廠走1大圈(起點請先簽到，終點站領禮物)

***新豐廠依照路線圖繞廠走4大圈(起點請先簽到，終點站領禮物)

【新豐廠因道路施工，故路線異動，請參閱附件二】

方式：參加者皆可領取小禮物
(每人限領取一份!!)

名單：請詳閱附件一



6.1 Occupational Safety and Health

Lunar New Year Blood Pressure Awareness Event



Occupational Injuries

To address safety and health risks and hazards in all routine and non-routine operations, Sanyang Motor evaluates the potential hazards and severity associated with raw materials, chemicals, machinery, equipment, tools, and workplace characteristics. Preventive measures and controls are implemented to minimize personnel exposure to hazards. The Company has established detailed "Incident Investigation and Handling Procedures" to guide these efforts. If any identified risk falls within the unacceptable range, an accident report must be submitted, which includes an "Occupational Safety and Health Opportunity and Risk Factor Identification Log". Internal measures are then implemented to ensure safe working conditions for personnel.

In 2023, two occupational safety incidents occurred, as detailed below. Additionally, there were 14 commuting-related traffic incidents. In response, the affected units were instructed to enhance traffic safety awareness, and the Safety and Health Management Office issued monthly traffic bulletins to remind employees to prioritize safety. As Sanyang Motor represents a business engaged in the assembly of motorcycles and automobiles, any unit experiencing two or more traffic incidents in a month triggers a Traffic Safety Seminar conducted by the Safety and Health Management Office. These sessions aim to raise safety awareness among employees. Notably, no occupational injuries involving non-employee workers were reported in 2023.

	Injury Incident Descriptions	Follow-Up Actions	Improvement Measures
1	During casting operations, an employee inadvertently placed their hand above the hydraulic cylinder lock screws. When the hydraulic cylinder descended, due to the absence of a mold below, the upper press plate came into direct contact with the lock screws, resulting in injuries to the employee's left index and middle fingers.	The employee was sent to the hospital for stitching and returned home to rest.	Developed an OPL (One Point Lesson) safety briefing to ensure hands are correctly positioned during operations. Installed a supporting loop on the machine to ensure balance and prevent crushing injuries. Added a stop block to limit the downward motion of the upper plate.
2	During the process of cutting buckle caps, an employee's right middle finger's first joint was severed.	The employee received medical treatment and surgery, followed by outpatient follow-ups as advised by the doctor. The affected finger healed well.	Developed an OPL safety briefing. Reinstalled safety devices, including a dual-hand start system.

Note: OPL (One Point Lesson) is a type of on-site training designed to educate workers about specific safety procedures.



6.1 Occupational Safety and Health

Occupational Injury Analysis and Statistics Table

	Male	Female	Total
Number of Occupational Injuries	2	-	2
Total Work Hours	4,669,902	673,496	5,434,398
Disabling Injury Frequency Rate (F.R.)	0.42	-	0.37
Total Days Lost Due to Injuries	175	-	175
Disabling Injury Severity Rate (S.R.)	37	-	32
Number of Severe Occupational Injuries (Excluding Fatalities)	1	-	1
Severe Occupational Injury Rate	0.21	-	0.18
Recordable Occupational Injuries	2	-	2
Recordable Occupational Injury Rate	0.42	-	0.37

1. The occupational injury statistics include all employees and all non-employees whose work and/or workplace is under the organization's control.
2. "Employees" include all personnel at the Hsinchu Plant, Xinfeng Plant, and Parts Business Department under Sanyang Motor. In 2023, there were no fatalities or fatal injury rates among employees.
3. For "non-employees" whose work and/or workplace is under the organization's control, there were no occupational injury incidents in 2023. Therefore, the number and rate of fatalities, severe injuries, and recordable injuries are all zero.
4. Definition of Occupational Injuries: Refers to diseases, injuries, disabilities, or fatalities caused by the workplace's buildings, machinery, equipment, raw materials, chemicals, gases, vapors, dust, activities, or other occupational causes. Occupational injury statistics exclude commuting-related traffic accidents.
5. The primary type of occupational injury in 2023 was clipping and rolling hazards.
6. Disabling Injury Frequency Rate (FR): Calculated as $(\text{Number of Occupational Injuries} / \text{Total Work Hours}) \times 1,000,000$, rounded to two decimal places.
7. Disabling Injury Severity Rate (SR): Calculated as $(\text{Lost Workdays} / \text{Total Work Hours}) \times 1,000,000$, rounded to the nearest whole number.
8. Severe Occupational Injuries: Refers to injuries that result in irreversible damage (e.g., amputation) or that prevent the individual from returning to their pre-injury health condition within six months.
9. Severe Occupational Injury Rate: Calculated as $(\text{Number of Severe Occupational Injuries} / \text{Total Work Hours}) \times 1,000,000$, rounded to two decimal places.
10. Recordable Occupational Injuries: Includes recordable injuries (including commuting traffic accidents as defined by GRI guidelines) such as fatalities and severe injuries.
11. Recordable Occupational Injury Rate: Represents the number of recordable injuries per million work hours, calculated as $(\text{Recordable Occupational Injuries} / \text{Total Work Hours}) \times 1,000,000$, rounded to two decimal places.

Occupational Diseases

During the reporting period, the Company did not record any occupational injuries or diseases resulting in employee fatalities. To effectively reduce the risk of diseases caused by job duties, the Company follows its annual Labor Health Service Plan and complies with the requirements outlined in Article 21 of the Regulations of the Labor Health Protection. Potential occupational hazards (diseases) that employees may encounter are incorporated into evaluation and classification controls, ensuring a healthy and safe working environment for all workers.



Article 21 of the Regulations of the Labor Health Protection

- I. For employees performing tasks involving special health hazards as stipulated in Article 2, employers must establish records of exposure assessments and health management data, and conduct periodic special health examinations as outlined below for graded health management:
 1. Level 1 Management: Results from special health examinations or health follow-up examinations show all items are normal, or some items are abnormal but deemed normal overall by a physician.
 2. Level 2 Management: Results from special health examinations or health follow-up examinations show some or all items are abnormal, but a physician determines the abnormalities are unrelated to the job.
 3. Level 3 Management: Results from special health examinations or health follow-up examinations show some or all items are abnormal, and a physician cannot confirm the abnormality's relationship to work. These cases require further evaluation by an occupational medicine specialist.
 4. Level 4 Management: Results from special health examinations or health follow-up examinations show some or all items are abnormal, and a physician determines the abnormalities are related to the job.
- II. For health management cases classified as Level 2 or higher, physicians must note the tasks unsuitable for the worker and any additional actions or precautions to be taken. For Level 3 or Level 4 cases, physicians must also provide a clinical diagnosis.
- III. Employers must: For Level 2 Management cases, provide individual health guidance to employees. For Level 3 Management cases, arrange health follow-up examinations with an occupational medicine specialist. When necessary, conduct on-site evaluations for suspected work-related illnesses. Based on the evaluation results, reclassify the case and report the classification and measures taken in accordance with procedures announced by the competent authority. For Level 4 Management cases, if an occupational medicine specialist determines that workplace hazard factors still exist, implement hazard control measures and relevant management actions.
- IV. Health follow-up examination records must be maintained in accordance with the provisions of the preceding two articles.

6.2 Employee Benefits and Compensation

Management of Material Topics

Economic, Environmental, and Social Impacts

Sanyang Motor is proud to have a diverse, competitive workforce with numerous experienced and exceptional employees. The Company complies with the Labor Standards Act and government regulations in all labor-management relations. To foster continuous talent development, we uphold the principles of equality and non-discrimination, striving to provide employees with inclusive and diverse opportunities. Our goal is to establish a safe and comfortable work environment to strengthen internal cohesion within the Company.

Policy or Commitment

Sanyang Motor offers comprehensive employee benefits. In addition to labor insurance and health insurance, the Company provides group insurance for employees and their dependents, overseas business travel accident insurance, and regular health check-ups for employees. An Employee Welfare Committee is established to organize activities such as travel, wedding and funeral subsidies, welfare fund distributions, birthday gifts, and club events. The Company also emphasizes employee development and training, implements retirement plans, maintains labor-management agreements to safeguard employee rights, and enforces measures to protect the work environment and employee safety.

Actions Taken to Manage Material Topics and Related Impacts

Sanyang Motor values diversity and workplace inclusiveness. Employee recruitment, salaries, and benefits are not influenced by gender, age, nationality, ethnicity, religion, or position. The Company is dedicated to fostering a diverse workplace and providing equal employment opportunities for job seekers.

