



2023 Airmate ESG Report

Contents

■ Chairman Message

■ Annual Sustainability Highlights & Performance

■ About the Report

■ Sustainability Management

Chapter 1 Our Company

- About Airmate
- Economic performance
- External Engagement

Chapter 2 Corporate Governance

- Governance Structure
- Functional Committees
- Internal Control and Internal Audit
- Ethics Management
- Risk Management

Chapter 3 Sustainable Value Chain

- Supplier Management Policy
- Product Liability

Chapter 4 Environmental Protection

- Risks and Opportunities Posed by Climate Change
- Energy Management
- GHG Emissions and Air Pollution Control
- Water Stewardship
- Waste Management

Chapter 5 Social Inclusion

- Plenty of Diverse Employment Opportunities
- Employee rights and benefits
- A reassuring workplace environment
- Social care and mutual benefit
- **Appendix**
- GRI Standards Index Table

Chairman Message

Sustainable Management Strategy

In 2023, the global economy is still shackled by geopolitical conflicts, inflation and insufficient real demand. At the same time, the major economies and regions have entered the unbalanced state of K-shaped recovery in the post-epidemic era, and the terminal consumption is sluggish. Among the external factors affecting the Company, the first is that Japan and South Korea, the main export markets, are squeezed out by high inflation expenditure, and the overall household appliances consumer market is declining; Second, the domestic market in Mainland China is deeply affected by uncertain economic prospects, conservative consumption and oversupply, which impose many constraints and variables on the operation of the Company in 2023. However, the entire management still worked hard to overcome the difficulties and improve the operating system. The proportion of revenue impact was slightly lower than that of the industry, and the overall operating situation was still profitable. The Company firmly focuses on the development of smart home appliances, based on which it reviews the operating performance in 2023, including the product line strategy in the Chinese market, the popularization of diversified online channels, the optimization of production policies and their allocation, and the effective adjustment of human resources strategies. We also actively build a green brand and implement the concept of low-carbon life, aiming at the development of high-quality customers for export and the new sales channel layout for end consumers. Expand the multiple benefits of sales channels, and take improving quality as the core of enterprise operation to create the company's sustainable business value.

Towards Net Zero Carbon Emissions

The road to enterprise net zero must be considered from the environmental, social and economic balance. Through the continuous verification of ISO 14001 environmental management system and the release of climate-related financial disclosure, we face up to the impact of climate change on enterprise operation, including financial impact and future market opportunities, while improving the organizational resilience of Airmate and formulating countermeasures. On the road of sustainable operation, we will continue to publish ESG Report to track sustainable goals, share data performance covering Environment, Social and Governance levels to all stakeholders, and keep an eye on sustainable issues. Actively strengthen corporate governance, implement environmentally friendly production practices, and focus on the disadvantaged in society. In recent years, Airmate has not only continued to promote policies related to environmental protection, but also encouraged all units to use energy-saving products. We look forward to fulfilling our corporate social responsibility, promoting industrial chain convergence and supply chain co-prosperity, incorporating green procurement and carbon management into one of the conditions for selecting suppliers, introducing risk assessment management for new suppliers, ensuring high quality and stable delivery of material procurement, reducing operational risks and striving for business opportunities. I often say, "We have to make products like the space shuttle, because the space shuttle is the most rigorous manufacturer, and every tiny component has to withstand the most rigorous inspection." Over the years, Airmate has insisted on adding low-carbon considerations of environmental protection and green energy to the production process, selecting raw materials with less environmental burden, considering more efficient energy utilization methods, starting from the value chain from the source to the end, pursuing the overall net zero emission, developing a number of low-carbon products, and responding to the international net zero trend in carbon reduction targets.

Achieve sustainable supply chain with suppliers

Create sustainable value

We also regard employees as Airmate's most important assets, protect the basic rights and interests of all employees and improve their welfare, and provide a sound medical insurance and workplace environment. We will continue to promote the "Deep Ai Small Migratory Bird Station" by solving the problem of children left behind, alleviating the pressure of staff care, paying attention to children's education issues, and supporting the development of community arts and culture. In 2023, Airmate will still be able to create a revenue peak, based on the efforts of many partners, and we also have the responsibility to care for neighboring communities and maintain close cooperation to drive sustained economic growth. At the same time, we are duty-bound to continue to invest in environmental sustainability, social participation and corporate governance.



Looking forward to 2024, the Company will adapt to the green transformation of the supply chain, add green elements to the design, production, logistics and sales processes, reduce carbon emissions, and strengthen the deep management and overall synergy of the operation of subsidiaries to meet the green requirements of the market in the face of the changes in the quality and quantity of the internal and external consumer markets and the changing and fierce competition in the small household appliances industry. We will continue to pay attention to the trends and trends of laws and regulations related to sustainability at home and abroad, improve and achieve our sustainable goals, and create a good cooperative relationship and sustainable ecology with the global industrial chain. Build an ESG main enterprise based on the company's core values combined with the business philosophy of environmental balance, implement Airmate's low-carbon life concept, and build a green enterprise of "energy saving and emission reduction".


**Chairman
Shih, Jui-Pin**

Annual Sustainability Highlights & Performance

The United Nations has proposed 17 core goals (SDGs) to improve the global situation and move towards sustainable development, hoping to gradually achieve sustainable development of the environment, economy and society from 2015 to 2030, and to provide national, local governments, enterprises and citizen groups as the direction of response initiatives and policy formulation.

In order to achieve the social mission of sustainable development, Airmate not only pursues the economy, but also takes into account the natural resources such as water, air and land, as well as the value of social equity and justice. The company formulates various policies and activities with reference to the initiative direction of SDGs, and presents the action performance highlights of this year's development as follows.

Aspect	UN SDG Indicators	Airmate SDG Initiatives
Environmental	 <p>6 淨水與衛生 11 永續城鎮 12 負零廢棄 13 氣候行動</p>	<ul style="list-style-type: none"> In 2023, the total amount of wastes is 754.377 tons, including 107.58 tons of hazardous wastes and 646.797 tons of non-hazardous wastes, all of which are outsourced for disposal. The greenhouse gas emission scenario for 2023 is: Category I 779.28 metric tons; Category II discharges 21,932.88 tonnes, totalling 22,712.16 tonnes. The Company's total water consumption in 2023 was 218.56 million litres, an increase of 61.204 million litres compared to the previous year. In 2023, Airmate tested the water quality of the effluent through a third-party impartial unit, and the test values were in line with the requirements of the law. In 2023, Airmate did not have any incidents of pollution leakage causing the company to stop production or residents to surround the factory to protest, nor did it have any major environmental fines. Airmate is committed to achieving the goal of energy saving and carbon reduction through energy saving measures in the factory area, improvement of production process, renewal of production equipment and reduction of commuting carbon emissions. Airmate implements various waste reduction measures, including setting up recycling garbage cans, outsourcing manual sorting of domestic waste, strengthening the recycling and treatment of hazardous waste, saving paper, and properly managing waste.
Social	 <p>1 消除貧窮 3 健康與福祉 4 優質教育 8 經濟與社會增長 11 永續城鎮</p>	<ul style="list-style-type: none"> In 2023, the Group's total hours of education and training reached 132,340 hours, with an average of 18.1 hours per person. In 2023, a total of 20,155 people participated in the occupational safety training of the whole group, totaling 30,922.5 hours. In 2023, Airmate Jiujiang Company and Shenzhen Company held a safety knowledge contest, a fire drill and an evacuation drill respectively. In 2023, a good working atmosphere will be created through the activities of "assiduously studying technology and striving for post success" organized by various departments. Every year, the summer vacation class "Deep Ai Little Migratory Bird Station" is held regularly, which has been held to the 15th session in 2023. A total of 110 Airmate employees' children from 17 provinces participated in the class, which is dedicated to reducing the burden of employees' children's care during the summer vacation. Summer school teachers have 10 college student volunteers from Airmate employees' children, 5 of whom are little migratory birds who have participated in

Aspect	UN SDG Indicators	Airmate SDG Initiatives
		<p>summer school.</p> <ul style="list-style-type: none"> Since 2017, it has continued to donate to families of poor children every year, with a total donation of 175,600 yuan in 2023.
Governance		<ul style="list-style-type: none"> Airmate regards technology research and development as the core of its business, and invested a total of 135 million R & D expenses in 2023, accounting for 1.61% of its revenue. In 2023, the consolidated revenue was NT 8.402 billion yuan, the consolidated after-tax net profit was NT 27 million yuan, and the consolidated after-tax surplus per share was NT 0.17 yuan. In 2023, 136 new products were developed and listed, and 92 patent certificates were obtained. In order to review the operating performance of the Company and continuously track the implementation progress of the resolutions of the Company, the attendance rate of the Board of Directors in 2023 was 85%. In order to ensure sufficient professional leadership and supervisory functions, the total number of hours of further study for the board of directors in 2023 will reach 75 hours, with an average of 7.5 hours per person. In 2023, Airmate's compliance training lasted 24 hours and 14,638 people participated. In 2023, 145 suppliers are expected to be surveyed on the spot, and 145 suppliers are actually completed, with a completion rate of 100%. No major deficiencies and risks are found in the survey results. In 2023, 60 major raw material suppliers have passed the ISO 14001 environmental management system certification. In 2023, two distributor meetings were held to invite suppliers to participate in the discussion, including the review of the quality of purchased and sold goods, the promotion of the company's business philosophy and the education and training of honest management. In 2023, Airmate received 35,919 customer satisfaction surveys, with a response rate of 100% and an average customer satisfaction score of 99.95. In 2023, 100% of suppliers will sign the Letter of Commitment to Prevent Commercial Bribery and 100% of suppliers will sign the Ethical Procurement Policy.

About the Report

Report Overview and Publication Frequency

This is the fourth public offering of the perpetual report of Airmate (Cayman) International Limited. In the future, we will continue to issue this report every year, regularly disclose the operating results other than financial performance to the outside world, and take action to realize the corporate vision of perpetual operation.

This report was issued in June 2024, and the next report is expected to be issued in June 2025. This annual report does not restate any information given in the previous report.

Report Scope and Boundaries

The information disclosed in this report covers the period from January 1, 2023 to December 31, 2023. The source of financial data in this report is "Consolidated Financial Report of Airmate (Cayman) International Limited", which covers the head office and all subsidiaries. For all entities included in the financial statements, please refer to "Chapter 1 About Us – Economic Performance". For other environmental and social information, the head office and its subsidiaries, Airmate Electrical Appliances (Shenzhen) Co., Ltd. and Airmate Electrical Appliances (Jiujiang) Co., Ltd., are the disclosure categories. Please refer to the 2023 Airmate Annual Report of Shareholders of Airmate (Cayman) International Limited for more detailed information on the affiliated enterprises. There were no significant changes in the size, structure, ownership and supply chain of the organization during the reporting period.

Style Guide

This report is compiled in accordance with the Practice Rules for the Preparation and Filing of Perpetual Financial Statements by Listed Companies and the GRI Sustainability Reporting Standards (GRI Standards) (Edition 2021) of the Global Reporting Initiative. An index of GRI content is provided in the appendix. It also discloses information on climate-related financial disclosure proposals (TCFD).

Responsible Units and Quality Management Methods

In order to enhance the integrity and credibility of Airmate Perpetual Report, the Company has established the procedures for the preparation of the Perpetual Report and the implementation of internal audit or external verification procedures in accordance with the Procedures for the Preparation and Reporting of Perpetual Reports by Listed Companies, and incorporated the procedures into the Code of Practice for Corporate Perpetual Development of the Company, and submitted the procedures to the Board of Directors for review and approval of the appropriateness of the system.

Operating Procedure	Method	Responsible Unit/Position
Report compilation	This report is prepared by the Chief Financial Officer and Head of Corporate Governance, who serves concurrently as the Director of Governance under the Chairman's appointment. The data, strategic objectives, performance indicators, and other information disclosed in the report are provided by the respective responsible units, and then integrated, compiled, and reviewed by the sustainability project personnel.	Sustainability project personnel
Internal review	The completed report is reviewed by each department to ensure the integrity and accuracy, with final approval made by top executives of relevant departments.	Relevant responsible departments and their top executives
External assurance	To enhance the accuracy and credibility of the information, the financial data disclosed in our report is sourced from the consolidated financial statement audited by PricewaterhouseCoopers Taiwan (PwC Taiwan) in accordance with International Financial Reporting Standards (IFRS), with New Taiwan Dollars as the reporting currency.	PwC Taiwan
Final draft approval	The final draft is presented by the sustainability project personnel to the CFO, who concurrently serves as the Director of Governance, for review and approval before its public release.	CFO concurrently serving as the Director of Governance

Contact information

If you have any comments or questions about the 2023 Airmate Perpetual Report, please feel free to contact us in the following ways. In order to fulfill the responsibility of corporate information disclosure, we also publish this report on the official website to facilitate inquiries.

Airmate (Cayman) International Limited

Address: No.11, Xinzhong Road, Anping Industrial Zone, Tainan City

Official Website: www.airmate-china.com.

Contact person: Zhuang Yazhen/Manager of Group Investment Relations Office

Tel: + 886-2-27043094

E-mail address: yasung@airmate-china.net

■ Sustainability Management

Airmate primarily refers to the sustainability issues listed in the GRI Guidelines, and identifies Material Topic through the four principles of inclusiveness, significance, responsiveness and impact in accordance with the AA1000 AccountAbility Principle (2018). According to the requirements of the 2021 edition of the GRI General Criteria, the impact situation, management strategy and practice status of each major theme are revealed one by one. Based on the results, the sustainable development goals and strategies of Airmate are calibrated, and the effectiveness of external communication is strengthened.

Sustainability issue collection	<ul style="list-style-type: none"> Collect sustainable issues that are highly relevant to Airmate's business activities based on national policy trends and various international standards, ratings, and initiatives.
Stakeholder engagement	<ul style="list-style-type: none"> A total of seven major stakeholders were identified. Issues of concern to stakeholders were collected and focused on 9 key issues.
Material topic identification	<ul style="list-style-type: none"> The meeting is organized by the professional staff of sustainable development practice, and senior managers of each department of the company are invited to analyze and rank according to internal considerations, industrial conditions, industrial chain practices and suggestions from stakeholders. A total of eight material topics were identified in 2023.
Material topic examination and establishment	<ul style="list-style-type: none"> Engage external consultants to jointly examine the appropriateness of relevant procedures and standards, while cross-referencing the impact of issues on the economy, environment, and society, so that the appropriate order of the material topics in the report can be determined.

Stakeholder Engagement

Following the Plan-Do-Check-Act (PDCA) model, Airmate continually engages with stakeholders and invites their active participation in company activities to continuously assess and enhance the effectiveness of corporate social responsibility initiatives. The objectives we set for stakeholder issue management are as follows:

- To fully understand the issues of concern to stakeholders and continue to improve our performance in corporate social responsibility
- To earn the trust and respect of stakeholders towards Airmate
- To demonstrate Airmate's efforts and achievements, thereby ensuring and enhancing its reputation

Stakeholders identification and selection

The Company evaluates stakeholders based on their business operations and industry characteristics, as well as in terms of dependency, responsibility, concern, influence, and diverse perspectives as defined in AA1000 Stakeholder Engagement Standard 2015 (AA1000 SES-2015), with seven key stakeholders identified for this year: (1) colleagues, (2) investors, (3) government agencies, (4) customers, (5) suppliers, (6) community/non-profit organizations, and (7) media.

In order to understand the issues of concern to stakeholders and assess their actual or potential impact, the Company actively engages in ongoing, two-way communication with different stakeholders through a variety of channels in daily operations, while collecting and responding to the issues raised by stakeholders.

By looking into national policy trends, as well as referencing various international standards, assessments (e.g. CDP), and initiatives (e.g. UN's SDGs, UNGC, and RBA COC), we focused on nine sustainability issues across economic, environmental, and social aspects that were highly relevant to our Company, with the Stakeholder Concerns Survey Questionnaire created for stakeholders to complete. After completion of the Questionnaire, the sustainability project personnel compiled the questionnaire results and organized a meeting, where the identified issues were discussed against internal considerations, industry conditions, industry chain practices, and expert recommendations, so as to assess the impact of these issues of concern on the economy, environment, and society. The material topics identified were then included in this report for information disclosure, allowing stakeholders to evaluate and use for decision-making.

Responding to stakeholders' issues of concern

Our company departments engages in communication with stakeholders through various channels such as business transactions, routine surveys, and interview analysis. Through diverse communicative channels, we can clearly understand the needs and expectations of stakeholders. By integrating their perspectives into our operational management, we respond appropriately to the major concerns of stakeholders.

Collecting stakeholders' issues of concern:

Airmate collects and classifies all stakeholders' issues of concern regarding the Company, and then conducts subsequent analysis and response. The issues of concern revealed through various business interactions and communications with stakeholders, such as face-to-face meetings, phone interviews and feedback boxes, are collected and classified in the form of conference discussions. Furthermore, we refer to the topics that organizations are expected to disclose as specified in the GRI Standards, narrowing down the wide range of issues to focus on key topics that cover economic, environmental, and social aspects for further analysis and material topic identification.

Obtaining external trend information through experts and professional organizations:

We have also commissioned experts, including corporate social responsibility lecturers from the National Sun Yat-sen University and a team of leadership and business management consultants with appropriate qualifications, to evaluate the level of external stakeholders' concern about various issues based on the Company's industry characteristics. They have also cross-referenced the impact of these issues on the economy, environment, and society, thereby determining the proper ranking of material topics in this report.

Deciding on material topics after careful evaluation:

A total of eight material topics for the Company were identified in 2022. This report discloses the importance and impact of each material topic on the organization's operations, as well as the Company's corresponding policies, commitments, goals, responsibilities, resources, and specific actions.

In addition to the above standard procedures, we have also established a stakeholders' section on our official website, providing a dedicated email address for communication and contact with stakeholders: yasung@airmate-china.net. If you have any question, suggestion, or even complaint regarding the material topics, please contact us via the email for easy and efficient communication.

▼ Stakeholders' issues of concern and our communication methods, frequency, and procedures

Stakeholder	Issues of Concern	Communication Method	Communication Frequency	Communication Performance
Colleagues	<ul style="list-style-type: none"> ● Regulatory compliance ● Ethics 	<ul style="list-style-type: none"> ● Employee communication meeting: Employees can communicate their 	<ul style="list-style-type: none"> ● Ad hoc ● Monthly/Quarterly/Annually 	<ul style="list-style-type: none"> ● A total of 15 complaints were received in 2023, and all 15 have been

Stakeholder	Issues of Concern	Communication Method	Communication Frequency	Communication Performance
	<p>management/Integrity</p> <ul style="list-style-type: none"> Human rights and employee benefits Occupational safety and health Talent development and retention 	<p>opinions and concerns directly to the top management through internal channels and a complaint mailbox.</p> <ul style="list-style-type: none"> Employee performance evaluation/educational training 		<p>processed with a 100% processing rate.</p> <ul style="list-style-type: none"> Monthly, quarterly, and annual performance evaluations were conducted in 2023 in accordance with each department's regulations, with 100% of our colleagues undergoing regular performance checks.
Investors	<ul style="list-style-type: none"> Business performance Corporate governance Product innovation 	<ul style="list-style-type: none"> Shareholders' meeting Financial report Important information announcement Investor conference 	<ul style="list-style-type: none"> Once a year Once a quarter Ad hoc Twice a year at least 	<ul style="list-style-type: none"> Shareholders' meeting was held on June 19, 2023. Financial report was delivered four times in 2023. Investor conference was held twice respectively on August 29 and December 11.
Government Agencies	<ul style="list-style-type: none"> Business Performance Legal and regulatory compliance 	<ul style="list-style-type: none"> Company website Relevant information disclosure and reporting on the Market Observation Post System Official correspondence Participation in promotional conferences held by the competent authority. 	<ul style="list-style-type: none"> Regularly and ad hoc 	<ul style="list-style-type: none"> All were announced and reported as required by the competent authority in 2023.
Customers	<ul style="list-style-type: none"> Product innovation Product quality 	<ul style="list-style-type: none"> Communication of innovative product requirements Regular business reviews with key customers Satisfaction survey 	<ul style="list-style-type: none"> According to the product development needs of customers Once a quarter/half a year Ad hoc 	<ul style="list-style-type: none"> 136 new products were launched in 2023. Distributor conference were held twice in 2023. 35,919 customer satisfaction surveys were conducted in 2023 with a 100% response rate.
Suppliers	<ul style="list-style-type: none"> Product quality Continued steady supply Occupational safety and health Supplier management 	<ul style="list-style-type: none"> Supplier visits Evaluation of supplier management 	<ul style="list-style-type: none"> Ad hoc Biennially (or annually under special circumstances) 	<ul style="list-style-type: none"> 145 suppliers were visited in 2023.
Community/ Non-profit organizations	<ul style="list-style-type: none"> Environmental energy management Pollution control Waste management 	<ul style="list-style-type: none"> Community meetings/Lectures Email/Phone 	<ul style="list-style-type: none"> Ad hoc 	<ul style="list-style-type: none"> Six community meetings/lectures were held in 2023 Four instances of phone/letter

Stakeholder	Issues of Concern	Communication Method	Communication Frequency	Communication Performance
Investors	<ul style="list-style-type: none"> Water stewardship 			<p>communication in 2023</p> <ul style="list-style-type: none"> Relevant information is disclosed in the annual report and on our official website.
Media	<ul style="list-style-type: none"> Product innovation and technology development Business performance Sustainability strategies Environmental energy management 	<ul style="list-style-type: none"> Product launch Press release distribution Important information announcement Financial report Company website 	<ul style="list-style-type: none"> Ad hoc Ad hoc Ad hoc Once a quarter Ad hoc 	<ul style="list-style-type: none"> A total of six press releases were issued in 2023. 61 pieces of important information in 2023 136 new products were launched in 2023.

Material topic identification and ranking

After the completion of the stakeholder discussion, it enters the stage of assessing the impact of operations, and identifying, testing, and establishing Material Topic. We conducted a standardized and quantitative internal assessment through the Stakeholder Concerns Questionnaire to identify and rank the eight major topics that should be prioritized in this report, including one environmental topic, three social topics, and four economic topics. After discussing and reviewing the suitability of relevant procedures and standards with the sustainable development practical project personnel, senior managers of various departments, and external consultants and experts, and confirming that there are no omissions in major topics, the report shall be submitted to the chief financial officer for approval as the director of corporate governance, and then the preparation of the report shall be continued. There is no change in the Material Topic and thematic boundaries in this reporting year as compared to the previous reporting period (the 2022 Perpetual Report).

▼ List of material Topics

Ranking	Material Topic	Positive and negative impacts	Significance & Positive/Negative Impacts on Airmate	Value Chain Impact			Corresponding Section
				Upstream (Suppliers of plastic, copper wire, and other raw materials)	Airmate	Downstream (Retailers)	
1	Corporate Governance	<p>Frontal impact:</p> <ul style="list-style-type: none"> Honest corporate governance, responding to the trust and expectations of shareholders Fair, just and open company system, towards sustainable operation and development <p>Negative impact:</p> <ul style="list-style-type: none"> The corporate environment of corruption and bribery will make the corporate system rigid and unable to operate. 	Airmate adheres to the principles of anti-corruption and anti-bribery with its excellent corporate governance culture, so as to achieve the vision of sustainable operation of the enterprise.	•	•	•	Chapter2 Corporate governance
2	Product Quality	<p>Frontal impact:</p> <ul style="list-style-type: none"> Good product quality, increase customer satisfaction Steady product quality, enhance the company's brand image <p>Negative impact:</p> <ul style="list-style-type: none"> Poor quality of goods may harm the health of users and environmental safety. 	Airmate takes product quality as the highest standard of enterprise management, hoping to become a trustworthy and excellent enterprise for consumers.	•	•	•	Chapter3 Sustainable value chain
3	Business Performance	<p>Frontal impact:</p> <ul style="list-style-type: none"> Enhance the competitiveness of the company Increase revenue and profit <p>Negative impact:</p> <ul style="list-style-type: none"> Investment failure makes it difficult for the company to operate. 	The continuous growth of financial performance is the driving force of Airmate's operation, which makes the positive cycle of product research and development and quality standards due to resource input.	•	•	•	Chapter1 About us
4	Talent Development	<p>Frontal impact:</p> <ul style="list-style-type: none"> Good talent cultivation, for the company to expand the strength of development Excellent talents will 	Talent is an important asset of Airmate. Airmate takes talent cultivation as the foundation of the enterprise, and hopes to encourage employees to share		•		Chapter5 Social integration

Ranking	Material Topic	Positive and negative impacts	Significance & Positive/Negative Impacts on Airmate	Value Chain Impact			Corresponding Section
		<p>inspire the workplace to grow together.</p> <p>Negative impact:</p> <ul style="list-style-type: none"> The loss of excellent talents makes the company lose its market competitiveness. 	and exchange internal and external knowledge and accumulate their own knowledge capital by providing functional refresher courses for employees.				
5	Environmental Protection	<p>Frontal impact:</p> <ul style="list-style-type: none"> Create an environment for efficient use of resources to reduce waste Environmental protection and management to make the earth's resources sustainable <p>Negative impact:</p> <ul style="list-style-type: none"> Failure to implement various environmental protection measures, resulting in increased environmental costs 	Airmate focuses on environmental protection issues by changing internal value chain processes to reduce environmental impacts.	•	•	•	Chapter4 Environmental protection
6	Social Participation	<p>Frontal impact:</p> <ul style="list-style-type: none"> Give back to the society, care for the disadvantaged, and increase the influence of enterprises Promote local economic and community development <p>Negative impact:</p> <ul style="list-style-type: none"> Failure to maintain good interaction with the outside world leads to rigid relations with the local authorities. 	Actively participate in social participation and give back to the local community in order to achieve the vision of social co-prosperity.		•		Chapter5 Social integration
7	Supplier Management	<p>Frontal impact:</p> <ul style="list-style-type: none"> Good suppliers can help to provide good quality goods. Solid supplier management to ensure safety of raw materials Suppliers with research and development capabilities can quickly provide materials at the right cost. <p>Negative impact:</p> <ul style="list-style-type: none"> Untrustworthy suppliers delay the delivery of goods and increase operating costs. Suppliers with poor quality management deliver goods of poor quality, resulting in increased production costs. 	Good supply chain management, taking into account the ESG performance of partners, to enhance the overall operational resilience of the organization.	•	•	•	Chapter3 Sustainable value chain
8	Occupational Safety and	<p>Frontal impact:</p> <ul style="list-style-type: none"> Safe and healthy workplace environment 	Protect the physical and mental health of employees, create a LOHas workplace environment,	•	•		Chapter5 Social integration

Ranking	Material Topic	Positive and negative impacts	Significance & Positive/Negative Impacts on Airmate	Value Chain Impact			Corresponding Section
	Health	<p>promotes the retention of outstanding talents</p> <ul style="list-style-type: none"> • Secure working environment to improve employee job satisfaction <p>Negative impact:</p> <ul style="list-style-type: none"> • Imperfect management of occupational safety and health, resulting in environmental and community impact 	so that the company can continue to operate.				

Sustainability Strategy and Vision

In order to improve the management of sustainable development and establish and promote the governance structure of sustainable development, Airmate, in accordance with the Code of Practice for the Sustainable Development of Listed Companies, reported to He Meixiu, the chief financial officer, as the first head of corporate governance of the Company in 2023, which was approved by the Audit Committee to be responsible for corporate governance related affairs. In the future, it is expected that a sustainable team will be set up in line with the schedule stipulated by the competent authorities, and at least one person from each department will be responsible for the implementation and report to the board of directors regularly. We will continue to discuss sustainable development issues internally, focusing on carbon rights, energy conservation, wireless charging (technology updates), green energy (solar energy), future product research and development direction, raw materials for production processes, and strive to achieve sustainable development goals.

Airmate regards sustainable development as a part of enterprise operation decision-making, and formulates management policies and procedures in accordance with international human rights conventions, including the United Nations Universal Declaration of Human Rights and the International Organization of Human Rights Convention. The subsidiaries of the Company handle employee benefits and establish management procedures in accordance with local labor laws and regulations to protect the legitimate rights and interests of employees. We have also formulated the "Business Partner Management Procedures" to specify the rules and regulations for supplier management, and promised to comply with the local labor laws and regulations and BSCI corporate social responsibility standards. We have also formulated the "Code of Honest Operation", which not only advocates and encourages honest and ethical behavior in meetings from time to time, but also clearly States the business philosophy of "honesty, faith, fairness and diligence" in Chapter III of the Code of Conduct for Employees of the Company.

Through the ESG framework, we examine corporate management practices and develop sustainable strategies belonging to Airmate to achieve sustainable business objectives and fulfill corporate social responsibilities. Airmate's sustainable development strategy can be divided into three parts:

Two-way love between the Company and its employees	Eco-environment maintenance for the sustainability of green environmental protection	A focus on children's education through improving the learning environment	Enterprises love employees, and employees love enterprises.	Maintain the ecological environment, sustainable green environmental protection	Pay attention to children's education and improve the learning environment
--	--	--	---	---	--

- Airmate and Employees- "Enterprises Love Employees, Employees Love Enterprises"**
 Airmate pays attention to the training and application of talents, and employs well-known lecturers to train employees for their vocational training needs from time to time. Team members are also encouraged to share internal technical exchanges. Set up basketball courts, badminton courts and fitness centers for employees, hold various sports and cultural competitions, parent-child lectures, create staff associations, create open learning spaces (such as training classrooms, dance studios, table tennis, karaoke centers, legal support centers, labor model studios, libraries, chess rooms), etc., to improve the quality and humanistic atmosphere of employees. Provide employees with a good working environment and benefits, so that each employee can have a positive working attitude and innovative team spirit, making talent an important resource for Airmate.
- Airmate and the environment-maintain the ecological environment, sustainable green environmental protection**
 Airmate is committed to the cause of environmental protection, actively builds a green enterprise of "energy saving and emission reduction", adheres to the goal of sustainable operation, and implements the concept of low-carbon life. With the green environmental protection system to maintain the balance of the ecological environment, and actively promote the reuse of energy, the ISO 14001 Implementation Committee was established to include industrial wastewater, domestic wastewater, waste gas, noise, waste classification and recycling in the treatment project. The sewage treatment plant will be built to recycle the domestic and industrial sewage of the whole plant after treatment, so as to achieve win-win environmental protection and benefits, and successfully pass the ISO 14001 environmental management system certification.
- Airmate and Society-Focus on Children's Education and Improve the Learning Environment**
 Since the steady development of Airmate in 1991, it has actively assumed corporate social responsibility, built many Hope Primary Schools in Jiangxi, Yunnan, Sichuan and other places, and given sustained care, attention and care to disadvantaged and rural primary schools in various places. Through donations to relevant foundations, it pays attention to the living and growing environment of children in Taiwan. It also implements long-term donation plans to improve the learning environment of children in poor areas of China through assistance programs and donation of education funds.

