



PROXENE TOOLS CO., LTD.

SUSTAINABILITY REPORT 2024



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Table of Contents

	page
Top management team's words	3
Chairman's Message - Sustainable Development Strategy	3
About This Report.....	5
1. Practice sustainable management	7
1.1 Responsibilities and identification of stakeholders	7
1.2 Discussion /communication channels for issues of concern to stakeholders	9
1.3 Identification and generation process of major issues.....	14
1.4 Implementing the United Nations Sustainable Development Goals.....	20
2. Corporate governance and honest management.....	22
2.1 Company Profile.....	22
2.2 Corporate Governance	26
2.3 Integrity management and ethical standards, business philosophy and corporate culture.....	33
2.4 Compliance and Taxation	36
2.5 Internal control mechanism and management system verification.....	38
2.6 Information Security	40
2.7 Risk Management.....	42
3. Operational performance and customer service.....	52
3.1 Operational performance and challenges	53
3.2 Customer management and service	57
4. Product innovation and quality	59
4.1 Product development and innovation.....	59
4.2 Patented R&D Results	63
4.3 Product quality management.....	67
4.4 Future innovation and R&D strategy.....	69
4.5 Product Life Cycle and Environmental Impact and Product Quality and Safety (SASB)	70
5. Sustainable supply chain management	72
5.1 Supply chain management policies and objectives and its industry chain	72
5.2 Supplier Management and Local Procurement	73

5.3	Suppliers implement social responsibility	74
5.4	Ethical Sourcing	75
6.	Sustainable environment	77
6.1	Climate related information	77
6.2	Environmental Policy and Commitment.....	82
6.3	Energy saving, carbon reduction and energy management.....	83
6.4	Greenhouse Gas Management	84
6.5	Water management.....	85
6.6	Waste Management.....	87
6.7	Air Pollution Prevention	92
7.	Friendly workplace and social prosperity	93
7.1	Talent Policy and Commitment.....	95
7.2	Human Resources Structure.....	97
7.3	Talent cultivation and development.....	99
7.4	Salary and Benefits	100
7.5	Protecting human rights and labor-management communication	106
7.6	Occupational Safety and Health.....	109
7.7	Social prosperity.....	121
Appendix 1.	ESG Performance	126
Appendix 2.	GRI Standards Comparison Table	128
Appendix 3.	SASB Index Table.....	139
Appendix 4.	TCFD Index Table	141
Appendix 5.	Excerpt from Sinosteel 2023 Sustainability Report - Commitment to Use Conflict-Free Minerals	142

Top management team's words

Chairman's Message - Sustainable Development Strategy

Reflecting on the Past, Advancing Toward Sustainable Development

Proxene Tools Co., Ltd. was founded in 1984 with a commitment to excellence in craftsmanship. Specializing in the production of adjustable wrenches—often referred to as the "king of hand tools"—the company has consistently pursued superior technology and innovation.

In recent years, Proxene has navigated challenges such as extreme climate changes, geopolitical tensions, and inflation, all of which have introduced uncertainties in the global industrial landscape. These shifts have tested the resilience and adaptability of businesses worldwide.

In response, Proxene has steadfastly adhered to its core values of **Excellence, Innovation, Value, and Sustainability**. These principles are deeply integrated into every facet of the company's operations.

Proxene is constantly working hard in areas such as energy conservation and carbon reduction, resource recycling, improving employee benefits, and supporting social welfare. We look forward to continuing to work together with all colleagues, customers, suppliers, and partners to create more diverse value for the environment, society, and humanity, and build a more harmonious future.

Looking Ahead: Committing to Sustainable Responsibility

The path to sustainable development is long and filled with challenges. Proxene actively responds to the United Nations Sustainable Development Goals (SDGs) and references the Global Reporting Initiative (GRI) guidelines to set and achieve our objectives, in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB).

Looking forward, we will further invest in areas such as environmental protection, social responsibility, and corporate governance to comprehensively enhance our corporate competitiveness. We believe that only by



Chairperson: Chao Hsiu-yueh

integrating sustainable development into the long-term strategy of the enterprise can we create greater economic, social, and environmental value.

Proxene will continue to uphold the corporate culture spirit of "Integrity, Benefit Others, Team, and Innovation," collaborating with all partners to contribute to the achievement of global sustainable development goals.

Gratitude and Aspirations

At this moment, I would like to express my heartfelt gratitude to all our employees for their hard work and dedication, and to our shareholders and partners for their trust and support.

Proxene is committed to continuously enhancing our international competitiveness, fostering a more cohesive and growth-oriented corporate culture, and setting an example for sustainable development within the industry chain. We aim to promote the spirit of "shared success and mutual prosperity" throughout our supply chain. Our goal is to create both spiritual and material fulfillment for all stakeholders—including employees, customers, and shareholders—achieving sustainable corporate development and contributing to the global community.

P (Proxene) for Promise, We promise IBTI

Integrity (I)	• Upholding Professional Ethics and Operating with Honesty to Promote MIT Quality Worldwide
Benefit Others (B)	• Fostering Mutual Success and Value Creation
Team (T)	• [People-Oriented] By respecting diversity and encouraging inclusive dialogue and collaboration, we enhance value together and strive toward our shared business goals.
Innovation (I)	• Driven by continuous learning and bold breakthroughs, we focus on the future and strive for excellence — with over 300 patent applications filed so far.

About This Report

The 2024 Sustainability Report (hereinafter referred to as the "Report") is the first "Sustainability Report" issued by Proxene Tools Co., Ltd. (hereinafter referred to as Proxene or the Company). It discloses Proxene's achievements and future plans in 2024 in the economic, environmental, social, and corporate governance aspects. Through a materiality assessment process, this report identifies major topics applicable to Proxene, creating the greatest synergy for all stakeholders and implementing corporate sustainable development.

Principles and Guidelines

This report is compiled in accordance with the 2021 edition of the GRI Standards published by the Global Reporting Initiative (GRI) as the primary disclosure framework. Furthermore, to fully disclose relevant and reliable sustainability-related information, it also references internationally accepted standards such as the TCFD and SASB, and aligns with the United Nations Sustainable Development Goals (SDGs) to meet the disclosure needs of diverse stakeholders. The relevant international standards are as follows:

- ◆ GRI Standards 2021: Common and theme criteria for sustainability reporting.
- ◆ TCFD: Financial Disclosures Related to Climate Change.
- ◆ SASB: Sustainability Accounting Standards Board standards (Appliance Manufacturing).
- ◆ SDGs : United Nations Sustainable Development Goals.
- ◆ Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies (Revised on December, 2022)
- ◆ Preparation and Filing of Sustainability Reports by OTC Companies (Revised on January, 2024)

Reporting period, boundaries and data

The scope of this report covers:

- ◆ Headquarters: No. 9-2, Lane 893, Zhongshan Road, Beizhuang Village, Shengang District, Taichung City
- ◆ Factory 2: No. 35, Lane 28, Lane 360, Zhongshan Road, Shengang District, Taichung City

The financial information in this report has been audited by a certified public accountant. The coverage is consistent with the individual financial statements certified by a certified public accountant. The discrepancy with the consolidated financial statements is due to the fact that this report does not currently disclose information about domestic and overseas subsidiaries. To enhance comparability and completeness of this information, and considering that some historical information may not have been fully collected and compiled, this report is compiled based on the disclosure of two years of data.

Report Management

This report is compiled with input from various responsible departments within Proxene. Each department reviews the accuracy of each chapter, and after review by the Sustainability and Nomination Committee, the company reports annual sustainability performance to the Board of Directors. The Chinese version of this report will be published on the company's official website and public information platform.

·Reporting period and publication frequency

Proxene regularly publishes a perpetual report every year. The information disclosed in this report is the management and performance of various major topics from January 1, 2024 to December 31, 2024. The reporting period and frequency are consistent with the annual financial report.

- ◆ First issue: 2024 ESG Sustainability Report, to be issued in August 2025
- ◆ Next issue: 2025 ESG Sustainability Report, scheduled to be issued in August 2026

·Changes in reporting

This report is issued for the first time and there is no need to recompile it.

·Ensure the accuracy of public information

Given that ESG-related information disclosed by companies will have a significant impact on stakeholders, Proxene attaches importance to every detail of the report to ensure the rationality, accuracy and completeness of the disclosed information, comply with the provisions of the disclosure principles and guidelines, and respect the right of stakeholders to know.

◆ Internal confirmation:

1. Unless otherwise specified, all currency units in this report are in New Taiwan Dollars (financial data are described in thousands of New Taiwan Dollars), and numerical values are rounded to the second decimal place.
2. information disclosed in this report has been documented, confirmed and verified by the heads of relevant departments, and reviewed by the top management.

◆ External Confirmation and Verification :

1. Financial data: Individual financial report for the year 2024 certified by **PricewaterhouseCoopers** .
2. ESG Sustainability Report: No external verification has been conducted yet. In the future, the company will plan for third-party verification depending on the circumstances.

·Contact

If you have any suggestions on this report or the Company's sustainable development, you are sincerely welcome to contact us.

Contact : Head of Corporate Governance

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Tel: +886-4-25627786

E-mail: sp@proxene.com.tw

Official website: <https://www.proxene.com.tw/>

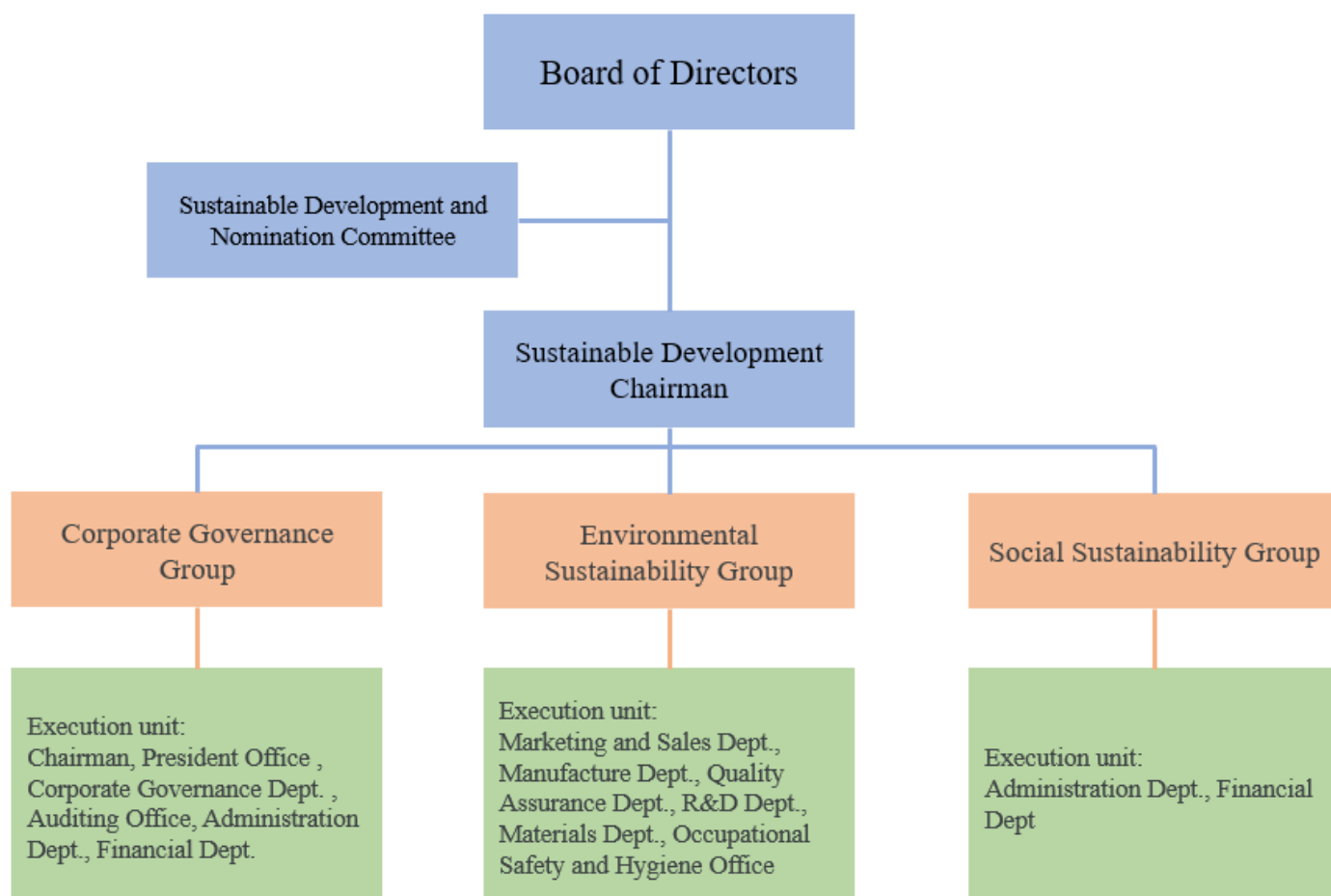
1. Practice sustainable management

1.1 Responsibilities and identification of stakeholders

1.1.1 Sustainable Development Committee

Proxene stipulates in Article 9 of the Sustainable Development Code of Practice that in order to improve the management of sustainable development, it is advisable to establish a governance structure to promote sustainable development. In December 2022, the Sustainable Development Committee was established, and in March 2023, the position of Corporate Governance Director was added. The Corporate Governance Director serves as the general convener of the Sustainable Development Working Group, bringing together senior cadres from various units to be responsible for the proposal and implementation of sustainable development policies, systems or related management guidelines and specific promotion plans. If necessary, a task preparation team will be established to implement and promote sustainable development and related matters of the company's sustainable management. In addition, in March 2024, a Sustainable Development and Nomination Committee was established under the Board of Directors. The business report of the Sustainable Development Working Group is regularly reported to the Board of Directors by the Corporate Governance Director. For more information, please refer to the Corporate Sustainability Zone of the official website .

Proxene Annual Sustainable Development and Nomination Committee Organization Chart



Main Responsibilities:

1. Promote sustainable information management decisions of the board of directors or functional committees related to sustainable development.
2. Formulate sustainable information management operating standards and management policies for major sustainable issues, including the operating procedures for compiling sustainable information and indicators.
3. Integrate corporate risk assessment and conduct relevant risk management operations on sustainable development issues.
4. Assist and supervise the implementation of internal control of each sustainable information management responsible unit.
5. Coordinate the interaction and communication among the responsible units for sustainable information management.
6. Regularly evaluate reliance on third-party sustainability information.
7. Plan and organize sustainable information management related training to enhance corporate sustainable information management awareness and culture.
8. Plan and implement annual identification of major sustainable development issues.
9. Evaluate whether to adopt or apply the sustainability reporting framework or standards, including implementing impact assessments and progress, including promoting the introduction of IFRS sustainability disclosure standards, and reporting the timeline and progress to the Board of Directors and the Sustainability and Nomination Committee or other functional committees.

1.1.2 Stakeholder Identification

Based on six key screening criteria—responsibility, influence, proximity, dependence, representativeness, and policy and strategic intent—Proxene identified six stakeholders during its Sustainability and Nomination Committee meetings. These stakeholders include investors (shareholders), suppliers, government agencies, employees, customers, and community members.

Through various communication channels, we listen to stakeholders' voices, gather their concerns about the company, and address and respond to their expectations.



1.2 Discussion /communication channels for issues of concern to stakeholders

1.2.1 Stakeholder Negotiation

Stakeholders	What it means to Proxene	Focus on major issues	Communication Channels	Frequency of communication	2024 Communication/ Negotiation	Responsible unit
Shareholder/ Investors	Shareholders and investors are important capital for the company's operation and development. We will enhance the transparency of the company's operation in order to gain the trust and long-term support of shareholders and investors .	Economic performance Occupational Safety and Health	Public Information Observatory	Regular/ Irregular	1. Revenue announcement on the 10th of each month (12 times) 2. Quarterly financial report announcement (4 times) 3. 28 important information announcements 4. The shareholders' meeting was held on 2024/6/21 5. Hold a legal briefing once	Spokesman / Finance Dept. / Corporate Governance Dept.
			Financial Information	Regularly (monthly/quarterly)		
			Shareholders' meeting/shareholders' meeting annual report	At least once per year		
			Legal Seminar	At least once per year		
			Company website - Investor area	Regularly (monthly/quarterly)		
			Spokesperson contact window and mailbox	Immediate		
			Stock agency and internal contact window	Immediate		
Suppliers/ partners	Suppliers are important partners and good communication channels for the company to practice sustainable development , and abide by the sustainable development	Economic performance Occupational Safety and Health	Supplier Evaluation	End of each year	1. Supplier evaluation, scoring at the end of each year based on cooperation, quality, delivery delay , etc. 2. When abnormal situations occur in daily life, communicate	Administration Dept.
			Communication with key suppliers (Depending on transaction status)	Irregular		

Stakeholders	What it means to Proxene	Focus on major issues	Communication Channels	Frequency of communication	2024 Communication/ Negotiation	Responsible unit
	, provide better quality products to customers and achieve sustainable growth goals				and improve them immediately by phone, LINE or MAIL	
			On-site inspection of waste removal companies	Irregular	Confirm that the removal companies have obtained relevant handling licenses and contracts	Administration Dept. / Manufacture Dept.
Government agencies	Comply with relevant laws and regulations formulated by the competent authorities and maintain good communication channels to fulfill the responsibility of corporate sustainable development.	Waste Management and Recycling	Government agency seminars and workshops	Irregular	1. Incorporate into ISO regulatory identification system 2. Related information and correspondence are compiled and listed Establish a real-time tracking system by email A K-CARS	Auditing Office / Finance Dept / Corporate Governance Dept.
			Establish a system to identify changes in regulations	Immediate		
			Cooperate with official documents and government orders	Immediate		
			Online Application	Regularly (monthly/quarterly)		
			Corporate Governance Assessment	Each Year		
			Cooperate with competent authorities in inspections	Irregular		
Staff	Employees are the most important key to a company's stable growth. We	Occupational Safety and Health	Labor-Management Meeting	Quarterly	1.Hold labor-management and occupational safety committee	Management Dept
			Work safety meeting	Quarterly		
			Department Meeting	Irregular		
			announcement	Irregular		

Stakeholders	What it means to Proxene	Focus on major issues	Communication Channels	Frequency of communication	2024 Communication/ Negotiation	Responsible unit
	provide an employee - friendly and diverse workplace environment, respond to issues that employees care about, and jointly enhance the company's sustainable competitiveness.		Internal staff communication electronic platform (internal website)	Immediate	meetings , 4 times each	
			Employee feedback channel (Phone/Email)	Immediate	2. Received 0 employee feedback	
			Employee Benefits (Year-end party and department dinner)	Regular	3. Employee health check-up , 100% inspection rate	
			On-site health services	At least once per year	4. Annual fixed amount of employee travel allowance allowance will be issued every six months	
Customer /Buyer	Customers are the main source of the company's operating income. Continuous communication with customers, understanding their needs and satisfying them are the foundation of the company's sustainable development.	Occupational Safety and Health	Marketing Customer Service Hotline	Immediate	1. Participated in 7 related marketing exhibitions at home and abroad	Marketing and Sales Dept.
			Company website mailbox and business contact mailbox chiao@proxene.com.tw	Immediate	2. The client entrusts a third-party notary public to conduct an on-site audit once	
			Customer satisfaction survey	At least once per year	3. The annual customer satisfaction survey was completed on 2024/4/30.	
			Customer Interview	At least once per year		
			Participate in relevant marketing exhibitions at home and abroad	Irregular		
Community Neighborhood	The community is a supporting force for the company's stable	Occupational Safety and Health	Participate in/sponsor community events	Irregular	1. Donations to communities and public welfare	Administration Dept.
			Charity	Irregular		

Stakeholders	What it means to Proxene	Focus on major issues	Communication Channels	Frequency of communication	2024 Communication/ Negotiation	Responsible unit
	operation and one of the sources of employees. We actively and continuously participate in public welfare activities of the community and non-profit organizations in order to achieve common prosperity and well-being of the society .		Company official website mailbox	Immediate	associations totaling 26 2. Sponsor the charity performance of the mixed-disability variety show group 3. Helping disadvantaged families in Taichung City 4. Install solar power generation equipment on the factory roof, which has generated 690,000 kWh of electricity as of 2024/12/31 .	

1.2.2 Stakeholder Communication and Complaint Channels

Proxene has set up a stakeholder area on the company's official website and a physical mailbox to understand the needs of stakeholders and their expectations of the company through various means and communication channels.

Communication Channels	- In addition to maintaining interactions with stakeholders in various forms in daily business, we also set up relevant contact windows on Proxene's official website. - Stakeholder contact window Frank Wu - Executive Vice President E-mail: sp@proxene.com.tw Tel: 04-25627786 Fax: 04-25628308 - For other information, please visit Proxene's official website https://www.proxene.com.tw
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Complaints Mechanism	● Report illegal and unethical behavior: Tel: 04-25627786, Audit Supervisor E-mail: sp@proxene.com.tw Address: No. 9-2 , Lane 893, Zhongshan Road, Beizhuang Village, Shengang District , Taichung City
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1.3 Identification and generation process of major issues

Proxene collects sustainable development issues every year and selects key sustainable development issues through discussions with the Sustainable Development Working Group. After group evaluation and internal and external questionnaire survey results, it analyzes and selects major issues, confirms the boundaries of major issues, and formulates relevant thematic strategies and performance.

Identification

- **Identify stakeholders:** Follow the AA1000SES Stakeholder Engagement Standard and identify the 6 major stakeholders for communication.
- **Collecting sustainable development issues:** Based on the GRI 2021 General Criteria, and taking into account international sustainability standards and specifications, industry characteristics, company development goals, and stakeholder consultation processes, 15 key sustainable development issues were selected through discussions by the Sustainable Development Working Group .

Evaluation and Investigation

- **Sustainability impact:** We distribute impact assessment questionnaires to department heads to assess the impact of key sustainability issues and their impact on the company's sustainable operations. In 2024 , we received 15 valid questionnaire responses.
- **Stakeholders' level of concern:** We surveyed stakeholders' level of concern about various issues through internal and external questionnaires. In fiscal 2024 , we received a total of 120 valid questionnaire responses.

Analysis and sorting

- Based on the questionnaire results, we analyzed stakeholders' concerns about various issues and their impact on the company's sustainable operations, and identified and ranked 3 **major issues** .

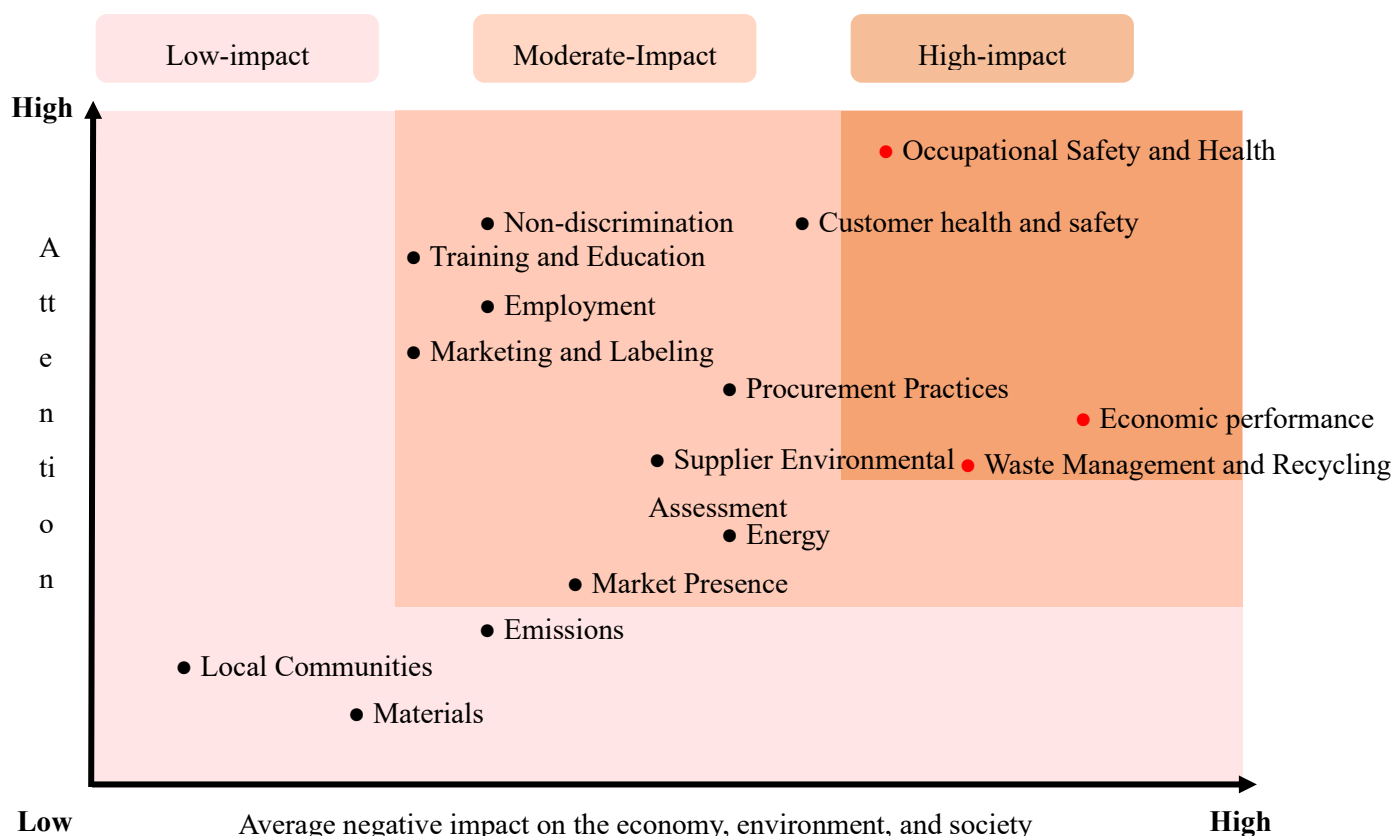
Confirm

- identifying the 3 major issues, the proposals were submitted to the Sustainability and Nomination Committee for review and confirmation, and further assessment of the major issues' consideration boundaries within and outside the organization to ensure that important sustainability information has been fully disclosed in the report.

Disclosure and Review

- The Sustainability Working Group conducts a final review and submits it to the Sustainability and Nomination Committee for review to ensure that sustainability information and performance are appropriately expressed in the sustainability report.

1.3.1 Materiality Analysis Matrix



Based on the results of stakeholder identification, Proxene convened a meeting of the Sustainable Development Working Group to discuss stakeholder concerns in the 2024 ESG Sustainability Report. Based on the degree of stakeholder concern and the positive or negative impact on the economy, environment and society, a total of 15 major and minor issues were listed, and a meeting record was made, which was submitted to the Sustainability and Nomination Committee for approval on November 11, 2024.

2024, **3 major issues** and **12 minor issues** were disclosed, totaling 11 items, as follows:

3 major issues

Economic Performance-G	Waste Management and Recycling-E	Occupational Safety and Health -S
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12 minor issues

Material-E	Energy-E	Emissions-E
Supplier Environmental Assessment-E	Employment-S	Training and Education-S
Non-discrimination-S	Local Communities-S	Customer Health and Safety-S

Marketing and Labeling-S	Market Presence-G	Procurement Practices-G
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1.3.2 Major issues and impact on the value chain

Major issues	Impact Description	GRI Guidelines	Compliance with SDGs	Corresponding chapter
Economic Performance	We will continue to improve operational efficiency and competitiveness, strengthen corporate governance, and create substantial economic value through outstanding market performance. We will create wealth for stakeholders through the creation of direct economic value, distribution of economic value, and retirement contributions, and thus make a positive contribution to the economy.	GRI 201	SDGs 8	3.1 Operational Performance and Challenges
Waste Management and Recycling	Proxene's product manufacturing process may cause potential negative impacts on the environment and related stakeholders. In order to fulfill its corporate social responsibility, the company not only strictly abides by environmental laws and regulations, but also builds a good management system, seeks to improve energy efficiency, and continuously invests in environmental protection to minimize potential impacts.	GRI 306	SDGs 6	6.6 Waste Management
Occupational Safety and Health	Proxene is committed to providing a friendly working environment, implementing hazard identification and risk assessment to reduce potential dangerous events, and actively promoting physical and mental balance among employees	GRI 403	SDGs 8	7.6 Occupational Safety and Health

Major issues	Impact Description	GRI Guidelines	Compliance with SDGs	Corresponding chapter
	through health checks and health promotion activities, so as to create the best quality products for customers in a safe and healthy working environment.			

1.3.3 Responses to major and minor issues

3 major issues and 12 minor issues were identified in 2024, totaling 15 issues. Their importance and related measures are as follows:

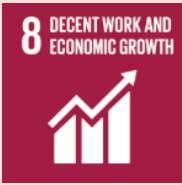
Project (GRI Guidelines)	Impact Direction			Importance of Proxene Tools	Promote Relevant Measures
	economy	environment	society		
Corporate Governance /Economics					
Economic Performance (GRI 201)	●			Business performance is achieved through continuous profitability to achieve the goal of sustainable operation, develop new customers and increase market share, and create new job opportunities and attract excellent key talents.	Keep abreast of economic conditions and increase capital expenditures when appropriate. Expand customer base and market share. Control costs and expenses .
Customer Health Safety (GRI 416-2)			◎	Customer satisfaction with product services is an important factor in building trust, good relationships and reputation with customers .	Conduct regular annual customer satisfaction surveys and require responsible units to make improvements within a specified period of time in response to customer complaints.
Supplier Environmental Assessment (GRI 308-1)		◎		Proxene needs to establish a good partnership with suppliers, and each supplier must comply with environmental and social responsibility regulations.	Formulate a "supplier management procedure" to establish a trusting and stable partnership with suppliers and grow together.
Local Communities (GRI 413)			●	Building good community relations is one of the keys to smooth and successful operations .	Effectively establish a good community relationship management system and implement it.

Project (GRI Guidelines)	Impact Direction			Importance of Proxene Tools	Promote Relevant Measures
	econ omy	envir onm ent	socie ty		
Environmental					
Emissions (GRI 3 0 5- 1,2)		◎		In response to global environmental trends and in line with the country's overall greenhouse gas reduction strategy, the company's energy conservation and greenhouse gas emissions are under control.	Reduce oil and electricity consumption to reduce greenhouse gas emissions.
Energy (GRI302)		◎		In response to global environmental trends and in line with the country's overall greenhouse gas reduction strategy, we will master the company's effective energy conservation.	Manage energy efficiently and reduce greenhouse gas emissions.
Materials (GRI301)		◎		Purchasing raw materials is very important. Good raw materials without harmful substances are crucial in selecting manufacturers and raw materials.	Establish a "supplier management procedure" to ensure the quality level of incoming materials.
Waste Management and Recycling (GRI306)		◎		Waste violates environmental regulations and if fined, it will affect the company's reputation and image.	According to the "Waste Management Regulations", waste should be classified and handled in accordance with the law.
Social Aspects					
Occupational Safety health (GRI403)			◎	Comply with the Occupational Safety and Health Act and provide employees with a safe, healthy, high-quality and friendly workplace.	Formulate a "Safety and Health Work Code" and set up an industrial safety office to assist in identifying work hazards and establish safe work standards.
Training and Education (GRI404)			●	The company regards employees as the most important partners and resources, and provides good training and development systems and courses to cultivate employees into excellent talents.	Establish "Education and Training Management Measures" and link them with the employee promotion system to cultivate and develop key qualified talents
Employment (GRI401)			●	The company regards its employees as its most important partners and hopes to create a harmonious, sustainable learning and growth working environment.	We provide an overall salary and benefits system that is competitive in the industry, as well as a harmonious working environment to build the cohesion of our employees.
Market Presence	●			The product positioning in the market indicates that the company's products are upper-middle and	Provide an industry-competitive overall compensation system and

Project (GRI Guidelines)	Impact Direction			Importance of Proxene Tools	Promote Relevant Measures
	econ omy	envir onm ent	socie ty		
(GRI402)				high-end products, and customers will accept higher prices.	recruit local employees as middle and senior managers.
Non-discrimination (GRI406)			◎	Comply with relevant laws and regulations such as the Labor Standards Act and the Gender Equality in Employment Act to protect their labor human rights	Formulate regulations such as "Work Rules", "Complaint and Punishment Measures for Prevention and Control of Sexual Harassment in the Workplace", and "Complaint Management Measures".
Marketing and Labeling (GRI417)			◎	Products are correctly labeled when they are shipped, providing customers with exactly what they need.	Continuously improve the effectiveness of quality management through quality policy, quality objectives, audit results, data analysis, corrective and preventive measures, management review objectives and reviews.
Procurement Practices (GRI204&414)			●	The product procurement policy is mainly based on manufacturers in Taiwan, and the selection of new manufacturers should comply with environmental protection and social responsibility regulations .	We have established a " Supplier Social Responsibility Code of Conduct " and required major suppliers to sign " Human Rights, Integrity and Environmental Sustainability Commitment ", " Business Ethics Policy " and " Human Rights Policy " and other statements, and to conduct supplier evaluations.