Actions Taken to Manage Material Topics and Related Impacts

- Quarterly labor-management meetings
- Monthly meetings for migrant workers
- EAPs (Employee Assistance Programs) – Collaboration with Metamorphosis Counseling Center to offer psychological counseling services

Specific Goals / Management Objectives



Short-term Goals (within 3 years)

1. Cultivate professional talent with international competitiveness.
2. Enable unit supervisors to immediately understand the talent structure of their departments.
3. Systematize manpower demand processes for more real-time workforce inquiries.
4. Achieve 100% recruitment effectiveness
5. Develop corporate culture videos based on the Chairman's attitude, perspectives, and principles to promote a positive workplace health culture.



Medium-term Goals (3-5 years)

1. Establish an international talent pool for timely recommendations of suitable candidates for overseas assignments.
2. Utilize organizational management competency reports to enable supervisors to better develop and deploy talent effectively.
3. Streamline and systematize demand integration to reduce manual checks and improve operational efficiency and data timeliness.
4. Clearly communicate the Company's goals and values, helping employees understand and support the organization, thereby enhancing motivation and loyalty.
5. Achieve work-life balance for employees to foster a sense of ease in both professional and personal lives.



Long-term Goals (beyond 5 years)

Ensure the Company's operational profitability and implement a systematic talent management approach to stabilize the Company's international brand strength and image.

Annual Performance

- Building and Communicating Sanyang Motor's Positive Culture: Sanyang Motor continues to meet societal expectations of contribution while enhancing internal and external trust and support, thereby increasing its international brand value.
- In line with the Company's plan, Sanyang Motor is laying the foundation for the development of globally competitive management personnel.
- Sanyang Motor organized health promotion lectures and courses to demonstrate its care for employees and raise awareness of health. In 2023, activities included highlights from the "Blood Pressure Monitoring Event", "Blood Donation Drive", "Walking for Health", "Step Challenge with Prizes", and the "Aromatherapy Candle Crafting Workshop".

Stakeholder Engagement

Labor-management meetings serve as a channel for employees to participate in company management, aiming to coordinate labor relations, promote collaboration, and preemptively address labor-related issues. Quarterly meetings are held to enhance communication between labor and management. A dedicated section has been established for labor and management to access relevant information.



Talent Sustainability

Employee Care and Labor Protection

Employee Benefits

Sanyang Motor offers a comprehensive welfare package for employees. In addition to labor and health insurance, the Company provides group insurance for employees and their dependents, overseas travel accident insurance, and regular health checkups. The Employee Welfare Committee organizes activities such as travel, wedding/funeral subsidies, welfare funds, birthday gifts, and social club activities. The Company also emphasizes employee training and development, establishes retirement systems, labor-management agreements, and ensures the protection of employee rights, workplace conditions, and personal safety.

Company Allowances/Benefits

Celebratory and Condolence Subsidies	Compensation Subsidies	Transportation Subsidies
<ul style="list-style-type: none">• Marriage: NT\$6,000• Funeral: NT\$4,000• Childbirth: NT\$2,000	<ul style="list-style-type: none">• General Death: Minimum NT\$500,000• Work-Related Death: NT\$1,000,000–NT\$2,000,000• Work-Related Disability: NT\$100,000–NT\$1,000,000	<ul style="list-style-type: none">• Fuel allowance for employees at level 8 and above• Private car usage subsidy for official purposes
Hospitalization Support	Other Support	
<ul style="list-style-type: none">• Injury consolation payments: NT\$6,000–15,000• Partial disability: NT\$50,000	<ul style="list-style-type: none">• Telephone allowance: NT\$500–1,200• Emergency Assistance: Support for dependents in employment and education group insurance program• Health checkups, commemorative gold coins for long-serving employees	

6.2 Employee Benefits and Compensation

Employee Welfare Committee

Congratulatory and Condolence Allowances	Holiday Gifts	Travel Subsidies
<ul style="list-style-type: none"> • Marriage: NT\$1,600 • Funeral: NT\$2,100 • Childbirth: NT\$600 • Birthday Gift: NT\$1,000 gift voucher or equivalent item 	<ul style="list-style-type: none"> • Lunar New Year, Dragon Boat Festival, Mid-Autumn Festival: NT\$1,000 each • Double Ninth Festival: NT\$600–1,000 	<ul style="list-style-type: none"> • Domestic Travel: NT\$2,000–3,500/year • International Travel: NT\$10,000 every 4 years
Other Benefits		
<ul style="list-style-type: none"> • Military Service Allowance: NT\$300 • Employee Car Purchase: 9% discount for full payment or interest-free installment plans • Scholarships: NT\$500–2,700 • Hospitalization Allowance: NT\$1,500 	<ul style="list-style-type: none"> • Emergency Relief Loans • Club Activity Subsidies: NT\$30,000/year • Annual Large-Scale Activity Subsidies 	

Labor Union

Congratulatory and Condolence Allowances	Holiday Gifts	Hospitalization and Emergency Assistance
<ul style="list-style-type: none"> • Marriage: NT\$1,200 • Funeral: NT\$1,700 • Childbirth: NT\$600 	<ul style="list-style-type: none"> • Labor Day Gift: NT\$300 	<ul style="list-style-type: none"> • Hospitalization Allowance (Over Three Days): NT\$1,000 • Emergency Relief: Mutual Aid Fund

Women's Association (Available for Female Employees)

Congratulatory and Condolence Allowances	Hospitalization and Emergency Assistance
<ul style="list-style-type: none"> • Marriage: NT\$500 • Funeral: NT\$500 • Childbirth: NT\$500 	<ul style="list-style-type: none"> • Hospitalization Allowance (Over Three Days): NT\$1,000 • Emergency Relief: Mutual Aid Fund

Retirement Benefits

In 2023, Sanyang Motor had 40 employees retire. To ensure a stable life for employees after retirement, the Company has designed a comprehensive retirement system in accordance with legal regulations, including contributions and payouts for formal employees' retirement pensions. As a gesture of gratitude for their lifetime contributions to the Company, retirees are presented with retirement souvenirs. Moreover, a Labor Retirement Reserve Fund Supervisory Committee has been established to oversee the management of retirement funds and the implementation of retirement plans.

In accordance with the provisions of the Labor Standards Act, the old pension system allocates 10% of each eligible employee's monthly salary with old pension years of service to the retirement reserve account held at Bank of Taiwan. The amount in the retirement reserve fund for the old pension system for 2023 was approximately NT\$390 million.

Each year, actuaries are engaged to prepare actuarial reports to ensure sufficient contributions and protect employees' rights. In 2023, the present value of defined benefit obligations was NT\$899,153, and the fair value of plan assets was NT\$379,703.

After the implementation of the new pension system, the Company contributes 6% of each employee's salary monthly into their personal pension accounts in accordance with the Labor Pension Act based on their pension levels. In addition to the Company's fixed contributions, employees can voluntarily contribute up to an additional 6% into their pension accounts to enjoy tax benefits.

Minimum Notice Period for Operational Changes

Sanyang Motor complies with the Labor Standards Act, which requires employers to notify employees in advance when layoffs are planned. The notice period depends on the employee's length of service but must be at least one week. For significant operational changes that affect employee rights, along with related countermeasures, communication will be conducted through the enterprise union or at quarterly labor-management meetings. Implementation will proceed only after confirmation, and announcements or notifications to employees will be made in advance as required by relevant laws and regulations.

Parental Leave Benefits

In accordance with the Act of Gender Equality in Employment, the Regulations for Implementing Unpaid Parental Leave for Raising Children, and Sanyang's own unpaid leave policies, employees who have worked for at least six months are eligible to apply for unpaid parental leave if they have child-rearing needs. This leave is available until each child reaches the age of three and cannot exceed two years.

Disclosure Items	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Number of employees eligible to apply for parental leave (A)	2	4	4	4	5	11
Number of employees who applied for parental leave (B)	2	4	4	4	5	11
Application Rate (B/A) (%)	100	100	100	100	100	100
Number of employees expected to return from parental leave during the year (C)	1	1	2	2	4	5
Number of employees who returned to work during the year (D)	2	2	2	3	3	7
Reinstatement Rate (D/C) (%) (Note)	200	200	100	150	75	140
Number of employees who returned to work the previous year (E)	0	3	2	2	2	3
Number of employees who stayed for at least one year after Reinstatement (F)	0	3	2	2	2	3
Retention Rate (F/E) (%)	0	100	100	100	100	100

Note: A reinstatement rate exceeding 100% indicates employees who returned to work earlier than expected.