Chapter 1 Our Company

- About Airmate
 - Global operating locations
 - Business projects
- Economic performance
 - Financial assistance from the government
- External Engagement

About Airmate

Airmate was founded in 1973. Its brand name comes from Airmate. It has been focusing on air quality improvement household appliances for a long time, and is committed to developing and manufacturing exquisite small household appliances. Since 1997, it has focused on expanding the development of its own brands in the Chinese market and systematically laying out the sales channels for distributors in China. After years of intensive market cultivation, Airmate has gone deep into all parts of China and stepped into new product areas such as electric heaters and healthy small household appliances. Airmate was officially publicly issued in 2012, listed in 2013, stock code 1626, the ownership of the company belongs to all shareholders, according to the business planning and sales market model from the traditional physical stores to the current e-commerce sales channels. Therefore, Airmate Electronic Commerce (Shenzhen) Co., Ltd. was added in June 2020, Materialism Technology (Foshan) Co., Ltd. was newly established in July 2023, and Xiangdao Technology (Shenzhen) Co., Ltd. was established in September 2023, all of which are subsidiaries of Airmate (Cayman) International Co., Ltd. It mainly sells its own branded products on e-commerce platforms in the PRC and expands its sales channels. There is no material change in ownership.

In the past two years, on the one hand, Airmate has maintained its leading position in traditional fans with quality output, on the other hand, it has innovatively launched air circulation fans to anchor high-end customers for directional research and development and output. At the same time, we are committed to making technological breakthroughs in electric heaters, so that users can feel "warmth" from "heat", and provide immersive product experience from body to mind through the creation of five senses. These product innovations benefit from the advanced deployment of technological innovation, around the user's pain point research and development products, so that pain points become product highlights, and provide a perfect experience beyond user expectations.

Airmate hopes to create high-quality air solutions for every family, so that every user can enjoy a comfortable, convenient, healthy and pleasant living environment! Focusing on user experience, the Group continued to promote product upgrading and innovation, and engaged in the design, development and production of various international household appliance brands. Through Weiang Development Co., Ltd., it was responsible for the export transfer business, covering Japan, Korea, France, Germany, Canada, Singapore, the United States, Australia and other regions, with the export amount accounting for about 32% of the Group's total sales. It has become one of the most internationally renowned certified manufacturers in the household appliances industry.

It relies on efficient automation equipment, mature motor production technology and continuous optimization of assembly process. We will continue to focus on the development of the industry, pursue innovation in research and development, lead the trend in industrial design, and ensure stable output of quality through intelligent production lines. We will continue to lead the environmental power industry, pursue win-win cooperation among stakeholders, and strive to become a family partner of consumers'high-quality life and build a century-old brand.

Airmate Milestones

Year	History of the Company and the Group
1973	Airmate's parent company (Taiwan Tung Fu Electric Co., Ltd.) in Taiwan was founded.
1990	Wacon Development Limited (Hong Kong) was established by the management team major shareholders, with a registered capital of HK\$13,510 thousand.
1991	Airmate Electrical (Shenzhen) Limited was established, with a registered capital of US\$23,750 thousand and set up a primary production base in Shenzhen to expand globally
1994	The Company became the first foreign-invested company to obtain China's CCEE safety certification for small home appliances The Company began cooperation with Sanyo Electric Co., Ltd. of Japan to produce dedicated Sanyo fan motors.
1996	Obtained the international certification for the ISO9002 quality control system
1997	The presence of the Airmate brand was expanded in the Chinese market and entered the electric heater market. Airmate's French subsidiary was established, with a registered capital of F\$50 thousand. Airmate China International Co. Ltd. was established, with a registered capital of US\$20,000 thousand.
1998	Airmate International Holding Co. Ltd. was established, with a registered capital of US\$21,000 thousand.
1999	International certification for the ISO9001 quality control system was obtained. Rated as the National Foreign Investment Double Excellence Enterprise by the China Association of Enterprises with Foreign Investment Wacon was incorporated as a 100% subsidiary of Airmate International through share conversion.
2000	The Company established a global sales network in more than 60 countries across five continents and became the largest supplier of household electric fans in Japan.
2001	Wacon signed an equity transfer agreement with Airmate China to transfer its 100%-owned equity of Airmate Electrical (Shenzhen) to Airmate China.

2002	<p>Awarded the National Enterprise with Dual Guarantees of Product Quality and After-Sale Service Credit by China Quality Inspection Association</p> <p>Airmate was recognized as a prestigious trademark in the Guangdong Province.</p> <p>Awarded the dual honors of the Top 100 in Business and Industry and the Top 100 Exporters in Shenzhen</p>
2003	<p>Airmate (Shenzhen) expanded manufacturing facilities.</p> <p>Airmate electric fans passed the National Inspection-Free Product Quality.</p> <p>Awarded the National Dual Guarantee Enterprise of Product Quality and After-Sale Service Credit</p>
2004	<p>The Company was established with HK\$16,000 thousand in shares and became the ultimate parent company of the Group through a series of stock exchange processes.</p>
2005	<p>Airmate extensively entered other small home appliances markets.</p> <p>Hailed as China Famous Brand Product by the General Administration of Quality Supervision, Inspection and Quarantine</p> <p>Rated as the Inaugural Shenzhen Import and Export Integrity AAA Enterprise</p> <p>Rated as the Top 500 Companies with the Most Brand Value in China</p>
2008	<p>Airmate trademark was awarded the title of Well-known Trademark.</p> <p>Capital increase by cash of HK\$40 thousand</p>
2009	<p>Awarded the National High-tech Enterprise</p> <p>Awarded the title of Guangdong Famous Brand Product</p> <p>Selected as Shenzhen Quality and Integrity Member Enterprise</p> <p>Capital increase by cash of HK\$1,050 thousand</p> <p>Capital increase by surplus and employee bonus of HK\$4,820 thousand</p>
2010	<p>Awarded the honor of Shenzhen Intellectual Property Advantageous Enterprises</p> <p>Awarded the District Chief Award for Science and Technology Innovation in Bao'an District</p> <p>Capital increase by employee bonus of HK\$680 thousand</p>
2011	<p>Airmate's electric fans have ranked in the top two among domestic companies for 10 consecutive years in terms of the overall market share in the China domestic market.</p> <p>Airmate's electric heater have ranked in the top three within the industry for 6 consecutive years in terms of the overall market share in the China domestic market.</p>
2012	<p>Capital increase by capital surplus of HK\$203,310 thousand</p> <p>Capital increase by cash of HK\$29,000 thousand</p> <p>In the comprehensive reelection of Board of Directors, nine Directors were appointed, including four independent directors, and an audit committee was established.</p> <p>On July 26, 2012, the shareholders' meeting approved a resolution to change the Company's par value per share from HK\$1 to NT\$10, with the paid-up capital of NT\$1,102,442,500.</p>
2013	<p>Capital increase by cash of NT\$ 122,500 thousand</p> <p>Listed on the TWSE starting from March 21</p>
2014	<p>Airmate Electric (Jiujiang) Co., Ltd. was established with a registered capital of US\$35,000 thousand and officially began mass production in October the same year.</p>
2015	<p>The joint venture Intelligent Solution (I.S) Co., Ltd. was established with mainland Chinese residents, with a registered capital of RMB\$10,000 thousand. The Company holds a 51% stake and specializes in product design, product development, and market expansion of kitchen appliances.</p>
2016	<p>Capital increase by cash of US\$23,000 thousand for Airmate Electric (Jiujiang) Co., Ltd.</p> <p>On June 3, 2016, the Company signed the Old Plant Land Development Plan with TCL Sea Creation Valley Technology Park Development Co., Ltd. (referred to as TCL Sea Creation Valley), which is based in Bao'an, Shenzhen, and Shenzhen TCL Real Estate Co., Ltd. for a joint development project in Shenzhen Industrial Zone.</p> <p>Airmate Europe LLC. completed Liquidation on June 8, 2016.</p>
2017	<p>Capital increase by cash of US\$3,300 thousand for Airmate Electric (Jiujiang) Co., Ltd.</p>
2018	<p>Capital increase by cash of US\$1,850 thousand for Airmate Electric (Jiujiang) Co., Ltd.</p> <p>On April 30, 2018, Airmate's Fresh Air Department was established.</p> <p>In October, 2018, the Company signed the Old Plant Land Development Plan with TCL Sea Creation Valley Technology Park Development Co., Ltd. (referred to as TCL Sea Creation Valley), which is based in Bao'an, Shenzhen, and Shenzhen TCL Real Estate Co., Ltd. for a joint development project in Shenzhen Industrial Zone.</p>
2019	<p>Capital increase by cash of NT\$120,000 thousand for Airmate (Cayman) International Co., Ltd.</p> <p>Airmate's Black and White Swan Air Circulators series won TMIC's Best New Product Award in the category of air circulators and the Golden Wheat Quality Award in the category of home appliances and digital products.</p> <p>Airmate renewed and upgraded its brand. The new trademark design, while following the core value of "air mate," was repositioned as a brand focusing on Technology, Aesthetics, and Home Companion, integrating aesthetics into technology.</p>

2020	<p>Airmate's AIR2 Air Circulator from the High-End Aesthetics series, won the Outstanding Product Award in the AWE (Appliance and Electronics World Expo) Award 2020 for its industry-leading fashion design and innovative technology, reaffirming Airmate's commitment to understanding user needs, enhancing user experience, and creating excellent products.</p> <p>Airmate E-commerce (Shenzhen) Co., Ltd. was established in June 2020, with a primary focus on selling proprietary brand products on Chinese e-commerce platforms to expand sales channels.</p>
2021	<p>Airmate's AIR6 High-End Aesthetics series won the Smart Technology Innovation Product Award. AIR3 won the Excellent Product Award in the Jiujiang Tiangong Cup Industrial Design Competition. Additionally, for the China Home Appliance Industry Rock Award 2021, while the AIR6 series won the Excellent Product Award, Airmate Electric (Jiujiang) Co., Ltd. won the Solid Rock Award.</p>
2022	<p>The Flame Air Humidifying Negative Ion Aroma Fireplace won the 2022 China Home Appliance Solid Quality Award. AIR7Pro won the fifth Consumer Smart Technology Innovation Product Award. FA20-RD70 Air Circulator was awarded the Top 10 Trendy Products of 2022. Additionally, in the 12th Shenzhen Skills Competition - Advanced Manufacturing Industry (Product) Design Skills Competition, Airmate's R&D team secured the first and second places for the Elite Design Award.</p> <p>Weiwu Technology (Foshan) Co., Ltd. was established in July 2022, with a primary focus on selling proprietary brand products on Chinese e-commerce platforms to expand sales channels.</p>
2023	<p>In May 2023, Airmate Group officially opened its global headquarters building in Shiyan Haigu Kechuang Park, Baoan District, Shenzhen City, Guangdong Province.</p> <p>In September 2023, Xiangdao Technology (Shenzhen) Co., Ltd. was established to sell its own brand products on e-commerce platforms in China and expand sales channels.</p> <p>AIR7 Pro won AWE2023 Eplan Excellent Product Award; Swan 5.0 Air Sterilization Floor Circulating Fan and Multifunctional Drying Skirting Line won the Excellent Quality Award of China Household Appliance Industry Rock Award; Airmate Electrical Appliances (Jiujiang) Co., Ltd. won the 2023 China Household Appliances Industry Rock Award-Solid as a Rock Award.</p>

Global Operating Locations

The main sales (provision) areas of the Company's current primary products (services) are mainland China and overseas. The market areas where each subsidiary provides services are listed as follows:

Headquarter		
Airmate(Cayman) International Co Limited	The Office of Codan Trust Company (Cayman) Limited Yard, Cricket Square, Hutchins Drive, P.O.BOX 2681 GT, George Town, Grand Cayman, British West Indies.	(86)-0755-27655988
Subsidiary		
Airmate International Holding Co. Ltd.	P0 Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands	(86)-0755-27655988
Airmate China International Co. Ltd.	Palm Grave House, P.O, Box438, Road Town, Tortola, British Virgin Islands	(86)-0755-27655988
Airmate (Cayman) International Co., Ltd., Taiwan Branch	3F., No. 11, Xinzhong Rd., South Dist., Tainan City, Taiwan (R.O.C.)	(886) 6-2645207
Wacon Development Limited (Hong Kong)	Room 1006-7, 10/F, Fortess Tower, 250 King's Road, North Point, Hong Kong	(852)2578-3303
Wacon Development Limited TAIWAN BRANCH (Hong Kong)	3F., No. 11, Xinzhong Rd., South Dist., Tainan City, Taiwan (R.O.C.)	(886) 6-2645207
Airmate Electric (Shenzhen) Co., Ltd.	Huangfengling Industrial Zone, Shiyan Subdistrict Office, Bao'an District, Shenzhen City, Guangdong Province; Building T2, Haigu Science Mansion, Luoazu Community, Shiyan Subdistrict, Bao'an District, Shenzhen City, Guangdong Province	(86)-0755-27655988
Airmate Electric (Jiujiang) Co., Ltd.	No.1, Tonggang East Road, Chengxi Port District, Jiujiang Economic and Technological Development Zone, Jiangxi Province, P.R.China	(86)-0792-2286888
Intelligent Solution (Shenzhen) Co., Ltd.	Building T2, Haigu Science Mansion, Luoazu Community, Shiyan Subdistrict, Bao'an District, Shenzhen City, Guangdong Province	(86)-0755-27655988
Airmate E-commerce (Shenzhen) Co., Ltd.	Building T2, Haigu Science Mansion, Luoazu Community, Shiyan Subdistrict, Bao'an District, Shenzhen City, Guangdong Province	(86)-0755-27655988
Weiwu Technology (Foshan) Co., Ltd.	Building T2, Haigu Science Mansion, Luoazu Community, Shiyan Subdistrict, Bao'an District, Shenzhen City, Guangdong Province	(86)-0755-27655988
Xiangdao Technology (Shenzhen) Co., Ltd.	Building T2, Haigu Science and Technology Building, Luoazu Community, Shiyan Street, Baoan District, Shenzhen City, Guangdong Province	(86) -0755-27655988

Business Projects

Airmate specializes in manufacturing electric fans, electric heaters, other small household appliances, whole sets of parts and moulds, devotes itself to R & D, production and marketing of all kinds of high-quality small household appliances, adheres to the service concept of "quality first, customer first", has absolute adherence to quality, and achieves total quality management with strict quality inspection standards and methods. Including incoming quality control (IQC), production line 100% quality control (PQC), perfect quality control (QA), product life testing room, and product laboratory equipped with precision measuring instruments. Airmate's products have been certified by UL, CSA, GS, VDE, SAA, SISIR, SHARK and 3C. The strict quality control system of the factory has won the honors of qualified factories such as PBA, JIS certified factories in Japan and IMQ certified factories in Italy. Implement the concept of service-oriented manufacturing industry, so that the spirit of quality control and quality assurance really falls on the work of every employee.

In 2023, the research and development of innovative products of the Company won a number of awards and shined brilliantly in the relevant fields of the small household appliances industry. The Swan 5.0 air sterilization floor circulating fan and the multi-functional clothes drying skirting line won the Excellent Quality Award of the China Household Appliances Industry Rock Award and were well received by consumers. "Swan 5.0 Air Sterilization Floor Circulating Fan" is the flagship product of the fifth generation of Airmate's classic Swan series. Based on people's demand for air safety, Air-clean plasma sterilization technology is applied to the circulating fan to realize the integration of air circulation, air sterilization and air purification, and sterilization while circulating. To create a healthier, more comfortable and safer air environment for people; "Multifunctional clothes drying and skirting line" is Airmate's annual innovative product, which integrates clothes warming, clothes drying, clothes drying and heating, integrates product advantages, expands product boundaries, and meets people's current demand for one machine for multiple purposes. In addition, this multi-functional clothes drying skirting line is more suitable for baby families, so that mothers and fathers can easily raise babies and free their hands.

Winning the most important rock award in China's home appliance industry in 2023 represents the steady development of Airmate itself. We will continue to export brand products with high reputation and high quality through multiple channels and consumer markets. Continue to build Airmate's leading brand image in the industry, further consolidate the stable position of the enterprise in the industry, and promote the stable development of business.

▼ Airmate Swan 5.0 Air Sterilization Floor Circulating Fan won the Excellent Quality Award of China Household Appliance Industry Rock Award



▼ Airmate won the China Home Appliance Industry Rock Award-Solid as a Rock Award



▼ Airmate Multifunctional Drying Skirting Line won the Excellent Quality Award of China Household Appliance Industry Rock Award




▼ An overview of the primary sales market for Airmate's main products in the past three years

(Unit: NTD thousand; %)

Main Product Category	Primary Sales Regions	2021		2022		2023	
		Sales Revenue	Percentage	Sales Revenue	Percentage	Sales Revenue	Percentage
Electric Fans	Mainland China, Japan, South Korea, and Europe	6,712,792	66.09 %	5,878,253	63.75%	5,505,685	65.53 %
Electric Heaters		1,790,037	17.62 %	1,831,760	19.87%	1,650,145	19.64 %
Small Home Appliances		838,961	8.26 %	750,639	8.14%	494,543	5.89 %
Electrical Products		474,260	4.67 %	519,259	5.63%	481,805	5.73 %
Others (Spare Parts and Molds)		340,541	3.36 %	240,952	2.61%	269,575	3.21 %
Total		10,156,591	100.0 %	9,220,863	100%	8,401,753	100.00 %

Economic Performance

▼ Management of Airmate's Major Theme "Operating Performance" in 2023

Material Topic	Business performance
Impact assessment	<p>Frontal impact:</p> <ul style="list-style-type: none"> Actively develop new products of the company, increase the proportion of Airmate products in the market, enhance the competitiveness of the company, increase revenue and profit, and return to relevant stakeholders. <p>Negative impact:</p> <ul style="list-style-type: none"> Without actively promoting the company's operating performance and evaluating the company's financial situation, the investment failure will make it difficult for the company to operate.
Corresponding GRI Indicators	<p>GRI 201-1 Direct economic value generated and distributed by the organization</p> <p>GRI 201-3 Defining Benefit Plan Obligations and Other Retirement Plans</p> <p>GRI 201-4 Financial Assistance from Government</p>
Relevant SDGs	
Policies or Commitments	We will continue to focus on the development of the industry, develop competitive products with high gross profit, and actively respond to, explore and meet the deep needs of end customers in the market, so as to make the company's operation profitable.
Indicators and Objectives	<p>Sustaining objectives:</p> <ul style="list-style-type: none"> We will continue to invest in R & D budget, actively develop diversified product applications, meet market demand and improve product profitability. Actively discuss the development of new technologies in various R & D and technical associations, take the lead in introducing new specifications of products, and enhance the market competitiveness of products.
Effectiveness Tracking Mechanism	<ul style="list-style-type: none"> Conduct monthly operation management meetings, regularly review and share financial and departmental operation related issues. The R & D department holds weekly meetings to track and discuss the progress of product development.
Annual Actions and Achievements	<ul style="list-style-type: none"> In 2023, the consolidated revenue was NT 8.402 billion yuan, the consolidated after-tax net profit was NT 27 million yuan, and the consolidated after-tax surplus per share was NT 0.17 yuan. Airmate regards technology research and development as the core of its business and invests considerable resources in the development of emerging technologies every year. In 2023, Airmate had 120 research and development personnel and invested 135 million research and development expenses, accounting for 1.61% of its revenue. Through excellent R & D team, Airmate develops new products according to customer and market demand every year, creating product and market value. In 2023, 136 new products were developed and listed, and 92 patent certificates were obtained. In order to develop new products in line with customer and market demand, and continuously improve and refine R & D technology, a total R & D expenditure of 174

Material Topic	Business performance
	<p>million yuan has been allocated for the next year in 2023 according to the current product development plan.</p> <ul style="list-style-type: none"> In 2023, Airmate's innovative product research and development won a number of awards, including AIR7 Pro won the AWE2023 Eplan Excellent Product Award; Swan 5.0 Air Sterilization Floor Circulation Fan and Multifunctional Drying Skirting Line won the Excellent Quality Award of China's Home Appliance Industry Rock Award; Airmate Electrical Appliances (Jiujiang) Co., Ltd. was awarded the 2023 China Household Appliances Industry Rock Award-Solid as a Rock Award.

The consolidated revenue of the Company for 2023 was NT 8,402 million yuan, the consolidated net profit after tax was NT 27 million yuan, and the consolidated net profit after tax per share was NT 0.17 yuan. The export market declined the most in Northeast Asia, and the ratio between the Chinese market and the export market outside China changed from 55:45 to 68:32. As the export market is OEM, the gross profit margin is low, while the Chinese market is mainly operated by its own brands, the gross profit margin is relatively high, so the change in the proportion affects the increase in gross profit margin compared with the same period last year. In 2023, some e-commerce platforms in the Chinese market changed from the original distributor model to self-operation, selling directly to consumers and reducing the profit sharing of distributors, so the gross profit increased compared with the same period last year.

Looking forward to the next year, despite the current volatile and uncertain global economic environment, the Company also plans to develop innovative products beyond the two quarters, and strive for orders through diversified sales channels to increase sales, so as to bring confidence to relevant stakeholders in stable operation.

▼ Airmate's consolidated financial statements for the past three years (Unit: NTD thousand)

Project	2021	2022	2023
Operating revenue	10,156,591	9,220,863	8,401,753
Operating cost	9,039,549	7,777,614	6,574,707
Gross profit	1,117,042	1,443,249	1,827,046
Operating expense	1,482,556	1,686,220	1,840,053
Operating profit	(365,514)	(242,971)	(12,336)
Non-operating income and expense	12,685	781,677	52,078
Net profit before tax	(352,829)	538,706	39,742
Income tax benefit (expense)	45,602	(65,509)	(13,163)
Net income	(307,227)	473,197	26,579
Other comprehensive net income after tax	676	(12,317)	(72,789)
Total comprehensive income	(306,551)	460,880	(46,210)
Net profit attributable to owners of the parent	(307,227)	473,197	26,579
Comprehensive income attributable to owners of the parent	(306,551)	460,880	(46,210)
Earnings per share (pre-distribution) (Unit: NT\$)	(2.11)	3.25	0.17

Note:

- The consolidated financial statements have included all subsidiaries in the consolidated financial statements.
- The entities included in the consolidated financial statements include the parent company, Airmate (Cayman) International Limited, Airmate International Holdings Co., Ltd., Airmate China International Co., Ltd., Weiang Development Co., Ltd., Airmate Electrical Appliances (Shenzhen) Co., Ltd., Airmate Electrical Appliances (Jiujiang) Co., Ltd., Airmate Technology (Shenzhen) Co., Ltd., Airmate Electronic Commerce (Shenzhen) Co., Ltd., Materialism Technology (Foshan) Co., Ltd., Xiangdao Technology (Shenzhen) Co., Ltd.

The direct economic value generated and distributed by the company not only affects its own operations, but also has a profound impact on the interests of various stakeholders. In 2021, under the influence of the continuous spread of the world economy in the second year of the outbreak of COVID-19, the supply chain crisis intensified, and the bulk materials soared to a new high since 2008. In addition, due to the restriction of the epidemic, the consumption was sluggish, the price transmission of terminal consumer products was difficult, and the operating cost increased significantly, resulting in the low economic value retained in 2021.

In the past two years, the Company has actively developed diversified sales channels, expanded the product operation market through innovative products and services, and optimized the allocation of resources through precise cost control, so as to maintain a stable financial flow, maintain a harmonious relationship with stakeholders, and promote the sustainable development of the Company's operation.

Contribute to the direct economic value generated and distributed by the organization

Project (Unit:thousand)		2021	2022	2023
Direct economic value generated	Operating revenue	10,156,591	9,220,863	8,401,753
	Non-industry income	86,789	841,290	118,140
Economic value of distribution	Operating costs	9,039,549	7,777,614	6,574,707
	Employee salaries and benefits	1,457,441	1,278,674	1,132,852
	Payments to Contributors	29,285	29,890	35,911
Retained economic value		-282,895	975,975	776,423

Note: Retained economic value = Direct economic value generated – Economic value allocated

Financial assistance from the government

The Chinese government subsidy that Airmate is currently applying for is not an annual fixed item. It is mainly determined according to the local operating policies of the PRC government and the assessment of the relevant departments of the Company as to whether the subsidy application criteria are met. In 2023, Airmate received a financial subsidy of NT 42,299 thousand from the People's Republic of China.

Subsidy project	Subsidy amount (Unit: NTD thousand)
Shenzhen Baoan District Finance Bureau 2023 Enterprise Standard Leader Award	880
Shenzhen Baoan District Bureau of Industry and Information Technology in 2022 Difficult Enterprises Stabilize and Recover Supplementary Rewards	1,874
Shenzhen Baoan District Bureau of Industry and Information Technology will award funds for healthy development of industrial enterprises in 2022.	5,212
The second batch of industrial design development support plan in 2023	7,917
Subsidies for Foreign Trade Exports by the Business Bureau of Jiujiang Economic Development Zone	9,161
Subsidy for supporting procurement of Jiujiang Economic Development Zone Economic Development Bureau	2,028
The first batch of pre-job training subsidies of Jiujiang Economic Development Zone Public Employment Talents Service Center	1,240
VAT enjoys input tax plus 5% subsidy deduction	6,294
Other	7,693
Total	42,299

Note: The conversion rate of RMB in this table is based on the exchange rate audited by the accountant in the consolidated financial report to align with the information in the annual report.

External Engagement

Global Initiatives

In addition to issuing the Sustainability Report in accordance with the GRI Sustainability Principles, Airmate (Cayman) International Limited also pays attention to the development of various international sustainability initiatives, actively responds to relevant objectives, and formulates internal management procedures and policies accordingly, which is the guiding principle for the company to promote sustainable development in the long run, and is also the concrete practice of social commitment.

▼ Airmate-supported global initiatives

ESG	<ul style="list-style-type: none"> We advocate for the UN's 17 SDGs, promote sustainable business operations, and take action to achieve these goals, contributing towards establishing a world of peace, safety, prosperity, and justice.
Environmental	<ul style="list-style-type: none"> Implement the ISO 14001 EMS to enhance the efficiency of resource utilization, plan and prevent negative impacts or accidents on the environment. Comply with international directives and regulations on restricted substances, including the directive of Restriction of Hazardous Substances (RoHS) and EU's regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), so as to reduce the environmental impact of the product manufacturing process.
Social	<ul style="list-style-type: none"> Conform to the Universal Declaration of Human Rights, respect human rights, and embrace diversity and differences by establishing relevant management policies and procedures, including workplace equity and labor relations. Comply with the ILO Conventions and local labor regulations at the location of each subsidiary to establish employee benefits packages and management procedures, thereby safeguarding the legal rights and interests of employees. Implement the ISO 45001 Occupational Health and Safety Management System to actively build a safe working environment. Establish operation procedures and implement relevant safety measures to prevent occupational injuries and illnesses.
Governance	<ul style="list-style-type: none"> Enforce the Business Social Compliance Initiative (BSCI) to enhance the protection of human rights for employees and suppliers.

Participation of public associations

Airmate actively participates in public association organizations and symposiums, shares its own experience, and exchanges with excellent peers in the industry, hoping to jointly enhance the competitiveness of the industry and make contributions to society.