● Positive impact; ◎ Negative impact

1.4 Implementing the United Nations Sustainable Development Goals (SDGs)

	Plans and achievements in response to SDGs	Corresponding Chapter
	Goal 3 Good health and well-being Proxene is committed to providing a good working environment, providing reasonable wages and related benefits in accordance with the law. We occasionally participate in government research subsidy programs to promote the company's development.	7.4 Salary and Benefits 7.6 Occupational Safety and Health
	Goal 4 Quality Education Proxene arranges functional training for employees with different business attributes to ensure that every colleague has the opportunity to receive professional training, thereby strengthening professional training and improving skills.	7.3 Talent cultivation and development
	Goal 5 Gender equality Proxene continues to promote the establishment of gender awareness and consideration of gender sensitivity, and encourages women to fully participate in the decision-making process. In 2024, the proportion of women in Proxene's supervisory positions will be 26.7%.	7. 2 Human Resources Structure 7.3 Talent cultivation and development
	Goal 6 Clean water and sanitation Proxene purchased a low-temperature vacuum distillation machine to significantly reduce wastewater output and recycle 80-85% of process water to reduce environmental impact.	6.6 Waste Management
	Goal 7 Affordable and clean energy Proxene has installed solar power generation on the rooftop of its main factory, which is used for its own use and sold in bulk with surplus electricity. Proxene recycles and reuses delivery packaging, such as cardboard boxes, and also recommends customers to simplify packaging, focusing on practicality.	5 Sustainable supply chain management 6 Sustainable Environment
	Goal 8 Decent work and economic growth Proxene is committed to maintaining good operating performance and providing a good working environment, providing reasonable wages and related benefits in accordance with the law. We occasionally participate in government research subsidy programs to promote the company's development.	3.1 Operational Performance and Challenges 7.4 Salary and Benefits 7.6 Occupational Safety and Health

	Plans and achievements in response to SDGs	Corresponding Chapter
	Goal 9 Industry, Innovation and Infrastructure Proxene promotes sustainable economic growth by improving processes, increasing resource utilization, saving energy and reducing carbon emissions, implementing environmental protection and social responsibilities, and promoting sustainable production and consumption models.	6 Sustainable Environment
	Goal 12 Responsible consumption and production Proxene continues to develop material-saving processes to reduce the generation of waste materials, improve the process by purchasing cement grinding dust filters, significantly reduce sludge waste, and recycle process water for reuse.	6 Sustainable Environment
	Goal 13 Climate Action In response to real risks such as floods, typhoons, power outages and rising temperatures, we develop adaptation policies and solutions, actively implement relevant response measures, and ensure that operations can be quickly resumed after a disaster occurs.	6.1 Climate related information

2. Corporate governance and honest management

2.1 Company Profile

Date of Establishment	• April 24 , 1984
Company Name (Stock Code)	• Proxene Tools Co., Ltd. Stock Code : 6904
Industry	• Other
Chairman	• Chao Hsiu-yueh
Capital	• NT\$ 185 million
Headquarters Address	•No. 9-2, Lane 893, Zhongshan Road , Beizhuang Village, Shengang District , Taichung City
Main business items	• Manufacture and sale of adjustable wrenches and pliers
Number of Employees	• 151 (As of December 31, 2024)

Appearance of our main factory



Proxene was founded by General Manager Wu Chuanfu in 1984. It is a professional leading manufacturer of adjustable wrenches in Taiwan. It is committed to innovative research and development. Its products are used in professional high-end hand tool products such as water and electricity, machinery

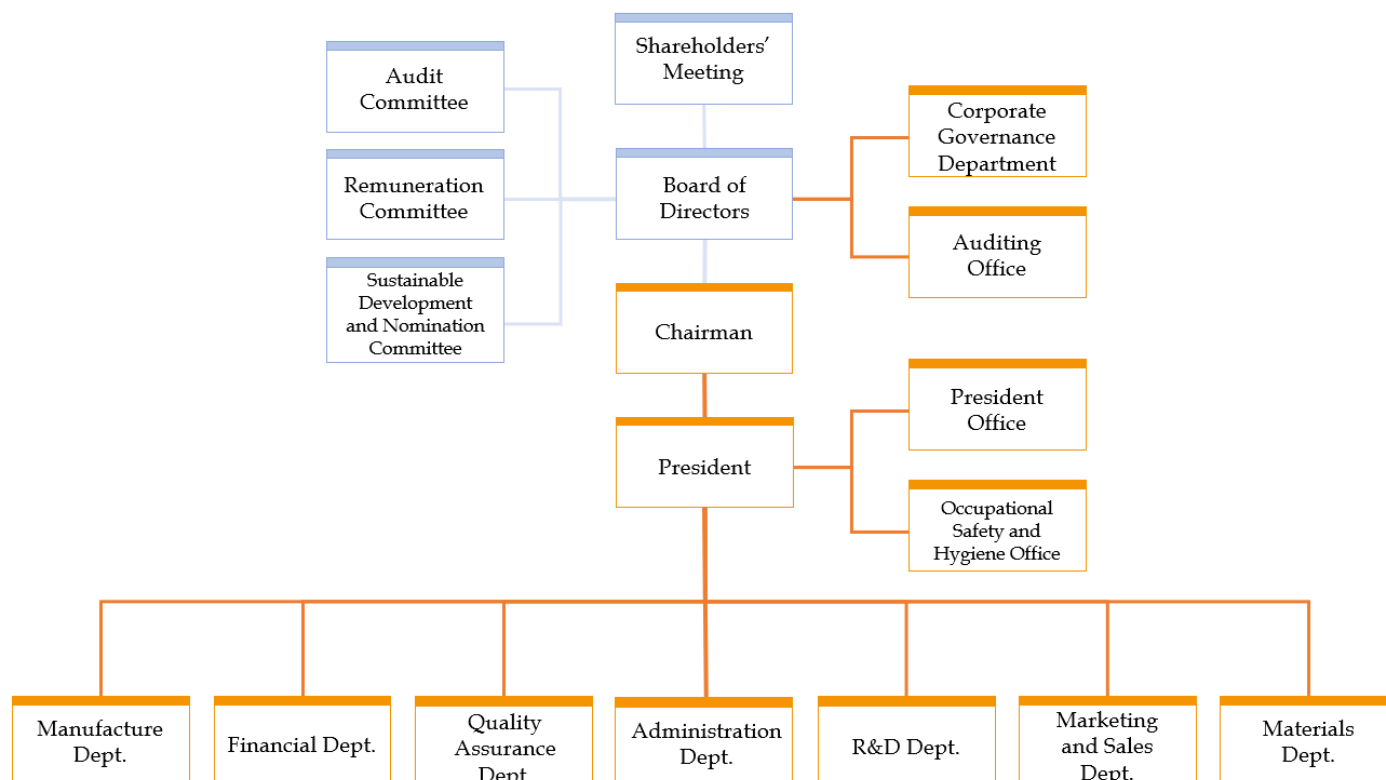
and construction. In recent years, it has also expanded to the high-end field of aerospace. Its products are sold in 51 countries around the world. Since its establishment, it has accumulated a total of 302 patents in various countries and has won many domestic and international awards such as Germany's IF, REDDOT, Japan's G-mark and Taiwan Excellence (gold and silver awards), etc. Proxene adheres to quality and integrity management, pays attention to corporate responsibility and sustainable development. In the future, it will continue to move towards technological innovation and smart manufacturing practices, transforming traditional production models into smart manufacturing, in order to create the brand image of a boutique factory, and is committed to promoting MIT's high quality to the world and becoming famous internationally.

2.1.1 Entrepreneurship and major events in the past decade

Year Spend	Entrepreneurship and major events in the past decade
1984	Proxene Tools Co., Ltd. was founded
2010	The QF series won the German Red Dot "REDDOT" design award.
2012	RW ratchet adjustable wrench won the German IF Design Award.
2013	Passed ISO 50001 energy management system certification.
2015	Selected as the 3th Taiwan Mittelstand Award.
2016	RW ratchet adjustable wrench won the Taiwan Excellence Silver Award.
2019	Import smart factories.
2020	In response to business growth, we expanded our production capacity and started building a new factory in the Shengang District, Taichung City.
2022	Proxene stocks are issued to the public for the first time and listed on the general board of emerging stocks.
2023	Officially moved to the new factory (main factory) and moved the company's business registration address to the new address. Won the 26th Rising Star Award and the 30th Taiwan SMEs Innovation Award. Approved by TPEx, Proxene was officially listed.
2024	Won the 23th Taichung City Golden Hand Award in 2024. Won the 33th National Award of Outstanding SMEs in 2024.

2.1.2 Organization and business responsibilities of each department

● Corporate governance organizational structure



● Responsibilities of each department

Department Name	Business Responsibilities
Auditing Office	1. Develop , plan and implement internal control and audit systems . 2. Submit audit reports and track improvement results. 3. Regularly track the improvement of audit deficiencies.
Corporate Governance Department	1. Assist directors to comply with laws and regulations. 2. Other matters stipulated in the company's articles of association or contract. 3. Supervise and improve the company's corporate governance implementation. 4. Internal education, promotion and training on corporate governance, business integrity, and fulfillment of corporate social responsibilities. 5. Promote the achievement of corporate governance indicators and review the scoring requirements of corporate governance evaluation indicators 6. Implementation of corporate governance indicator improvement projects. 7. Execution of other business related to corporate governance.
President Office	1. Promote and supervise the company's strategic planning. 2. Formulate the company's mid- and short-term business objectives, guidelines, and implementation policies.

Department Name	Business Responsibilities
Occupational Safety and Hygiene Office	1. Occupational safety and health management. 2. Management of environmental protection business such as air, water, waste, toxicity and noise. 3. Management of health care and medical facilities.
Marketing and Sales Dept.	1. Analysis and collection of market information, customer products and industry change data. 2. Formulate and implement sales plans, strategies and goals. 3. Customer relationship management, accounts receivable management, customer complaint tracking and order management. 4. Project progress planning tracking and manufacturing and delivery schedule control.
R&D Dept.	1. Formulate the process and progress of R&D plan, and research and develop new products. 2. Collect technical information and review and analyze the appropriateness of product specifications. 3. Assist other departments in testing and introducing new products. 4. Formulate R&D standard operations and work specifications. 5. Evaluation of manufacturing capabilities and production methods. 6. Make prototype samples and propose control plan and manufacturing process for prototype samples. 7. Equipment technology development.
Quality Assurance Dept.	1. Quality system planning and quality management plan formulation. 2. Quality inspection of production process.
Administration Dept.	1. Responsible for the formulation and implementation of the company's human resources development, employee welfare, general affairs and various management regulations. 2. Plan the company's education and training, and event management related matters. 3. Plan, build, develop and manage the company's various information operation systems and equipment. 4. Execute production scheduling and control of production process. 5. Carry out the management of all raw material procurement and outsourced processing operations of the company.
Financial Dept.	1. Annual budget preparation and execution analysis. 2. Preparation and analysis of various financial, accounting and cost statements. 3. Various tax declaration and investment deduction matters. 4. Raising and managing operating funds. 5. Plan and handle stock affairs, board of directors and shareholders' meetings. Announce and report matters to the public in accordance with various laws and regulations. 6. Supervision of each subsidiary company.

Department Name	Business Responsibilities
Manufacture Dept.	1. Execute production plan and control production progress. 2. Training and management of production personnel to improve production efficiency and reduce manufacturing costs. 3. Maintain work safety and environmental requirements at the production site. 4. Control and improve production progress and product quality. 5. Analyze and improve production process abnormalities and implement preventive measures. 6. Planning and implementation of standard operating procedures for product manufacturing processes.
Materials Dept.	1. Responsible for the scheduling of production raw materials and materials, including raw materials, materials management scheduling and other matters.

2.2 Corporate Governance

2.2.1 Board of Directors

The Board of Directors is the highest governance unit of the company. In order to strengthen the disclosure of the company's financial information, the performance and stability of managers, and the sustainable development of the enterprise, the Board of Directors has established an Audit Committee, a Remuneration Committee, and a Sustainability and Nomination Committee to implement corporate governance through top-down management and supervision.

When setting up the board of directors, Proxene will consider the board members from many aspects. All appointments are based on the principle of employing people based on their talents, regardless of gender, age, or race. The company's articles of association set 5 to 11 directors, and their terms of office are all 3 years. Proxene currently has 9 board members, 2 of whom are women, 4 directors with employee status, and 4 independent directors, and the terms of office of the 4 independent directors are all less than 3 years. Proxene's board of directors adopts a candidate nomination system, and the chairman serves as chairman to execute and supervise the company's affairs. The chairman does not concurrently serve as the company's general manager.

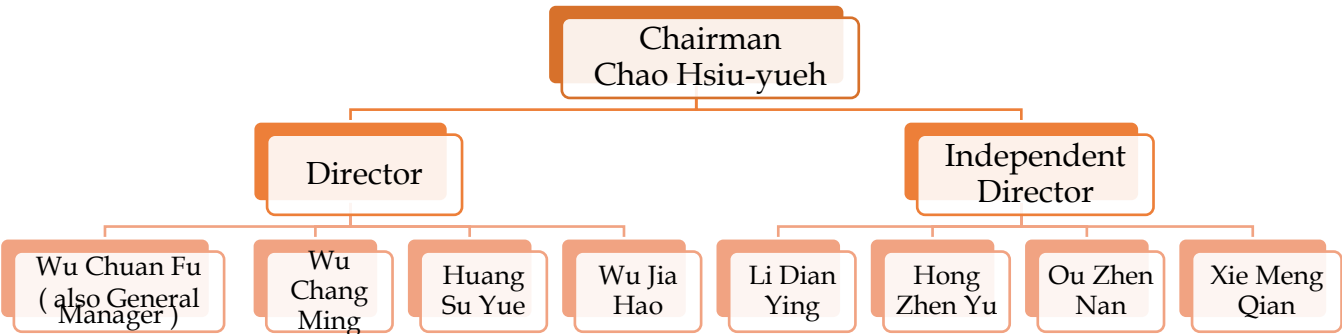
Each director has the professional knowledge, skills and qualities required to perform business, and their professional fields include financial accounting, law, electronics and electrical engineering, marketing management, etc. Adhering to the spirit of independence, they exercise their powers in accordance with laws and regulations, the company's articles of association and the resolutions of the shareholders' meeting, and provide Proxene with opinions and consultation on operating policies, financial planning and professional and technical development. The composition of the board of directors and the detailed academic experience and concurrent positions of the board members can be found in the 2024 Annual Report of the Shareholders'

Meeting.

The operation of the board of directors follows the "Board of Directors' Meeting Rules", and is held at least once a quarter. In 2024, a total of 5 meetings were held, with an attendance rate of 100%. The important resolutions of the Proxene Board of Directors are immediately published on the public information observation station, which is truly disclosed. The operation of the board of directors, important resolutions and conflict of interest situations can be found in the 2024 Annual Report of the Shareholders' Meeting.

Detailed information such as the powers of directors, board diversity and independence, introduction of board members and succession planning for board members and key management has been set up in the board section of the official website.

● Board of Directors and Structure



● Board Diversity and Collective Intelligence

Job Title Distribution	2023		2024	
	Number	%	Number	%
Director	5	56	5	56
Independent Director	4	44	4	44
Total	9	100	9	100

Job Title Distribution	2023		2024	
	Number	%	Number	%
Male	7	78	7	78
Female	2	22	2	22
Total	9	100	9	100

Job Title Distribution	2023		2024	
	Number of people	%	Number of people	%
31-50 years old	6	67	6	67
Over 50 years old	3	33	3	33
Total	9	100	9	100

Director Name	Independent Director Term of Office	Professional Background				Capabilities						
	3 years	manage	Finance /Accounting	law	industry Manufacturing /Marketing	Operational judgment	Accounting and Financial Analysis	Business Management	Crisis Management	Industry knowledge	International Market Outlook	Leadership and decision- making skills
Chao Hsiu-yueh		●			●	●	●	●	●	●	●	●
Wu Chuan Fu		●			●	●	●	●	●	●	●	●
Wu Chang Ming		●	●		●	●	●	●	●	●	●	●

Director Name	Independent Director Term of Office	Professional Background				Capabilities						
	3 years	manage	Finance /Accounting	law	industry Manufacturing /Marketing	Operational judgment	Accounting and Financial Analysis	Business Management	Crisis Management	Industry knowledge	International Market Outlook	Leadership and decision- making skills
Huang Su Yue		●	●			●	●	●	●	●	●	●
Wu Jia Hao		●			●	●	○	●	●	●	●	●
Xie Meng Qian	●	●	●		●	●	●	●	●	○	●	●
Hong Zhen Yu	●	●	●			●	●	●	●	○	●	●
Li Dian Ying	●	●	●	●		●	●	●	●	○	●	●
Ou Zhen Nan	●	●			●	●	○	●	●	○	●	●

Note : ● Possess the ability, ○ Possess some ability

Implementation focus	Implementation
Regularly arrange training for directors every year	In 2024, all directors completed the director training hours required by law, and the course content covered topics related to corporate governance.
Recusation of interest by board members	Directors will recuse themselves from discussing and voting on proposals that have a conflict of interest with the company. There were a total of three instances of conflict of interest in 2024.
Performance Evaluation and Compensation Disclosure	The 2024 performance has been processed in accordance with the Company's "Board of Directors Performance Evaluation Methods"; the 2024 directors' remuneration has been uploaded to the Public Information Observatory.
Directors and officers liability insurance	In 2024, we purchased directors, supervisors and key personnel liability insurance with Cathay Century Property Insurance, with an insured limit of US\$2 million, and uploaded it to the public information observation station.
Directors' remuneration	The company's articles of association clearly stipulate that if there is a profit in the year, no more than 3% should be set aside as director remuneration. However, if the company still has accumulated losses, it should reserve the amount to make up for it in advance. In the corporate governance report, the remuneration of directors, general managers, deputy general managers and managers, and the link between performance evaluation and remuneration are detailed in the annual report of the shareholders' meeting.

2.2.2 Functional Committee

In order to improve the supervision function and strengthen the company's management function, Proxene has established an Audit Committee, a Remuneration Committee and a Sustainable Development and Nomination Committee to discuss the company's major proposals and sustainable issues. Please refer to the table below for the operation status, member composition and responsibilities of the committee in 2024. Relevant policies and operation status have been established in the corporate governance area and functional committee area on the official website.

For detailed information on important resolutions of the functional committees in 2024 and conflicts of interest, please refer to the 2024 Annual Report of the Shareholders' Meeting.

Audit Committee: Pages 18-21 of the Annual Report

Remuneration Committee: pages 29-30 of the Annual Report

Sustainability and Nomination Committee: Pages 30-31 of the Annual Report

Please refer to the table below for the operation status of the functional committees in 2024:

	Audit Committee	Remuneration Committee	Sustainability and Nomination Committee
Member	4 independent directors (Elected in 2022)	3 independent directors (Elected in 2022)	2 independent directors, 1 director (Elected in 2024)
Responsibilities	1. Establish or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act . 2. Assessment of the effectiveness of the internal control system. 3. Establish or amend the procedures for handling major financial business activities such as acquiring or disposing of assets, engaging in derivative product transactions, lending funds to others, endorsing or providing guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act . 4. Matters involving the directors' personal interests. 5. Significant asset or derivative transactions. 6. Significant loan, endorsement or guarantee of funds. 7. Raising, issuing or privately placing equity securities. 8. Independence and performance of certified public accountants. 9. Review the annual financial report and the second quarter financial report.	1. Regularly review the organizational rules of the Remuneration Committee and make amendment recommendations 2. Establish and regularly review the performance evaluation standards, annual and long-term performance goals, and salary and remuneration policies, systems, standards and structures for the company's directors, supervisors and managers. 3. Regularly evaluate the achievement of performance targets of the company's directors, supervisors and managers, and determine the content and amount of their individual remuneration based on the evaluation results obtained in accordance with the performance evaluation standards.	1. Formulate the company's sustainable development policy. 2. Sustainable development of the company, including sustainable governance, integrity management, and formulation of environmental and social goals, strategies and implementation plans. 3. Review, track and revise the company's sustainable development implementation status and effectiveness, and report to the board of directors regularly. 4. Pay attention to the issues of concern to all stakeholders, including shareholders, customers, suppliers, employees, government, non-profit organizations, communities, and the media, and supervise communication plans. 5. Responsible for the nomination of directors including independent directors, and carefully evaluate the qualifications of the nominees and submit a list of recommended candidates to the board of directors. 6. Timely evaluate the appropriateness of the board structure, number of directors

	Audit Committee	Remuneration Committee	Sustainability and Nomination Committee
			and professional background, and formulate and regularly review the directors' training plan. 7. Review the qualifications of members of each committee under the Board of Directors and submit them to the Board of Directors. 8. Other matters required by the Articles of Association, the Company's internal regulations, and the resolutions of the Board of Directors.
Frequency/ Attendance	A total of 5 meetings were held in 2024, with an attendance rate of 100%	A total of 4 meetings were held in 2024, with an attendance rate of 100%	A total of 3 meetings were held in 2024, with an attendance rate of 100%
Operation Status	● In 2024, the Company's Audit Committee had good communication with the certifying accountants, and the independent directors had no objections . ● In 2024, the independent directors communicated with the internal audit director/accountant a total of 5 times.	● In 2024, there were no circumstances in which the Board of Directors did not adopt or amend the Remuneration Committee's recommendations. ● No member expressed any objection or reservation regarding the resolutions of the Remuneration Committee in 2024 .	● In 2024, there was no situation where the Board of Directors did not adopt or revised the recommendations of the Sustainability and Nomination Committee . ● No member of the 2024 Sustainability and Nomination Committee had any objection or reservations on the resolutions.

2.2.3 Head of Corporate Governance

Proxene has established an effective governance structure in accordance with the "Corporate Governance Code of Practice". The board of directors appoints a corporate governance director to be responsible for executing and promoting corporate governance-related matters, assisting directors in complying with laws and regulations, providing directors with information required for business execution, and handling board meetings, shareholders meetings and other related matters in accordance with the law. The scope of authority is as follows:

1. Handle matters related to the meetings of the Board of Directors and the Shareholders in accordance with the law.

2. Prepare minutes of board of directors and shareholders meetings.
3. Assist directors in taking office and continuing their studies.
4. Provide information required by directors to perform their duties.
5. Assist directors to comply with laws and regulations.
6. Report to the Board of Directors on the results of its review of whether the qualifications of independent directors at the time of nomination, election and during their term of office comply with relevant laws and regulations.
7. Handle matters related to changes in directors.
8. Other matters stipulated in the company's articles of association or contract and amendments to laws and regulations related to corporate governance.

Please refer to the corporate governance section of the official website for relevant regulations such as corporate governance policies and operations, company articles of association, board meeting rules, director selection procedures, organizational rules of functional committees, corporate governance practice codes, integrity management code, integrity management operating procedures and behavioral guidelines, sustainable development practice codes and directors and managers ' code of ethical conduct.

Protecting shareholders’ rights	◆ Set up an investor zone on the official website ◆Establish a spokesperson system ◆Promote electronic voting, and the electronic voting rate will reach 82.63% in 2024. ◆Stock affairs established by the Central Depository and Clearing Corporation to meet the digital needs of shareholders.
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2.3 Integrity management and ethical standards, business philosophy and corporate culture

2.3.1 Integrity management

‘Promote Integrity Management Report

Proxene 's operations are in compliance with the "Corporate Governance Code of Practice", "Integrity Management Code", "Integrity Management Operating Procedures and Behavior Guidelines", "Directors and Managers' Code of Ethics", "Fraud Reporting Management Measures" and "Prevention of Insider Trading and Internal Important Information Management Measures" approved by the Board of Directors, and we strengthen publicity to establish a consensus on integrity management among all employees and strengthen the effectiveness of implementation.

Proxene designates the corporate governance unit as a dedicated unit, which is affiliated to the board of directors and is equipped with sufficient resources and suitable personnel to promote the formulation and implementation of corporate integrity management operating procedures and behavioral guidelines. According to the work responsibilities and scope of each unit, it assists the board

of directors and management in formulating integrity management policies and prevention plans and integrity policies. The corporate governance director reports the implementation of integrity management to the board of directors and management at least once a year to improve the management of integrity management. Proxene's integrity management policy and implementation status have been reported to the board of directors on November 11, 2024, and the integrity management policy and implementation status report has been uploaded to the integrity management section of the official website. In order to implement integrity management, in addition to regularly promoting integrity management-related laws and regulations at supervisory meetings, colleagues are also encouraged to participate in internal and external education and training courses related to integrity management. Course topics cover information security, labor safety, compliance, auditing, etc.

Promotion of preventing insider trading

Proxene has formulated the "Regulations on Preventing Insider Trading and Internal Important Information". Directors, managers and employees who are aware of the company's internal important information shall not disclose the internal important information they know to others. Starting from 2023, every quarter, all directors, major shareholders and relevant business undertakers will be informed of the relevant regulations and explanations of the relevant provisions of "Preventing Insider Trading" by email. The above management regulations have been disclosed in the official website's corporate governance area and public information observation station for internal and external stakeholders to review and follow. Its content is based on the provisions of Article 157-1, Paragraph 1 of the Securities and Exchange Act on the prevention of insider trading regulations. When the subject of the insider trading regulations learns that the company has news that has a significant impact on its stock price, it shall not buy or sell the company's listed or traded stocks or other equity securities traded at securities dealers' business places before or within 18 hours after the news is made public. Violators of this provision constitute insider trading and shall bear the penalties stipulated by the competent authority.

Complaint channels for violations of professional ethics

In order to prevent any illegal or unethical behavior and integrity management code from happening, Proxene provides a channel for reporting. In order to provide a basis for handling reported incidents, we have formulated the "Fraud Reporting Management Measures", which have been disclosed in the corporate governance section of the official website. Please refer to the management measures for details.

Reporting Channel:

- ◆ Tel: 04-25627786, Audit Supervisor.
- ◆ Email: sp@proxene.com.tw
- ◆ Address: No. 9-2, Lane 893, Zhongshan Road, Shengang District, Taichung City

Detailed information and related management methods such as the promotion of honest business reports, prevention of insider trading, and complaint channels for violations of professional ethics have been set up in the corporate governance area and the honest business area on the official website.

2.3.2 Business philosophy and corporate culture

【Excellence, Innovation, and Value】-The company's consistent business philosophy and the key success factors for the company

◆ **Expertise**

We specialize in the manufacture of adjustable wrenches. From the raw materials entering the factory to the final product shipment, except for heat treatment and electroplating, all other processes can be completed in the factory, with a self-production rate of more than 90% . The product testing standards also exceed the currently recognized standards in the world.

◆ **Innovation in everything**

In order to adapt to the market and cater to the needs of customers, we are constantly seeking innovation and change, including "product research and development, smart manufacturing, and management models."

◆ **Great value for money**

Let the adjustable wrench become the user's most valuable working partner. From the customer's perspective, create value for customers and provide a full range of value-for-money services .

We firmly believe that quality is the lifeblood of an enterprise and the key to success. With this belief , we will promote MIT's high quality to the world, make it famous internationally, and improve Taiwan's employment environment .

Corporate Culture

For Proxene, the most important thing is "Integrity". In addition to providing high-quality products and being committed to the company's sustainable operation, we also need to maintain an altruistic spirit. "Integrity, altruism, teamwork, and innovation" are the corporate culture of Proxene Company that has been deeply rooted for many years. In terms of sustainable responsibility, we provide complete education and training, hoping that every colleague can learn, grow and realize their potential. We establish comprehensive employee benefits and comfortable and friendly working environment attract more high-quality talents. We are people-oriented, respect and tolerate multi-party communication, and achieve the goals pursued by the enterprise by jointly participating in value enhancement. In terms of environmental protection, solar power generation has been installed in the new factory and energy-saving and high-efficiency equipment has been fully used to gradually implement the commitment to sustainable operations. At the same time, we actively participate in social donation activities to help disadvantaged groups, and continue to work with peers and suppliers with similar

ideas to strengthen each other and jointly build a more competitive synergistic partner group in the world. We know that only through mutual benefit and common prosperity can the industry flourish.

2.4 Compliance and Taxation

2.4.1 Regulatory Compliance

Proxene abides by the law and regularly collects and compiles business-related laws and regulations. If there are new additions or revisions, the responsible department will immediately review whether the current business model and behavior are in compliance, and assist in promoting government orders to various units.

Proxene 's important legal sources, internal methods or procedures for compliance with corporate governance, environmental, economic and social laws and regulations and whether any illegal incidents occurred in 2024 are as follows:

Category	Important legal sources in Taiwan	The Company's response methods or procedures	Will there be any illegal incidents in 2024 ?
Corporate Governance	Company Law, Corporate Governance Practice Guidelines, Code of Conduct for Listed Companies, Audit Committee Articles of Association, Compensation Committee Articles of Association	Articles of Association, Corporate Governance Practice Guidelines, Integrity Management Guidelines, Fraud Reporting Management Measures , Audit Committee Organizational Rules, Remuneration Committee Organizational Rules, Sustainable Development and Nomination Committee Organizational Rules , etc.	The Company has always acted in accordance with the law and has not been subject to any significant monetary or other non-monetary penalties.
Staff	Labor Standards Act, Employment Services Act, Gender Equality in Employment Act, Labor Insurance Act, Labor Pension Act, National Health Insurance Act, Employee Welfare Fund Act, Labor Leave Rules, Labor-Management Meeting Implementation Rules, etc.	Work rules, salary management methods, employee remuneration payment methods, absence management methods, employee stock subscription methods, (employee welfare fund) regulations , etc.	The Company complies with the relevant laws and regulations of the Labor Standards Act and has not been punished for violating the Labor Standards Act or labor-management disputes; at our operating locations or with our key suppliers.
	Occupational Safety and Health Act, Occupational Safety	Work rules, safety and health work rules	The Company complies with the Occupational Safety and Health Act and related regulations, and

Category	Important legal sources in Taiwan	The Company's response methods or procedures	Will there be any illegal incidents in 2024 ?
	and Health Act Enforcement Rules, Labor Health Protection Rules, Labor Safety and Health Facilities Rules, Labor Safety and Health Education and Training Rules , etc.		has not had any occupational accidents or been fined due to labor and health inspections.
Environment	Basic Environmental Law, Climate Change Response Law, Waste Disposal Law, Resource Recycling Law, Air Pollution Control Law, Noise Control Law, Drinking Water Management Regulations, Discharge Water Standards, etc.	Waste disposal procedures, wastewater management procedures , etc.	The Company complies with environmental laws and regulations and has not been fined for violating environmental laws and regulations.
Economy	Fair Trade Law, Patent Law, Copyright Law, Intellectual Property Law, Trade Secret Protection Law, Computer Processing Personal Data Protection Law , etc.	Work rules, prevention of insider trading and internal major information management methods, personal data protection management methods , etc.	The Company has no record of violating economic and social regulations or being fined
Society	Civil Law, Infectious Disease Prevention and Control Law, Sexual Harassment Prevention and Control Law		

In summary, Proxene had no official penalties for corporate governance, environment, economy and society in 2024, and will continue to maintain this situation in the future. It will also use education and training and internal meetings to promote correct legal information to colleagues.