6.2 Employee Benefits and Compensation

Career Development and Training

Sanyang Motor values the career development of every employee, encouraging them to improve themselves while implementing various management training systems. The Company actively offers talent competency development and advanced learning courses for employees. To establish a solid talent development mechanism and ensure the quality of talent cultivation, Sanyang Motor inspires employees to enhance their professional knowledge, skills, and positive work attitudes, aiming for the effective utilization of human resources. In addition to setting up a dedicated training center, Sanyang Motor has also established a dedicated training unit. This unit focuses on aligning with the Company's business policies and strategies by researching and developing training activities, promoting innovation-related projects, planning and executing company-wide training systems, coordinating overall training operations, and assisting departments in advancing their professional training efforts.

In 2023, the Human Resources Department focused on executing the "Key Talent Development Program", which aligns with the Company's organizational strategy. Since 2019, the Company has conducted comprehensive talent performance evaluations and career development reviews to identify critical organizational positions and high-potential talents. Based on these findings, relevant training and development programs have been planned and implemented. The company continues to drive the Key Talent Development Program and gradually builds a network of future talent needs across all organizational levels, serving as a vital foundation for the Company's sustainable operations. The development program primarily targets the Company's R&D and mid-level key talents, aiming to enhance the quality and capacity of R&D personnel and to cultivate an innovative and high-performing R&D team. Furthermore, the program focuses on developing mid-level talents, who play a critical role in linking upper and lower levels of the organization. By continuously optimizing mid-level management and cultivating succession plans, the Company seeks to improve operational efficiency and accelerate the development of future organizational talent. In 2023, aside from fixed-term contract employees and those who joined or returned to work for less than three months, 100% of other employees completed the performance evaluation.



Employee Performance Evaluation Results

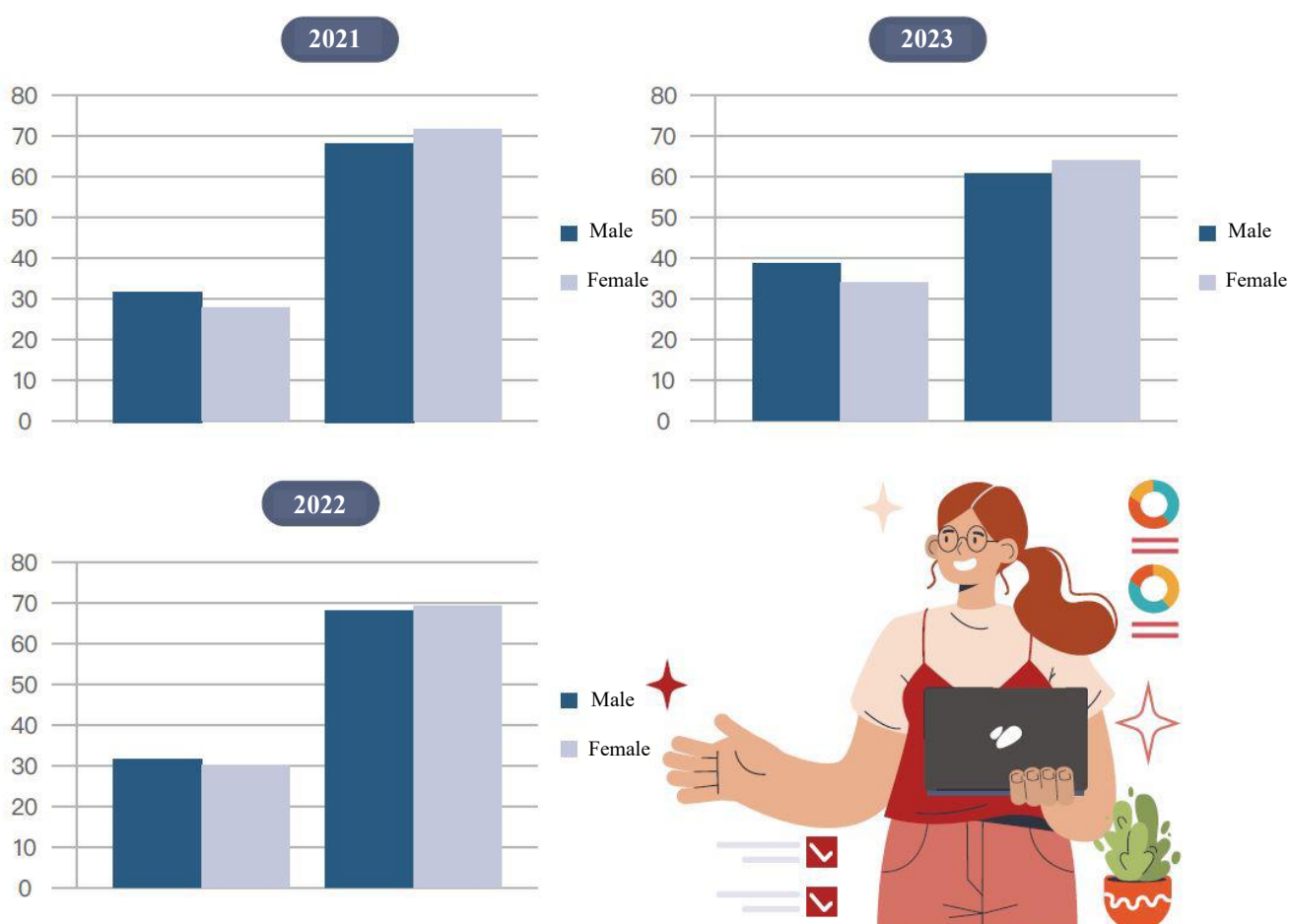
Gender	Evaluation Grade	2021		2022		2023	
		Number of people	Percentage (%)	Number of people	Percentage (%)	Number of people	Percentage (%)
Female	A	67	29.00	87	30.10	105	35.71
	B	164	71.00	202	69.90	189	64.29
	Total	231	100.00	289	100.00	294	100.00

Note: The statistics exclude fixed-term contract employees and employees who have joined or returned to work for less than three months.

Gender	Evaluation Grade	2021		2022		2023	
		Number of people	Percentage (%)	Number of people	Percentage (%)	Number of people	Percentage (%)
Male	A	468	30.97	631	31.52	817	38.83
	B	1,043	69.03	1,371	68.48	1,287	61.17
	Total	1,511	100.00	2,002	100.00	2,104	100.00

Note: The statistics exclude fixed-term contract employees and employees who have joined or returned to work for less than three months.

Gender Differences in Regular Performance and Career Development Reviews



6.2 Employee Benefits and Compensation

Training Hours by Category

Sanyang Motor has established a comprehensive training system. The training hours for each category in 2023 are as follows:

Training Program Category	Description	Training Hours (Man-Hours)
OJT Training	On-the-job training for engineering positions.	967.8 H
New Employee Training (including new supervisors and pre-assignment training)	Courses to help new employees understand company structure, relevant policies, corporate culture, and the roles of new supervisors.	4,646.7 H
Professional Skills Training	Courses to enhance employees' professional knowledge and skills.	1,700 H
Safety and Health Training	Courses to strengthen awareness of environmental safety, health hazard prevention, and regulatory compliance.	2,271 H
Management Skills Training	Courses to enhance the capabilities of managerial staff.	1,986 H
Specialized Talent Training	Talent identification and training projects for high-potential employees in research and mid-level positions (grades 8-10) to address weaknesses: 1. Key Research Talent Development Program 2. Mid-Level Key Talent Development Program	2,043.5 H

Average Annual Training Hours per Employee

	2021			2022			2023		
	Male	Female	Overall	Male	Female	Overall	Male	Female	Overall
Average Training Hours by Job Type									
Management	5.14	8.52	6.96	4.98	7.13	6.06	6.69	6.89	6.93
Non-Management	6.85	10.59	8.72	6.09	11.00	8.54	6.14	6.80	6.47
Average Training Hours by Employee Category									
Regular Employees	6.05	9.47	7.76	6.26	10.39	8.32	5.84	6.84	6.34
Temporary Workers - Foreign Migrant Workers	4.74	0	4.74	3.85	0	3.85	3.95	0	3.95
Temporary Workers - Dispatched Employees	0	0	0	2.98	0	2.98	2.95	0	2.95
Temporary Workers - Contract Workers	2.86	9	2.93	1.40	2.00	4.85	2.75	2.17	2.46
Temporary Workers - Technical Interns	4.29	0	4.29	4.21	0	4.21	4.96	0	4.96

Notes:

1. Overall average training hours = Total training hours / Total number of employees.
2. Temporary workers primarily consist of foreign migrant workers, technical interns, and contract employees. Dispatched employees are legally employed by labor dispatch companies and are not included in specific training plans.