Item times	Participating public associations	Membership
1	Indoor Purification Services Committee of China Building Materials Circulation Association	Member of the Association
2	Technical Service and Management Center for Building Fresh Air Systems of the China Association of Plant Engineering	Member of the Association
3	China Household Electrical Appliances Association	Member of the Association
4	Chinese Trademark Association	Member of the Association
5	Bao'an District Association of Top 100 Enterprises in Five Categories	Member of the Association
6	Taiwan Compatriots Investment Enterprises Association of Jiujiang	Member of the Association
7	Jiangsu Household Electrical Appliances Association	Member of the Association
8	Jiangxi Emergency Management Association	Member of the Association

9	Small Home Appliance Enterprise Association of Bao'an District, Shenzhen City, Guangdong Province	Member of the Association
10	Guangdong Household Electrical Appliances Trade Association	Member of the Association
11	Guangdong Household Electrical Appliances Chamber of Commerce	Vice President Unit
12	Guangdong Trademark Association	Member of the Association
13	Federation of Shenzhen Industries	Chairman of the Bureau
14	Taiwan Merchant Association Shenzhen	Member of the Association
15	Shenzhen Quality Inspection Association	Member of the Association
16	Shenzhen Industrial and Manufacturing Industry Association	Member of the Association
17	Mission Hills Golf Club	Member of the Association

Chapter 2 Corporate Governance

- Board Functions
 - Board Nomination and Selection
 -
 - Conflict of Interest
 - Board Education
 - Board Performance Evaluation
 - Compensation Policy for Directors and Executives
- Functional Committees
- Internal Control and Internal Audit
- Ethics Management
 - Regulatory Compliance
 - Complaints and Suggestions Channel
- Risk management

▼ Airmate's management status regarding the material topic Corporate Governance in 2023

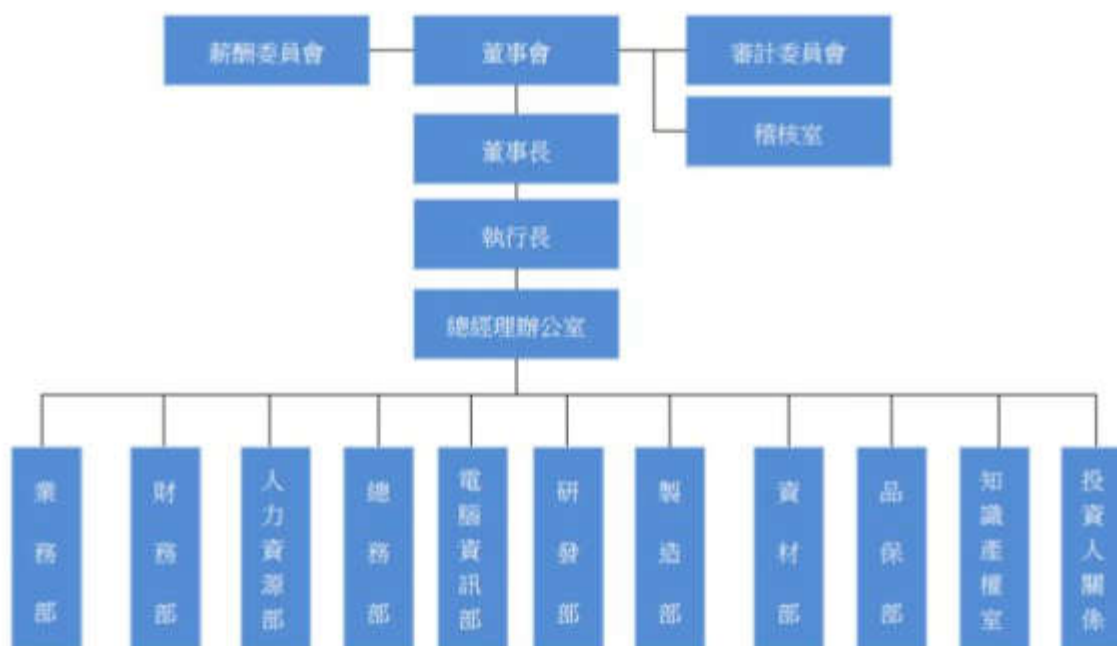
Material Topic	Corporate governance
Impact assessment	<p>Frontal impact:</p> <ul style="list-style-type: none"> The fair, just and open corporate system and the corporate governance of honest operation can respond to the trust and expectation of shareholders and move towards the sustainable operation of enterprises. <p>Negative impact:</p> <ul style="list-style-type: none"> The company environment of corruption and bribery will make all employees lose confidence and motivation to work, and make the company system rigid and unable to operate.
Corresponding GRI indicators	<p>GRI 205-1 Operating Sites with Corruption Risk Assessments</p> <p>GRI 205-3 Identified Corruption Incidents and Actions Taken</p> <p>GRI 206: Anticompetitive Conduct 2016</p>
Relevant SDGs	
Policies or Commitments	Adhere to the principle of good faith management, enhance the functions of the governance class, and take safeguarding the rights and interests of stakeholders as the highest guiding principle.
Indicators and Objectives	<p>Medium and long term goals:</p> <ul style="list-style-type: none"> Increase the proportion of female directors to one-third, and implement board diversity To enhance the intelligence of the board of directors and increase the average number of hours of study per person on the board of directors to 10 hours. <p>Sustaining objectives:</p> <ul style="list-style-type: none"> Implement corporate governance, smooth the communication and exchange between directors and senior executives, and improve the attendance rate of the board of directors To ensure that key operational milestones are indeed discussed by the Board. Maintain the excellent performance evaluation of the board of directors and functional committees, and maintain the stable operation of the overall governance unit.
Effectiveness Tracking Mechanism	<ul style="list-style-type: none"> Publicly release the annual report and perpetual report of the company on a regular basis, and explain the operation of the board of directors in the current year to the interested parties Situation. Set up a special unit to promote honest management, provide multiple channels for complaints and reports, and regularly handle complaints. Pieces. The remuneration committee shall determine the remuneration of individual directors based on the results of the performance evaluation of individual directors. Test the basis.
Annual Actions and Achievements	<ul style="list-style-type: none"> In order to review the operating performance of the Company and continuously track the implementation progress of the resolutions of the Company, the attendance rate of the Board of Directors in 2023 was 85%. In order to mitigate conflicts of interest, on March 15, 2023, the board of directors elected an additional independent director. In 2023, the average self-evaluation score of the board of directors was 4.77 (full score of 5); the average self-evaluation score of individual directors was 4.74 (full score of 5); and the average self-evaluation score of the functional committee was 4.68 (full score of 5). The overall governance unit is operating well. In order to ensure sufficient professional leadership and supervisory functions, the total number of hours of further study for the board of directors in 2023 will reach 75 hours, with an average of 7.5 hours per person. In 2023, there were no violations of laws and regulations or complaints of corruption, and there were no anti-competitive, anti-trust and monopolistic practices. In 2023, the Company has not been subject to any penalty or punishment due to any material violation of laws or regulations. The Company regularly holds integrity management education and training courses to strengthen colleagues' legal compliance and moral awareness. In 2023, Airmate's legal compliance training lasted 24 hours and 14,638 people participated. Airmate has set up multiple complaint channels to encourage stakeholders to report relevant matters. In 2023, Airmate received a total of 15 complaints, all of which have been resolved through effective communication, with a 100% closure rate.

Our Business Philosophy of Honesty	Our Business Principle of Integrity	Our Moral Sense of Fairness	Our Fighting Spirit of Diligence
---	--	------------------------------------	---

Airmate establishes its corporate governance system based on the business philosophy of integrity, pragmatism, and sustainability. In addition to complying with the laws, regulations, and relevant rules of stock exchanges and over-the-counter market, we also apply our governance principles by safeguarding shareholders' rights and interests, strengthening the functions of the Board of Directors, mobilizing the audit committee, respecting stakeholders' rights and interests, and enhancing information transparency.

We understand the importance of corporate governance and organizational transparency. Since its establishment, Airmate has embraced the principles of Honesty, Integrity, Fairness, and Diligence in our business management. Additionally, the Code of Ethics Management has been established to guide the behavior of the Company's Directors and managers in accordance with ethical standards, as well as make stakeholders, including customers, suppliers, and external parties, better understand the Company's ethical standards.

▼ Airmate's Organizational Chart



Board Functions

The highest governance unit of Airmate is the board of directors, which is responsible for decision-making, supervision and management of the company's impact on the economy, environment, human rights (group) and society. The current board of directors should have been re-elected at the shareholders' meeting in June 2021, but due to the impact of the epidemic, the shareholders' meeting was postponed to August 2021. After the re-election, the board of directors has nine directors, three of whom are independent directors, and the term of office is still from June 2021 to June 2024. According to the provisions of Article 4 of the Guidelines for the Establishment and Exercise of the Functions and Powers of the Board of Directors of Listed Companies, if the chairman of the board of directors and the general manager of a listed company, or those holding equivalent positions, are the same person or spouses or relatives of the same degree, the number of independent directors shall not be less than four by December 31, 2023. As required by the competent authority, the Company will elect an additional independent director at the shareholders' meeting in June 2023. The term of office of the new independent director will commence from the date of election and expire in June 2024. After the election, the Board of Directors will have a total of 10 directors, including 4 independent directors.

To strive for diversity on the Board, the target is to have more than one-third of the Board seats for each gender and not more than one-third of the Board seats for employees. Currently, approximately 30% of the directors are aged above 70, approximately 20% of the directors are aged between 61 and 70, and approximately 20% of the directors are aged between 51 and 60. About 30% of directors aged 41-50. Directors with employee status accounted for 30% and independent directors accounted for 40%, which were in compliance with the requirements. However, the proportion of female directors is 0%, which has not reached the specific target and will be gradually implemented in the future.

In 2023, the board of directors held five board meetings, with an average attendance rate of 85%. The board meeting is mainly to regularly report and routinely follow up relevant proposals in accordance with laws and regulations and the company's operational needs, review the enterprise's operating performance and internal control, and assign and confirm the authority and responsibility of relevant matters, and continue to follow up and monitor the actual progress and handling situation in subsequent meetings. In 2023, the company has no key major events that need to be communicated with the board of directors.

The Company did not set up a corporate governance officer during the reporting year, and the chief financial officer and the corporate governance officer were responsible for matters related to corporate governance. The main duties include coordinating the relevant departments to provide timely information required by the directors to carry out their business, assisting the directors to comply with laws and regulations, and handling matters related to the board of directors and shareholders' meetings in accordance with the law. In addition, on March 15, 2023, the Board of Directors approved the appointment of the Chief Financial Officer as the head of corporate governance to be responsible for corporate governance related affairs. For details, please refer to 2023 Annual Report of Shareholders of Airmate, the annual report of the Company.

▼ Members of the Airmate's Board of Directors

Job Title	Name	Gender	Age Bracket	Education and Experience	Attendance Frequency	Delegated Attendance Frequency	Actual Attendance Rate
Chairman, CEO and General Manager concurrently	Shih, Jui-Pin	Male	41-50	Department of Electronics of Chubu University Affiliated Vocational School, Aichi Province, Japan Commodities Department Employee of Yuasa Primus Co., Ltd. Representative of Pearl Place Holdings Limited	5	-	100%
Director	Tsai, Cheng-Fu	Male	61-70	Master's in Electronic Engineering at National Kaohsiung University of Science and Technology Head of Lucky View Development Limited (Hong Kong)	5	-	100%
Director	Cheng, Li-Ping		71-80	Department of Statistics, Tamkang University Vice President of Tung Fu Electric Co., Ltd. Chairman of Airmate (Cayman) International Co., Ltd.	5	-	100%
Director	Representative of Pearl Place Holdings Limited: Shih, Jui-Lin	Male	41-50	Department of Business Administration, Mount Ida College, USA Business Department Staff of Data Systems Consulting Co., Ltd. and Microcell Composite Company	3	-	100%
Director	Chen, Yen-Fu	Male	41-50	Institute of Environmental Policy, National Dong Hwa University	4	1	80%

Job Title	Name	Gender	Age Bracket	Education and Experience	Attendance Frequency	Delegated Attendance Frequency	Actual Attendance Rate
				Assistant of Environmental Protection Task Force, Ministry of Education Project Manager of Capital Engineering Co., Ltd. Sales Specialist of Nano Electronics and Micro System Technologies, Inc. Assistant Sales Manager of Creating Nano Technologies Inc.			
Director	Representative of CTBC Bank Co., Ltd. in custody for Tuck Giant Enterprise Ltd.: Huang Ching-Shu	Male	61-70	Chairman of Hern Juei Co., Ltd. Chairman of Heng Ta Mold Enterprise Co., Ltd. Chairman of Ecotime Optoelectronic Technology Co., Ltd.	3	2	60%
Independent Director	Chen, Ming-Chang	Male	71-80	Ph.D. in MBA Program at National Chengchi University Doctor of Business Administration President of Taiwan Overseas Investment Association General Manager of China Productivity Center Director of the Graduate Program of Master of Business Administration at National Chung Hsing University Deputy Director of the Small and Medium Enterprise Administration, Ministry of Economic Affairs Director of the Economic Division, Mainland Affairs Council	4	1	80%
Independent Director	Chi, Lai-Ping	Male	61-70	Master's in International Relations at University of Chicago, USA. Bachelor's in Economics at Columbia University, USA. Independent Director of Yuanta Financial Holding Co., Ltd. Independent Director of Yuanta Life Insurance Co. Ltd. General Manager of Taiwan Merrill Lynch Investment Management Vice Chairman of Taiwan Prudential Life Insurance Chairman of Japan Sony Life Insurance for Greater China Region Vice Chairman of International Division, Metropolitan Life (MetLife) Insurance Company in USA Managing Director of Sino-US MetLife Insurance Chairman of Hong Kong MetLife Insurance General Manager of Taiwan MetLife Insurance	5	-	100%
Independent Director	Lin Chih-Lung	Male	41-50	Master's in Graduate Institute of Finance, National Cheng Kung University Lecturer of the Department of Public Finance and Tax Administration, National Taipei College of Business Lecturer of the Department of Accounting Information, Southern Taiwan University of Science and Technology Assistant Professor with Specialized Expertise of Graduate Institute of Business Administration, Department of Business Studies, Tainan University of Technology Partner CPA of TrustNet CPA Firm Audit Office of Diwan & Company Tax Department of KPMG in Taiwan	4	1	80%

Job Title	Name	Gender	Age Bracket	Education and Experience	Attendance Frequency	Delegated Attendance Frequency	Actual Attendance Rate
Independent director	Hsu Shi-Wen	Male	51-60	Director of Tainan Bar Association Director and Managing Director of Puli Christian Hospital Director of Tainan Private Guanghua Senior High School Advisory Committee of Tainan City Police Department	3	-	100%

Note: 1. None of the members of the Board of Directors identify with any underprivileged social groups, such as immigrants, ethnic minorities, gender identities minorities, sexual orientation minorities, individuals with disabilities, and individuals with indigenous ancestry.

2. Mr. Hsu Shi-Wen, was elected as an independent director on June 19, 2023 (the board of directors shall attend three meetings).

Board Nomination and Selection

On August 5, 2021, the board of directors of Airmate approved the re-election of 9 directors (including 3 independent directors) at the general meeting of shareholders in 2021, and on March 5, 2021, upon the nomination and review of the board of directors and the approval of all directors present, Shi Ruibin was approved as the chairman candidate. Chi, Lai-Ping, Chen, Ming-Chang and Lin Chih-Lung are candidates for independent directors. This Corporation has adopted the Rules Governing the Election of Directors in accordance with Article 21 of the Code of Corporate Governance for Listed and TSEC Listed Companies, based on the diversity and independence of the candidates for chairman of the board of directors and independent directors, as well as their academic experience, industry experience, professional background, professional skills, and organizational impact. Including operational judgment, accounting and financial analysis ability, crisis management ability, industry knowledge, international market outlook, leadership, decision-making ability, etc., and was included in the list of candidates for independent directors of the Company in 2021.

Among them, Mr. Shih, Jui-Pin has served as Chairman, CEO and General Manager of Airmate for many years, and has professional abilities in operation judgment, operation management, leadership decision-making and crisis management. It not only provides professional and perfect guidance and suggestions for the company's operation management and investment decision-making, but also has significant benefits for the company's operation management, so it continues to be nominated as the chairman of the board. On March 15, 2023, the board of directors approved the election of an additional independent director. Please refer to the annual report of the Company for more information on the diversity and core competence indicators of the Board and its committees.

Conflict of interest

The chairman of Airmate's highest management unit is Shih, Jui-Pin, the chairman of the board of directors, who is also the chief executive officer and general manager of the group. The Company has adopted the Rules for the Election of Directors in accordance with the Code of Practice on Corporate Governance for the Listing of Securities on the Stock Exchange. All members of the Board of Directors are nominated. It also regulates the principle of interest avoidance of directors in the Rules of Procedure for the Board of Directors. Through the perfect principle of interest avoidance, the members of the Board of Directors are required to perform their moral obligations and faithfully perform their business and powers in a high and prudent manner.

Currently, the Company's risks of conflicts of interest include the fact that a director holds office in another board of directors, and that the office of the chairman of the Board is held by the same person as that of the general manager and the chief executive officer of the Company. In order to comply with the provisions of Article 4 of the "Guidelines on the Establishment and Exercise of Functions and Powers of the Board of Directors of Listed Companies", we have followed the Code of Practice on Corporate Governance of the Company. In March 2023, the board of directors and the shareholders' meeting in June approved the election of an additional independent director.

Reason	Justifiability and Necessity	Countermeasures to Mitigate Conflicts of Interest
<ul style="list-style-type: none"> Have complete industry experience Understand the industry market Possess leadership skills 	<ul style="list-style-type: none"> High familiarity with customers Full insight into changes in the market Proven capability for enterprise-wide planning 	<ul style="list-style-type: none"> Actively develop professional managers More than half of the directors of the company do not concurrently serve as employees or managers. Add 1 independent director seat

To avoid and mitigate conflicts of interest caused by Directors serving on other companies' Boards, Directors with conflicts of interest related to agenda items, either personally or on behalf of legal entities they represent, should disclose relevant details of the conflict during the board meeting. If there is a potential harm to the Company's interests, Directors with conflicts of interest may not participate in the discussion and voting. They should abstain from the deliberations and voting, and may not act as a proxy for other Directors to exercise their voting rights.

Board Education

Airmate's board members have industry expertise and rich corporate governance experience, and extensively refer to international trend reports to continuously enhance the group's knowledge of environmental, social and economic subjects. In order to keep abreast of global risks and sustainable development trends and enhance the ability to respond to risks, the Board of Directors of Airmate actively participates in learning to ensure that it has sufficient professional leadership and supervision functions. In 2023, the board of directors studied issues related to capital market, corporate finance, regulatory governance, money laundering prevention, digital transformation, supply chain security, insider trading, equity law, labor law and so on, with a total of 75 hours, with an average of 7.5 hours per person.

▼ An overview of Airmate board members' further education in 2023

	Course name	Director in training	Total training hours
Environment class	2023 New Net Zero Power Summit Forum	Chi, Lai-Ping	3
Social Class	Practice and Case Analysis of Labor Law Order Guidance	Hsu Shi-Wen	6
Economics/Governance	Future Capital Market Sustainability Report	Shih, Jui-Pin, Cheng, Li-Ping, Tsai, Cheng-Fu, Chen, Yen-Fu, Lin Chih-Lung, Hsu Shi-Wen Pearl Place Holdings Limited Representative: Shih, Jui Pin Representative of CTBC Bank Co., Ltd. in custody for Tuck Giant Enterprise Ltd.: Huang Ching-Shu	24
	Analysis of company financial data	Shih, Jui-Pin, Cheng, Li-Ping, Tsai, Cheng-Fu, Chen, Yen-Fu, Hsu Shi-Wen Pearl Place Holdings Limited Representative: Shih, Jui-Lin Representative of CTBC Bank Co., Ltd. in custody for Tuck Giant Enterprise Ltd.: Huang Ching-Shu	21
	Aspects of the Responsibilities of Directors and Supervisors-On Corporate Governance from the KY Case	Chen, Ming-Chang	3
	Corporate Governance and Securities Regulation	Chen, Ming-Chang	3
	Board requirements for anti-money laundering and anti-terrorist financing regulations	Chi, Lai-Ping	3
	The safety of sweeping the snow in front of the door is not equal to the real safety of the supply chain oriented by enterprise resilience.	Lin Chih-Lung	3
	2023 Annual Insider Trading Awareness Conference	Lin Chih-Lung	3
	2023 Annual Legal Compliance Promotion and Explanation Meeting for Internal Equity Transactions	Lin Chih-Lung	3
	How Lighthouse Factory Leverages Digital Transformation to Achieve Sustainable Development	Lin Chih-Lung	3
	Total		

Board Performance Evaluation

In order to implement corporate governance and enhance the functions of the board of directors, and establish performance objectives to enhance the operational efficiency of the board of directors, Airmate specially formulates the Performance Evaluation Measures for the Board of Directors, which evaluates the performance of the whole board of directors, individual directors and functional committees every year. The performance evaluation of the Board of Directors of the Company is carried out by an external professional independent institution or a team of external experts and scholars every three years. The internal performance evaluation includes the internal self-evaluation of the Board of Directors, the self-evaluation of the members of the Board of Directors, the peer evaluation, the appointment of external professional institutions, experts or other appropriate means once a year.

Currently, the Company has completed the 2023 performance evaluation of the Board as a whole, individual directors, the Remuneration Committee and the Audit Committee by March 2024.

In 2023, the overall average score of the performance self-assessment of Airmate's board of directors was 4.77 (full score of 5), and the overall average score of the performance self-assessment of individual directors was 4.74 (full score of 5). The overall operation of the board of directors was good. The performance self-evaluation results of the functional committees (the Remuneration Committee and the Audit Committee) were 4.67 (full score of 5) and 4.69 (full score of 5) respectively, indicating that the overall operation of the committees was sound, in line with the relevant provisions of corporate governance, and effectively enhanced the functions of the board of directors. The results of the self-assessment and evaluation of the performance of the Board of Directors in 2023 have been submitted to the Board of Directors on 15 March 2024 as the basis for review and improvement, which will be disclosed in the annual report of the Company and [Websites](#) .

▼ Airmate Board Performance Evaluation Metrics

The Board	Board Members	Remuneration Committee	Board of Auditors
<ol style="list-style-type: none"> Degree of involvement in company operations Enhancement of the quality of the Board's decision-making Composition and structure of the Board Appointment and further education of Directors Internal control 	<ol style="list-style-type: none"> Understanding of company mission and goals Understanding of Directors' responsibilities Degree of involvement in company operations Internal relationship management and communication Directors' expertise and further education Internal control 	<ol style="list-style-type: none"> The extent to which the company operates. Cognizance of the duties of the Remuneration Committee. Improve the decision-making quality of the Remuneration Committee. Composition and election of members of the Remuneration Committee. 	<ol style="list-style-type: none"> The extent to which the company operates. Recognition of the responsibilities of the Audit Committee. Audit committee decision-making quality. Composition of the Audit Committee and election of its members. Internal control.

We will use the results of the performance evaluation of the board of directors as a reference for the selection or nomination of directors, and the results of the performance evaluation of individual directors as a reference for the determination of individual remuneration.

Compensation Policy for Directors and Executives

The remuneration of the Directors shall be determined by the Board with reference to the recommendations of the Remuneration Committee and the general standards of other industries. The Remuneration Committee shall have independent directors to provide external diversified views and opinions, and shall hold at least two meetings every year to review and ensure the competitiveness and reasonableness of the remuneration.

The remuneration of directors includes travel expenses, remuneration for surplus distribution and remuneration for business execution. The remuneration for surplus distribution is specified in the Articles of Association of the Company. After the income tax payable and the loss of the previous year are made up, 10% of the balance is allocated to the statutory surplus reserve and the special surplus reserve, and no more than 3% of the balance is submitted to the board of directors for approval by the shareholders' meeting. The remuneration of the General Manager and the Deputy General Manager shall be disclosed in the annual report of the Company (2023 Annual Report of Shareholders of Airmate) on a regular basis in accordance with the personnel regulations of the Company based on their positions, contributions to the Company and the standards of the industry.

In addition to the above requirements, there are no other significant special benefits for the remuneration of the senior managers of the Company. The retirement benefit system is also the same as that of ordinary colleagues, which is handled in accordance with the provisions of the law.

Bonus Recovery Policy for Improper Benefits

In order to improve the behavior quality, professional ethics and professional competence of the Company and all employees, Airmate has formulated the Code of Ethics. Those who violate the Code shall be punished according to the circumstances, including withholding performance bonuses, year-end bonuses, bonuses, dismissal, demotion and even taking legal actions, except for the improper benefits obtained. It is expected that all employees, including managers, will fulfill their responsibilities of management and supervision and strictly abide by professional ethics to ensure the sustainable growth and development of the company.

Functional Committees

To effectively implement impact management of operational risks and ensure the Company's oversight of its impact on the economy, environment, and people, Airmate has established the Audit Committee and the Compensation Committee under the Board of Directors, as well as formulated the Ethics Management Procedures. Each management unit conducts due diligence investigations using a variety of questionnaires, document signing, and existing complaint mechanisms to prevent and control risks that may arise during the management process. Stakeholder feedback on major events regarding positive or negative risk impacts of the Company's operations is collected for establishing precautions, with periodical reports submitted to the Board of Directors.

Audit Committee

In order to assist the board of directors in supervising the quality and integrity of the company in the implementation of accounting, auditing, financial reporting processes and financial control, Airmate formulated the Organizational Rules for the Audit Committee in accordance with Article 3 of the Measures for the Exercise of the Functions and Powers of the Audit Committee of Public Companies, and established the Audit Committee on June 8, 2012, which is composed of all independent directors. The number of members shall not be less than 3, and the meeting shall be held at least once a quarter. Matters for review include: financial statements, auditing and accounting policies and procedures, internal control systems, material asset or derivatives transactions, material capital loans and endorsements or guarantees, offering or issuance of securities, compliance with laws and regulations, whether there are related party transactions between managers and directors and possible conflicts of interest, reports of employee complaints, reports of fraud investigations, company risk management, The appointment, dismissal, or remuneration of the attesting CPA, and the appointment or dismissal of the financial, accounting, or internal audit officer. The Audit Committee held 5 meetings in 2023. The attendance of independent directors at the meetings of the Audit Committee is as follows.

▼ Attendance of Airmate Audit Committee Meeting in 2023

Title	Name	Audit Committee status	Attendance	Number of attendance by proxy	Actual attendance
Independent director	Chi, Lai-Ping	Convener	5	-	100
Independent director	Chen, Ming-Chang	Committee member	5	-	100
Independent director	Lin Chih-Lung	Committee member	5	-	100
Independent director	Hsu Shi-Wen	Committee member	3	-	100

Note: Hsu Shi-Wen was elected as an independent director on June 19, 2023, and is also a member of the Audit Committee in accordance with the Articles of Association, and shall attend the meeting three times.

Compensation Committee

In order to keep the attention of the good manager, the Company has established the Remuneration Committee, which shall convene at least two meetings of the Remuneration Committee every year and submit its recommendations to the Board for discussion. The Remuneration Committee is responsible for faithfully determining and regularly reviewing the performance evaluation and remuneration policies of directors and managers, and regularly evaluating and determining the remuneration of directors and managers, and determining the proportion of the total remuneration of directors, general manager and deputy general manager to the after-tax net profit of individual or individual financial report, which is disclosed in the Company's 2023 Annual Report of Airmate. The Remuneration Committee of Airmate held 3 meetings in 2023. The qualification and attendance of the members are shown in the table below.

▼ Attendance of Airmate Remuneration Committee Meeting in 2023

Job Title	Name	Compensation Committee Position	Attendance Frequency	Delegated Attendance Frequency	Actual Attendance Rate
Independent director	Chen, Ming-Chang	Convener	3	-	100 %
Independent director	Chi, Lai-Ping	Member	3	-	100 %
Independent director	Lin Chih-Lung	Member	3	-	100 %
Independent director	Hsu Shi-Wen	Member	1	-	100 %

Note: Hsu Shi-Wen was elected as an additional member on June 19, 2023. On August 9, 2023, the new member of the Remuneration Committee was ratified by the original member, so he only attended one meeting.

Internal Control and Internal Audit

Airmate attaches great importance to the internal audit unit and personnel, and gives them sufficient authority to assist them to truly inspect and evaluate the deficiencies of the internal control system and balance the effectiveness of the operation, so as to ensure that the system can be continuously and effectively implemented, and to assist the board of directors and the management to fulfill their responsibilities to implement the corporate governance system. The internal auditor of Airmate is an independent unit, directly subordinate to the board of directors, with a total of 4 full-time auditors, whose appointment, removal, evaluation, salary and remuneration shall be signed by the auditor in charge and approved by the chairman of the board of directors. The Company shall regularly provide the independent directors with the internal audit reports of the Company, and report the latest audit situation through the Board of Directors. The independent directors may also review the financial and business implementation of the Company at any time. If there is any doubt about the relevant operations of the Company, they may immediately communicate with the heads of the relevant units for review and improvement.

The Airmate Internal Audit Procedures specify the internal control of all company operations and subsidiary internal audit and review of the company's operating procedures, and report whether the control design and routine practice are appropriate, and whether the expected results and efficiency are achieved. The audit work is mainly carried out in accordance with the audit plan approved by the board of directors. The audit plan is formulated based on the identified risks, and special audits or reviews are carried out as necessary. Combining the above general audit and project execution, it provides management with the operation status of internal control function, so that they can understand the existing or potential missing channels. Internal audit reviews the self-inspection carried out by each unit, including checking whether the operation has been carried out and reviewing the documents to ensure the quality of the implementation. Finally, the results of the self-inspection will be reported to the CEO and the board of directors.

Ethics Management

Anti-corruption and anti-bribery policies

In order to establish a corporate culture of honest operation, sound development and sound business operation, Airmate hereby formulates the Code of Honest Operation, and in accordance with the Code of Honest Operation for Listed Companies and the relevant laws and regulations of the place where the Company is organized and operated, Airmate formulates the Operating Procedures and Conduct Guidelines for Honest Operation to specify the matters that the personnel of the Company shall pay attention to when carrying out business.

We have also adopted the "Regulations on the Management of Material Internal Information and Insider Trading", which stipulates that the directors, managers and employees of the Company shall not disclose the material internal information they know to others, and shall not inquire or collect the unpublished material internal information of the Company that is not related to their personal duties from those who know the material internal information of the Company. Material internal information that is not publicly available to the Company and that is not acquired through the execution of business shall not be disclosed to any other person.

In 2023, we conducted a corruption-related risk assessment on all operating sites of Airmate, accounting for 100%, and the assessment results showed that there was no violation of laws and regulations or complaints due to corruption, and we also engaged in business activities based on the principles of fairness, honesty, trustworthiness and transparency, and implemented the integrity management policy.

Establishment of the dedicated unit

The Company designates the Audit Office as the dedicated unit for the promotion of honest operation, which is subordinate to the Board of Directors, and is responsible for the revision, implementation, interpretation and consultation services of the Operating Procedures and Conduct Guidelines for Honest Operation, the registration and filing of the contents of the circular and other related operations and the supervision of the implementation. Mainly assist in integrating integrity and ethical values into the company's business strategy, formulate relevant anti-fraud measures in line with laws and regulations to ensure honest operation; formulate plans to prevent dishonest behavior, and formulate standard operating procedures and behavior guidelines related to work and business in each plan; promote and coordinate the integrity policy propaganda and training, and plan the reporting system to ensure the effectiveness of implementation; Assist the management to check and evaluate whether the preventive measures established for the implementation of honest management are effective, and regularly evaluate the relevant business processes, and make a report on the above compliance.

Whistleblower channels for unethical conduct

The Company encourages internal and external personnel to report dishonest acts or misconduct, and establishes and announces internal independent reporting mailboxes and dedicated lines on the internal and external websites of the Company or entrusts other external independent organizations to provide reporting mailboxes and dedicated lines for the use of internal and external personnel of the Company. The relevant matters shall be referred to the responsible unit for handling in accordance with the prescribed procedures. The relevant personnel of this Corporation handling the report shall state in writing that the identity of the informant and the content of the report shall be kept confidential, and undertake to protect the informant from improper handling due to the report.

▼ Airmate's procedure for addressing reported misconduct

Any reported misconduct involving regular employees shall be reported to the department heads. Any reported misconduct involving Directors or senior executives shall be reported to the Independent Directors.

The responsible unit and the department head or personnel being reported to shall promptly investigate the facts and, where necessary, shall seek assistance from the Legal Compliance Department or other relevant departments.