2.4.2 Tax Policy

Proxene supports corporate product innovation and sustainable development tax policies, and is committed to controlling tax risks, pursuing sustainable development and fulfilling corporate social responsibility. Therefore, we promise:

- Operational activities are conducted in full compliance with relevant tax laws and regulations.
- Financial reporting information disclosure shall comply with relevant laws and regulations and standards.
- Transactions for the purpose of tax avoidance are prohibited.
- Establish a relationship of mutual respect with tax authorities based on the principles of mutual trust and integrity.
- Operational performance showed stability and growth.

2.5 Internal control mechanism and management system verification

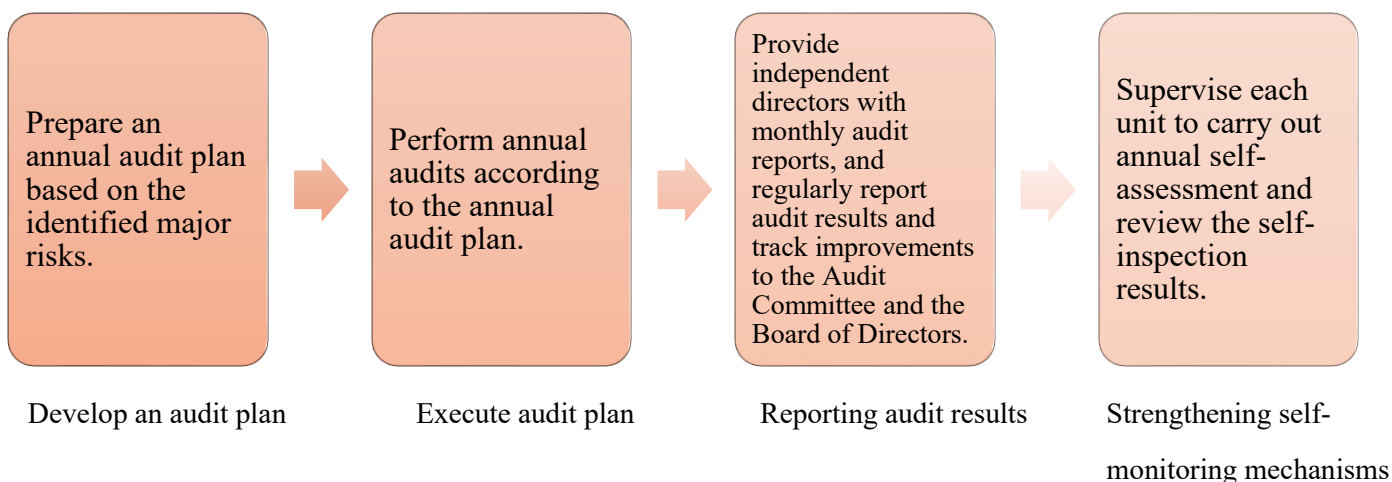
·Internal Control and Audit

Proxene 's internal audit unit is affiliated with the board of directors. The appointment and removal of the audit supervisor is reviewed by the audit committee and submitted to the board of directors for approval. In addition to reviewing the self-assessment results of the internal control system of each unit and subsidiary, the internal audit unit also evaluates the control operations of various operating activities in Proxene 's internal control system to measure the effectiveness, compliance and impact of internal control. The frequency and content of each cycle audit are determined in accordance with legal regulations and risk assessment results.

·Internal Audit Operations

The internal audit work is mainly carried out according to the audit plan approved by the board of directors. The audit business is regularly reported to the audit committee and the attending board of directors. The audit report is delivered to the independent directors every month, and special audits are carried out as needed. In addition, each unit within Proxene is urged to regularly evaluate the effectiveness of the internal control system and review the results. Together with the above-mentioned internal audit results and improvements, they are provided to the board of directors and the general manager as a basis for evaluating the effectiveness of the overall internal control system and issuing an internal control system statement. This statement has been published in the annual report, stock public offering prospectus and public prospectus in accordance with regulations. The annual internal audit plan, audit plan execution status, internal control deficiencies and abnormal matters improvement status have all been completed in accordance with regulations. Report to the public information observation station and report to the board of directors. There are no major internal control deficiencies in 2024 , and the effective statement of the internal control system has been disclosed in the annual report this time.

***Audit process**



***Internal management system**

The board of directors and managers of the Company have established internal management systems in accordance with the "Guidelines for the Establishment of Internal Control Systems for Public Companies" and relevant laws and regulations to improve management efficiency and product quality.

The internal management system is mainly divided into the following three items:

(1) Internal control system

The internal control system covers all company operations, including the company's "management" functions such as planning, organization, and control, as well as the nine major cycle procedures and standard measures adopted in the business areas of sales, production, procurement, financing, wages , fixed assets, computer information, investment, and research and development. Its purpose is to promote the sound operation of the company to reasonably ensure the achievement of the following goals:

- ① Operational effectiveness and efficiency
- ② Reporting is reliable, timely, transparent and compliant
- ③ Compliance with laws and regulations

(2) ISO 9001 Management System

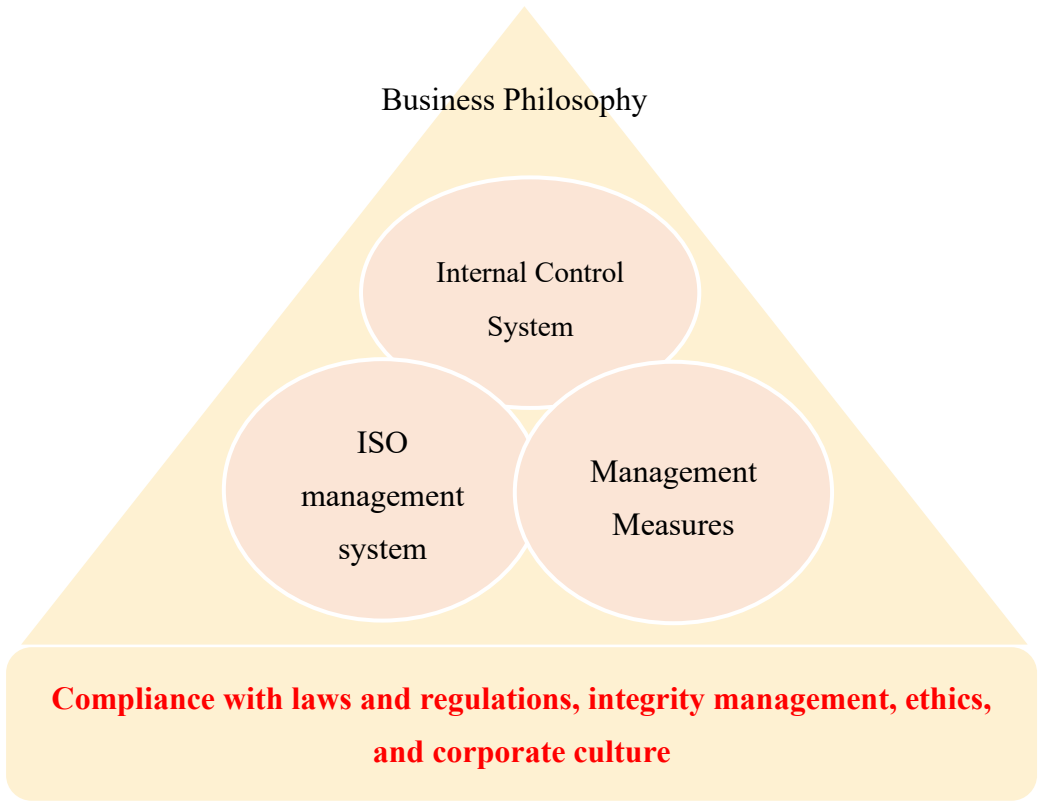
ISO management systems for production, quality, environment and other issues . Since its establishment, Proxene has passed the following ISO certifications: ISO 9001 quality and ISO 50001 energy management system certifications.

(3) Various management measures

For the control operations identified in each operating cycle, Proxene Company has established appropriate management methods, such as credit management operations and approval authority, to reduce operational risks.

The above internal control system is based on corporate culture, employee core values and professional ethics, so that these three management systems can operate effectively and continuously improve, and meet the requirements of Proxene's sustainable business philosophy, thereby improving business management results and product quality reliability, and achieving the company's sustainable business vision and mission.

The diagram of the internal control management system is as follows:



2.6 Information Security

According to the assessment of the Information Office, the responsible unit of Proxene, although the information security risk accounts for a relatively small proportion of the company's operating risks, as the network environment becomes increasingly complex, the relevant risks may increase year by year. Proxene has established an information security management framework and formulated relevant information security management policies, assigned a dedicated information security supervisor and a dedicated information security personnel, formulated and implemented specific information security management plans, and added an audit unit to conduct internal audits of management systems, information security prevention and crisis management and other monitoring operations. The audit supervisor will report the audit results to the board of directors regularly, and continuously improve internal abnormality detection and protection methods to reduce corporate information security risks.

At this stage, the Company implements information security risk management with the existing information security management procedures. The relevant specific implementation measures are as follows:

***Network Security Management**

- (1) Configure an enterprise-level firewall to prevent illegal intrusion by hackers.
- (2) SSL VPN is used to connect with branches and external locations , and data encryption is used to prevent illegal interception of data during transmission.
- (3) Configure an Internet behavior management system to control network access, block access to harmful or policy-unallowed websites and content, enhance network security and prevent bandwidth from being improperly occupied.

***System access control**

- (1) The use of various application systems within the company must go through the information service demand application process, and after approval by the responsible supervisor, the information unit must create an account and the system administrator must open permissions based on the functions applied for before use.
- (2) The password setting of the account must comply with the requirements for mixed characters and digits before it can be passed.
- (3) When colleagues go through the resignation procedures, they need to work with the information department to delete accounts in various systems.

***Implementing information security training**

- (1) We regularly conduct information security education and training for employees, and provide them with information security training from time to time to enhance their awareness of the importance of information security.
- (2) During each system operation, a pop-up window will appear to remind you to pay attention to information security issues.

***Virus protection and management**

- (1) The server and colleagues' computer equipment are all installed with endpoint protection software, and the virus code is automatically updated to ensure that the latest viruses can be blocked.
- (2) The email server is equipped with a spam filtering mechanism to prevent viruses or spam from entering the user's PC .

***Ensure system availability**

- (1) Build a backup management system to regularly back up daily data, with one copy kept in the computer room and the other stored off-site for mutual backup.
- (2) Conduct disaster recovery drills regularly, select a recovery base point, and restore the backup file to the system host.

***Computer equipment security management**

- (1) The company's computer host, application servers, etc. are all set up in a dedicated computer room. The computer room access control adopts inductive card swipe entry and exit, and records

are kept for review.

- (2) The computer room is equipped with independent air conditioning and uninterruptible power supply system and generator to keep the computer equipment running at a suitable temperature, so that the operation of computer application systems will not be interrupted when the power is cut off.
- (3) When building a device management system, only mobile devices and devices that have been certified by the company can connect to the company's intranet and access data.

***Resources in information security management**

- (1) Use Veritas backup exec backup software
- (2) Adopting Sharetech Next Generation UTM defense management platform
- (3) Perform vulnerability scans on host systems and websites regularly

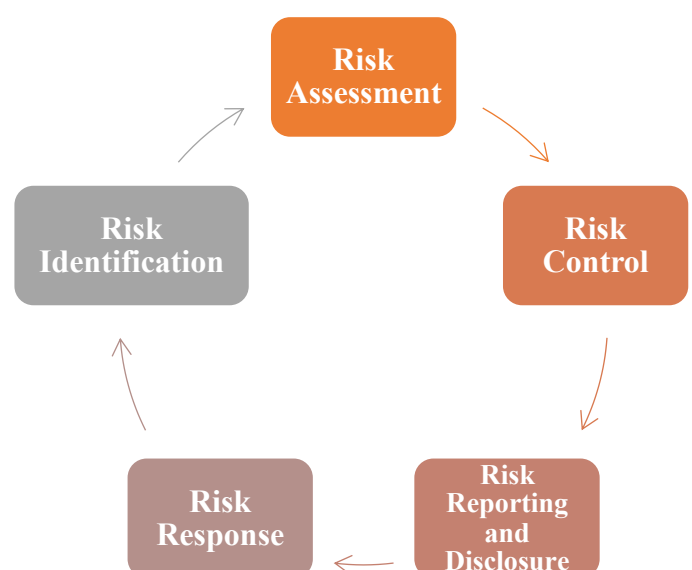
Cybersecurity incident prevention actions that Proxene has implemented in 2024 are as follows:

- (1) Disaster recovery drill 1 time
- (2) Vulnerability scan 1 time
- (3) Account permissions inventory 1 time
- (4) Operation system inventory 1 time
- (5) Information security education and training (all employees) 1 time
- (6) Information security risk assessment 1 time
- (7) Social engineering training (all employees) 1 time

2.7 Risk Management

2.7.1 Risk Management Policies and Procedures

Proxene has established a "Risk Management Method" approved by the Board of Directors as the highest guiding principle for Proxene 's risk management, and the Audit Committee supervises risk management. The company regularly conducts risk identification and risk assessment every year to identify various risks that may affect business objectives, and decides on appropriate response measures after assessment to effectively reduce the company's operating risks. Proxene always pays attention to the development of domestic and international risk management, and reviews and improves the risk management system established by the company to improve the effectiveness of risk management. It reports risk management to the board of directors



at least once a year. The 2024 operating status has been reported to the board of directors on March 13, 2025 , and the risk management operation status report has been uploaded to the risk management section of the official website.

2.7.2 Risk Management Organizational Structure

- The Board of Directors oversees the formulation of the Company's risk management policy, and the Audit Committee oversees risk management.
- The President Office is responsible for formulating risk management standards and ensuring the implementation of risk management standards approved by the Board of Directors.
- The audit unit performs audit work with an independent and detached spirit and provides improvement suggestions in a timely manner.
- Risk management is not just the responsibility of the company's risk management unit or a dedicated person. All functions/departments/units/business undertakers in the company have their corresponding responsibilities and matters that need to be coordinated to implement the company's overall risk management.

2.7.3 Risk management scope and control strategy

Economic aspects

Risk Category	Potential risks	Control strategies and practices	Responsible Unit
Supply Chain Risks	The shortage of imported raw materials caused the shutdown of production	- Develop two or more sources of key raw materials. - Establish safety stock.	Production Management/Manufacturing/R&D /Quality Assurance/Purchasing
	The raw material supply does not meet the factory specifications	The company implements the principle of specialized factories for specialized products, and selects the most suitable suppliers for each item through the process of inquiry , comparison and negotiation to obtain	Production Management/Manufacturing/R&D /Quality Assurance/Purchasing

Risk Category	Potential risks	Control strategies and practices	Responsible Unit
		the most competitive prices. - Establish clear raw material acceptance specifications. - Implement incoming material inspection. - Evaluate important raw material suppliers and require them to track improvements on items that perform poorly.	
	Affected by the market boom, rising raw material prices have led to increased operating costs	For important raw materials, we strengthen research and analysis of domestic and international market trends, propose favorable procurement principles, reduce expenditures and lower costs.	Production Management/Manufacturing/R&D /Quality Assurance/Purchasing
Market/Credit risk	Customers' special specifications cannot be met	- Optimize the machine or build a new machine. - Increase exchanges with industry professionals.	Production Management/Manufacturing/R&D /Quality Assurance/Purchasing
	The production/inspection conditions do not meet customer requirements, resulting in product quality not meeting requirements	- Arrange annual calibration according to the equipment calibration period. - Arrange product/process audits regularly. - Regularly implement internal education and training and production meetings to discuss improvements immediately.	Production Management/Manufacturing/R&D /Quality Assurance/Purchasing

Risk Category	Potential risks	Control strategies and practices	Responsible Unit
	The customer is unable to pay the goods on time	- Adjust the credit limit of existing customers based on past transaction records. - Modification of trading conditions for high-risk customers. - Conduct credit assessment for customers and make annual credit limit assessment and adjustments. - Regularly track accounts receivable and conduct effective financial planning and capital allocation.	Marketing and Sales /Finance
Liquidity Risk	The risk of incurring losses due to the inability to liquidate assets or obtain financing to provide flexible use of funds.	- The company strictly controls the payment cycle of suppliers and the payment cycle of customers. - Maintain good relationships with correspondent banks and sign short-term credit contracts to mobilize loans at any time .	Marketing and Sales /Purchasing/Finance
Overall Environmental Risk	Risk of rising interest rates leading to higher interest expenses	- Continue to pay close attention to changes in interest rates and global economic development trends. - In financing transactions with financial institutions, in addition	Finance

Risk Category	Potential risks	Control strategies and practices	Responsible Unit
		to making good use of project loans, we actively seek to coordinate and reduce the increase in interest rates, and continue to repay some of the bank loans with higher interest rates at any time to reduce interest expenses.	
	Exchange rate risk - the exchange rate of foreign exchange exposure is lower than the cost of opening an account	- Engage in derivative financial product transactions such as option trading to avoid risks arising from exchange rate fluctuations. - Prudently control foreign exchange rate risks for major capital expenditures and fund transfers that cause significant changes in foreign exchange positions.	Finance
	Price risk - financial losses due to a fall in the price of the underlying investment	Diversify the investment portfolio in accordance with the limits set by the Company.	Finance
Compliance Risk	Tighter HR regulations increase labor costs	Comply with regulatory requirements.	President Office /HR/ Auditing Office/Corporate Governance
	Failure to promptly respond to changes in laws or contracts, resulting in financial	Pay close attention to the revision of relevant laws and regulations of the competent	President Office /Auditing Office /Corporate Governance

Risk Category	Potential risks	Control strategies and practices	Responsible Unit
	losses due to non-compliance	authorities and propose corresponding measures in a timely manner to meet operational needs. · Establish a contract control mechanism to review and examine the signed contracts according to procedures to safeguard the company's rights and interests. · Sign a legal advisor. · In order to comply with laws and regulations and prevent insider trading and related regulations for insiders, we regularly strengthen publicity and reminders to directors and senior executives through electronic documents.	
Information Security Risks	Hackers intrude and disrupt information systems, causing computer equipment failures, data loss, and reduced operational efficiency	· Install endpoint protection software · The email server is equipped with a spam filtering mechanism · Account authority management. · Establish a backup management system to regularly back up daily data to a remote location.	President Office /Information

Risk Category	Potential risks	Control strategies and practices	Responsible Unit
		Perform disaster recovery drills regularly.	
	The company was fined under the Personal Information Protection Law due to the unauthorized malicious or negligent disclosure of personal information in the information system	- Perform regular web and system vulnerability scans and penetration tests. - Implement system authority control.	President Office /Information
	Hackers use deceptive means to make employees hand over useful information and then invade information systems or defraud improper benefits, causing financial losses to the company.	- Perform social engineering drills regularly. - Improve employees' information security awareness through education and training . - Configure enterprise-level firewall and SPAM.	President Office /Information
	Employees secretly downloaded and installed unauthorized software, causing the company to be fined for software infringement	- Strengthen information security promotion and enhance employees' information security awareness. - Control network access and block access to harmful or policy-unallowed websites and content	President Office /Information
	The data transmission process was illegally intercepted when	Use data encryption method	President Office/Information

Risk Category	Potential risks	Control strategies and practices	Responsible Unit
	using SSL VPN to connect to branches and external sites		

Environmental aspects

Risk Category	Potential risks	Control strategies and practices	Responsible unit
Disaster Risk	Earthquakes and floods	- Hold evacuation drills. - Regularly inspect rainwater drains and regularly desilt ditches.	President Office/Production Management/Manufacturing / R&D/Quality Assurance/Purchasing
Climate Change Risks	Carbon emission-related charging mechanisms are implemented in various countries	- Use clean energy fuel. - Investigate the sources of carbon emissions in each product production process . - Confirm the data format required by the EU carbon border adjustment mechanism and provide relevant carbon emission data to avoid the impact of subsequent inability to export to EU countries. - Continue to pay attention to international climate change trends and requirements, and disclose climate change response information in accordance with legal regulations and schedules. - Continue to plan, promote and implement water conservation, energy conservation and carbon reduction actions, and improve resource utilization efficiency.	

Social aspects

Risk Category	Potential risks	Control strategies and practices	Responsible unit
Risk of Brain Drain	Employee welfare	Transparent promotion channels allow employees to	President Office /HR

Risk Category	Potential risks	Control strategies and practices	Responsible unit
	policies such as promotion channels and salary policies are not better than those of local industries, resulting in high staff turnover and failure to retain outstanding talents	anticipate career development and, through education and training courses, inherit corporate culture and team integration to reduce staff turnover. ·Develop diverse recruitment channels, such as social media and staffing companies, to make up for the shortage of manpower. ·Implement the employee health care system, provide on-site services by contracted professional medical staff (monthly), conduct employee health examinations in accordance with laws and regulations, care about the health of colleagues, and provide a friendly workplace. ·Provide benefits such as three festival bonuses, year-end bonuses, employee dividends, birthday gifts, health checks, labor insurance, national health insurance, and labor pensions.	
Operational Management Risks	A large number of grassroots operators resigned within one month	·Understand the intentions and job description before transfer. ·Various recruitment packages, introduction bonuses, transportation allowances, etc.	Production Management/Manufacturing/R&D/Quality Assurance/HR

Risk Category	Potential risks	Control strategies and practices	Responsible unit
		Improve salary structure and increase monthly income.	
Occupational Safety Risk	Work safety accidents occur when workers suffer catastrophic injuries that cause the factory to shut down in whole or in part.	- New employees should read the SOP carefully before officially taking up their posts. - Implement safety and health education and training. - Irregular on-site inspections lead to lack of improvement. - Emergency response drills.	President Office /HR
	Fire risk	- Fire drill. - Perform regular fire safety inspections and building public safety inspections.	

3. Operational performance and customer service

Proxene's main products include the manufacture and sales of adjustable wrenches and pliers. Its R&D personnel also have excellent hand tool system design capabilities and development experience, and have market experience in mass production of more than hundreds of products.

The short, medium and long term plans for economic performance and customer service related to major issues are as follows:

	Short-term indicators (2023~2024)	Medium-term indicators (2025~2029)	Long-term indicators (2030~)
Economic performance	Customer satisfaction score above 8.5	Customer satisfaction score above 8.8	Customer satisfaction score above 9 points
	Customers complained that the company leaked order privacy ≤ 0	Customers complained that the company leaked order privacy ≤ 0	Customers complained that the company leaked order privacy ≤ 0
Legal Compliance	0 violations of product or fair trade regulations	0 violations of product or fair trade regulations	0 violations of product or fair trade regulations

Goal and performance achievement:

In order to achieve the company's steady growth in economic performance, product innovation, quality , and continuous research and development of high-quality new products, increase added value and profits, and develop new customers, the goals and performance achieved in the past two years are as follows:

◆ Economic performance

2024 Target	2024 Performance Achievement	2025 Target
Customer satisfaction maintained at 8.5 points ↑ (Full score: 10)	8.89 points → achieved	Customer satisfaction maintained at 8.8 points ↑ (Full score: 10)
Customers complained that the company leaked order privacy 0 cases	0 items → Achieved	Customers complained that the company leaked order privacy 0 cases

◆ Regulatory compliance

2024 Target	2024 Performance Achievement	2025 Target
0 violations of customer privacy or information security regulations	0 items → Achieved	0 violations of customer privacy or information security regulations
0 violations of product or fair trade regulations	0 items → Achieved	0 violations of product or fair trade regulations

3.1 Operational performance and challenges

Material topic: Economic Performance (GRI201)	
Policy / Commitment	Policy : Continuously design and innovate to provide customers with comprehensive and value-for-money services, while actively exploring different customer sources to expand market share, achieve operational growth and increase profits. Commitment : Use due diligence and early warning communication methods, comply with applicable corporate and commercial laws and regulations, and steadily create economic value.
Target	Short term: Focus on diversifying customer base and sales products, expanding domestic and overseas markets and reducing the risk of sales concentration. Mid to long term: Continue to develop new processes and new products, adjust product mix and launch high value-added products to boost overall product gross profit and achieve stable growth in operations.
Management Measures	(1) Maintain a good financial structure and provide strong support for sales, production, R&D, etc. (2) Continue to focus on the hand tool manufacturing business, research and develop new products to increase added value and enable the company to continue to grow. (3) Plan short-, medium- and long-term fund utilization methods to create the maximum return on funds under the principle of prudence. (4) Continue to participate in important domestic and international exhibitions, such as the Cologne Exhibition, to explore different customer sources and expand market share. (5) The design direction is to be light, thin, short, high torque, and increase the cost performance of customer products. In addition, the company has excellent technical capabilities and continues to obtain various product patents to enhance industry competitiveness. (6) Maintain good partnerships with manufacturers and expand sources of key raw materials to reduce production costs.

	(7) Inventory control is adjusted flexibly based on the optimal order quantity, market changes and market conditions to maintain appropriate inventory levels and avoid drastic price fluctuations that erode profits.
Evaluation Mechanism	The board of directors shall be convened at least once a quarter to review the company's operating performance.
Concrete Results	In 2024, Proxene's revenue reached NT\$ 608,374 thousand and its net profit after tax reached NT\$ 193,697 thousand.

3.1.1 Operational results that generated and distributed direct economic value in the last two years

Unit: NT\$ thousand

		2023	2024
Business Performance	Total Assets	1,590,670	1,695,630
	Total Equity	974,291	1,093,631
	Operating Income	663,558	608,374
	Operating Gross Profit	235,868	209,869
	Operating Profit	154,176	133,705
	Non-operating Income and Expenses	51,677	95,584
	Net Profit After Tax	170,228	193,697
Direct economic value generated(A)	Revenue(Note1)	721,942	709,107
Economic Value of Distribution(B)	Operating Costs(Note2)	391,808	365,543
	Employee Salaries and Benefits(Note3)	115,878	107,015
	Payment to Investors(Note4)	67,757	80,999
	Payments to the Government(Note5)	36,971	36,922
	Community Investment-Donation	350	781
The economic value of retention	(A)-(B)	109,178	117,847
Profitability	Return On Assets (ROA)	11.93%	12.04%
	Return On Equity (ROE)	20.77%	18.73%
	Net Profit Rate	25.65%	31.84%
	EPS(NTD\$)	10.21	10.47

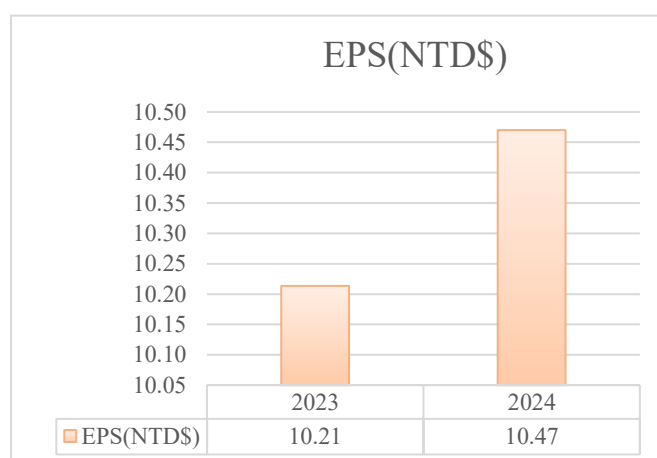
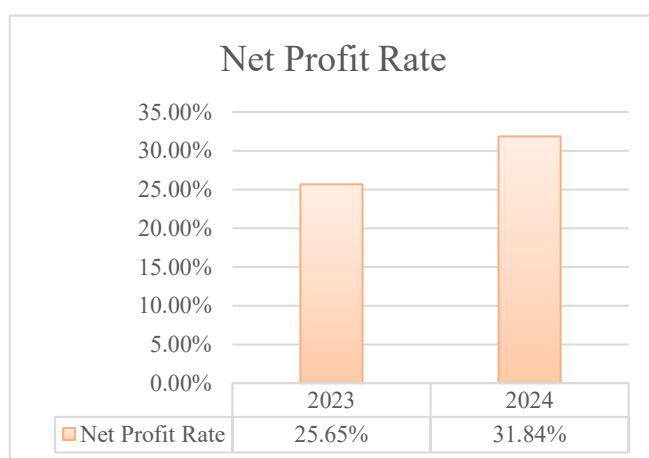
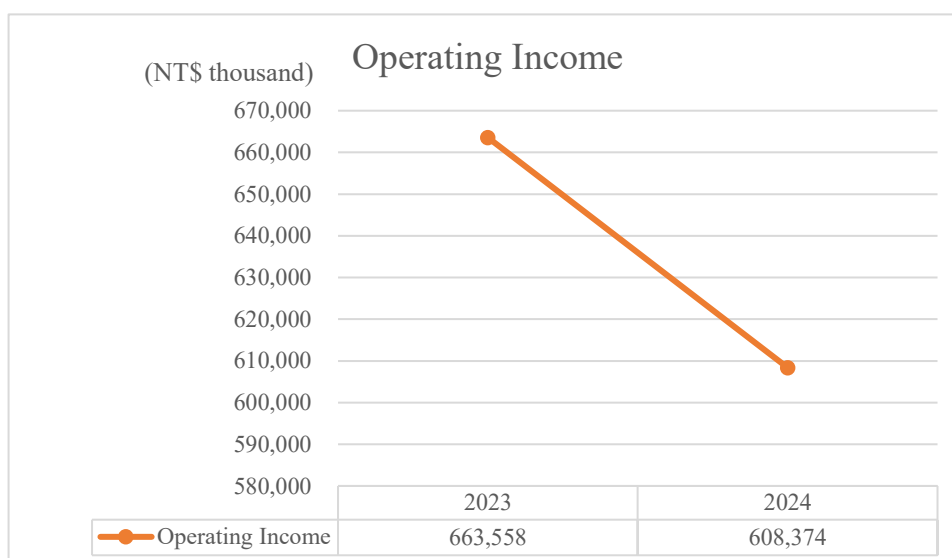
Note 1: Revenue = Net operating income + Non-operating income and expenses (excluding interest expenses).

Note 2: Operating costs are the sum of operating costs and operating expenses, excluding employee salaries and benefits, various taxes and community investments.

Note 3: Employee salaries and benefits for this year are calculated by adding total salaries to total benefits, excluding education and training fees, directors' remuneration and travel expenses.

Note 4: Payments to investors during the year include dividends and interest payments to all shareholders.

Note 5: Payments to the government during the year include income tax and various levies.



The company's detailed financial information has been set up on the company's official website in areas such as operating overview, financial reports and shareholders' meeting related information, and the annual report and financial report have been uploaded to the public information observation station.

Company website: <https://www.proxene.com.tw>

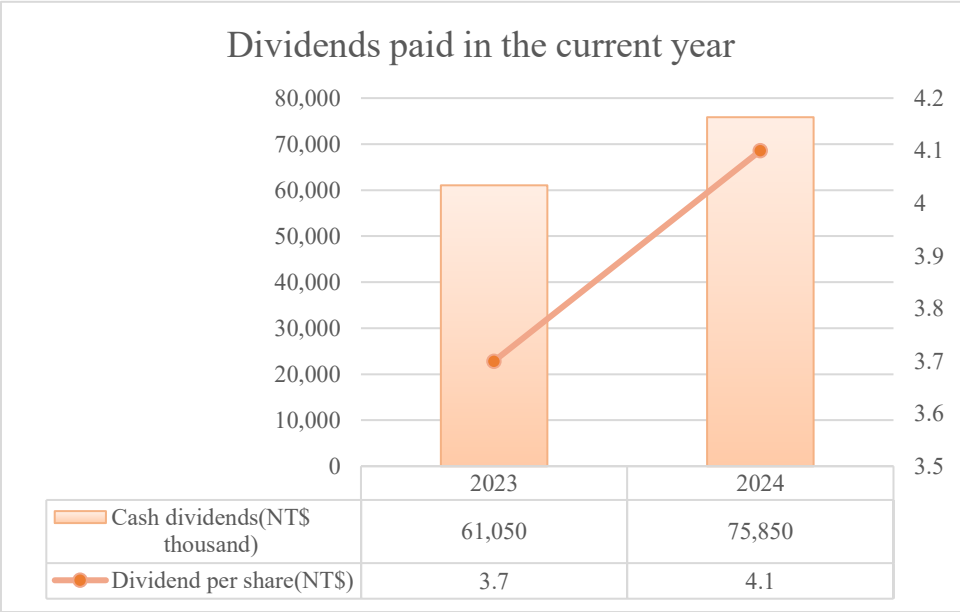
Public Information Observation Station: <https://mops.twse.com.tw/mops/web/index>

3.1.2 Dividend Payment

According to the provisions of the company's articles of association, if the company's annual final accounts have a surplus, it shall first pay taxes to make up for past losses, and then set aside 10% as statutory surplus reserves. However, this does not apply when the statutory surplus reserves have reached the company's paid-in capital. In addition, special surplus reserves shall be set aside or transferred according to the company's operating needs and legal regulations. If there is still a surplus and no undistributed surplus at the beginning of the same period, the board of directors shall prepare a surplus distribution proposal and submit it to the shareholders' meeting for resolution on distribution.