Education and Training Photos

2023

Environmental, Social and Governance Sustainability Report



07 Social Inclusion

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Donation of "Giraffe" Intensive Care Infant Incubators to Safeguard the Growth of Premature Babies

Sanyang Motor has long been dedicated to the welfare and health of children, believing that "life is priceless, and children are the hope of society". Recognizing the need for comprehensive care for premature babies or those born with congenital conditions, the Company, in collaboration with the Chin-Tsu Charity Association, donated two intensive care infant incubators (Giraffe Incubators) to Hsinchu MacKay Memorial Hospital. This initiative aims to provide optimal medical care for premature or critically ill infants, reduce the risk of complications, and ensure the safe and healthy growth of newborns.



Enhancing Convenience and Safety for Children's Medical Visits

When children visit the emergency room or are hospitalized, they are often in discomfort. Wheelchairs are an essential tool to provide comfort and convenience, ensuring a better medical experience for them. Sanyang Motor Co., Ltd., the Chin-Tsu Charity Association, and the Taiwan District of Kiwanis International jointly donated 36 children's wheelchairs to Hsinchu MacKay Memorial Hospital. This initiative aims to enhance the convenience and safety of children's medical visits. The donation was received by Dr. Shun-Long Weng, the hospital director, who expressed gratitude and presented a certificate of appreciation.



Sanyang Motor Donates Two Ambulances to Nantou, Enhancing Emergency Medical Services in Rural Areas

Demonstrating the spirit of "finding joy in helping and serving others", Sanyang Motor donated two ambulances and accompanying medical equipment to the Nantou County Government on March 24, 2023. Nantou County Magistrate Shu-Hua Hsu received the donation on behalf of the county and presented a certificate of appreciation in return. The two ambulances were assigned to the health centers in Caotun Township and Puli Township to provide convenient medical services to residents in remote areas, significantly improving the quality of emergency medical care.

In line with the Company's philosophy of "taken from society, giving back to society" the donated ambulances were modified from Hyundai Staria flagship commercial vehicles, distributed by Sanyang Motor's subsidiary Nanyang Industries Co., Ltd. Equipped with state-of-the-art emergency rescue equipment, these ambulances aim to enhance frontline emergency medical response capabilities.



Spreading Warmth with Love and Care



- ▲ Sanyang Motor, together with the Chin-Tsu Charity Association, organized a winter warming initiative this year. They prepared essential daily supplies, including rice, cooking oil, soy sauce, vermicelli, canned mackerel, canned gluten, and socks, which were distributed to residents in Qionglin Township.



- ▲ Sanyang Motor also donated items such as white rice, vermicelli, tissues, and nursing pads to the Renrui and Xianle Senior Care Centers.

Giving Back to Society



- ▲ Sanyang Motor donated scholarships and school supplies in 2023 to encourage underprivileged students to strive for academic excellence and grow without the burden of financial pressure. A total of 39 students from 13 schools benefited, with a total donation amount of NT\$225,875.



- ▲ Sanyang Motor has long served as an advisory board member for the Hsinchu County Xinfeng Volunteer Fire Brigade, Shanchi Volunteer Fire Brigade, and Xingong Volunteer Fire Brigade. The Company makes annual contributions, including advisor fees, and sponsors funding for fire rescue awareness activities.



Giving Back to Society

1. Participated in the Hsinchu Environmental Protection Bureau's "World Ocean Day" Beach Cleanup Activity

- Date: June 3, 2023
- Location: Xinfeng Township Mangrove Ecological Area
- Participants: 52 people



2. Sanyang Motor's "Beach Cleanup - Cleaning for a New Life" Activity

- Date: September 19, 2023
- Location: Potou Fishing Port, Xinfeng Township
- Participants: 34 people



3. Participated in the Hsinchu Environmental Protection Bureau's Beach Cleanup Activity

- Date: October 21, 2023
- Location: Xinfeng Coastal Line
- Participants: 23 people





Blood Donation Activities

1. Theme: "Donate Blood, Keep the World Beating"

- Date: February 23, 2023
- Activity Details: Collaborated with the Taiwan Blood Services Foundation to support donation
- Results: Number of donors: 97; Bags of blood donated: 157



2. Theme: "Donate Blood, Share Love, and Receive Gifts"

- Date: October 17, 2023
- Activity Details: Partnered with the Hsinchu Industrial Park, offering gift bags as incentives; donate one bag of blood to receive one gift bag and donate two bags of blood to receive two gift bags
- Results: Number of donors: 130; Bags of blood donated: 210



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GRI Content Index

Statement of Use	Sanyang Motor has reported in accordance with GRI Standards for the period 2023/01/01 to 2023/12/31
Version of GRI Standards Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Not applicable

GRI 2: General Disclosure 2021		
The organization and its reporting practices		
Item of Disclosure	Corresponding Sections in the Report	Page Number
2-1 Organizational details	1.2 Business Overview	11
2-2 Entities included in the organization's sustainability reporting	About this Report	5
2-3 Reporting period, frequency and contact point	About this Report	5
2-4 Restatements of information	About this Report	5
2-5 External assurance	About this Report	5
Activities and workers		
Item of Disclosure	Corresponding Sections in the Report	Page Number
2-6 Activities, value chain and other business relationships	1.4 Major Products and Sales Regions	13
2-7 Employees	6.1 Occupational Safety and Health	129
2-8 Workers who are not employees	6.1 Occupational Safety and Health	129
Governance		
Item of Disclosure	Corresponding Sections in the Report	Page Number
2-9 Governance structure and composition	3.1 Corporate Governance / Integrity Management	53
2-10 Nomination and selection of the highest governance body	3.1 Corporate Governance / Integrity Management	53
2-11 Chair of the highest governance body	3.1 Corporate Governance / Integrity Management	53
2-12 Role of the highest governance body in overseeing the management of impacts	3.1 Corporate Governance / Integrity Management	53
2-13 Delegation of responsibility for managing impacts	3.1 Corporate Governance / Integrity Management	53
2-14 Role of the highest governance body in sustainability reporting	3.1 Corporate Governance / Integrity Management	53
2-15 Conflicts of interest	3.1 Corporate Governance / Integrity Management	53

Governance		
Item of Disclosure	Corresponding Sections in the Report	Page Number
2-16 Communication of critical concerns	3.1 Corporate Governance / Integrity Management	53
2-17 Collective knowledge of the highest governance body	3.1 Corporate Governance / Integrity Management	53
2-18 Evaluation of the performance of the highest governance body	3.1 Corporate Governance / Integrity Management	53
2-19 Remuneration policies	3.1 Corporate Governance / Integrity Management	53
2-20 Process to determine remuneration	3.1 Corporate Governance / Integrity Management	53
2-21 Annual total compensation ratio	Unable to disclose due to the Company's compensation confidentiality restrictions	
2-22 Statement on sustainable development strategy	1.1 A Message from the Chairman	7
Strategy, policies and practices		
Item of Disclosure	Corresponding Sections in the Report	Page Number
2-23 Policy commitments	2.1 Responding to the United Nations Sustainable Development Goals	35
	3.1 Corporate Governance / Integrity Management	53
2-24 Embedding policy commitments	1.7 ESG Promotion Committee	29
	2.2 Advocacy and Promotion of Responsible Business Conduct	39
2-25 Processes to remediate negative impacts	3.1 Corporate Governance / Integrity Management	53
	3.2 Operational Strategy and Economic Performance	67
	3.3 Information Security	75
	4.1 Quality and Technology R&D	79
	4.2 Customer Service Management	86
	5.1 Energy and Greenhouse Gas Management	93
	5.2 Management of Hazardous Substances	111
	6.1 Occupational Safety and Health	129
	6.2 Employee Benefits and Compensation	153
2-26 Mechanisms for seeking advice and raising concerns	2.3 Mechanism for Seeking Advice and Raising Concerns	40
2-27 Compliance with laws and regulations	3.1 Corporate Governance / Integrity Management	53
2-28 Membership associations	1.8 Membership in Associations	31
Stakeholder engagement		
Item of Disclosure	Corresponding Sections in the Report	Page Number
2-29 Approach to stakeholder engagement	2.5 Stakeholders Communication and Engagement	46
2-30 Collective bargaining agreements	6.1 Occupational Safety and Health	129