If the reported person is confirmed to have indeed violated the applicable laws and regulations, or the Company's policy and regulations on ethics management, the Company shall immediately require the reported person to cease their misconduct and shall make an appropriate disposition. When necessary, the Company may institute legal proceedings and seek damages to safeguard its reputation and rights or interests.

Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the reported case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.

With respect to a confirmed reported misconduct, the Company shall procure responsible units to review internal control systems and operating procedures, and propose corrective measures to prevent recurrence of similar incidents.

Regulatory Compliance

In order to ensure that the operation activities of Airmate comply with the laws and regulations of the local government, we have set up a full-time legal unit to pay close attention to the formulation and latest amendments of laws and regulations that may affect the company, and to ensure that the practical operation of each unit meets the relevant requirements and norms on the basis of the implementation of honest operation. In 2023, the Company did not have any material violation of law.¹**The case of penalty or punishment due to violation of regulations. It also does not involve anti-competitive behavior, anti-trust and monopolistic behavior.**

The Company is in compliance with the Company Act, the Securities and Exchange Act, the Business Accounting Act, the Political Contribution Act, the Corrupt Practices Act, the Government Procurement Act, the Public Official Conflict of Interest Avoidance Act, the Listing and OTC Listing Regulations, or other laws and regulations relating to business conduct. It is the most basic responsibility of an enterprise to comply with the requirements of laws and regulations and operate legally and in compliance with regulations, and it is also the key to sustainable operation.

Compliance training

In order to provide immediate assistance and consulting services related to laws and regulations in various departments, the Company regularly organizes education and training courses on integrity management, covering topics such as work ethics, patent search, information security risks and practices, etc. On the one hand, to ensure that relevant colleagues can understand and master the latest norms, so as to review and update their practical operations, so as to avoid the occurrence of accidental violations and violations due to ignorance of the regulations; On the other hand, it can also strengthen the legal compliance and moral awareness of colleagues, and implement the most basic social responsibility of enterprises. In 2023, the total number of course hours are 24 hours, and the number of participants is 14,638. We will not continue to carry out education and training on the theme of honest management to enhance the staff's awareness of honest management.

We also conduct education and propaganda on the "Administrative Measures for the Prevention of Insider Trading" and relevant laws and regulations for the current directors, managers and employees at least once a year, as well as the company's confidential work on material information in 2023, as well as the reasons for the formation of insider trading, the identification process and the description of transaction examples. A total of 1,261 current directors, managers and employees were educated and promoted for 3 hours in the courses on the scope of internal material information, confidential work, public work and handling of violations, and the briefing files were placed in the internal staff system after the course for the reference of those who were not present on that day. We will continue to carry out education and training on the theme of honest management to enhance employees' awareness of honest management.

▼ Education and training related to law compliance of Airmate in recent 3 years

Year	Course hours	Attendance
2021	24	18,927
2022	24	27,878
2023	24	14,638

¹The major violations of laws and regulations defined by Airmate are the occurrence of death disasters, or the punishment by the authorities, suspension of work, suspension of business, suspension of business, revocation of permits and other events.


Complaints and Suggestions Channel

Airmate's smooth complaint reporting channels include direct complaints, the use of complaint lines, mailboxes and the provision of QR codes to report illegal activities. Relevant suggestions can also be put into the suggestion box and handled regularly by a special person. We encourage stakeholders to report, complain, or provide advice on dishonest, unethical practices, or the environmental, economic, social, and human rights impacts of any business activity through multiple channels of complaints, reporting, and advice.

We also provide the option of anonymous reporting. The accepting unit must keep the identity of the informant and the incident confidential. It is not necessary to provide relevant information for the investigation of unrelated third parties, so as to avoid unfair and adverse treatment of the informant. In addition, relevant protection systems, case acceptance procedures, and standards for handling violations shall be specified in the Operating Procedures and Conduct Guidelines for Honest Management, and shall be reported, adjudicated, and submitted for approval through the Employee Code. Require relevant units to internally review the causes of violations and put forward improvement reports; amend internal and external management regulations, improve internal processes; strengthen internal and external publicity and education and training to avoid similar incidents.

In 2023, Airmate received a total of 15 complaints, and the HR department, together with the responsible personnel of each complaint channel, understood the situation of employee complaints. At present, all cases have been successfully closed through good communication and effective solutions, with a closing rate of 100%. We also formulate preventive measures to ensure implementation after the case is perfected, and continue to improve the relevant management actions.

▼ Airmate provides diverse channels for filing reports and complaints

Direct complaints	Complain directly to the leaders of relevant departments
Complaint hotlines	Internal telephone 8079 or 8035; External direct call: 27642417, handled by colleagues in the Employee Relations Section of the Human Resources Department.
Suggestion boxes	A suggestion box shall be set up in the staff canteen and shall be opened and maintained by the head of the HR Department on a regular basis.
Complaint emails	3253@airmate-china.net ; 0793@airmate-china.net
Complaint QR code	 <p>Both internal and external personnel can report illegal activities to the Company through public reporting channels.</p> <p>The audit office of the group explains the process of appeal cases: The system will notify the audit office of the complaint to be handled by mail. We judge the authenticity of the report according to its content to decide whether to accept it or not (if the information is too vague to be verified, it will not be accepted). If the decision is accepted, report to the leader and start the investigation. During the investigation, the assistance of other departments, such as the human resources department, may be required. Upon completion of the investigation, report to the supervisor, record the results and store the relevant data.</p>
Complaints can be anonymous and real-name complaints, the company promises to keep all information of the complainant confidential.	

▼ Procedures for handling reports and complaints



▼ Statistics of complaints reported by Airmate in recent 2023

Grievance channel	Type of case	Number of cases	Case closed or not
Complaint hotline	Employee relations	5	Case closed
Direct complaint	Employee relations	6	Case closed
Direct complaint	Other	1	Case closed
Complaint hotline	Other	3	Case closed

Risk Management

For the operational risk management of Airmate, each responsible unit shall discuss and evaluate the risk matters on a regular basis, summarize the major risk impact matters and impacts, formulate relevant response strategies and actions for prevention and control, and then authorize the implementation after careful evaluation by the chairman of the board of directors and the chief executive officer, so as to preserve the company's assets and reduce the risks of the company's operation.

▼ 2023 Airmate's risk management measures


Risk Type	Risk Description	Future Response Measures	Responsible Units
Interest rate Risk	The interest expense of the Company for 2023 was 35,911 yuan thousand, representing 0.43% of the net operating income for the year, which is very small. Therefore, the impact of interest rate changes on the Company is not significant. In recent years, although the money market interest rate has been rising slowly, it is still at a relatively low level, and the borrowing interest rate of the Company has not changed significantly.	In case of significant fluctuation of interest rate in the future and the Company still has the demand for borrowings, in addition to using other financing instruments in the capital market to raise funds, the Company will also observe the trend of interest rate and choose to borrow at fixed interest rate or floating interest rate to avoid the risk of interest rate fluctuation.	Financial Department
Exchange rate Risk	The exchange loss of the Company for the year of 2023 was (7,854) thousand yuan, accounting for 0.09% of the net operating income for the period, with a very low proportion of impact and no significant exchange risk as a whole.	In order to strengthen the control of foreign exchange positions, the financial department, in addition to continuously strengthening the concept of exchange hedging of financial personnel, also tries to use the sales income of the same currency to pay for purchases and related expenses, and decides whether to use derivative financial instruments of hedging nature to avoid exchange rate risks according to the company's operating conditions.	Financial Department
Inflation/deflation Risk	Since the financial tsunami in 2008 and the recent European debt crisis, global economic activities have slowed down. However, under the policies of various governments to stabilize the financial market order and maintain stable prices, the pressure of inflation has eased in the short term. There has been no significant change in the relevant financial market and commodity prices, and there has been no significant impact on the losses of the Company.	Continue to maintain a close and good interactive relationship with suppliers and customers, flexibly adjust purchasing and sales policies, and pay attention to market price fluctuations, grasp the price changes of upstream materials, and the impact of low inflation changes on the loss of the company.	Financial Department Purchasing department Sales Department
Investment Risk	The Company has always focused on the operation of its own industry and has not ventured into other high-risk industries. The Company's financial policy is based on the principle of being prudent and conservative, and it does not engage in high-risk and highly leveraged investments and transactions. Therefore, the associated risk should be limited.	In the future, the Company will continue to focus on its own business and adopt prudent and conservative financial policies to reduce investment risks.	Financial Department
R & D Risk	The research and development expenses of the Company for 2023 amounted to RMB135 million, accounting for 1.61% of the revenue for the year. The Company will continue to invest in research and development resources depending on the product development plan in the future, and it is estimated that the total research and development expenses for 2024 will amount to RMB174 million. The R & D team not only develops new products and core technologies, but also continuously improves and refines, and develops new products to meet the needs of customers and the market, so as to become a sustainable manufacturer.	The future R & D plan will focus on continuous innovation of technologies related to small household appliances, actively strive towards energy-saving and intelligent household appliances, and boast of becoming the world's top green solution enterprise, providing customers with diversified product design applications and technologies. Based on the prompt response to the market trend and the sophisticated production technology, we are committed to improving the process capability, strengthening the product function and reducing the cost, and jointly	R & D department

		developing products that meet the market demand.	
Market Risk	Most of the important export customers of the Company are the leading manufacturers of small household appliances in the world, and the two parties have maintained close cooperation at present. It is also a well-known domestic brand in mainland China. During the most recent year and the reporting period, the Company has not experienced any material adverse impact on its finance and business due to changes in technology or industry.	With the increasing demand for technology, appearance and structure of consumer small household appliances and the rising global awareness of energy conservation and carbon reduction, the Company will keep abreast of market trends and assess their impact on the Company's operations.	Sales Department
Compliance Risk	The country of domicile of the Company is the Cayman Islands and the principal countries of operation are the PRC and Hong Kong. Financial services are a major economic activity in the Cayman Islands and the PRC is now one of the major economies in the world. There have been no significant changes in the policies and laws of the Cayman Islands, the PRC or Hong Kong in recent years that have had a material impact on the Company's financial operations.	All businesses of the Company are carried out in accordance with important domestic and foreign policies and laws and regulations, and the Company pays attention to the development trend of important domestic and foreign policies and changes in laws at any time. If there are changes, the Company will consult lawyers, accountants and other relevant units, or entrust them to evaluate and plan response measures, so as to respond to changes in the market environment in a timely manner and take appropriate response measures.	Legal and financial department
Concentration Risk of purchase/sales	The Company has thousands of raw materials, mainly including plastic raw materials, copper wires, power cords, silicon steel sheets, printed circuit boards (PCBs), paints, weighting plates and carton packaging materials, and there is no risk of excessive concentration of purchases. At present, the Company has a domestic sales network of more than 10,000 in China, covering 31 autonomous regions and municipalities directly under the Central Government, with 200 distributors. Its export customers cover 89 countries in the world, with nearly 200 customers, most of which are internationally renowned manufacturers. There is no risk of over-concentration of sales customers.	For the procurement of major raw materials, the principle of procurement with several suppliers is adopted to appropriately disperse the procurement risks so as to ensure that the supply of raw materials required for production is safe, and the relevant procurement payment procedures are followed to complete the inquiry and negotiation. Adopt the sales strategy of combining domestic and export sales. Private brand products focus on the domestic market, while ODM/OEM is the main export product.	Purchasing department Sales Department
Risk of change of management right	Other than the independent directors, the other directors and all the staff of the Company are long-term business partners of the Company and agree with the direction of the Company's development. Therefore, the Company has maintained a good operating performance in recent years, and will adhere to the sound operation and good management ethics to create the growth of the Company's operation and profit, so as to strive for the recognition of all shareholders for the management team. Therefore, the operating right of the Company is relatively stable and well recognized, and there is no risk of change in the operating right.	To strengthen corporate governance, the system of independent directors and audit committee has been introduced to safeguard the rights of shareholders.	Board of directors
Information Security Risk	The Company has established internal controls for information management operations and personal data protection management operations to control the network and information security, but there is still no guarantee that the network and computer systems can be completely free from attacks from third parties.	In view of the company's internal information security, the company has a full-time information department responsible for inspecting the operation security of the information system, controlling the use status of colleagues, setting up daily backup of important data, and promoting relevant information security concepts and correct operation methods.	Information Department

Chapter 3 Sustainable Value Chain

- Supply chain management policy
 - Supply chain evaluation and audit
- Product liability
 - Overview of Technical Research and Development
 - Core Technology
 - Quality Management
 - Customer Satisfaction Survey

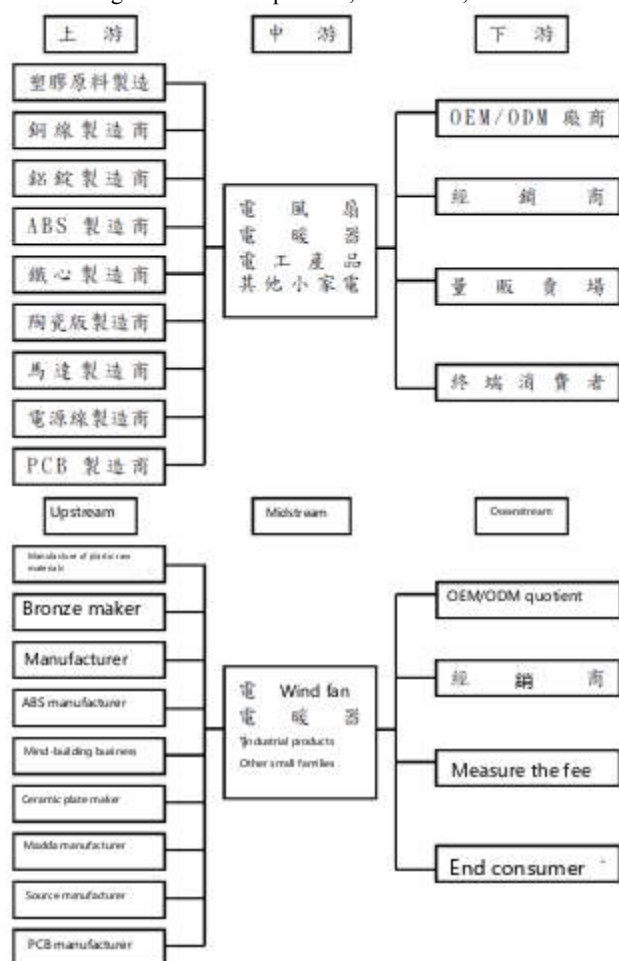
▼ Airmate's management status regarding the material topic Supplier Management in 2023

Material Topic	Supplier Management
Impact assessment	<p>Frontal impact:</p> <ul style="list-style-type: none"> Good supplier management can ensure the safety of raw materials, and good suppliers can help to provide good quality of goods and guaranteed service to customers. <p>Negative impact:</p> <ul style="list-style-type: none"> Untrustworthy suppliers delay the delivery of goods, increase operating costs, and also produce poor quality goods.
Corresponding GRI indicators	<p>GRI 204-1 Proportion of procurement expenditure from local suppliers</p> <p>GRI 308-1 Uses Environmental Criteria to Screen New Suppliers</p> <p>GRI 414-1 New Supplier Screening Using Social Criteria</p>
Relevant SDGs	
Policies or Commitments	In addition to incorporating quality, delivery, cost and service (QCDS) into supplier management requirements, it also promotes suppliers to meet certain standards in the field of environmental, social and corporate governance (ESG), so as to achieve a positive cycle between industry and supply chain.
Indicators and Objectives	<p>Short-term goals:</p> <ul style="list-style-type: none"> Plan to incorporate ESG evaluation projects into supplier management policies, and incorporate governance-related risks and commitments into purchase and sale contracts. <p>Medium and long term goals:</p> <ul style="list-style-type: none"> Evaluate ethical and environmental responsibility, increase the proportion of recyclable materials suppliers, and promote the development of sustainable supply chain. The return rate of documents such as agreements, clauses and promises related to supplier risk assessment should be included in the evaluation criteria of qualified suppliers, so as to strengthen the sustainable management of supply chain.
Effectiveness Tracking Mechanism	<ul style="list-style-type: none"> Implement supplier management policies through BSCI social responsibility standards, business partner management procedures Arrange at least 1 on-site audit of business partners every year Make monthly statistics of supplier delivery quality as information feedback
Annual Actions and Achievements	<ul style="list-style-type: none"> In 2023, risks and commitments related to governance, such as the Commitment to Prevent Commercial Bribery and the Ethical Procurement Policy, have been incorporated into the new model purchase and sale contract. The supply chain policy incorporates policies related to human rights and complies with the Business Social Responsibility Initiative (BSCI) to protect labor rights. In 2023, two distributor meetings were held to invite suppliers to participate in the discussion, including the review of the quality of purchased and sold goods, the promotion of the company's business philosophy and the education and training of honest management. Implement supplier management, stop trading for suppliers who fail to comply with the company's regulations, stop trading 95 manufacturers in 2023, and develop 58 new suppliers. A total of 648 manufacturers were evaluated in 2023, 23 of which were rated as C-level manufacturers, and the ratio of C-level manufacturers was 3.5%. In order to check the suppliers' compliance with local labor regulations and BSCI social responsibility standards, 145 suppliers were audited in 2023, and 145 suppliers were actually completed, with a completion rate of 100%.

Airmate belongs to the home appliance manufacturing industry, with upstream suppliers providing various raw materials such as plastic materials and copper wires. The midstream segment of the industry consists of home appliance manufacturers, including the Company, Midea, Singfun, Lien Chuang, Haier, Joyoung, and Gree. In the downstream segment, products are sold to customers through retailers. In 2023, no significant changes occurred in Airmate's supply chains compared to the previous year.

The Company engages primarily in the R&D, design, manufacturing, and sales of small home appliances. Possessing its own private brand channels, the Company is an integrated production and sales enterprise positioned in the midstream and downstream of the industry. Airmate's business model is divided into two categories: OEM/ODM for export sales and private-label products for domestic sales. In terms of export sales, the Company endeavors to manufacture and customize high-quality products based on the needs of its corporate clients, exporting to more than 60 regions and countries worldwide, including the Americas. On the other hand, in terms of domestic sales, the Company adopts the OBM model, selling small home appliance products under the private label as mass-produced product to domestic distributors. The products are then distributed by Waon (Hong Kong) to overseas corporate clients. Part of these products are manufactured using the OEM/ODM model and are distributed to Japan, Korea, and Europe, as well as to 12,000 shopping malls across 31 cities and provinces in China, encompassing both online and offline channels. Airmate is one of the leading manufacturers and brand owners in the global small home appliance industry that integrate design, development, and production, aiming to establish long-term collaboration and diverse partnerships with multiple renowned international brands, so as to achieve sustainable business operation.

▼ The linkage between the upstream, midstream, and downstream segments of Airmate's industry



Perpetual Procurement

In our key operating locations (including the operating boundaries mentioned in this report), except that the materials used for production meet the requirements of environmental protection, we try to use local procurement to reduce the carbon emissions of long-distance transportation. In 2023, the Company's local procurement accounted for more than 94.59% of the total expenditure, and Airmate will continue to maintain this level in the future to support local business development.

▼ Proportion of Airmate's local green procurement in recent 3 years (unit: NT thousand yuan)

Year	2021	2022	2023
Local purchase amount	5,507,393	4,180,377	3,351,066
Total purchase amount	6,018,731	4,429,719	3,542,647
Proportion of local purchase amount	91.50%	94.37%	94.59%

Note 1: According to the annual average exchange rate of Bank of Taiwan, the exchange rate of RMB in 2021-2023 is divided into 4.32, 4.41 and 4.39.

Supplier Management Policy

In order to strengthen the sustainable management of the supply chain, ensure that business partners (including suppliers, outsourcing factories and recruitment agencies, etc.) Implement the requirements of social responsibility standards, and gradually improve their social responsibility performance, the Company has formulated the Business Partner Management Procedure, in which the Procurement Department is responsible for managing suppliers and taking action to request and assist them. Thereby encouraging all suppliers to take steps to improve their social responsibility performance. In addition, it is to promote the relevant policies and educational training of Airmate's honest operation to the suppliers. The company will also require manufacturers to sign relevant codes of conduct and commitments, and invite suppliers to participate in company meetings from time to time to discuss issues such as quality review of purchases and sales, promotion of the company's business philosophy and education and training related to honest management. Airmate held 2 dealer meetings in total in 2023.

<p>Envi ron ment al risks</p>	<ul style="list-style-type: none"> ● 60 major raw material suppliers have passed ISO 14001. In order to mitigate the impact of environmental risks, Airmate continues to require Major Material Suppliers to obtain ISO 14001 environmental management system certification. In 2023, 60 suppliers have passed ISO 14001 environmental management system certification. For suppliers that have not yet passed the verification, we will conduct risk identification and confirm that there is no significant actual or potential negative environmental impact after assessment before accepting them as qualified suppliers. ● The Supplier shall 100% countersign the Supplementary Agreement to Purchase and Sale Contract Airmate requires suppliers to sign the Supplementary Agreement to Purchase and Sale Contract, promising that all products or components supplied by them, including original products, product accessories, packaging materials and other accessories related to product delivery, meet the requirements of environmental protection substances and regulations, so as to avoid products affecting human health and environmental safety. In 2023, a total of 215 manufacturers signed back, with a return rate of 100%.
<p>Soci al risks</p>	<ul style="list-style-type: none"> ● 100% of PCB suppliers sign back the Ore Conflict Information Questionnaire Airmate requires its suppliers not to use Conflict Minerals to ensure that the minerals used in our products, such as tantalum (Ta), tin (Sn), tungsten (W), and gold (Au), do not contribute to armed conflict. If the supplier uses the above minerals, the source of the minerals shall be disclosed. In 2023, Airmate conducted a survey of 42 PCB suppliers, with a response rate of 100%, and the results showed that all suppliers had no risk of using conflict minerals. ● The Supplier shall 100% countersign the Special Implementation Terms for Business Partners. Through business partners' corporate commitment to social responsibility and embedded corporate culture, Airmate conducted due diligence and information management in the supply chain. Airmate required 37 suppliers of actual transactions to sign the Business Partner Specific Implementation Terms, with a 100% return rate, and followed the BSCI Code of Conduct to ensure that issues such as labor rights, safety and health met the requirements. Avoid social risks associated with violations of labor rights and interests in the supply chain.
<p>Gove nan ce risks</p>	<ul style="list-style-type: none"> ● 100% of electronic and electrical equipment suppliers sign the Letter of Commitment for Prevention of Commercial Bribery; 100% of them sign the Ethical Procurement Policy Airmate requires 36 electronic and electrical appliances suppliers to sign the Letter of Commitment for Prevention of Commercial Bribery and the Ethical Procurement Policy, with a 100% return rate; prevent improper transactions from the source, and achieve honest and trustworthy business operations. It also confirms that the procurement of raw materials by the partners complies with the ethical and environmental standards and compliance stipulated in the Company's ethical procurement policy.

Supplier Evaluation and Audit

Airmate understands the status of business partners' implementation of laws and regulations through supplier visits and communication, and tracks or reminds the implementation of various laws and regulations. Make monthly statistics on the delivery quality of suppliers and conduct information feedback. Evaluate according to grades A, B and C, and make annual statistics based on the average of manufacturers' evaluation of actual transactions every month. Suppliers with grades A and B can apply for exemption from evaluation, which is regarded as excellent quality and good coordination. If the rating is Grade C, a one-time deduction penalty will be imposed; if the rating is Grade C for two consecutive times, the payment will be delayed, and the manufacturer will be required to review and improve and provide specific improvement measures for re-evaluation; If it is rated C for three consecutive times, the transaction with the manufacturer will be stopped. A total of 648 suppliers were evaluated in 2023, of which 23 were rated as C-level manufacturers, accounting for 3.5% of the C-level manufacturers.

▼ Supplier Evaluation Results of Airmate in Recent 3 Years

Manufacturer	Level	2021	2022	2023
Supplier	Level A	527	500	419
	Class B	241	153	134
	Level C	31	38	23

All business partners of Airmate shall commit to and accept the on-site audit required by the Company before receiving an order or contract. In 2023, Airmate expected to survey 145 suppliers, and actually completed 145 suppliers, with a completion rate of 100%.

The Procurement Department and the Human Resources Department shall arrange at least one on-site audit of business partners every year, and conduct on-site and written audits according to the items listed in the Supplier Assessment Form, including the inspection of quality management, engineering management, warehouse management, supplier management, design control, social responsibility, anti-terrorism verification (C-TPat) and other items. Only those who pass the evaluation or improvement can become qualified business partners. A total of 58 new suppliers were developed in 2023.

On the contrary, for those who fail to pass the on-site audit, Airmate will issue the Non-conformance Report on the Audit of Supplier's Social Responsibility and Ethical Standards, requiring them to make improvements within a time limit, follow up the effectiveness of the improvement measures again on site, and keep the evidence of the effectiveness of the improvement to close the non-conformance report; if the improvement is found to be ineffective, the measures must be reformulated for improvement until the improvement is qualified. Otherwise, they will not be able to continue to cooperate as qualified suppliers. A total of 95 cooperative suppliers stopped trading in 2023.

Supplier Social Responsibility Survey

To examine and evaluate the implementation of corporate social responsibility, Airmate requires suppliers to complete the Supplier Social Responsibility Survey each year based on actual conditions. The survey form consists of nine categories for the supplier company to evaluate their implementation status through self-assessment. If a supplier is found to be "non-compliant," it has to make improvements within one week and provide corresponding evidence. If a supplier is identified as "needs improvement," it has to provide a long-term improvement plan within one month and implement the plan accordingly.

▼ Airmate's Supplier Social Responsibility Survey form


Child Labor	<ol style="list-style-type: none"> Does your company employ child labor? What is the procedure for dealing with current or former child workers?
Forced Labor	<ol style="list-style-type: none"> Has your company signed labor contracts with each employee? Are employees at your company allowed to use the restroom freely during work hours? Is it possible to seek medical treatment promptly when your employees are ill? Is it permissible to leave the work position after work? Has your company engaged in the practice of withholding deposits or identification documents? Has your company engaged in any other behavior that force employees to work?
Health and Safety	<ol style="list-style-type: none"> Have new employees at your company received necessary trainings on health and safety knowledge before starting their job? Have employees who changed positions received retraining? Does your company provide workplace equipment and require employees to wear them?

	<ol style="list-style-type: none"> 3. Does your company's dangerous equipment, including shock, shear, and pressure mechanisms, have necessary safety protection devices? Are specialized operators certified professionals to perform the duty? 4. Are production equipment and fire protection equipment regularly maintained and serviced? Are the fire exits and emergency exits unobstructed? 5. Does your company provide sufficient toilets and potable water for employees?
Freedom of Association and Collective Bargaining	<ol style="list-style-type: none"> 1. Does your company have a labor union, or any other legal organization freely formed by employees? If so, does that organization have the right to engage in collective bargaining? 2. If there is a labor union organization, are the union representatives under discrimination? Is it possible to interact with workers in the workplace?
Discrimination	<ol style="list-style-type: none"> 1. Does your company discriminate based on race, class, religion, disability, gender, union membership, or political affiliation in terms of employment, salary, opportunities, or any other aspect? 2. Does your company have the right to interfere with the beliefs and customs of its employees? 3. Does your company engage in any coercive, threatening, or humiliating sexual behavior?
Disciplinary Measures	<ol style="list-style-type: none"> 1. Does your company engage in or support any physical punishment, mental or physical coercion, or verbal insults?
Work Hours	<ol style="list-style-type: none"> 1. How many working days a week does your company have? What is the maximum number of overtime hours at your company this year? 2. Is there any relevant permission documentation issued by the Labor Department for the overtime hours exceeding the labor law limit? 3. Are all employees at your company working overtime voluntarily?
Remuneration	<ol style="list-style-type: none"> 1. Does your company's minimum wage exceed the local minimum wage? 2. How are overtime wages paid by your company? 3. Does your company reduce employee wages for disciplinary purposes? 4. Has your company purchased social insurance for employees as required?
Management System	<ol style="list-style-type: none"> 1. Has your company appointed someone to be in charge of social responsibility? 2. Has your company formulated the policy regarding social responsibility?

Note: This table is compiled based on the SA 8000:2014 Standard.

Product liability

▼ Airmate's management status regarding the material topic Product Quality in 2023

Material Topic	Product quality
Impact assessment	<p>Frontal impact:</p> <ul style="list-style-type: none"> • Good product quality can increase customer satisfaction, thereby enhancing the company's brand image. <p>Negative impact:</p> <ul style="list-style-type: none"> • Poor quality of goods may infringe on the health of users and environmental safety, and violate relevant laws and regulations.
Corresponding GRI indicators	<p>GRI 416: Customer Health and Safety 2016</p> <p>GRI 417: Marketing & Signage 2016</p>
Relevant SDGs	
Policies or Commitments	<p>Focus on product research and development and customer demand, focusing on the quality management of product process, hoping to become the most trusted household appliances brand of consumers, and then form a banner brand enterprise in the small household appliances market.</p>
Indicators and Objectives	<p>Sustaining objectives:</p> <ul style="list-style-type: none"> • Increase the R & D budget year by year, continuously improve and improve products and core technologies, strengthen product functions and maintain product quality. • Each series of products has continuously passed the license verification of various countries, such as CCC, GS, BSMI, ETL, KC, PSE, etc. • The main products have been continuously certified by the safety standards of household appliances in various countries, such as UL, CSA, GS, VDE, SAA, SISIR, SHARK and 3C. • Through regular management system verification, the product quality can be continuously improved and improved, and the health and safety of products used by customers can be created, so as to improve customer satisfaction.
Management tracking mechanism	<ul style="list-style-type: none"> • Continuously pass and maintain the quality management system ISO 9001 to carry out effective quality management. • Evaluate future product improvement and R & D direction through customer satisfaction survey. • Evaluate the compliance of local regulations with various performances through the inspection of various labels applied for by various products. • Achieve total quality management with strict quality inspection standards and inspection methods, including IQC, PQC, QA, etc.
Annual Actions and Achievements	<ul style="list-style-type: none"> • Continuously pass and maintain the quality management system ISO9001. • In 2023, all Airmate's small household appliances were free of violations of health and safety laws and voluntary regulations. • All products of Airmate are marked with product details and specific information in accordance with the law, and there is no violation of product and service information and labeling regulations in 2023. • In 2023, the product inspection conducted by Airmate accounted for 100% of the main products. • In 2023, Airmate received 35,919 customer satisfaction surveys, with a response rate of 100% and an average customer satisfaction score of 99.95.