The Company's dividend policy is to distribute dividends in accordance with current and future development plans, considering the investment environment, capital needs, domestic and international

competition, and taking into account factors such as shareholder interests. When distributing dividends to shareholders, no less than 10% of the total dividend distribution amount in the preceding paragraph shall be allocated as dividends to shareholders. The dividends may be distributed in the form of cash or stock, with cash dividends not less than 10% of the total dividend amount.



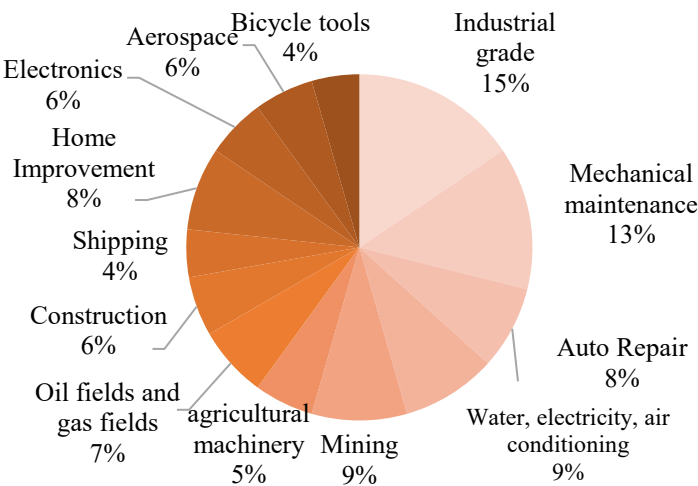
3.1.3 Financial assistance from the government

The Company's income from government subsidies in 2024 includes (1) obtaining a government preferential interest rate loan from E. Sun Commercial Bank under the "Small and Medium Enterprise Accelerated Investment Project Loan" for capital expenditures, purchase of machinery and equipment, and operating turnover. The subsidy income will be recognized in installments from October 2021 to December 2029, and the subsidy income recognized in 2024 is NT\$584 thousand; (2) On January 2, 2024, the Company applied to the Ministry of Economic Affairs' Industrial Development Agency for the 2024 "Ministry of Economic Affairs Small and Medium-sized Manufacturing Industry Low-Carbon and Smart Upgrade Transformation Case Subsidy" under the "Forging Material Saving and Carbon Reduction Technology Upgrade Transformation Plan". The total subsidy for this case is NT\$2,600 thousand. During the recognition period of costs and expenses incurred in the implementation of the project in 2024, the subsidy income recognized is NT\$710 thousand. The list of government project subsidies in the past three years is as follows:

Year	Project	Project subsidy (NT\$ thousand)
2022	Supply Chain Smart Production Line Construction and AI Application Plan (Planning Period 2021~2022)	9,000
2024	The Ministry of Economic Affairs provides subsidies for low-carbon and smart upgrading and transformation of small and medium-sized manufacturing industries	2,600

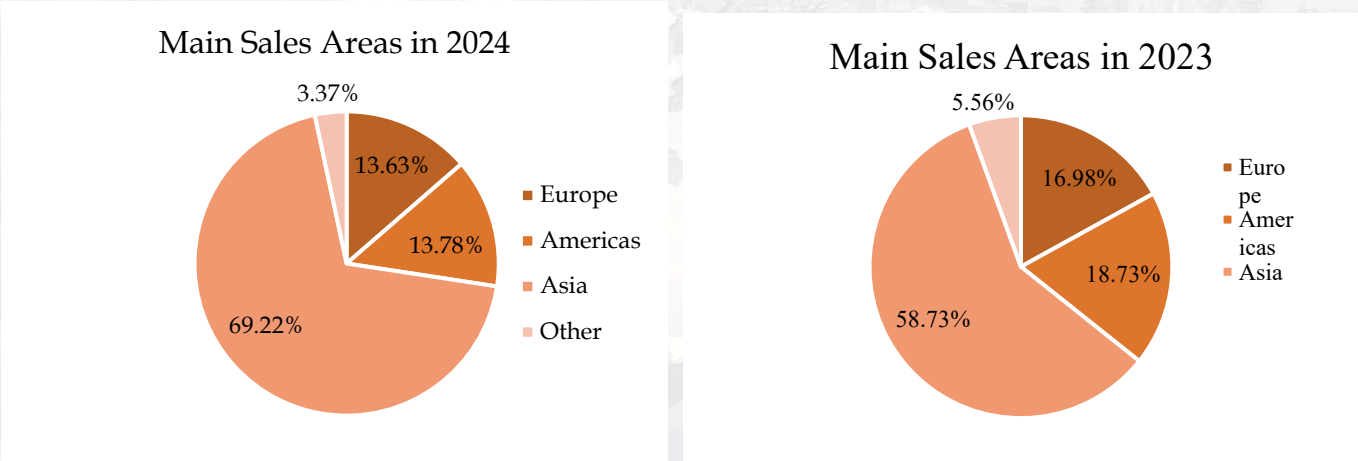
3.2 Customer management and service

Proxene 's main customers are domestic distributors, overseas customers and traders. It sells directly to foreign customers and large foreign distributors or through traders. Only a small part is sold through foreign distributors or self-operated domestic markets. Proxene is committed to strengthening close cooperation with key customers, building customer trust in the company, and continuously developing diversified new products and providing customers with professional, dedicated after-sales service and technical support to improve customer satisfaction.



Product applications cover various

Regional sales share statistics



3.2.1 Customer Satisfaction Survey

According to the Customer Satisfaction Management Method PB-0801 , sales personnel shall send customer satisfaction survey forms by e-mail or fax every year. The procedures are as follows:

- Send out customer satisfaction survey forms before the end of May every year.
- Prepare customer satisfaction analysis based on the survey results of customer responses.
- Propose improvement measures for customer dissatisfaction items and include them in the review and

examination items.

In addition to the satisfaction index, the following items are also included in the monitoring and analysis improvement goals:

- The number and amount of additional freight expenses caused by delivery delays,
- Number of customer complaints per month
- Number and amount of external costs
- The cost and number of defective returns and reworks

Customer satisfaction survey is the cornerstone for achieving sustainable growth goals. It is necessary to effectively grasp customer opinions and needs as the basis for quality management system operation performance evaluation and improvement strategy formulation. By implementing improvement projects, the added value of the Company's products can be enhanced. We actively optimize costs, quality, and services to create a win-win situation for customers, suppliers, and Proxene.

Customer satisfaction survey results for the past 3 years		
Project	2023	2024
Number of Valid Questionnaires	26	31
Average Satisfaction (total score 10 points)	8.89	8.89
Target Value	8.5	8.5
Compliance Status	Meet the Standard	Meet the Standard
Survey Subjects	Customers with annual turnover of more than NT\$ one million	

The satisfaction survey mainly focuses on three aspects: product delivery, product quality and service. The top three satisfaction items are as follows:

1. Product quality
2. Professional skills of business personnel
3. Speed of replying to various letters and contacts

3.2.2 Customer feedback and complaint procedures

In order to respond to customer needs and inquiries in a timely manner, the company has set up a message system on the official website. Customers can also use the service phone and email mailbox provided on the official website to respond to their opinions. After receiving the customer's message, the company will immediately feedback the opinions to the internal department for processing to ensure that customer needs can be handled in a timely manner.

4. Product innovation and quality

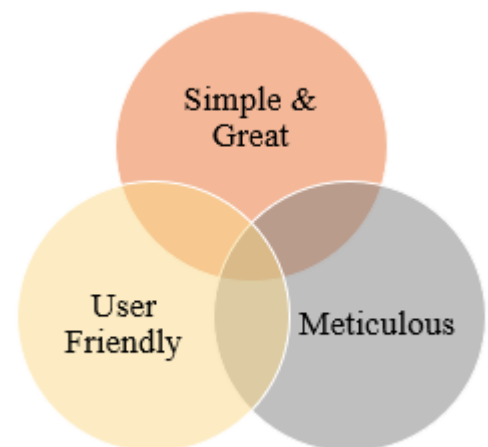
4.1 Product development and innovation

The Company focuses on the development of industrial-grade adjustable wrenches. The main source of technology comes from the company's long-term training of R&D personnel, and the project research plans and self-development of the team with the Industrial Bureau of the Ministry of Economic Affairs, the Metal Industry Research and Development Center, the Industrial Technology Research Institute and domestic academic institutions; at the same time, through close cooperation with downstream customers, we are committed to the research and development and improvement of other industrial- grade locking hand tools.

Hand tool products are diverse and can be divided into aerospace grade, industrial grade, professional grade and DIY grade according to the high and low end of the product market positioning. Proxene mainly manufactures adjustable wrenches, which are one of the non-powered hand tool wrenches. It is a domestic manufacturing factory specializing in the production of "adjustable wrenches" and focuses on the industrial and professional product markets.

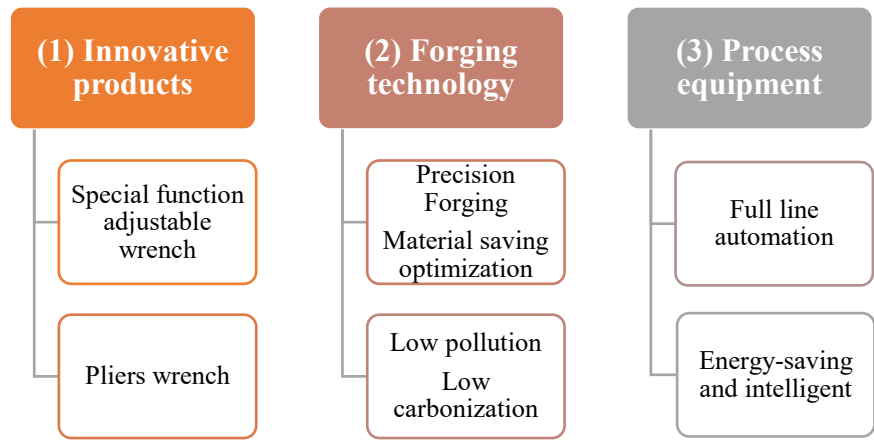
4.1.1 Design Concept

Using customized products and services to meet the needs of different customers, in addition to deeply understanding customer needs, designing new products based on the needs of major markets; conceiving future usage scenarios, innovating tool usage and leading trends are Proxene's development strategy in the international market. Our design philosophy is:



"The product should be user-friendly, simple and easy to use (extremely simplified), and never compromise."

4.1.2 R&D innovation strategy

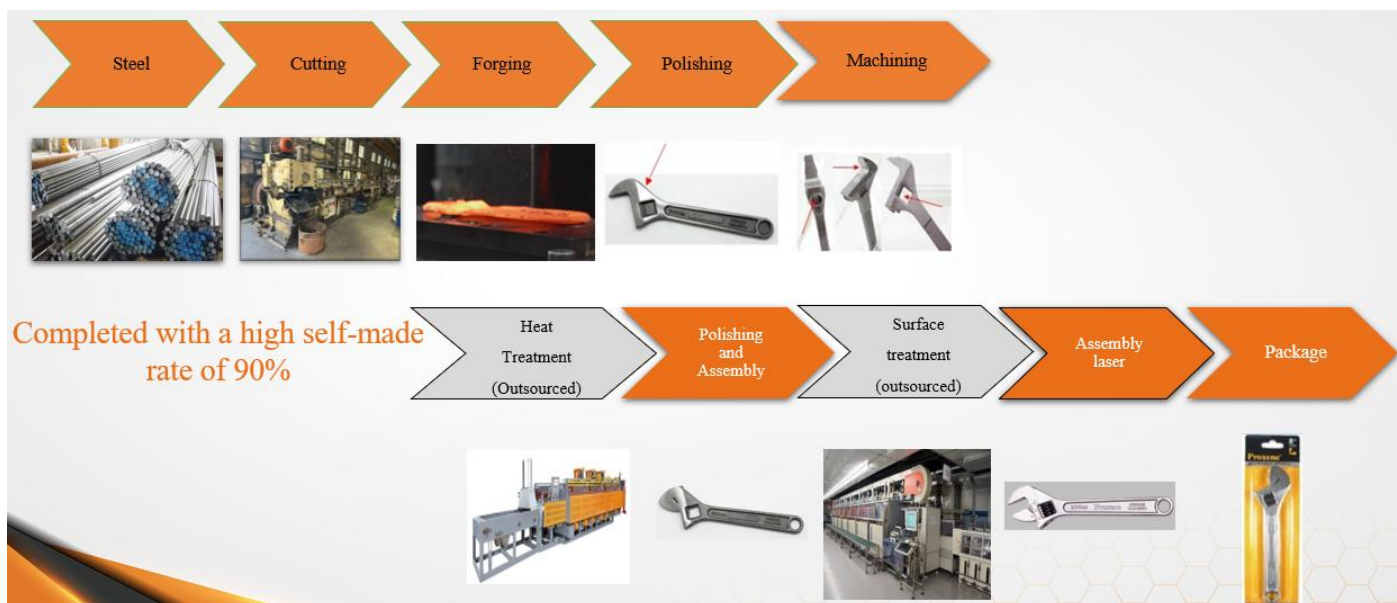


The R&D team is guided by market demand and uses customized products and services to meet the needs of different customers. They also design new products based on the needs of major markets and continue to diversify their designs. In addition to launching more functional and convenient adjustable wrenches in a timely manner, they are also actively planning to develop other plier tools, such as quick-release button water pipe pliers, etc., to make the company's products more complete.

In recent years, the main research and development focus has been on introducing new processes, including intelligent automation of mechanical processing, intelligent automation of polishing and grinding, intelligent automation of laser engraving, visual inspection, AI recognition and other matching applications; among them, the mechanical processing part is one of the few that connects all the handle machining processes into a fully automatic producer. At present, MES and intelligent automated production lines have been introduced to enable the equipment to have intelligent functions such as fault detection, automatic parameter setting and automatic scheduling, and a real-time production dashboard has been established, which has greatly improved the transparent visualization and flexible adjustment speed of on-site management. Through the integration platform of software and hardware, the process is made more precise, and the market share is increased through the parallel development of research and development and intelligent manufacturing. At the same time, we have also optimized management modules such as financial accounting to improve the overall operational efficiency. Through system and data integration, Proxene has realized data interoperability and collaboration in key links such as production, supply chain, and finance, making data such as procurement, production, and delivery more accurate and timely, and managers can make the right decisions.

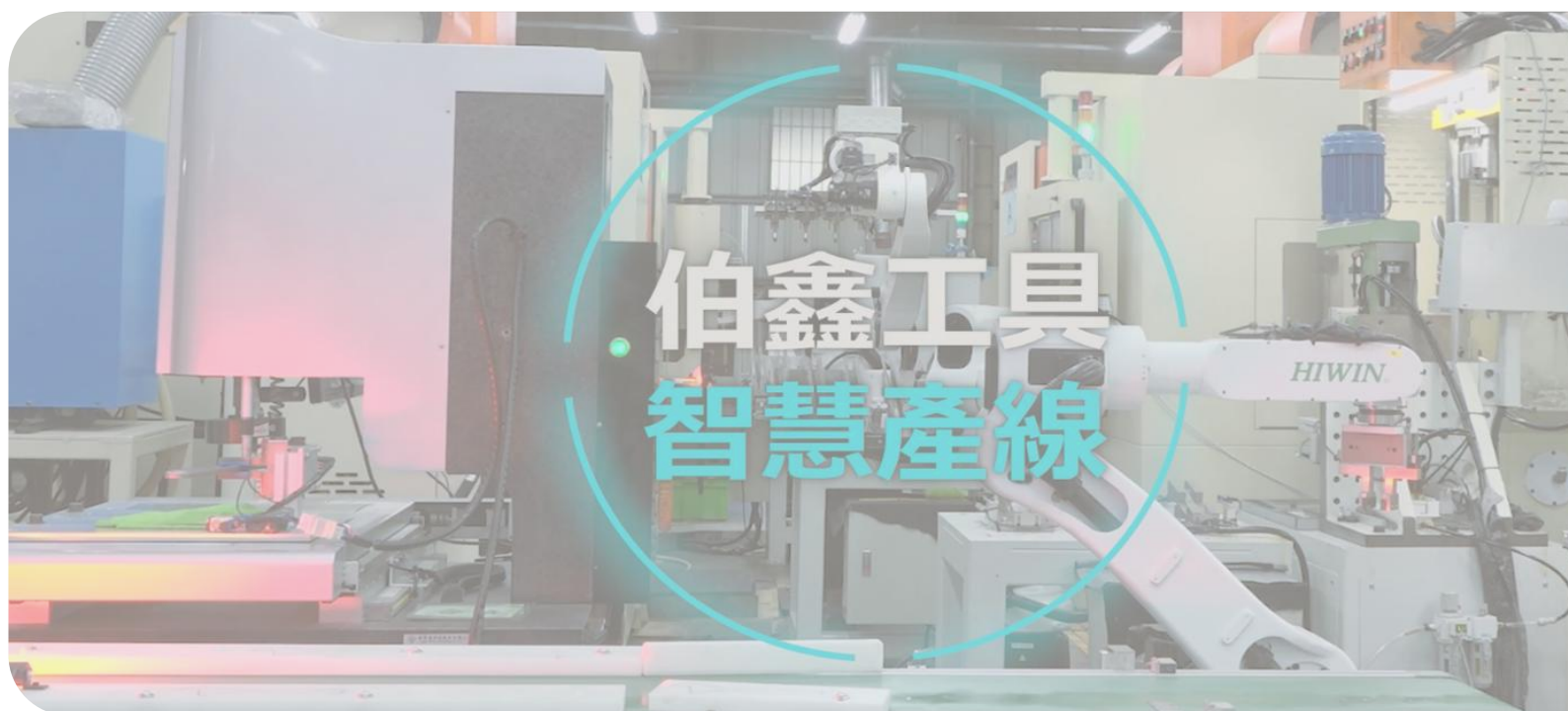
4.1.3 Production process of main products

From the entry of raw materials to the shipment of final products, except for heat treatment and electroplating, all other processes can be completed in-house, with a self-production rate of over 90%.



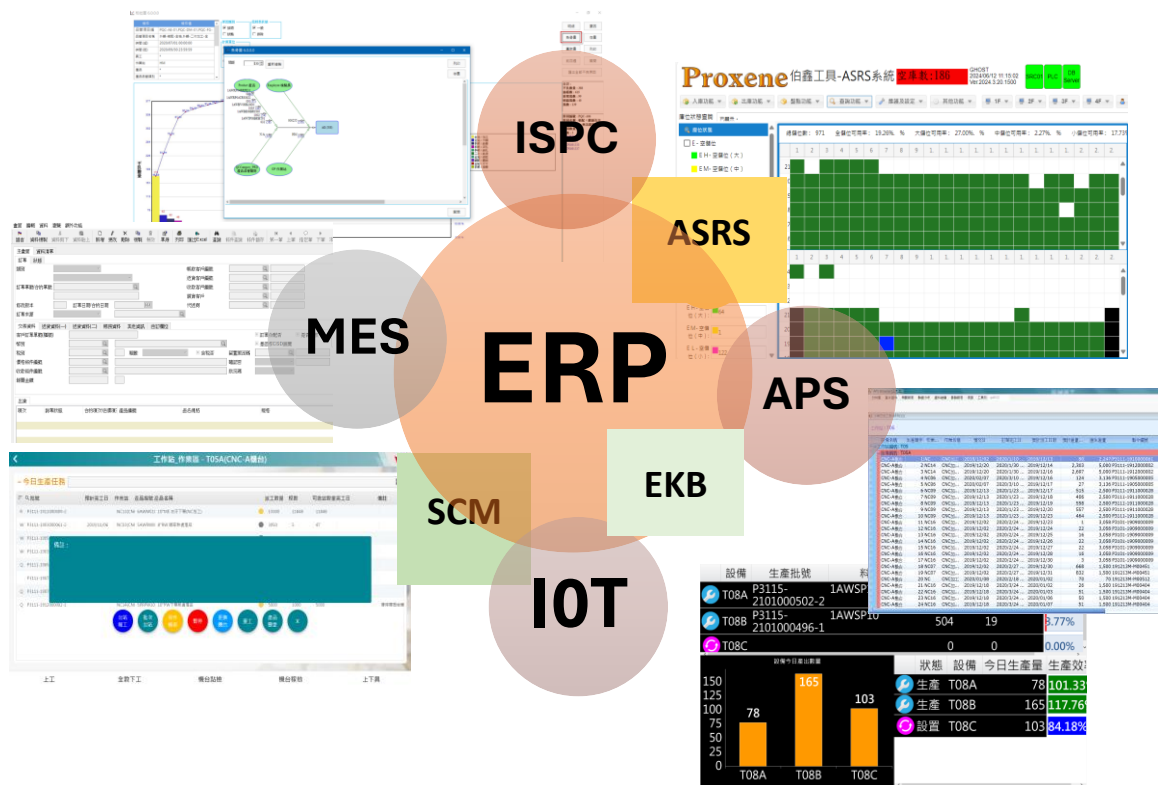
4.1.4 Smart Manufacturing

As a representative of the traditional metal processing industry, Proxene realized that it must enhance its competitiveness and sustainable development capabilities through automation and intelligent transformation. In addition, through systematic planning and execution, it repositioned its corporate strategy, combined with government resources, and gradually promoted smart manufacturing. Through effective data management and automated equipment, it improved production efficiency and product competitiveness.

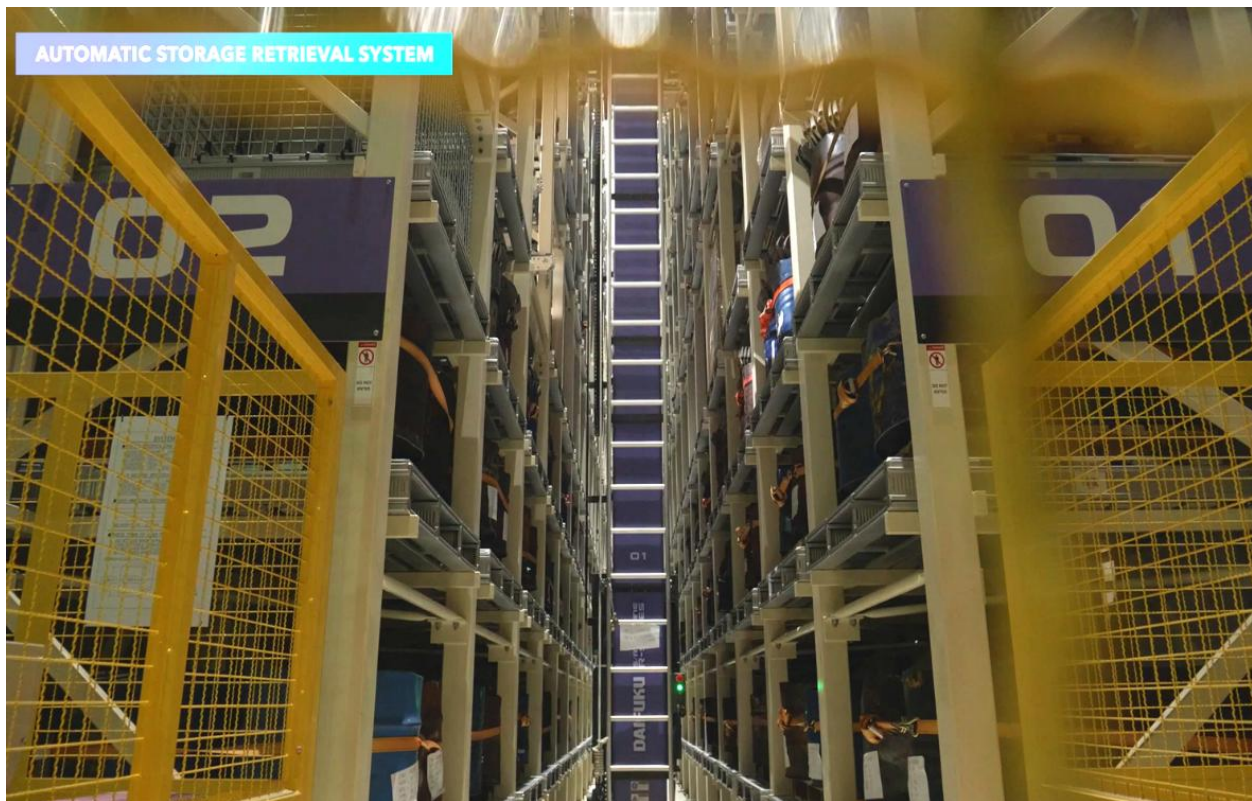


Proxene's intelligent transformation is divided into two stages: the first is equipment automation, and the next is system integration, from single-station intelligent automatic production line to multi-station serial automation and intelligent information integration, to establish a leading intelligent production line in the industry, to achieve the interconnection and connection of production information. At the same time, it also optimized management modules such as financial accounting to improve overall operational efficiency.

◆ Integrate ERP, APS (Intelligent Scheduling System) and MES (Manufacturing Execution System)

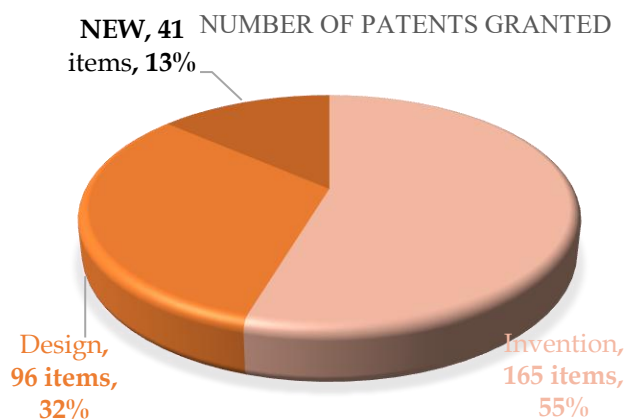


◆ Introduced automatic storage system



4.2 Patented R&D Results

At present, domestic hand tools are still mainly OEM. Proxene, based on its strong R&D capabilities and solid production and manufacturing technology foundation, has broken through the old OEM model and used self-developed ODM as the main axis of its business. In the field of adjustable wrenches around the world, the accumulated patents approved by various countries since its establishment total 302, of which invention patents account for 55 % , and the product types exceed 150. In the future, we hope to develop various professional hand tools and move towards becoming the world's number one professional tool manufacturer.



Year	Patents Pending
2023	None
2024	7 Inventions (Under Review)

Current Status of Intellectual Property Layout

In order to protect the results of the company's research and development, Proxene Company has applied for invention and design patents in major markets such as Taiwan, Japan, Australia, the United States, Canada, the United Kingdom and the European Union, as well as the main competitive production country: Mainland China, in order to gain competitive niches and R&D advantages, and ensure the freedom of product manufacturing and sales.

Intellectual property layout starts from the disclosure of innovative technology to the analysis of novelty. First, we ensure that the technology of the invention meets the requirements for patent application, and then cooperate with professional teams to conduct patent analysis and search, and simulate the scope of patent rights, so that the scope of patent rights of the innovative product technology can cover a wider range of the industrial chain. The Company faces the low-price competition from other Asian countries with patents and quality; compared with European and American products, it has the advantage of the same quality level and lower cost. Due to the advantages of R&D, production technology capabilities and excellent quality, it has gradually replaced the products produced by Europe and the United States in recent years, and the global market share of industrial-grade adjustable wrenches is about 25 %.



Awards

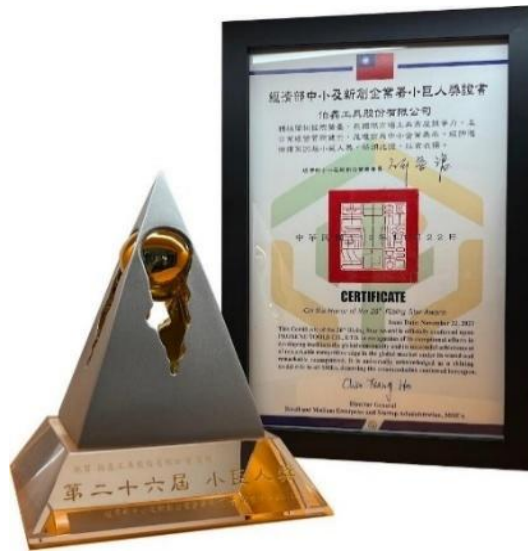
R&D achievements/awards/patents/paper titles	Get Time	Illustrate
Taiwan Excellence Award	1998	FP Products
Taiwan Good Design Award	2003	FP Products
Japan G-Mark Design Award	2004	RA Products
German IF Design Award	2008	RA Products
Taiwan Excellence Gold Award	2009	RA Products
Taiwan Golden Pin Design Award	2010	QF Products
German "REDDOT" design award	2010	QF Products
German IF Design Award	2012	RW Products
The 3th Taiwan Mittelstand Award	2015	Taiwan Mittelstand
Taiwan Excellence Silver Award	2016	RW Products
The 30th Taiwan SMEs Innovation Award of the Ministry of Economic Affairs	2023	Innovative Award
The 26th Rising Star Award of Economic Affairs	2023	Rising Star Award
2024 Taichung City Golden Hand Award	2024	Golden Hand Award
The 33th National Award of Outstanding SMEs	2024	National Award of Outstanding SMEs



reddot design award
winner 2010



The 3th Taiwan Mittelstand Award



The 26th Rising Star Award of Economic Affairs



2024 Taichung City Golden Hand Award



The 33th National Award of Outstanding SMEs

4.3 Product quality management

4.3.1 Customer Health and Safety

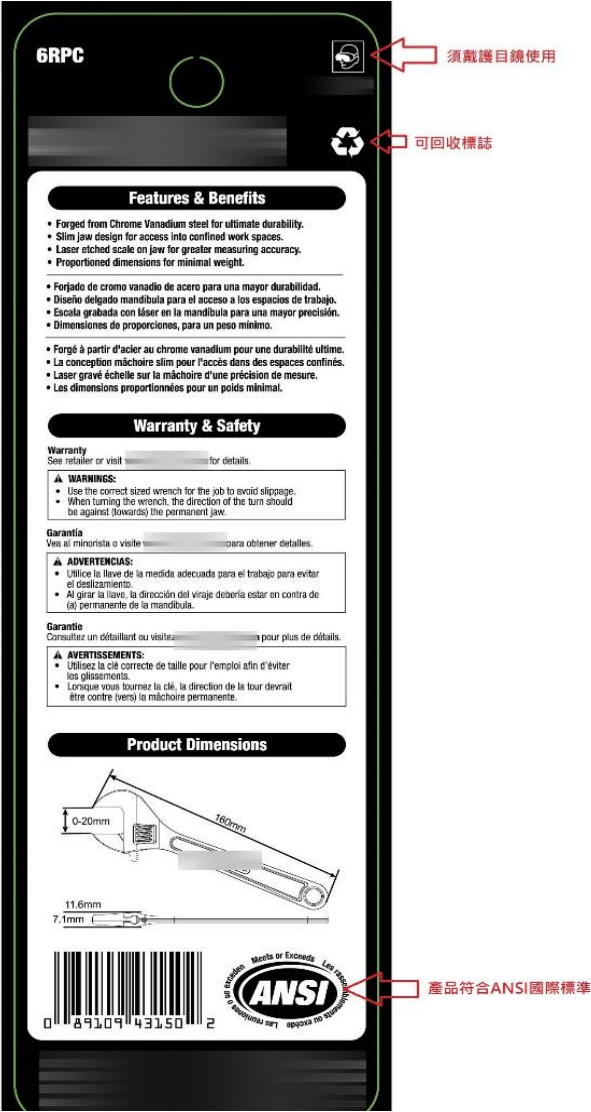
To ensure the safety of consumers, we ensure that all products meet the highest standards recognized in the market to avoid risks to consumers' health and safety, as well as legal issues and financial penalties caused by non-compliant products. In 2024, no incidents of violations of health and safety regulations for products and services were received.