GRI 3: Material Topics 2021

Item of Disclosure	Corresponding Sections in the Report	Page Number
3-1 Process to determine material topics	2.4 Materiality Analysis	41
3-2 List of material topics	2.4 Materiality Analysis	41

Disclosure of Material Topics**Corporate Governance / Integrity Management**

Item of Disclosure	Corresponding Sections in the Report	Page Number
3-3 Management of material topics	3.1 Corporate Governance / Integrity Management	53
204-1 Proportion of spending on local suppliers	1.6 Supplier Overview	25
205-1 Operations assessed for risks related to corruption	3.1 Corporate Governance / Integrity Management	53
205-2 Communication and training about anti-corruption policies and procedures	3.1 Corporate Governance / Integrity Management	53
205-3 Confirmed incidents of corruption and actions taken	3.1 Corporate Governance / Integrity Management	53
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.1 Corporate Governance / Integrity Management	53
308-1 New suppliers that were screened using environmental criteria	1.6 Supplier Overview	25
308-2 Negative environmental impacts in the supply chain and actions taken	1.6 Supplier Overview	25
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	1.6 Supplier Overview	25

Operational Strategy and Economic Performance

Item of Disclosure	Corresponding Sections in the Report	Page Number
3-3 Management of material topics	3.2 Operational Strategy and Economic Performance	67
201-1 Direct economic value generated and distributed	3.2 Operational Strategy and Economic Performance	67
201-4 Financial assistance received from government	3.2 Operational Strategy and Economic Performance	67
207-1 Approach to tax	3.2 Operational Strategy and Economic Performance	67
207-2 Tax governance, control, and risk management	3.2 Operational Strategy and Economic Performance	67
207-3 Stakeholder engagement and management of concerns related to tax	3.2 Operational Strategy and Economic Performance	67
415-1 Political contributions	3.2 Operational Strategy and Economic Performance	67

Information Security		
Item of Disclosure	Corresponding Sections in the Report	Page Number
3-3 Management of material topics	3.3 Information Security	75
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.3 Information Security	75

Quality and Technology R&D		
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3-3 Management of material topics	4.1 Quality and Technology R&D	79
301-1 Materials used by weight or volume	4.1 Quality and Technology R&D	79
301-2 Recycled input materials used	4.1 Quality and Technology R&D	79
416-1 Assessment of the health and safety impacts of product and service categories	4.2 Customer Service Management	86
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	4.2 Customer Service Management	86
417-1 Requirements for product and service information and labelling	4.2 Customer Service Management	86
417-2 Incidents of non-compliance concerning product and service information and labeling	4.2 Customer Service Management	86
417-3 Incidents of non-compliance concerning marketing communications	4.2 Customer Service Management	86

Customer Service Management		
Item of Disclosure	Corresponding Sections in the Report	Page Number
3-3 Management of material topics	4.2 Customer Service Management	86
416-1 Assessment of the health and safety impacts of product and service categories	4.2 Customer Service Management	86
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	4.2 Customer Service Management	86
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.3 Information Security	75

Energy and Greenhouse Gas Management		
Item of Disclosure	Corresponding Sections in the Report	Page Number
3-3 Management of material topics	5.1 Energy and Greenhouse Gas Management	93
302-1 Energy consumption within the organization	5.1 Energy and Greenhouse Gas Management	93
302-2 Energy consumption outside of the organization	5.1 Energy and Greenhouse Gas Management	93
302-3 Energy intensity	5.1 Energy and Greenhouse Gas Management	93
302-4 Reduction of energy consumption	5.1 Energy and Greenhouse Gas Management	93
305-1 Direct (Scope 1) GHG emissions	5.1 Energy and Greenhouse Gas Management	93
305-2 Energy indirect (Scope 2) GHG emissions	5.1 Energy and Greenhouse Gas Management	93
305-3 Other indirect (Scope 3) GHG emissions	5.1 Energy and Greenhouse Gas Management	93
305-4 GHG emissions intensity	5.1 Energy and Greenhouse Gas Management	93
305-5 Reduction of GHG emissions	5.1 Energy and Greenhouse Gas Management	93
305-6 Emissions of ozone-depleting substances (ODS)	5.1 Energy and Greenhouse Gas Management	93
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	5.1 Energy and Greenhouse Gas Management	93

Hazardous Substance Management		
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3-3 Management of material topics	5.2 Management of Hazardous Substances	111
303-1 Interactions with water as a shared resource	5.2 Management of Hazardous Substances	111
303-2 Management of water discharge-related impacts	5.2 Management of Hazardous Substances	111
303-3 Water withdrawal	5.2 Management of Hazardous Substances	111
303-4 Water discharge	5.2 Management of Hazardous Substances	111
303-5 Water consumption	5.2 Management of Hazardous Substances	111
306-1 Waste generation and significant waste-related impacts	5.2 Management of Hazardous Substances	111
306-2 Management of significant waste-related impacts	5.2 Management of Hazardous Substances	111
306-3 Waste generated	5.2 Management of Hazardous Substances	111
306-4 Waste diverted from disposal	5.2 Management of Hazardous Substances	111
306-5 Waste directed to disposal	5.2 Management of Hazardous Substances	111

Occupational Safety and Health		
Item of Disclosure	Corresponding Sections in the Report	Page Number
3-3 Management of material topics	6.1 Occupational Safety and Health	129
403-1 Occupational health and safety management system	6.1 Occupational Safety and Health	129
403-2 Hazard identification, risk assessment, and incident investigation	6.1 Occupational Safety and Health	129
403-3 Occupational health services	6.1 Occupational Safety and Health	129
403-4 Worker participation, consultation, and communication on occupational health and safety	6.1 Occupational Safety and Health	129
403-5 Worker training on occupational health and safety	6.1 Occupational Safety and Health	129
403-6 Promotion of worker health	6.1 Occupational Safety and Health	129
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.1 Occupational Safety and Health	129
403-8 Workers covered by an occupational health and safety management system	6.1 Occupational Safety and Health	129
403-9 Work-related injuries	6.1 Occupational Safety and Health	129
403-10 Work-related ill health	6.1 Occupational Safety and Health	129

Employee Welfare and Compensation		
Item of Disclosure	Corresponding Sections in the Report	Page Number
3-3 Management of material topics	6.2 Employee Benefits and Compensation	153
201-3 Defined benefit plan obligations and other retirement plans	6.2 Employee Benefits and Compensation	153
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	6.1 Occupational Safety and Health	129
202-2 Proportion of senior management hired from the local community	6.1 Occupational Safety and Health	129
401-1 New employee hires and employee turnover	6.1 Occupational Safety and Health	129
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.2 Employee Benefits and Compensation	153
401-3 Parental leave	6.2 Employee Benefits and Compensation	153
402-1 Minimum notice periods regarding operational changes	6.2 Employee Benefits and Compensation	153
404-1 Average hours of training per year per employee	6.2 Employee Benefits and Compensation	153
404-2 Programs for upgrading employee skills and transition assistance programs	6.2 Employee Benefits and Compensation	153
404-3 Percentage of employees receiving regular performance and career development reviews	6.2 Employee Benefits and Compensation	153
405-1 Diversity of governance bodies and employees	6.1 Occupational Safety and Health	129
405-2 Ratio of basic salary and remuneration of women to men	6.2 Employee Benefits and Compensation	153
406-1 Incidents of discrimination and corrective actions taken	6.2 Employee Benefits and Compensation	153
407-1 Operations and suppliers in which the freedom of association and collective bargaining may be at risk	1.6 Supplier Overview	25

SASB 準則索引

Sanyang Motor selected applicable metrics for disclosure from the Sustainability Accounting Standards Board (SASB) Materiality Map, which includes 11 sectors and 77 industries.