Overview of technology research and development

Airmate regards technology research and development as the core of its business, invests considerable resources in the development of emerging technologies every year, designs and develops products with small size, light weight, energy saving, quiet and fashionable appearance, creates product value to create differentiation, and adds new functions that competitors do not have. At the same time, we actively discuss the development of new technologies in various R & D and technical associations, so as to lead the launch of new specifications of products, enhance brand image, strengthen technological leadership, and enhance product market competitiveness. 2023 R & D expenses amounted to NT 135 million yuan, accounting for approximately 1.61% of the revenue for the year.

The Company has also established R & D and technology alliances with renowned academic institutions such as National Cheng Kung University, Kaohsiung University of Applied Science and Technology, Fuzhou Institute of Engineering and Jiujiang College to provide more niches for R & D efforts. In 2023, Airmate developed 136 new products and obtained 92 patent certificates. In 2023, Airmate has a total of 120 R & D personnel, and has a complete product testing center in the industry to ensure product quality.

▼ R & D expenses invested by Airmate in recent 3 years (unit: NT thousand yuan)

	2021	2022	2023
R & D costs	119,531	109,238	135,232
Net revenue	10,156,591	9,220,863	8,401,753
Ratio to net revenue	1.18 %	1.18%	1.61%

▼ Acquisition of Airmate's patent certificate in 2023

Operating base	Shenzhen Company			Jiujiang Company	
	New invention	Utility model	Appearance	Utility model	Appearance
Number of patent certificates	3	29	18	15	27
Total	50			42	

Note: The calculation method of Airmate's patent acquisition is based on the total number of patent certificates obtained in the current year.

Airmate will continue to focus on innovative technologies related to small household appliances, launch various research and development plans, in addition to improvement and improvement, continue to develop new products to meet customer and market demand. In the future, we also plan to actively work towards energy saving, carbon reduction and smart home appliances, and to become a top green solution enterprise, providing customers with diversified product design applications and technologies.

▼ Amy's speciality and short-term business development plan

Short term	Long term
<ol style="list-style-type: none"> 1. Development and research of wireless steam cleaning sweeper, floor washer, personal health and care products, pet series products. 2. Continuously increase the application research of semiconductor refrigeration chips and small refrigerators with radar and battery refrigeration chips. 3. Design and development of humidifier with large humidifying capacity (2.5 liters/hour). 4. Research and development of new electric heaters (flame mountain, skirting line with closable air outlet; graphene heating element). 5. Continuously increase the development and application research of pin structure and high-power internal winding motor. 6. Voice, camera intelligent recognition (offline + online), motion monitoring, gesture recognition and other new technologies continue to be introduced into various products. 7. Hydroxyl ion air purification ceiling fan development. 8. Development of products with compressors. 9. Development and research of lightweight, portable and 	<ol style="list-style-type: none"> 1. Personal health, care and cleaning household appliances (sterilization, sterilization) series product development. 2. Research and development of medical product series. 3. Research on the application of sensors and human-computer interaction (voice control) of intelligent household appliances. 4. Research on various compound air handlers (refrigeration, heating, humidification). 5. Research on DIY direction of fresh air products. 6. Development and application research of external rotor DC motor with high performance-price ratio. 7. Development and application of pet products. 8. Development of products with compressors.

Short term	Long term
other heating products and household appliances kitchen and sanitary products. 10. Development and research of compound multi-functional combination products. Development and research of 11. solar fan.	

Core technology

Through the excellent R & D team, Airmate develops the main products in the market every year, creating products and market value. At the same time, we will share development costs with customers, jointly develop results, provide each other with the latest market information and technical information, and dare to develop new products with higher risks, increase mature technology and market advantages, and enhance the core competence of various design and application systems.

▼ Eight competitive niches of Airmate

Balanced development of domestic and foreign markets	Long-term close cooperation with customers in the export market	Steady and healthy growth of private brands in the mainland market	Balanced and flexible production	Excellent product R & D capability	OBM, ODM and OEM capabilities	Continuous introduction of energy saving and carbon reduction products	Upstream and downstream integration capability
--	---	--	----------------------------------	------------------------------------	-------------------------------	--	--

▼ Airmate Core Technology and R & D Achievements

Four core technologies of Airmate			
Ultra-quiet, high performance motor design	Design of Intelligent Control System for Home Appliances	Aerodynamics Research and Application Implementation System	Heat material and application system in household appliance system
<ul style="list-style-type: none"> • <u>Mature technical ability:</u> reach the professional level required by Japanese companies in terms of component material selection, motor winding design, mechanical transmission design, precision manufacturing of components and motor production technology. • <u>Industry and market reputation:</u> the production of motor components environmentally friendly, quiet, high efficiency level. • <u>Cost advantage:</u> effectively reduce the cost by using the exquisite technical ability. 	<ul style="list-style-type: none"> • <u>The industry's first:</u> speed control to achieve multi-gear, variable speed control, can adapt to different environments, the first plateau wind, sleep wind and natural wind and other intelligent wind control. • <u>AI technology:</u> Successfully developed the intelligent control of motor automatic braking in 2011, and is currently developing sophisticated controls such as face automatic control and motion image control. • <u>R & D talents:</u> The R & D center has a research and development team of electronic control systems, with years of experience in 	<ul style="list-style-type: none"> • <u>Ventilator leading position:</u> Our company is one of the largest ventilators manufacturers in China, combining aerodynamic technology to produce a number of series of products. • <u>Rich design experience:</u> The R & D department of the company has been studying aerodynamics-related topics for a long time, and has accumulated rich design experience, especially in the design of air duct and air supply parameters. 	<ul style="list-style-type: none"> • <u>Market share advantage:</u> The market shares of electric heaters of the Company ranks among the top three in China. At present, the Company has developed thousands of electric heater products and is one of the brands with the most abundant heat source materials in the world. • <u>Meet diverse needs:</u> make full use of various heating materials in electric heater series products to meet the demands of different consumer groups, which can be used in different places.







	intelligent home appliance control systems, and has excellent integration capabilities for avant-garde technologies in the industry or related industries.		
R & D achievements in 2023			
1. Development of large air volume PTC electric heater		10. Development of heating clothes boiler	
2. Design and development of variable frequency window air conditioning		11. Development of small mobile air conditioners (compressors)	
3. clothe drying and heat integrated electric heater		12. Development of small split mobile air conditioner (compressor)	
4. Superconducting cold and warm loop fan		13. Refrigeration chip beer machine development	
5. Light-sensitive touch		14. Product development of warm chopping board	
6. Inner-wound motor development		15. Intelligent sugar control cup development	
7. Flame skirting line series electric heater development		16. Product development with smart camera	
8. Development of flame (colorful) humidifier		17. Solar cell application product development	
9. Development of heating gasification humidifier			

Quality Management

Airmate attaches great importance to product quality and the health and safety of users, so it has invested a lot of resources to build a quality management system from product research and development, production, transportation, sales to use. By the end of 2023, the company has continuously passed and maintained the quality management system ISO 9001, and all of them have passed the verification of Weikai Certification and Testing Co., Ltd., an independent third-party verification organization. To ensure that the company's main products of small household appliances are in line with a certain degree of quality control. In 2023, the product inspection conducted by Airmate accounted for 100% of the main products. Small household appliances are sold in the domestic markets of various countries through certification to verify whether the content evaluation products conform to local norms, quality performance, environmental protection and other related matters affecting the personal and property safety of consumers.

In addition, in order to ensure that all Airmate products do not harm the health of users and the safety of the environment, the company strictly prohibits the use of harmful substances, and all products are in line with the European Union Directive on the Restriction of Hazardous Substances (EU ROHS), the Registration of Chemical Substances and the regulatory requirements for Substances of Very High Concern (EU REACH SVHC). It also complies with the Packaging and Packaging Waste Directive (Directive 94/62/EC) and the requirement that the product be halogen-free. In 2023, all Airmate's small household appliances were free of violations of health and safety laws and voluntary regulations, and product safety checks were implemented.

▼ Certification of Airmate's main products

Verification/License	Main products		
China CCC/CQC 	FA23-RDI92 (Fan)	HP20073-W (electric heater)	UM581 (Humidifier)
Germany GS/EU CE 	F225 (electric fan)	HP20072 (electric heater)	U250 (Humidifier)
Taiwan BSMI 	SF-V1710 (Fan)	KEH-G920 (electric heater)	AC551-50 W (Air Cleaner)
US ETL/CETL 	MATE1-F (Fan)	AIR6-G (electric heater)	UM4107, UM4107M (humidifier)
South Korea KC 	SIF-14RMC (Fan)	SEH-S2400 (electric heater)	SUH-240ND (Humidifier)
Japanese PSE 	SF-V15 (Fan)	SH-TF161 (electric warm air blower)	SCY-01 (electric temperature fan)

Product labeling

Airmate has passed the certification of quality control system and implemented the safety management of small household appliances. From product research and development, production and storage to the use of labels, Airmate has invested a lot of resources to check product safety. In addition to different safety control measures for all products of different specifications, Airmate's products are marked with detailed and specific information according to law. Service information and labeling of important products are 100% subject to regulatory assessment. All labels of small household appliances also comply with the quality control system certification requirements of local laws and regulations for product information and labels, and there is no violation of product and service information and labeling regulations during the reporting period.

Customer satisfaction survey

Airmate regards customer feedback as an important basis for improving customer relationship development, and we understand customer needs through multiple channels. According to the customer's opinions, we regularly review, analyze and put forward appropriate improvement plans every quarter, and construct a complete customer demand response process.

In 2023, Airmate received 35,919 customer satisfaction surveys, with a response rate of 100% and an average customer satisfaction score of 99.95.

▼ Airmate customer satisfaction survey results in recent 3 years

Year	2021	2022	2023
Number of replies	30,010	33,409	35,919
Recovery rate	100%	100%	100%
Customer satisfaction is divided equally	99.98	99.98	99.95


▼ Airmate Customer Satisfaction Survey Project

Product satisfaction survey		
Product appearance	Product quality	Product features
Service satisfaction survey		
Handle immediacy	Rationality of charges	Service attitude

Chapter 4 Environmental Protection

- Risks and Opportunities of Climate Change
 - Four core elements of TCFD
- Energy Management
- Greenhouse Gas Emission and Air Pollution Control
- Water Resources Management
- Waste management

▼ Management of Airmate's Major Theme "Environmental Protection" in 2023

Material Topic	Environmental protection
Environmental protection	<p>Frontal impact:</p> <ul style="list-style-type: none"> To implement environmental protection management, the plant follows the environmental policy of effective utilization of resources, so as to reduce waste and make the earth's resources sustainable. <p>Negative impact:</p> <ul style="list-style-type: none"> Without the implementation of various environmental protection measures, the waste caused by operation and production pollutes the surrounding environment, increases the environmental cost, violates relevant laws and regulations, and creates a bad impression on the public.
Corresponding GRI indicator	<p>GRI 302-1 Energy consumption within an organization</p> <p>GRI 302-3 Energy Intensity</p> <p>GRI 303: Water and Effluent 2018</p> <p>GRI 305-1 Direct (Category I) GHG emissions</p> <p>GRI 305-2 Indirect Energy (Category II) Greenhouse Gas Emissions</p> <p>GRI 305-4 Greenhouse Gas Emission Intensity</p> <p>GRI 305-7 Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Gaseous Emissions</p> <p>GRI 306-1 Waste production and significant waste-related impacts</p> <p>GRI 306-2 Management of Significant Impacts Related to Waste</p>
Relevant SDGs	
Policies or Commitments	Actively build energy-saving and carbon-reducing green enterprises, implement the concept of low-carbon life, eliminate and prevent environmental pollution, and fully comply with and implement the requirements of environmental protection laws and regulations.
Indicators and Objectives	<p>Short-term goals:</p> <ul style="list-style-type: none"> Target to reduce energy intensity: a target to reduce overall energy intensity by 10% by 2025 compared to 2017. Greenhouse gas reduction target: reduce greenhouse gas emissions by 1% per year compared with the previous year. <p>Medium and long term goals:</p> <ul style="list-style-type: none"> In order to truly analyze and manage the overall energy consumption situation of Airmate, Jiujiang Company is planned to gradually introduce ISO 50001 energy management system and obtain relevant verification. <p>Sustaining objectives:</p> <ul style="list-style-type: none"> Continuously obtain greenhouse gas inventory verification, and regularly track the data of water intake and wastewater discharge of each plant to continuously reduce the amount. The water quality of the continuously maintained and released water is in compliance with local laws and regulations, and no major environmental fines have been imposed. Continuously pass the ISO 14001 verification of the environmental management system every year.
Effectiveness Tracking Mechanism	<ul style="list-style-type: none"> Every year, a third-party impartial unit is regularly entrusted to carry out the water quality inspection of the discharged water, and the Shenzhen Company shall conduct the inspection once a month. Twice a year in Jiujiang Company. Regularly compile statistics on annual greenhouse gas emissions, water consumption, energy consumption, and total weight of waste, so as to formulate policies for energy conservation, carbon reduction, greenhouse gas reduction, water reduction, or other waste management. The supplier policy incorporates the management regulations of restricted substances (RoHS, REACH) to reduce environmental pollution from the source of products. Annual financial assessment of the risks and opportunities of climate change, and the formulation of relevant coping strategies and measures in advance.

<p>Annual Actions and Achievements</p>	<ul style="list-style-type: none"> ● Total energy consumption in 2023 was 79,740.386 GJ, an increase of 14.90% over the previous year; This was mainly due to the increase in orders and the increase in process energy consumption as a result of the commitment to innovative product research and development. ● The total amount of waste in 2023 is 754.377 tons, including 107.58 tons of hazardous waste and 646.80 tons of non-hazardous waste. ● The greenhouse gas emission scenario for 2023 is: Category I 779.28 metric tons; Category II discharges 21,932.88 tonnes, totalling 22,712.16 tonnes. ● The Company's total water consumption in 2023 was 218.560 million litres, an increase of 61.204 million litres compared to the previous year, mainly due to the provision of multi-functional innovative product options in response to customer demand, which led to more complicated processes and increased water consumption. ● In 2023, Airmate tested the water quality of the effluent through a third-party impartial unit, and the test values were in line with the requirements of the law. ● In 2023, Airmate did not have any incidents of pollution leakage causing the company to stop production or residents to surround the factory to protest, nor did it have any major environmental fines. ● Airmate declares air pollution emissions quarterly in accordance with the relevant provisions of the Air Pollution Prevention Law. In 2023, there was no case of illegal discharge or exceeding the standard. ● Airmate is committed to achieving the goal of energy saving and carbon reduction through energy saving measures in the factory area, improvement of production process, renewal of production equipment and reduction of commuting carbon emissions. ● Airmate implements various waste reduction measures, including setting up recycling garbage cans, outsourcing manual sorting of domestic waste, strengthening the recycling and treatment of hazardous waste, saving paper, and properly managing waste.
--	---

Airmate's Environmental Protection Philosophy

Airmate is dedicated to environmental protection in line with the initiative of sustainable operation, With a special focus on global environmental protection trends and its corporate social responsibility. By complying 100% with local environmental regulations of each operating location, the Company helps promote a greener world.

1. Eradicate and prevent environmental pollutions
2. Fully observe and enforce the requirements of environmental laws and regulations
3. Dedicated to promoting the idea of environmental protection and serving as a green ambassador for the environment.

Airmate has implemented the ISO 14001 EMS in 2019, following the PDCA management cycle. By adopting the perspective of product life cycle, Airmate aims to enhance resource efficiency in its operational and production processes, control environmental risks through necessary preventive measures, and minimize harm to the environment. This commitment reflects Airmate's continuous efforts to improve its environmental performance. In 2023, no incidents of violating environmental regulations occurred.

The Company actively makes R&D investment to develop energy-saving products, as well as incorporates energy-saving and emission-reducing equipment in our production process. Dedicated to environmental protection, we adhere to the philosophy of sustainable business. Not only do we prioritize environmental protection within our own operations, but we also require suppliers to comply with restrictions on hazardous substances and regulatory requirements such as the EU RoHS and REACH directives. This includes limiting the use of harmful substances in supplier products, such as raw materials, packaging materials, and supplementary materials. Suppliers are required to submit test reports to Airmate to occasionally apply for SGS certification applications. This ensures that our products pose minimal risks to consumer health and safety.

▼ Airmate's Shenzhen and Jiujiang plants have both passed the ISO 14001 EMS certification, embodying our commitment to creating an environmentally-friendly green enterprise.



Risks and Opportunities Posed by Climate Change

In order to address the operational risks brought by climate change to the industry, we refer to the framework of the Task Force on Climate-related Financial Disclosures (TCFD), identifying potential risks and opportunities posed by climate change through the four core elements of Governance, Strategy, Risk Management, and Metrics and Targets. With this understand of climate-related impacts on Airmate's operation, we can pre-establish relevant response strategies and measures to prevent the risks and damages posed by climate change.

Four core elements of TCFD

▼ TCFD Core Elements and Financial Disclosure

Core Element	Action Plan
Governance	The General Affairs Department is responsible for convening relevant units to annually assess and confirm the potential impact of each risk issue on both internal and external aspects of the organization, including the identification and evaluation of climate change risks and the response to climate impacts. The Company also holds regular meetings every year to prioritize sustainable development initiatives, including issues related to climate change, and fulfills its corporate social responsibility through concrete actions.
Strategy	The Company identify physical and transitional risks and opportunities based on business types and operational conditions, actively promoting environmental policies. In response to environmental impacts caused by global climate change and the greenhouse effect, energy-saving and carbon-reduction measures and goals have been established, encouraging energy management, waste reduction, and green procurement (namely purchasing products with the energy label or green mark) in offices and public areas.
Risk Management	In order to identify and assess potential major impacts or risks of current and future activities, products, and services on sustainable operations, the General Affairs Department conducts periodical assessments of organizational risks, including the assessment of climate change conditions as a foundation for formulating policies and setting goals. In the future, the risk assessment mechanism recommended by the TCFD will be introduced as well to evaluate specific climate-related issues, thereby understanding potential financial impacts and adopting relevant response strategies.
Metrics and Targets	In response to reducing the impacts and risks of climate change and achieving green energy and carbon reduction related objectives, use indicators to manage risks and opportunities associated with climate change: Airmate has been promoting "energy saving and carbon reduction measures" for a long time. The main measures are as follows: Power consumption: lighting equipment shall be power-saving and environment-friendly products, and the air conditioning and lighting shall be turned off in the meeting room where no one is present; During the lunch break, only necessary lighting shall be left in the office and public areas. <ol style="list-style-type: none"> 1. Water resources: Promote water conservation; regulate the water flow rate of public restroom sinks; and prioritize the use of water faucets and toilets with the water efficiency label when replacing old equipment. Also, regularly inspect water pump motors, water towers, faucets, and other water pipe connectors for leaks in walls or underground pipes; and establish procedures for controlling water pollutants to reduce the negative impact of wastewater discharge on the environment. 2. Waste: Establish toxic waste management indicators and paper saving rules, and actively promote waste reduction policies. 3. GHG: total emissions of 22,712.16 metric tons of greenhouse gases in 2023; 779.28 tCO₂e for category one and 21,932.88 tCO₂e for category two. We will set 2023 as the base year for the management of greenhouse gas emissions, so as to formulate carbon reduction strategies and optimize measures related to energy conservation and carbon reduction.

▼ Climate-related risks and financial impacts

Type	Climate-related Risks	Impact period	Duration of Impact	Potential Financial Implications	Response Actions
Transitional Risks	Policies and regulations				
	Regulations Risk	Long term	<ul style="list-style-type: none"> According to the Renewable Energy Ordinance, large power users with a contracted capacity of more than 5,000kW () are required to provide 10% of their own green electricity within five years. Carbon Fee Will Be Imposed in Response to the Climate Change Response Act 	<ul style="list-style-type: none"> Increased energy costs Increase in green power equipment investment and maintenance and operation cost Increased operating costs A fine may be incurred 	<ul style="list-style-type: none"> Actively evaluate the installation of solar panels on the roof of the factory area and the use of self-produced renewable energy Introduce advanced energy-saving motor technology, reduce cost and increase efficiency through green process
	Technology				
	Investment in green technologies	Short term	<ul style="list-style-type: none"> Introduction of degradable material Testing of green process Develop alternative raw materials 	<ul style="list-style-type: none"> Increase in product cost Increase in research and development costs 	<ul style="list-style-type: none"> In 2023, Airmate invested 120 R & D personnel, with a total R & D expenditure of NT 135 million yuan, accounting for 1.61% of the annual revenue.
Market					
Changes in market demand	Short term	<ul style="list-style-type: none"> Continuous research and development of green small household appliances Develop energy-saving and intelligent household appliances 	<ul style="list-style-type: none"> Merchandise sales are poor and profits are reduced. 	<ul style="list-style-type: none"> Development and Research of Solar Fan Solar cell application product development 	
Physical Risk	Immediate				
	Extreme weather	Short term	<ul style="list-style-type: none"> Damage of machines and tools, plant and goods Affect personnel safety and attendance Transportation is interrupted Damage to building cases and buildings 	<ul style="list-style-type: none"> Loss of assets Capacity impairment Labor impairment Increased insurance costs Increase in acquisition cost of flood control equipment and resources 	<ul style="list-style-type: none"> Regularly inspect and maintain the electromechanical and fire-fighting equipment in the plant area Pumps installed by Jiujiang Company to cope with the occurrence of flood Purchase sandbags, set up waterproof gates, etc. Clean the sludge in the ditch and check the drain holes. Evaluate and upgrade property insurance costs To formulate the internal procedures for the allocation of productive manpower in response to extreme weather
	Long-term				
Precipitation pattern changes	Medium term	<ul style="list-style-type: none"> Flooding causes damage to machines, tools and plant Affect personnel safety and attendance Transportation is interrupted The product is damaged by soaking in water Process affected due to drought 	<ul style="list-style-type: none"> Increase in acquisition cost of flood control equipment and resources Increase in manufacturing cost of purchased water 	<ul style="list-style-type: none"> Purchase of sandbags, pumps and other machines and tools Assess that stormwater that can be recovered by the construction of reservoir Establish and improve the mechanism of water trucks transporting water across regions or transferring goods from other factories. 	
The annual average temperature rises	Long term	<ul style="list-style-type: none"> Reduced life of instruments and equipment Cold air require higher refrigeration intensity 	<ul style="list-style-type: none"> Increase in equipment procurement expenditure Increased energy costs 	<ul style="list-style-type: none"> The control room of the machine room is equipped with frequency conversion air conditioning. Set the cold air start temperature threshold Continuous replacement of old energy-consuming equipment 	

					<ul style="list-style-type: none"> ● Maintain the plant equipment regularly to extend its service life
--	--	--	--	--	---

▼ Climate-related opportunities and financial impacts

Type	Climate-related Opportunities	Potential Financial Implications	Response Actions
Resource Efficiency	<ul style="list-style-type: none"> ● Paper and waste recycling and reuse ● Switch to process equipment with higher efficiency ● Increase water efficiency 	<ul style="list-style-type: none"> ● Reduce expenses on consumable supplies ● Reduce power consumption and carbon emissions ● Reduce water costs 	<ul style="list-style-type: none"> ● Realign and transform the value chain process to enhance product manufacturing efficiency and reduce energy consumption in our operations. ● Develop environmental control processes and management regulations, such as waste disposal site management regulations and paper saving regulations, so as to maximize resource efficiency.
Energy Sources	<ul style="list-style-type: none"> ● Offices begin to partly use solar power generation equipment. 	<ul style="list-style-type: none"> ● Solar panels are installed on buildings to power part of the lighting for the purpose of power cost reduction. 	<ul style="list-style-type: none"> ● Solar panels may be installed on plant roofs for self-use in the future, so as to reduce the carbon emissions from coal-fired power generation.
Product Services	<ul style="list-style-type: none"> ● Research and develop new, alternative technologies 	<ul style="list-style-type: none"> ● While the exploration of new technologies at the early stages requires additional costs, the development of low-carbon products helps the Company enhance future competitiveness and attract potential interested corporate partners. 	<ul style="list-style-type: none"> ● Based on our technological design advantages, we design products with higher durability in terms of appearance and application. This ensures that our products do not need to be replaced in a short period of time due to outdated styles or product wear and tear, thereby minimizing electronic waste generation.
Market	<ul style="list-style-type: none"> ● Launch energy-efficient products 	<ul style="list-style-type: none"> ● Our alignment with current trends may well enhance brand image and boost sales and profits. 	<ul style="list-style-type: none"> ● We have cultivated energy-saving product lines for many years and have introduced the advanced energy-saving motor technology in line with consumer expectations for low-carbon products.
Resilience	<ul style="list-style-type: none"> ● The integration of climate-related risks and response strategies can enhance the Company's overall resilience. 	<ul style="list-style-type: none"> ● By enhancing business resilience, we can mitigate climate-related losses and minimize supply chain disruptions. 	<ul style="list-style-type: none"> ● We incorporate environmental factors into the Company's overall business strategy and include climate risks in the risk management process, so as to identify risks and opportunities posed by climate change and take different response measures, effectively enhancing our organizational resilience.

Energy Management

Airmate Shenzhen continued to obtain the ISO 50001:2018 Energy Management System to improve the use and management of energy in accordance with the PDCA principles. We also plan to gradually introduce an energy management system in Jiujiang Company to establish a more precise energy policy and energy targets.

In 2023, we carried out energy statistics and management for Shenzhen and Jiujiang companies, analyzed the energy consumption situation of the two plants and formulated various energy saving and carbon reduction measures. The total energy consumption was 79,740.386 GJ, and the energy used was mainly electricity (accounting for 85.7% of the total energy used) and natural gas (accounting for 12.6% of the total energy used), which increased by 14.90% compared with 2022, mainly due to the growth of orders after the slowdown of the epidemic at home and abroad, and in response to the ever-changing technological trends. To provide customers with more functional and intelligent products, the production process causes a lot of energy consumption.

In the future, Airmate will continue to develop green technologies, increase the use of environmentally friendly and renewable raw materials, and make the product life cycle more energy-saving, so as to reduce energy consumption and greenhouse gas emissions.

▼ Airmate Internal Energy (Category 1 + Category 2) Use Case (in GJ)

Type of energy		2021	2022	2023
Non-renewable energy	Outsourced electricity	62,003.95	64,442.43	68,331.14
	Diesel	1,352.87	1,662.32	1,325.07
	Natural gas	19,064.95	10,429.47	10,084.18
Total energy consumption		82,421.77	76,534.23	79,740.39
Turnover (million yuan)		10,166.58	8,700.77	7,894.15
Energy intensity		8.10	8.79	10.10
Annual rate of increase or decrease in energy intensity		-	8.51%	14.90%

Note:

1. The source of the energy conversion factor is the greenhouse gas emission factor management table version 6.0.4 announced by the Environmental Protection Agency.

2. Energy intensity calculation formula: energy consumption/total annual revenue.

The total turnover of 3., Airmate Shenzhen Company and Jiujiang Company, is NTD7,894.15 million in 2023 and NTD8,700.77 million in 2022; NTD 10,166.58 million in 2021.

Airmate Shenzhen Company has obtained the verification of the energy management system (ISO 50001), and plans to gradually introduce the energy management system into Jiujiang Company in the future and obtain the verification.



GHG Emissions and Air Pollution Control

In order to fulfill its responsibility as a citizen of the earth and actively disclose information on GHG emissions, during the reporting year, Airmate commissioned a qualified third-party inspection agency to conduct GHG inspection in accordance with the methodology of the international standard ISO 14064 1, with Shenzhen Company and Jiujiang Company as the boundary. At present, both factories have obtained the ISO 14064-1:2018 GHG Audit Statement.

The greenhouse gas emission scenario for 2023 is: Category I 779.28 metric tons; Category II discharges 21,932.88 tonnes, totalling 22,712.16 tonnes. In the future, we will take 2023 as the base year of Airmate's greenhouse gas emission management, continue to track the effectiveness of annual carbon reduction, optimize and plan more effective carbon management measures, and strive to develop towards the goal of green enterprises.

In addition, Airmate is also concerned about air pollution and has formulated the Air Pollutant Control Procedure to control waste emissions from all operating sites. In addition to the purchased waste gas treatment facilities, it also plans the management responsibilities and pollution control measures of various departments for waste gas emissions, effectively reducing the external impact on the environment. We use the online monitoring system to monitor the exhaust gas, and report the air pollution emissions quarterly in accordance with the relevant provisions of the Air Pollution Control Law. In 2023, there was no violation of emissions or excessive emissions.

▼ Airmate 2023 GHG emissions and GHG emissions in metric tons of (Unit: tonCO₂e)

Total emissions		2023
Scope 1	Natural gas	639.13
	Diesel	44.08
	Gasoline	96.06
Scope 2	Purchased electricity	21,932.88
Total GHG Emissions		22,712.16
Turnover (NTD million)		7,894.15
Greenhouse gas emission intensity		2.87

Note:

1. The conversion coefficient is sourced from the China Energy Statistical Yearbook, and the method for aggregating the amount of greenhouse gases is the operational control method.
2. The method for calculating the GHG emission volume of different energy sources is to respectively multiply the energy consumption volume by the corresponding carbon emission coefficient.
3. The global warming potentials (GWPs) of various greenhouse gases were estimated using the IPCC Sixth Assessment Report.
4. Carbon emission intensity calculation formula: total greenhouse gas emissions (metric tons of CO₂e)/turnover (million yuan).
5. In 2023, the total turnover of Airmate Shenzhen Company and Jiujiang Company was NT 7,894.15 million.
6. The base year of greenhouse gas emission was 2023, which was the first year for Jiujiang and Shenzhen companies to outsource the greenhouse gas inventory, and the greenhouse gas carbon emission was 22,712.16 metric tons of CO₂e.

▼ 2023 ▼ Emission of Air Pollutants (Unit: kg)

	2021	2022	2023
Volatile Organic Compounds (VOC)	58,175.27	36,194.58	3,491.29

Note: The specified emission standard follows the Emission Standard for Volatile Organic Compounds in Printing Industry DB44/815-2010.