Positive Benefit Description	1. Customers trust Proxene's production quality 2. Create Proxene's quality -first image 3. Comply with international standards, high customer recognition, and reduced evaluation time
Negative impact description	1. Increased product defect rate 2. Litigation and claims due to product harm to customer health 3. Decreased confidence in the company's production quality due to defective products
Policy	1. The product complies with the US CP65 and EU REACH international environmental protection regulations 2. The quality complies with ASME and ISO international standards
Promise	1. Require suppliers to provide CP65 or REACH third-party inspection certificate, or self-declaration 2. Send products to third-party inspection units for CP65 or REACH standard inspections from time to time 3. Provide quality inspection reports of ASME or ISO standards according to customer needs
Responsible Unit	Quality Assurance Department
Invest in equipment	Universal material testing machine, Rockwell /Vickers hardness testing machine, torque testing machine, salt spray testing equipment, optical image measuring instrument
Evaluation Mechanism	We conduct supplier incoming material inspection, in-process inspection and finished product inspection for each batch of products to ensure quality.
Performance	The average customer satisfaction rating for quality in the 2024 survey was 9.45 points (out of 10)

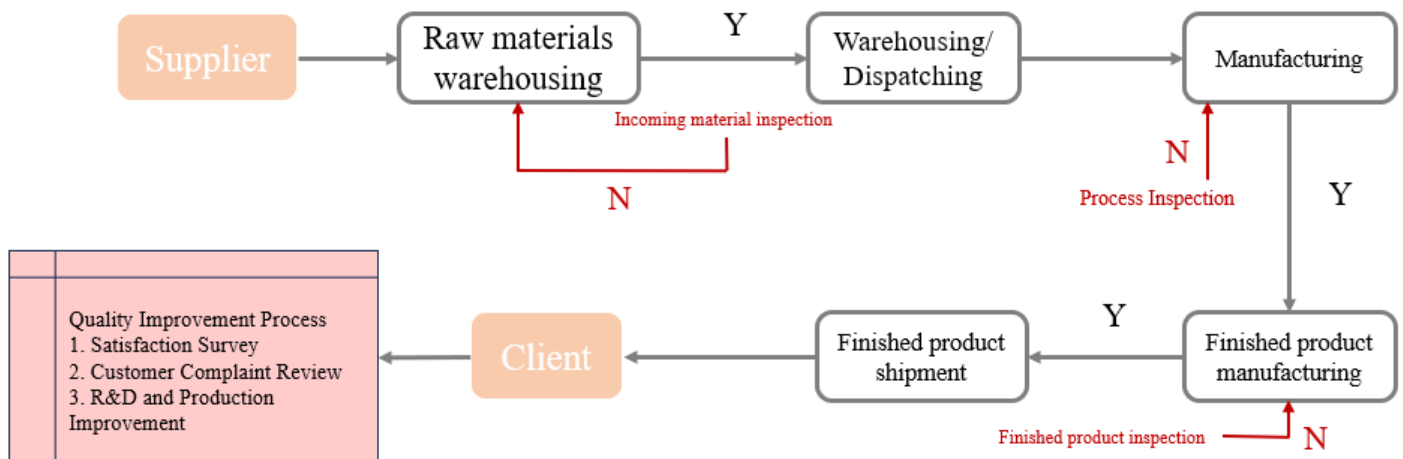
4.3.2 Product Information and Labeling

Proxene 's products are mainly supplied to brand customers. In response to the different regulations and labeling requirements of customers in different countries, Proxene stands on the position of protecting the rights and interests of customers and cooperates with customers to label sufficient and appropriate information on products and packaging.

Before customers order products, we will first provide customers with information such as product materials, features, specifications, instructions for use, international environmental regulations and international quality standards. We will then confirm the labeling content and labeling location (product or packaging) based on the customer's sales labeling requirements. In 2024, we have not received any complaints regarding violations of marketing communications, product and service information and labeling regulations.



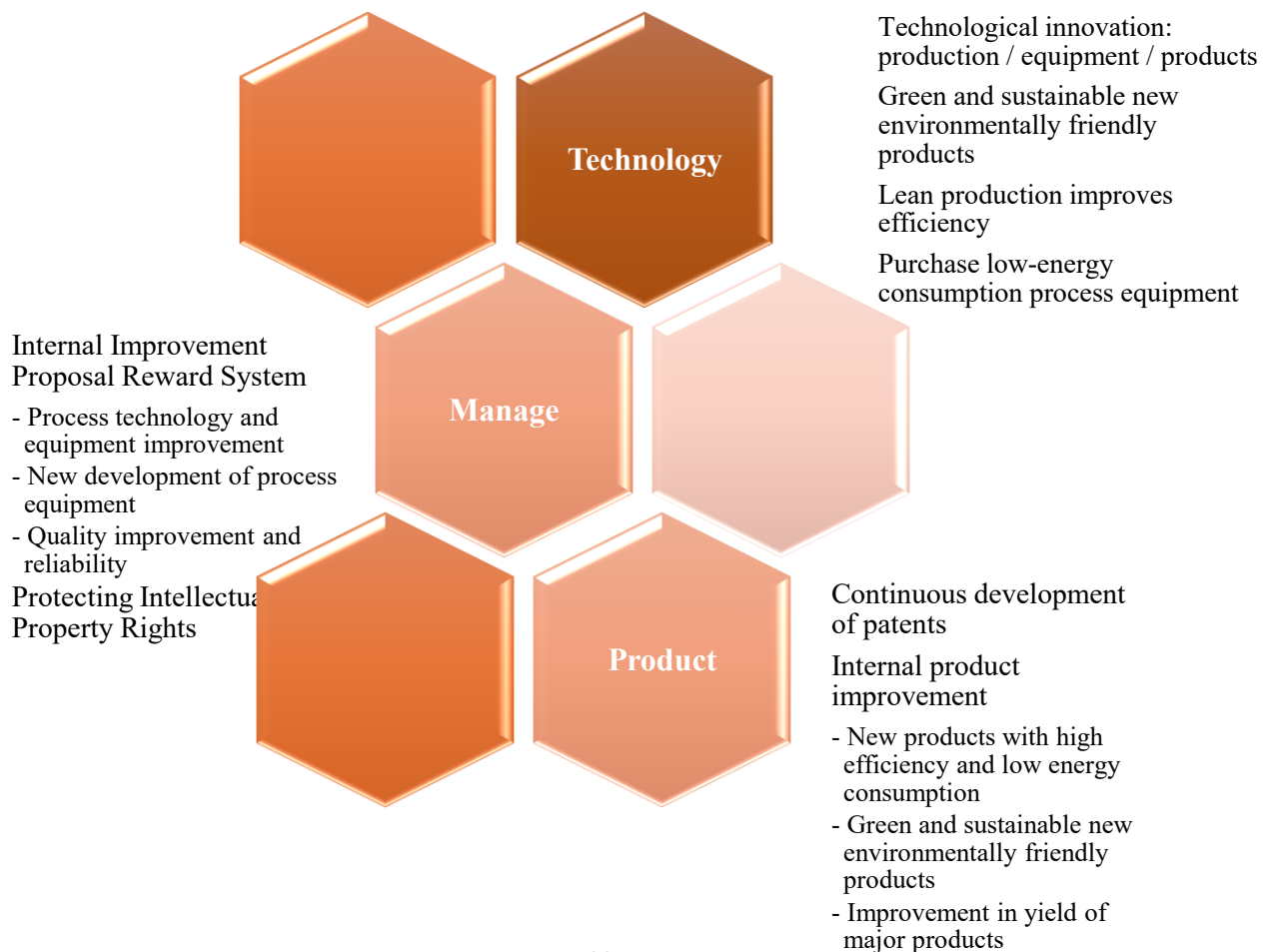
4.3.3 Quality Inspection Process



4.4 Future innovation and R&D strategy

Proxene intends to commit to green manufacturing and sustainable development through technological innovation and product design, and try to introduce green design and green manufacturing at all stages of the product life cycle, and introduce lean production to improve efficiency, achieve sustainable product responsibility and reduce impact on the environment.

The company's future technology , product and management strategies are shown in the figure below:



4.5 Product Life Cycle and Environmental Impact and Product Quality and Safety (SASB)

Topic	Accounting indicators / Code	Category	Unit Measure	Reply
Product Safety	(1) The number of recalls issued and (2) The total number of recalls CG-AM-250a.1	Quantitative	Number	(1) The number of voluntary recalls in 2024 is 0 . (2) No involuntary recall occurred.
	Discuss the process for identifying and managing security risks associated with the use of their products CG-AM-250a.2	Discussion and Analysis	Not Applicable	All our products are designed and manufactured in accordance with international standards to ensure product safety.
	Total monetary losses resulting from product safety-related legal actions CG-AM-250a.3	Quantitative	Report Currency	2024 , the Company had no total monetary losses resulting from legal proceedings.
Product life cycle environment impact	Percentage of products that qualify for Energy Star certification by revenue CG-AM-410a.1	Quantitative	Income Percentage (%)	The nature of the Company's products is not applicable to this indicator.
	(AHAM) sustainability standards by revenue CG-AM-410a.2	Quantitative	Income Percentage (%)	The nature of the Company's products is not applicable to this indicator.
	Describe efforts to manage the impact of product obsolescence CG-AM-410a.3	Discussion and Analysis	Not Applicable	The Company's products are mostly made of recyclable materials, and the use of disposable materials is avoided in the manufacturing process.

Topic	Accounting indicators / Code	Category	Unit Measure	Reply	
Activity index	Annual production CG-AM-000.A	Quantitative	Quantity		
				Main Products	Actual sales volume in 2024 (thousands)
				Adjustable wrench	2,300
				Pliers	32
				Parts and others	1,538

5. Sustainable supply chain management

5.1 Supply chain management policies and objectives and its industry chain

5.1.1 Supply Chain Management Policies and Objectives

Proxene attaches great importance to cooperation and growth with suppliers. Based on sustainable procurement policies, it formulates sustainable supply chain development strategies, requires suppliers to follow relevant regulations on issues such as environmental protection, integrity, occupational safety and health, or labor human rights, and jointly strives to enhance corporate social responsibility and strengthen suppliers' sustainable resilience and competitiveness:

- The Company has a good relationship with suppliers and requires that the raw materials provided by suppliers should comply with all relevant government regulations and industry standards and not pose any safety or health risks. If necessary, relevant test reports and reasonable explanations should be proactively provided for the goods they supply.
- If a supplier violates the relevant agreement with the company or relevant government regulations, the company may require the supplier to make immediate improvements, terminate the contract or compensate the company for the damage and lost profits.
- The Company requires colleagues to select partners based on the principle of fairness and openness during the procurement process; when dealing with suppliers, there must be no violation of ethics. During the evaluation process of procurement contracts, colleagues must strictly adhere to the transparency of information and processes to protect the rights and interests of both the company and suppliers. In addition, when performing duties in transactions with others, colleagues must not conceal or make false reports.
- The Company complies with ISO's "Purchasing and Outsourcing Management Methods" and asks suppliers to sign the "Human Rights Integrity and Environmental Sustainability Commitment" to constrain the business behavior of suppliers and the company. We also conduct assessments on suppliers from time to time to strengthen the management and supervision of the supply chain to ensure compliance with sustainable standards and government regulations. If a supplier is found to have obviously violated relevant regulations, the supplier may be required to make immediate improvements, terminate the contract, or compensate the company for the damage and lost profits.

5.1.2 Upstream, midstream and downstream industrial chain

of companies in Taiwan's hand tool industry is relatively small, but the division of labor is more refined. Most companies are small companies with less than 20 people , and companies with more than 100 people are considered large . This development model easily forms a relatively tight industrial chain , as shown in Figure 1 , with a lot of division of labor and cooperation between them . The entire industrial chain can be roughly divided into five parts, namely (1) Upstream raw material suppliers of steel; (2) Specializing in forging/heat

treatment/electroplating/die tool peripheral cooperating manufacturers; (3) Midstream manufacturers of hand tool products such as manufacturing/assembly/inspection/packaging/shipping; (4) Distributors responsible for agency and sales; (5) End users.

5.2 Supplier Management and Local Procurement

5.2.1 Supplier Management - Evaluation System

To carefully select stable and long-term suppliers and replace unsuitable suppliers, Proxene has adopted the following measures:

- 1. When selecting new suppliers, we require them to fill out the "Supplier Survey Form" to understand the new suppliers' hardware and software equipment and internal management for accepting Proxene orders.
- 2. In the process of cooperating with suppliers, in order to select qualified and highly cooperative suppliers and replace unsuitable suppliers, in December each year, we will implement the "Supplier Evaluation Form" operation for the top 5 suppliers with the largest delivery volume in each category.
- 3. When abnormal situations occur in daily life, relevant information is immediately provided to suppliers through communication equipment such as telephone, email or LINE, and solutions are obtained to reach a consensus on future operations .

(1) Number of new suppliers:

Item	2023	2024
Number of households	51	23

(2) Supplier evaluation weight distribution:

Item	Evaluation Category	Proportion
1	Quality Rating	50%
2	Delivery Evaluation	50%

Number of reviewers in 2023 and 2024:

Item	2023	2024
Number of households	24	23

With the following evaluation scores in 2023 and 2024:

Fraction	2023	2024
90 points or above	6	6
80 points or above	16	16
79 points or less	2	1

(3) Determination and disposal of evaluation results:

- a. If the total evaluation score of the supplier is less than 75 points , the purchasing staff must notify the supplier with a "corrective and preventive notice" and request countermeasures and responses ; if the supplier's total evaluation score is less than 75 points for two consecutive times , the purchasing staff must report to the general manager or management representative and propose to replace the supplier.
- b. If the total evaluation score of a supplier in that evaluation month reaches 90 points or above (inclusive) , the purchasing staff will recommend to the general manager or management representative that priority be given to purchasing from that supplier; if the total evaluation score of a supplier reaches 95 points or above for two consecutive evaluations or the evaluation reaches 100 points, the purchasing staff may recommend to the general manager or management representative that early payment be adopted as a reward.

5.2.2 Local procurement

In order to consider supply chain schedule management and logistics costs, such as shortening delivery time to reduce energy consumption and transportation costs, in addition to transactions between related companies, major raw materials are purchased locally in Taiwan - the principle of local procurement promotes local regional economic development and prosperity, while also avoiding supply shortages caused by international factors.

· The regional proportions of procurement in 2023 and 2024 are as follows:

Region	2023	2024
Taiwan	100%	100%
Overseas	0%	0%

5.3 Suppliers implement social responsibility

Based on the principle of mutual trust with suppliers and in response to global sustainable development, Proxene has achieved win-win results and is committed to sustainable development and carbon emission reduction goals with supply chain partners. In order to implement supply chain management, strengthen long-term trust-based cooperative relationships with suppliers, ensure that suppliers jointly fulfill their corporate social responsibilities, and strengthen supply chain resilience, the following goals are set:

- Cooperate with suppliers with qualified certificates to ensure no pollution to the environment and water sources.
- The main raw material supplier is reducing its carbon emissions ratio year by year.
- Supplier evaluation is conducted every year, with the average score of the annual supplier evaluation being above 80 points (average 86.3 in 2024 and 86.5 in 2023).
- Work with suppliers to improve ESG concepts and capabilities. At the same time, communicate with excellent suppliers to create a cooperative atmosphere.
- Invite suppliers to participate in practical action initiatives, such as net zero carbon emissions, and make commitments to jointly promote sustainable development.

Proxene requires its suppliers to sign the "Human Rights Integrity and Environmental Sustainability Commitment", "Business Ethics Policy" and "Human Rights Policy" and other statements, promising that any activities conducted will comply with relevant laws and ethical standards. As of December 31, 2024, a total of 44 "Human Rights Integrity and Environmental Sustainability Commitment", 12 "Business Ethics Policy Statement" and 9 "Human Rights Policy Statement" have been signed. Explain the company's sustainable management policy to suppliers, and confirm whether the supplier's sustainable development performance meets the requirements of various management systems through irregular audits or telephone interviews to ensure that suppliers can continue to meet our expectations. Self-assessment forms and on-site audits are not being implemented at this stage. In the future, self-assessment forms and on-site audits will be conducted for high-risk large-volume manufacturers to understand whether there is a negative impact on suppliers, and complete the "Supplier Implementation of Social Responsibility Self-Assessment and Audit Form".

5.4 Ethical Sourcing

·Green procurement, towards sustainable procurement

- (1) Suppliers are required to sign the "Human Rights, Integrity and Environmental Sustainability Commitment", "Business Ethics Policy Statement" and "Human Rights Policy Statement".
- (2) Complete the supplier evaluation form every year.
- (3) Suppliers are required not to use banned/restricted substances and must provide a hazardous substance-free test report when necessary.
- (4) When necessary, suppliers are required to sign a Non-use Conflict Minerals Guarantee to ensure that no conflict metals are used directly or indirectly in any raw materials, products or parts delivered to Proxene. Proxene's main raw material supplier is China Steel Corporation, which has committed to using conflict-free minerals in its sustainability report. Please refer to Appendix 5.
- (5) Priority will be given to using local Taiwanese products that meet carbon reduction and green requirements.

*Supply Chain Sustainability Management

Object	All Suppliers
Sustainability Management Implementation Measures	● Always pay attention to whether suppliers have any major negative events or illegal records related to environmental issues. ● Assess potential impacts related to environmental issues, such as high carbon emissions and the proportion of sustainable energy production.

6. Sustainable environment

6.1 Climate related information

Climate change is one of the environmental issues that the United Nations, governments, society and the business community are currently concerned about . Based on the Task Force on Climate-related Financial Disclosures Recommendation (TCFD) formulated by the International Financial Stability Board in 2019, Proxene has set the company's governance, strategy, risk management and indicator goals as follows:

6.1.1 Governance

Board oversight of climate-related risks and opportunities

The Company has established a "Sustainability and Nomination Committee" under the Board of Directors to formulate, promote and strengthen the action plans and capital expenditures of the Company's important policies on sustainable development (including climate-related issues), review, track and revise the implementation and effectiveness of sustainable development, and report to the Board of Directors.

Management 's role in assessing and managing climate-related risks and opportunities

The committee has a "Sustainable Development Working Group" chaired by the head of corporate governance, which brings together senior executives from various units to guide the company's response and decision-making on climate change. The head of corporate governance reports to the board of directors and the Sustainability and Nomination Committee on issues such as compliance with environmental laws and regulations, improving resource utilization, climate change response mechanisms, discussing climate-related risk issues, and updating the identification results of climate risks and opportunities, in order to achieve the goal of environmental sustainability.

6.1.2 Strategy

Identified short-, medium- and long-term climate-related risks and opportunities

The company will actively develop solutions based on the climate risk and opportunity factors recommended by TCFD , based on the probability, frequency, and possible impact, in the hope of reducing the operational and financial impacts of climate change and improving the climate resilience of the organization. The company also defines short-term as within 3 years, medium-term as 3 to 5 years, and long-term as more than 5 years. Based on the professional experience of each unit, the company will assess the potential operational and financial impacts that relevant climate risks and opportunities may have on the company.

Risk Categories and Opportunities	Transformation risks	Physical risks	Chance
Short term	Total greenhouse gas control and carbon tax	Extreme changes in weather patterns have	Research and development and

Risk Categories and Opportunities	Transformation risks	Physical risks	Chance
	and carbon fee	increased flooding, damaging our operating assets	innovation of new low-carbon products and services
Medium-term	● Changing consumer demands and preferences ● Transition to low-carbon technologies ● New regulations on renewable energy ● Inadequate climate action leads to a decline in brand reputation	Increased floods and droughts causing supply chain disruptions	Improve resource efficiency
Long-term	Net-zero emissions trend	Average temperature rise	Improve corporate reputation

The Company has assessed the above risks and proposed climate-related risks and opportunities that may have significant financial impacts, as well as the response strategies as follows:

Transition Risks/Climate Opportunities		
R Risk /O Opportunity	Financial impact - / +	Response strategies
R : Total greenhouse gas control and carbon tax and carbon fee R : New regulations on renewable energy R : Net zero emissions trend	- Paying carbon fees increases operating costs - In the future, the demand for renewable energy power certificate procurement will increase, and operating costs will increase - Violation of regulatory requirements will result in fines, resulting in increased operating expenses	● Strengthen green R&D and innovation ● Improve energy efficiency and invest in green energy equipment (a solar photovoltaic power generation system has been installed on the roof of the main factory) ● Continue to implement greenhouse gas reduction actions ● Encouraging suppliers to take climate mitigation and adaptation actions

Transition Risks/Climate Opportunities		
R Risk /O Opportunity	Financial impact - / +	Response strategies
R : Changing consumer demands and preferences O : R&D and innovation of new low-carbon products and services	- Decreased market sales, resulting in a drop in revenue + Increase the sales ratio of low-carbon products and thus increase revenue - Purchase products from suppliers with low carbon footprint	● Continue to invest in the research and development of low-carbon products ● Use raw materials with low carbon footprint ● Green product research and development innovation
R : Insufficient climate action leads to a decline in brand reputation	- Failure to meet stakeholders' expectations, resulting in damage to the company's reputation and reduced market sales	● Actively pay attention to and respond to climate-related issues, strengthen the corporate public welfare image, and increase customer recognition
O : Enhance corporate reputation	+ Improve funding availability and reduce funding costs	● Enhance the green image of the company through transparent disclosure ● Strengthen corporate governance and build a culture in which the company takes climate-related issues seriously and takes action ● Improve sustainable evaluation results and establish a good image

Physical Risks/Climate Opportunities		
R Risk /O Opportunity	Financial impact - / +	Response strategies
R : Extreme changes in weather patterns causing increased flooding R : Supply chain disruption (flood, drought, typhoon, earthquake, power outage /power failure, fire, etc.)	- Revenue decline due to shutdown of operating locations - Damage to machinery and equipment causing property loss - Rising raw material prices have led to increased operating costs	● Consider flood risk when setting up new business locations ● Assess flood risks at production sites and implement risk mitigation measures

Physical Risks/Climate Opportunities		
R Risk /O Opportunity	Financial impact - / +	Response strategies
	- Decreased product output leads to lower revenue - Failure to deliver as scheduled or interrupted delivery.	● Find suppliers from other regions ● IT is equipped with an uninterruptible power supply system (UPS) to support power ● Set up generators to meet emergency power needs for firefighting ● Inspection of process equipment in each factory
R : Average temperature rise O : Improve resource utilization efficiency	- Increased electricity consumption leads to increased operating costs - Lack of raw materials causes price increases - Increased costs or decreased production leading to decreased revenue + Reduced electricity costs	● Building green buildings ● Use of renewable energy ● Purchase energy-saving equipment ● Use raw materials with low carbon footprint ● Promote the concept of energy saving

Financial impacts of extreme weather events

Proxene has identified potential risks to the production or transportation stages such as floods, droughts, changes in precipitation patterns and extreme changes in climate patterns. Floods caused by heavy rainfall will cause the operation base to shut down and equipment to be damaged, resulting in a temporary inability to ship goods; while drought and water shortages will affect the normal operation of the production line. When there is a water shortage, it is necessary to maintain supply by reducing water use, transporting water across regions with water trucks, or transferring goods from other factories, resulting in an increase in operating costs.

Proxene will continue to improve its physical risk scenario analysis by referring to the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and the Sixth Scientific Report (AR6) of the United Nations Intergovernmental Panel on Climate Change (IPCC). In addition to evaluating existing risk issues, it is expected to include high temperature risks to strengthen the climate adaptation management and strategy of the merged company.

The financial impact of transformation actions

Under the transition risk, the transition to a low-carbon economy may face extensive policy and regulatory,

technological and market changes. Depending on the nature, speed and focus of the above changes, carbon fees and greenhouse gas total volume control, renewable energy regulations, and changes in consumer preferences may increase operating costs or reduce sales within the time frame of the analysis. Considering that the company has continued to develop and innovate and expand the diversity of related products, there is no significant impact on market sales under various scenarios, so the company focuses on the analysis of operating costs. In the context of low-carbon transformation, the financial impact of carbon pricing on the company may lead to an increase in the company's own operating and supply chain costs.

Proxene has introduced energy conservation and carbon reduction projects to minimize the impact of energy consumption, water consumption and waste on the climate in its operations and supply chain; improve energy efficiency and invest in green energy equipment; and invest in green product research and development innovation to meet consumer needs to respond to these transformation risks. The financial impact of this project on the company will lead to an increase in the company's own capital investment and operating costs.

6.1.3 Risk Management

The Board of Directors is the highest decision-making unit for risk control of each company within the Group and directly supervises the risk governance structure of each company within the Group. In order to improve risk assessment and strengthen management functions, the Board of Directors decided to set up a "Sustainable Development and Nomination Committee" in 2014 to be responsible for the formulation and implementation of sustainable development policies, systems or related management guidelines and specific promotion plans. In the process of formulating sustainable development policies, it identifies and manages the risks of corporate operations, including the physical and transformation risks that may be brought about by climate change. Based on the results of risk identification, it conducts strategic planning, integrates and manages risks that may affect operations and profits, and submits management execution and risk control reports to the Board of Directors at least once a year to supervise and track the risk management execution of the management team in order to strengthen the corporate constitution.

6.1.4 Indicators and targets

In the face of climate change, Proxene focuses on reducing greenhouse gas emissions and strengthening corporate resilience and efficiency in responding to climate change. The short-term, medium-term and long-term indicators for environmental management are as follows:

	Short-term (2023 ~ 2024)	Medium-term indicators (2025-2029)	Long-term (2030~)
Power saving	1%/ year	1%/ year	1%/ year
Greenhouse gas emissions	1% / year	2% / year	4% / year
Production interruptions caused by climate	0 Day	0 Day	0 Day

	Short-term (2023 ~ 2024)	Medium-term indicators (2025-2029)	Long-term (2030~)
disasters			
Water usage	1% reduction	1% reduction	1% reduction
Entrust waste disposal to legal businesses	100%	100%	100%

Goal and performance achievement:

Proxene is committed to fulfilling its environmental protection responsibilities and continuously improving itself as a sustainable enterprise. Based on the above short-, medium- and long-term energy conservation and carbon reduction indicators and related implementation plans, we aim to reduce the possible impact on society and the environment. The environmental management goals and performance achieved in the past two years are as follows:

2024 Target	2024 Performance Achievement	2025 Target
Power saving per plant : 1% / year	13.64% → Achieved	Power saving per plant : 1% / year
Greenhouse gas emissions reduction: 1% /year	24.74% → Achieved	Greenhouse gas emissions reduction: 2% /year
Production interruption caused by climate disaster: 0 days	0 days → Achieved	Production interruption caused by climate disaster: 0 days
Reduce water usage by 1% per year	1.81 % → Achieved	Reduce water usage by 1 % per year
Waste disposal entrusted to legal operators: 100%	100% → Achieved	Waste disposal entrusted to legal operators: 100%

6.2 Environmental Policy and Commitment

Proxene 's environmental policies and objectives, commitments and management guidelines are summarized as follows:

Policy: Comply with environmental laws and regulations, fulfill environmental protection responsibilities, operate green, and become a sustainable enterprise.

Goal: According to the regulations of the Energy Bureau, each plant will implement energy-saving measures every year, with the goal of electricity saving management: electricity saving must reach

more than 1% of annual electricity consumption; and strengthen climate resilience, and production interruption after climate disasters will be 0 days. Another energy-saving water management goal: reduce annual water use by 1%.

Commitment: Use due diligence and early warning communication methods to strengthen environmental risk management and reduce the impact on personnel and the environment; comply with environmental laws and regulations, and do a good job in energy conservation and carbon reduction, and sort domestic waste.

In response to climate change, Proxene continues to work hard to reduce greenhouse gas emissions. In formulating relevant strategies, it is committed to improving the efficiency of resource utilization and improving processes to reduce the impact on the environment. In addition, it improves climate change risk management and disaster prevention capabilities in order to achieve the vision of sustainable operation.

In accordance with laws and regulations, Proxene has applied for, paid or established various types of pollution facility installation permits or pollution emission permits, including air pollution control, water pollution control and industrial waste management.

In order to reduce the impact on the environment, Proxene is committed to maintaining and continuously improving environmental management to clearly define the operating procedures for various environmental controls and monitor their implementation progress. Specifically, Proxene promises the following:

- ◆ Comply with obligations: follow obligations and enhance image.
- ◆ Strengthen communication: involve all employees and enhance cognition.
- ◆ Environmental protection: pollution prevention, impact control.
- ◆ Continuous improvement: improve performance and operate sustainably.

6.3 Energy saving, carbon reduction and energy management

Recently, the global greenhouse effect has caused abnormal climate and energy shortage in Taiwan , which has caused serious impact on the environment and enterprises . As a global citizen, Proxene will do its best to protect and conserve the environment. In recent years, in response to the requirements of government agencies to promote ESG sustainable development and energy conservation and carbon reduction, the company's carbon emissions, specific goals and management measures are as follows:

Category	Target	Specific management measures
Energy Resource Management and saving	Reduce by 1% Power Consumption	‘Implement energy management training to enhance employees’ awareness of energy conservation and environmental protection ‘Air conditioning equipment converted to variable frequency motor ‘LED energy - saving lamps are used throughout the factory ‘The processing equipment uses energy-saving design: the existing oil furnace heating equipment is changed to frequency induction heating, and the carbon emission is greatly reduced by about 47.62%, which has a significant carbon emission reduction effect

Category	Target	Specific management measures
		• Completed the construction of 283.7KW solar power in the main plant, with an investment of approximately 12 million, and the annual power generation can reach more than 350,000 kWh. The self-use of solar power meets the green electricity regulations, and the total CO2 reduction is approximately 350 tons as of December 31, 2024. In the future, the second plant will also invest in solar energy projects. • Completely replace the main plant's forklifts with electric forklifts • Electric vehicle charging stations were installed in the main factory dormitory to encourage employees to use electric vehicles • The main plant introduced variable frequency air compressors and VRV air conditioners • Office air conditioning set at 27 degrees • Other ways to reduce electricity consumption
	Reduce by 1% Water Consumption	• Regularly check and maintain the rooftop water storage tower to maintain a reasonable water output • Use low-temperature vacuum distillation machine to reduce wastewater discharge • Use cement grinding filter to reduce the water content of sludge, which can be recycled and reused • Other ways to reduce water consumption

6.4 Greenhouse Gas Management

order to reduce the environmental impact caused by carbon emissions, Proxene continues to develop methods to reduce energy resource consumption, reducing direct emissions from operational activities (category 1) and indirect emissions from energy use (category 2), and setting goals such as saving electricity and water to ensure that the intensity of greenhouse gas emissions meets expectations. Implementation content includes:

Category 1 : Eliminate heavy oil, replace old equipment, simplify the process to reduce waste, maintain a high proportion of scrap steel utilization, and reduce carbon intensity during the manufacturing stage

Category 2: Comply with regulations, build your own rooftop solar power generation device, and use renewable energy

Proxene has established a greenhouse gas inventory mechanism in accordance with the ISO14064-1 greenhouse gas inventory standard issued by the International Organization for Standardization (ISO). Since 2023, we have regularly inspected our individual greenhouse gas emissions every year. The organizational boundaries cover our main plant and second plant, fully grasping the use and emission of greenhouse gases and verifying the effectiveness of reduction actions.