- Sector: Transportation
- Industry Standard: Automobiles

Topic of Disclosure	Product Safety		
Metric Code	Accounting Metric	Corresponding Sections in the Report	Page Number
TR-AU-250a.1	Percentage of vehicle models rated by NCAP programs with an overall 5-star safety rating, by region	1.4 Major Products and Sales Regions	13
TR-AU-250a.2	Number of safety-related defect complaints, percentage investigated	4.2 Customer Service Management	86
TR-AU-250a.3	Number of vehicles recalled	4.2 Customer Service Management	86

Topic of Disclosure	Labor Practices		
Metric Code	Accounting Metric	Corresponding Sections in the Report	Page Number
TR-AU-310a.1	Percentage of active workforce covered under collective bargaining agreements	6.1 Occupational Safety and Health	129
TR-AU-310a.2	(1) Number of work stoppages and (2) total days idle	6.1 Occupational Safety and Health	129

Topic of Disclosure	Fuel Economy & Use-phase Emissions		
Metric Code	Accounting Metric	Corresponding Sections in the Report	Page Number
TR-AU-410a.1	Sales-weighted average passenger fleet fuel economy, by region	4.1 Quality and Technology R&D	79
TR-AU-410a.2	(1) zero emission vehicles (ZEV), (2) hybrid vehicles, (3) plug-in hybrid vehicles sold	4.1 Quality and Technology R&D	79
TR-AU-410a.3	Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities	4.1 Quality and Technology R&D	79

Topic of Disclosure	Materials Sourcing		
Metric Code	Accounting Metric	Corresponding Sections in the Report	Page Number
TR-AU-440a.1	Description of the management of risks associated with the use of critical materials	5.2 Management of Hazardous Substances	111
		1.6 Supplier Overview	25

Topic of Disclosure	Materials Efficiency & Recycling		
Metric Code	Accounting Metric	Corresponding Sections in the Report	Page Number
TR-AU-410b.1	Total amount of waste from manufacturing, percentage recycled	5.2 Management of Hazardous Substances	111
TR-AU-410b.2	Weight of end-of-life material recovered, percentage recycled	5.2 Management of Hazardous Substances	111
TR-AU-410b.3	Average recyclability of vehicles sold	5.2 Management of Hazardous Substances	111

Activity Metrics

Activity Metrics	Metric Code	Unit of Measure
1.Number of vehicles manufactured	TR-AU-000.A	Number
2.Number of vehicles manufactured	TR-AU-000.B	Number

TR-AU-000.A Number of vehicles manufactured

	2021	2022	2023
Gasoline Motorcycles	258,970	277,111	349,448
Gasoline Cars	12,070	13,179	19,226
Electric Motorcycles	625	625	679
Hybrid Cars	-	-	1,782

TR-AU-000.B Number of vehicles manufactured

	2021	2022	2023
Gasoline Motorcycles	259,204	275,760	349,869
Gasoline Cars	12,848	14,379	19,746
Electric Motorcycles	624	621	642
Electric Cars	94	375	775
Hybrid Cars	407	665	1,837

TCFD Content Index

Four Areas of TCFD	TCFD recommendations	Corresponding Sections in the Report	Page Number
Governance	Describe the board's oversight of climate-related risks and opportunities.	5.1 Energy and Greenhouse Gas Management	93
	Describe management's role in assessing and managing climate-related risks and opportunities.		
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	5.1 Energy and Greenhouse Gas Management	93
	Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.		
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	5.1 Energy and Greenhouse Gas Management	93
	Describe the organization's processes for managing climate-related risks.		
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.		
Metrics and Targets	Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	5.1 Energy and Greenhouse Gas Management	93
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.		
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.		

Appendix 2: Climate-related Information Disclosure

Item		Corresponding Section in the Report	Page Number
1	Describe the supervision and governance of climate-related risks and opportunities by the board of directors and management.	5.1 Energy and Greenhouse Gas Management	93
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the company in the short, medium, and long term.	5.1 Energy and Greenhouse Gas Management	93
3	Describe the impact of extreme weather events and transition actions on finances.	5.1 Energy and Greenhouse Gas Management	93
4	Describe how to integrate the process of identifying, assessing, and managing climate risks into the overall risk management system.	5.1 Energy and Greenhouse Gas Management	93
5	If using scenario analysis to assess resilience to climate change risks, it should explain the scenario, parameters, assumptions, analysis factors, and major financial impacts used.	No scenario analysis currently in use	-
6	If there is a transformation plan to address climate-related risks, please explain the content of the plan, as well as the indicators and goals used to identify and manage physical risks and transition risks.	5.1 Energy and Greenhouse Gas Management	93
7	If using internal carbon pricing as a planning tool, the basis for price determination should be explained.	No internal carbon pricing tools implemented	-
8	If climate-related goals are set, the activities, scope of greenhouse gas emissions, planning schedule, and annual progress towards achieving the goals should be explained. If carbon offsetting or renewable energy certificates (RECs) are used to achieve the goals, the source and quantity of carbon offsetting or the quantity of RECs should be specified.	5.1 Energy and Greenhouse Gas Management	93
9	Greenhouse gas inventory and assurance status, reduction targets, strategies, and specific action plans (see 1-1 and 1-2 for details)	Please refer to the following explanation	—

1-1 Greenhouse Gas Inventory and Assurance Status of the Company in the Past Two Years

1-1-1 Greenhouse gas inventory information

State the greenhouse gas emissions (in metric tons of CO₂e), intensity (metric tons of CO₂e per million NTD), and data coverage for the past two years.

For more details, please refer to the "Environmentally Friendly" chapter in this Report—5.1 Energy and Greenhouse Gas Management / Greenhouse Gas Emission Intensity.

1-1-2 Greenhouse gas assurance information

State the greenhouse gas assurance for the past two years, including assurance scope, assurance body, assurance standards, and assurance opinion.

2022-2023 Greenhouse Gas Assurance

1. Assurance Scope: Hsinchu Plant, Xinfeng Plant, Parts Business Department, dormitories
2. Assurance Body: DNV (DNV Business Assurance Co., Ltd.)
3. Assurance Standards: ISO-14064-1:2018 Greenhouse Gas Inventory Standards
4. Assurance Opinion: Reasonable assurance level

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

State the base year and data for greenhouse gas reduction, reduction targets, strategies, specific action plans, and the status of achieving reduction targets

For more details, please refer to the "Environmentally Friendly" chapter in this Report—5.1 Energy and Greenhouse Gas Management / Greenhouse Gas Emission Reduction.



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會計師有限確信報告

三陽工業股份有限公司 公鑒：

本會計師接受三陽工業股份有限公司（以下簡稱「三陽工業」）之委託，對三陽工業民國一一二年度（2023年度）永續報告書（以下簡稱「報告書」）中所揭露之特定績效指標（以下簡稱「確信標」的資訊），執行有限確信程序並出具報告。

確信標的資訊與適用基準

三陽工業依據全球永續性標準理事會（Global Sustainability Standards Board，「GSSB」）發布之全球永續性報告協會準則（Global Reporting Initiative Standards，「GRI Standards」）所揭露之碳足跡的資訊及其適用基準詳列於附件一。

管理階層之責任

三陽工業應設定具永續績效和報導目標，包括辨識利害關係人及重大性議題，並依前述選用基準編製及允當表達民國一一二年度（2023年度）報告書內所涵蓋之確信標的資訊，且應建立及維持與報告書編製有關之必要內部控制，以確保報告書所報導之確信標的資訊未存有導因於舞弊或錯誤之重大不實表達。

會計師之責任

本會計師係依據財團法人會計研究發展基金會所發布之審計準則3009號「非屬歷史性財務資料查核或核閱之確信案件」規劃並執行工作，以對第二段所述之確信標的資訊是否存在重大不實表達出具有限確信報告。另，本會計師執行有限確信程序，對與有限確信相關之內部控制取得必要之瞭解，以設計當時情況下適當之有限確信程序，惟其目的並非對三陽工業民國一二年（二零一三年）永續報告書之相關內部控制設計及執行之有效性提供任何保证。

獨立性及品質管理規範

本會計師及所轄屬會計師事務所已遵會會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及專業上應有之注意、保密及專業行為。此外，本會計師所轄屬會計師事務所遵品質管理準則，維持完備之品質管理制度，包含取得職業道德規範、專業原則及所適用法令相關之書面政策及程序。