▼ Airmate Pollutant Discharge Permit (Valid: 2022/12/02 ~ 2027/12/01)



Energy saving and carbon reduction

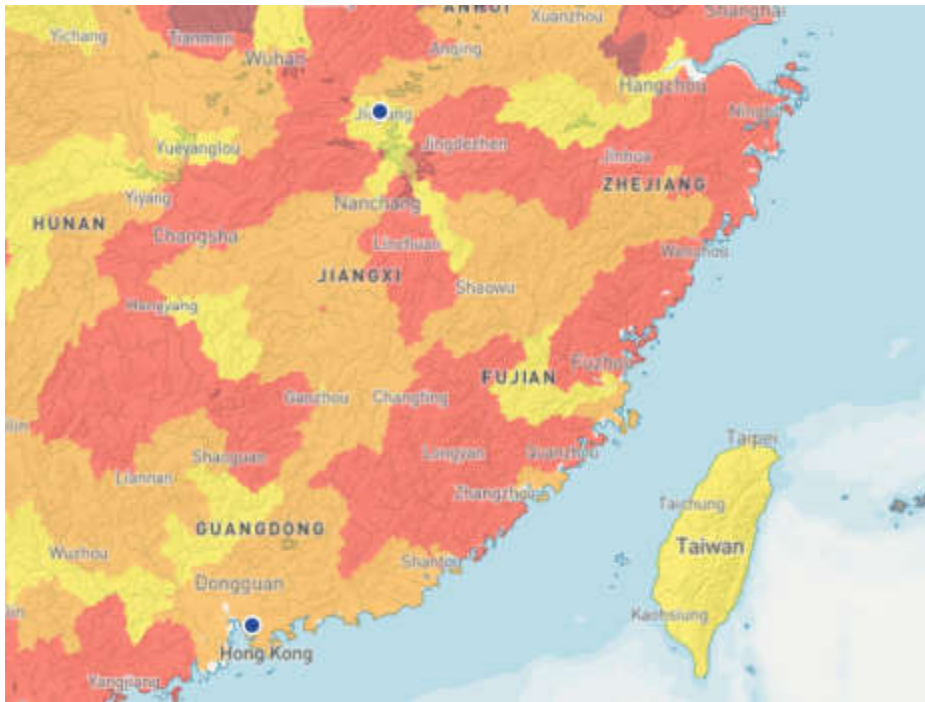
With the ongoing increase in global population, environmental pollution and destruction have become increasingly severe, making global warming an issue of concern for everyone. Driven by the concept of ESG governance, energy saving and carbon reduction have become a collective goal to be achieved globally. Airmate has introduced various environmentally-friendly home appliances in line with the energy-saving and carbon reduction policy, and also has established energy management regulations to implement on-site energy-saving measures in factories, putting the goal of energy-saving and carbon reduction into effect.

▼ Airmate's energy-saving and carbon-reducing action plans

Action Plan	Proposal
On-site energy-saving measures	Progress towards the energy-saving goal by implementing regulations for conserving electricity, water, and paper
Production process improvements	Oversee the material usage in the production and management departments to prevent material losses caused by unreasonable or incorrect operations; analyze various factors that may lead to material wastage while periodically updating each production department's production loss rate indicators
Updates to production equipment	Develop energy-efficient products and use production equipment that promotes energy conservation, emission reduction, and material reuse, so as to effectively utilize energy, minimize waste generation, and promote environmental protection
Reduction of commuting carbon emissions	Provide 251 on-site dormitory rooms and offer housing subsidies; encourage factory employees to live in the staff accommodation to reduce commuting time and carbon emissions

Water Stewardship

According to the Aqueduct Water Risk Atlas of the World Resources Institute, Airmate Jiujiang Company and Shenzhen Company are located in Low to Medium (1-2), and Airmate's main production activities involve electrical equipment, which requires relatively less water resources. The total water consumption of the Company in 2023 was 218.560 million litres, representing an increase of 61.204 million litres as compared to the previous year, mainly due to the increase in order volume in 2023 and the provision of multi-functional innovative product options in response to customer demand, which led to more complicated processes and increased water consumption.



Water intake

▼ Total water intake of all regions of Airmate in recent 3 years (unit: million liters)

Factory area	Source of water intake	2021	2022	2023
Shenzhen	Third-party water (tap water)	147.196	109.581	164.444
Jiujiang		143.406	195.157	223.294
Total water intake		290.602	304.738	387.738

Note: Data source is water bill.

Displacement

▼ Total displacement of all areas of Airmate in recent 3 years (unit: million liters)

Factory area	2021	2022	2023
Shenzhen	4.312	1.015	1.708
Jiujiang	107.554	146.367	167.470
Total displacement	111.866	147.382	169.178

Note: The source of drainage data is the drainage water meter.

Water consumption

▼ Total water consumption of all regions of Airmate in recent 3 years (unit: million liters)

Year	Annual water consumption
2021	178.736
2022	157.356
2023	218.560

Note: Data source: water consumption = total water intake – total water discharge

In order to reduce the significant water-related impact in the value chain, Airmate Shenzhen Company and Jiujiang Company are equipped with sewage treatment systems. Most of the treated sewage is recycled to the factory for toilet flushing, and a small part is discharged into the municipal sewage pipe network.

In addition to formulating water pollutant control procedures and clearly regulating the rights and responsibilities of various departments for wastewater treatment, the Human Resources Department also arranges employees engaged in wastewater pollution control and treatment to the environmental protection department for training and assessment. In addition, Airmate Jiujiang Company regularly carries out water quality testing twice a year and Shenzhen Company once a month through third-party impartial units, and the testing values in 2023 meet the requirements of the law. In the future, we will continue to reduce the impact of wastewater discharge on the environment, so as to maintain water quality and protect the ecosystem to a certain extent.

▼ Monitoring Results of Airmate's Discharge Water Quality in 2023

Factory area	Test items	Unit	Local pipe standard	Test results
Shenzhen Company	pH	-	6~9	7.66
	Chemical oxygen demand	mg/L	80	9.75
	Petroleum	mg/L	2.0	0.35
	Total phosphorus	mg/L	1.0	0.06
	Total nitrogen	mg/L	20	6.90
	Ammonia nitrogen	mg/L	15	0.19
	Total zinc	mg/L	1.0	0.15
Jiujiang Company	Chemical oxygen demand	mg/L	500	45.00
	Ammonia nitrogen	mg/L	25	9.71
	Total phosphorus (production wastewater)	mg/L	0.5	0.10
	Total phosphorus (domestic sewage)	mg/L	-	1.10
	pH	mg/L	6~9	7.50
	Suspended matter	mg/L	400	62.00
	Biochemical oxygen demand of five days	mg/L	300	9.00
	Anionic surfactant	mg/L	5.0	0.05
	Petroleum	mg/L	5	0.06
	Zinc	mg/L	2.0	0.03
	Animal and vegetable oils	mg/L	100	3.55

Note:

1. The water quality data in the above table are the analysis results of the water samples taken from the plant area by the qualified inspection company. The average value of the discharged substances is taken from the declared test data and rounded to the second decimal place.
2. ND (detection limit) indicates that the test result is below the method detection limit or the instrument detection limit.
3. Except that the total phosphorus in production sewage is subject to the requirements of the first level limit of the Integrated Wastewater Discharge Standard and the total phosphorus in domestic sewage is subject to the requirements of the third level limit of the Integrated Wastewater Discharge Standard, the rest of the test items are subject to the requirements of the same water quality standard, and the average value is counted.

Waste Management

The types of business wastes of Airmate in 2023 are: paper, iron, plastic, waste sludge, etc. The total amount of waste is 754.38 tons, and the hazardous waste is 107.58 tons, accounting for 14.26%; 646.80 tons of general business waste, accounting for 85.74%. The Company has established various waste management procedures to classify and dispose of wastes in accordance with standard procedures. 100% of hazardous wastes are removed or recycled by waste disposal agencies approved by the local government. It also continues to establish a strict control and audit mechanism on the flow of waste and the screening of qualified manufacturers to ensure that the flow of waste is proper and legal. We regularly go to the manufacturer to check and compare the actual situation of waste disposal and reuse in the factory area, and at the same time strengthen the audit efficiency of the manufacturer, including requiring waste cleaners to join the GPS global positioning system for tracking and management.

In 2023, Airmate did not have any incidents of pollution leakage causing the company to stop production or residents to surround the factory to protest, nor did it have any major environmental fines.

Adhering to the circular economy spirit of 4R (Reduce, Reuse, Recycle, Recovery) of environmental protection, as the basis of waste output and control. We will continue to promote source reduction and recycling of waste in the factory, together with the strength of the overall supply chain, reduce the consumption of raw materials and reduce the environmental load of production, and implement the concept of circular economy with innovative environmental protection technology projects.

In addition, as most of the wastes generated in the production process of the Company are sewage and waste gas, the Company has purchased relevant treatment facilities to minimize the possible negative impact on the environment.

▼ Airmate Waste Disposal in 2023

2023		
Classification	Output (metric tons)	Proportion (%)
Hazardous industrial waste	107.58	14.26%
General business waste	646.80	85.74%
Total waste	754.38	

▼ Airmate Waste Reduction Measures

Measures	Methods
Set up recycling bins and outsource manual sorting of domestic waste	Encourage and promote employee compliance with the office waste sorting rule
Facilitate the recycling and treatment of hazardous waste	Prevent the leakage and discharge of toxic waste that could pollute the environment and establish management indicators, with dangerous waste 100% sent to qualified disposal facilities for recycling in strict compliance with the requirements of environmental protection authorities. Strictly implement standardized safety production management and standard operation procedure (SOP) for production, as well as formulate strict KPIs for control, to eliminate production waste.
Establish paper-saving regulations	Each department controls the use of paper for documents and forms and regularly calculate the paper usage, so as to ensure paper saving. Also, the paper-saving educational promotion is held to enhance employees' paper-saving awareness. By making the most of management software systems such as ERP, the Company is progressing towards the goal of Paperless Office.

Chapter 5 Social Inclusion

- Plenty of Diverse Employment Opportunities
 - New Employees and Separated Employees
- Employee rights and benefits
 - Human Rights Policy
 - Pay level
 - The welfare guarantee is perfect
- Employee career development
- A reassuring workplace environment
 - Occupational Safety and Health Committee
 - Occupational Safety Hazard Risk Control
 - Statistics and Analysis of Occupational Injury Accidents
 - Workplace health services
- Social care and mutual benefit

Plenty of Diverse Employment Opportunities

Employees are the company's most important asset and the cornerstone of the company's steady growth. Airmate is committed to creating a friendly workplace that can bring employees a happy life, so that employees can give full play to their talents, focus and continuous progress in the company, maintain enthusiasm for work and life, and achieve a comfortable balance.

By the end of 2023, the total number of Airmate employees was 2,360, a decrease of 377 from the previous year, with no significant change. The rank distribution included 80 supervisors and 2,280 general employees. Among them, 58.60% were male and 41.40% were female. All employees are employed as full-time employees with non-fixed-term contracts, and there are no part-time employees. In addition, Airmate is committed to developing diversified talent composition and providing employment opportunities for people with physical and mental disabilities. In 2023, Airmate appointed four people with physical and mental disabilities to continuously promote the diversity and inclusiveness of corporate culture and enhance the overall competitiveness of the company.

▼ Types of Airmate Employees by Region in 2023

Employee Classification (Unit: headcount)		Shenzhen Company		Jiujiang Company		Total		
		Male	Female	Male	Female	Male	Female	Total
By contract	Permanently hired employees (indefinite contracts)	770	460	613	517	1,383	977	2,360
	Contracted employees (fixed-term contract)	0	0	0	0	0	0	0
According to working hours	Full-time employee (full-time)	770	460	613	517	1,383	977	2,360
	Part-time employee (part-time)	0	0	0	0	0	0	0
	No hours guaranteed employee (contingent worker)	0	0	0	0	0	0	0
Total by sex by region		770	460	613	517	1,383	977	2,360

Note: 1. Full-time employee: an employee who works 40 hours per week as defined in the Taiwan Labor Standards Law.

Employees with partial working hours 2.: employees whose working hours are less than 40 hours per week.

3. No guaranteed hours employee: An employee who has no minimum or fixed working hours, such as a temporary employee or an employee on call.

▼ Airmate Employee Job Category Distribution

Job Category \ Multi-Category		Gender			Age			Other
		Male	Female	Other	Under 30 years old	31-50 years	Over 51 years old	Physically and mentally handicapped
Supervisor (80 in total)	Number of people	63	17	0	0	59	21	0
	Proportion	2.67%	0.72%	0.00%	0.00%	2.50%	0.89%	0.00%
General staff (2,280 total)	Number of people	1,320	960	0	379	1,595	306	4
	Proportion	55.93%	40.68%	0.00%	16.06%	67.58%	13.00%	0.17%
Number of people in multiple categories		1,383	977	0	379	1,654	327	4
Proportion to the total number of employees		58.60%	41.40%	0.00%	16.06%	70.08%	13.86%	0.17%

▼ Changes in the number of Airmate workers in the past 3 years

Worker category	2021	2022	2023
Staff	3,318	2,737	2,360
Non-employee	77	63	83
Total	3,395	2,800	2,443

Note: 1. The number of employees is calculated by the number of people (or Full-Time Equivalent, FTE).

The 2. is based on the value of December 31, 2023.

3. of non-staff workers: not directly employed by the company, including security personnel, medical staff, environmental cleaning, catering, etc.

New Employees and Separated Employees

In 2023, there were 5,684 new employees, including 3,672 male employees and 2,021 female employees. In terms of employee retention, a total of 6,061 employees left in 2023, including 3,902 male and 2,159 female employees, mainly due to the adjustment of the location of the organization's operating base, the shift of the focus of the production base to Jiujiang Company, and the rapid expansion of Jiujiang Company, which made the new employees not adapt to the factory environment and labor intensity. In addition, the salary competitiveness is not great, resulting in personnel mobility; Shenzhen Company will be adjusted to the operation and sales headquarters, the original Shenzhen Company will be adjusted to Dongwan Intelligent Technology Company, and the auxiliary personnel will be reduced (material personnel, general logistics personnel, etc.).

In the future, the Company will continue to strengthen work-life balance, enhance the ability of supervisors and provide career development opportunities for employees, increase the relevant mechanism of linking the floating bonus and assessment of employees, and promote the retention of employees.

	Area	Jiujiang Company				Shenzhen Company				Subtotal	
	Gender	Male		Female		Male		Female		Number of people	Proportion
	Age group	Number of people	Proportion	Number of people	Proportion	Number of people	Proportion	Number of people	Proportion		
New employee	Under 30 years old	2,281	96.7%	802	34.0%	66	2.8%	43	1.8%	3,192	135.3%
	31-40 years	450	19.1%	223	9.4%	47	2.0%	23	1.0%	743	31.5%
	41-50 years	390	16.5%	551	23.3%	10	0.4%	12	0.5%	963	40.8%
	Over 51 years old	428	18.1%	358	15.2%	0	0%	0	0%	786	33.3%
New Employee Subtotal		3,549	150.4%	1,934	81.9%	123	5.2%	78	3.3%	5,684	240.8%
Terminated employees	Under 30 years old	2,412	102.2%	868	36.8%	72	3.1%	36	1.5%	3,388	143.6%
	31-40 years	445	18.9%	207	8.8%	93	3.9%	59	2.5%	804	34.1%
	41-50 years	374	15.8%	526	22.3%	83	3.5%	97	4.1%	1,080	45.8%
	Over 51 years old	381	16.1%	350	14.8%	42	1.8%	16	0.7%	789	33.4%
Subtotal of terminated employees		3,612	153.1%	1,951	82.7%	290	12.3%	208	8.8%	6,061	256.8%

Note:

1. The formula for calculating the percentage of the number of employees in the 1. is = the number of employees in each category ÷ the total number of employees at the end of the period.

2. new employee rate = number of new employees by category ÷ total number of employees at the end of the period (total number of employees at the end of 2023 is 2,360).

Turnover rate of 3. = number of employees who left by category ÷ total number of employees at the end of the period (total number of employees at the end of 2023 is 2,360).

4. employees include those who leave the organization voluntarily or through dismissal, retirement, or death in the line of duty.

Employee Rights and Benefits

The Company shall comply with the regulations of the country where the operation area is located on the labor union. After the establishment of the labor union, regular meetings shall be held in accordance with the law, and the management shall be invited to participate in order to promote labor relations. Management representatives listen to and respond to employees' opinions and demands, care about employees' lives, help employees solve difficulties, and let employees participate in the formulation of welfare policies and rules and regulations. At the same time, a suggestion box shall be set up as a channel for employees to appeal and complain, which shall be managed by a special person to encourage employees to make suggestions as a reference for the continuous improvement of the company's policies.

In 2023, the proportion of the total number of employees covered by the group agreement is 100%. The trade union treats all employees with a positive, active and sincere attitude, and urges employees to work hard to complete production and work tasks on the principle of caring for the company's property and abiding by labor discipline. Trade unions must maintain close and smooth communication with employees, listen to and respond to their opinions and demands, care about their lives, and assist them in solving difficulties. Trade unions will also organize employees to launch labour competitions, collect reasonable suggestions from employees, promote technological innovation and technological cooperation activities, improve labor productivity and economic efficiency, and develop productivity. So far, union members are willing to devote themselves wholeheartedly and give full play to their functions to create a win-win situation for both employees and the company.

▼ Airmate labor rights and interests related measures description

Work Hours	<ul style="list-style-type: none"> • Full-time employees normally work 8 hours a day and 40 hours a week. • If overtime is required due to special circumstances, the total daily working hours of Jiujiang Company shall not exceed 12 hours, and the maximum number of overtime hours per month shall be 46 hours. The standard of Shenzhen Company is that the total working hours per day shall not exceed 11 hours, and the maximum overtime hours per month shall be 36 hours. • According to the provisions of the Labor Standards Law, overtime pay shall be paid for working more than 8 hours on the same day, and employees shall not be forced to work overtime.
Separation and Retirement Regulations	<ul style="list-style-type: none"> • In case of termination of the employment relationship with the employee, the Company shall comply with the provisions of Article 16 of the Labor Contract Law, terminate the labor contract in advance, and provide severance pay and job-seeking leave.
Labor-Management Agreement	<ul style="list-style-type: none"> • Airmate Shenzhen has established a labor union organization, and in accordance with Article 83 of the Labor Contract Law, it holds regular labor meetings every quarter, and when necessary, it can hold temporary meetings to conduct two-way communication and consultation on issues such as promoting labor cooperation, coordinating labor relations, improving working conditions, and planning labor welfare. The group agreement signed with the trade union committee of Airmate Electric (Shenzhen) Co., Ltd. The agreement covers 100% of the total number of employees, including labor contracts, labor remuneration, working hours, rest and vacation, working conditions, insurance and welfare measures, negotiation procedures, labor safety and health, vocational and technical training, special protection for female and juvenile workers, and reward and punishment system. • Airmate Jiujiang Company has established a trade union organization, which can hold temporary meetings when necessary to conduct two-way communication and consultation on issues such as promoting labor cooperation, coordinating labor relations, improving labor conditions and planning labor welfare. Sign a collective labor contract with the labor union. The contract covers 100% of the total number of employees. The contents of the contract include: working conditions for wages and leave, welfare measures, occupational safety and health, protection of the rights and interests of female workers, vocational training system, and mediation of labor disputes.
Significant Operational Changes	<ul style="list-style-type: none"> • In 2023, due to the needs of organization adjustment and operation management, Airmate will transfer the production work of the painting department of Shenzhen Company to the operation production of Jiujiang Company. Since March 2023, the production work of the motor department of Shenzhen Company will be transferred to the operation production of Jiujiang Company. Since June 2023, the mold production of Shenzhen Company will be transferred to the production of Dongguan Intelligent Technology Company. Since August 1, 2023, the original Shenzhen has been adjusted to the operation and sales headquarters, and the staff has been downsized. In view of the fact that this staffing adjustment may affect the employment rights of employees and the changes in various labor conditions, the Company actively abides by the Labor Standards Law, the Law on the Protection of Mass Dismissal of Workers and relevant local laws and regulations, and implements the prior notice before the termination of the labor contract: for those who have worked continuously for more than 3 months but less than 1 year, the notice shall be given 10 days in advance; Those who have worked continuously for more than one year but less than three years shall be notified 20 days in advance; those who have worked continuously for more than three years shall be notified 30 days in advance. In addition, the rest of the important operation bases shall be subject to the local labor laws and

regulations.

Human Rights Policy

Airmate fulfills its corporate social responsibility by safeguarding the basic human rights of all employees. We recognize and adhere to various international human rights conventions, including the UN's Universal Declaration of Human Rights, Global Compact, and Guiding Principles on Business and Human Rights, as well as the conventions established by the International Labor Organization. We are committed to eradicating any violation of or infringement upon human rights, and we explicitly state our commitment to treating all employees with fairness, justice, and respect. Airmate's human rights policy applies to all operating locations worldwide. The Company complies with local regulations for labor and gender equity, establishes measures for human rights protection and labor policies, and implement relevant measures. In 2022, neither the Company nor its suppliers have experienced significant risks or incidents related to discrimination, child labor, forced labor, or other violations of labor rights.

▼ Airmate's Human Rights Policy

1. Diversity, Equity, and Inclusion:

We offer our colleagues a work environment that promotes gender equity and diversity, adhering to the principles of openness and fairness. We do not discriminate against individuals based on their age, gender, disabilities, race, religion, political beliefs, or pregnancy status. We strive to eradicate all forms of forced labor and employment discrimination. We prohibit harassment and respect privacy rights, dedicated to creating an equal, dignified, safe, and fair workplace free from discrimination and harassment.

2. No Child Labor:

In compliance with local laws and regulations regarding minimum labor age, we do not employ child labor.

3. Achieving Minimum Wage:

We provide our colleagues with wages and benefits that meet or exceed the minimum requirements of local laws and regulations.

4. Reasonable Work Hours:

We have established a legal and reasonable hour management plan, regularly monitoring and managing employee attendance.

5. Health and Safety in the Workplace:

We value workplace safety and health, aiming for employees to work in a healthy, safe, and caring environment while maintaining their physical and mental well-being. Our goal is to establish a safe and healthy workplace with zero occupational accidents.

6. Freedom of Association:

On the premise of compliance with local laws and regulations, the Company respects the rights of employees to freely form associations and establish diverse clubs in accordance with the law, as well as to actively promote participation in these associations among our colleagues.

7. Labor-management Negotiation

Airmate holds employee communication meetings regularly through the union to promote company policies, systems, welfare measures, and various activities. In so doing, employees can fully express their opinions and provide feedback to the Company's management team for timely response and assistance.

Pay level

Airmate offers a competitive salary. The salary standard is determined according to its position, professional ability, academic experience and working seniority, and is adjusted with reference to the market level of the same industry. Airmate attaches importance to the value of equal pay for equal work. The overall salary is not differentiated by gender. We are willing to create an equal and inclusive working environment and strive to promote a gender-equal salary policy.

▼ Pay Ratio of male and female employees of Airmate subsidiary in recent 3 years

Subsidiary	Year	2021		2022		2023	
	Employee category	Male	Female	Male	Female	Male	Female
Shenzhen	Supervisor	2.49	1	2.63	1	1.2	1
	General staff	1.48	1	1.56	1	1.1	1
Subsidiary	Year	2021		2022		2023	
	Employee category	Male	Female	Male	Female	Male	Female
Jiujiang	Supervisor	1.11	1	1.11	1	1.14	1
	General staff	1.16	1	1.13	1	1.17	1

Note: 1. Calculation method: Average salary of men in each category ÷ Average salary of women in each category.

2. salary: annual salary, including basic salary, food allowance, year-end bonus, performance bonus, overtime pay and share allotment income (basic salary + job allowance + job subsidy + skill allowance + special allowance + full attendance bonus + seniority bonus + stage bonus + performance bonus + food allowance + other subsidies + overtime pay).

The director of the 3. is the (deputy) manager (including) and above management personnel.

The general staff of the 4. is all the staff except the supervisor level.

▼ PayLevels of grass-roots personnel in important operation bases of Airmate subsidiary in recent 3 years (unit: NTD)

Subsidiary	Year	Average standard salary of grass-roots personnel		Average standard salary of grass-roots personnel/local minimum salary	
		Male	Female	Male	Female
Shenzhen	2021	23,812	21,449	2.58	2.33
	2022	22,619	19,977	2.17	1.92
	2023	21,595	19,633	2.08	1.90
Subsidiary	Year	Average standard salary of grass-roots personnel		Average standard salary of grass-roots personnel/local minimum salary	
		Male	Female	Male	Female
Jiujiang	2021	23,224	19,920	3.11	2.67
	2022	22,681	20,255	2.97	2.65
	2023	25,462	25,881	3.35	3.41

Note: 1. The Company defines "important operation sites" as the operation boundaries disclosed in this report.

2. The Company determines the salaries of employees and other workers with reference to the basic salary announcement of the Ministry of Labor for the year to ensure that they are not lower than the basic salary.

Grass-roots personnel of 3.: including the Company's direct personnel with the title of technician, technician and dispatched operator (the basic salary is the lowest salary standard personnel).

Standard salary of 4.: including basic salary, food allowance and other regular salaries (basic salary + full attendance bonus + food allowance).

The 5. is based on the average annual exchange rate of the Bank of Taiwan, which is 4.32, 4.41 and 4.39 in 2021-2023.

6. that the minimum monthly salary of the subsidiary in Shenzhen from 2021 to 2023 is RMB2,130 (NTD 9,202), RMB2,360 (NTD 10,408) and RMB2,360 (NTD 10,360) respectively.

7. that the local minimum monthly salary of the subsidiary in Jiujiang from 2021 to 2023 is RMB1730 (NTD7,474) and RMB1730 (NTD7,629) respectively yuan), 1730 yuan (NT 7,595 yuan).

Comprehensive Benefits Package

Talent is the Company's most cherished important asset. Airmate carefully cultivates, cherishes and cares for every employee, so that employees can achieve a balanced development in work, life and leisure. The Company also upholds profit-sharing and a robust performance evaluation system to craft its compensation policies, ensuring a comprehensive welfare system. Key welfare components encompass bonus structures (encompassing performance bonuses and holiday bonuses/gifts), insurance packages (including endowment insurance, unemployment insurance, medical insurance, maternity insurance, work-related injury insurance, and housing provident fund), recreational offerings (such as company-wide annual events and activities organized by the union), policy provisions (like a one-day off per week, flexible work hours, special leave/annual leave, paternity leave, and parental leave), and support categories (covering wedding/funeral celebration packages, maternity allowances, health check-ups, year-end bonuses, retirement benefits, and employee training), among various others, across these five major categories.

▼ Airmate's employee benefits measures

Five Major Benefits Categories	Benefits Measures
Bonus	<ol style="list-style-type: none"> In-service employees can receive a maximum wedding red envelope of approximately NT\$2,000. Female employees are entitled to a nutrition subsidy of approximately NT\$2,000 for their first childbirth. In the event of the death of a direct relative of an in-service employees, the union provides a condolence payment of approximately NT\$400. For in-service employees who have their birthdays during the month, birthday cakes are offered or birthday celebrations are organized.
Insurance	<ol style="list-style-type: none"> Comply with the labor insurance system of the local government Offer social insurance, housing provident fund, work injury insurance, endowment insurance, medical insurance, unemployment insurance, maternity insurance, etc.
Leisure	<ol style="list-style-type: none"> Organize regular employee trips to promote employee relationship building Organize basketball games, badminton games, table tennis games, fishing competitions, walking events, knowledge contests, Chinese New Year lucky draw, and cultural performances, as well as establish a large employee entertainment facility - Staff Home.
Institution	<ol style="list-style-type: none"> Provide employees with paid annual leave, marriage leave, (paternity) leave, maternity leave, parental leave, bereavement leave, and sick leave in accordance with laws and regulations
Subsidy	<ol style="list-style-type: none"> Provide employees with various subsidies for marriage, funeral, joyous occasions, and celebrations Provide employees with dorminatories rooms and implement classified management, with a total of 3 buildings and 251 rooms Offer clean meals and allow the local union to oversee and review matters related to employee meals Offer various training programs, including training for new employees, on-the-job training (OJT), management training, online training, and management trainee development programs

Staffbirthday party activities

Airmate holds a collective birthday party for employees every quarter. At this beautiful moment, the company prepares delicious cakes, refreshments and fruits for the birthday people. At the same time, the trade union also sent a warm gift to the birthday girls to express their care and attention to the employees. The birthday girls who received the gift were all smiles. Every happy moment at the activity site was deeply imprinted in the hearts of the employees, and they were particularly moved.



Retirement System

Airmate complies with local regulations and adheres to the old retirement pension regulations stipulated in the Labor Standards Act. According to the Act, retirement reserves are allocated on a monthly basis and supervised by the Company's Labor Retirement Reserve Supervisory Committee. These reserves are deposited in the Bank of Taiwan under the committee's name, and the committee is responsible for managing income and expenses, as well as custody and utilization. Employees eligible for the new retirement pension system under the Enforcement Rules of the Labor Pension Act will have retirement pension contributions deducted by the Company at a rate of 6% of their monthly salary. These deductions are based on the monthly salary classification table approved by the Executive Yuan and are deposited into the individual retirement pension account established by the employee at the Labor Insurance Bureau. Subsidiaries located within China shall comply with its local laws and regulations. A portion of the total employee salary is allocated to the relevant government department as endowment insurance, which is then deposited into individual employees' independent accounts.

▼ Comparison of Airmate Retirement Pension System with Others


Pension System	The old pension system under the Labor Standards Act	The new pension system under the Enforcement Rules of the Labor Pension Act	The endowment insurance under China's Social Security System
Allocation Method	Retirement reserves are allocated on a monthly basis and supervised by the Company's Labor Retirement Reserve Supervisory Committee, with deposits made in the name of the Committee into the Bank of Taiwan.	The Company deducts retirement pension contributions at a rate of 6% of their monthly salary. These deductions are based on the monthly salary classification table approved by the Executive Yuan and are deposited into the individual retirement pension account.	A portion of the total employee salary is allocated to the relevant government department as endowment insurance, which is then deposited into individual employees' independent accounts.