In the last two years are as follows:

	2023		2024	
	Emissions (tons CO2e)	Intensity (tons of CO2e/ turnover in NT\$ million)	Emissions (tons CO2e)	Intensity (tons of CO2e/ turnover in NT\$ million)
Category 1 Direct greenhouse gas emissions	439.74		238.48	
Category 2 Indirect greenhouse gas emissions	846.20		729.3 3	
Total	1,285.94	1.94	967.81	1.59



Induction furnace



Solar power generation

6.5 Water management

The main purpose of water resources in each of the Company's locations is for employees' domestic use. The water source is the water company in the location of the location (water source: fresh water), which does not cause significant impact on water resources and the ecological environment of the water source. In order to ensure the safety of employees' drinking water, the filter element of the water dispenser is replaced regularly to effectively remove harmful substances in the water. Every quarter, SGS is commissioned to test the water to ensure safe and healthy water quality. The water consumption is mainly for employees' domestic water and

process water. The domestic sewage generated by employees is discharged into the sewer sewage system at the location of operation through drainage pipes; the wastewater generated from the process water is subject to the storage permit and qualified manufacturers for transportation and treatment in accordance with regulations.

Testing Report 2024



上準環境科技股份有限公司
Eurofins Sun Dream Environmental Technical Corporation

環境部許可證字號：環境部環檢字第018號
地址：台中市西屯區工業路41號

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委託單位：怡嘉工具股份有限公司總廠
檢測目的：其他環保法規用途
樣品單位：上準環境科技股份有限公司
樣品地址：台中市神岡區北區里中山路883巷9-2號
樣品名稱：四樓廚房排水機水樣
樣品編號：H113092320
樣品方法：NIEA W101.57A

樣品特性：液態

檢測項目	檢測值	檢測方法	單位	備註
大腸桿菌群	<1	NIEA E230.55B	CFU/100mL	
以下空白				

備註：
1. 檢測值低於方法檢測極限之測定以“ND”表示，並註明其方法檢測極限(EDL)及單位。
2. 檢測值低於檢量線最低濃度而低於EDL濃度時，以“<”檢量線最低濃度表示。
3. 本報告僅對樣品負責，不得隨意複製及作為宣傳廣告之用，報告共4頁，分發使用無誤。
4. 現行版用此標準，大腸桿菌群 E230.55B。
5. 本報告已由核可報告簽署人審核無誤，簽署人：劉子華(ERI-01)。

聲明書：
(1) 茲保證本報告內容完全依照環境部及有關機關之標準方法或品質管理相關規定，秉持公正、誠實進行採樣、檢測，絕無虛偽不實，如有違反，就政府機關所受理投訴及相關責任之外，並接受主管機關依法令所為之行政或民事罰責。
(2) 本人瞭解如自受委託機關委託採樣、檢測，而於採樣、檢測之過程中，有違反環境保護法、水污染防治法等相關規定，或有違反、有損於國家安全及公眾利益之行為，將受最嚴厲之法律制裁。

公司名稱：上準環境科技股份有限公司
檢驗室主管/報告簽署人：劉子華



上準環境科技股份有限公司
Eurofins Sun Dream Environmental Technical Corporation

環境部許可證字號：環境部環檢字第018號
地址：台中市西屯區工業路41號

專案編號：ER1138086
電話：(04)2358-2525
傳真：(04)2359-8745

委託單位：怡嘉工具股份有限公司總廠
檢測目的：其他環保法規用途
樣品單位：上準環境科技股份有限公司
樣品地址：台中市神岡區北區里中山路883巷9-2號
樣品名稱：四樓廚房排水機水樣
樣品編號：H113092320
樣品方法：NIEA W101.57A

樣品特性：液態

檢測項目	檢測值	檢測方法	單位	備註
大腸桿菌群	<1	NIEA E230.55B	CFU/100mL	
以下空白				

備註：
1. 檢測值低於方法檢測極限之測定以“ND”表示，並註明其方法檢測極限(EDL)及單位。
2. 檢測值低於檢量線最低濃度而低於EDL濃度時，以“<”檢量線最低濃度表示。
3. 本報告僅對樣品負責，不得隨意複製及作為宣傳廣告之用，報告共4頁，分發使用無誤。
4. 現行版用此標準，大腸桿菌群 E230.55B。
5. 本報告已由核可報告簽署人審核無誤，簽署人：劉子華(ERI-01)。

聲明書：
(1) 茲保證本報告內容完全依照環境部及有關機關之標準方法或品質管理相關規定，秉持公正、誠實進行採樣、檢測，絕無虛偽不實，如有違反，就政府機關所受理投訴及相關責任之外，並接受主管機關依法令所為之行政或民事罰責。
(2) 本人瞭解如自受委託機關委託採樣、檢測，而於採樣、檢測之過程中，有違反環境保護法、水污染防治法等相關規定，或有違反、有損於國家安全及公眾利益之行為，將受最嚴厲之法律制裁。

公司名稱：上準環境科技股份有限公司
檢驗室主管/報告簽署人：劉子華

The Company's water conservation measures:

1. Check for pipeline leaks during routine inspections by cadres.

2. Ask department heads to promote water conservation to colleagues during meetings and turn off taps when leaving.

3. Count water consumption and compare it with the same period of the previous year to assess whether there is any abnormality in water consumption

In the last two years:

Year	2023	2024
Process water consumption (tons)	6.79	3.86
Domestic water (tons)	6,769.21	6,649.30
Total water usage (tons)	6,776.00	6,653.16

86

6.6 Waste Management

Material topic: Waste Management and Recycling (GRI 306)	
Policy / Commitment	Policy: Proper waste management has a positive impact on the environment. By reducing waste generation, recycling and properly disposing of waste, we can reduce its impact on the environment, while improving the company's environmental image and effectively reducing damage to the ecosystem. Promise: ● Continuously improve and reduce environmental impact ● Promote green enterprises and achieve sustainable development goals
Target	Short term: General business waste is reduced year by year (waste reduction of 1% per year) Mid- to long-term: Evaluate the reduction of waste water and waste, and seek to purchase relevant and suitable equipment.
Management Measures	● Each plant continues to promote source sorting and waste reduction, requiring manufacturers, suppliers and contractors to use green products and consumables to reduce the generation of large amounts of waste. At the same time, equipment for recycling and reusing process waste is invested to achieve a more significant waste reduction effect. Waste reduction measures are as follows: 1. Continue to strengthen environmental education to enhance the environmental awareness of all company employees ; 2. Increase the use of reusable resources . ● When executing operational activities and internal management, the company is committed to improving the utilization efficiency of various resources so that the earth's resources can be used sustainably. The relevant environmental protection policies include: 1. Promote the electronicization of work processes to save paper usage; 2. We strive to promote the recycling of photocopy paper and implement waste sorting and resource recycling. ● Carry out waste disposal operations in accordance with environmental protection laws and regulations, entrust waste removal companies approved by the competent authorities to handle and handle related removal operations. Waste removal and its operations shall be reported in accordance with the law, and the status and tracking of the final disposal of waste shall be confirmed within the prescribed period.

Evaluation / Monitoring Mechanism	Environmental management meetings are held quarterly to review the implementation status of each phase .
Concrete Results	● Currently, part of the waste sandblasting has been screened and returned to the process (the original waste sandblasting materials are all entrusted to qualified manufacturers for removal) , and the process wastewater is recycled and reused through equipment, which has successfully reduced the waste treatment volume of wastewater and sludge. ● Low temperature vacuum distillation machine reduces wastewater treatment and recycling by 80-85 % ● Cement grinding filter reduces sludge water content for recycling 41 %



Low temperature vacuum distillation machine
Recycling 80-85 %



Cement grinding filter
Recycling 41%

The weight of the Company's waste is as follows:

Year	2023	2024
Weight of non-hazardous waste (tons)	82.83	53.59
Weight of scraps (tons)	435.400	391.800

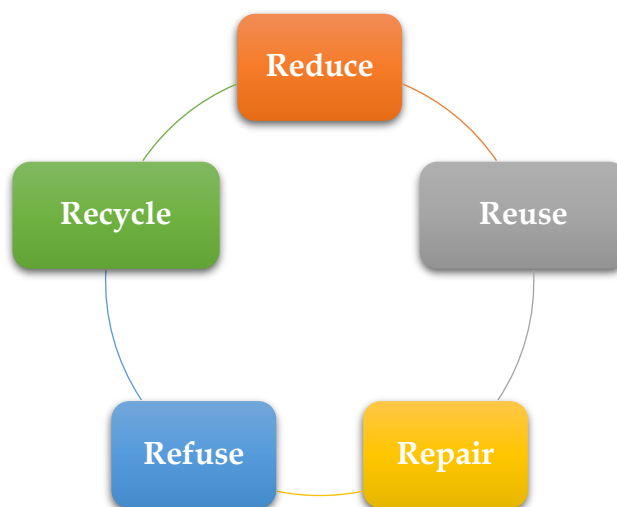
Waste generation and impact:

Proxene's various factories is general business waste, mainly waste oil mixtures, sandblasting waste, and sludge mixtures. There is no output of harmful business waste. Proxene implements waste treatment in accordance with the " Waste Disposal Act " and implements a resource recycling mechanism. It entrusts environmental technicians to apply for legal waste clearance and entrusts qualified removal and treatment companies to handle the declaration. However, due to the small amount of business waste output, most of it is temporarily stored in the factory and will be removed together after the removal volume is met . In addition, audit personnel conduct regular and irregular on-site inspections to achieve the purpose of supervision and tracking, ensuring that the flow of various types of waste clearance can be properly and legally carried out smoothly. There was no breach of contract or violation of the law by the removal company entrusted in 2024 .

Proxene has a wastewater treatment system. Its business wastewater mainly comes from the cleaning process. All wastewater treatment equipment is installed in accordance with regulations and a water pollution prevention and control measures installation permit issued by the competent authority is obtained. The process area is equipped with independent pipelines to converge to the wastewater treatment facility. After treatment, it meets the standards of environmental protection regulations . Every year, an external qualified inspection agency is commissioned to conduct wastewater quality testing, and the factory wastewater is commissioned to conduct water quality testing by a qualified inspection agency every six months.

Proxene adheres to the following 5R spirit for waste reduction:

- 1.Reduce: Reduce the amount of garbage discarded.
- 2.Reuse: Reuse containers or products.
- 3.Repair: Pay attention to maintenance to extend the service life of items.
- 4.Refuse: Refuse to buy over-packaged goods and refuse to use items that are not environmentally friendly.
- 5.Recycle: Recycle and use recycled items.



2024 Water Quality Testing Report (Excerpt)

捷克環境科技有限公司

CZECH Environmental Technologies Co., Ltd.

環境部許可證字號：環境部國環檢證字第135號(原環署環檢字第135號)

檢驗室地址：台中市西屯區工業區38路210號4樓之6 電話：04-23509981

水質樣品檢驗報告

客戶名稱：伯鑫工具股份有限公司總廠

報告編號：CH113W7105

業別：金屬基本工業

採樣日期：113年10月16日13時55分

樣品特性：廢水

收樣日期：113年10月16日16時30分

採樣單位：捷克環境科技有限公司

報告日期：113年10月30日

許可證字號：環境部國環檢證字第135號

聯絡人：周柏宏

採樣方法：一

檢測目的：定期申報

採樣地點：台中市神岡區北庄里中山路893巷9號、9-1號及9-2號

樣品編號		W/113101621-01		檢驗方法	備註
採樣時間		13:55-13:58			
檢測項目	原樣名稱	原樣水			
單位					
水溫	°C	29.7		NIEA W217.51A	
氫離子濃度指數(pH值)	—	6.8		NIEA W424.53A	
懸浮固體	mg/L	285		NIEA W210.58A	
化學需氧量	mg/L	1910		NIEA W517.53B	
氨氮	mg/L	<0.05		NIEA W413.52A	
油脂(正己烷抽出物)	mg/L	5.3		NIEA W505.54B	
硝酸鹽氮	mg/L	4.15		NIEA W452.52C	
鉍	mg/L	1.23		NIEA W306.55A	

備註：

- 1.本報告共2頁，分聯使用無效。
- 2.低於方法偵測極限之測定值以“ND”表示，並於備註欄註明其方法偵測極限(MDL)。
- 3.低於檢量線最低濃度而高於MDL濃度時，以“<”檢量線最低濃度值表示。
- 4.未檢出空油桶(正己烷抽出物)則項之空白分析值為0.5mg/L。
- 5.本報告“*”者，表示該樣品未執行之分析項目。
- 6.本報告僅對該樣品負責，不得隨意複製及作為宣傳廣告之用。
- 7.採樣行經代碼：JVWA24100278
- 8.水污申報系統資料：

項目	起	迄
進廠時間	13:50	14:03

聲明書：

- (一) 茲保證本報告內容完全依照環境部及有關機關之標準方法及品管品管等相關規定，秉持公正、誠實進行採樣、檢測，絕無虛偽不實，如有違反，經政府機關所受理損失賠償連帶賠償責任之外，並接受主管機關依法令所為之行政處分及刑事處罰。
- (二) 本人瞭解如身為受政府機關委託從事公務，亦屬於刑法上之公務員，並瞭解刑法上關於賄、公務員登載不實偽造公文書及貪污治罪條例之相關規定，如有違反，亦為刑法及貪污治罪條例之適用對象，願受最嚴厲之法律制裁。

公司名稱：捷克環境科技有限公司

負責人(簽章)：周柏宏

檢驗室主管
(簽名)

報告專用章
捷克環境科技有限公司
負責人：周柏宏
檢驗室主任：周柏宏

頁次 (1/2)

CH-TAB-Q-083/2.5/2021.04.08

捷克環境科技有限公司

CZECH Environmental Technologies Co., Ltd.

環境部許可證字號：環境部國環檢證字第135號(原環署環檢字第135號)

檢驗室地址：台中市西屯區工業區38路210號4樓之6 電話：04-23509981

水質樣品檢驗報告

客戶名稱：伯鑫工具股份有限公司總廠

報告編號：CH113W7105

業別：金屬基本工業

採樣日期：113年10月16日13時55分

樣品特性：廢水

收樣日期：113年10月16日16時30分

採樣單位：捷克環境科技有限公司

報告日期：113年10月30日

許可證字號：環境部國環檢證字第135號

聯絡人：周柏宏

採樣方法：一

檢測目的：定期申報

採樣地點：台中市神岡區北庄里中山路893巷9號、9-1號及9-2號

樣品編號		W113101621-01		檢驗方法	備註
採樣時間		13:55-13:58			
檢測項目	原樣名稱	原磨水			
檢驗項目	單位				
水溫	℃	29.7		NIEA W217.51A	
氫離子濃度指數(pH值)	—	6.8		NIEA W424.53A	
懸浮固體	mg/L	285		NIEA W210.58A	
化學需氧量	mg/L	1910		NIEA W517.53B	
氨氮	mg/L	<0.05		NIEA W413.52A	
油脂(正己烷抽出物)	mg/L	5.3		NIEA W505.54B	
硝酸鹽氮	mg/L	4.15		NIEA W452.52C	
鉍	mg/L	1.23		NIEA W306.55A	

備註：

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- 3.低於檢量線最低濃度而高於MDL濃度時，以“<”檢量線最低濃度值表示。
- 4.未檢出空油桶(正己烷抽出物)則項之空白分析值為0.5mg/L。
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- 7.採樣行經代碼：JVWA24100278
- 8.水污申報系統資料：

項目	起	迄
進廠時間	13:50	14:03

聲明書：

- (一) 茲保證本報告內容完全依照環境部及有關機關之標準方法及品管品管等相關規定，秉持公正、誠實進行採樣、檢測，絕無虛偽不實，如有違反，經政府機關所受理損失賠償連帶賠償責任之外，並接受主管機關依法令所為之行政處分及刑事處罰。
- (二) 本人瞭解如身為受政府機關委託從事公務，亦屬於刑法上之公務員，並瞭解刑法上關於賄、公務員登載不實偽造公文書及貪污治罪條例之相關規定，如有違反，亦為刑法及貪污治罪條例之適用對象，願受最嚴厲之法律制裁。

公司名稱：捷克環境科技有限公司

負責人(簽章)：周柏宏

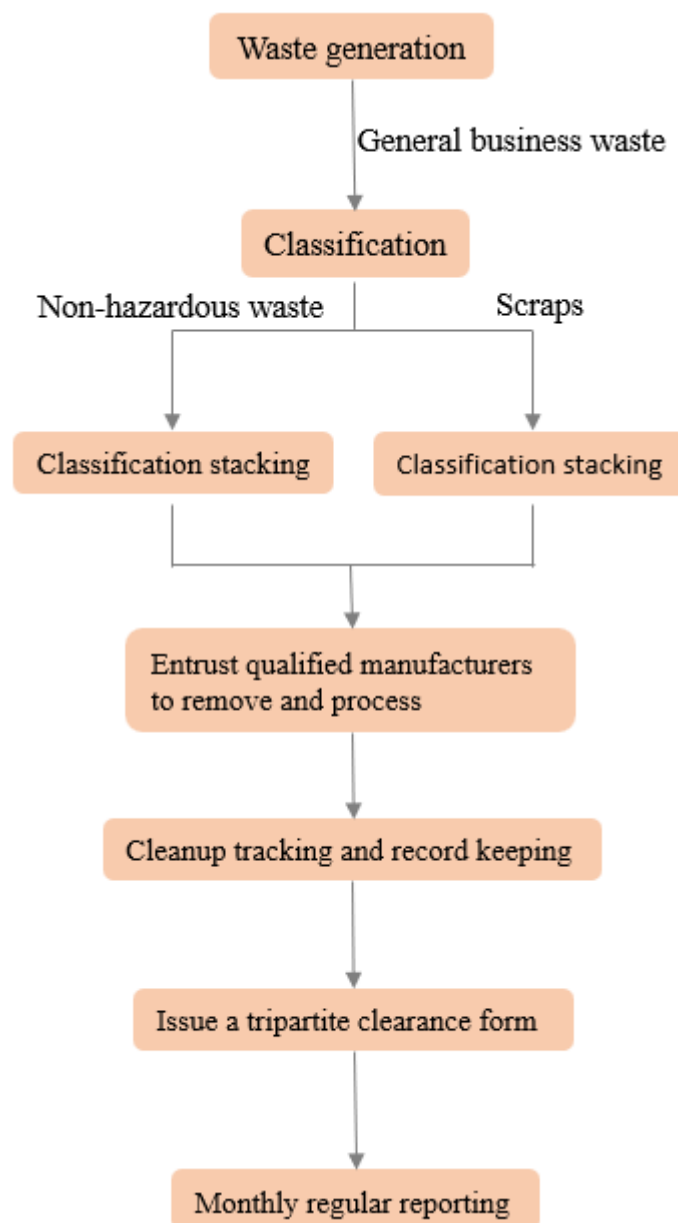
檢驗室主管
(簽名)

報告專用章
捷克環境科技有限公司
負責人：周柏宏
檢驗室主任：周柏宏

頁次 (1/2)

CH-TAB-Q-083/2.5/2021.04.08

The waste management process is as follows:



The status and tracking of final waste disposal are as follows:

years	Incineration (tonnes)	Physical treatment (metric tons)	Heat Treatment
2024	3.81	33.15	16.63
2023	10.17	26.81	45.85

years	Non-hazardous waste (metric tons)	Hazardous waste (metric tons)	Domestic waste (tonnes) (Note)
2024	53.59	0	20.4
2023	82.83	0	20.4

Note: Statistics of domestic waste: The main plant removes about 1.3 tons of waste per vehicle per month, 4 times per week; the second plant removes about 75 kilograms of waste per week, and the monthly removal volume is about 0.4 tons.

6.7 Air Pollution Prevention

- The dust generated by Proxene Tools during the sandblasting and polishing stages of some manufacturing processes is processed through dust collection equipment, centrally located and marked, and then entrusted to qualified waste removal companies for transportation.
- Declare and pay air pollution control fees every year in accordance with regulations.
- Every year, qualified inspection units are commissioned to perform sampling inspections on air pollutant emissions, and this year's air pollution inspections have all met the qualified standards.

2024 Air Pollutant Emissions Monitoring Report

勳原環境科技股份有限公司
JING YUAN ENTECH CO., LTD.
環境部許可證字號：環境部環理檢字第176號
地址：台中市南屯區工業區20路33號4樓
TEL: (04)2359-3515 FAX: (04)2359-2825

空氣樣品檢測報告

客戶名稱：岳鑫工具股份有限公司
行 業 別：A
樣品特性：拋光管通 P101
樣品單位：勳原環境科技股份有限公司
台中市南屯區工業區20路八三巷九號、九
樣品地點：之一號、九之二號
檢測目的：固定空氣污染源定期檢測及申報之檢測

報告編號：JMY13A0713
採樣日期時間：113 年 09 月 19 日 09 時 29 分 ~ 15 時 35 分
收樣日期：113 年 09 月 20 日 09 時 03 分
報告日期：113 年 07 月 01 日
聯 絡 人：蔡志華
行樣代碼：JNAA24000056

樣品編號	A113092001-01-03	—	—	檢測方法	備註
檢測項目	單位	檢測值			
顆粒物	mg/m ³	1	—	NIEA A101.77C	
以下空白					

備 註：1. 本報告共 1 頁，全部使用藍紙。
2. 本報告證明樣品負責，並不得隨意複製及做為宣傳廣告使用。

聲明書：(一) 茲保證本報告內容完全依照環境部及有關機關之標準方法或品質保證等相關規定，秉持公正、誠實進行採樣、檢測，絕無虛偽不實，如有違反，該政府機關所受損失與本廠無涉，並接受主管機關依法令所為之行政處分及刑事責任。
(二) 本人瞭解如自願受政府機關委任從事公務，亦屬於附屬上之公務員，並瞭解附法上權利、公務員受職不實偽造公文書及濫用公務罪之相關規定，如有違反，亦為判決及濫用公務罪之適用對象，願受該罪罰之法律制裁。

公司名稱：勳原環境科技股份有限公司
負責人(簽章)：蔡 志 華
實驗室主任(簽章)：楊 文 利

報告專用章
勳原環境科技股份有限公司
負責人：蔡志華
實驗室主任：楊文利

二、檢測結果附件

1、排氣溫度：3.75 %		2、排氣溫度：39.3 °C	
3、排氣速度：5.25 m/s		4、液/乾基排氣量：33.97 / 32.70 m ³ /min	
空氣污染 檢測方法編號	CO ₂ (%)	O ₂ (%)	CO (%)
排放污染 NIEA A101.77C	<0.1	20.8	<0.1
以下空白			

一、檢驗單位行樣代碼：JNAA24000056

上述資料經本人做最終審查，確係無誤。
檢驗室主任(簽名蓋章)

報告專用章
勳原環境科技股份有限公司
負責人：蔡志華
實驗室主任：楊文利

7. Friendly workplace and social prosperity

Uphold integrity and pursue sustainability

For Proxene, "integrity, altruism, teamwork, and innovation" are the company's corporate culture that has been deeply rooted for many years. "Integrity" is the top priority. In addition to providing high-quality products and devoting ourselves to the sustainable operation of the company, we must also maintain an altruistic spirit. In terms of sustainable responsibility, we provide complete education and training, establish a complete employee welfare system and a comfortable and friendly working environment, and achieve the goals pursued by the company through joint participation in value enhancement. We also set up solar power generation in the new factory and fully use energy-saving and high-efficiency equipment to gradually implement the commitment to sustainable operation. At the same time, we actively participate in social donation activities to help disadvantaged groups, continue to work with peers and suppliers with similar ideas, and jointly build a more competitive international synergistic partner group.

We promise to strive to pursue and implement the ESG corporate sustainable development policy of "environmental protection (E), employee care (S), friendly workplace (S), social prosperity (S), honest management and compliance with laws and regulations (G), and full employee participation (G)".

Proxene's short-, medium- and long-term indicators for harmonious labor-management personnel management in a friendly workplace are as follows:

	Short-term indicators (2023~2024)	Medium-term indicators (2025~2029)	Long-term indicators (2030~)
Labor - employment relations	Turnover rate $\leq 30\%$	Turnover rate $\leq 25\%$	Turnover rate $\leq 20\%$
	Average training hours per person ≥ 5 hours	Average training hours per person ≥ 8 hours	Average training hours per person ≥ 12 hours
	The retention rate of childcare is $\geq 80\%$	The retention rate of childcare is $\geq 90\%$	The retention rate of childcare is $\geq 100\%$
	The number of people with disabilities who are able to work is $\geq 1\%$	The number of people with disabilities who are able to work is $\geq 1\%$	The number of people with disabilities who are able to work is $\geq 1\%$
Human Rights Protection	0 cases of workplace illegal infringement/ bullying / year	0 cases of workplace illegal infringement/ bullying / year	0 cases of workplace illegal infringement/ bullying / year
	2 employee complaints/mediation cases / year	1 employee complaint/mediation case / year	0 employee complaints/mediation cases / year
Health and Safety	Health check-up participation rate 90%	Health check-up participation rate 95 %	Health check-up participation rate 100 %
	Major occupational accidents (excluding death) ≤ 2 pieces / year	Major occupational accidents (excluding death) ≤ 1 piece / year	Major occupational accidents (excluding death) ≤ 1 piece / year
	Disabling injury frequency rate (FR) ≤ 3.50	Disabling Injury Frequency Rate (DIFR) ≤ 0	Disabling Injury Frequency Rate (DIFR) ≤ 0

	Short-term indicators (2023~2024)	Medium-term indicators (2025~2029)	Long-term indicators (2030~)
	Disability Injury Severity Rate (SR) ≤ 50.50	Disability Injury Severity Rate (DISR) ≤ 0	Disabling Injury Severity Rate (DISR) ≤ 0

Note: Disabling injury frequency = (number of disabling injuries $\div$ total working hours) $\times$ 1,000,000 ;

Disability injury severity rate = (total number of lost working days $\div$ total working hours) $\times$ 1,000,000 ;

The number of disabling injuries refers to the number of injuries resulting in death, permanent total disability, permanent partial disability, temporary total disability, etc.

Total experienced working hours refers to the total number of hours actually worked by employed workers.

Goal and performance achievement:

The environment of employee care and concern, and the responsibility of selecting, training, employing and retaining talents have become the driving force for the sustainable development and growth of the enterprise. Based on the above-mentioned important projects such as labor -employment relations, training and development, human rights protection, ethics and health and safety, we have formulated short-, medium- and long-term indicators and related implementation plans. The goals and performance achievement in the past two years are as follows:

◆ Labor -employment relations

2024 Target	2024 Performance Achievement	2025 Target
Turnover rate $\leq 30\%$	14.57% $\rightarrow$ Achieved	Turnover rate $\leq 25\%$
Average training hours per person ≥ 5 hours	10 hours $\rightarrow$ Achieved	Average training hours per person ≥ 8 hours
The retention rate of childcare is $\geq 80\%$	100% $\rightarrow$ Achieved	The retention rate of childcare is $\geq 90\%$
The number of people with disabilities who are able to work is $\geq 1\%$	2 % $\rightarrow$ Achieved	The number of people with disabilities who are able to work is $\geq 1\%$

◆ Human rights protection

2024 Target	2024 Performance Achievement	2025 Target
0 cases of workplace illegal infringement/ bullying / year	0 items $\rightarrow$ Achieved	0 cases of workplace illegal infringement/ bullying / year
2 employee complaints/mediation cases / year	0 items $\rightarrow$ Achieved	1 employee complaint/mediation case / year

◆ **Health and safety**

2024 Target	2024 Performance Achievement	2025 Target
Health check-up participation rate 90%	100% → Achieved	Health check-up participation rate 95%
Major occupational accidents (excluding death) ≤2 pieces / year	0 items → Achieved	Major occupational accidents (excluding death) ≤ 1 piece / year
Disabling injury frequency rate (FR) ≤ 3.50	0 → Achieved	Disabling injury frequency (FR) ≤ 0
Disability Injury Severity Rate (SR) ≤ 50.50	0 → Achieved	Disability Injury Severity Rate (SR) ≤ 0

7.1 Talent Policy and Commitment

In order to promote labor-capital harmony, attract and retain outstanding talents, and actively increase revenue and profit growth, the Company is committed to expanding investment in R&D teams and new product added value, improving product value and production efficiency, and creating a challenging, sustainable learning and fun diverse and equal working environment. We provide an overall salary strategy with industry competitiveness and a variety of welfare programs to gather the centripetal force of employees, retain suitable and stable talents, and become the company's sustainable development growth partner.

The Company adheres to government laws and recruits and appoints talents through open and transparent multiple channels. We set "work rules" and complete personnel management regulations in accordance with the Labor Standards Act and related laws to implement equal compensation, employment conditions , training and promotion opportunities to protect the rights and interests of employees. We will never tolerate any form of forced labor risks or human rights violations, and we adhere to the principle of not degrading the dignity of any employee.

The personnel management policies regarding the selection, training, employment, retention of talent and the protection of human rights are as follows:

Talent selection policy

- We prohibit child labor and underage labor, provide mechanisms to attract and retain outstanding talents, employ suitable talents, provide diverse career development opportunities, and respect employees' freedom of employment.

Talent cultivation policy

- Establish a sound training and development system to cultivate professional or management talents in different fields, improve employees' engineering expertise, communication and management capabilities, and enhance teamwork performance.

Employment Policy

- Provide a competitive salary and benefits system, fair assessment, and reasonable transfer and promotion opportunities to allow employees to actively contribute their abilities and performance.
- Value employees' opinions and feedback and enhance labor-management relations.

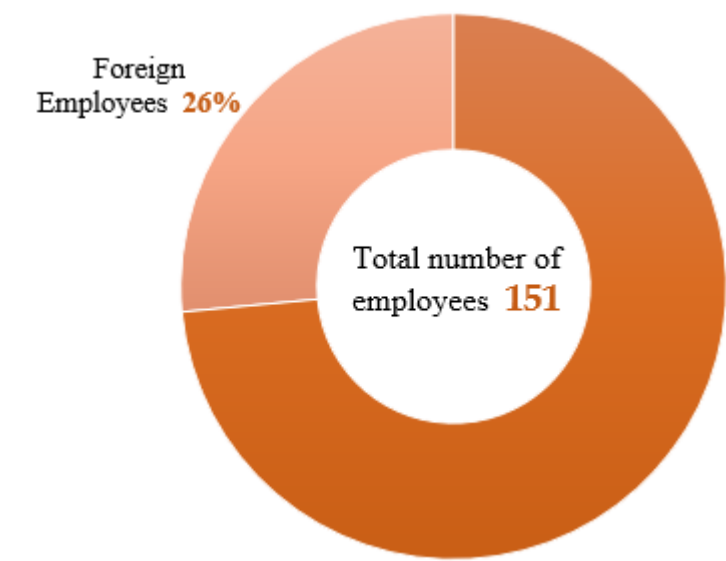
Talent retention policy

- Establish a healthy and safe working environment for employees and a diversified and open labor-management communication channel; set up effective employee communication channels, collect employee opinions, and improve the company's internal operations.
- Participate in labor insurance and health insurance in accordance with the law, and allocate employee welfare funds to carry out employee welfare activities.
- Fair compensation, benefits, promotion, training and development, reasonable and objective performance appraisal and salary adjustment

Human Rights Policy

- Comply with Taiwan's labor laws and prohibit any form of forced and compulsory labor; do not discriminate against any employee based on gender, race, region, age, disability, nationality, etc.
- Provide equal employment, training, etc. opportunities regardless of gender, religion, race, nationality, or party affiliation.
- We attach great importance to the protection of human rights, set up employee complaint channels, and promptly handle and resolve employee issues.
- The "Occupational Health and Safety Work Code" is reviewed and approved in accordance with the law to safeguard the safety and health rights and working conditions of employees.

7.2 Human Resources Structure



The Company recruits suitable and stable employees and provides an overall salary strategy with industry competitiveness, talent cultivation and development mechanism, performance appraisal and promotion, diverse welfare programs and statutory retirement system and other personnel management systems. All talents recruited are full-time, and there is no labor status such as dispatch or temporary workers. Therefore, new employees enjoy the benefits of formal employees after being admitted, without any differential treatment. Proxene treats interviewers equally, without differential treatment based on

gender, religion, or race. Through diversified recruitment channels, more female workers and people with disabilities can come to Proxene to work, so that they can realize their personal value and contribute to the company.

There will be no major operational changes in 2024. If there are major operational changes, refer to Article 16 of the Labor Standards Act and notify them 10 to 30 days in advance according to the length of service . As of the end of 2024, the total number of employees is 161.