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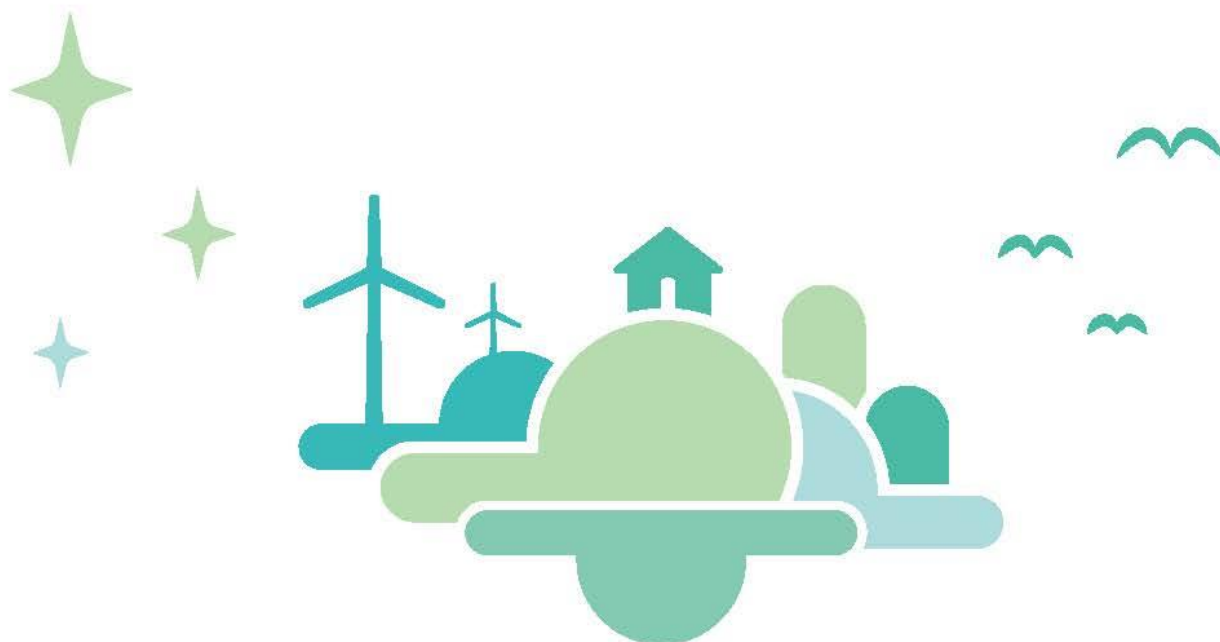
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三陽工業

SANYANG MOTOR



2023

ESG
永續報告書

Environmental, Social and Governance
Sustainability Report

Independent Auditors' Limited Assurance Report

To Sanyang Motor Co., Ltd.:

The undersigned practitioner was engaged by Sanyang Motor Co., Ltd. ("Sanyang Motor") to undertake limited assurance procedures with respect to the 2023 Sustainability Report of Sanyang Motor ("the Report") and issue a report on the specific performance indicators disclosed therein ("the Subject Matter Information").

Subject Matter Information and Applicable Criteria

The Subject Matter Information and its applicable criteria have been disclosed by Sanyang Motor in accordance with the Global Reporting Initiative Standards (GRI Standards) issued by the Global Sustainability Standards Board (GSSB) and are detailed in Appendix 1.

Management's Responsibilities

Sanyang Motor is responsible for establishing its sustainability performance and reporting objectives—which include stakeholder identification and material topics—and for preparing and fairly presenting the Subject Matter Information within the Report in accordance with the aforementioned applicable criteria. Management is also responsible for establishing and maintaining the internal controls necessary for preparation of the Report to ensure that the Subject Matter Information is free of material misstatements, whether due to fraud or error.

Practitioner's Responsibilities

We planned and conducted our engagement in accordance with the provisions of Taiwan Standard on Assurance Engagement (TWSAE) 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, published by the Accounting Research and Development Foundation, and issued a limited assurance report detailing whether the Subject Matter Information as set out in the second paragraph contains material misstatements. Additionally, during the limited assurance engagement, we gained an essential understanding of the internal controls relevant to the limited assurance process, which allowed us to design appropriate limited assurance procedures based on current circumstances. However, these procedures were not intended to provide assurance on the design or operational effectiveness of the internal controls related to the Report.

Independence and Quality Management Standards

The certified public accountant and their affiliated accounting firm have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China. The fundamental principles of the Norm include integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. Furthermore, the affiliated accounting firm adheres to quality management standards and maintains a comprehensive quality management system, which includes written policies and procedures that ensure compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Summary of Procedures Performed

We performed limited assurance procedures on the Subject Matter Information as set out in the second paragraph. The main procedures performed included:

- Obtaining a copy of the Report to examine its content.
- Conducting interviews with Sanyang Motor's management and relevant employees to understand the processes and information systems used for collecting and generating the Subject Matter Information.
- Performing analytical procedures on specific information disclosed in the Report based on the understanding gained through the preceding tasks, or when necessary, examining and cross-checking relevant documents to obtain sufficient and appropriate evidence for limited assurance.

The aforementioned assurance procedures were performed based on our professional judgment and involved identifying areas where the Subject Matter Information might contain material errors or misstatements, assessing the potential associated risks, designing sufficient and appropriate assurance procedures, and evaluating the presentation of the Subject Matter Information. We believe these assurance procedures provide a reasonable basis for the conclusions expressed in this assurance report. Nevertheless, the nature, timing, and extent of the procedures used for a limited assurance engagement are less comprehensive than those of a reasonable assurance engagement; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than that of a reasonable assurance engagement.

Inherent Limitations

The Report includes non-financial information, the substance of which may involve significant judgments, assumptions, and explanations made by the management of Sanyang Motor. Different stakeholders may have different interpretations of this information.

Conclusion

On the basis of the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information as set out in the second paragraph requires major revisions to align with the applicable criteria.

Other Matters

We shall not be responsible for reconducting assurance work due to changes made by Sanyang Motor to the Subject Matter Information or the applicable criteria after the issuance of this assurance report.

KPMG

Certified Public Accountant: Geraltine Huang

Address: 68F., No. 7, Sec. 5, Xinyi Road,
Taipei City 110615, Taiwan (R.O.C.)

