

» **WE CONTRIBUTE BICYCLE PARTS WHOLEHEARTEDLY WITH PRIDE TO SOCIETY.** «

At SR SUNTOUR, we understand that bicycles are more than just a means of transportation – they represent a commitment to both personal health and environmental sustainability. We are dedicated to advancing the cycling lifestyle by ensuring that our products not only provide exceptional comfort and enjoyment but also contribute positively to the planet. Our mission encompasses a holistic approach to sustainability and ethical practices. We strive to minimize the carbon footprint of our materials and manufacturing processes, aiming for the highest standards in reducing greenhouse gas emissions. Our dedication to technological innovation and stringent quality

control ensures that every component we produce meets rigorous standards of performance and environmental responsibility. Beyond product excellence, SR SUNTOUR is deeply committed to ethical practices and transparency in our governance. We prioritize the well-being of our employees, fostering a supportive and inclusive work environment. By integrating these values into every aspect of our operations, we are building a future where cycling is both a personal and collective benefit. Here is our ESG report for year 2024.

ENVIRONMENTAL

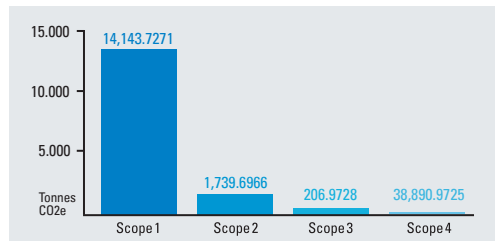
A PROGRESSIVE APPROACH TO CARBON EMISSIONS REDUCTION

In today's climate-conscious world, businesses are increasingly prioritizing Environmental, Social, and Governance (ESG) criteria to mitigate their environmental impact and contribute positively to sustainability goals. This article explores how our company is addressing environmental challenges, particularly focusing on carbon emissions reduction and sustainable practices.

CARBON EMISSIONS OVERVIEW

Our commitment to transparency starts with acquiring ISO 14064 certification which shows us a comprehensive overview of our Green House Gas (GHG) emissions starting from fiscal year 2023 which covers, mainly, the following categories:

- Scope 1: Direct GHG emissions from owned or controlled sources. For our operations, this amounts to 14,143.7271 tonnes CO2e.
- Scope 2: Indirect GHG emissions from the generation of purchased electricity consumed by the company, totaling : 1,739.6966 tonnes CO2e.
- Scope 3: Indirect GHG emissions from activities outside of our direct control but related to our business activities, accounting 206.9728 tonnes CO2e.
- Scope 4: Other indirect GHG emissions, which include upstream and downstream emissions not included in Scope 3: 38,890.9725 tonnes CO2e.



* DIAGRAM OF OUR GREENHOUSE GAS (GHG) EMISSIONS (FISCAL YEAR 2023)

REDUCTION TARGET AND STRATEGY

To combat climate change and reduce our carbon footprint, we have set an ambitious target of reducing our emissions by 3-6% annually. This commitment aligns with international climate goals and underscores our dedication to environmental stewardship. One of our ambitious goals is to meet Science Based Targets initiatives (Sbti) by reducing our carbon emissions around 30% by 2030 and ensure that our raw material suppliers strictly meets our this goal as well.

CERTIFICATIONS AND STANDARDS

Additionally, ISO 14001 certification ensures that our environmental management system meets rigorous standards for continuous improvement.

REDUCTION INITIATIVES AND SUSTAINABLE PRACTICES

Implementing sustainable practices is core to achieving our emission reduction goals:

- Energy Efficiency: We have prioritized energy-efficient measures such as using LED lights, purchasing renewable energy, and optimizing the efficiency of our operations.
- Solar Panel Installation: Plans are underway to install solar panels to further reduce our reliance on non-renewable energy sources.
- Internal Recycling: Recycling alloy scraps, particularly aluminum and magnesium, significantly reduces emissions associated with primary production.
- Technology Upgrades: Replacing hot with cold die-casting machines and adjusting heat treatment furnaces reduce energy consumption and emissions.
- Equipment Upgrades: Regularly replacing water-cooled chillers and air compressors with energy efficient models contributes to overall energy reduction.
- Waste Management: Rigorous industrial wastewater management and air pollution control measures ensure compliance with local regulations and reduce environmental impact.

- Plastic Reduction: We are committed to using recyclable plastic pallets and aim to achieve zero percent plastic in packaging to minimize environmental harm.

In addition to SR SUNTOUR internal practices, we ask our Aluminum Suppliers to put importance on sustainability practices. We believe that it is particularly evident in industries like aluminum manufacturing, where environmental impact and responsible sourcing are critical considerations.

1. UTILIZATION OF SOLAR AND PHOTOVOLTAIC POWER

One of the foremost commitments of sustainable aluminum suppliers is the integration of renewable energy sources into their production processes. Suppliers in this sector have made significant strides by incorporating solar and photovoltaic power, accounting for approximately 50% of their energy consumption. This shift reduces reliance on fossil fuels, mitigates greenhouse gas emissions, and supports the transition to a low-carbon economy.