The total amount of expenses recognized by Airmate Group for the confirmed appropriation plan in 2023 is approximately NT 52,995 thousand. Prior to the end of each year, Airmate shall estimate the balance in the special account of the aforesaid labor retirement reserve fund. If the balance is insufficient to pay the amount of pension calculated in accordance with the foregoing for the workers who are expected to meet the retirement conditions in the next year, the difference shall be appropriated in a lump sum by the end of March of the next year.

Employee Career Development

Employees are the most important cornerstone of an enterprise and the source of its competitiveness. Airmate continues to stimulate the personal potential of employees and enhance their knowledge through employee training policies and educational training. Through cooperation with schools and training institutions, employees are encouraged to upgrade their academic qualifications and professional skills, so as to bring a good learning atmosphere to the workplace environment, thereby improving the overall business performance of the company and achieving the company's operational objectives.

▼ Management of Airmate's Major Theme "Talent Cultivation" in 2023

Material Topic	Talent cultivation
Impact assessment	<p>Front:</p> <ul style="list-style-type: none"> • Good talent cultivation can enhance the qualifications of employees, improve the market competitiveness of the company, and excellent talents can encourage the workplace to grow together and employees to grow together. <p>Negative:</p> <ul style="list-style-type: none"> • The loss of outstanding talents makes the company's production work without sufficient human resources, and the company can not operate.
Corresponding GRI indicator	GRI 404-3 Percent of Employees with Regular Performance and Career Review
Relevant SDGs	
Policies or Commitments	Airmate takes talent cultivation as the foundation of the enterprise, regularly provides functional refresher courses for employees, encourages employees to share and exchange internal and external knowledge, and creates a positive working environment.
Indicators and Objectives	<p>Increase the average hours of overall education and training year by year, and provide internal and external training courses that meet the different functions of employees every year.</p> <ul style="list-style-type: none"> • Short-term goal: plan and provide internal and external training courses that meet the different functions of employees every year. • Medium-term goal: to improve the average hours of education and training of the Group year by year according to market changes and employee needs. • Long-term goal: to improve the average hours of education and training of the Group year by year according to market changes and employee needs.
Effectiveness Tracking Mechanism	To promote on-the-job training (OJT), the Human Resources Department formulates a training course plan every year to enhance the competitiveness of talents.
Annual Actions and Achievements	<ul style="list-style-type: none"> • In 2023, the Group's total hours of education and training reached 132,340 hours, with an average of 18.1 hours per person. • In 2023, a good working atmosphere will be created through the activities of "assiduously studying technology and striving for post success" organized by various departments. • We attach great importance to the career development of our employees and have planned a complete performance appraisal system for our employees. In 2023, the performance appraisal of our employees reached 100%.

Airmate's Six Major Policies for Employee Training

Employee cultivation and development	New employee training	On-the-job training	Management training	Online training	Development of management trainees
--------------------------------------	-----------------------	---------------------	---------------------	-----------------	------------------------------------

The measures to implement the staff training policy are as follows:

- Employee cultivation and development:** In 2023, the total training hours for the group reached 132,340 hours, with an average of 18.1 hours per person. The training courses covered topics such as first aid and disaster prevention training, on-boarding training for new employees, on-the-job skills training, department-specific professional skills, and general management training.
- New employee training:** After the new employees join the Company, they will be guided and led by the commissioner of the HR Department. In addition to familiarizing the new recruits with the working environment, it also strengthens their recognition and understanding of the Company. Various departments also organize basic training courses for new recruits to help them acquire essential job-related knowledge. This training includes topics such as company introduction, the organizational structure, the employee handbook, environmental protection, quality and environmental policies, company rules and regulations, salary and benefits, education and training, performance appraisal, production safety and health, 6S, quality assurance, and various related systems.
- On-the-job training (OJT):** The HR Department creates a training course plan for the upcoming year at the end of each year. The plan encompasses both internal and external training courses for the Company. Internal training courses can be conducted by in-house instructors or external experts hired for specific topics, including professional skill knowledge and techniques, machine operation, and more. For the external training part, professional institutions will be appointed to assist in the training as required.
- Management training:** The Company arranges various management skills training for each level of executives according to their characteristics, and establishes a team's common vision and business consensus.
- Online training:** The Company's WeChat office platform features an online training system accessible to all company employees upon registration. The courses are designed to cater to various position-specific needs and are categorized into management, technology, finance, information, quality control, and more.
- Development of management trainees:** To meet the Company's talent needs and enhance personnel quality continuously, creating business pioneers aligned with the Company's requirements and professionals who embrace the Company's culture, industry-university collaboration will establish a talent pipeline to ensure the Company's future sustainable development.

▼ Airmate Employee Training in 2023

Employee category	Calculation method	Male	Female	Subtotal
Supervisor	Total Number of Employees during the Reporting Period (A1)	43	15	58
	Training Hours during the Reporting Period (B1)	2,779	1,032	3,811
	Average Training Hours during the Reporting Period (B1/A1)	64.6	68.8	65.7
General Employee	Total Number of Employees during the Reporting Period (A2)	4,593	2,674	7,267
	Training Hours during the Reporting Period (B2)	81,035	47,494	128,529
	Average Training Hours during the Reporting Period (B2/A2)	17.6	17.8	17.7
Total	Total Hours during the Reporting Period (Q)	83,814	48,526	132,340
	Total Number of Employees at the End of the Reporting Period (R)	4,636	2,689	7,325
	Average Training Hours per Employee (Q/R)	18.1	18.0	18.1

- Note: The total number of employees is calculated based on the number of training sessions attended by all employees during the reporting year (including training sessions attended by employees who have become regular employees but have since left the Company, as well as training sessions attended by newly hired employees at the time of the statistics).
- The training hours during the reporting period include the education and training hours for new employees.

▼ Management and Participation of Employee Training Courses of Airmate Jiujiang Company in 2023

Training category	Course name	Number of participants	Average hours of training
Training of new personnel	Training for new employees (including non-ordinary operators and dispatched workers) in the Employee Code (Third Edition): Company rules and regulations (employee rules), attendance related system, salary related system, dormitory management regulations, consumption card related regulations, safety production education and training, fire safety knowledge training, etc.	5,483	4
Internal training	On-the-job training of employees (skills training/cross-training or certification)	120	3
	Management and Comprehensive Ability Improvement Training for Management Cadres of Manufacturing Department in 2023	53	32
External training	Government Advocacy Training on Drug Resistance and Healthy Life	33	1
	CCC Products Jiujiang Factory Warranty Capacity Improvement	33	9
	Electric Stacker Operator Training	91	3
	First aider training	55	1
	Fire drill training	750	1
	Traffic safety training	20	1
Level II and III training	Internal training courses for in-service, transfer and special vacancy personnel of each department: Security threat awareness training (enterprise anti-terrorism awareness training), pest pollution identification training, integrated pest control knowledge training, 13-point inspection training, information security awareness training, quality and environment and occupational health and safety management system training, social responsibility training (SA8000 standard), and related knowledge training on insider trading prevention.	11,441	28

▼ Management and Participation of Employee Training Courses of Airmate Shenzhen Company in 2023

Training category	Course name	Number of participants	Average hours of training
Training of new personnel	20 training sessions for new employees (including non-ordinary operators and dispatched employees)	557	16
Internal training	First responder training	81	1
	Job transfer training for staff of motor section	69	16
	TRIZ Innovative Design Training	47	45.5
	Reliability design training	45	65

Training category	Course name	Number of participants	Average hours of training
	Transfer training for surplus plastic personnel	30	12
	TRIZ Internal Training Class 2	12	11
	TRIZ Internal Training Class 1	14	2
	Safety knowledge training	45	3
	Metrology related knowledge training	7	1
	Electromagnetic Compatibility (EMC) Training	37	1.5
External training	Conflict/Confrontation Scenarios and Resolving Skills in Human Resource Management	2	3
	Training and certification of measurement qualification certificate	1	20
	Training of elevator operators and maintenance personnel	3	9
	Special Equipment (Elevator) Administrator Certificate	1	144
	Establishment and operation of enterprise talent training system	2	8
	Construction of talent cultivation system	2	4
	Cost Reduction Training (I)	2	4
	Cost Reduction Training (2)	4	4
Level II and III training	Internal training for on-post, job-transfer and special post personnel of each department	22, 135	1.0

▼ TRIZ Innovative Design and Reliability Design Training



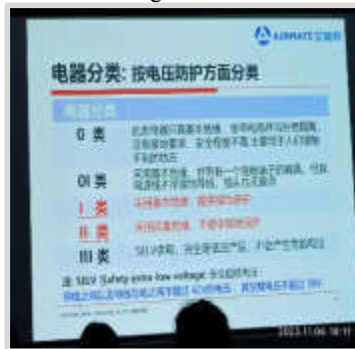
▼ Training summary, the chairman and special assistant award certificates to outstanding trainees





▼ TRIZ internal training, employees carefully discuss and analyze the actual case

▼ Internal training of safety regulations to train employees to be alert in case of emergencies



▼ Internal training for measuring personnel, so that they can accurately judge and measure in their work.

▼ Anti-fraud training to enhance employees' awareness of money to prevent property losses



Performance and Career Development


In 2023, the performance review of the Company's supervisors and general staff reached 100%. For a long time, we have attached great importance to the career development of employees, planned a complete promotion and salary system and regularly implemented the performance appraisal of employees. Employees who have been in the company for three months will have two interviews every year to discuss and assess their job performance, their own career or further education planning. According to the assessment results, it links human resource management operations such as salary adjustment, promotion, reward and transfer, so as to improve organizational function management and human resource development.

▼ Airmate Employee Performance Review in 2023

Employee category	Calculation method	Male	Female	Subtotal
Supervisor	Total number of employees at the end of the reporting period (A1)	63	17	80
	Number of employees regularly reviewed for performance and career development (B1)	63	17	80
	Percentage (B1/A1)	100%	100%	100%
General staff	Total number of employees at the end of the reporting period (A2)	1,320	960	2,280
	Number of employees regularly reviewed for performance and career development (B2)	1,320	950	2,280
	Percentage (B2/A2)	100%	100%	100%
Total	Total number of employees at the end of the reporting period (R)	1,383	977	2,360
	Total number of employees regularly reviewed for performance and career development (Q)	1,383	970	2,360
	Proportion of employees regularly reviewed for performance and career development (Q/R)	100%	100%	100%

Occupational Safety and Health

▼ Management of Airmate's Major Theme "Occupational Safety, Health and Wellness" in 2023

Material Topic	Occupational safety, hygiene and health
Impact assessment	<p>Frontal impact:</p> <ul style="list-style-type: none"> A safe and healthy workplace environment can improve the job satisfaction of employees and promote the retention of outstanding talents. <p>Negative impact:</p> <ul style="list-style-type: none"> Imperfect OSH management has threatened the safety of employees, caused a large number of brain drain, and also caused environmental and community impact.
Corresponding GRI indicator	GRI 403: Occupational Safety and Health 2018
Relevant SDGs	
Policies or Commitments	Airmate follows the principles of occupational safety and health management system, abides by the relevant laws and regulations of occupational safety, reduces the risk of occupational hazards of employees, and creates the best workplace environment.
Indicators and Objectives	<p>Short-term goals:</p> <ul style="list-style-type: none"> Continuously pass OSH management system (ISO 45001) verification. <p>Medium-term objectives:</p> <ul style="list-style-type: none"> Expand the number of participants and course hours of occupational safety training, and effectively reduce the frequency of occupational accidents. <p>Long-term goals:</p> <ul style="list-style-type: none"> Every year, safety knowledge contests, fire drills, evacuation drills and other related activities are held continuously to raise staff's awareness of prevention.
Effectiveness Tracking Mechanism	<ul style="list-style-type: none"> Guide to the safety and health management system (ISO 45001) Identify and assess potential crises and establish preventive mechanisms through the Airmate Group Code of Conduct Establish a daily inspection and Effectiveness Tracking Mechanism to improve and adjust the aspects related to safety and occupational health on site.
Annual Actions and Achievements	<ul style="list-style-type: none"> In 2023, a total of 20,155 people participated in the occupational safety training of the whole group, totaling 30,922.5 hours. In 2023, Airmate Jiujiang Company and Shenzhen Company held a safety knowledge contest to improve employees' safety awareness and self-protection ability. In 2023, it has completed the elimination of painting workshops and noise stamping workshops to eliminate occupational hazards. In 2023, Airmate Jiujiang Company and Shenzhen Company held a fire fighting drill and evacuation drill respectively to raise the safety awareness of employees. In 2023, there was no case of occupational disease among the fourth-level health managers of the Company who had abnormal physical examination items due to special operations. Airmate Jiujiang Company has set up Airmate Medical Service Station in Xiangyang Hospital, Affiliated Hospital of Jiujiang College, equipped with two doctors and nurses to ensure the basic medical care of employees. In 2023, Airmate Jiujiang Company carried out free heart rate and blood pressure screening activities for all employees to ensure their physical and mental health and reduce the risks in their work.

In order to implement the safety and health management structure of the Company, Airmate has obtained the ISO 45001:2018 Occupational Safety and Health Management System Certification in its major production bases in Shenzhen and Jiujiang, China. Through the management spirit of planning, execution, checking and action, Airmate has achieved the goal of preventing accidents, promoting the safety and health of employees and protecting the company's assets. The workplaces covered by the occupational safety and health management system were Shenzhen Company and Jiujiang Company, which regulated the production activities of household appliances (electric fans, electric heaters, ventilators and small household appliances) and their related workers, covering 2,360 employees (accounting for 97%), 83 non-employees (accounting for 3%) and 100% of workers, without excluding specific workers.

Airmate is committed to actively building a safe working environment, preventing occupational injuries and diseases, maintaining the physical and mental health of employees, and deepening the awareness, responsibility and cultural shaping of all employees on environmental protection, safety and health.

▼ Workers covered by the Occupational Safety and Health Management System

Factory area	Number of employees	Number of non-employees
Jiujiang Company	1,130	47
Shenzhen Company	1,230	36
Total	2,360	83
Proportion	97%	3%

Safety and health management of hardware facilities	In addition to adopting regulations and internal standards that comply with environmental protection, safety and health risks when building and expanding factories, Airmate has also established safety control procedures for new machines and raw materials, approval of the use of machine installation, modification of safety rules and anti-seismic facilities.
General Safety Management, Training and Audit	Airmate holds regular monthly meetings of the Environmental, Safety and Health Committee, and takes a number of preventive measures, such as the management of high-risk operations, the requirement of personal protective equipment and the management of safety audits. In addition, the Company continues to conduct complete disaster response procedures and regular drills to minimize the social and environmental impact of the loss of employees and company assets. In 2023, a total of 20,155 people participated in the whole group, totaling 30,922.5 hours.

Airmate has set up standards for occupational safety, emergency preparedness, work-related injuries and occupational diseases, industrial hygiene, manual work, machine protection, health and safety information, etc. Through the self-formulated Code of Conduct of Airmate Group, Airmate protects the health of employees and the safety status of the workplace by identifying and assessing potential crises and establishing preventive mechanisms, and improves the safety awareness of employees through regular training.

▼ Airmate Group Code of Conduct

Occupational Safety	<ul style="list-style-type: none"> ● Comply with regional work safety requirements ● By implementing appropriate design, engineering and administrative controls, protective maintenance, safe operating procedures, and ongoing safety training, we can identify, assess, and control safety hazards in the workplace. ● Provide employees with appropriate protective equipment ● Take appropriate measures to keep pregnant women or employees with breastfeeding needs away from highly hazardous work environments
Emergency Readiness	Develop procedures and systems to prevent, manage, track, and report occupational diseases and industrial illnesses, including encouraging employees to report, classifying and documenting cases, providing necessary treatment, investigating cases, implementing corrective measures to eliminate them, and assisting employees in returning to their work positions
Occupational Injuries and Occupational Diseases	<ul style="list-style-type: none"> ● Reduce potential risks by implementing design, engineering, and administrative controls; evaluate and monitor the impact of employees' exposure to chemical, biological, and physical agents ● Provide employees with appropriate protective equipment
Industrial Hygiene	Identify, evaluate, and manage the impact of employees engaging in physical labor work
Physical Labor Work	Evaluate and prevent hazards caused by machinery equipment; provide employees with physical protective devices, interlocking devices, and safety barriers
Mechanical Protection	<ul style="list-style-type: none"> ● Conduct occupational health, safety, and training; identify hazardous conditions in the workplace ● Health and safety information should be prominently displayed and made available in the workplace. Regular training sessions should be provided both before and after work.
Health and Safety Information	Develop procedures and systems to prevent, manage, track, and report occupational diseases and industrial illnesses, including encouraging employees to report, classifying and documenting cases, providing necessary treatment, investigating cases, implementing corrective measures to eliminate them, and assisting employees in returning to their work positions

Occupational Safety and Health Committee

The responsibility of the Safety and Health Committee is to improve the safety and health management standards and achieve the safety management objectives through planning, implementation, evaluation and improvement of the occupational safety and health environment. A production safety meeting shall be held on a monthly/annual basis to discuss topics such as how to identify and eliminate hazards, risk assessment, accident investigation and audit, formulation and management of audit standards for contractors and suppliers, etc.

In order to protect the rights and interests of employees, the company has set up a safety and health committee in accordance with the requirements of the Occupational Safety and Health Management Measures. The safety and health committee of Jiujiang Company has a total of 1 member, 2 medical staff, 3 engineering and technical personnel related to occupational safety and health, and 5 supervisors, supervisors and commanders of the department. Among them, there are 42 labor representatives, and the proportion of labor representatives is more than one third. The Safety and Health Committee of Shenzhen Company has a total of 25 members, including 2 full-time administrators, 6 medical personnel, 2 engineering and technical personnel related to occupational safety and health, and 2 supervisors, supervisors and commanders of the department, including 1 labor representative, and the proportion of labor representatives is less than one third.

OSH education and training

In order to enable employees to work in a healthy and safe working environment, Airmate regularly organizes safety training for new employees and contractors and refresher training for in-service employees, so that employees can learn the necessary safety knowledge at work. In order to avoid the recurrence of similar accidents, the Company also regularly conducts accident education and training, and understands the true causes of accidents through accident investigation and analysis, so as to reduce industrial safety accidents and strengthen the health and safety of employees. In addition, we organized a number of safety knowledge contests, fire escape and fire drills and other fire safety training to enhance the self-protection ability of employees, and won the award of excellent enterprises in the region. In 2023, a total of 20,155 people participated in the occupational safety training of the whole group, totaling 30,922.5 hours.

▼ Airmate 2023 Personnel Occupational Safety and Health Training

Worker category	Training category	Training Course 2023	Course hours	Number of participants	Total training hours
New Employees	General training	Safety production education and training	1	5,483	5,483
	General training	Fire safety knowledge training	1	5,483	5,483
	General training	Production Safety and Occupational Health Education	2.5	799	1,997.5
	Specific training	Specialized Job Training	16	19	304
In-service Employees	General training	Quality, environment and occupational health and safety management system training	2	6,095	12,190
	General training	Production Safety and Occupational Health Education	2.5	1,230	3,075
	Specific training	Specialized Job Training	16	49	784
	Specific training	Fire drill training	1	750	750
	Specific training	Traffic safety training	1	20	20
	Specific training	First aider training	1	55	55
Service Contracting Company	General training	Production Safety and Occupational Health Education	2.5	146	365
	Specific training	Specialized Job Training	16	26	416
Total			62.5	20,155	30,922.5

Fire evacuation and extinguishing drills

Based on the fire prevention policy of "safety first, prevention first, combination of prevention and elimination" and the idea that "hidden dangers are more obvious than open fire, prevention is better than disaster relief, and responsibility is heavier than Mount Tai", Jiujiang Company organized fire fighting drills and fire evacuation drills for employees in June and December 2023, so that all employees of the company could understand the basic knowledge of fire protection. Improve safety awareness, enhance self-protection ability, master emergency response and escape skills for sudden fire, learn to extinguish fire and evacuate personnel and property in an orderly manner, so as to ensure the safety of employees and company property.

▼ Fire escape and fire drill



Fire safety training

Fire safety is the top priority in business operations, and both full-time firefighters and part-time firefighters are participants in the fire prevention efforts of the organization. By organizing training for part-time firefighters, the fire safety awareness and emergency rescue skills of the part-time firefighters have been enhanced, achieving the goal of disaster reduction, rescue, and elimination.

▼ Fire drills to enable employees to respond immediately in case of fire



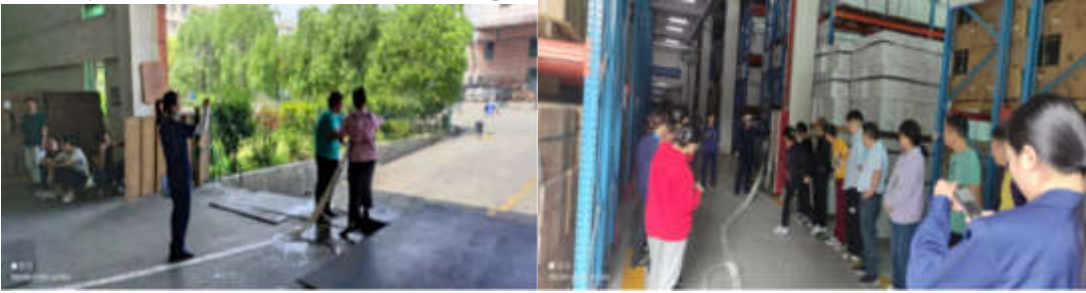
▼ Fire safety project training site photos



▼ Airmate Firefighters Participate in Fire Safety Knowledge External Training Course



▼ Fire hydrant and fire hose in actual simulation operation room



Occupational Safety Hazard Risk Control

According to the accident records of occupational hazards, Airmate Jiujiang Company conducts hazard identification analysis and sets risk levels. Common types of occupational safety hazards include hazardous chemicals, dust and noise. We will conduct occupational hazard education and training for operators involved in the post and conduct emergency response drills for hazardous chemicals leakage every six months. Occupational health examination and personal protective measures shall be carried out. Risk factors of occupational safety hazards have been identified, and corresponding preventive and corrective measures have been taken.

If the worker believes that the working environment may cause injury or illness, he may apply to the immediate supervisor for transfer to another position, and protect the worker from intimidation, threat or termination of employment contract in accordance with the Employee Code formulated by the company.

According to the accident records of occupational hazards, Airmate Shenzhen Company conducts hazard identification analysis and sets risk levels. Common types of occupational safety hazards include noise, dust, radiation, etc. We will conduct occupational health knowledge, occupational disease prevention education and training, and semi-annual escape emergency response drills for operators of injection molding machines and granulating machines. Protective measures such as regional isolation, dust and toxic collection and treatment, and regular detection of environmental hazards should be taken.



▼ Hazard identification, analysis and protective measures of Airmate's occupational safety and health management

Hazard identification	Hazard analysis	Risk level	Protective measures
Poisoning, fire	Storage and use of hazardous chemicals	4	<ul style="list-style-type: none"> Operate and control the fire source according to the hazardous chemical management system Wear gas mask and antiseptic gloves Safety signs shall be posted in the area, and safety education, training and propaganda shall be carried out
Fire, fall from height, industrial accident	External construction	4	<ul style="list-style-type: none"> Work with certificates, strengthen safety protection measures, and assign special personnel to supervise the operation Set up a warning line and post safety tips and warning signs on the site
Eye injury caused by foreign body	Use/push protection of grinding machine, grinding machine and cutting machine	4	<ul style="list-style-type: none"> Install the protective baffle and operate according to the operating procedures. Strengthen protection and wear sun protection glasses Safety signs shall be posted in the area, and safety

Hazard identification	Hazard analysis	Risk level	Protective measures
			education, training and propaganda shall be carried out
Mechanical injury	<ul style="list-style-type: none"> • Pneumatic press operation/maintenance • Die lifting operation/die test • Injection molding machine operation/care and maintenance 	4	<ul style="list-style-type: none"> • Install the protective baffle and operate synchronously with both hands according to the operating procedures. • Wear earplugs, sleeves, gloves • The crown block shall be employed with certificate and operated in a standardized manner. • Wear safety helmet and anti-smashing safety shown • Use auxiliary tools during operation • Periodical maintenance of crown block • Safety signs shall be posted in the area, and safety education, training and propaganda shall be carried out
Pneumoconiosis, noise and occupational disease	<ul style="list-style-type: none"> • Operation/Care and Maintenance of Extractor/Cutter • Operation/maintenance of mixer and mixer 	4	<ul style="list-style-type: none"> • Regularly clean the fine dust in the exhaust duct • Adopt isolation measures, wear dust masks and earplugs • Safety signs shall be posted in the area, and safety education, training and propaganda shall be carried out
Noise, sound, occupational disease	Ultrasonic welding	4	<ul style="list-style-type: none"> • Adopt isolation measures and wear earplugs • Safety signs shall be posted in the area, and safety education, training and propaganda shall be carried out

In order to reduce the harm of noise, dust and vibration to employees in the working environment, Airmate rectifies the identified occupational hazards, corrects employees' incorrect use of protective equipment in time, strengthens production safety protection, and prevents the occurrence of industrial accidents and occupational diseases. If the worker believes that the working environment may cause injury or illness, he may apply to the immediate supervisor for transfer to another position, and protect the worker from intimidation, threat or termination of employment contract in accordance with the relevant provisions of the Occupational Health Management System formulated by the company.

▼ Airmate updates the following protective measures in 2023

Work content	Protective measures
Improvement of Occupational Disease Prevention for Polisher	Replace regular gloves with shock absorbing gloves
Rectification of dust collection system in crushing room and mixing room	Repair the dust sedimentation tank or connect it with the dust collection system in the workshop
Hazardous chemical warehouse rectification project	Transform the spreader incineration room into a warehouse for hazardous chemicals
Explosion-proof cabinet for placing dangerous chemicals shall be set up in the plastic cabinet and assembly section	Please purchase the explosion-proof cabinet
Maintenance of air treatment system in plastic workshop and granulating workshop	Outsourcing of air handling system
Airmate 4th Qiangang Cup Safety Knowledge Competition	Full participation in learning safety knowledge

▼ Carry out annual monitoring and evaluation of the workplace and make effective improvement

检测任务编号: Z230036

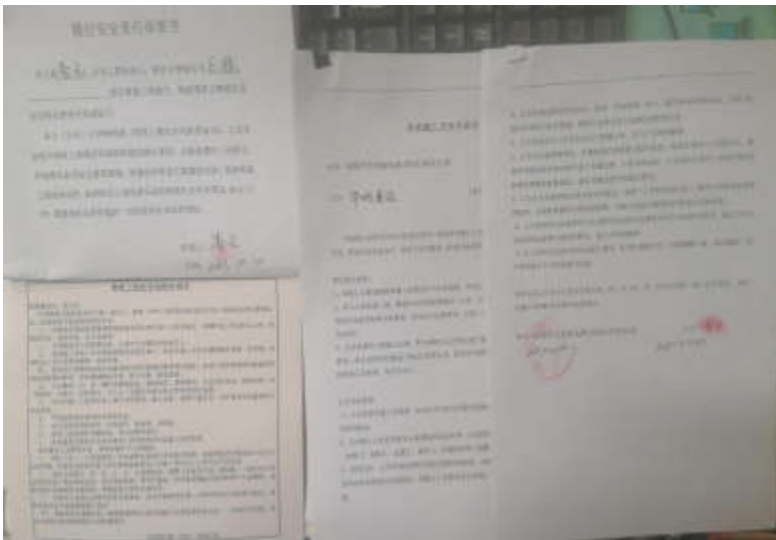
检测与评价报告

用人单位(委托单位): 艾美特电器(深圳)有限公司
检测类别: 定期检测
报告编号: WP230025

深圳致信检测技术有限公司
2023年05月10日

Management Methods for Occupational Safety and Health of Contractors

Airmate supervises and manages contractors for external operations, and requires contractors to sign safety management agreements such as the Letter of Commitment for Fulfilling Safety Responsibilities according to the Notice of Safety Risks of Sporadic Projects, so as to clarify the safety responsibilities and obligations of both parties and ensure construction safety.



Emergency treatment of occupational accident

In 2023, Airmate had two accidents, namely, a falling well accident and a traffic accident. In response to the emergency treatment of occupational accidents, the company should set up an accident investigation team to clarify its responsibilities and powers in accordance with the second-level enterprise standards in the Grading Measures for the Standardization Construction of Enterprise Safety Production. We investigate the accident scene or cooperate with the superior department to investigate the accident, understand the cause and process of the accident, and determine the responsibility attribution. The accident investigation shall find out the time, course, cause, casualties and direct economic losses of the accident. The accident investigation team shall analyze the direct and indirect causes of the accident and the responsibility for the accident according to the relevant evidence and data, put forward corrective measures and handling suggestions, and prepare the accident investigation report. At present, corresponding measures and improvement measures have been taken to prevent the recurrence of similar accidents and improve safety awareness and protective measures.

▼ Accident investigation process

The accident happened	After the occurrence of major occupational hazards, it shall be reported to the labor safety office and the superior supervisor immediately, and the contractor shall notify the supervision unit by telephone within 30 minutes, and notify the fire control unit and the medical unit for support in accordance with relevant regulations. In case of major occupational hazards, it shall be notified to the local labor inspection agency within 8 hours. In accordance with Article 18 of the Occupational Safety and Health Act, we also protect the right of workers to withdraw, and strengthen the promotion of relevant rights in the education and training of new employees to ensure that personal health and safety are the first priority under any circumstances.
Trace the cause of the incident	After the occurrence of major occupational hazards, the labor safety office shall set up an "occupational hazard investigation and handling team", with the person in charge of each unit or the designated person as the convener, and go to the scene to investigate and check together with the department head. After submitting the "accident prevention report" to the general manager, the labor safety office shall convene a review meeting of the major occupational hazard investigation report within one week, with the person in charge of occupational safety and health as the convener. All department heads and labor representatives shall be invited, and the labor safety office shall explain the process and treatment of major occupational disasters.
Matters to be improved after incident review	According to the improvement items in the incident investigation and analysis report proposed by the "Occupational Accident Investigation and Handling Team", each unit shall list and track the control until the improvement is completed, and conduct a comprehensive review of the improvement to prevent the recurrence of similar incidents. The scene of a major occupational accident shall be photographed and documented, together with the investigation report, and sent to the labor safety office as a case teaching material for education and training, so as to prevent the recurrence of similar incidents.