July 4, 2024

Appendix 1: Summary of Subject Matter Information

No.	Corresponding Section in the Report	Subject Matter Information	Applicable Criteria																																																																																																					
1	05 Environmentally Friendly	<ul style="list-style-type: none">Nitrogen oxides (NOx): 16,958 kgSulfur oxides (SOx): 15,196 kgPersistent organic pollutants (POP): 0 kgVolatile organic compounds (VOC): 421,585 kgHazardous air pollutants (HAP): 103,414 kgParticulate matter (PM): 2,883 kg	GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions																																																																																																					
2	05 Environmentally Friendly	<ul style="list-style-type: none">General industrial waste (Category D): 1,423.42 metric tonsRecyclable or reusable waste required by regulations and recycled waste (Category R): 9,645.29 metric tonsTotal weight of waste: 11,068.71 metric tons	GRI 306-3 Waste generated																																																																																																					
3	06 Human- Centered	<ul style="list-style-type: none">Governance Units <table border="1"><tr><th colspan="7">Distribution of Sanyang Motor's Governance Bodies in 2023</th></tr><tr><th colspan="2">Gender</th><th colspan="3">Male</th><th colspan="2">Female</th></tr><tr><th colspan="2">Age</th><th>Under 30</th><th>30–50</th><th>Over 50</th><th>Under 30</th><th>30–50</th><th>Over 50</th></tr><tr><td colspan="2">Board of Directors (Number of Members)</td><td>-</td><td>2</td><td>8</td><td>-</td><td>-</td><td>1</td></tr><tr><td colspan="2">Proportion of Board Members (%)</td><td>-</td><td>18%</td><td>73%</td><td>-</td><td>-</td><td>9%</td></tr></table>Employees <table border="1"><tr><th colspan="7">Sanyang Motor – Taiwan Headquarters</th></tr><tr><th colspan="2" rowspan="2">Employee Category</th><th colspan="2">Management Level</th><th colspan="2">Non-Management Level</th><th>Proportion of Total</th></tr><tr><th>Male</th><th>Female</th><th>Male</th><th>Female</th><th>Employees (%)</th></tr><tr><td rowspan="4">Age</td><td>Under 30</td><td>5</td><td>1</td><td>458</td><td>49</td><td>20.8%</td></tr><tr><td>30–50</td><td>109</td><td>18</td><td>789</td><td>136</td><td>42.6%</td></tr><tr><td>Over 50</td><td>127</td><td>7</td><td>668</td><td>102</td><td>36.6%</td></tr><tr><td>Proportion of Total Employees</td><td>9.8%</td><td>1.0%</td><td>77.6%</td><td>11.6%</td><td>100.0%</td></tr><tr><td rowspan="3">Diversity</td><td>Indigenous Peoples</td><td>1</td><td>0</td><td>17</td><td>6</td><td>1.0%</td></tr><tr><td>Persons with Disabilities</td><td>4</td><td>0</td><td>19</td><td>3</td><td>1.0%</td></tr><tr><td>Proportion of Total Employees</td><td>0.2%</td><td>0.0%</td><td>1.5%</td><td>0.3%</td><td>2.0%</td></tr></table>	Distribution of Sanyang Motor's Governance Bodies in 2023							Gender		Male			Female		Age		Under 30	30–50	Over 50	Under 30	30–50	Over 50	Board of Directors (Number of Members)		-	2	8	-	-	1	Proportion of Board Members (%)		-	18%	73%	-	-	9%	Sanyang Motor – Taiwan Headquarters							Employee Category		Management Level		Non-Management Level		Proportion of Total	Male	Female	Male	Female	Employees (%)	Age	Under 30	5	1	458	49	20.8%	30–50	109	18	789	136	42.6%	Over 50	127	7	668	102	36.6%	Proportion of Total Employees	9.8%	1.0%	77.6%	11.6%	100.0%	Diversity	Indigenous Peoples	1	0	17	6	1.0%	Persons with Disabilities	4	0	19	3	1.0%	Proportion of Total Employees	0.2%	0.0%	1.5%	0.3%	2.0%	GRI 405-1 Diversity of governance bodies and employees
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4	06 Human-Centered	<ul style="list-style-type: none"> In 2023, two occupational safety incidents occurred, which are detailed below. <p>Additionally, 14 commuting incidents occurred in 2023; the affected units will receive training to reinforce their understanding of traffic safety, and the Occupational Safety and Health Management Office will regularly issue monthly traffic safety reminders to encourage employees to exercise caution. Moreover, to enhance the Company's identity as a representative of the automobile and motorcycle assembly industry, if a unit experiences two traffic accidents within one month, instructors from the Occupational Safety and Health Management Office will be dispatched to the affected unit to conduct a traffic safety seminar to raise safety awareness. No occupational injuries involving non-employee workers occurred in 2023.</p> <p>* Occupational Safety Incident #1</p> <p>- Description of injury: A casting department employee accidentally placed his hand on top of the hydraulic cylinder securing screws. When the hydraulic cylinder descended, due to the absence of a mold underneath, the upper pressing plate made direct contact with the hydraulic cylinder securing screws, pinching the employee's left index and middle fingers.</p> <p>- Follow-up action: The employee was sent to the hospital for sutures and later returned home to recover.</p> <p>- Improvement measures: Created OPL safety training to ensure correct hand placement during operations. Added a support ring to the machine to maintain balance and prevent crushing injuries. Installed a stop block to halt the upper plate at a specific point.</p> <p>* Occupational Safety Incident #2</p> <p>- Description of injury: A casting department employee lost the first joint of his right middle finger during a nut retainer cutting operation.</p> <p>- Follow-up action: The employee was sent to the hospital for treatment and surgery. Follow-up care was provided through outpatient treatment as per medical advice, resulting in good recovery of the affected limb.</p> <p>- Created OPL safety training and reinstalled safety devices requiring two-hand activation.</p> <p>Note: OPL stands for One Point Lesson, a form of on-site training and education.</p> <ul style="list-style-type: none"> Occupational Injury Analysis and Statistics for 2023 <table border="1"> <thead> <tr> <th></th><th>Male</th><th>Female</th><th>Total</th></tr> </thead> <tbody> <tr> <td>Number of occupational incidents</td><td>2</td><td>-</td><td>2</td></tr> <tr> <td>Total working hours</td><td>4,669,902</td><td>673,496</td><td>5,343,398</td></tr> <tr> <td>Disability injury frequency rate (F.R.)</td><td>0.42</td><td>-</td><td>0.37</td></tr> <tr> <td>Total days lost due to injury</td><td>175</td><td>-</td><td>175</td></tr> <tr> <td>Disability injury severity rate (S.R.)</td><td>37</td><td>-</td><td>32</td></tr> <tr> <td>Number of severe occupational injuries (excluding fatalities)</td><td>1</td><td>-</td><td>1</td></tr> <tr> <td>Severe occupational injury rate</td><td>0.21</td><td>-</td><td>0.18</td></tr> <tr> <td>Number of recordable occupational injuries</td><td>2</td><td>-</td><td>2</td></tr> <tr> <td>Recordable occupational injury rate</td><td>0.42</td><td>-</td><td>0.37</td></tr> </tbody> </table> <p>Note:</p> <ol style="list-style-type: none"> The scope of occupational injury statistics includes all employees and non-employees whose work and/or workplaces are controlled by the organization. The scope of "employees" covers workers at the Hsinchu plant, Xinfeng plant, and Parts Business Department, all of whom are employees of Sanyang Motor. In 2023, the number of fatalities resulting from employees' occupational injuries was zero, and the fatality rate was zero. 		Male	Female	Total	Number of occupational incidents	2	-	2	Total working hours	4,669,902	673,496	5,343,398	Disability injury frequency rate (F.R.)	0.42	-	0.37	Total days lost due to injury	175	-	175	Disability injury severity rate (S.R.)	37	-	32	Number of severe occupational injuries (excluding fatalities)	1	-	1	Severe occupational injury rate	0.21	-	0.18	Number of recordable occupational injuries	2	-	2	Recordable occupational injury rate	0.42	-	0.37	GRI 403-9 Work-related injuries
	Male	Female	Total																																								
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No.	Corresponding Section in the Report	Subject Matter Information	Applicable Criteria
		<p>3. In 2023, no occupational injury incidents occurred among “non-employees” whose work and/or workplaces are controlled by the organization. Therefore, the number of fatalities caused by occupational injuries, the number of severe occupational injuries, and the number of recordable occupational injuries were all zero, as were the rates thereof.</p> <p>4. Number of occupational incidents: Refers to cases of worker illness, injury, disability, or death caused by buildings, machinery, equipment, raw materials, substances, chemicals, gases, vapors, dust, operational activities, or other occupational causes at the workplace. This number excludes commuting incidents.</p> <p>5. The primary type of occupational injury in 2023 was crushing injuries.</p> <p>6. Disabling Injury Frequency Rate (FR): $(\text{Number of occupational incidents} / \text{Total working hours}) \times 1,000,000$, rounded to two decimal places (third decimal is discarded).</p> <p>7. Disabling Injury Severity Rate (SR): $(\text{Lost workdays} / \text{Total working hours}) \times 1,000,000$, rounded to the nearest integer (discarding decimals).</p> <p>8. Number of severe occupational injuries: Refers to injuries from which workers cannot recover (e.g., amputations) or injuries that prevent the worker from returning to pre-injury health within 6 months.</p> <p>9. Severe Occupational Injury Rate: $(\text{Number of severe occupational injuries} / \text{Total working hours}) \times 1,000,000$, rounded to two decimal places (third decimal is discarded).</p> <p>10. Number of recordable occupational injuries: Includes recordable occupational injuries (including commuting incidents as defined by GRI standards) and encompasses fatalities and severe occupational injuries.</p> <p>11. Recordable Occupational Injury Rate: The number of recordable occupational injuries (including commuting incidents as defined by GRI standards) per one million working hours. Formula: $(\text{Number of recordable occupational injuries} / \text{Total working hours}) \times 1,000,000$, rounded to two decimal places (third decimal is discarded).</p>	
5	03 Steady Operation	<p>● Information Security</p> <p>Through proper implementation of information security protection measures, Sanyang Motor prevents incidents caused by cyberattacks, natural disasters, machinery failures, and other factors. Sanyang Motor is committed to protecting the information security and confidentiality of customers and partners. The Company has established a Personal Data Protection Committee and an Information Security Management Committee to oversee the formulation and implementation of information security-related regulations. Since 2021, the Company has implemented the ISO 27001 Information Security Management System.</p> <p>In December 2021, Sanyang Motor obtained ISO 27001 certification from BSI, covering the development, operation, and maintenance of the SMILE and ERP core business application information systems, as well as network management, data center management, and related support activities. The certificate is valid until January 2025, with annual audits conducted by external inspection agencies. Through the implementation of the ISO 27001 Information Security Management System, the Company continuously reviews and improves its information security systems, thereby reducing risks to acceptable levels while protecting the confidentiality, integrity, and availability of information. In 2023, no information security incidents occurred, and there were no confirmed complaints regarding breaches of customer privacy or loss of customer data.</p>	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data