2. RESPONSIBLE ALUMINUM SOURCING

Aluminum suppliers play a pivotal role in ensuring responsible sourcing practices. Key suppliers procure aluminum scraps primarily from regions known for robust regulatory frameworks and environmental standards. These include the USA, China, EU, Middle East, and Malaysia. By sourcing locally and adhering to stringent sustainability criteria, suppliers minimize transportation-related emissions and support local economies. We ask our Aluminum suppliers to always seek post consumer as recyclable materials as this has a lower carbon emission content.

3. CERTIFICATIONS UPHOLDING STANDARDS

To validate their commitment to sustainability, aluminum suppliers maintain multiple certifications that uphold international standards. These certifications include ISO9001 for quality management, ISO 14001 for environmental management, ISO 14064 for greenhouse gas accounting, and SGS ROHS for restricting hazardous substances. These certifications underscore a commitment to operational excellence, environmental stewardship, and compliance with global regulations.

4. CARBON FOOTPRINT MANAGEMENT

Managing carbon emissions is a cornerstone of sustainability efforts within the aluminum supply chain. Suppliers diligently track and manage their carbon footprints, with emissions ranging from 1.14 to 16.76 kg CO2e per unit of production. It's noteworthy that SR Suntour, a prominent player in the industry, achieves significantly lower emissions due to internal aluminum recycling initiatives. This proactive approach not only reduces environmental impact but also enhances resource efficiency and operational resilience.

CONCLUSION

In conclusion, our company is dedicated to advancing environmental sustainability through proactive measures aimed at reducing carbon emissions and promoting responsible resource management. By adhering to stringent standards, implementing innovative technologies, and fostering a culture of environmental stewardship, we strive not only to meet regulatory requirements but also to lead by example in sustainable business practices. Our journey towards carbon neutrality and environmental excellence is a testament to our commitment to building a resilient and sustainable future for generations to come.

In addition to SR SUNTOUR sustainable practices, the aluminum supply chain reflects a broader commitment to ESG principles. By leveraging solar and photovoltaic power, responsibly sourcing aluminum scraps, obtaining rigorous certifications, and managing carbon footprints, suppliers are setting benchmarks for industry sustainability. These efforts not only mitigate environmental risks but also foster transparency, resilience, and long-term value creation. As businesses and consumers alike prioritize sustainability, the aluminum sector's embrace of ESG principles serves as a beacon of progress towards a greener future. Through collaboration, innovation, and continuous improvement, stakeholders can collectively drive positive change and ensure a harmonious balance between industrial growth and environmental stewardship.

SOCIAL

UPHOLDING SOCIAL RESPONSIBILITY: A COMMITMENT TO ETHICAL PRACTICES AND EMPLOYEE WELL BEING

In today's globalized economy, companies are increasingly recognized not just for their financial performance, but also for their commitment to Environmental, Social, and Governance (ESG) principles.

Among these, the "S" in ESG – Social Responsibility – stands out as a cornerstone of ethical corporate conduct. This article explores how our company adheres to and exemplifies these crucial social responsibilities.

HUMAN RIGHTS AND LABOR STANDARDS

At the heart of our commitment is the unequivocal stance against any form of modern slavery and related practices. We strictly prohibit human trafficking, forced labor, debt bondage, and any form of workplace oppression or inadequate control. Employees are never compelled to work through force, threat, or intimidation of any kind. Our employment practices adhere to local minimum age requirements, ensuring that no underage labor is employed.

EMPLOYEE SAFETY AND HEALTH

Ensuring the safety and well-being of our employees is paramount. Regular safety training and health seminars are conducted to equip our workforce with necessary skills and knowledge. Each month, a registered doctor and nurse perform medical surveillance to monitor the health status of our employees. To reduce exhaustion, forklifts are provided to limit physical strain in assembly line tasks.

FAIR TREATMENT AND INCLUSIVITY

For foreign workers, fair wages and benefits are provided, along with training and health seminars conducted in their language to facilitate understanding and integration. Our company maintains a zero-tolerance policy against racial discrimination, ensuring a workplace that values diversity and inclusivity.

SUPPORT FOR PARENTAL NEEDS

Recognizing the importance of work-life balance, female employees who "just gave birth" are provided with a private breastfeeding room within the company premises, demonstrating our commitment to supporting parental needs and promoting maternal health.

EMPLOYEE RIGHTS AND EMPOWERMENT

We uphold the rights of freedom of association and collective bargaining, enabling our employees to voice

their concerns and negotiate collectively. Our adherence to local labor laws ensures that regular working hours are respected, and any overtime work is compensated accordingly.

INTEGRATION AND TOLERANCE

» FOR FOREIGN WORKERS, FAIR WAGES AND BENEFITS ARE PROVIDED, ALONG WITH TRAINING AND HEALTH SEMINARS CONDUCTED IN THEIR LANGUAGE TO FACILITATE UNDERSTANDING AND INTEGRATION. «

TRANSPARENCY AND ACCOUNTABILITY

A grievance mechanism is in place, allowing employees to lodge complaints confidentially and ensuring timely resolution of issues. We maintain a strict policy against corruption, both within and outside our company premises, to uphold ethical standards and build trust with stakeholders.