Statistics and Analysis of Occupational Injury Accidents

In 2023, the total working hours of Airmate employees were 7,172,610, and the annual recordable occupational injury records were 8, with a rate of about 1.08%, which was 0.37% lower than that in 2022. The number of serious occupational injuries was 0, and there was no case of death caused by occupational injuries. According to the analysis of the annual accident categories, the number of occupational injuries caused by mechanical injuries (injury category) is the largest (accounting for 100%). We will strengthen the training and on-site safety production supervision means, publicize the emergency measures in case of mechanical failure, and continue to strengthen the safety supervision system.

▼ Statistics of Occupational Injuries of Airmate Workers in Recent 3 Years

Year	2021		2022		2023	
	Staff	Non-employee	Staff	Non-employee	Staff	Non-employee
Worker type						
Total elapsed hours	8,219,741	3,154,863	7,079,731	1,791,993	6,307,496	1,052,123
Death toll	0	0	0	0	0	0
Mortality	0	0	0	0	0	0
Number of serious occupational injuries	0	0	0	0	0	0
Serious occupational injury rate	0	0	0	0	0	0
Number of recordable occupational injuries	13	4	9	4	5	3
Recordable occupational injury rate	1.58	1.26	1.27	2.32	0.79	2.85
Type of injury	Human-induced/mechanical injury	Human-induced injuries/Other injuries	Human-induced/mechanical injury	Human-induced injuries/Other injuries	Mechanical injury	Mechanical injury/Other injuries

Note:

- Occupational injuries refer to accidental injuries that occur to workers in the performance of their duties or in the workplace. The statistical basis does not include commuting disasters. Total experienced working hours: calculate the total annual working hours of all workers; calculate the total actual working hours and overtime hours of employees; estimate the annual data of non-employees (contracted workers and dispatched workers) based on 8 hours per day × (number of workers entering the factory per month × number of working days per month). Serious occupational injury: refers to the injury (excluding death) that results in disability or cannot be restored to the pre-injury health state within 6 months due to occupational injury.
- Mortality rate = number of deaths caused by occupational injuries ÷ total working hours experienced × 1,000,000

3. Rate of serious occupational injuries = number of serious occupational injuries ÷ total working hours experienced × 1,000,000
4. Recordable occupational injury rate (Total Recordable Injury Frequency Rate, TRIFR) = number of recordable occupational injuries (including number of serious occupational injuries, number of deaths, and number of other recordable occupational injuries) × 1,000,000 ÷ total experienced man-hour
5. 4 ~ 6 point ratio calculation method: calculate to 2 digits after the decimal point without rounding.
6. The rate of 1,000,000 hours is the number of occupational injuries per 500 full-time workers in a year, based on the assumption that full-time workers work 2,000 hours a year (appropriate for organizations with more than 500 people).

▼ Statistics of frequency and severity of disability injuries among Airmate workers in recent 3 years

Year	Worker type	Injury due to disability While the number of working days lost	Frequency of disabling damage (FR)	Severity rate of disability injury (SR)	Aggregate Injury Index (FSI)
2021	Staff	1,421	1.14	125	0.38
	Non-employee	208	0.56	29	0.13
2022	Staff	1,347	5.02	752	1.94
	Non-employee	22	0.45	2	0.03
2023	Staff	827	0.79	131	0.32
	Non-employee	149	2.85	142	0.64

Note:

1. Number of working days lost: number of days unable to work (number of days off); the calculation basis includes occupational injury leave, excluding sick leave and physiological leave.
2. Frequency of disability injury (Disabling Frequency Rate, FR) = number of disability injuries ÷ total working hours experienced × 1,000,000 (calculated to 2 decimal places, not rounded)
3. Disability Injury Severity Rate (Disabling Severity Rate, SR) = Disability Injury Days Lost ÷ Total Experienced Hours × 1,000,000 (rounded)
4. Frequency-Severity Indicator (FSI) = $\sqrt{[(FR \times SR) \div 1,000]}$
5. The rate of 1,000,000 hours is the number of occupational injuries per 500 full-time workers in a year, based on the assumption that full-time workers work 2,000 hours a year (appropriate for organizations with more than 500 people).

Workplace health services

For a long time, Airmate has been actively committed to promoting and paying attention to the healthy environment in the workplace. In order to protect the physical and mental health of workers, the company regularly conducts health examinations for all employees every year, including general health examinations and health examinations for special hazardous operations for special workers, and conducts physical examinations for positions involving occupational hazards and informs them in the labor contract.

▼ Statistics of physical examination items for workers of Airmate

Occupational hazards	Protective measures	Number of physical examinations
Noise	Earplugs or earmuffs	Once a year
Pneumoconiosis	Dust mask	Once a year
Welder pneumoconiosis, lead poisoning, manganese poisoning, electric ophthalmia, radiation disease	Protective mask, protective clothing	Once a year
Neurasthenia, occupational asthma, accompanying liver damage, peripheral nerve damage	Gas mask, protective gloves	Once a year
Chemical pneumonia and pulmonary edema, corrosiveness and irritation	Gas mask, acid and alkali resistant gloves, acid resistant shoes and protective clothing	Once a year

For a long time, Airmate has been actively committed to promoting and paying attention to the healthy environment in the workplace. In order to protect the physical and mental health of workers, the company carries out special health checks for special workers, such as dust, noise and other special checks, and implements hierarchical health management according to law. The results of the physical examination shall be subject to the health education and health follow-up examination by the factory nurse and the specialist of the occupational medicine department, and if necessary, the on-site assessment of suspected work-related diseases may be carried out. Personnel with health management classification above three levels shall be tracked every other annual meeting; The fourth-level managers are provided with health consultation and guidance by the professional physicians of the health center. As of the end of 2023, the total number of fourth-level health managers of the Company with abnormal physical examination items due to special operations is 0. There were no cases of occupational diseases.

▼ Grading of health management for special health examination in recent 3 years (unit: number of people)

Year	Total number of examinees	First-level health manager	Second Level Health Manager	Level 3 Health Manager	Level 4 Health Manager
2021	237	237	0	0	0
2022	143	143	0	0	0
2023	101	101	0	0	0

Note: 1. First-level management: the inspection results are comprehensively judged as normal.

Second-level management of 2.: the inspection result is comprehensively judged as abnormal and has nothing to do with the work.

The third level management of 3.: the examination results are judged to be abnormal comprehensively, but the work relevance can not be determined, and it is necessary to arrange an occupational medical specialist to evaluate.

The fourth level management of 4.: the inspection results are comprehensively judged as abnormal and related to work.

Health Promotion and Care

We hope that our employees can achieve a balance among work, health and life, introduce the spirit of EAPs (Employee Assistance Programs), establish health centers and emergency response centers, employ professional doctors and set up multiple consultation channels. Integrate internal and external professional service resources to help employees solve problems that affect their work performance due to health, family, law and psychology. Employee assistance is targeted to include:

Service System	<ul style="list-style-type: none"> ● Health Center: Airmate Community Health Station (Shenzhen subsidiary); the medical service station of Jiujiang College Affiliated Hospital (Xiangyang Hospital) (Jiujiang subsidiary) ● Emergency Response Center: Airmate Community Health Station
Professional Assistance	<ul style="list-style-type: none"> ● Shenzhen subsidiary's resident physicians: Peng, Shu-Piao, Li, Hui-Chin ● Jiujiang subsidiary's cooperating physician: Yu, Hsu-Yung ● Psychological counseling services: Peng, Shu-Piao
Consultation Channels	<ul style="list-style-type: none"> ● Health consultation hotline: The Community Health Station hotline ● Workplace unlawful conduct, sexual harassment, and feedback hotline: The complaint hotline ● Legal consultation: The Legal Aid Center (Workers' Home)
Event Organization	<ul style="list-style-type: none"> ● Jiujiang Company: badminton, basketball, billiards, chess, fishing competitions and other activities, the opening of summer classes for children of employees, the development of labor skills and knowledge competitions. ● Shenzhen Company: Women's physical training class, Employees' Reading Corner, holiday celebration events, gifts of encouragement, and employee care

In order to ensure the health of employees and enjoy quality basic medical services, Airmate Jiujiang Company signed a medical cooperation agreement with the Affiliated Hospital of Jiujiang University, and established the Airmate Medical Service Station of Xiangyang Hospital of the Affiliated Hospital of Jiujiang University, equipped with two doctors and nurses, to ensure the basic medical care of employees.



Airmate Jiujiang Company carries out free heart rate and blood pressure screening activities for all employees. According to the screening results, professional doctors give professional opinions and suggestions to employees to ensure their physical and mental health and reduce the risks in their work.





Free "Three Highs" Screening and Consultation and Other Free Clinic Activities for Employees by Airmate Community Health Care Staff



▼ Promote the medical knowledge of "Three Volts" to the staff



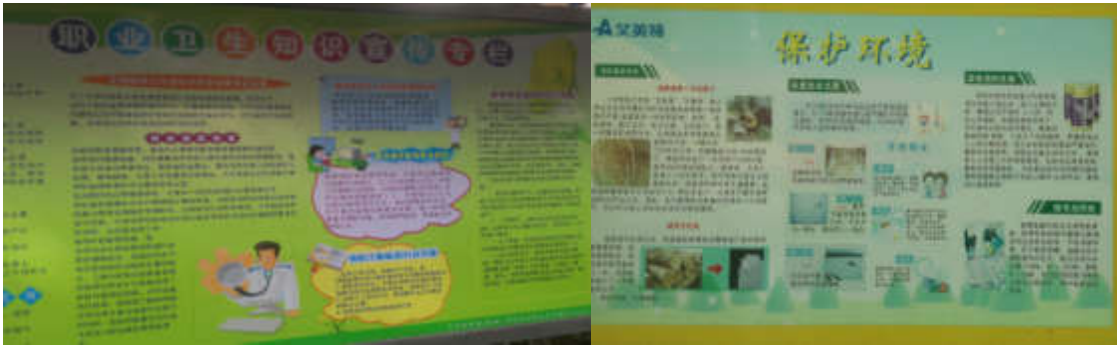
▼ The medical staff of Airmate propagandizes eugenics to the staff.



▼ Provide free physical examination and consultation activities for childbearing



▼ Publicize occupational health knowledge and environmental protection issues on the bulletin board



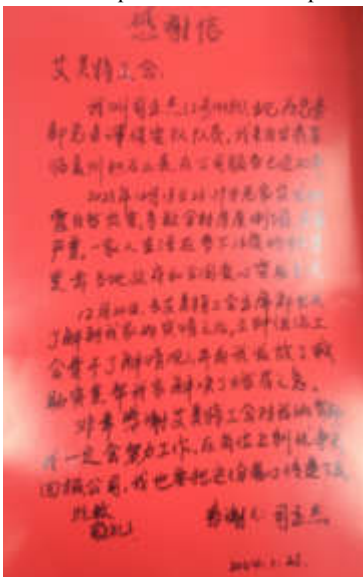
▼ Recognize the hard work of employees through the annual lucky draw



▼ Provide free health checkups to help employees stay healthy



▼ Donate to the hometown of employees who are in trouble due to the earthquake disaster to help them tide over the difficulties.



▼ Condolences to injured employees and practice employee care



▼ Organize employees to participate in reading and sharing activities, and train employees to continuously integrate the spirit of "loving reading, being good at reading, and reading quality books" into their daily life.



▼ Arrange employees to participate in traffic safety knowledge training to enhance traffic safety awareness



▼ Airmate Jiujiang Company holds badminton competitions, actively participates in basketball competitions organized by the government, provides ways and channels for employees to exercise, and assists employees to train and strengthen their physique.



▼ Airmate Jiujiang Company holds billiards, chess and fishing competitions to enrich the spare-time life of employees and enliven their body and mind.



▼ In 2023, Airmate Jiujiang Company held the second labor skills competition to improve the enthusiasm and labor skills of employees, enrich their spiritual life and create a good corporate culture atmosphere, so as to achieve the goal of promoting production, safety, management and efficiency.



Protection of Maternal Health

To identify and assess the safety and health risks in the working environment of pregnant female employees and new mothers, and take appropriate measures to control the risks, so as to reduce and eliminate the risks. The Safety Committee is responsible for carrying out the post risk assessment of pregnant women and puerperants, and formulating targeted preventive and corrective measures to enable departments to understand the physical condition of pregnant women and puerperants. The Occupational Health Officer also supervises and inspects the implementation of the preventive and corrective measures and evaluates their effectiveness. In addition, the Human Resources Department inspects and supervises the posts of pregnant women and lying-in women in various departments, and puts forward improvement requirements for unqualified items.

In order to implement the maternal health protection plan, actively identify and assess the relevant safety and health risks, and identify the existing or potential risk factors in the production process, including dangerous equipment, dangerous substances and dangerous types of work. In addition, for pregnant female employees and new mothers who may be injured by dangerous factors, Airmate will carry out relevant safety training, improve their safety awareness and learn operation methods, provide appropriate personal protective equipment and add warning signs, and earnestly implement improvements to eliminate, reduce and limit potential hazards.

Shenzhen Company	Female employees who give birth to their first child after marriage enjoy a nutritional allowance of 500 yuan.
	Provisions on breast-feeding time: female employees who are under one year old and need to breast-feed their children in person are entitled to breast-feeding time twice a day, and each time shall not exceed 30 minutes. Two times of breast-feeding time can be combined. Breastfeeding time is considered as working time. For multiple births, the breast-feeding time shall be increased by 30 minutes for each additional breast-feeding baby.
	Maternity leave and paternity leave: For couples who have children in accordance with laws and regulations, the woman is entitled to 178 days of maternity leave; Maternity leave can be increased by 30 days in case of dystocia (such as caesarean section and III degree perineal rupture); maternity leave can be increased by 15 days in case of multiple births. The man is entitled to 15 days paternity leave.
Jiujiang Company	Female employees are entitled to a nutritional allowance of 500 yuan for their first child.
	Provisions on breast-feeding time: female employees who are under one year old and need to breast-feed their children in person are entitled to breast-feeding time twice a day (in accordance with the birth order of family planning), and the time shall not exceed 30 minutes each time. Two times of breast-feeding time can be combined. Breastfeeding time is considered as working time. For multiple births, the breast-feeding time shall be increased by 30 minutes for each additional breast-feeding baby. (Breastfeeding time must be fixed every day).
	Maternity leave and paternity leave: For couples who give birth to a child in accordance with laws and regulations, the woman shall be entitled to 188 days of maternity leave; for those who have dystocia or have caesarean section, the maternity leave shall be increased by 15 days; In case of multiple births, the maternity leave shall be increased by 15 days for each additional birth. The man is entitled to 30 days of paternity leave.

Infant care policy

The company advocates gender equality in SDGs Goal 5 and supports the rights of employees to raise the next generation. Employees of Airmate Jiujiang Company shall be granted 10 days of parental leave per year to both husband and wife during the period when their children are under three years old. If a couple has more than one child under the age of three, the parental leave shall not be increased by the cumulative number of children, and the parental leave of 10 days for each of the couple shall still be implemented.


In order to safeguard the right of employees to rest and leave and promote the long-term balanced development of the population and social progress, Airmate Shenzhen Company, in accordance with the Health and Health Commission of the Guangdong Provincial Department of Human Resources and Social Security: If there are two or more children under the age of three at the same time, the parental leave will not be superimposed, and the parents will enjoy 10 days of parental leave each year.

Social Care and Mutual Benefit

Airmate actively participates in community care activities, beginning with our employees and the local community. In addition to organizing annual summer classes for the children of Airmate's employees who remain in the area to alleviate their childcare burden, we also continue to donate to families with underprivileged children. These efforts promote social engagement and contribute to building a society of shared prosperity.

▼ Airmate's management status regarding the material topic Social Participation in 2023

Material Topic	Social participation
Impact assessment	Frontal impact: <ul style="list-style-type: none"> Fulfill corporate social responsibility, give back to society, care for the disadvantaged,

	<p>promote local economic and community development, and increase corporate influence</p> <p>Negative impact:</p> <ul style="list-style-type: none"> Enterprises are indifferent and do not maintain good interaction with local communities, resulting in rigid relations with local communities.
Corresponding GRI indicator	GRI 203-1 Development and Impacts of Infrastructure Investment and Support Services
Relevant SDGs	
Policies or Commitments	Airmate actively assumes social responsibility, continues to cooperate with various public welfare organizations, makes good use of corporate capabilities to exert influence, and is committed to improving education and regional health and well-being.
Indicators and Objectives	<p>Short-term goals:</p> <ul style="list-style-type: none"> Every year, a summer school for small migratory birds is held to help left-behind children, and donations are continuously made to help families of poor children. <p>Medium-term objectives:</p> <ul style="list-style-type: none"> Continuously improve the diversity of summer courses and reduce the difference between urban and rural learning resources for left-behind children. <p>Long-term goals:</p> <ul style="list-style-type: none"> We will continue to invest manpower and resources in social participation, exert influence through cooperation with public welfare organizations, and give back to the local community.
Effectiveness tracking mechanism	Through the inventory of enterprise resources, plan the input of manpower and resources every year, and evaluate the impact of output on effectiveness.
Annual Actions and Achievements	<ul style="list-style-type: none"> Every year, the summer school "Deep Ai Little Migratory Bird Station" is held regularly, which has been held to the 15th session in 2023, with more than 110 children of Airmate employees participating, aiming to reduce the burden of taking care of their children during the summer vacation. In the summer class of 2023, there were 10 university student volunteers from Airmate employees' children, 5 of whom were little migratory birds who had participated in the summer class. Since 2017, it has continued to donate to poor children's families every year, and donated NT 175,600 yuan to social welfare organizations in 2023. In 2023, employees volunteered to organize garbage sorting service volunteer teams and green travel mountain forest garbage cleaning service teams to contribute to environmental protection.

The guide of children's growth, the guardian of children's rights and interests and the dreamer of children's future

Deep "Moxa" Little Migratory Bird Station

Led by Airmate Trade Union and supported by Shiyan Street Trade Union, the one-stop trusteeship education service, Shenzhen "Ai" Little Migratory Bird Station, has gone through the 14th year since its opening in 2009, from simply teaching martial arts by security personnel at the beginning, and has continuously innovated and improved in terms of service scale, service content and management system. It has formed a comprehensive mode of "art specialty training + homework counseling + moral education + unified meals + parent-child service + social work case counseling". Summer classes are held from 8:00 a.m. to 5:00 p.m., covering not only ancient literature appreciation, English, human geography and other solid subjects, but also board games, animation, table tennis, painting and other soft courses. The service scope is extended to the entire Huangfengling Industrial Zone in Shiyan Street, reducing the burden of taking care of the children of migrant workers in the park.

It is worth mentioning that some teachers come from the children of Airmate employees, and some teachers have attended summer classes in primary school. Now, in turn, they take care of the younger generation and give more care to the next generation to alleviate the "second left-behind" problem of left-behind children.

Airmate Jiujiang Company regularly holds summer vacation classes every year. In 2023, the summer vacation classes for employees' children have come to the 7th session. Through the activities of summer vacation classes, the problem of unattended children in summer vacation has been solved for employees, the burden of taking care of their children has been reduced, the family life of employees has been balanced with practical actions, the labor relations have been strengthened, and the care and warmth of the company have been felt.



▼ The Little Migratory Bird Station will be held for the children of employees, which will be carried out continuously to solve the problem that the children of workers have no management during the summer vacation.



Continuous Care and Donation: Airmate's Public Welfare Mission

Being enthusiastic about public welfare and giving back to the society is a fine tradition that Airmate has been adhering to for many years.

Since 2017, Airmate has continued to care for children in distress and their families, providing substantial assistance and warm care for children from poor families through donations to social welfare organizations. In 2003, Airmate helped establish the first Hope Primary School in Dagangshan Township, Qianshan Town, Fenyi County, Xinyu City, Jiangxi Province. In 2005, Mr. Shi Hongyao (Chuangdai), Chairman of Airmate, donated money to establish the second Airmate Hope Primary School in Pingfu Township, Shangyou County, Ganzhou, Jiangxi Province. He continued to donate money to help students with the strength of the enterprise and took the initiative to assume corporate social responsibility. In the past 20 years, Airmate's love relay has been handed down from generation to generation, with the love of donating money to help students and caring for students, to build the cornerstone of education and dream for the future for rural students in mountainous areas. A total of NT 175,600 yuan was donated in 2023.

Promoting Sustainable Development: The Power of Green Action

Airmate encourages employees to participate in social activities and support social friendliness and care through action. Volunteer to protect the environment, protect and maintain the ecological environment, and do our best for the society.

Garbage classification propaganda and volunteer service activities

In modern society, environmental protection has become everyone's unshirkable responsibility. Through the active participation of employees and volunteers, waste in daily life can be effectively classified and disposed of. These simple efforts can not only promote the recycling of resources, but also turn waste into treasure. It can also gradually develop the living habit of waste reduction and classification to reduce environmental pollution.

These small changes are improving our living environment imperceptibly. Every employee's participation is contributing to the sharing of low-carbon environmental protection life.



Green travel and environmental protection volunteer activities

The volunteer service team composed of employees carries out green travel and environmental protection volunteer activities. The team worked together to clean up the garbage in the mountains and forests and maintain the cleanliness of the natural environment, which not only raised the staff's awareness of environmental protection, but also promoted teamwork and contributed an important force to the sustainable development of the environment.



Hiking activities along the seaside plank road

In the spring season, Airmate organized a hiking activity along the seaside plank road. Everyone walked along the seaside plank road, facing the sea, enjoying the beautiful scenery of nature and fresh air. This activity not only relaxes employees, but also enhances the friendship between colleagues, demonstrates the spirit of teamwork, and promotes the physical and mental health of employees and team cohesion.



Appendix

- GRI Criteria Index Table

GRI Standards Index Table

General Disclosures

GRI code	Disclose the project	Corresponding chapter	Page number
GRI 1: Airmate reports in accordance with GRI 2021 for the period from January 1, 2023 to December 31, 2023.			
GRI 2: General Disclosure 2021			
GRI 2-1	Organization details	About Airmate	P.16
GRI 2-2	Entities Included in Organization's Sustainability Reporting	About the Report	P.05
GRI 2-3	Reporting Period, Frequency, and Contact Person	About the Report	P.05
GRI 2-4	Restatements of Information	About the Report	P.05
GRI 2-5	External Assurance	About the Report	P.05
GRI 2-6	Activities, Value Chain, and Other Business Relationships	About Airmate Chapter 3 Sustainable Value Chain	P.16 P.46
GRI 2-7	Employees	Plenty of Diverse Employment Opportunities	P.74
GRI 2-8	Workers who are not employees	Plenty of Diverse Employment Opportunities	P.74
GRI 2-9	Governance structure and composition	Board Functions Functional Committees	P.30 P.37
GRI 2-10	Nomination and selection of the highest governing body	Board Nomination and Selection	P.32
GRI 2-11	Chair of the highest governance body	Conflict of interest	P.32
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	Functional Committees	P.37
GRI 2-13	Delegation of responsibility for managing impacts	Risk management	P.43
GRI 2-14	Role of the highest governance body in sustainability reporting	About the Report	P.05
GRI 2-15	Conflicts of interest	Conflict of interest	P.32
GRI 2-16	Communication of critical concerns	Board Functions	P.30
GRI 2-17	Collective knowledge of the highest governance body	Board Education	P.34
GRI 2-18	Evaluation of the performance of the highest governance body	Board Performance Evaluation	P.35
GRI 2-19	Remuneration policies	Compensation Policy for Directors and Executives Functional Committees	P.36 P.37
GRI 2-20	Process to determine remuneration	Compensation Policy for Directors and Executives Functional Committees	P.36 P.37
GRI 2-21	Annual total compensation ratio	Reason for Omission: Confidentiality restrictions The annual total compensation ratio is confidential and should not be disclosed.	
GRI 2-22	Statement on sustainable development strategy	Chairman Message Sustainability Strategy and Vision	P.02 P.14
GRI 2-23	Policy commitments	Chairman Message Sustainability Strategy and Vision	P.02 P.14
GRI 2-24	Embedding policy commitments	Sustainability Strategy and Vision Employee Rights and Benefits	P.14 P.77
GRI 2-25	Processes to remediate negative impacts	Complaints and Suggestions Channel	P.41
GRI 2-26	Mechanisms for seeking advice and raising concerns	Complaints and Suggestions Channel	P.41
GRI 2-27	Regulatory Compliance	Regulatory Compliance (No violation in the reporting year)	P.40
GRI 2-28	Membership associations	External Engagement	P.25
GRI 2-29	Approach to stakeholder engagement	Stakeholder Engagement	P.08
GRI 2-30	Collective bargaining agreements	Employee Rights and Benefits (100% of total workforce covered by	P.77

		works agreement)	
--	--	------------------	--

Material Topics Disclosures

GRI code	Disclose the project	Corresponding chapter	Page number
GRI 3: Material Topic 2021			
GRI 3-1	Process to determine material topics	Sustainability Management	P.07
GRI 3-2	List of material topics	Material topic identification and ranking	P.11
GRI 3-3	Management of material topics	Material topic identification and ranking	P.11

Corporate Governance

GRI code	Disclose the project	Corresponding chapter	Page number
GRI 3-3	Management of material topics	Chapter 2 Corporate Governance	P.27
GRI 205: Anti-Corruption 2016			
GRI 205-1	Operations assessed for risks related to corruption	Ethics Management	P.39
GRI 205-3	Confirmed incidents of corruption and actions taken	Ethics Management (There is no relevant event in the reporting year)	P.39
GRI 206: Anticompetitive Conduct 2016			
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Regulatory Compliance (There is no relevant event in the reporting year)	P.40

Product Quality

GRI code	Disclose the project	Corresponding chapter	Page number
GRI 3-3	Management of material topics	Product liability	P.53
GRI 416: Customer Health and Safety 2016			
GRI 416-1	Assessment of the health and safety impacts of product and service categories	Quality Management	P.57
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Quality Management (There is no relevant event in the reporting year)	P.57
GRI 417: Marketing & Signage 2016			
GRI 417-1	Requirements for product and service information and labeling	Quality Management	P.57
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	Quality Management (There is no relevant event in the reporting year)	P.57

Business Performance

GRI code	Disclose the project	Corresponding chapter	Page number
GRI 3-3	Management of material topics	Economic Performance	P.21
GRI 201: Economic Performance 2016			
GRI 201-1	Direct economic value generated and distributed by the organization	Economic Performance	P.21
GRI 201-3	Define benefit plan obligations and other retirement plans	Comprehensive Benefits Package	P.80
GRI 201-4	Financial assistance from the Government	Economic Performance	P.21

Talent Development

GRI code	Disclose the project	Corresponding chapter	Page number
GRI 3-3	Management of material topics	Employee Career Development	P.82
GRI 404: Training and Education 2016			
GRI 404-3	Percent of employees regularly reviewed for performance and career development	Employee Career Development	P.82

Environmental protection

GRI code	Disclose the project	Corresponding chapter	Page number
GRI 3-3	Management of material topics	Chapter 4 Environmental Protection	P.59
GRI 302: Energy 2016			
GRI 302-1	Energy consumption within the organization	Energy Management	P.67
GRI 302-3	Energy intensity	Energy Management	P.67
GRI 303: Water and Effluent 2018			
GRI 303-1	Interaction of Shared Water Resources	Water Stewardship	P.70
GRI 303-2	Management of water discharge-related impacts	Water Stewardship	P.70
GRI 303-3	Water intake	Water Stewardship	P.70
GRI 303-4	Displacement	Water Stewardship	P.70
GRI 303-5	Water consumption	Water Stewardship	P.70
GRI 305: Emissions 2016			
GRI 305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas Emission and Air Pollution Control	P.68
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emission and Air Pollution Control	P.68
GRI 305-4	Greenhouse gas emission intensity	Greenhouse Gas Emission and Air Pollution Control	P.68
GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant gaseous emissions	Greenhouse Gas Emission and Air Pollution Control	P.68
GRI 306: Waste 2020			
GRI 306-1	The generation of waste is significantly associated with waste impact.	Waste Management	P.71
GRI 306-2	Management of Significant Impacts Related to Waste	Waste Management	P.71

Social Participation

GRI code	Disclose the project	Corresponding chapter	Page number
GRI 3-3	Management of material topics	Social Care and Mutual Benefit	P.103
GRI 203: Indirect Economic Shocks 2016			
GRI 203-1	Infrastructure Investments and Services Supported	Social Care and Mutual Benefit	P.103

Supplier Management

GRI code	Disclose the project	Corresponding chapter	Page number
GRI 3-3	Management of material topics	Chapter 3 Sustainable Value Chain	P.46
GRI 204: Procurement Practice 2016			
GRI 204-1	Proportion of procurement expenditure from local suppliers	Chapter 3 Sustainable Value Chain	P.47
GRI 308: Supplier Environmental Assessment 2016			
GRI 308-1	Screening of new suppliers using environmental criteria	Supplier Management Policy	P.50
GRI 414: Supplier Social Assessment 2016			
GRI 414-1	New suppliers screened using social criteria	Supplier Management Policy	P.50

Occupational Safety, Hygiene and Health

GRI code	Disclose the project	Corresponding chapter	Page number
GRI 3-3	Management of material topics	Occupational Safety and Health Committee	P.90
GRI 403: Occupational Safety and Health 2018			
GRI 403-1	Occupational health and safety management system	Occupational Safety and Health Committee	P.90
GRI 403-2	Hazard identification, risk assessment and accident investigation	Occupational Safety Hazard Risk Control	P.92
GRI 403-3	Occupational Health Service	Workplace health services	P.97
GRI 403-4	Worker participation, consultation and communication on occupational safety and health	Occupational Safety and Health Committee	P.90
GRI 403-5	Worker training on occupational health and safety	Occupational Safety and Health Committee	P.90
GRI 403-6	Promotion of worker health	Workplace health services	P.97
GRI 403-7	Prevent and mitigate the impact of occupational safety and health directly related to the business relationship	Occupational Safety Hazard Risk Control	P.92
GRI 403-8	Workers covered by the Occupational Safety and Health Management System	Occupational Safety and Health Committee	P.90
GRI 403-9	Occupational injury	Statistics and Analysis of Occupational Injury Accidents	P.95
GRI 403-10	Occupational disease	Workplace health services	P.97