7.2.1 As of December 2024, the number of employees in Proxene is 151. The human resource structure distribution in the past two years is as follows:

	Gender	Contract	Job title	Age	2023	2024
Number of Employees	Female	Irregular Contract	Full Time	Under 30	5	3
				30-50	35	33
				Over 50	20	20
		Regular Contract	Full Time	Under 30	0	0
				30-50	2	2
				Over 50	0	0
	Male	Irregular Contract	Full Time	Under 30	3	2
				30-50	36	35
				Over 50	21	18
		Regular Contract	Full Time	Under 30	17	13
				30-50	27	25
				Over 50	0	0
Total					166	151

Note: 1. The number of employees is based on the number of employees in service as of December 31 of the year.
2. Foreign migrant workers are hired on a regular basis under fixed-term contracts; Proxene

calculated the total number of employees as of December 31, 2024 based on the human resources system to be 151, including 111 local employees, 40 foreign employees and 0 technical trainees.

The company strictly prohibits the employment of child labor. In addition to recruiting qualified employees based on academic background, professional knowledge and skills, years of experience, etc., there is no discrimination based on gender, religion, or race. The statistics of new and former employees in the past two years are as follows:

Rate of new employees

Year		2023		2024	
Number of people / ratio		Number of new entrants	New Entry Rate (%)	Number of new entrants	New Entry Rate (%)
Age	Under 30	11	44.00%	1	5.56%
	30-50	16	16.00%	5	5.26%
	Over 50	1	2.44%	0	0.00%
Gender	Female	6	9.68%	4	6.90%
	Male	21	21.15%	2	2.15%
Total number of new employees		28		6	
Total number of employees		166		151	
Total new entry rate (%)		16.87%		3.97%	

Note: 1. New employee rate = (number of new employees / number of employees on December 31 of the year) * 100%

Note: 2. The number of new employees does not include those who left during their employment.

Employee turnover rate

Year		2023		2024	
Number of people / ratio		Number of people leaving	Turnover rate (%)	Number of people leaving	Turnover rate (%)
Age	Under 30	2	8.00%	4	22.22%
	30-50	13	13.00%	13	13.68%
	Over 50	2	4.88%	5	13.16%
Gender	Female	6	9.68%	8	13.79%
	Male	11	10.58%	14	15.05%
Total number of people leaving		17		22	
Total number of employees		166		151	
Total turnover rate (%)		10.24%		14.57%	

Note: 1. Turnover rate = (number of employees who have left / number of employees in service as of December 31 of the year) * 100%

Note: 2. The number of employees who resigned includes layoffs and retirements, but does not include the number of new employees who resigned within three months.

7.2.2 Employment of people with disabilities

38 , Paragraph 2 of Taiwan 's "Law on the Protection of the Rights of Persons with Disabilities" , the number of persons with disabilities who are capable of employment in an enterprise with a total number of employees of 67 or more shall not be less than 1% of the total number of employees , and shall not be less than 1 person. In 2024, the number of employees of the Company who are persons with disabilities is 3, accounting for 2 % of the total number of employees, which has reached the legal standard, but the company still needs to regularly report the employment status of persons with disabilities to the labor authority.

7.3 Talent cultivation and development

Proxene has established a simple training system as shown on the right. We attach great importance to employee training and talent development, and hope that every colleague can learn, grow and develop their potential. At the end of December each year, each department proposes an education and training plan for the next year based on needs, and formulates an "education and training plan" and implements it after approval by the supervisor. The courses include new employees, professional courses (mostly external training), common functions and internal education and training, etc.

In addition, the company holds internal training courses from time to time according to the needs of each department and signs in on the internal training attendance sheet as a basis for class attendance . In addition, internal and external education and training and whether relevant professional certificates have been obtained will serve as a basis for future promotions and assessments. People-oriented, respect and tolerance of multi-party exchanges, through joint participation in value enhancement, and then achieve the goals pursued by the company.

*Average number of training hours per year for employees

Unit : Hours

Project / Year		2023	2024
Average training hours per employee		1.5	10
Average hours of training for employees by gender	Female	1.7	5.9
	Male	1.5	12.6
Average hours of training for employees by category	Direct	0.6	2
	Indirect	3.7	26



7.4 Salary and Benefits

The Company follows the minimum wage standard announced by the Ministry of Labor to set salaries, and there is no difference based on gender to ensure that the salary policy complies with legal regulations. The company's initial salary approval table is not lower than the minimum wage standard, and the salary standard

for high school and vocational education is equivalent to the basic wage specified by the Ministry of Labor (the statutory basic wage in 2024 is NT\$27,470) , which is 1:1.

7.4.1 Annual total compensation ratio

The company provides employee performance appraisal every year based on actual business conditions to review their work performance and competence. Through written tests and practical assessments, outstanding personnel are promoted to cadres or supervisors. Salaries, bonuses and promotions are adjusted based on the assessment results to encourage colleagues to actively engage in work and achieve a win-win result of personal salary growth and company operating performance improvement. The annual salary comparison is as follows:

Average and median salaries of full-time employees who are not supervisory positions

Unit: Number of people, NT\$ thousand

Full-time employees who are not supervisory personnel	Average number of employees	Average annual salary	Median annual salary
2023	148	593	554
2024	149	552	510

7.4.2 Average employee salary

Unit : NT\$ thousand / person

Year	2023	2024
Average employee salary	612	589

7.4.3 Welfare measures

The company attaches great importance to harmonious labor-capital relations and regularly holds monthly meetings, birthday parties, department dinners and family day activities to combine labor and service among employees and enhance employee cohesion. The main welfare measures are as follows:

(1) Labor insurance, health insurance, group insurance

(2) Education and training and external training subsidies

In addition to providing appropriate internal education and training for colleagues and new employees, the company also provides opportunities for training at external training units. After application approval, the company will bear the relevant training expenses to improve the overall quality of employees.

(3) Occupational Safety and Health

The Company handles safety and health work in accordance with the "Occupational Safety and Health Law" and related laws and regulations, and formulates the "Safety and Health Work Code" to prevent occupational hazards and protect the safety and health of all employees.

(4) Group Meals

(5) Regular health check-ups

In order to provide our colleagues with a safe and hygienic working environment and prevent occupational hazards, Proxene also provides annual health checks for employees and arranges for on-site services by contracted occupational medical professionals to ensure that our employees are provided with a safe and healthy working environment.

(6) Three festival bonuses and travel allowances

Based on the company's operating results, employees who work hard and have no major faults can be awarded three bonuses after evaluating their individual assessment results to encourage all colleagues to work together for the company's goals and continuously integrate social responsibility into the company's operations to achieve sustainable management. There is also a proposal improvement bonus to encourage employees to propose proposals that help improve the company's operating activities and grow with the company.

(7) Performance management and proposal improvement bonus

Fair performance appraisal can ensure that employees' work performance is fairly evaluated and reflected in salary adjustments, promotion opportunities and rewards. Proxene regularly conducts employee performance appraisal once a year. Through written tests and practical assessments, outstanding personnel are promoted to cadres or supervisors, and proposal improvement bonuses are established to encourage employees to brainstorm and come up with ideas to achieve improvement goals.

(8) Employee Remuneration

In accordance with the Company Law and the Company's Articles of Incorporation, no less than 1% of the current year's profit shall be set aside as employee compensation and distributed in accordance with the Company's relevant distribution methods.

(9) Cash capital increase and employee stock subscription

In order to attract and retain the professional talents needed by the company, motivate employees and enhance their sense of belonging to the company, so as to jointly create the interests of the company and shareholders and share the company's future operating results, in accordance with Article 267 of the Company Law, a portion of the newly issued shares will be reserved for the company's employees to purchase, and will be handled in accordance with the company's "Employee Stock Subscription Policy".

(10) Complete retirement system

Appropriate retirement fund plans help attract talent and maintain the stability of the workforce, thereby supporting the employer's long-term financial and strategic planning, enabling the company to develop stably and continuously enhance its value. In accordance with the Labor Standards Act, the Company has settled the old retirement fund years before July 1, 2005 with the workers. For employees who no longer have years of service under the Labor Standards Act retirement system, the Labor Retirement Reserve Fund Supervision Committee has cancelled the account with the Taichung City Government Labor Bureau on October 31, 2016, and has settled the retirement fund account of the Taiwan Bank Trust Department.

Employees who joined the company before or after July 1, 2005, are subject to fixed pension contributions under the Labor Pension Act. For employees who choose to be covered by the Labor Pension Act, our company contributes 6% of their monthly salary to their individual pension account at the Bureau of Labor Insurance, providing a stable pension contribution and benefits to safeguard their retirement. Furthermore, company regulations clearly define employee retirement conditions, pension benefit standards, and application and payment procedures. Employee pension claims are handled in accordance with the Labor Pension Act.

The Company's pension costs recognized in accordance with the Pension Regulations were NT \$ 3,224 thousand in 2024.

(11) Establish an employee welfare committee in accordance with the law to properly plan and provide various employee welfare measures

item Head	Inside Allow
Welfare subsidy projects	Weddings, funerals, weddings, celebrations, childbirth, injuries, illnesses, emergency relief, etc.
Educational Grants	Subsidies for workers' further training, scholarships for children's education, etc.
Leisure and recreational projects	Family day activities, employee dinners, birthday gifts
Other welfare matters	Holiday Rewards

(12) Baby care stay

Articles 16 and 22 of the Gender Equality in Employment Act and the Parental Leave Implementation Regulations, employees may apply for parental leave after six months of employment and before each child reaches the age of three, until the child reaches the age of three, but not more than two years. For those who raise two or more children at the same time, the parental leave period shall be calculated together, with the longest limit being the two years for the youngest child.

	2023		2024	
Project / Year, Gender	Male	Female	Male	Female
Total number of employees enjoying parental leave	2	1	2	3
Number of employees who actually applied for parental leave	0	0	0	1
Number of employees who should return to work after parental leave	0	0	0	1
Number of employees actually returning to work after parental leave	0	0	0	0

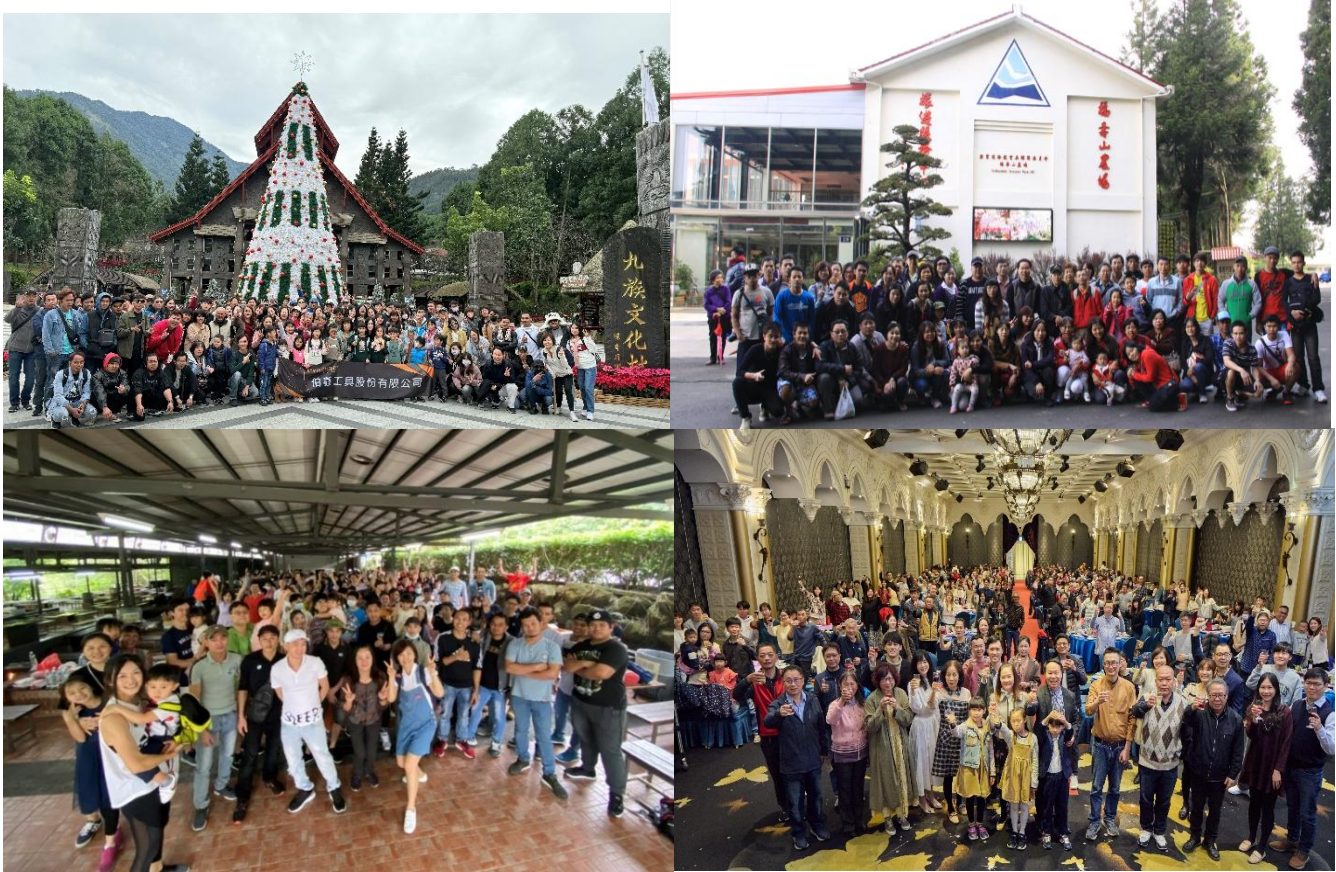
(13) Transportation allowance subsidy

Provide transportation allowance subsidies to employees who have a long commute to get off work to reduce the transportation expenses they need to bear every day.

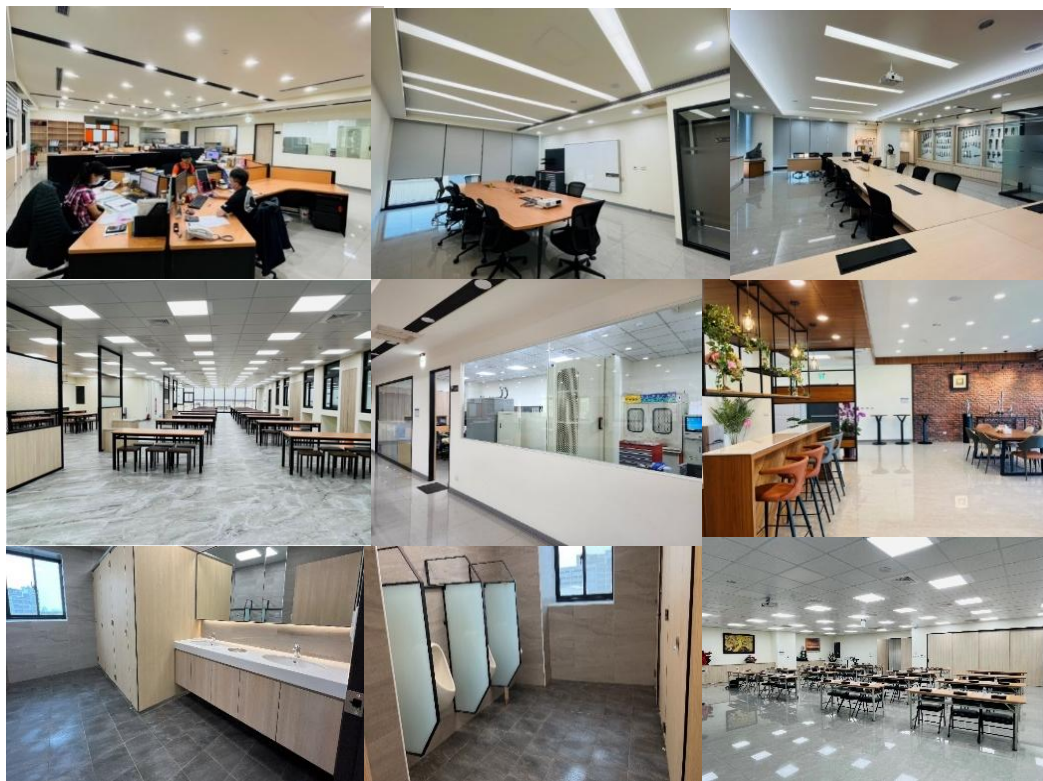
Average employee benefits

Unit : NT\$ thousand / person

year	2023	2024
Average employee benefits	717	692



■The above are photos of the company's Family Day activities and dinner parties.



■ The above are Company Environment-Friendly Workplace

7.5 Protecting human rights and labor-management communication

7.5.1 Human Rights Policy and Management

Proxene respects and supports the basic human rights in international conventions, including the principles and spirit of the "United Nations Universal Declaration of Human Rights", "United Nations Global Compact", and "International Labor Organization Declaration on Fundamental Principles and Rights at Work". It does not employ child labor, prohibits forced labor, opposes discrimination or differential treatment in employment, provides a safe and hygienic working environment, etc., and abides by domestic labor-related laws and regulations such as the "Labor Standards Act", "Gender Equality in Employment Act", and "Occupational Safety and Health Act". It formulates personnel management rules and related work codes. All labor conditions from employee recruitment, appointment, related benefits to retirement are in compliance with relevant laws and regulations. In accordance with the Labor Standards Act and related laws, it establishes "work rules" and complete personnel management regulations to implement equal remuneration, employment conditions, training and promotion opportunities to protect the rights and interests of employees.

Create a safe and healthy working environment	Provide a safe and healthy working environment and necessary first aid measures, regularly conduct fire safety inspections and building public safety inspections, and hold disaster prevention drills to eliminate hazards in the working environment that may affect the health and safety of employees and reduce the risk of occupational accidents.
Provide fair and reasonable wages and working conditions	Provide effective protection of labor rights and interests and friendly and harmonious labor-capital relations, implement fairness in employment, salary and benefits, training, evaluation and promotion opportunities, and provide an effective and appropriate complaint mechanism to avoid and respond to matters that endanger employee rights and interests.
Eliminate discrimination and ensure equal employment opportunities	In order to ensure equal working opportunities for employees, no differential treatment or any form of discrimination based on gender (including sexual orientation), race, class, age, marital status, language, ideology, religion, party affiliation, place of origin, birthplace, appearance, facial features, physical or mental disabilities, etc. is allowed.
Prohibition of child labor	The company complies with government labor regulations, local minimum age laws and regulations for employment, and does not employ child labor.
No forced labor	The company complies with government labor laws and regulations, regularly cares about and manages employee attendance, and does not force labor.

Protecting privacy and preventing harassment	Protecting privacy - Once illegal infringement occurs in the workplace, the company has set up a special complaint line and is committed to protecting personal privacy during the complaint process of colleagues to create a friendly working environment. Prevention of harassment - When new employees arrive, we will conduct legal compliance education, including prevention of sexual harassment, anti-discrimination, anti-harassment, implementation of working hours management, guarantee of humane treatment and healthy and safe working environment. We will also make public announcements to let employees know that they have the responsibility to avoid illegal workplace infringements during the performance of their duties.
Respect for freedom of association	Respect employees' basic human rights, strengthen labor human rights protection (such as the right to organize trade unions), and provide diversified communication mechanisms and platforms to ensure a harmonious and win-win labor-management relationship.
Providing complaint mechanisms and channels	We have established multiple communication channels such as employee complaint hotline, complaint mailbox, labor-management meetings, etc. to provide employees with a way to report problems.
Help employees maintain physical and mental health and work-life balance	We care about the physical and mental health of our employees. In addition to providing free health checks for employees on a regular basis, we also organize diversified activities such as dinners and family day activities from time to time to enrich the concept of "work-life balance" and take comprehensive care of the physical, mental and spiritual health of our employees.

The various diversification indicators in the past two years are as follows:

◆ Employee ethnicity indicators

Year	2023		2024	
Category	Of all employees Proportion (%)	Management level Proportion (%)	Of all employees Proportion (%)	Management level Proportion (%)
Nationality	67.5%	100%	69.5%	100%
Foreigners	32.5%	0%	30.5%	0%

◆ Female Diversity Index

Ensure that women have equal opportunities to participate in decision-making and leadership in economic, political, and public affairs, enhance the diversity and inclusiveness of organizations, and enhance the diversity of opinion and decision-making.

Index	2023	2024
The percentage of female employees in the total workforce (%)	37.3%	38.4%
The percentage of female in managerial positions (%)	26.7%	33.3%

◆ Other Diversification Indicators

Category		2023	2024
People with disabilities		1.8%	2%
All Staff	By age group: 18~30	15.1%	11.9%
	By age group: 30~50	60.2%	62.9%
	By age group: 50 and above	24.7%	25.2%
	Total	100%	100%

7.5.2 Labor-Management Communication

Harmonious labor-capital relations are the cornerstone of corporate development. The company's labor-employment relations have maintained a harmonious, stable and prosperous relationship over the years. In addition to establishing a comprehensive employee welfare system and providing a comfortable and friendly working environment , it also provides employees with complaint channels to understand their various difficulties and needs. In the most recent year and up to 2024, Proxene has not suffered losses due to labor-capital disputes.

According to the "Implementation Measures for Labor-Management Meetings", the Company invites labor representatives to state employees' opinions on various issues. Representatives from both labor and management fully discuss issues of concern to employees at the meetings to build consensus between the two parties . Labor-management meetings are held regularly to promote harmony between the two parties and to create good labor-management relations. Labor-management meetings are held quarterly with 5 representatives from each party participating in the meetings . Employees are encouraged to communicate with relevant personnel in an open and transparent manner at any time if they have any opinions.

In addition to labor-management meetings, the company also holds management meetings regularly to collect employee opinions and provide appropriate responses and improvement plans. In addition, the employee welfare committee is responsible for the planning and implementation of various welfare plans, promotes various employee welfare activities, and holds meetings from time to time. The number of labor and management representatives in labor-management meetings and employee welfare committees is as follows:

Name of communication organization	Labor Representative	Capital Representative
Labor-Management Meeting	5	5
Employee Welfare Committee	6	2

In addition, the Company's internal network and website also have email mailboxes that can be used to communicate directly with senior managers, so that colleagues can feel free to complain or express their opinions through this channel. If employees have any suggestions for the company's operations or believe that their rights and interests have been damaged, they can feedback their opinions and ideas through the above channels in order to achieve the purpose of two-way communication .

7.6 Occupational Safety and Health

Major topic: Occupational safety and health (GRI 403)	
Policy / Commitment	Policy: Establish a "Safety and Health Work Code" to create a work environment that complies with environmental protection and occupational safety and health, and work together with colleagues to maintain a safe working environment. Commitment: Provide employees with a safe, healthy and quality workplace, and maintain the safety of contractors and visitors ● Establish a safe and hygienic working environment and promote health maintenance; ● Cherish life and create sustainable value for the enterprise.
Target	Short-term: Disabling injury frequency ≤ 3.50; Disabling injury severity rate ≤ 50.50 Mid- to long-term: Create "zero accidents" and a good workplace environment
Management measures	1. Set up an occupational safety and health management organization 2. Set up access control monitoring facilities 3. Establish the specifications for the operation of each equipment 4. Preparation, maintenance and use of protective equipment 5. Regular inspection and management of equipment 6. Appoint environmental protection, industrial safety and fire protection related personnel to perform fire safety work 7. Safety and health education and training 8. Set up health and first aid facilities

Major topic: Occupational safety and health (GRI 403)

Evaluation/Monitoring Mechanism

The Industrial Safety Office identifies and assesses hazard risks, classifies and controls risks, and conducts regular audits and improvements for those with higher risks.

Concrete Results

Year	2023	2024
Number of accidents	1	2
Number of deaths	0	0
False alarm rate	Not counted	Not counted
Disabling Injury Frequency (Note)	0	0
Disabling Injury Severity Rate (Note)	0	0

* Cause of the accident in 2013: Minor injury , no disabling injury

* Causes of accidents in 2014: 1 minor injury accident, 1 commuting accident , no disabling injury accidents

Note: Disabling injury frequency = (number of disabling injuries ÷ total working hours) × 1,000,000;

Disability injury severity rate = (total number of lost working days ÷ total working hours) × 1,000,000 ;

The number of disabling injuries refers to the number of injuries resulting in death, permanent total disability, permanent partial disability, temporary total disability, etc.

Total experienced working hours refers to the total number of hours actually worked by employed workers.

7.6.1 Protection of employees' working environment and personal safety

Proxene is committed to providing employees with a safe, healthy and high-quality workplace. In accordance with the "Occupational Safety and Health Act", it has established the "Safety and Health Work Code" and established an occupational safety office, with one occupational safety and health business supervisor and one occupational safety and health manager to coordinate the safety and health management plan, assist departments in identifying work hazards, establish safe work standards, plan, guide and supervise various safety and health matters, and prevent various potential hazards and accidents, and send them to the Taichung City Labor Inspection Office for review and filing. The Occupational Safety Office identifies and assesses the risks of process operation hazards, and classifies and controls the risks. Those with higher risks are regularly audited and improved to achieve occupational safety and health performance goals. Fire safety inspections and building public safety inspections are regularly carried out to implement the "zero accident" policy for occupational safety and health, and strive to comply with government environmental protection laws to implement and achieve safety and health management goals. Through the planning (Plan), implementation (Do), inspection (Check) and improvement action (Action) cycle process, the company's safety and health management performance is continuously improved to ensure that employees can get the greatest protection at work.

In the past two years, there have been no major occupational accidents due to poor safety and health

facilities; no partial or full suspension of work due to violation of the Labor Safety and Health Act; or the installation of dangerous machinery and equipment that has not passed inspection. There have been no fire incidents or occupational disaster incidents in this year.

The main measures for occupational safety and health management are as follows:

Management measures	Illustrate
Setting up occupational safety and health management organization	The Company attaches great importance to the personal safety of each employee. In order to achieve effective management, supervision and improvement, the company has established an occupational safety and health office , with one occupational safety and health business supervisor and one occupational safety and health administrator to coordinate the safety and health management plan, plan, guide and supervise various safety and health matters.
Set up access control monitoring facilities	The Company has a monitoring system and access control facilities to strictly control the entry and exit of personnel to ensure the personal safety of employees.
Establish the specifications for the operation of each equipment	The "Safety and Health Work Code" clearly stipulates the standards for various machine repair or operation operations. Some machine operations must be performed by qualified and licensed professionals assigned by the company.
Preparation, maintenance and use of protective equipment	When employees must use personal protective equipment for work, they should use it in accordance with regulations and perform necessary inspections and maintenance to maintain performance and ensure work safety. If there is a shortage or damage, relevant personnel must be notified to replenish it immediately to ensure that they can get proper protection during work.
Regular equipment inspection and management	For each machine, equipment or tool in the factory, the supervisor of each unit must lead the relevant personnel to carry out regular inspection, key inspection, check, maintenance and upkeep in accordance with the relevant provisions of the occupational safety and health management regulations. The inspection methods are divided into regular inspection, key inspection, operation check, etc., which shall be jointly determined by the user unit and the safety and health business supervisor and implemented according to the plan.

Fire safety	Appoint environmental protection, industrial safety and fire protection related personnel to regularly perform fire safety inspections and building public safety inspections, and hold disaster prevention drills to provide employees with a safe working environment. Proxene fire safety implementation is as follows: ● Perform routine fire source inspections every month ● Conduct monthly inspections of fire shelter facilities ● Perform monthly fire safety equipment inspections ● Self-defense firefighting group training once every six months ● Perform fire safety equipment inspection once a year
Safety and health education and training	New employees and changed employees of the company must receive the necessary safety and health education and training for the job. In addition, special workers engaged in occupational safety and health education and training rules Article 13 should receive safety and health education and training for the job and obtain a qualified license. On-site workers should learn first aid knowledge and be familiar with cardiopulmonary resuscitation first aid methods to meet emergency needs.
Set up health and first aid facilities	In order to provide colleagues with a safe and hygienic working environment and prevent the occurrence of occupational hazards, Proxene also provides annual health examinations for employees, arranges for special professional medical care to provide on-site services, and prepares first aid kits within the company in case of emergency, in order to provide employees with a safe and healthy working environment.

Proxene continues to invest in and pay attention to various labor safety and health measures, including safety and health education and training for new employees, on-site machinery and equipment safety inspection and maintenance, provision of personal safety protective equipment, fire training, workplace environmental hazard monitoring, occupational safety and health committee meetings, labor health examinations, various education and training retraining, etc. , so that the company's employees have a safe working environment and receive due respect and remuneration.

The classification of the implementation of occupational safety and health related training courses in the past two years is as follows:

Course Category and Name		2023		2024	
		Number	Total training hours	Number	Total training hours
New staff training	Divided into general employees, technical personnel, reserve service personnel, etc. New employees are required by law to take occupational safety and health courses	21 people	63 hrs	5 people	15 hrs
On-the-job training	We provide general knowledge and skills enrichment and environmental safety and health awareness (environmental and occupational safety and health policies, goals, plans, considerations, etc.) for each level, including service, business, and technology , and provide advanced training based on the company's development needs. Transferred workers are required by law to take occupational safety and health courses.	0 people		0 people	
Professional training	Distinguish between basic and technical training. Receive training on specific processes and skill proficiency to achieve breakthrough development in your work.	13 people	304 hrs	12 people	304 hrs
Training for personnel responsible for environmental and occupational safety and health management	Training of operators with relevant duties in the environmental and occupational safety and health management system				
	Occupational safety and health business supervisor training	1 person	6 hrs		
	Occupational safety and health administrator	1 person	12 hrs	1 person	12 hrs
	Back to training				
	Dust operation supervisor training	1 person	3 hrs		
	Forklift training	2 people	3 hrs		
	Stationary crane operators Back to training			2 people	6 hrs
Emergency Response	Stationary crane operators Initial training 38 hours			3 people	114 hrs
	First aid training 16H			2 people	32 hrs
Emergency Response	(such as fire fighting, drills, emergency escape, and first aid personnel training) for the organizational members compiled according to the emergency response plan .	65 people	260 hrs	75 people	300 hrs

Course Category and Name		2023		202 4	
		Number	Total training hours	Number	Total training hours
	Regular drills and tests should be conducted every year to confirm the reliability of all procedures and measures in the actual operation process and contingency plan.				



Fire safety training



Self-defense firefighting team training



Explanation on the operation and use of fire-fighting equipment



Fire extinguisher operation drill

7.6.2 Labor health examination and management

Proxene provides labor health services in accordance with the "Occupational Safety and Health Act" and the "Labor Health Protection Rules", and has signed an on-site medical care service contract with the "Dajia Li General Hospital ". On -site physicians perform services four times a year (2 hours each time), and on-site nurses perform services four times a month (2 hours each time). Regular general health examinations are conducted on-the-job workers, and graded management is implemented based on the examination reports. They are listed as key medical care on-site tracking and consultation targets according to the severity of the hazard level.



On-site health services provided by professional doctors



First aid training courses

In-factory health service items:

1. Analysis and evaluation of workers' physical (health) examination results.
2. Assist in selecting workers for appropriate jobs.
3. Follow-up management and health guidance for those with abnormal health examination results.
4. Assessment and case management of workers with high occupational health risks.
5. Planning and implementation of measures such as workers' health education, hygiene guidance, and physical and mental health protection.
6. Prevention of work-related injuries and illnesses, and health consultation.
7. Assist in identifying and evaluating hazards to workers' physical and mental health in the workplace environment, operations, and within the organization, and propose improvement measures or improvement plans.
8. Assist in investigating the relationship between workers' health status and work.
9. Assist in providing consultation and suggestions on functional assessment, job redesign or adjustment for workers returning to work.