CERTIFICATIONS AND STANDARDS

As part of our commitment to employee well-being and safety, our company holds ISO 45001 certification, demonstrating compliance with international standards for occupational health and safety management systems.

CONCLUSION

In conclusion, our company stands firmly committed to upholding social responsibility through ethical practices and policies that prioritize the well-being, safety, and rights of our employees. By adhering to stringent standards and fostering an inclusive and supportive workplace environment, we not only meet regulatory requirements but also contribute positively to the communities where we operate. As we continue to evolve and grow, our dedication to ESG principles remains unwavering, ensuring that we contribute to a sustainable and equitable future for all stakeholders.



LOCATION: AUSTRIA, VIENNA PHOTO: HOSHI YOSHIDA

GOVERNANCE

ENHANCING CORPORATE GOVERNANCE THROUGH ESG PRINCIPLES

Corporate governance plays a pivotal role in shaping the operational transparency and ethical standards of modern businesses. Embedded within the broader framework of Environmental, Social, and Governance (ESG) principles, effective governance ensures that companies operate responsibly, manage risks prudently, and uphold the interests of stakeholders. In this article, we delve into how specific aspects of governance, particularly focused on diversity and independence of the Board of Directors, disclosure practices via regulatory platforms, shareholder engagement through annual reporting, and fostering employee feedback via suggestion boxes, contribute to a robust ESG strategy.

DIVERSITY AND INDEPENDENCE OF THE BOARD OF DIRECTORS

A cornerstone of strong governance is the composition of the Board of Directors. Diversity in board membership, encompassing varied backgrounds, expertise, and perspectives, enhances decision-making processes and reflects a commitment to inclusivity. Boards composed of individuals with diverse skills and experiences are better equipped to navigate complex challenges, innovate effectively, and foster a culture of accountability. Moreover, ensuring the independence of board members from management promotes objective decision-making and mitigates conflicts of interest. Independent directors provide oversight and scrutiny, safeguarding shareholder interests and upholding governance standards.

DISCLOSURE OF IMPORTANT INFORMATION VIA REGULATORY CHANNELS

Transparency is fundamental to fostering trust among stakeholders. Companies commit to disclosing material information promptly and accurately through designated regulatory channels, such as the Market Observation Post System (MOPS):

<https://mops.twse.com.tw/mops/web/index> (SR SUNTOUR company code:8350). This ensures that investors and the public have timely access to critical updates on financial performance, strategic initiatives, and other pertinent developments that may impact business operations or stakeholder interests. By adhering to rigorous disclosure requirements, companies bolster transparency, mitigate information asymmetry, and demonstrate their commitment to accountability and investor protection.

SHAREHOLDER ANNUAL REPORT

The shareholder annual report serves as a comprehensive communication tool, offering stakeholders insights into the company's financial health, performance metrics, strategic objectives, and governance practices. Beyond financial disclosures, modern annual reports increasingly integrate ESG metrics, reflecting the company's commitment to sustainable practices, social responsibility, and long-term value creation.

These reports facilitate informed decision-making among shareholders, provide transparency on governance practices, and underscore the company's alignment with ESG principles and stakeholder expectations.

SUGGESTION / GRIEVANCE BOX OPEN TO ALL EMPLOYEES

Employee engagement is vital to fostering a culture of inclusion and innovation within organizations. Open suggestion boxes provide a platform for employees at all levels to contribute ideas, raise concerns, and offer feedback on organizational practices, policies, and workplace culture. This inclusivity promotes a sense of ownership and empowerment among employees, driving continuous improvement initiatives and enhancing overall organizational effectiveness. Moreover, soliciting and acting upon employee feedback demonstrates a commitment to valuing diverse perspectives, cultivating a supportive work environment, and aligning corporate governance with broader ESG objectives.

CONCLUSION

In conclusion, effective governance practices rooted in ESG principles are instrumental in enhancing organizational resilience, stakeholder trust, and long-term sustainability. By prioritizing diversity and independence on the board, maintaining robust disclosure practices,

engaging shareholders through transparent reporting, and fostering employee participation via suggestion boxes, companies not only mitigate risks and enhance decision-making but also cultivate a corporate culture that values ethics, accountability, and social responsibility. Embracing these principles not only strengthens corporate governance frameworks but also positions companies to thrive in an increasingly complex and interconnected global landscape. By integrating these elements, companies can reinforce their commitment to responsible stewardship, driving positive impacts across communities, economies, and the environment.

EMPOWERMENT

» OPEN SUGGESTION BOXES PROVIDE A PLATFORM FOR EMPLOYEES AT ALL LEVELS TO CONTRIBUTE IDEAS, RAISE CONCERNS, AND OFFER FEEDBACK ON ORGANIZATIONAL PRACTICES... «

	YEAR 2023	UP TO AUGUST 2024
Total Directors	8	9
Outside Directors	2	2
Female Directors	1	1
Foreign Directors	3	3
Number of Meetings	6	4

* TABLE DIVERSITY OF SR SUNTOUR BOARD OF DIRECTORS



LOCATION FACTORY, VIETNAM | PHOTO: HOSH YOSHIDA