The results of the implementation of labor health protection services in the past two years are reported as follows:

In-plant health services

Implementation details	Implementation Status		Remark
	2023	2024	
Nurse: 4 times a month, 2 hours each time Doctor: 4 times a year, 2 hours each time	Total on-site service hours of nurses: 96 hours Total hours of on-site physician service: 8 hours	Total on-site service hours of nurses: 96 hours Total hours of on-site physician service: 8 hours	

Risk Assessment

Implementation details	Implementation Status		Remark
	2023	2024	
Identification of work environment hazards and health risk management (including special work health monitoring plans)	Prepare health protection plans according to the risk level of hazards	2024/6/17 Accompanied by occupational doctors, business unit organizers and production line supervisors, we visited the factory to help identify and evaluate the workplace environment and operating procedures and provide relevant improvement suggestions	
Occupational injury and disease prevention, case management, etc. and record keeping		① Regularly carry out environmental hazard identification and risk assessment in the factory area ② No related cases have been reported this year	
Prevention of Illegal Harm in the Workplace		① It is recommended to conduct hazard identification and risk assessment regularly ② No related cases have been reported this year	



Annual Physician Factory Inspection

Health checkup report analysis and grading management

Implementation details	Implementation Status		Remark
	2023	2024	
Workers' physical (health) examination results and analysis Level 1: No health education is needed, and the patient's health condition allows him to maintain his original lifestyle. Level 2: Slight changes in lifestyle and eating habits can improve health. Level 3: requires face-to-face health education by a physician, and health status may require medical intervention to improve. Level 4: Immediate return for consultation or medical treatment is required. Others: Follow -up examination is required to assess health status.	Total number of health checks: 68 people First level (no health education required): 30 people 2 (personal health guidance sheet): 28 people health education required): 5 people Level 4 (immediate return visit): 5 people Of nurses receiving health education: 32 people Of physician education visits: 14 people Recommended number of workers: 0 people people waiting for medical education: 0 people Number of health guidance leaflets issued: 1 people	① Employees who should be inspected: 156; employees actually inspected: 156, with a completion rate of 100%. ②According to the "Labor Health and Physical Examination Management Plan", evaluate and analyze the health examination data of employees, implement health risk classification management, classify high-risk individuals, and arrange job suitability assessment and health guidance. Health management level 1: 16 people Health management level 2: 73 people Health management level 3: 47 people Health Management	Public institutions undergo regular health checkups every 3 years. This was completed on January 12, 2024. All abnormalities found during the 2021 annual health checkup have been interviewed and completed through health education.

Implementation details	Implementation Status		Remark
	2023	2024	
	of tracking managers: 0 people	Level 4: 20 people	
Labor health examination and health management of work-related abnormalities		This year, 28 people completed health guidance according to health management classification, and the results are as follows: Level 4 management completed health guidance interviews: 17 people → 12 people were able to manage their own health, and 5 people were arranged for follow-up for 3-6 months Level 3 management completed health guidance interviews: 9 people → 7 people were able to manage their own health, and 2 people were arranged for follow-up for 3-6 months Second-level management completed health guidance interview: 2 people → can manage their own health	
Health Protection Plan for Middle-Aged and Older Workers		① Refer to the annual physical examination report to screen middle-aged and elderly workers and give priority to care for those with high health management risks ② Completed the job suitability assessment and health guidance interview: 17 people, 14 of whom were suitable	

Implementation details	Implementation Status		Remark
	2023	2024	
		for independent health management of the original job , and 3 people with high health management risk 3-6 regular follow-up	
High-risk labor case assessment and management		① This year, 17 people were arranged to have personal health guidance interviews with high-risk individuals at level 4 of health management Self-management of health: 12 people Follow up employees' disease treatment results and re-examination reports every 3-6 months : 5 people ② Colleagues proactively requested health consultation and interview arrangements for their own discomfort. 2 people were advised to go to relevant clinics for medical treatment and to manage their own health.	
Abnormal workload promotes disease prevention		Recent overload investigation results show that there are 7 people suspected high-risk cases, all of whom have completed retest assessment interviews High risk → Low risk: 6 people High risk → Medium risk: 1 people	

Selection of new employees

Implementation details	Implementation Status		Remark
	2023	2024	
Based on the physical examination provided by new employees and the health risk assessment of workplace hazards	Of new employees evaluated: 78 Need health education: 0 people Need be completed: 0 people Need to return for consultation: 0 people Follow-up completion rate: None		
Return to Work Plan for Selected Workers and Workers with Occupational Injuries and Illnesses		No cases of occupational accidents or major injuries or illnesses were reported by public institutions this year.	

Four major plans

Implementation details	Implementation Status		Remark
	2023	2024	
Prevention of illegal infringements during performance of duties	Survey supervisor self - evaluation form, and evaluate 8 places in total according to the workplace or unit, and actually evaluate 8 places. Completion rate: 100%	①It is recommended to conduct hazard identification and risk assessment regularly ②No related cases have been reported this year	
Prevention of human hazards	Harmful: 0 people Suspected of being in danger: 11 people No harm: 139 people Completion rate: 64%	Analysis of recent musculoskeletal injury symptom survey results: 11 suspected risk cases, 5 cases have completed re-evaluation interviews, and 2 cases that have not been interviewed have resigned After the assessment interview and retest , it was clarified that the musculoskeletal hazard was not directly related to the work, high risk →	

Implementation details	Implementation Status		Remark
	2023	2024	
		low risk: 5 people	
Abnormal load-induced disease prevention program	The overload scale is used to evaluate the risk of cardiovascular disease and the degree of psychological stress within ten years, combined with the health checkup report. High risk: 7 people Moderate risk: 20 people Low risk: 123 people Completion rate: 74%	Recent overload investigation results show that there are 7 suspected high-risk cases, all of whom have completed retest assessment interviews High risk → Low risk: 6 people High risk → Medium risk: 1 people	
Maternal health protection	Implement the maternal workplace hazard risk classification table, track and care for maternal employees who are pregnant or have given birth for less than one year , and provide health information. Completion rate : Continuing Being tracked: 1 people Cases closed: 0 people	① Regularly carry out environmental hazard identification surveys in factory departments ② Maternal protection case care consultation and follow-up: 0 before delivery / 0 after delivery ③ No maternity protection cases reported by public institutions this year	

7.7 Social prosperity

7.7.1 Social welfare activities

Proxene adheres to the spirit of "taking from society and giving back to society" and reinvests the human, financial, knowledge and other capital accumulated by corporate operations into society through local care and integration, knowledge and experience dissemination, and participation in public welfare activities. It continues to actively participate in community group public welfare activities and support disadvantaged groups to fulfill the corporate social responsibility . The beneficiaries in 2024 include social welfare groups, disadvantaged groups, community development associations , etc. The specific implementation in 2024 is as follows:

Project	Specific Measures	Implementation Results
Community care and local cultural activities	In order to improve the welfare of residents around Proxene and promote the development of local activities, we	Donation amount for 2024: NTD 497,000

	provide financial support to local agencies, organizations or related public welfare units in Taichung, such as: ■ Sponsorship of winter relief for Shekou Wanxing Temple, Lantern Festival and Mazu procession red envelopes ■ Occasional donations to Shekou Community Development Association, Beizhuangli Development Promotion Association (mutual assistance), Shenan Community Development Association (Shekou Shenan Mutual Assistance Team) and other organizations	
Supporting the development of culture and art	Sponsor the 2024 charity performance of the mixed-disability variety show troupe organized by the Taichung Xinsanyuan Charity Association	Sponsorship amount: NTD 20,000
Social welfare donations	Support social and local public welfare, assist in emergency relief, such as helping disadvantaged families in Taichung City and donating to Taichung Huiming Private School for the Blind, Xianghe Cultural and Educational Foundation, and China Christian Relief Association.	Donation amount for 2024 NTD 264,280

Donating Institutions Over the Years	
Wanxing Palace/Fude Palace	Maternal and Child Health Association
Shekou Community Development Association	Taichung City Shengang District Office (Disaster prevention sign and fire alarm)
Rotary Club of Taichung City	Ziyun Temple
Taichung City Deaf Association	Ksitigarbha Bodhisattva Foundation
Taichung City Shengang District Shenan Community Development Association	Beizhuangli Development Promotion Association
Taichung City Greater Taichung Police Friends Association	Taiwan Center Shan Yuan Charity Association

Donating Institutions Over the Years

Rotary Education Foundation	Taichung City Xinchanyuan Charity Association
Mennonite Social Welfare Charity Foundation	Taichung Huiming Private School for the Blind
Huafan Foundation	Donation to Taichung City Social Relief Fund
Purple Lotus Foundation	Donation to Shekou Fude Faith Development Association
Creation Social Welfare Foundation	Chow Tai Kwan Educational Foundation
Sunshine Social Welfare Foundation	City Dreams Baseball Association
Yingde Palace	The Urological Oncology Care Association of the Republic of China
Published a newspaper to mourn Mr. Inamori	National Taipei University of Technology
Taiwan Province Sun Moon Lake Wenwu Temple	Changhua Normal University
Kamioka High School basketball expenses	Rongxing Medical Development Foundation
Donation to Ksitigarbha Bodhisattva Foundation	Taichung Municipal Shengang Industrial Senior High School
China Christian Relief Association	Xianghe Culture and Education Foundation
Taichung City Shengang District Shekou Holy Buddha Temple	Mennonite Foundation
Genesis Foundation	

暖心捐贈住警器 守護市民好給力 神岡區辦理「112年度企業捐贈防災住宅用火災警報器儀式」

10/26/2023 07:02:00 下午

鄭建勳／報導



神岡區公所今(26)日辦理「112年度企業捐贈防災住宅用火災警報器儀式」，由伯鑫工具股份有限公司捐贈住警器予本區全體獨居長者，並由獨居長者代表受贈，充分展現愛心關懷且守護里鄰的精神。

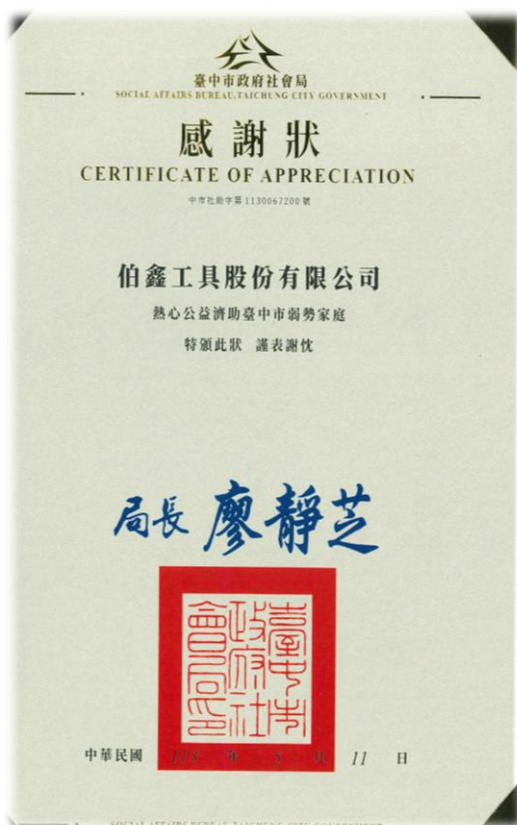
神岡區防災避難看板熱鬧揭牌 在地企業伯鑫工具（股）公司與公所攜手合作共同防災

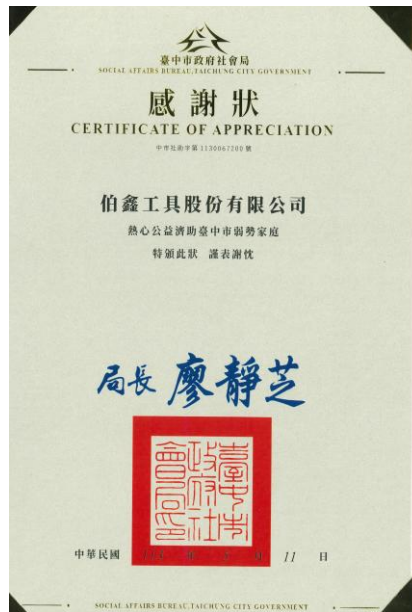
10/13/2023 06:07:00 下午

記者魏永忠／報導



為擴充地方防救災能量、提昇全民防災意識，神岡區梁益明區長於今(13)日主持企業捐贈防災避難看板揭牌儀式，捐贈企業伯鑫工具股份有限公司趙秀月董事長及吳傳福總經理，與臺中市政府消防局第一救災救護大隊吳卓銘大隊長、轄區各立委議員服務處代表、各里里長、社區發展協會理事長、市政顧問等共同出席參與，氣氛熱烈。





7.7.2 Participation in external organizations

In order to effectively combine and give play to the power of the industry and keep abreast of the pulse of industrial development, Proxene joined the domestic industry association and participated in various seminars held by the association as a member, interacted closely with the industry and worked together to plan for industrial prosperity.

Name of participating organization	Role
Taiwan Hand Tool Manufacturers' Association (THTMA)	Honorary Chairman/Director/Member
Tan Ya Shen Industrial Manufacturers Association (TYSIA)	Member

Appendix 1. ESG Performance

Corporate sustainable development is the core of corporate operations. Proxene has established a sound management mechanism to continuously achieve the goal of sustainable operations in terms of environment, society and corporate governance.

Category	Sustainability Indicators	Unit	2023	2024
Corporate Governance	Corporate governance ranking among the top 50% of all OTC companies	%	Not involved in the evaluation	36%~50%
	Board attendance rate $\geq 95\%$	%	100 %	100%
Risk Management	≥ 5 cyber security incident prevention actions each year	item	5	7
	Conduct self-defense firefighting group training ≥ 1 time per year	frequency	2	2
Customer Satisfaction	Customer satisfaction ≥ 8.5 points	point	8.8	8.8
	Customers complained that the company leaked order privacy ≤ 0	Item	0	0
Regulatory Compliance	Violation of corporate or tax laws	Item	0	0
	Violation of customer privacy or information security regulations	Item	0	0
	Violation of product or fair trading regulations	Item	0	0
	Violation of air pollution regulations	Item	0	0
	Violation of sewage discharge regulations	Item	0	0
	Violation of waste management regulations	Item	1	0
	Violation of labor and health and safety laws and regulations	Item	0	0
Supply Chain Management	Annual supplier evaluation maintains average ≥ 80 points	point	86.5	86.3
	Compliance rate of raw materials that do not purchase hazardous substances and conflict minerals	%	100 %	100 %
Energy Conservation and Carbon	Save electricity $\geq 1\%$ /year	%	Base Year	13.64%
	Greenhouse gas emissions reduction $\geq 1\%$ /year	%	Base Year	24.74%

Category	Sustainability Indicators	Unit	2023	2024
Reduction	Strengthening climate resilience: Production disruptions caused by climate disasters	Day	0	0
Water Resource Management	Reduce water usage by 1% per year	%	Base Year	1.81 %
Waste Disposal	Proper waste disposal: legal businesses handle waste	100%	100%	100%
Labor- Employment Relations	Total turnover rate $\leq 30\%$	%	10.24 %	14.57%
	Annual average employee training hours ≥ 5 hours	hour	1.5	10
	The retention rate of childcare is $\geq 80\%$	%	have not applied for parental leave	100%
	The number of people with disabilities who are able to work is $\geq 1\%$	%	1.8%	2%
Human Rights Protection	0 cases of workplace illegal infringement/ bullying / year	Pieces / year	0	1
	2 employee complaints/mediation cases / year	Pieces / year	1	0
Healthy and Safety	Health check-up participation rate $\geq 90\%$	%	100%	100%
	Major occupational accidents ≤ 2 cases/year (excluding deaths)	Pieces/year	0	0
	Disabling injury frequency $\leq 3.5 \%$	%/Year	0%	0%
	Disability injury severity rate ≤ 50.50 %	%/Year	0%	0%

Appendix 2. GRI Standards Comparison Table

Usage Statement	Proxene has reported the contents from 2024/1/1 to 2024/12/31 with reference to GRI standards.	
GRI 1 used	GRI 1: Foundation 2021	
Applicable GRI Standards	Industry	None

GRI 2: General Disclosures 2021				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
Organization and Reporting Practice	2-1 Organization details	2.1 Company Profile	22	
	2-2 Entities included in organizational sustainability reporting	Reporting period, boundaries and data	5	
	2-3 Reporting period, frequency and contact person	Reporting period and publication frequency	6	
	2-4 Information Revision	Changes in reporting	6	
	2-5 External assurance/assurance	Ensure the accuracy of public information	6	
Activity With workers	2-6 Activities, value chains and other business relationships	3.1 Operational Performance and Challenges	53	
		3.2 Customer Management and Service	57	
	2-7 employees a. Total number of employees, and total number by gender and region b. Report the total number of employees in different categories	7.2 Human Resources Structure	97	
		7.2.1 Human Resources Structure Distribution in the Past Two Years	97	
	2-8 Non-employee workers	7.2.1 Human Resources Structure Distribution in the Past Two Years	97	
Governance	2-9 Governance structure and composition	2.2 Corporate Governance	26	
		2.2.1 Board of Directors		
		Board of Directors and Structure	27	
		Board Diversity and Collective Intelligence	27	

GRI 2: General Disclosures 2021

Theme	Disclosure Project	Reveal Chapter	Page	Remark
	2-10 Nomination and selection of the highest governance unit	2.2 Corporate Governance 2.2.1 Board of Directors Annual shareholders meeting Board of Directors	26 26	Director Election Candidates Nomination system
	2-11 Chairman of the highest governance unit	2.2.1 Board of Directors Board of Directors and Structure	26 27	Chairman: Chairman
	2-12 The role of the highest governance unit in overseeing shock management	2.3. Integrity and ethical management	33	
	a. The role of the highest governance unit and senior management in the organization's purpose, values or vision , and strategy.	2.1.2 Organization and business responsibilities of each department	24	
	b. The highest governance body's role in overseeing the organization's due diligence and reviewing the effectiveness of the organization's procedures	2.2.1 Board of Directors	26	
	2-13 Person in charge of impact management	1.1 Organizational Responsibilities and Identification of Stakeholders	7	
	a. How the highest governance unit delegates responsibility for managing the organization's economic, environmental, and human impacts	2.1.2 Organization and business responsibilities of each department	24	
	b. Senior management or other employees report to the highest governance unit on economic, environmental and human impact management procedures	2.3.1 Integrity management 2.7 Risk Management	33 42	
	2-14 The role of the highest governance unit in sustainability reporting	1.1 Organizational Responsibilities and Identification of	7	

GRI 2: General Disclosures 2021

Theme	Disclosure Project	Reveal Chapter	Page	Remark
	a. The highest governance unit should review and approve reported information	Stakeholders		
	2-15 Conflict of Interest	2.3.1 Integrity management	33	Code of Conduct for Listed and OTC Companies
	a. Describe the highest governance unit's process for ensuring that conflicts of interest are avoided and mitigated	'Promote Integrity Management Report	33	
	b. Whether the report discloses conflicts of interest to stakeholders	'Promotion of preventing insider trading	34	
		'Complaint channels for violations of professional ethics	34	
	2-16 Communicate key events	Powers of the Company's Board of Directors	7	
	a. How to communicate key events with the highest governance unit	1.1 Organizational Responsibilities and Identification of Stakeholders		
	2-17 Collective Intelligence of the Highest Governance Unit	2.2.1 Board of Directors	26	Regularly arrange training for directors every year
	a. The collective wisdom, skills and experience of the highest governance unit in sustainable development	'Board of Directors and Structure	27	
		'Board Diversity and Collective Intelligence	27	
	2-18 Performance evaluation of the highest governance unit	1.1 Organizational Responsibilities and Identification of Stakeholders	7	
	a. The highest governance unit's processes for monitoring the organization's performance in managing economic, environmental, and human-related impacts.	2.2.1 Board of Directors	26	
	2-19 Remuneration Policy	7.4 Compensation and Benefits	100	
	2-20 Salary Decision Process	2.2.2 Functional Committee	30	
	a. The organization designs its compensation policy and	'Remuneration Committee	30	

GRI 2: General Disclosures 2021

Theme	Disclosure Project	Reveal Chapter	Page	Remark
	compensation decision process	7.4 Salary and Benefits	100	
	Total compensation ratio for 2-21 years	7.4.1 Annual total compensation ratio	101	
		· Average and median salaries of full-time employees who are not supervisory positions	101	
Strategy, Policy and Practice	2-22 Statement of Sustainable Development Strategy a. Statement of the highest governance unit or the highest level of management's relationship with sustainable development and its strategy for engaging in sustainable development.	Top management team's words Chairman 's message - Sustainable development strategy	3	
	2-23 Policy Commitment a. Describe the policy commitments regarding responsible business practices	7.1 Talent Policy and Commitment	95	
	b. Describe specific policy commitments to respect human rights	7.5 Protecting Human Rights and Labor-Management Communication	106	
	2-24 Incorporation of policy commitments a. How to integrate each RBC policy commitment into its activities and business relationships	· List and management of 3 major topics	133	
	2-25 Procedures for remediating negative impacts a. Negative impacts that the organization determines to have caused or contributed to b. Describe the approach to identifying and handling complaints	7.5 Protecting Human Rights and Labor-Management Communication	106	
	2-26 Mechanisms for seeking	1.2 Discussion	9	

GRI 2: General Disclosures 2021				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
	advice and raising concerns	/communication channels for issues of concern to stakeholders		
	2-27 Regulatory Compliance a. Total number of major regulatory violations that occurred during the reporting period	2.4.1 Regulatory Compliance	36	
	2-28 Membership of Public Associations	7.7.2 Participation in external organizations	125	
Stakeholders' consultation	2-29 Stakeholder Negotiation Guidelines a. Describe the policy for consultation with stakeholders	1.2 Discussion /communication channels for issues of concern to stakeholders	9	
		1.3 Identification and generation process of major issues	14	
	2-30 Group Agreement a. Percentage of total employees covered by collective agreements reported	7.5 Protecting Human Rights and Labor-Management Communication	106	

GRI 3: Material Topics 2021				
theme	Disclosure Project	Reveal Chapter	Page	Remark
Major Themes	Guidelines for deciding major issues	1.3 Identification and generation process of major issues	14	
	3-1 Process for determining major topics	1.3.1 Materiality Analysis Matrix	15	
	3-2 a. List of major topics b. Changes to the list of major topics	1.3.2 Major issues and impact on the value chain	16	
		1.3.3 Responses to major and minor issues	17	
	3-3 Major Theme Management	List and management of 3 major topics	133	

◆ List and management of 3 major topics:

1.Economic Performance				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
GRI 201: Economic Performance 2016	201 Topic Management Disclosure	3.1 Operational Performance and Challenges · Various operating strategies and management policies	53	
	201-1 Direct economic value generated and distributed by the organization	3.1.1 Operational results that generated and distributed direct economic value in the last two years	54	
		3.1.2 Dividend Payment	55	
	201-2 Financial impacts and other risks and opportunities arising from climate change	6.1.2 Strategy · Identified short-, medium- and long-term climate- related risks and opportunities	77	
		· Financial impacts of extreme weather events	80	
		· The financial impact of transformation actions	80	
	201-3 Defined benefit obligations and other retirement plans	7.4.3 Welfare measures	101	
	201-4 Financial assistance from the government	3.1.3 Financial subsidies from the government	56	

2. Waste Management				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
GRI 306: Waste and Waste 2016	306 Subject Management Disclosure	6.6 Waste Management	87	
	306-1 Waste generation and waste- related significant impacts	6.6 Waste Management · Waste Generation and Impact	89	
	306-2 Managing significant waste- related impacts	6.6 Waste Management · Waste Generation and Impact	89	

2. Waste Management				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
		Waste Management Process	91	
	306-3 Waste Generation	6.6 Waste Management Waste Generation and Impact	89	
	306-4 Disposal and transfer of waste	6.6 Waste Management Waste Management Process - The status and tracking of final waste disposal	91 91	
	306-5 Direct disposal of waste	6.6 Waste Management Waste Management Process - The status and tracking of final waste disposal	91 91	

3. Occupational safety and health				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
GRI 403 : Occupational Safety and Health 2018	403 Theme Management Disclosure	7.6 Occupational Safety and Health	109	
	403-1 Occupational Safety and Health Management System	7.6.1 Protection of employees' working environment and personal safety	110	
	403-2 Hazard Identification, Risk Assessment and Incident Investigation	7.6.1 Protection of employees' working environment and personal safety	110	
	403-3 Occupational health services	7.6.2 Labor Health Examination and Management	115	
	403-4 Worker participation, consultation and communication regarding occupational safety and health	7.6.1 Protection of employees' working environment and personal safety	110	
	403-5 Training of workers related to occupational safety and health	7.6.1 Protection of employees' working environment and personal safety	110	

3. Occupational safety and health

Theme	Disclosure Project	Reveal Chapter	Page	Remark
		Classification of implementation of occupational safety and health related training courses in the past two years	113	
	403-6 Worker Health Promotion	7.6.2 Labor Health Examination and Management	115	
	403-7 Prevention and mitigation of occupational health and safety impacts directly related to business relationships	7.6.1 Protection of employees' working environment and personal safety	110	
	403-8 Workers covered by occupational safety and health management systems	7.6.1 Protection of employees' working environment and personal safety	110	
	403-9 Occupational Injury	7.6.1 Protection of employees' working environment and personal safety	110	
	403-10 Occupational Diseases	7.6.1 Protection of employees' working environment and personal safety	110	

◆ Voluntary Disclosure Issues List and Management

Economic Aspects				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
GRI 405: Employee Diversity and Equal Opportunity 2016	405-1 Diversity of governance units and employees	2.2.1 Board of Directors	26	
		Board Diversity and Collective Intelligence	27	
		7.2 Human Resources Structure	97	
		7.5.1 Human Rights Policy and Management	106	
		Various diversification	107	

Economic Aspects				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
		indicators in the last two years		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	4.3.2 Product Information and Labeling	67	
	417-2 Incidents of non-compliance with regulations regarding product and service information and labeling	3. Operational performance and customer service 4.3.2 Product Information and Labeling	52 67	
GRI 418: Customer Privacy 2016	418-1 Complaints of proven violation of customer privacy or loss of customer data	3. Operational performance and customer service	52	
		3.2 Customer Management and Service	57	
GRI 204: Procurement Practices 2016	204-1 Proportion of procurement expenditure from local suppliers	5.2.2 Local Procurement	74	

Environmental Aspects				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
GRI 305: Emissions 2016	305-1 Direct (Scope 1) greenhouse gas emissions	6.4 Greenhouse Gas Management	84	
	305-2 Energy indirect (Scope 2) greenhouse gas emissions	6.4 Greenhouse Gas Management	84	
	305-4 Greenhouse gas emission intensity	6.4 Greenhouse Gas Management	84	
	305-5 Reduction of greenhouse gas emissions	6.4 Greenhouse Gas Management	84	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	6.3 Energy saving, carbon reduction and energy management	83	
	302-2 Energy consumption outside the organization	6.3 Energy saving, carbon reduction and energy management	83	
	302-3 Energy intensity	6.4 Greenhouse Gas	84	

Environmental Aspects				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
		Management		
	302-4 Reduce energy consumption	6.2 Environmental Policy and Commitment	82	
		6.3 Energy saving, carbon reduction and energy management	83	
	302-5 Reduce the energy requirements of products and services	6.2 Environmental Policy and Commitment	82	
		6.3 Energy saving, carbon reduction and energy management	83	
GRI 303: Water and Discharged Water 2018	303-5 Water consumption	6.5 Water Management	85	

Social Aspects				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
GRI 401: Labor -Employment Relations 2016	401-1 New and former employees	7.2.1 Human Resources Structure Distribution in the Past Two Years	97	
	401-2 Benefits provided to full-time employees (not including temporary or part-time employees)	7.4.3 Welfare measures	101	
	401-3 Parental leave	7.4.3 Welfare measures	101	
GRI 405: Employee Diversity and Equal Opportunity 2016	405-1 Diversity of governance units and employees	2.2.1 Board of Directors	26	
		Board Diversity and Collective Intelligence	27	
		7.2 Human Resources Structure	97	
		7.5.1 Human Rights Policy and Management	106	
		Various diversification indicators in the past two years	107	
GRI 406: Non-	406-1 Incidents of discrimination	7.5 Protecting Human	106	

Social Aspects				
Theme	Disclosure Project	Reveal Chapter	Page	Remark
Discrimination 2016	and corrective actions taken by the organization	Rights and Labor- Management Communication		
GRI 404: Training and Education	404-1 Average hours of training per employee per year	7.3 Talent cultivation and development	99	
	404-2 Employee Enhancement and Transition Assistance Program	7.3 Talent cultivation and development	99	
GRI 413: Local Communities 2016	413-1 Operations subject to local community consultation , impact assessments and development plans	7.7 Social Prosperity	121	

Appendix 3. SASB Index Table

- Appliance Manufacturing

Theme	Code	Disclosure Indicators	Corresponding Chapter	Page
Product Safety	CG-AM-250a.1	(1) Number of recalls and (2) Total number of units recalled	4.5 Product Life Cycle and Environmental Impact, Product Quality and Safety	70
	CG-AM-250a.2	Discuss the process for identifying and managing security risks associated with the use of their products	4.5 Product Life Cycle and Environmental Impact, Product Quality and Safety	70
	CG-AM-250a.3	Total monetary losses resulting from product safety-related legal actions	4.5 Product Life Cycle and Environmental Impact, Product Quality and Safety	70
Product Life Cycle Environmental Impact	CG-AM-410a.1	Percentage of products that qualify for the ENERGY STAR program	4.5 Product Life Cycle and Environmental Impact, Product Quality and Safety	70
	CG-AM-410a.2	Percentage of qualified products certified to the Association of Home Appliance Manufacturers (AHAM) sustainability standards	4.5 Product Life Cycle and Environmental Impact, Product Quality and Safety	70
	CG-AM-410a.3	Describe efforts to manage the impact of product	4.5 Product Life Cycle and Environmental	70

Theme	Code	Disclosure Indicators	Corresponding Chapter	Page
		obsolescence	Impact, Product Quality and Safety	
Activity indicators	CG - AM 000.A	Annual production	4.5 Product Life Cycle and Environmental Impact, Product Quality and Safety	70

Appendix 4. TCFD Index Table

Theme	TCFD recommends disclosure projects	Corresponding Chapter	Page
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	6.1.1 Governance	77
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	6.1.1 Governance	77
Strategy	a. Describe the short-, medium- and long-term climate-related risks and opportunities identified by the organization.	6.1.2 Strategy	77
	b. Describe the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning.	6.1.2 Strategy	78
	c. Describe the organization's strategic resilience, considering different climate-related scenarios (including those of 2°C or higher).	Planning	-
Risk Manage	a. Describe the organization's process for identifying and assessing climate-related risks.	6.1.3 Risk Management	81
	b. Describe the organization's processes for managing climate-related risks.	6.1.3 Risk Management	81
	c. Describe how the process of identifying, assessing and managing climate-related risks is integrated into the organization's overall risk management system.	6.1.3 Risk Management	81
Indicators and Target	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management processes.	6.1.4 Indicators and targets	81
	b. Disclose Scope 1 , Scope 2 and Scope 3 (if applicable) greenhouse gas emissions and associated risks.	6.4 Greenhouse Gas Management	84
	c. Describe the objectives used by the organization to manage climate-related risks and opportunities, and its performance against those objectives.	6.1.4 Indicators and targets 6.3 Energy saving, carbon reduction and energy management	81 83

Appendix 5. Excerpt from China Steel Corporation (CSC) 2023 Sustainability Report - Commitment to Use Conflict-Free Minerals

7.4.1 設備物料採購

中鋼承諾所有產品及其包裝所使用或包含之金屬沒有來自剛果(金)及其周邊國家，以及這些國家內任何武裝力量控制區之衝突礦產；透過加強供應鏈管理，有效甄別和追溯原料來源。針對料源投資作業，凡具有衝突疑慮之礦產，即不列入投資評估考慮。中鋼於設備及物料採購時亦關注來源國家之人權狀況，據以做可能之調整，並於投標須知/合約條款規定不得行賄、不得侵權、進入中鋼廠區須遵守環安衛規定等行為準則。

112年度依「採購與發包作業安全衛生及污染預防管理規定」對6類原物料進行供應商間接環境考量面鑑別評估，評估結果除1家間接風險等級為高度風險，由中鋼相關單位進行聯合現場稽核、訪視，確認其改善情形外，其餘廠商均在中度風險以下。

112年度設備物料供應商家數及金額百分比之全球分佈

